

Comprehensive Annual Financial Report City of Akron, Ohio



Donald L. Plusquellic, Mayor

For the Fiscal Year Ended December 31, 2012



City of Akron, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



For the Fiscal Year Ended December 31, 2012
Donald L. Plusquellic, Mayor

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

Introductory Section



ELECTED AND APPOINTED OFFICIALS

MAYOR

Donald L. Plusquellic

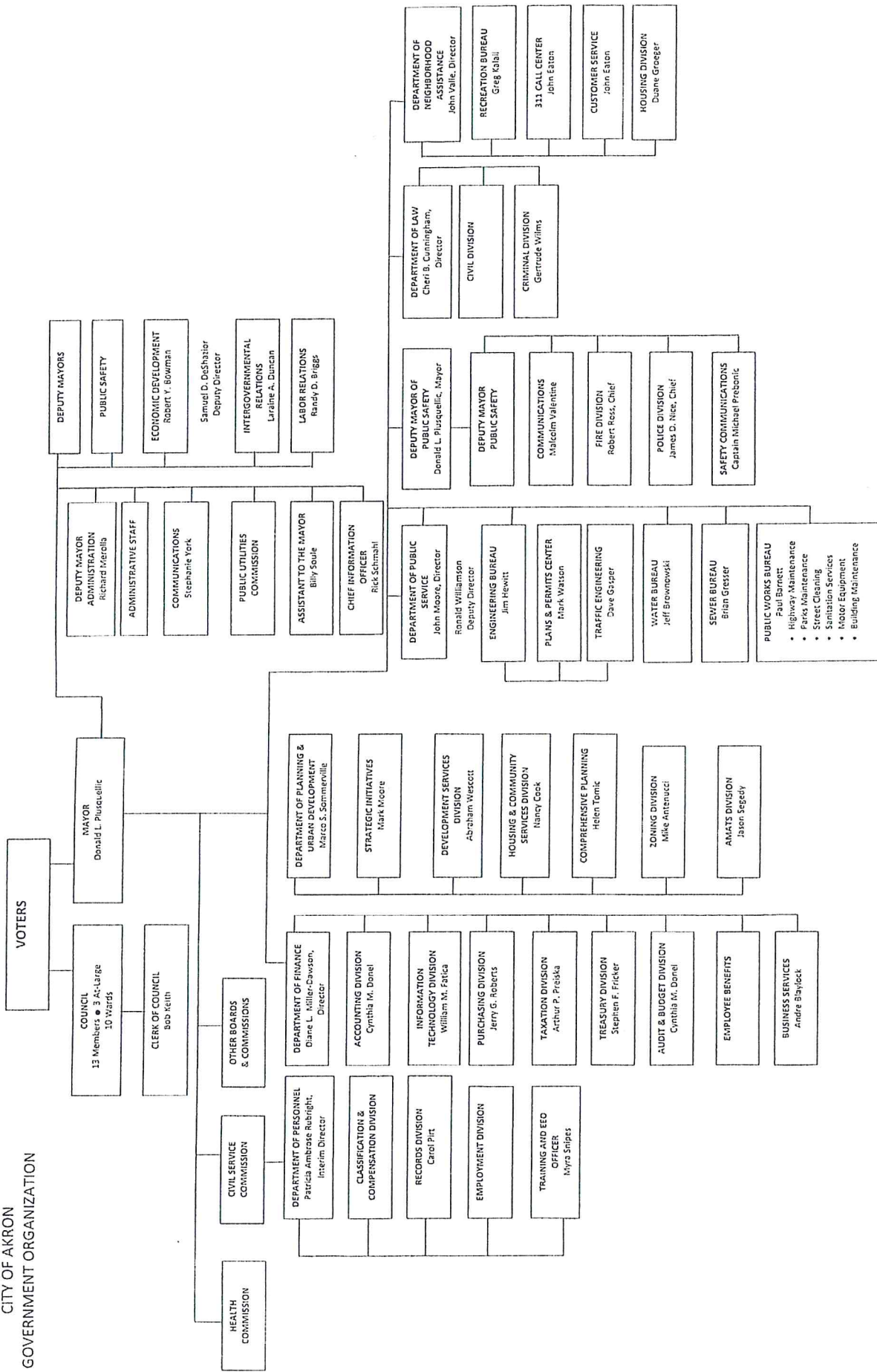
COUNCIL MEMBERS

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

CABINET OF THE MAYOR

Diane L. Miller-Dawson	Director of Finance
Cheri B. Cunningham	Director of Law
John O. Moore	Director of Public Service
John W. Valle	Director of Neighborhood Assistance
Ronald L. Williamson	Deputy Director of Public Service
Marco S. Sommerville	Director of Planning and Urban Development
Samuel D. DeShazor	Deputy Director of Planning and Urban Development
Richard A. Merolla	Deputy Mayor of Administration
Laraine A. Duncan	Deputy Mayor of Intergovernmental Relations
Robert Y. Bowman	Deputy Mayor of Economic Development
Billy Soule	Assistant to the Mayor for Community Relations
Richard A. Schmahl	Chief Information Officer
Randy D. Briggs	Deputy Mayor for Labor Relations
Stephanie York	Communications - Assistant Director of Law

May, 2013
CITY OF AKRON
GOVERNMENT ORGANIZATION



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



Tina A. Vick
Account Clerk III

Donald L. Plusquellic
Mayor

DEPARTMENT OF FINANCE

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

June 26, 2013

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, 2012. This report presents financial and operating information about the City's activities during 2012 that should be useful to citizens and taxpayers. The report, prepared by the Department of Finance, contains a comprehensive analysis of the City's financial position and activities for the year.

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

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

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to

complement the MD&A and should be read in conjunction with it. The City of Akron's MD&A can be found immediately following the Independent Auditor's Report.

As background for the reader of this report, the City of Akron is a charter city. The City is the fifth largest Ohio municipality in terms of population based on the 2010 Census population of 199,110. The City's land area is approximately 62 square miles and is located in the northeastern region of the state in the County of Summit.

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

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

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

Economic Conditions and Outlook

Major revenue sources for the City continue to be the City's income tax, property taxes, local fees, charges for services, and state-shared local government revenue. The City's cash income tax collections increased by approximately 4.6% in 2012. On a cash basis for 2012, property taxes in the general fund decreased by 13.3% and the state's local government revenue to the City decreased by approximately 30.0%. Income tax receipts from the 12 largest economic sectors in the City have increased by 3.36% since 2008 and, combined, account for over 80% of total tax collections. Receipts from the 12 fastest growing economic sectors have increased by 16.94%. No one sector makes up more than 20% of the total collected.

Despite economic concerns in 2012, the City of Akron remains in a stable financial state. Efforts to reduce expenses and operate more efficiently have allowed the City to function at a continuously high service level at lower costs. These efforts ensure the City will be in strong position for growth as the economy rebounds. The revenue collected from the four Joint Economic Development Districts (JEDDs) is an additional funding source to encourage and promote economic development and to secure a solid tax base.

Long-term Financial Policies

Unassigned fund balance in the general fund (3.8% of the general fund expenditures) is under the City's 5% threshold policy guidelines set by the Administration for budgetary and planning purposes. The Administration intends to review this policy in the near future to determine if this policy meets the City's current needs.

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

Relevant Financial Policies

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

Major Initiatives

Defining the major initiatives for the City of Akron can be summed up into three parts: creating and retaining jobs, neighborhood growth and security and alliance with other governmental entities.

In 2012, the Akron Global Business Accelerator was named the Number One Business Incubator in Ohio by Business Courier, a weekly business publication serving Greater Cincinnati. The Accelerator generated \$440,000 in income tax last year and created 140 new jobs. Since 2008, the Accelerator has increased the City's tax base by \$1.5M and has created 500 jobs. During the year, the City of Akron entered into a Memorandum of Understanding with Israel's national water company, Mekorot, to establish a US presence for its WaTech subsidiary companies. WaTech companies will have dedicated office space in the Accelerator to focus on innovations in water system security, treatment and distribution as well as waste water collection and energy expansion. Companies from Slovenia also gained a US base in Akron in 2012, as The Center of Excellence for Polymer Materials and Technologies (CE PoliMaT) based in Ljubljana, Slovenia opened headquarters in the Accelerator. Summit Data Communications was purchased by Laird, Plc. for \$22M and graduated from the Accelerator to offices in the Orangerie Plaza downtown.

While the Akron Global Business Accelerator was fostering new companies, established companies in the City were also strengthening. The Goodyear Tire and Rubber Company completed construction of its new World and North American Headquarters in December of 2012 on Innovation Way. The new seven-floor, 639,000 square foot building will be home to about 3,000 employees. Rochling Automotive, a company that moved to the Massillon Road Industrial Park in 2011, doubled its manufacturing capacity in 2012. Rochling has made plans to add 60 new jobs to the 120 originally planned in 2011. Involta, a data processing company, purchased the old Brown Graves site and completed construction of a new state of the art \$20M data facility. With assistance from the City, Involta is considering further expansion. Finally, Pinnacle Recycling is proceeding with plans to redevelop the former Sears department store in the Rolling Acres redevelopment area. Pinnacle has filled approximately ninety-nine percent of the 152,000 square foot facility while increasing employment from 18 to 45 employees.

The City of Akron also continued to focus on neighborhood growth and security. In 2012, the City created the Neighborhood Assistance Department. The new department was formed to perform duties including handling housing complaints, nuisance grievances and zoning issues as well as promoting recreational activities and community policing programs. The Department's 311 Call Center partnered with the Police Department to establish a customer service request line to enhance a new policing system called DIVRT (Digital Imaging Video Response Team). Citizens or companies utilizing surveillance cameras were encouraged to register their equipment with the City via the 311 Call Center. By doing so, the Police department was able to use social media to post videos and apprehend suspects in two separate incidents in May. The Akron Police Department, Philadelphia Police Department and FBI were featured on NBC Nightly News for their work with DIVRT.

The City continued its efforts to bring a grocery store to the Highland Square neighborhood in 2012. The City applied for and received a section 108 loan guarantee through the Community Development Block Grant program run by the U.S. Department of Housing and Urban Development. The funds will be used to help Mustard Seed Market build a new two-story store in the area.

The City allied with other governmental entities to create the Summit Lake Family Opportunity Center in 2012. Working in collaboration with the Akron Metropolitan Housing Authority and Akron Public Schools, construction was started on the structure adjacent to the existing recreation center in the Summit Lake area. A \$4M grant was awarded to AMHA from the U.S. Department of Housing & Urban Development to fund capital improvements and equipment to build the early childhood, adult learning and job training center. To secure the funding, the City provided a 99 year ground lease to AMHA for the land and Akron Public Schools agreed to operate two kindergarten classrooms at the facility.

In 2012, the City announced the development of Akron Bio Investments Funds LLC, a \$1.75M fund set up to attract international and domestic companies specializing in orthopedics, wound healing and cardiovascular science. Initial investments were made to the fund by Medical Mutual, First Energy, Cascade Capital and NEOMED. All companies receiving investment from the fund must commit to maintain an Akron headquarters or a material presence in the Biomedical Corridor. In its first year of operation, the fund awarded three Product Development Grants for \$250,000 each and one Rapid Commercialization Loan for \$250,000.

Major collaborations with other governmental policing forces yielded significant reductions in violent crimes in Akron last year. Over three days in May, the City worked with SWAT teams from the Summit County Sheriff's Office, FBI and Metro SWAT to arrest over 30 suspected criminals on charges related to possession of crack, heroin and marijuana. Officers also seized guns and cash during their operations. With the inclusion of Federal agencies in these arrests, the potential punishments these criminals face are harsher and will serve as a deterrent to future crime in the City.

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

Reporting Standards

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

Governmental funds:

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

Special Revenue Funds – The Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. City ordinances or federal or state statutes specify the uses and limitations of each Special Revenue Fund. During 2012, the City had 24 Special Revenue Funds.

Debt Service Funds – The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. During 2012, the City had 10 Debt Service Funds.

Capital Projects Funds – The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2012, the City had 6 Capital Projects Funds.

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

Proprietary funds:

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

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

Fiduciary funds:

Private Purpose Trust Funds – The Private Purpose Trust Funds are used to account for other trust arrangements which benefit individuals, private organizations, or other governments. During 2012, the City had three Private Purpose Trust Funds.

Agency Funds – The Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. During 2012, the City had three Agency Funds.

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

Basis of Accounting:

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

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

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

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

Cash Management

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

advantage of State of Ohio investment opportunities. However, the local investment policy continues to be conservative with the highest priority given to safeguarding assets. For 2012, investment interest income averaged a yield of 0.36% compared to a yield of 0.54% in 2011. The interest earnings are maximized by investing to projected payment dates on a competitive bid basis and by investing bank balances daily.

Risk Management

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

Pension

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

Independent Annual Audit

We appreciate the cooperation of State Auditor Dave Yost and his staff in completing the City's audit in a timely and highly professional manner.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Akron, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2011. 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 28 consecutive years (1984 through 2011). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The 2012 Comprehensive Annual Financial Report could not have been accomplished without the dedication of the professionals in the Audit and Budget Division of the Department of Finance. Special acknowledgment must go to the Audit and Budget staff for the many hours of quality service they have provided to the City in the formulation of this report. I further wish to thank you, Mayor, for continuing to provide to the department the necessary support and leadership required to enhance the City's overall fiscal position and its financial reporting practices. We trust that this timely, complete, and fully readable Comprehensive Annual Financial Report satisfies your needs and those of City Council for responsible financial planning and reporting.

Respectfully,

A handwritten signature in black ink, appearing to read "Diane L. Miller-Dawson". The signature is fluid and cursive, with the first name "Diane" being the most prominent.

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, 2011

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.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

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Financial Section



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Summit County, Ohio, (the City) as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Summit County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1N and 27 to the financial statements, during the year ended December 31, 2012, the City adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities* and the City adjusted various beginning fund balances and net position at January 1, 2012 for a change to an accounting practice and the implementation of Governmental Accounting Standard No. 65. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Dave Yost". The signature is fluid and cursive, with the first name "Dave" and last name "Yost" clearly distinguishable.

Dave Yost
Auditor of State

Columbus, Ohio

June 26, 2013

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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, 2012. Please read it in conjunction with the transmittal letter on page 7 and the City's financial statements, which begin on page 38.

FINANCIAL OVERVIEW

- The assets and deferred outflows of the City of Akron, Ohio exceeded its liabilities and deferred inflows at December 31, 2012 by \$759,799,017 (net position). Of this amount \$55,496,219 is restricted for debt service.
- The City's total net position increased by \$6,937,902 during the current year. Governmental activities' total net position decreased by \$1,893,634 and the business-type activities' total net position increased by \$8,831,536.
- As of the close of the current fiscal year, the City of Akron's governmental funds reported combined ending fund balances of \$113,910,807, a decrease from the prior year which is attributed to the expenditures associated with federally funded grant programs along with previously issued bonds.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,102,134 or 3.8% of total general fund expenditures.
- The City of Akron's total debt outstanding decreased by \$22,997,355 (3.08%) during the current year. During 2012, the City issued \$8,540,000 in General Obligation Bonds for various purpose improvements and Income Tax Revenue Bonds of \$162,385,000 for Community Learning Centers and \$28,870,000 for various purpose improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

The government-wide financial statements can be found on pages 38 – 39 of this report.

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

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

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

The City of Akron maintains 41 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Community Learning Centers (CLC) Fund, the Income Tax Capital Improvement Fund 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, special revenue funds, some debt service, enterprise and internal service funds. The General Fund, Community Learning Centers Fund, and Income Tax Capital Improvement Fund budgetary schedules (non-GAAP budgetary basis) have been provided as Required Supplementary Information (RSI) to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 40-43 of this report.

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

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

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

As of the end of the current fiscal year, the City's total governmental funds reported an ending fund balance of \$113,910,807 a decrease of \$5,994,079 in comparison with the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 3.8% of total General Fund expenditures, while total fund balance represents 4.9% of that same amount.

Proprietary Funds. The City of Akron maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Akron uses enterprise funds to account for its water, sewer, oil and gas, golf, airport, and off-street parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Akron's various functions. The City of Akron uses internal service funds to account for its vehicle maintenance, medical self-insurance, workers' compensation self-insurance, other self-insurance costs, storeroom (providing City-

wide copy center, mailing operation and central storeroom), information technology (responsible for all data processing and computer operations of the City), telephone system (with outside cable plant consisting of underground and aerial wires and telephone cables), and engineering bureau (responsible for design and construction for City streets, sidewalks, sewer and water utilities, bridges, and City facilities). Because most of the internal services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 44 – 46 of this report.

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

The basic fiduciary fund financial statements can be found on pages 47 – 48 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49-111 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information (RSI) concerning the City of Akron's General Fund, Community Learning Centers Fund and Income Tax Capital Improvement Fund budgetary comparison. Required Supplementary Information (RSI) can be found on pages 113-118 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, enterprise funds and internal service funds are presented immediately following the Required Supplementary Information (RSI) and can be found on pages 120-185 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Akron, assets exceeded liabilities by \$759,799,017 at the close of the most recent fiscal year.

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

An additional portion of the City of Akron's net position (7.3%) is restricted for the payment of debt service. The City's overall net position increased by \$6,937,902 during the current year; the net position of the governmental activities decreased by \$1,893,634 and business-type activities increased by \$8,831,536.

Summary Statement of Net Position as of December 31, 2011 and 2012 (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Assets:						
Current and other assets, as restated	\$ 360,614	\$ 344,445	\$ 32,385	\$ 37,688	\$ 392,999	\$ 382,133
Capital assets	973,493	985,652	477,482	492,335	1,450,975	1,477,987
Total assets	\$ 1,334,107	\$ 1,330,097	\$ 509,867	\$ 530,023	\$ 1,843,974	\$ 1,860,120
Deferred outflows	-	-	-	838	-	838
Total assets and deferred outflows	\$ 1,334,107	\$ 1,330,097	\$ 509,867	\$ 530,861	\$ 1,843,974	\$ 1,860,958
Liabilities:						
Long-term liabilities	732,217	707,542	96,741	103,008	828,958	810,550
Other liabilities	240,134	102,604	22,021	25,905	262,155	128,509
Total liabilities	\$ 972,351	\$ 810,146	\$ 118,762	\$ 128,913	\$ 1,091,113	\$ 939,059
Deferred inflows	-	160,089	-	2,011	-	162,100
Total liabilities and deferred inflows	\$ 972,351	\$ 970,235	\$ 118,762	\$ 130,924	\$ 1,091,113	\$ 1,101,159
Net position:						
Net investment in capital assets	336,791	342,182	382,353	381,737	719,144	723,919
Restricted	64,060	45,769	9,650	9,727	73,710	55,496
Unrestricted (deficit), as restated	(39,095)	(28,089)	(898)	8,473	(39,993)	(19,616)
Total net position	\$ 361,756	\$ 359,862	\$ 391,105	\$ 399,937	\$ 752,861	\$ 759,799

Governmental Activities. Changes in net position before transfers was a decrease in the amount of \$1,586,000.

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

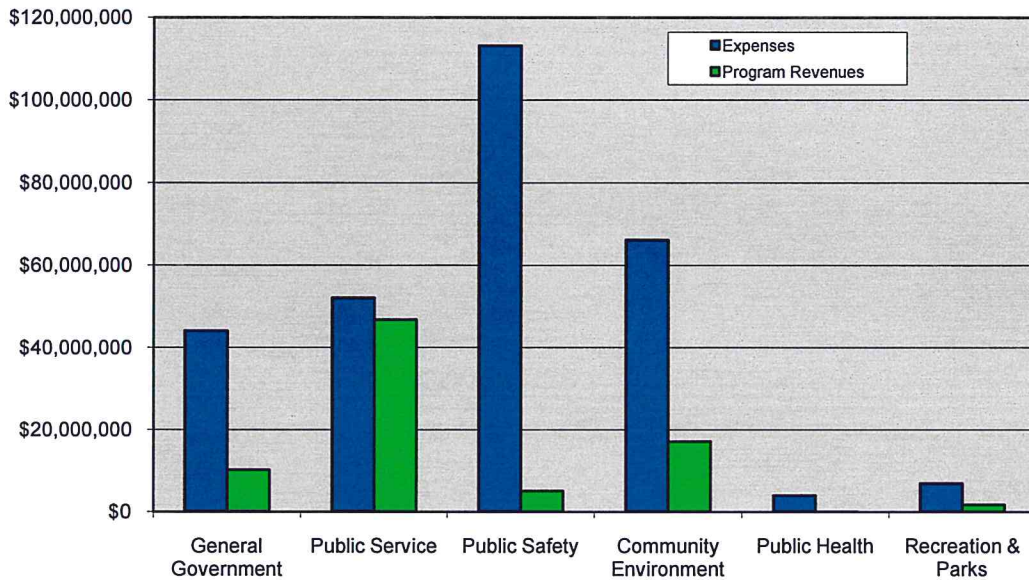
The following table shows total revenues for 2012 were \$335,764,000 which reflects a decrease from the prior year. Program revenue showed a decline as Charges for services and Capital grants and contributions decreased by \$6,023,000 and \$3,272,000, respectively. Expenses for 2012 were higher than 2011 by approximately \$24,809,000. Even as the City monitored spending, the expenditures for community environment show an increase relating to existing commitments and interest expense. Key events contributing to the changes are as follows:

- The increase in shared revenues is evidenced by the change in the state of the economy and is in conjunction with the Community Learning Center Projects.
- Unemployment shows a decrease to 7.6% which is a result of employees returning to the work force.
- The decrease in capital grants and contributions was basically offset by the increase in Operating grants and contributions.
- Miscellaneous revenues decrease is attributed to a single payment received in 2011 that was not an ongoing revenue stream.
- Significant efforts are still in place to keep expenditures in line with revenue.
- The notable increase in community environment expenditures is solely due to the Community Learning Center Projects that has significant long-term benefit to the community.

Changes in Net Position
For Fiscal Year Ended December 31, 2011 and 2012
(in thousands)

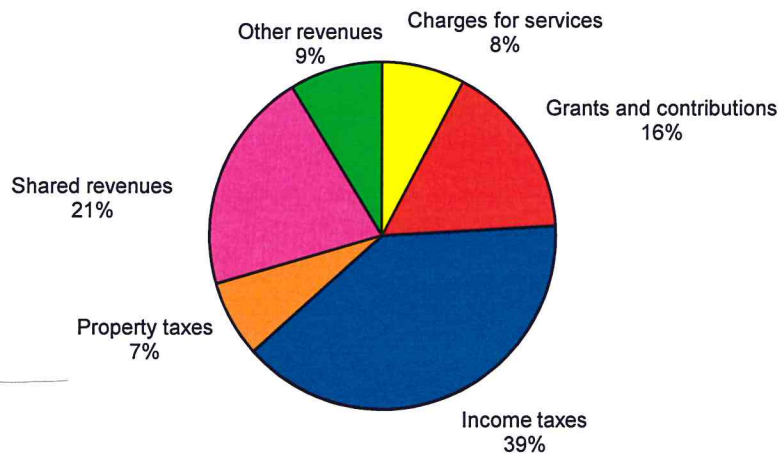
	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Revenues:						
Program revenues:						
Charges for services	\$ 35,903	\$ 25,741	\$ 90,298	\$ 94,363	\$ 126,201	\$ 120,104
Operating grants and contributions	17,302	19,658	-	-	17,302	19,658
Capital grants and contributions	38,779	35,507	4,416	7,786	43,195	43,293
General revenues:						
Income taxes	134,473	131,602	-	-	134,473	131,602
Property taxes	25,831	24,004	-	-	25,831	24,004
JEDD revenues	16,826	20,706	-	-	16,826	20,706
Investment earnings	644	439	1	1	645	440
Unrestricted shared revenues	51,162	69,710	-	-	51,162	69,710
Miscellaneous	28,418	8,337	1,351	2,438	29,769	10,775
Gain on sale of capital assets	96	60	-	-	96	60
Total revenues	\$ 349,434	\$ 335,764	\$ 96,066	\$ 104,588	\$ 445,500	\$ 440,352
Expenses:						
General government	\$ 48,718	\$ 44,074	\$ -	\$ -	\$ 48,718	\$ 44,074
Public service	50,269	52,045	-	-	50,269	52,045
Public safety	109,951	113,141	-	-	109,951	113,141
Community environment	56,713	66,174	-	-	56,713	66,174
Public health	3,517	3,983	-	-	3,517	3,983
Recreation and parks	5,801	6,907	-	-	5,801	6,907
Interest on debt	22,213	35,467	-	-	22,213	35,467
Unallocated depreciation	15,359	15,559	-	-	15,359	15,559
Water	-	-	35,228	28,051	35,228	28,051
Sewer	-	-	46,731	58,125	46,731	58,125
Oil & gas	-	-	250	279	250	279
Golf course	-	-	1,193	1,176	1,193	1,176
Airport	-	-	1,006	654	1,006	654
Off-street parking	-	-	7,356	7,780	7,356	7,780
Total expenses	312,541	337,350	91,764	96,065	404,305	433,415
Changes in net position before transfers	36,893	(1,586)	4,302	8,523	41,195	6,937
Transfers	(530)	(308)	530	308	-	-
Changes in net position	\$ 36,363	\$ (1,894)	\$ 4,832	\$ 8,831	\$ 41,195	\$ 6,937
Net position - beginning , as restated	332,833	361,756	386,274	391,106	719,107	752,862
Net position - ending	\$ 369,196	\$ 359,862	\$ 391,106	\$ 399,937	\$ 760,302	\$ 759,799

Expenses and Program Revenues - Governmental Activities



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

Revenues By Sources Governmental Activities



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

As of the end of the current fiscal year, the City of Akron's governmental funds reported a combined ending fund balance of \$113,910,807, a decrease in comparison to the prior year. The unassigned fund balance at the end of the current year is a deficit of \$22,346,158. The remainder of fund balance is distributed to indicate that it is not available for new spending because it has already been dedicated. The City's major governmental funds are the General Fund, the Community Learning Centers (CLC) Fund, the Income Tax Capital Improvement Fund, and the Special Assessment Bond Payment Fund.

The General Fund is the chief operating fund of the City of Akron. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,102,134, while the total fund balance is \$6,605,787. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 3.8% of total General Fund expenditures, while total fund balance represents 4.9% of that same amount.

The fund balance of the City of Akron's General Fund decreased by \$2,538,404 during the current fiscal year. Key factors in this change are as follows:

- Revenues as a whole decreased by \$6,958,776 from the prior year. The decrease is attributed to several sources of revenues.
- Charges for services decrease is due to the first year elimination of interfund activity.
- Property taxes decreased as a function of the economic condition.
- Shared revenues decrease is attributed to the reduction in Local Government funding mandated by the State of Ohio.
- Expenditures are under careful review not to exceed available resources is evidenced by expenditures remaining under revenue by \$4,791,300.
- The practice of transferring monies from the General Fund, \$7,329,704, to subsidize various operations and provide the local match for grants is a method used annually by the City to provide resources to these funds.

The Community Learning Centers Fund has a total fund balance of \$83,197,134. The net decrease in fund balance the Community Learning Centers Fund from the prior year was \$21,057,858 which is attributed to the payment of expenditures for debt service and project specific costs.

The Income Tax Capital Improvement Fund has a total fund balance of \$3,648,287. Expenditures exceeded revenue by \$4,201,138 in 2012 attributing to the decrease in the fund balance. The Fund is responsible for debt service payments and relies heavily on the collection of income taxes.

The Special Assessment Bond Payment Fund has a total fund balance of \$2,346,321. The Fund is utilized for the accumulation of resources for, and the payment of, special assessment debt principal and interest and related costs.

Other Governmental Funds have a combined fund balance of \$18,113,278. The increase in the combined fund balance was \$21,243,337. This majority of the change is attributed to projects within the capital project funds. The City has been diligent in addressing several special revenue funds and the capital project funds as reflected in the net change in fund balance in the following: City Facilities Operating Fund and the Streets Fund.

GENERAL FUND BUDGETARY OVERVIEW

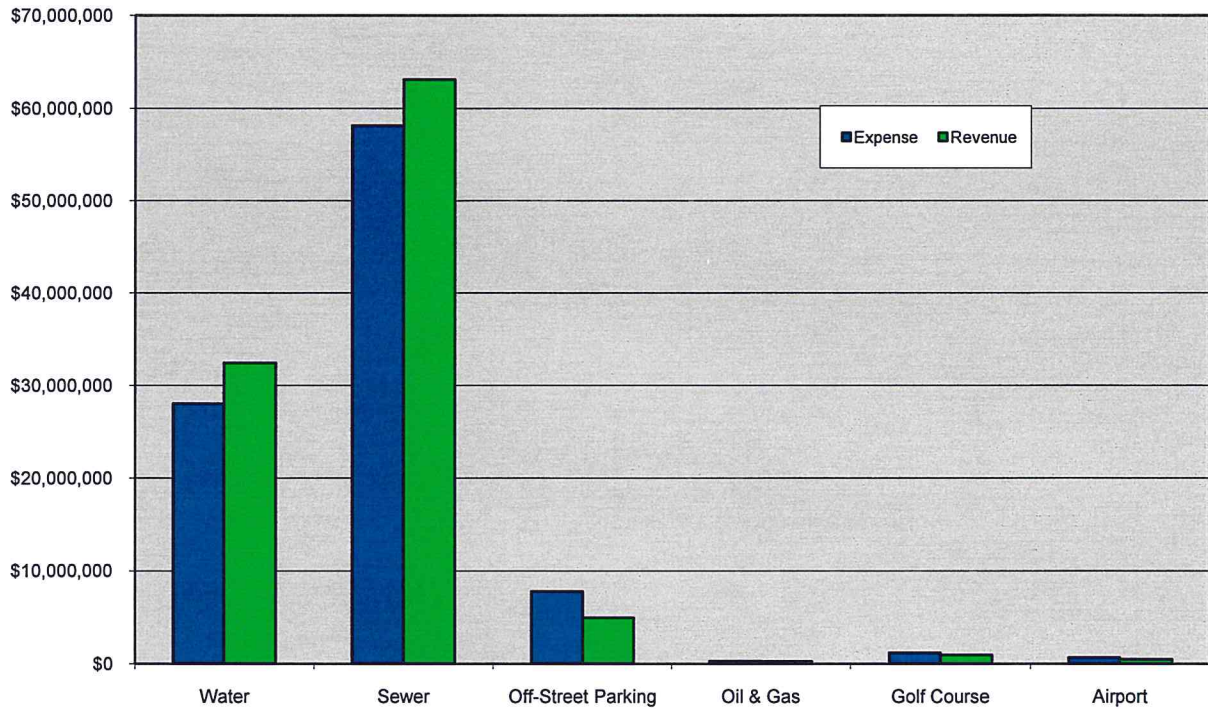
During the year, actual revenues and other sources were over original budgetary estimates by \$6,064,964 (4.4%). Income tax revenue, the major revenue source, was more than the budgeted amount by \$2,048,300. Local government revenues during 2012 were higher than budgeted amount by \$1,016,129 basically offsetting the decrease in service revenues. Miscellaneous revenue for 2012 was less than budgeted due to reclassifying various funds during 2011.

Through restraint on spending, the budgeted draw on General Fund resources was a minimal \$88,022. The actual results were lower for final budgeted amount for revenues and other sources by \$6,342,879. The actual expenditures were under the final budget by \$10,227,574.

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

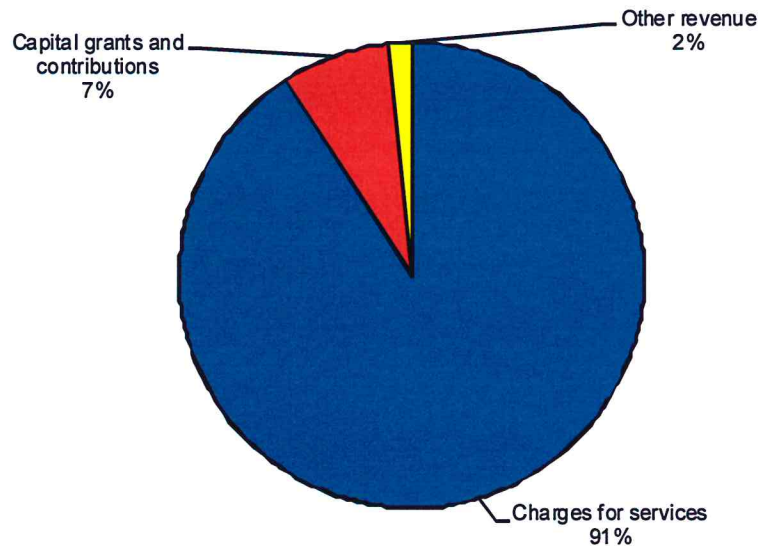
- The Police Department's budget was increased \$1,200,000 and the Fire Department's budget was increased \$600,000.
- The Department of Public Service final budget was adjusted to allow for the creation of the Department of Neighborhood Assistance.
- The City's expenditures include the payment of some of the deferred liabilities negotiated during more difficult economic times.

Expenses and Program Revenues - Business-type Activities



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

Revenues by Sources - Business-type Activities



FINANCIAL ANALYSIS OF THE PROPRIETARY FUNDS

Business-Type Activities. Business-type activities increased the City of Akron's net position by \$8,831,536 compared to an increase of \$4,860,967 in the prior year. Total program revenues increased by \$7,435,950 coupled with an increase in expenses of \$4,301,098 account for the change in net position.

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

Unrestricted net position of the Water Fund at the end of the year was \$3,315,081; for the Sewer Fund was \$7,720,297 and for the Off-Street Parking Fund was a deficit of \$835,006. The increase reported in net position for the Water and Sewer Funds were \$5,367,291 and \$5,655,895, respectively. The decrease reported in net position for Off-Street Parking was \$2,795,670.

The Water Department services the City and 12 surrounding communities which account for 83,550 customer accounts and 1,225 miles of water mains. All bonds of the Water Fund are paid from water enterprise revenues. A ten-year comparison of certain water enterprise data is shown in Schedule 15 of the Statistical Section. Water rates remained stable and results of operations yielded an increase in net position due to cost containment.

The Sewer Department services the City and 12 surrounding communities which account for 78,653 customer accounts and 1,372 miles of sewer lines. All bonds of the Sewer Fund are paid from sewer enterprise revenues. A ten-year comparison of certain sewer enterprise data is shown in Schedule 15 of the Statistical Section. Sewer rates remained virtually unchanged with only slight increases to a small population of non-resident customers and results of operations yielded an increase in net position due again to cost containment.

The Off-Street Parking Fund experienced a decrease in charges for services revenue coupled with a slight increase in operating expenses. The decrease in net position directly relates to a lower amount of capital contributions compared to prior year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City of Akron's investment in capital assets for its government and business-type activities as of December 31, 2012, amounts to \$1,477,987,840 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, equipment, and infrastructure. The total increase in the City of Akron's investment in capital assets for the current fiscal year was \$27,013,056 (a 1.2% increase for governmental activities and a 3.1% increase for business-type activities).

	Capital Assets (net of accumulated depreciation) (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Land	\$156,826	\$157,418	\$26,688	\$26,951	\$183,514	\$184,369
Construction in progress	91,040	98,226	17,262	43,294	108,302	141,520
Buildings	275,473	290,543	111,655	109,724	387,128	400,267
Improvements	97,958	94,000	185,461	178,372	283,419	272,372
Equipment	17,486	14,295	6,117	5,155	23,603	19,450
Infrastructure	334,710	331,170	130,299	128,840	465,009	460,010
	<u>\$973,493</u>	<u>\$985,652</u>	<u>\$477,482</u>	<u>\$492,336</u>	<u>\$1,450,975</u>	<u>\$1,477,988</u>

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

Major capital assets added during the current fiscal year included the following:

- Community Learning Centers Construction In Progress - \$24,473,294
- WPCS Step Feed Phase I - \$8,082,016
- Massillon Road Sewer - \$6,025,540
- Massillon Road Improvements - \$4,608,310
- CSO Rack 8 Sewer Separation - \$1,955,145
- Tallmadge Avenue Widening - \$1,414,958

Long-Term Debt. At the end of the current fiscal year, the City of Akron had total debt outstanding of \$724,590,000. All general obligation bonds are backed by the full faith and credit of the City. Special assessment bonds and notes are covered by special assessment collections and are backed by the full faith and credit of the City. The remainder of the City of Akron's debt represents bonds secured solely by specified revenue sources.

City of Akron Outstanding Debt (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
General Obligation Bonds	\$ 240,483	\$ 228,843	\$ 638	\$ 634	\$ 241,121	\$ 229,477
General Obligation Notes	52,650	21,115	-	-	52,650	21,115
OPWC Loan	10,706	9,846	1,946	1,744	12,652	11,590
Ohio Development Services Agency	5,689	5,583	-	-	5,689	5,583
Non-Tax Revenue Bonds	50,835	50,080	-	-	50,835	50,080
Income Tax Revenue Bonds	234,095	248,230	-	-	234,095	248,230
Special Revenue Bonds	27,165	27,165	-	-	27,165	27,165
Special Assessment Bonds and Notes	21,859	20,389	-	-	21,859	20,389
SIB Loan	4,476	3,129	-	-	4,476	3,129
Mortgage Revenue Bonds	-	-	40,365	37,175	40,365	37,175
Revenue Bonds	-	-	23,470	19,515	23,470	19,515
OWDA Loan	-	-	33,209	51,142	33,209	51,142
	<u>\$ 647,958</u>	<u>\$ 614,380</u>	<u>\$ 99,628</u>	<u>\$ 110,210</u>	<u>\$ 747,586</u>	<u>\$ 724,590</u>

The City of Akron's total debt outstanding decreased by \$22,997,355 (3.08%) during the current fiscal year.

During the current fiscal year the City issued \$8,540,000 in General Obligation Bonds for various purpose improvements and \$28,870,000 in Income Tax Revenue Bonds to pay for various purpose improvements along with a \$162,385,000 issue for the Community Learning Centers. There were OWDA loans issued for the cost of improving the Waterworks System (\$1,880,853) and the Sanitary Sewer System (\$26,983,160).

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 \$279,559,951 and the total unvoted net debt limit (5.5%) is \$146,436,165.

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

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

Economic Factors and Next Year's Budgets and Rates

- Akron's average annual unemployment rate at year-end was 7.6%, which is down from the prior year.
- The City of Akron budgeted income tax collections to increase by 2%, Local Government to decrease by approximately 23%, and Property Tax revenue to increase.

In the 2013 budget, the General Fund unencumbered fund balance is projecting a slight increase of \$3,576.

Fiscal Analysis

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

Request for Information

This financial report is designed to provide a general overview of the City of Akron's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Director of Finance, Municipal Building, 166 South High Street, Room 502, Akron, Ohio 44308.

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BASIC FINANCIAL STATEMENTS

City of Akron, Ohio
Statement of Net Position December 31, 2012

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Pooled cash and investments	\$ 51,298,809	\$ 12,934,914	\$ 64,233,723
Restricted cash and investments	55,618,829	9,726,689	65,345,518
Receivables, net	85,559,133	13,083,499	98,642,632
Loans receivable	90,109	-	90,109
Due from other governments	1,075,430	342,755	1,418,185
Due from others	8,227,250	-	8,227,250
Internal balances	1,482,760	(1,482,760)	-
Inventories, at cost	826,799	3,082,694	3,909,493
Total current assets	204,179,119	37,687,791	241,866,910
Noncurrent assets:			
Receivables, net	100,234,074	-	100,234,074
Loans receivable	15,438,587	-	15,438,587
Deposits	21,507,347	-	21,507,347
Assets held for resale	3,085,645	-	3,085,645
Capital assets:			
Land and construction in progress	255,644,135	70,244,496	325,888,631
Other capital assets, net	730,008,376	422,090,833	1,152,099,209
Total noncurrent assets	1,125,918,164	492,335,329	1,618,253,493
Total assets	1,330,097,283	530,023,120	1,860,120,403
Deferred Outflows of Resources			
	-	838,210	838,210
Total assets and deferred outflows of resources	1,330,097,283	530,861,330	1,860,958,613
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	19,327,048	6,374,714	25,701,762
Deposits	486,390	694,073	1,180,463
Due to other governments	3,696,090	83,980	3,780,070
Accrued interest payable	2,658,697	1,463,092	4,121,789
Accrued wages	3,408,936	477,814	3,886,750
Accrued vacation and leave	12,176,888	1,411,275	13,588,163
COPs and obligations under capital lease	9,105,568	70,086	9,175,654
Liability for unpaid claims	4,518,255	-	4,518,255
Bonds, notes and loans payable	47,226,435	15,329,649	62,556,084
Total current liabilities	102,604,307	25,904,683	128,508,990
Noncurrent liabilities:			
COPs and obligations under capital lease	67,487,028	317,066	67,804,094
Liabilities due in more than one year	75,271,139	7,809,712	83,080,851
Bonds, notes and loans payable due in more than one year	564,783,941	94,881,381	659,665,322
Total noncurrent liabilities	707,542,108	103,008,159	810,550,267
Total liabilities	810,146,415	128,912,842	939,059,257
Deferred Inflows of Resources			
	160,088,935	2,011,404	162,100,339
Total liabilities and deferred inflows of resources	970,235,350	130,924,246	1,101,159,596
Net Position			
Net investment in capital assets	342,181,729	381,737,149	723,918,878
Restricted for debt service	45,769,529	9,726,690	55,496,219
Unrestricted (deficit)	(28,089,325)	8,473,245	(19,616,080)
Total net position	\$ 359,861,933	\$ 399,937,084	\$ 759,799,017

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, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 44,074,083	\$ 10,218,969	\$ -	\$ -	\$ (33,855,114)	\$ -	\$ (33,855,114)
Public service	52,045,512	14,404,457	9,320	32,382,376	(5,249,359)	-	(5,249,359)
Public safety	113,141,469	508,391	4,553,647	-	(108,079,431)	-	(108,079,431)
Community environment	66,174,345	422,186	14,955,937	1,760,199	(49,036,023)	-	(49,036,023)
Public health	3,982,604	3,512	-	-	(3,979,092)	-	(3,979,092)
Recreation and parks	6,906,906	183,754	139,354	1,364,837	(5,218,961)	-	(5,218,961)
Interest	35,466,855	-	-	-	(35,466,855)	-	(35,466,855)
Unallocated depreciation*	15,559,132	-	-	-	(15,559,132)	-	(15,559,132)
Total governmental activities	337,350,906	25,741,269	19,658,258	35,507,412	(256,443,967)	-	(256,443,967)
Business-type activities:							
Water	28,050,700	32,215,076	-	235,064	-	4,399,440	4,399,440
Sewer	58,124,816	56,208,333	-	6,896,987	-	4,980,504	4,980,504
Oil & gas	279,689	226,172	-	-	-	(53,517)	(53,517)
Golf course	1,176,344	938,725	-	-	-	(237,619)	(237,619)
Airport	653,852	197,878	-	285,346	-	(170,628)	(170,628)
Parking facilities	7,780,158	4,577,496	-	369,021	-	(2,833,641)	(2,833,641)
Total business-type activities	96,065,559	94,363,680	-	7,786,418	-	6,084,539	6,084,539
Total Government	\$ 433,416,465	\$ 120,104,949	\$ 19,658,258	\$ 43,293,830	\$ (256,443,967)	\$ 6,084,539	\$ (250,359,428)
General Revenues:							
Taxes:							
Income taxes					\$ 131,601,798	\$ -	\$ 131,601,798
Property taxes					24,003,912	-	24,003,912
JEDD revenues					20,706,211	-	20,706,211
Investment earnings					439,005	785	439,790
Unrestricted shared revenues					69,710,284	-	69,710,284
Miscellaneous					8,337,078	2,438,212	10,775,290
Gain on sale of capital assets					60,045	-	60,045
Transfers					(308,000)	308,000	-
Total general revenues and transfers					254,550,333	2,746,997	257,297,330
Change in net position					(1,893,634)	8,831,536	6,937,902
Net position - beginning, as restated					361,755,567	391,105,548	752,861,115
Net position - ending					\$ 359,861,933	\$ 399,937,084	\$ 759,799,017

* 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, 2012

Exhibit 3

	General	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Assets						
Pooled cash and investments	\$ 1,624,795	\$ 18,299,149	\$ 301,225	\$ -	\$ 23,088,528	\$ 43,313,697
Restricted cash and investments	-	40,544,645	-	346,321	14,727,863	55,618,829
Receivables, net of allowances for uncollectibles	45,680,014	65,619,259	4,636,407	28,680,530	17,638,870	162,255,080
Loans receivable	-	-	-	-	15,528,696	15,528,696
Due from other governments	11,247	-	-	-	7,504,213	7,515,460
Due from other funds	4,269,426	1,177,223	1,968,819	-	1,850,057	9,265,525
Deposits	-	21,507,347	-	-	-	21,507,347
Advances to other funds	50,000	-	400,000	-	-	450,000
Assets held for resale	-	-	-	-	3,085,645	3,085,645
Total assets and deferred outflows	\$ 51,635,482	\$ 147,147,623	\$ 7,306,451	\$ 29,026,851	\$ 83,423,872	\$ 318,540,279
Liabilities						
Accounts payable	\$ 2,934,751	\$ 8,257	\$ 64,657	\$ -	\$ 7,906,878	\$ 10,914,543
Deposits	102,404	-	-	-	383,986	486,390
Advances from other funds	-	-	-	-	450,000	450,000
Due to other governments	2,454,152	-	-	-	2,584,573	5,038,725
Due to other funds	497,971	-	1,408,594	-	8,718,878	10,625,443
Due to others	562,048	-	-	-	1,151,213	1,713,261
Accrued liabilities	2,724,604	-	284,332	-	1,701,847	4,710,783
Accrued wages	2,482,114	-	13,630	-	694,447	3,190,191
Accrued vacation and leave	125,199	-	-	-	178,595	303,794
Special Assessment Notes	-	-	-	-	11,280,000	11,280,000
G.O. Notes	-	-	-	-	10,115,000	10,115,000
Total liabilities	11,883,243	8,257	1,771,213	-	45,165,417	58,828,130
Deferred Inflows of Resources	33,146,452	63,942,232	1,886,951	26,680,530	20,145,177	145,801,342
Fund balances						
Nonspendable	-	-	-	-	3,085,645	3,085,645
Restricted	-	83,197,134	3,272,907	2,346,321	28,972,944	117,789,306
Committed	266,687	-	-	-	13,502,981	13,769,668
Assigned	1,236,966	-	375,380	-	-	1,612,346
Unassigned	5,102,134	-	-	-	(27,448,292)	(22,346,158)
Total fund balances	6,605,787	83,197,134	3,648,287	2,346,321	18,113,278	113,910,807
Total liabilities, deferred inflows and fund balances	\$ 51,635,482	\$ 147,147,623	\$ 7,306,451	\$ 29,026,851	\$ 83,423,872	\$ 318,540,279

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

City of Akron, Ohio
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds
December 31, 2012

Total fund balances for governmental funds (Exhibit 3) \$ 113,910,807

Total net position reported for governmental activities in the statement of net position
is different because:

Investments in City of Akron issued bonds and notes are eliminated in the
government-wide statement of net position. (2,368,606)

Capital assets used in governmental activities (excluding internal service fund capital
assets) are not financial resources and therefore are not reported in the funds. 983,503,017

Other long-term assets are not available to pay for current period expenditures and,
therefore, are unavailable revenue in the funds.

Grant revenues	6,451,607	
Income taxes	7,930,939	
JEDD revenues	741,078	
Property taxes	6,788,724	
Special assessments	13,000,000	
Shared revenues	8,413,793	
		43,326,141

Long-term accounts receivables are not available to pay for current period expenditures. 10,000,381

The assets and liabilities of the internal service funds are included in the governmental
activities in the statement of net position. (11,649,276)

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	(29,799,498)	
Due to other governments	(1,396,000)	
Accrued interest payable	(2,658,697)	
Accrued vacation and leave	(46,365,603)	
Bonds, notes and loans payable	(579,615,376)	
Obligations under capital lease	(74,592,596)	
Unamortized bond premium	(35,992,731)	
		(770,420,501)

Unavailable grant revenue reflected as a receivable in the funds, therefore, eliminated entity wide. (6,440,030)

Total net position of governmental activities (Exhibit 1)	\$ 359,861,933
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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, 2012

Exhibit 4

	General	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Revenues						
Income taxes	\$ 77,932,879	\$ 18,064,499	\$ 22,554,438	\$ -	\$ 12,538,619	\$ 131,090,435
Property taxes	13,590,625	-	-	-	10,983,104	24,573,729
JEDD revenues	7,362,500	-	2,762,500	-	10,686,614	20,811,614
Special assessments	21,047	-	-	403,635	14,541,183	14,965,865
Grants and subsidies	46,503	1,079,676	693,961	-	41,495,155	43,315,295
Investment earnings	31,330	279,361	-	-	207,191	517,882
Shared revenues	18,923,114	35,263,788	377,129	-	14,204,353	68,768,384
Licenses, fees and fines	6,156,712	-	4,167	-	1,850,552	8,011,431
Charges for services	13,295,883	-	-	-	4,463,637	17,759,520
Miscellaneous	1,513,321	18,628	1,263,773	-	5,866,868	8,662,590
	<u>138,873,914</u>	<u>54,705,952</u>	<u>27,655,968</u>	<u>403,635</u>	<u>116,837,276</u>	<u>338,476,745</u>
Expenditures						
Current:						
General government	16,031,637	255,582	85,685	36	26,337,985	42,710,925
Public service	20,550,103	-	1,183,838	406,635	37,306,284	59,446,860
Public safety	89,764,229	-	542,902	-	19,336,336	109,643,467
Community environment	1,158,039	59,658,130	1,084,931	-	29,744,789	91,645,889
Public health	3,373,988	-	1,865	-	628,394	4,004,247
Recreation and parks	3,122,469	-	47	-	3,824,277	6,946,793
Debt service:						
Principal retirement	61,453	5,225,000	15,059,818	462,700	8,279,609	29,088,580
Interest	20,696	10,630,571	13,898,020	39,404	4,011,326	28,600,017
Bond issuance expenditures	-	1,607,273	-	-	696,966	2,304,239
	<u>134,082,614</u>	<u>77,376,556</u>	<u>31,857,106</u>	<u>908,775</u>	<u>130,165,966</u>	<u>374,391,017</u>
Excess (deficiency) of revenues over (under) expenditures	4,791,300	(22,670,604)	(4,201,138)	(505,140)	(13,328,690)	(35,914,272)
Other financing sources (uses)						
Issuance of bonds	-	-	1,150,124	-	25,719,876	26,870,000
Premium on G.O. Debt	-	-	-	-	1,696,315	1,696,315
Premium on refunding bonds	-	23,325,576	-	-	860,639	24,186,215
Issuance of refunding obligations	-	162,385,000	-	-	8,540,000	170,925,000
Payment for refund obligations	-	(184,097,830)	-	-	(9,286,507)	(193,384,337)
Issuance of capital lease	5,728,080	-	-	-	2,499,170	8,227,250
Lease - financed capital assets	(5,728,080)	-	-	-	(2,499,170)	(8,227,250)
Transfers-in	-	-	-	-	7,041,704	7,041,704
Transfers-out	(7,329,704)	-	(85,000)	-	-	(7,414,704)
	<u>(7,329,704)</u>	<u>1,612,746</u>	<u>1,065,124</u>	<u>-</u>	<u>34,572,027</u>	<u>29,920,193</u>
Net change in fund balance	(2,538,404)	(21,057,858)	(3,136,014)	(505,140)	21,243,337	(5,994,079)
Fund balances (deficit), January 1, 2012, as restated	9,144,191	104,254,992	6,784,301	2,851,461	(3,130,059)	119,904,886
Fund balances (deficit), December 31, 2012	<u>\$ 6,605,787</u>	<u>\$ 83,197,134</u>	<u>\$ 3,648,287</u>	<u>\$ 2,346,321</u>	<u>\$ 18,113,278</u>	<u>\$ 113,910,807</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, 2012

Net changes in fund balances - total governmental funds (Exhibit 4) \$ (5,994,079)

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 (\$44,546,039) exceeded depreciation (\$32,024,954) in the current period.

12,521,085

The net effect of selling capital assets increased net position.

60,045

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

(15,253,531)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and deferred amount on refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of debt

(197,795,000)

Payment of debt

29,088,580

Payment to refunding agent

193,384,337

Premium on debt

(25,882,530)

Bond issuance expenditures

2,304,239

1,099,626

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

2,215,147

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

3,458,073

Change in net position of governmental activities (Exhibit 2)

\$ (1,893,634)

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

City of Akron, Ohio
Statement of Net Position - Proprietary Funds
December 31, 2012

Exhibit 5

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Assets						
Current assets						
Pooled cash and investments	\$ 6,180,983	\$ 6,502,028	\$ 18,166	\$ 233,737	\$ 12,934,914	\$ 10,353,718
Restricted cash and investments	3,064,054	6,662,635	-	-	9,726,689	-
Receivables, net of allowances for uncollectibles	4,613,392	8,413,551	13,848	42,708	13,083,499	143,993
Due from other governments	235,064	-	-	107,691	342,755	-
Due from other funds	379,668	175,205	-	-	554,873	1,418,662
Inventories, at cost	2,159,121	889,994	-	33,579	3,082,694	826,799
Total current assets	16,632,282	22,643,413	32,014	417,715	39,725,424	12,743,172
Noncurrent assets						
Property, plant and equipment, net of accumulated depreciation	143,755,183	255,457,564	82,791,914	10,330,668	492,335,329	2,149,494
Total noncurrent assets	143,755,183	255,457,564	82,791,914	10,330,668	492,335,329	2,149,494
Total assets	160,387,465	278,100,977	82,823,928	10,748,383	532,060,753	14,892,666
Deferred Outflows of Resources	432,302	405,908	-	-	838,210	-
Total assets and deferred outflows	160,819,767	278,506,885	82,823,928	10,748,383	532,898,963	14,892,666
Liabilities						
Current liabilities						
Accounts payable	1,628,299	3,049,324	864,323	136,464	5,678,410	514,101
Deposits	694,073	-	-	-	694,073	-
Due to other governments	59,480	24,500	-	-	83,980	-
Due to other funds	83,620	192,334	390	5,536	281,880	331,737
Accrued interest payable	724,118	736,667	2,307	-	1,463,092	-
Accrued liabilities	556,419	86,669	-	53,216	696,304	1,329,415
Accrued wages	280,507	182,789	-	14,518	477,814	218,745
Accrued vacation and leave	809,933	577,728	-	23,614	1,411,275	879,968
Obligations under capital lease	55,614	-	-	14,472	70,086	-
Liability for unpaid claims	-	-	-	-	-	4,518,255
Debt:						
General obligation bonds	-	-	2,894	-	2,894	-
Mortgage revenue bonds	3,340,000	-	-	-	3,340,000	-
Revenue bonds	-	4,130,000	-	-	4,130,000	-
OWDA loans	1,029,389	6,625,852	-	-	7,655,241	-
OPWC loans	95,958	105,556	-	-	201,514	-
Total current liabilities	9,357,410	15,711,419	869,914	247,820	26,186,563	7,792,221
Noncurrent liabilities						
Obligations under capital lease	251,596	-	-	65,470	317,066	-
Due in more than one year	4,367,960	3,286,011	-	155,741	7,809,712	7,505,474
Bonds, notes, and loans	41,874,553	52,375,272	631,556	-	94,881,381	13,000,000
Total noncurrent liabilities	46,494,109	55,661,283	631,556	221,211	103,008,159	20,505,474
Total liabilities	55,851,519	71,372,702	1,501,470	469,031	129,194,722	28,297,695
Deferred Inflows of Resources	1,481,038	530,366	-	-	2,011,404	-
Net Position						
Net investment in capital assets	97,108,075	192,220,884	82,157,464	10,250,726	381,737,149	2,149,494
Restricted for debt service	3,064,054	6,662,636	-	-	9,726,690	-
Unrestricted (deficit)	3,315,081	7,720,297	(835,006)	28,626	10,228,998	(15,554,523)
Total net position	\$ 103,487,210	\$ 206,603,817	\$ 81,322,458	\$ 10,279,352		\$ (13,405,029)
Total liabilities, deferred outflows and fund equity	\$ 160,819,767	\$ 278,506,885	\$ 82,823,928	\$ 10,748,383		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					(1,755,753)	
Net position of business-type activities					\$ 399,937,084	

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

City of Akron, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended December 31, 2012

Exhibit 6

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Operating revenues						
Charges for services	\$ 32,215,076	\$ 56,208,333	\$ 4,577,496	\$ 1,362,775	\$ 94,363,680	\$ 52,480,198
Other	1,233,325	1,020,410	33,911	174,248	2,461,894	1,010,997
	<u>33,448,401</u>	<u>57,228,743</u>	<u>4,611,407</u>	<u>1,537,023</u>	<u>96,825,574</u>	<u>53,491,195</u>
Operating expenses						
Personal services	8,341,541	11,670,584	83,895	870,835	20,966,855	8,389,949
Direct expenses	11,351,899	33,620,476	2,962,468	733,517	48,668,360	13,441,185
Claims	-	-	-	-	-	27,245,793
Rentals and lease	439,395	380,420	765,669	114,749	1,700,233	108,273
Utilities	1,270,335	1,691,559	931,426	81,868	3,975,188	232,284
Insurance	120,278	191,189	44,337	25,639	381,443	58,296
Depreciation, depletion and amortization	4,944,220	8,468,433	2,408,299	290,083	16,111,035	300,869
Other	158,015	16,318	425,690	1,817	601,840	10,450
	<u>26,625,683</u>	<u>56,038,979</u>	<u>7,621,784</u>	<u>2,118,508</u>	<u>92,404,954</u>	<u>49,787,099</u>
Operating income (loss)	<u>6,822,718</u>	<u>1,189,764</u>	<u>(3,010,377)</u>	<u>(581,485)</u>	<u>4,420,620</u>	<u>3,704,096</u>
Non-operating revenues (expenses)						
Interest income	153	632	-	-	785	73
Interest expense	(1,690,644)	(2,430,038)	(154,314)	-	(4,274,996)	(283,337)
Loss on disposal of capital assets	-	(1,450)	-	-	(1,450)	(35,309)
	<u>(1,690,491)</u>	<u>(2,430,856)</u>	<u>(154,314)</u>	<u>-</u>	<u>(4,275,661)</u>	<u>(318,573)</u>
Gain (loss) before transfers and contributions	<u>5,132,227</u>	<u>(1,241,092)</u>	<u>(3,164,691)</u>	<u>(581,485)</u>	<u>144,959</u>	<u>3,385,523</u>
Transfers-in	-	-	-	308,000	308,000	65,000
Capital contributions	235,064	6,896,987	369,021	285,346	7,786,418	7,550
	<u>235,064</u>	<u>6,896,987</u>	<u>369,021</u>	<u>593,346</u>	<u>8,094,418</u>	<u>72,550</u>
Net change in net position	<u>5,367,291</u>	<u>5,655,895</u>	<u>(2,795,670)</u>	<u>11,861</u>	<u>8,239,377</u>	<u>3,458,073</u>
Net position, January 1, 2012	<u>98,119,919</u>	<u>200,947,922</u>	<u>84,118,128</u>	<u>10,267,491</u>		<u>(16,863,102)</u>
Net position, December 31, 2012	<u>\$ 103,487,210</u>	<u>\$ 206,603,817</u>	<u>\$ 81,322,458</u>	<u>\$ 10,279,352</u>		<u>\$ (13,405,029)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					592,159	
Change in net position of business-type activities					<u>\$ 8,831,536</u>	

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

City of Akron, Ohio
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2012

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating activities						
Cash received from customers	\$ 34,249,427	\$ 56,426,430	\$ 4,602,637	\$ 1,252,341	\$ 96,530,835	\$ 53,172,974
Cash payments to suppliers for goods and services	(14,018,294)	(39,437,460)	(4,362,781)	(812,047)	(58,630,582)	(14,103,638)
Cash paid for salaries and employee benefits	(8,056,511)	(11,522,374)	(87,066)	(1,053,761)	(20,719,712)	(34,954,397)
Other revenues	1,233,325	1,020,410	33,911	174,248	2,461,894	1,010,997
Other expenses	(158,015)	(16,318)	(425,690)	(1,817)	(601,840)	(10,450)
Net cash provided by (used for) operating activities	13,249,932	6,470,688	(238,989)	(441,036)	19,040,595	5,115,486
Non-capital financing activities						
Transfers from other funds	-	-	-	308,000	308,000	65,000
Transfers in for negative cash balances	-	-	-	-	-	293,639
Transfers out for negative cash balances	-	-	-	(124,334)	(124,334)	(1,983,749)
Principal paid on bonds, loans and notes	-	-	-	-	-	(13,000,000)
Interest paid on bonds, loans and notes	-	-	-	-	-	(259,278)
Proceeds from notes	-	-	-	-	-	11,000,000
Net cash provided by (used for) non-capital financing activities	-	-	-	183,666	183,666	(3,884,388)
Capital and related financing activities						
Proceeds from the sale of bonds	1,880,853	22,029,338	-	-	23,910,191	-
Principal paid on bonds and loans	(4,207,212)	(9,116,754)	(3,377)	-	(13,327,343)	-
Interest paid on bonds and loans	(1,867,169)	(2,172,228)	(154,282)	-	(4,193,679)	(24,059)
Acquisition and construction of capital assets	(5,469,716)	(24,008,132)	(369,021)	(99,869)	(29,946,738)	(7,550)
Capital contributions	235,064	6,896,987	369,021	285,346	7,786,418	7,550
Net cash provided by (used for) capital and related financing activities	(9,428,180)	(6,370,789)	(157,659)	185,477	(15,771,151)	(24,059)
Investing activities						
Purchase of investment securities	(5,023,748)	(5,080,468)	-	-	(10,104,216)	-
Proceeds from sales and maturities of investment securities	5,023,748	5,080,468	-	-	10,104,216	-
Interest on investments	153	632	-	-	785	73
Net cash provided by investing activities	153	632	-	-	785	73
Net increase (decrease) in cash and cash equivalents	3,821,905	100,531	(396,648)	(71,893)	3,453,895	1,207,112
Cash and cash equivalents, January 1, 2012	5,423,132	13,064,132	414,814	305,630	19,207,708	9,146,606
Cash and cash equivalents, December 31, 2012	<u>\$ 9,245,037</u>	<u>\$ 13,164,663</u>	<u>\$ 18,166</u>	<u>\$ 233,737</u>	<u>\$ 22,661,603</u>	<u>\$ 10,353,718</u>
Operating income (loss)	\$ 6,822,718	\$ 1,189,764	\$ (3,010,377)	\$ (581,485)	\$ 4,420,620	\$ 3,704,096
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation, depletion and amortization	4,944,220	8,468,433	2,408,299	290,083	16,111,035	300,869
(Increase) decrease in operating assets:						
Receivables	25,492	373,150	25,141	(2,743)	421,040	19,037
Due from other funds	2,008,859	(155,053)	-	-	1,853,806	673,739
Due from other governments	-	-	-	(107,691)	(107,691)	-
Inventories	(284,152)	97,706	-	25,213	(161,233)	66,214
Increase (decrease) in operating liabilities:						
Accounts payable	327,847	(52,468)	397,396	125,030	797,805	(143,865)
Due to other funds	(883,871)	(3,574,563)	(56,277)	(6,517)	(4,521,228)	(185,949)
Due to other governments	(10,756)	(24,491)	-	-	(35,247)	-
Accrued liabilities	396,559	262,582	(822)	(7,245)	651,074	198,868
Accrued wages	(16,494)	(28,285)	(2,349)	(3,717)	(50,845)	3,341
Accrued vacation and leave	(80,490)	(86,087)	-	(171,964)	(338,541)	(48,910)
Estimated liability for unpaid claims	-	-	-	-	-	528,046
Net cash provided by (used for) operating activities	<u>\$ 13,249,932</u>	<u>\$ 6,470,688</u>	<u>\$ (238,989)</u>	<u>\$ (441,036)</u>	<u>\$ 19,040,595</u>	<u>\$ 5,115,486</u>

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

City of Akron, Ohio

Statement of Net Position
Fiduciary Funds

December 31, 2012

	Private Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 12,356	\$ 728,287
Total assets	12,356	728,287
Liabilities		
Due to others	-	728,287
Total liabilities	-	728,287
Net Position	<u>\$ 12,356</u>	<u>\$ -</u>

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

City of Akron, Ohio

Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds

For the Year Ended December 31, 2012

	Private Purpose Trust Funds
Additions	
Contributions	\$ 12,439
	<u>12,439</u>
Deductions	
Education and awareness	7,270
	<u>7,270</u>
Change in net position	<u>5,169</u>
Net position, January 1, 2012	<u>7,187</u>
Net position, December 31, 2012	<u><u>\$ 12,356</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, 2012

1. Summary of Significant Accounting Policies

The City of Akron (the City) was incorporated in 1836 and is a home rule municipal corporation under the laws of the State of Ohio. The City operates under a Council-Mayor form of government and provides the following services as authorized by its Charter: public safety, public service, public health, recreation and development. The accompanying financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and Statement No. 61, *The Financial Reporting Entity: Omnibus* in that the financial statements include those activities and functions for which the City is accountable. The City has no component units as defined by GASB 14 and 39. The City is associated with certain organizations which are defined as jointly governed organizations and related organizations. These organizations are presented in Notes 25 and 26 to the basic financial statements. These organizations are the Akron Metropolitan Area Transportation Study (AMATS), the Akron/Summit Convention and Visitors' Bureau and the Summit Medina Business Alliance (SMBA). The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

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

A. *Government-wide and fund financial statements*

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

Basic Financial Statements:

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

These statements report all of the assets, 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 position, whether positive or negative, have been eliminated against the expenses and program revenues shown in the governmental activities statement of activities.

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

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

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

The City's major governmental funds are the General Fund, the Community Learning Centers (CLC) Fund, Income Tax Capital Improvement Fund and the Special Assessment 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, JEDD revenues, shared revenues, charges for services, and licenses, fees, and fines.

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

The Community Learning Centers (CLC) Fund is used to account for the daily activity relating to the CLC project. The primary sources of revenue are City income tax, shared revenue and bond proceeds.

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

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

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Required Supplementary Information:

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

B. *Financial reporting presentation*

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

GOVERNMENTAL FUNDS

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

1. Summary of Significant Accounting Policies (Continued)

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

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

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

1. Summary of Significant Accounting Policies (Continued)

C. *Measurement focus and basis of accounting*

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

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB Pronouncements. The City does not apply FASB Pronouncements subsequent to November 30, 1989 to its business-type activities and Enterprise Fund statements. The City applies all applicable and effective pronouncements issued by the GASB.

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

D. *Budgetary Procedures*

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

- (1) The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) According to state law, the budget must be enacted through passage of an ordinance by April 1.
- (4) The City Finance Director is authorized by City Council to transfer funds already appropriated within departments within any fund or category of expenditures; however, any revisions that alter the total appropriation of said department must be individually approved by the City Council. During 2012, supplemental appropriations were passed by City Council. The effects of these supplemental appropriations were not material in relation to the original appropriations.
- (5) Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are recorded as the equivalent of expenditures. Unencumbered appropriations lapse at year-end.

1. Summary of Significant Accounting Policies (Continued)

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

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

(7) The City appropriates an annual budget for the Police Pension Employer's Liability Fund and the Fire Pension Employer's Liability Fund which are required due to their funding source. On a GAAP basis, the two funds are combined with the General Fund.

E. *Cash, Cash Equivalents, and Investments*

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

- G. **Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements to the extent the City's capitalization threshold is met. The City defines capital assets as assets with an estimated useful life in excess of three years and an individual cost of more than \$5,000 for land; \$10,000 for equipment and vehicles; \$25,000 for land improvements, buildings, and improvements other than buildings; and \$100,000 for infrastructure. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Contributed capital assets are recorded at their estimated fair market value at the date contributed. Infrastructure acquired prior to December 31, 1980, is also reported as a component of the above-mentioned capital assets.

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

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

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

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

The classifications are as follows:

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

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

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

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

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

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

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

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to restrict that portion of the appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Significant encumbrances as of December 31, 2012, total \$ 1,236,966 in the General fund, \$34,127 in the Community Learning Centers fund, \$808,830 in the Income Tax Capital Improvement fund, and \$2,126,938 in all other Governmental funds.

1. Summary of Significant Accounting Policies (Continued)

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

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

The City's interfund receivables and payables at December 31, 2012 are presented in Note 5. Interfund transfers are presented in Note 22.

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

L. ***Debt Issuance Costs, Premiums, Discounts, and Losses on Refundings*** – Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Losses on advance refundings are deferred and amortized over the life of the new debt, or the life of the advance refunded debt, whichever is shorter.

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

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

The former Building Inspection and Plans and Permits employees while employed by Summit County must retire under Ohio Public Employees Retirement System to be entitled to receive payment of the accumulated sick leave at the hourly rate the employee was receiving at the time of resignation from the City along with the retirement differential. The City has recorded a long-term liability of \$149,815.

1. Summary of Significant Accounting Policies (Continued)

The former Health Department employees while employed by Summit County must retire under Ohio Public Employees Retirement System to be entitled to receive payment of the accumulated sick leave at the hourly rate the employee was receiving at the time of resignation from the City along with the retirement differential. The City has recorded a long-term liability of \$1,519,671. Additionally, the former Health Department employees are entitled to staggered payouts for their accumulated vacation, paid leave, and compensatory time at the hourly rate the employee was receiving at the time of resignation from the City. The liability is the actual amount due to employees and the City recorded \$269,538 as a current liability for the amounts scheduled to be paid during 2013.

- N. ***New Accounting Standards*** – In November 2010, the GASB issued statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. For the City, this statement is effective for periods beginning after December 15, 2011. The City’s financial statements have been prepared in conformance with this Standard.

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

In December 2010, the GASB issued statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement incorporates into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in various pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The City’s financial statements have been prepared in conformance with this Standard.

In June 2011, the GASB issued statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement improves financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. The City’s financial statements have been prepared in conformance with this Standard.

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

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

At December 31, 2012, the carrying amount of the City's deposits was \$21,690,324 and the bank balance was \$23,721,896. The difference in the carrying amount and bank balance was composed of outstanding checks and other normal reconciling items. Of the bank balance, \$1,643,586 was covered by federal depository insurance, and \$22,078,310 was uninsured but collateralized with unregistered securities held by the pledging financial institution's trust department in the City's name.

Total cash and investments are reported as follows:

Balance Sheet - Governmental Funds:

Pooled cash and investments	\$ 43,313,697
Restricted cash and investments	55,618,829

Statement of Net Position - Proprietary Funds:

Enterprise Funds	
Pooled cash and investments	12,934,914
Restricted cash and investments	9,726,689
Internal Service Funds	
Pooled cash and investments	10,353,718

Statement of Net Position - Fiduciary Funds:

740,643

Total

\$ 132,688,490

Investments in City of Akron bonds and notes amounting to \$2,368,606 are eliminated in the government-wide statement of net position at December 31, 2012.

2. Pooled Cash and Investments (Continued)

Investments:

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

Under the fair value method of recording investments, the City is required to report realized and unrealized gains and losses arising from market fluctuations as well as the sale and maturity of various investments above or below their beginning-of-the-year fair value or their purchase price, when purchased during the current fiscal year. Realized gains and losses, on investments that had been held in more than one fiscal year and sold in the current year, may have been recognized as an increase or decrease in the fair value of the investments reported in the prior year. The net effect of these realized and unrealized gains and losses (\$439,504 net unrealized loss in 2012) 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, 2012, 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, 2012.

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, 2012, \$65,345,518 of cash and investments was restricted for the following purposes: \$114,698 was restricted for lease costs for Canal Park Stadium; \$4,119,783 was restricted for Off-Street Parking Deck COPs; \$3,971,134 was restricted for Akron District Energy COPs; \$16,595,258 was restricted solely for retirement of City obligations; and the balance of \$40,544,645 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, 2012 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	\$ 16,144,859	\$ 16,144,859	\$ -	\$ -
U.S. Treasuries or Agencies	24,082,300	24,082,300	-	-
STAROhio	10,009,266	10,009,266	-	-
Municipal Bonds	565,000	40,000	525,000	-
City of Akron Assessment Debt	2,368,606	1,388,459	957,479	22,668
Investments held by bond trustees:				
U.S. Treasuries or Agencies	8,748,095	8,748,095	-	-
Tax Exempt Ohio Municipals	1	1	-	-
Municipal Bonds and Notes	114,700	114,700	-	-
Cash Reserve	15,052,718	15,052,718	-	-
Investments held by Community Learning Center trustees:				
Municipal Bonds and Notes	33,912,621	33,396,646	515,975	-
Total	<u>\$ 110,998,166</u>	<u>\$ 108,977,044</u>	<u>\$ 1,998,454</u>	<u>\$ 22,668</u>

3. Receivables

Receivables, net of allowances for uncollectible reported in the Statement of Net Position, consist of the following at December 31, 2012:

	Taxes	Customer Charges, Special Assessments, and Others	Accrued Interest	Gross Receivables	Allowance for Uncol- lectibles	Net
Governmental Activities						
Assets:						
Governmental Funds:						
General Fund	\$ 34,892,734	\$ 12,434,583	\$ -	\$ 47,327,317	\$ (1,647,303)	\$ 45,680,014
Community Learning Centers	2,307,786	63,000,000	311,473	65,619,259	-	65,619,259
Income Tax Capital Improvement	4,621,662	14,745	-	4,636,407	-	4,636,407
Special Assessment Bond Payment	-	33,613,071	-	33,613,071	(4,932,541)	28,680,530
Other Governmental Funds	10,186,265	30,846,739	-	41,033,004	-	41,033,004
Total Governmental Funds	52,008,447	139,909,138	311,473	192,229,058	(6,579,844)	185,649,214
Internal Service Funds	-	143,993	-	143,993	-	143,993
Total Assets:	52,008,447	140,053,131	311,473	192,373,051	(6,579,844)	185,793,207
Business-type Activities:						
Enterprise Funds:						
Water	-	11,395,567	-	11,395,567	(6,782,175)	4,613,392
Sewer	-	16,386,490	-	16,386,490	(7,972,939)	8,413,551
Oil & Gas	-	23,224	-	23,224	-	23,224
Golf Course	-	50	-	50	-	50
Airport	-	19,434	-	19,434	-	19,434
Off-Street Parking	-	13,848	-	13,848	-	13,848
Total Enterprise Funds	-	27,838,613	-	27,838,613	(14,755,114)	13,083,499
Total Receivables	\$ 52,008,447	\$ 167,891,744	\$ 311,473	\$ 220,211,664	\$ (21,334,958)	\$ 198,876,706

Included in the amounts above are water and sewer unbilled charges for services of approximately \$4,117,000 and \$690,000, respectively.

Delinquent special assessment receivables amounted to \$4,932,541 at December 31, 2012 and were fully reserved for in the allowance for uncollectibles in the Special Assessment Bond Payment fund.

4. Due From/To Other Governments

Amounts due from other governments at December 31, 2012 consist of the following:

	Federal	State	Total
Governmental Funds:			
General Fund	\$ 11,247	\$ -	\$ 11,247
Other Governmental Funds	<u>6,195,201</u>	<u>1,309,012</u>	<u>7,504,213</u>
Total Governmental Funds	<u><u>\$ 6,206,448</u></u>	<u><u>\$ 1,309,012</u></u>	<u><u>\$ 7,515,460</u></u>
Enterprise Funds:			
Water	\$ -	\$ 235,064	\$ 235,064
Other Enterprise Funds	<u>107,691</u>	<u>-</u>	<u>107,691</u>
Total Enterprise Funds	<u><u>\$ 107,691</u></u>	<u><u>\$ 235,064</u></u>	<u><u>\$ 342,755</u></u>

Amounts due to other governments at December 31, 2012 consist of the following:

	Federal	State	County	Local	Total
Governmental Funds:					
General Fund	\$ -	\$ -	\$ 2,454,152	\$ -	\$ 2,454,152
Other Governmental Funds	<u>1,402,750</u>	<u>691,422</u>	<u>-</u>	<u>490,401</u>	<u>2,584,573</u>
Total Governmental Funds	<u><u>\$ 1,402,750</u></u>	<u><u>\$ 691,422</u></u>	<u><u>\$ 2,454,152</u></u>	<u><u>\$ 490,401</u></u>	<u><u>\$ 5,038,725</u></u>
Enterprise Funds:					
Water	\$ -	\$ -	\$ 48,803	\$ 10,677	\$ 59,480
Sewer	<u>-</u>	<u>-</u>	<u>24,500</u>	<u>-</u>	<u>24,500</u>
Total Enterprise Funds	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 73,303</u></u>	<u><u>\$ 10,677</u></u>	<u><u>\$ 83,980</u></u>

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

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

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

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

5. Due From/To Other Funds

Interfund receivable and payable balances at December 31, 2012 are due within one year consist of the following individual fund receivables and payables:

	Receivable	Payable
Governmental Funds:		
General Fund	\$ 4,269,426	\$ 497,971
Community Learning Centers	1,177,223	-
Income Tax Capital Improvement	1,968,819	1,408,594
Other Governmental Funds	<u>1,850,057</u>	<u>8,718,878</u>
	<u>\$ 9,265,525</u>	<u>\$ 10,625,443</u>
Proprietary Funds:		
Enterprise Funds:		
Water	\$ 379,668	\$ 83,620
Sewer	175,205	192,334
Off-Street Parking	-	390
Other Enterprise Funds	<u>-</u>	<u>5,536</u>
	<u>\$ 554,873</u>	<u>\$ 281,880</u>
Internal Service Funds	<u>\$ 1,418,662</u>	<u>\$ 331,737</u>
Total	<u>\$ 11,239,060</u>	<u>\$ 11,239,060</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, 2012, the District had \$21,507,347 of unspent City funds that are recorded as Deposits on the City's Statement of Net Position and are recorded on the District's financial statements as "due to City of Akron".

7. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 155,765,493	\$ 322,427	\$ -	\$ 156,087,920
Construction in progress	62,707,947	15,754,764	11,561,554	66,901,157
CLC Land	1,060,673	269,852	-	1,330,525
CLC Construction in progress	<u>28,332,055</u>	<u>24,473,294</u>	<u>21,480,816</u>	<u>31,324,533</u>
Total capital assets, not being depreciated	247,866,168	40,820,337	33,042,370	255,644,135
Capital assets, being depreciated:				
Buildings	206,025,061	883,384	52,536	206,855,909
CLC Building Equity Interest	155,514,889	21,210,964	-	176,725,853
Improvements other than buildings	144,412,971	985,547	-	145,398,518
CLC Improvements other than buildings	53,610	-	-	53,610
Equipment & Intangibles	105,359,175	1,253,823	1,395,805	105,217,193
Infrastructure	<u>614,217,696</u>	<u>12,141,035</u>	<u>-</u>	<u>626,358,731</u>
Total capital assets, being depreciated	<u>1,225,583,402</u>	<u>36,474,753</u>	<u>1,448,341</u>	<u>1,260,609,814</u>
Less accumulated depreciation for:				
Buildings	79,363,508	4,270,759	27,214	83,607,053
CLC Building Equity Interest	6,703,272	2,728,591	-	9,431,863
Improvements other than buildings	46,504,865	4,940,378	-	51,445,243
CLC Improvements other than buildings	4,021	2,680	-	6,701
Equipment & Intangibles	87,872,697	4,402,162	1,352,847	90,922,012
Infrastructure	<u>279,508,182</u>	<u>15,680,384</u>	<u>-</u>	<u>295,188,566</u>
Total accumulated depreciation	<u>499,956,545</u>	<u>32,024,954</u>	<u>1,380,061</u>	<u>530,601,438</u>
Total capital assets, being depreciated, net	<u>725,626,857</u>	<u>4,449,799</u>	<u>68,280</u>	<u>730,008,376</u>
Governmental activities capital assets, net	<u>\$ 973,493,025</u>	<u>\$ 45,270,136</u>	<u>\$ 33,110,650</u>	<u>\$ 985,652,511</u>

7. Capital Assets (Continued)

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 26,687,607	\$ 263,000	\$ -	\$ 26,950,607
Construction in progress	17,261,561	27,729,307	1,696,979	43,293,889
Total capital assets, not being depreciated	43,949,168	27,992,307	1,696,979	70,244,496
Capital assets, being depreciated:				
Buildings	190,795,366	1,121,911	-	191,917,277
Improvements other than buildings	448,458,433	515,882	-	448,974,315
Equipment and intangibles	37,716,714	565,716	402,003	37,880,427
Infrastructure	157,721,748	2,467,218	-	160,188,966
Total capital assets, being depreciated	834,692,261	4,670,727	402,003	838,960,985
Less accumulated depreciation for:				
Buildings	79,139,791	3,053,746	-	82,193,537
Improvements other than buildings	262,997,183	7,605,072	-	270,602,255
Equipment and intangibles	31,599,731	1,525,835	400,553	32,725,013
Infrastructure	27,422,965	3,926,382	-	31,349,347
Total accumulated depreciation	401,159,670	16,111,035	400,553	416,870,152
Total capital assets, being depreciated, net	433,532,591	(11,440,308)	1,450	422,090,833
Business-type activities capital assets, net	\$ 477,481,759	\$ 16,551,999	\$ 1,698,429	\$ 492,335,329

7. Capital Assets (Continued)

Depreciation expense was charged during 2012 to functions of the government as follows:

Governmental Activities:

General government	\$ 1,952,380
Public service	7,623,746
Public safety	2,018,041
Community environment	4,280,320
Public health	290,466
Unallocated depreciation	15,559,132
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>300,869</u>
Total depreciation expense charged to governmental activities	<u>\$ 32,024,954</u>

Business-type Activities:

Water	\$ 4,944,220
Sewer	8,468,433
Off-Street Parking	2,408,299
Other Business-type activities	<u>290,083</u>
Total depreciation, depletion and amortization expense charged to business-type activities	<u>\$ 16,111,035</u>

Construction in progress and remaining capital commitments (including capitalized interest of \$1,032,252, of which \$702,213 was capitalized in 2012) are comprised of the following:

	Project Authorization	Expended to December 31, 2012	Committed
Governmental Activities:			
Governmental	\$ 70,018,681	\$ 64,573,625	\$ 5,445,056
Business-type Activities:			
Water	14,217,110	14,059,553	157,557
Sewer	27,290,431	26,636,286	654,145
Off-Street Parking	<u>916,804</u>	<u>902,084</u>	<u>14,720</u>
	<u>\$ 112,443,026</u>	<u>\$ 106,171,548</u>	<u>\$ 6,271,478</u>

8. **Accrued Vacation and Leave**

GASB Statement No. 16, *Accounting for Compensated Absences*, requires a liability to be established for all compensated absences as earned by the employees. At the time of the employee's separation, such compensated absences are paid to the employee from the fund to which the employee's payroll is charged.

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

Sick leave is earned by substantially all employees. Unused sick leave is accumulated up to 960 hours per employee and vests upon reaching certain age and service requirements. The vested portion of accumulated sick leave and amounts earned through December 31, 2012 and expected to vest in the future has been accrued in the government-wide statement of net position for all City employees. Amounts related to the City's proprietary fund operations are also accrued for in the proprietary fund statement of net position due to the nature of these funds.

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

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

8. Accrued Vacation and Leave (Continued)

As of December 31, 2012, the accrued vacation, paid leave, sick leave, and compensatory time is recorded as a current liability (due within one year) in the Statement of Net Position as follows:

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Governmental Activities:				
Governmental Funds:				
General Fund	\$ 7,226,722	\$ 8,841,859	\$ (7,226,722)	\$ 8,841,859
Income Tax Capital Improvement	47,819	67,993	(47,819)	67,993
Other Governmental Activities	<u>2,495,814</u>	<u>2,387,068</u>	<u>(2,495,814)</u>	<u>2,387,068</u>
Total Governmental Funds	9,770,355	11,296,920	(9,770,355)	11,296,920
Internal Service Funds	<u>674,698</u>	<u>879,968</u>	<u>(674,698)</u>	<u>879,968</u>
Total Governmental Activities	10,445,053	12,176,888	(10,445,053)	12,176,888
Business-type Activities:				
Enterprise Funds:				
Water	761,304	809,933	(761,304)	809,933
Sewer	518,450	577,728	(518,450)	577,728
Other Enterprise Funds	<u>40,446</u>	<u>23,614</u>	<u>(40,446)</u>	<u>23,614</u>
Total Enterprise Funds/ Business-type Activities	1,320,200	1,411,275	(1,320,200)	1,411,275
	<u>\$ 11,765,253</u>	<u>\$ 13,588,163</u>	<u>\$ (11,765,253)</u>	<u>\$ 13,588,163</u>

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

Governmental Activities:				
Governmental Funds:				
General Fund	\$ 26,706,452	\$ 11,132,763	\$ (9,619,438)	\$ 28,219,777
Income Tax Capital Improvement	173,515	54,165	(71,191)	156,489
Other Governmental Activities	<u>8,704,348</u>	<u>2,744,202</u>	<u>(4,452,339)</u>	<u>6,996,211</u>
Total Governmental Funds	35,584,315	13,931,130	(14,142,968)	35,372,477
Internal Service Funds	<u>2,192,160</u>	<u>931,048</u>	<u>(1,185,228)</u>	<u>1,937,980</u>
Total Governmental Activities	37,776,475	14,862,178	(15,328,196)	37,310,457
Business-type Activities:				
Water	2,542,733	1,131,108	(1,260,227)	2,413,614
Sewer	1,902,650	1,041,190	(1,186,555)	1,757,285
Other Business-type Activities	<u>195,669</u>	<u>40,920</u>	<u>(196,052)</u>	<u>40,537</u>
Total Business-type Activities	4,641,052	2,213,218	(2,642,834)	4,211,436
	<u>\$ 42,417,527</u>	<u>\$ 17,075,396</u>	<u>\$ (17,971,030)</u>	<u>\$ 41,521,893</u>

9. Pension and Other Post-Retirement Benefit Plans

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

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

In addition to participating in the plans described above, the City provides its own post-retirement health and life insurance benefits plan which is administered as a single-employer benefit plan.

OPERS

OPERS provides retirement and death benefits, disability benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employees of local governments are required to contribute 10.0% of their covered payroll to OPERS. The 2012 and 2011 employer contribution rate for local government employer units was 14.00%, of covered payroll including 4% during calendar year 2012, which is used to fund post-retirement health care benefits for members of the Traditional Plan. The portion of employer contributions allocated to members in the Combined Plan was 6.05% during calendar year 2012. 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, 2012, 2011, and 2010 were \$5,247,777, \$5,397,251, and \$5,178,025 respectively, which were equal to 100% of the required employer contributions for each year.

OPERS members are eligible to retire at any age with 30 years of service, at age 60 with at least 5 years of service or at age 55 with at least 25 years of service. Those retiring with less than 30 years of

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

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

In addition to the pension benefits, OPERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is also available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-retirement health care based on authority granted by state statute. As noted above, the Ohio Revised Code provides statutory authority for employer contributions. During 2012, 2011 and 2010, \$2,099,110, \$2,158,901 and \$2,958,178, respectively, of the City's total contribution to OPERS were used for post-retirement benefits which were equal to 100% of the required employer contributions for each year.

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

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

post-retirement health care benefits) for the years ended December 31, 2012, 2011, and 2010 were \$3,478,503, \$3,380,960, and \$3,518,258, respectively, which were equal to 100% of the required employer contributions for each year. The City's total contributed amounts for Fire (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2012, 2011, and 2010 were \$3,784,368, \$3,667,167, and \$3,707,534, respectively, which were equal to 100% of the required employer contributions for each year.

In addition to pension benefits, the Police and Fire plan provides post-retirement health care coverage for eligible persons who receive a monthly service, disability, or survivor benefit check. If eligible, the plan subsidizes a spouse, survivor (which includes a dependent parent receiving a statutory survivor benefit), child up to 28, or incapacitated child for medical and prescription drugs. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 45. Police and Fire provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. The authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code. The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the Police and Fire (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members; currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

Police and Fire maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the Police and Fire Board of Trustees. The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The Police and Fire Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's contributions for Police, which can be determined by multiplying actual employer contributions by .346, for 2012, 2011, and 2010 used to pay post-retirement health care were \$1,841,560, \$1,789,920 and \$1,862,607, respectively, which were equal to 100% of the required employer contributions for each year. The City's contributions for Fire, which can be determined by multiplying actual employer contributions by .281, for 2012, 2011, and 2010 used to pay post-retirement health care were \$1,480,840, \$1,434,978 and \$1,450,774, respectively, which were equal to 100% of the required employer contributions for each year.

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

Other Post-retirement Benefits (OPEB)

In addition to the post-retirement benefits provided by the Ohio Police and Fire Pension Fund and the Ohio Public Employees Retirement System of Ohio, the City provides post-retirement health care and life insurance benefits, in accordance with union agreements and City Council ordinances, for retired employees. The post-retirement healthcare coverage is a single self-insured plan, administered through Medical Mutual, which provides medical, prescription drugs, dental, and vision benefits. The major medical portion of the coverage, which includes prescription drugs, ends at age 65. All other benefits continue for the lifetime of the participant. The life insurance amounts are dependent on age at retirement and the retiree's collective bargaining unit. All life insurance amounts are reduced by 50% after the first year of retirement. Dependents are not eligible for life insurance during retirement. The life insurance is fully insured. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Currently, 2,156 retirees meet those eligibility requirements. The City pays 100% of the cost of health care and life insurance benefits. These benefits are financed on a pay-as-you go basis; as such, the cost of retiree health care and life insurance benefits is recognized as expenditure/expense as claims are incurred. For the years ended 2012, 2011 and 2010 those costs were \$4,512,097, \$4,182,621 and \$4,784,987 respectively. Eligibility for OPEB benefits is receiving a pension benefit from OPERS, Police and Fire, or disability retirement. Former employees who are term-vested for pension benefits are not eligible.

Pursuant to GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension Benefits*, the City has recorded liabilities of \$28,619,198, and \$3,324,437 in the government-wide statement of net position, as liabilities due in more than one year for Governmental Activities and Business-type Activities, respectively.

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

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

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

Year Ended	Annual Required Contributions	Actual Contributions	Percentage Contributed
12/31/2010	\$9,679,000	\$3,930,000	40.6
12/31/2011	11,686,000	4,335,000	37.1
12/31/2012	11,473,000	4,772,000	41.6

Year Ended	Annual OPEB Cost	Percentage OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	\$9,825,000	40.0	\$18,210,000
12/31/2011	11,553,000	37.5	25,428,000
12/31/2012	11,288,000	42.3	31,944,000

Year Ended	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Covered Payroll	Percentage of Covered Payroll
12/31/2010	\$149,961,000	\$149,961,000	\$114,340,000	131.2
12/31/2011	179,994,000	179,994,000	88,115,000	204.3
12/31/2012	178,939,000	178,939,000	83,935,000	213.2

OPEB are advanced-funded using the entry-age normal actuarial cost method with a level percentage of pay. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. The Unfunded Actuarial Accrued Liability is then amortized as a level percentage of pay over 30 years of open group payroll. For actuarial valuation purposes, an inflation rate of 2.50% from 2011 to 2012 is assumed, a discount rate of 3.5% is assumed, along with a projected payroll growth rate of 2%. Other significant actuarial assumptions include a health care cost rate for medical and prescription drugs of 8.5% in 2012, with the rate decreasing by one-half percentage per year an ultimate of 5.0% in 2019 and after. In subsequent years after 2019 health care cost rates are assumed to remain at 5.0%. Health care costs for dental and vision were assumed to be 6.0% in 2012, decreasing every 2 years by one-half percentage point for an ultimate of 5.0% in 2015. In subsequent years after 2015 health care cost rates for dental and vision are assumed to remain at 5.0%.

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

The following chart shows the determination of the 2012 annual required contribution (ARC) and accrual.

Cost Element	Amount
Unfunded actuarial accrued liability at 12/31/12	\$ 178,939,000
<u>Annual Required Contribution (ARC)</u>	
Normal cost (including interest to the end of the year)	4,092,000
Amortization of the unfunded actuarial accrued liability over 30 years using level % of payroll	<u>7,381,000</u>
Annual Required Contribution	11,473,000
<u>Annual OPEB Cost (Expense)</u>	
ARC	11,473,000
Interest on beginning of year CAFR accrual	890,000
Amortization of beginning of year CAFR accrual	<u>(1,075,000)</u>
Fiscal year 2012 OPEB cost	11,288,000
<u>End of Year CAFR Accrual (Net OPEB Obligation)</u>	
Beginning of year CAFR Accrual	25,428,000
Annual OPEB cost	11,288,000
Employer contribution (benefit payments and expense)	<u>(4,772,000)</u>
End of year CAFR accrual	<u>\$ 31,944,000</u>

10. Notes Payable

The following is a summary of note transactions for the year ended December 31, 2012 reflected in governmental activities in the government-wide financial statements:

	<u>Governmental Activities</u> Special Assessment	<u>Governmental Activities</u> Capital Projects	<u>Governmental Activities</u> General Health	<u>Governmental Activities</u> Total
Notes Payable at January 1, 2012	\$ 10,618,700	\$ 39,650,000	\$ 13,000,000	\$ 63,268,700
New notes issued	11,280,000	10,115,000	11,000,000	32,395,000
Notes retired	<u>(10,102,700)</u>	<u>(39,650,000)</u>	<u>(13,000,000)</u>	<u>(62,752,700)</u>
Notes Payable at December 31, 2012	<u>\$ 11,796,000</u>	<u>\$ 10,115,000</u>	<u>\$ 11,000,000</u>	<u>\$ 32,911,000</u>

The following is a summary of the City's future debt service requirements for notes payable as of December 31, 2012 (in thousands):

Fiscal Year Ending December 31	Governmental Activities				Total
	Special Assessment Notes		General Obligation Notes		
	Principal	Interest	Principal	Interest	
2013	\$ 11,796	\$ 153	\$ 21,115	\$ 265	\$ 33,329

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

Bonds and notes issued by the City of Akron and held by the City as investments at December 31, 2012 amounting to \$2,368,606 (Note 2) are eliminated in the government-wide statement of net position.

10. Notes Payable (Continued)

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

The weighted average interest rates on special assessment notes and general obligation notes at December 31, 2012 were 1.42% and 1.26% respectively.

Notes payables as of December 31, 2012, are comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
Special Assessment Notes:				
<u>Governmental Activities:</u>				
Paving Notes:				
March 14, 2008	4.00	3-08	March 14, 2013	\$ 399,700
May 28, 2008	4.00	8-08	May 28, 2013	47,500
Resurfacing Notes:				
Sidewalk Notes:				
December 24, 2008	4.00	9-08	December 24, 2013	33,600
Street Cleaning Notes:				
November 15, 2012	1.31	11-12	November 14, 2013	11,280,000
Utilities Notes:				
May 7, 2008	4.00	6-08	May 7, 2013	35,200
Total Special Assessment Notes				<u>\$ 11,796,000</u>
General Obligation Notes:				
Various Purpose Improvement Notes:				
November 14, 2012	1.13		November 14, 2013	10,115,000
Health Benefit Notes:				
March 14, 2012	1.38		March 14, 2013	<u>11,000,000</u>
				<u><u>\$ 32,911,000</u></u>

11. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended December 31, 2012:

	Governmental Activities					
	General Obligation	OPWC Loans	Ohio Development Services Agency Loans	Non-Tax Revenue	Income Tax Revenue	
Long-term debt payable at January 1, 2012	\$ 240,483,180	\$ 10,706,454	\$ 5,689,471	\$ 50,835,000	\$ 234,095,000	
New Issues:						
CLC	-	-	-	-	162,385,000	
Sewer System	-	-	-	-	-	
Water System	-	-	-	-	-	
Various Purpose Improvements	8,540,000	-	-	-	26,870,000	
Retirements	(20,179,862)	(860,691)	\$ (106,826)	(755,000)	(177,120,000)	
Long-term debt payable at December 31, 2012	<u>\$ 228,843,318</u>	<u>\$ 9,845,763</u>	<u>\$ 5,582,645</u>	<u>\$ 50,080,000</u>	<u>\$ 246,230,000</u>	
	Governmental Activities					
	Special Revenue	Special Assessment	SIB Loans	Internal Service Income Tax Revenue		
Long-term debt payable at January 1, 2012	\$ 27,165,000	\$ 11,240,502	\$ 4,475,878	\$ -		
New Issues:						
CLC	-	-	-	-		
Sewer System	-	-	-	-		
Water System	-	-	-	-		
Various Purpose Improvements	-	-	-	2,000,000		
Retirements	-	(2,648,673)	(1,346,451)	-		
Long-term debt payable at December 31, 2012	<u>\$ 27,165,000</u>	<u>\$ 8,591,829</u>	<u>\$ 3,129,427</u>	<u>\$ 2,000,000</u>		
	Business-type Activities					
	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Total
Long-term debt payable at January 1, 2012	\$ 637,827	\$ 40,365,000	\$ 23,470,000	\$ 28,255,746	\$ 1,945,789	\$ 679,364,847
New Issues:						
CLC	-	-	-	-	-	162,385,000
Sewer System	-	-	-	26,983,160	-	26,983,160
Water System	-	-	-	1,880,853	-	1,880,853
Various Purpose Improvements	-	-	-	-	-	37,410,000
Retirements	(3,377)	(3,190,000)	(3,955,000)	(5,977,454)	(201,514)	(216,344,848)
Long-term debt payable at December 31, 2012	<u>\$ 634,450</u>	<u>\$ 37,175,000</u>	<u>\$ 19,515,000</u>	<u>\$ 51,142,305</u>	<u>\$ 1,744,275</u>	<u>\$ 691,679,012</u>

11. Long-Term Debt (Continued)

Long-term debt at December 31, 2012 is comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
<u>Governmental Activities:</u>				
<u>General Obligation Bonds:</u>				
Urban Renewal Public Improvement Bonds:				
February 21, 1991	8	Series 1990	December 1, 2020	\$ 719,992
December 10, 1991	8	Series 1991	December 1, 2021	1,352,000
Various Purpose Improvement Bonds:				
October 1, 2003	2.0 to 5.25	-	December 1, 2024	1,735,000
September 1, 2005	3.5 to 5.0	Series 2005	December 1, 2026	49,644,999
December 21, 2006	3.75 to 5.0	-	December 1, 2027	17,260,000
December 3, 2007	3.75 to 5.0	-	December 1, 2028	16,730,001
December 1, 2009	3.75 to 5.0	Series 2009	December 1, 2028	12,516,612
November 30, 2010	2.0 to 5.50	Series 2010	December 1, 2031	70,531,782
December 8, 2010	5.625 to 6.50	Series 2010	December 1, 2031	7,355,000
December 21, 2011	1.50 to 4.0	Series 2011	December 1, 2023	42,457,932
November 29, 2012	2.0 to 4.0	Series 2012	December 1, 2024	8,540,000
Total General Governmental Bonds:				<u>\$ 228,843,318</u>
<u>OPWC Loans:</u>				
July 1, 1997	-	Boxwood Ave.	July 1, 2018	\$ 228,000
July 1, 1998	-	Lakeshore Blvd.	January 1, 2020	405,600
July 1, 1998	-	Tallmadge Ave.	July 1, 2021	383,472
July 1, 1999	-	Lakeshore Blvd.	July 1, 2022	116,279
July 1, 1999	-	Bye Street	July 1, 2022	131,625
July 1, 1999	-	Wooster/East Ave.	July 1, 2022	284,288
July 1, 2000	-	Bishop Street	July 1, 2022	61,000
July 1, 2000	-	NW Storm Outlets	July 1, 2022	237,870
July 1, 2000	-	N. Arlington Bridge	July 1, 2022	165,755
July 1, 2001	-	Darrow Road	July 1, 2023	473,679
July 1, 2003	-	US 244 Phase II	July 1, 2025	585,023
July 1, 2005	-	Manchester Rd Ph I	July 1, 2027	44,550
July 1, 2005	-	Arlington St Signalization	July 1, 2027	584,842
July 1, 2005	-	E. Market St Widening	July 1, 2027	1,361,550
July 1, 2006	-	W. Market Street	July 1, 2028	839,800
July 1, 2006	-	Tallmadge Ave Singalization	July 1, 2027	138,300
July 1, 2006	-	Brown and Power St.	July 1, 2027	708,900
November 28, 2008	-	Barbara Ave.	January 1, 2040	179,930
November 28, 2008	-	Newton Street Bridge	January 1, 2040	585,298
July 1, 2008	-	Mill St. Bridge	July 1, 2039	1,299,000
March 13, 2009	-	Dover Ave.	January 1, 2030	365,935
October 11, 2011	-	Carroll Street	July 1, 2041	665,067
Total General Governmental OPWC				<u>\$ 9,845,763</u>

11. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
Governmental Activities (Continued)				
<u>Ohio Development Services Agency Loans:</u>				
March 1, 2003	1/2 Prime	2003 Univ Tech Pk	March 1, 2018	\$ 582,645
March 31, 2011	2	Goodyear 106 Loan	December 1, 2030	<u>5,000,000</u>
Total General Governmental Ohio Department of Development Loans:				<u>\$ 5,582,645</u>
<u>Non-Tax Revenue Bonds:</u>				
December 15, 2006	5.01 to 5.61	2006	December 1, 2026	\$ 16,125,000
September 18, 2008	7.375	2008	December 1, 2028	19,920,000
December 15, 2011	2.0 to 2.25	2011	December 1, 2018	<u>14,035,000</u>
Total General Governmental Non-tax Revenue:				<u>\$ 50,080,000</u>
<u>Income Tax Revenue Bonds:</u>				
December 15, 2011	2.0 to 3.75	2011	December 1, 2023	\$ 6,405,000
November 14, 2012	3.0 to 4.0	2012	December 1, 2032	<u>26,870,000</u>
				<u>\$ 33,275,000</u>
<u>CLC Income-Tax Revenue Bonds:</u>				
January 1, 2004	2.0 to 6.0	2004B	December 1, 2014	\$ 5,570,000
July 28, 2010	3.0 to 4.5	2010A	December 1, 2033	17,880,000
July 28, 2010	5.074 to 6.463	2010B	December 1, 2033	12,060,000
July 28, 2010	5.87	2010C	December 1, 2026	15,060,000
June 27, 2012	3.5-5.0	2012A	December 1, 2033	155,360,000
June 27, 2012	3.0-4.0	2012B	December 1, 2015	<u>7,025,000</u>
Total CLC Income-Tax Revenue Bonds:				<u>\$ 212,955,000</u>
<u>Special Revenue Bonds (JEDD):</u>				
December 21, 2011	2.75 to 5.0	2000	December 1, 2020	\$ 6,415,000
December 21, 2011	2.75 to 5.0	2000	December 1, 2020	6,425,000
December 21, 2011	2.75 to 5.0	2002	December 1, 2022	8,800,000
December 21, 2011	2.75 to 5.0	2002	December 1, 2022	<u>5,525,000</u>
Total Special Revenue Bonds (JEDD):				<u>\$ 27,165,000</u>

11. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Governmental Activities (Continued):</u>				
Special Assessment Obligations:				
Street Improvement Bonds:				
September 1, 1978	7.25	Rosemary Blvd.	September 1, 2014	\$ 6,000
September 1, 2003	2 to 4	2003	December 1, 2013	330,000
September 1, 2004	4	2004	December 1, 2014	810,000
March 1, 2004	4	2004	December 1, 2014	10,403
December 1, 2004	4	2004B	December 1, 2014	12,015
September 29, 2005	3.707	2005	December 1, 2015	810,000
March 1, 2006	4	2006	December 1, 2015	21,775
September 14, 2006	4.0 to 5.5	2006	December 1, 2016	590,000
March 1, 2007	4	2007	December 1, 2016	9,766
September 5, 2007	4.1	2007	December 1, 2017	500,000
March 1, 2008	4	2008	December 1, 2017	21,505
December 1, 2009	4.521	2009	December 1, 2014	53,387
June 1, 2010	4	2010	December 1, 2019	961,142
November 22, 2011	2.45	2011	December 1, 2021	4,395,000
December 21, 2011	1.5 to 4.0	2011	December 1, 2014	60,836
Total Special Assessment Obligations:				<u>\$ 8,591,829</u>
<u>State Infrastructure Bank (SIB) Loans:</u>				
July 12, 2004	0.0 to 3.0	U.S. 224 Ph 1&2	September 1, 2014	\$ 1,251,978
September 30, 2004	0.0 to 3.0	Bridges	September 30, 2014	965,130
June 21, 2005	0.0 to 3.0	Bikeway	September 1, 2016	912,319
Total SIB Loans:				<u>\$ 3,129,427</u>
<u>Internal Service Income Tax Revenue Bonds</u>				
November 14, 2012	3.0 to 4.0	2012	December 1, 2032	\$ 2,000,000
Total Internal Service Income Tax Revenue Bonds				<u>\$ 2,000,000</u>
<u>Business-type Activities:</u>				
Enterprise General Obligation Bonds:				
November 30, 2010	2.35 to 1.55	Canal/Tell	December 1, 2020	\$ 503,218
December 21, 2011	1.5 to 4.0	Canal/Tell	December 1, 2022	131,232
Total Enterprise General Obligation Bonds:				<u>\$ 634,450</u>
Enterprise Mortgage Revenue Bonds:				
Waterworks System Bonds:				
July 1, 2003	2 to 5	2003	September 1, 2014	\$ 4,990,000
August 1, 2006	4 to 4.5	2006	March 1, 2026	10,445,000
September 17, 2009	2.5 to 5.0	2009	March 1, 2034	21,740,000
Total Waterworks System Bonds:				<u>\$ 37,175,000</u>

11. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
Sewer System Bonds:				
April 1, 1998	3.75 to 5.50	1998	December 1, 2017	\$ 1,155,000
December 1, 2005	3.50 to 5.00	2005	December 1, 2018	18,360,000
Total Sewer System Bonds:				<u>\$ 19,515,000</u>
Enterprise OWDA Loans:				
March 30, 1995	4.56	Sewer	July 1, 2015	\$ 3,264,384
April 27, 1995	4.56	Sewer	July 1, 2015	3,805,947
September 30, 1999	2.01	Water	July 1, 2019	529,706
May 25, 2000	4.64	Water	July 1, 2021	4,147,843
January 29, 2004	3.5	Water	January 1, 2014	501,701
September 30, 2004	3.81	Sewer	July 1, 2015	2,803,099
December 16, 2004	3.35	Sewer	July 1, 2014	3,016,611
October 30, 2008	3.52	Water	January 1, 2020	1,209,343
October 30, 2008	3.52	Sewer	January 1, 2020	1,209,341
January 14, 2010	3.25	Sewer	January 1, 2030	836,044
November 19, 2009	3.25	Sewer	July 1, 2030	142,707
December 10, 2009	3.25	Sewer	January 1, 2015	41,956
December 10, 2009	3.25	Sewer	July 1, 2020	297,062
December 10, 2009	3.25	Sewer	January 1, 2030	78,008
March 31, 2011	4.72	Sewer	January 1, 2031	760,936
February 24, 2011	4.14	Sewer	January 1, 2031	330,022
February 24, 2011	4.14	Sewer	January 1, 2031	401,804
August 25, 2011	4.52	Sewer	January 1, 2017	255,135
October 27, 2011	2.60	Sewer	January 1, 2017	32,891
October 27, 2011	2.60	Sewer	January 1, 2017	23,327
October 27, 2011	2.60	Sewer	January 1, 2017	553,398
December 8, 2011	2.55	Sewer	January 1, 2017	708,786
December 31, 2011	2.80	Sewer	July 1, 2032	2,236,257
December 8, 2011	2.80	Water	January 1, 2033	1,395,673
December 8, 2011	2.80	Sewer	January 1, 2033	1,395,673
December 8, 2011	2.80	Sewer	January 1, 2032	765,667
December 8, 2011	3.55	Water	July 1, 2032	470,615
October 27, 2011	2.78	Sewer	July 1, 2033	15,003,738
October 27, 2011	2.85	Sewer	January 1, 2033	1,008,319
October 27, 2011	2.85	Sewer	July 1, 2032	843,447
May 31, 2012	2.69	Sewer	January 1, 2018	2,510,838
May 31, 2012	2.69	Sewer	January 1, 2019	547,462
June 28, 2012	2.00	Water	July 1, 2033	14,565
Total Enterprise OWDA Loans:				<u>\$ 51,142,305</u>
Enterprise OPWC Loans:				
July 1, 1995	0	Water	July 1, 2016	\$ 358,454
December 1, 1995	0	Sewer	January 1, 2017	127,856
July 1, 1996	0	Sewer	July 1, 2017	340,226
July 1, 1997	0	Sewer	July 1, 2018	252,875
July 1, 2000	0	Water	July 1, 2021	537,000
July 1, 2005	0	Sewer	July 1, 2025	127,864
Total Enterprise OPWC Loans:				<u>\$ 1,744,275</u>

11. Long-Term Debt (Continued)

The following is a summary of the City's future debt service requirements as of December 31, 2012 (in thousands):

Fiscal Year Ending December 31	Governmental Activities					
	General Obligation Bonds		OPWC Loan		Ohio Development Services Agency Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 13,704	\$ 9,994	\$ 647	\$ -	\$ 100	\$ 23
2014	15,061	9,519	647	-	104	19
2015	16,163	8,948	647	-	108	14
2016	16,739	8,340	647	-	243	66
2017	17,322	7,612	647	-	418	112
2018-2022	82,414	27,356	2,947	-	1,640	435
2023-2027	50,760	11,458	1,935	-	1,790	245
2028-2032	16,680	2,326	729	-	1,180	47
2033-2037	-	-	524	-	-	-
2038-2042	-	-	476	-	-	-
	<u>\$ 228,843</u>	<u>\$ 85,553</u>	<u>\$ 9,846</u>	<u>\$ -</u>	<u>\$ 5,583</u>	<u>\$ 961</u>
Fiscal Year Ending December 31	Non-Tax Revenue Bonds		Income Tax Revenue		Special Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 1,605	\$ 2,648	\$ 6,890	\$ 11,516	\$ -	\$ 1,149
2014	3,620	2,585	7,700	11,432	1,920	1,149
2015	4,343	2,471	7,340	11,207	3,215	1,072
2016	4,510	2,301	7,690	10,937	3,325	944
2017	4,687	2,129	8,085	10,656	3,485	778
2018-2022	14,630	8,082	50,085	47,291	15,220	1,428
2023-2027	14,559	3,637	62,550	33,560	-	-
2028-2032	2,126	156	80,750	16,625	-	-
2033-2037	-	-	17,140	873	-	-
2038-2042	-	-	-	-	-	-
	<u>\$ 50,080</u>	<u>\$ 24,009</u>	<u>\$ 248,230</u>	<u>\$ 154,097</u>	<u>\$ 27,165</u>	<u>\$ 6,520</u>
Fiscal Year Ending December 31	Special Assessment Bonds		State Infrastructure Bonds			
	Principal	Interest	Principal	Interest		
2013	\$ 2,371	\$ 276	\$ 1,387	\$ 83		
2014	2,141	191	1,429	42		
2015	1,219	116	313	7		
2016	963	77	-	-		
2017	460	49	-	-		
2018-2022	1,438	89	-	-		
2023-2027	-	-	-	-		
2028-2032	-	-	-	-		
2033-2037	-	-	-	-		
2038-2042	-	-	-	-		
	<u>\$ 8,592</u>	<u>\$ 798</u>	<u>\$ 3,129</u>	<u>\$ 132</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
2013	\$ 3	\$ 28	\$ 3,340	\$ 1,608	\$ 4,130	\$ 950
2014	15	28	3,475	1,471	4,310	769
2015	72	27	3,625	1,322	4,525	554
2016	76	24	3,805	1,143	4,750	328
2017	79	20	3,990	954	1,800	90
2018-2022	389	40	8,790	2,996	-	-
2023-2027	-	-	5,950	1,597	-	-
2028-2032	-	-	2,845	701	-	-
2033-2037	-	-	1,355	68	-	-
2038-2042	-	-	-	-	-	-
	<u>\$ 634</u>	<u>\$ 167</u>	<u>\$ 37,175</u>	<u>\$ 11,860</u>	<u>\$ 19,515</u>	<u>\$ 2,691</u>

Fiscal Year Ending December 31	OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
2013	\$ 7,655	\$ 1,430	\$ 201	\$ -
2014	9,733	1,981	202	-
2015	6,570	1,485	201	-
2016	2,723	1,229	202	-
2017	2,580	1,092	201	-
2018-2022	11,528	4,177	611	-
2023-2027	9,096	2,441	126	-
2028-2032	1,257	132	-	-
2033-2037	-	-	-	-
2038-2042	-	-	-	-
	<u>\$ 51,142</u>	<u>\$ 13,967</u>	<u>\$ 1,744</u>	<u>\$ -</u>

Fiscal Year Ending December 31	Governmental Activities Total		Business-type Activities Total		Grand Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 26,704	\$ 25,689	\$ 15,329	\$ 4,016	\$ 42,033	\$ 29,705
2014	32,622	24,937	17,735	4,249	50,357	29,186
2015	33,348	23,835	14,993	3,388	48,341	27,223
2016	34,117	22,665	11,556	2,724	45,673	25,389
2017	35,104	21,336	8,650	2,156	43,754	23,492
2018-2022	168,374	84,681	21,318	7,213	189,692	91,894
2023-2027	131,594	48,900	15,172	4,038	146,766	52,938
2028-2032	101,465	19,154	4,102	833	105,567	19,987
2033-2037	17,664	873	1,355	68	19,019	941
2038-2042	476	-	-	-	476	-
	<u>\$ 581,468</u>	<u>\$ 272,070</u>	<u>\$ 110,210</u>	<u>\$ 28,685</u>	<u>\$ 691,678</u>	<u>\$ 300,755</u>

11. Long-Term Debt (Continued)

All bonds and notes are backed by the full faith and credit of the City except revenue bonds. Water Mortgage Revenue Bonds are collateralized by the capital assets of the Water System that had net carrying values of approximately \$143,755,183 at December 31, 2012. 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.

The Sanitary Sewer System Improvement and Refunding Revenue Bond dated April 1, 1998, the Waterworks System Mortgage Revenue Improvement and Refunding Bonds dated July 1, 2003 and the Waterworks System Mortgage Revenue Improvement Bond dated August 10, 2006 require deposits to a Debt Service Fund based on a calculation of net operating revenues. The Sewer System Revenue Bond Indenture Agreement dated April 1, 1998 requires that a Debt Service Reserve Fund be created and maintained at a minimum of \$1,217,081. The balances in the Debt Service Reserve Fund and the Debt Service Fund at December 31, 2012 were as follows:

	Sewer System 1998 Issue	Waterworks System 2003 Issue	Waterworks System 2006 Issue
Minimum balance of debt service reserve fund	\$1,217,081	-	-
Actual balance of debt service reserve fund	<u>4,449,271</u>	<u>1,875,368</u>	<u>532,552</u>
Excess	<u><u>\$3,232,190</u></u>	<u><u>\$1,875,368</u></u>	<u><u>\$532,552</u></u>

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

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the assessed value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2012, the City's total net debt amounted to 4.73% of the total assessed value of all property within the City and unvoted net debt amounted to 4.73% of the total assessed value of all property within the City.

11. Long-Term Debt (Continued)

On June 27, 2012, the City issued \$162,385,000 in Community Learning Center Income Tax Revenue Bonds, Series 2012A and 2012B maturing December 1, 2014 through December 1, 2033 with interest rates ranging from 3% to 5%. Out of net proceeds of \$184,328,303, including a premium of \$23,325,576 and an underwriter's discount of \$1,382,273 (after payment of \$230,473 in insurance and other issuance costs), \$184,097,830 was used to provide cash to provide for debt service payments on the CLC Income Tax Revenue Bonds, Series 2004.

As a result, the CLC Income Tax Revenue Bonds, Series 2004 are considered to be defeased and the liability for those bonds has been removed from the financial statements. The City advance refunded these bonds to reduce its total debt service payments by approximately \$15,372,420 and incurred an economic gain (difference between the present value of debt service payments on the old and new debt) of approximately \$12,150,506.

On November 14th, 2012, the City issued \$28,870,000 in Various Purpose Income Tax Revenue Bonds, Series 2012 maturing December 1, 2013 through December 1, 2032 with interest rates ranging from 3% to 4%. Out of net proceeds of \$30,092,555, including a premium of \$1,628,443, an underwriter's discount of \$187,636 and original issue discount of \$218,252 (after payment of \$110,845 in insurance and other issuance costs), \$29,981,710 was used to provide cash to provide for debt service payments on the Various Purpose Income Tax Revenue Bonds, Series 2012.

On November 29, 2012, the City issued \$8,540,000 in general obligation bonds Various Purpose Refunding Bonds, Series 2012 maturing December 1, 2013 through December 1, 2024 with interest rates ranging from 2% to 4%. Out of the net proceeds of \$9,357,939, including a premium of \$860,639, and an underwriter's discount of \$42,700 (after payment of \$71,432 in insurance and other issuance costs), \$9,286,507 was used to provide cash to provide for debt service payments on the General Obligation Various Purpose Bonds, Series 2003.

As a result the above Series 2003 Bonds are considered to be defeased and the liability for these bonds has been removed from the financial statements. The City advanced refunded these bonds to reduce its total debt service payments by approximately \$611,400, and incurred an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$656,872.

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, 2012:

Issue	Defeasance Date	Original Amount		Principal Outstanding at 12/31/12
		Defeased	Escrowed	
Various Purpose Improvement Bonds, Series 1992	2001	\$10,785,000	\$11,869,971	\$615,000
Street Improvement Bonds, Series 1992	2001	1,940,000	2,135,164	50,000
Various Purpose Improvement Bonds, Series 1994	2001	15,825,000	18,761,930	1,980,000
Waterworks System Mortgage Revenue Bonds Series 1994	2003	19,405,000	20,820,490	4,855,000
Various Purpose Improvement Bonds, Series 1993	2005	5,555,000	-	645,000
Various Purpose Improvement Bonds, Series 1995-2	2005	3,855,000	-	1,140,000
Various Purpose Improvement Bonds, Series 1996	2005	2,600,000	-	1,560,000
Various Purpose Improvement Bonds, Series 1996-2	2005	7,900,000	-	3,250,000
Various Purpose Improvement Bonds, Series 1997	2005	11,960,000	-	5,070,000
Various Purpose Improvement Bonds, Series 1999	2005	14,310,000	-	7,670,000
Various Purpose Improvement Bonds, Series 2000	2005	14,265,000	-	9,460,000
		<u>60,445,000</u>	<u>40,208,751</u>	<u>28,795,000</u>
Sanitary Sewer System Revenue Bonds, Series 1996	2005	12,655,000	-	4,585,000
Sanitary Sewer System Revenue Bonds, Series 1997	2005	11,245,000	-	6,555,000
Revenue Bonds, Series 1998	2005	6,165,000	-	5,235,000
		<u>30,065,000</u>	<u>30,839,036</u>	<u>16,375,000</u>
Revenue Bonds, Series 1998	2009	6,570,000	-	4,690,000
		<u>6,570,000</u>	<u>14,464,701</u>	<u>4,690,000</u>
Various Purpose Improvement Bonds, Series 1998	2010	5,835,000	6,044,651	4,380,000
Various Purpose Improvement Bonds, Series 2001	2010	13,850,000	14,792,506	9,830,000
		<u>19,685,000</u>	<u>20,837,157</u>	<u>14,210,000</u>

11. Long-Term Debt (Continued)

Issue	Defeasance Date	Original Amount		Principal Outstanding at 12/31/12
		Defeased	Escrowed	
Various Purpose Improvement Bonds, Series 2001	2011	\$ 7,425,000	\$ 7,474,877	\$ 5,780,000
Various Purpose Improvement Bonds, Series 2002	2011	19,390,000	20,342,508	19,390,000
Various Purpose Improvement Bonds, Series 2003	2011	15,635,000	17,109,007	15,105,000
		<u>42,450,000</u>	<u>44,926,392</u>	<u>40,275,000</u>
Non-Tax Revenue Bonds, Series 1997	2011	16,385,000	16,594,456	14,390,000
Income Tax Revenue Bonds, Series 1999	2011	6,290,000	6,330,767	5,895,000
Special Revenue Bonds (JEDD), Series 2000	2011	16,180,000	16,308,393	14,745,000
Special Revenue Bonds (JEDD), Series 2002	2011	16,400,000	17,153,385	15,185,000
		<u>32,580,000</u>	<u>33,461,778</u>	<u>29,930,000</u>
CLC Income Tax Revenue Bonds, Series 2004A	2012	165,000,000	177,376,931	165,000,000
CLC Income Tax Revenue Bonds, Series 2004B	2012	6,895,000	7,382,125	6,295,000
		<u>171,895,000</u>	<u>184,759,056</u>	<u>171,295,000</u>
Various Purpose Improvement Bonds, Series 2003	2012	8,755,000	9,301,891	8,755,000
				<u>\$ 342,110,000</u>

11. Long-Term Debt (Continued)

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

<u>Description</u>	<u>Moody's</u> <u>Investors</u> <u>Service</u>	<u>Standard</u> <u>and Poor's</u>	<u>Fitch</u> <u>Ratings</u>
	<u>Current</u> <u>Rating</u>	<u>Current Rating</u>	<u>Current</u> <u>Rating</u>
1998 Sanitary Sewer System Improvement and Refunding Bonds	WR	n/a	n/a
1999 Various Purpose Improvement Bonds (Advance Refunded)	Aa3	n/a	WD
2003 Street Improvement Special Assessment Bonds	Aa3	AA-	n/a
2003 Various Purpose Improvement Bonds	Aa3	AA-	AA-
2003 Waterworks System Mortgage Revenue Improvement and Refunding Bonds	Baa2	n/a	n/a
2004B Income Tax Revenue Bonds (CLC)	A1	AA+	AA-
2005 Refunding Certificates of Participation	n/a	AA-	A
2005 Sanitary Sewer System Improvement and Refunding Bonds	WR	n/a	Not rated
2005 Street Improvement Special Assessment Bonds	Aa3	AA-	n/a
2005 Various Purpose Improvement and Refunding Bonds	Aa3	AA+	AA-
2005-A Certificates of Participation	WR	A+	n/a
2006 Street Improvement Special Assessment Bonds	A2	AA-	WD
2006 Taxable Economic Development Revenue Bonds	Baa2	n/a	n/a
2006 Various Purpose Improvement Bonds	Aa3	AA-	AA-
2006 Waterworks System Mortgage Revenue Improvement and Refunding Bonds	WR	n/a	n/a
2007 Certificates of Participation	WR	A+	n/a
2007 Various Purpose Improvement Bonds	Aa3	AA-	AA-
2009 Various Purpose Improvement Refunding Bonds	n/a	AA+	n/a
2009 Waterworks System Mortgage Revenue Improvement and Refunding Bonds	A3	n/a	n/a
2010 Steam Utility Certificates of Participation	n/a	A+	n/a
2010 Various Purpose Refunding Bonds, Series A	n/a	AA-	AA-
2010 Various Purpose Refunding Bonds, Series B	n/a	AA-	AA-
2010 Various Purpose Refunding Bonds, Series C	n/a	AA-	AA-
2010 Various Purpose Refunding Bonds, Series D	n/a	AA+	AA-
2010A Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2010B Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2010C Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2011 JEDD Revenue Refunding Bonds	n/a	AA-	n/a
2011 Nontax Revenue Economic Dev Bonds	A1	n/a	n/a
2011 Pension Income Tax Revenue Refunding Bonds	A1	n/a	n/a
2011 Various Purpose Refunding Bonds	Aa3	AA-	n/a
2012 Health Benefit Claims Notes	n/a	SP-1+	n/a
2012 Various Purpose Improvement Notes	n/a	SP-1+	n/a
2012 Various Purpose Refunding Bonds	n/a	AA-	n/a
2012 Various Purpose Income Tax Refunding Bonds	n/a	AA+	n/a
2012A Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2012B Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a

11. Long-Term Debt (Continued)

During 2004, the City entered into an agreement with various parties to unconditionally guarantee the principal and interest payments on behalf of The Goodyear Tire & Rubber Company for the Development Finance Authority of Summit County Bonds, Series 2005B. As of December 31, 2012, the principal amount outstanding was \$1,410,000. 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, 2012.

During 2007, the City entered into an agreement with various parties to unconditionally guarantee the principal and interest payments on behalf of Akron Community Service Center and Urban League, Inc. for Development Finance Authority of Summit County Bonds, Series 2007. As of December 31, 2012, the principal amount outstanding was \$2,210,000. The City believes that the Akron Community Service Center and Urban League, Inc. is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the loan; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2012.

During 2008, the City entered into an agreement with various parties to unconditionally guarantee the principal and interest payments on behalf of MemPro Ceramics Corporation for the loan issued by The Huntington National Bank. As of December 31, 2012, the principal amount outstanding was \$145,833. During 2012 the City was required to make principal and interest payment on behalf of MemPro Ceramics Corporation. The City paid approximately \$56,610 in principal and interest that was due to The Huntington National Bank for principal and interest payments. MemPro Ceramics Corporation scheduled 2013 principal and interest payments are \$50,000 and \$6,620, respectively. The City believes that the amounts are immaterial; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2012.

During 2010, the City entered into an agreement with various parties to unconditionally guarantee the principal and interest payments on behalf of the International Soap Box Derby, Inc. for the loan issued by FirstMerit Bank. As of December 31, 2012, the principal amount outstanding was \$488,485. The City believes that the International Soap Box Derby Inc. is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the loan; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2012.

As of April 12, 2011, the City was obligated to provide half of the funds for any shortfall in payments for \$17.2 million in Taxable Bonds issued by the Development Finance Authority of Summit County (formerly the Summit County Port Authority) to fund acquisitions by IRG Rubber City LLC of certain properties for the Goodyear Headquarters Project.

This obligation was rescinded on April 13, 2011, when the City entered into a Cooperative Agreement with the Development Finance Authority of Summit County, County of Summit, Director of Development of the State of Ohio, Huntington National Bank, IRG LLC, AGNL Blimp LLC and the Goodyear Tire and Rubber Company for the Goodyear Headquarters Project. The agreement calls for the City to repay a \$5 million State 166/City Revenue Loan Note with payments beginning in June of 2016. The City also is obligated to transfer net Tax Increment Financing Service Payments to pay for portions of \$15 million in other State 166 Loans issued for the project.

11. Long-Term Debt (Continued)

During 2012, the City entered into an amendment and restatement of cooperative agreement among various parties to unconditionally guarantee the principal and interest payments of the Development Finance Authority of Summit County Revenue Bonds (Akron Civic Theatre Project), issued by the Development Finance Authority of Summit County. As of December 31, 2012, the principal amount outstanding was \$15,060,000. The City believes that the Development Finance Authority of Summit County is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the bonds; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2012.

During 2012, the City entered into a cooperative agreement with the Development Finance Authority of Summit County, Akron Baseball, LLC, and The Bank of New York Mellon Trust Company, N.A. to facilitate financing. The Development Finance Authority of Summit Development Revenue Bonds, Series 2012 were issued for \$3.6 million. The obligation of the City to make appropriation payments are subject to the annual appropriations made by City Council. The City has recorded a liability of \$208,625 for the principal and interest payments scheduled to be paid during 2013 in the accompanying financial statements. The principal balance outstanding as of December 31, 2012 is \$3.6 million.

The obligations of the City under this agreement, including its obligation to make payments during any fiscal year of the City in which this agreement is in effect, shall not constitute a general obligation or indebtedness of the City within the meaning of the constitution and laws of the State of Ohio. The agreement does not pledge any taxes or other moneys to the amounts payable by the City. Nothing constitutes a pledge by the City or an obligation by the City, of any taxes or other moneys to the payment of any amount payable by the City under this agreement; therefore, no provision for such liability has been recorded in the financial statements as of December 31, 2012.

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, 2012, there was one industrial revenue bond outstanding. The aggregate principal amount payable for the issue was \$565,000.

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

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

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

Unspent funds of approximately \$114,698 provided from the COPs are recorded as restricted assets in the governmental activities in the accompanying government-wide statement of net position as of December 31, 2012. 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, 2012:

Issue	Defeasance Date	Original Amount		Principal Outstanding at 12/31/12
		Defeased	Escrowed	
Certificates of Participation, Series 1996	2005	\$31,515,000	\$33,661,685	\$13,375,000

On November 3, 2010, the City issued \$13.2 million Series 2010 Convertible Certificates of Participation (COPs) for the Akron Energy Systems Project. Total future payments as of December 31, 2012 are as follows:

Year	Governmental Activities	
	Principal	Interest
2013	\$ 455,000	\$ 595,363
2014	465,000	582,850
2015	480,000	570,063
2016	495,000	556,863
2017	505,000	543,250
2018-2022	2,935,000	2,310,750
2023-2027	3,755,000	1,498,750
2028-2032	3,670,000	418,500
	<u>\$ 12,760,000</u>	<u>\$ 7,076,389</u>

The City also has two other capital leases, one for the redesign of the City's sanitation trash collection system and one for equipment. The cost of the sanitation redesign equipment is \$9,050,203 and is included in the City's capital assets in the Statement of Net Position – Governmental Activities.

The cost of the equipment purchase is \$1,952,230 and is included in the City's capital assets in the Statement of Net Position – Governmental Activities and in the Water and Golf Course Funds.

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

The following is a summary of the capital lease transactions for the year ended December 31, 2012:

	Governmental Activities				Enterprise
	COPS Stadium	COPS Parking	Sanitation Redesign	Equipment	Equipment
Capital Lease at January 1, 2012	\$ 16,585,000	\$ 39,385,000	\$ 5,081,367	\$ 1,263,411	\$ 453,909
Adjustments	-	-	(61,551)	-	-
Retirements	(3,005,000)	(2,595,000)	(862,067)	(185,812)	(66,757)
Capital Lease at December 31, 2012	<u>\$ 13,580,000</u>	<u>\$ 36,790,000</u>	<u>\$ 4,157,749</u>	<u>\$ 1,077,599</u>	<u>\$ 387,152</u>

Future lease payments are as follows as of December 31, 2012:

Year	Governmental Activities				Enterprise
	COPS Stadium	COPS Parking	Sanitation Redesign	Equipment	Equipment
2013	\$ 3,829,000	4,215,263	\$ 1,152,972	\$ 248,797	\$ 89,386
2014	3,831,500	4,179,063	1,152,972	248,797	89,386
2015	3,831,000	4,145,438	1,152,972	248,797	89,386
2016	3,827,250	4,108,038	1,152,972	248,797	89,386
2017	-	4,402,438	-	248,797	89,386
2018-2022	-	16,459,008	-	-	-
2023-2027	-	9,366,275	-	-	-
2028-2032	-	1,466,469	-	-	-
Total lease payments	15,318,750	48,341,992	4,611,888	1,243,985	446,930
Less amount representing interest	<u>1,738,750</u>	<u>11,551,992</u>	<u>454,139</u>	<u>166,386</u>	<u>59,778</u>
Present value of lease payments	<u>\$ 13,580,000</u>	<u>\$ 36,790,000</u>	<u>\$ 4,157,749</u>	<u>\$ 1,077,599</u>	<u>\$ 387,152</u>
Net book value of leased assets	* <u>\$ 20,014,894</u>	<u>\$ 62,156,056</u>	<u>\$ 3,167,571</u>	<u>\$ 990,214</u>	<u>\$ 375,438</u>

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

The City entered into a capital lease agreement on September 27, 2012 for the purchase of various service equipment. The term is six years at a rate of 2.10% for \$7,154,080. The lease proceeds were deposited into an account on the City's behalf during 2012 and City is reporting an Other Financing Source along with the liability. The equipment will be purchased during 2013 and recorded on the financial statements.

Additionally, the City entered into two capital leases agreements on December 28, 2012, both in the amount of \$536,585 for street sweepers. The agreements are for 4 years at a rate of 2.25% and 5 years at a rate of 2.35% respectively. The lease proceeds were deposited into an account on the City's behalf during 2012 and the City is reporting an Other Financing Source along with the liability. The equipment will be purchased during 2013 and will be recorded on the financial statements.

13. Self-Insurance Funds

The City is exposed to various risks of loss including employee health-care costs and accidents, torts and legal judgments, and damage or destruction of assets. The City purchases fire and extended coverage insurance on all buildings and contents up to \$175,000,000 per occurrence, with a variety of deductibles beginning at \$250,000. Coverage is purchased on 1,041 vehicles for combined single-limit liability of \$1,000,000. There has been no significant reduction in coverage from the prior year, and settled claims have not exceeded the City's insurance coverage in any of the past three years.

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

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

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

The claims liabilities of \$3,019,840, \$5,660,005 and \$278,441 reported in the Medical, Workers' Compensation, and Self-Insurance Settlement funds, respectively, at December 31, 2012, are in accordance with the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and GASB Statement No. 30, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. These GASB statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities recorded include the estimated incremental expenses to be incurred to settle the claims, including legal fees. Claims liabilities are based on evaluations of individual claims and a review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported. The claims liabilities represent the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Estimated future recoveries on settled and unsettled claims, such as subrogations, if any, are evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims. Any adjustments resulting from the actual settlement of the claims are reflected in the financial statements at the time the adjustments are determined.

13. Self-Insurance Funds (Continued)

Changes in the funds' claims liabilities (both current and long-term) amounts in fiscal 2011 and 2012 were:

	Beginning of Year Liability	Claim Adjustments	Current Period Claims	Claim Payments	Balance at End of Year
<u>Medical Self-Insurance Fund</u>					
2011	\$ 2,172,457	\$ -	\$ 23,532,132	\$ (23,808,000)	\$ 1,896,589
2012	1,896,589	-	27,235,419	(26,112,168)	3,019,840
<u>Workers' Compensation Reserve Fund</u>					
2011	6,606,823	-	819,338	(1,487,512)	5,938,649
2012	5,938,649	-	854,981	(1,133,625)	5,660,005
<u>Self-Insurance Settlement Fund</u>					
2011	437,444	(354,032)	358,904	-	442,316
2012	442,316	(597,262)	433,387	-	278,441

14. Long-term Liabilities

The City reports the following amounts relating to the government's long-term liabilities for the year ended December 31, 2012:

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Governmental Activities:				
Governmental Funds:				
Due to other governments	\$ 3,861,444	\$ -	\$ (649,477)	\$ 3,211,967
Accrued vacation and leave (Note 8)	35,584,315	13,931,130	(14,142,968)	35,372,477
OPEB liability (Note 9)	21,941,527	5,550,208	-	27,491,735
Employment Related Liabilities (Note 1)	2,116,908	-	(447,422)	1,669,486
Pollution Remediation (Note 20)	45,000	-	(25,000)	20,000
Total Governmental Funds	63,549,194	19,481,338	(15,264,867)	67,765,665
Internal Service Funds:				
Accrued vacation and leave (Note 8)	2,192,160	931,048	(1,185,228)	1,937,980
OPEB liability (Note 9)	905,467	221,996	-	1,127,463
Liability for unpaid claims	4,805,024	-	(364,993)	4,440,031
Total Internal Service Funds	7,902,651	1,153,044	(1,550,221)	7,505,474
Total Governmental Activities	71,451,845	20,634,382	(16,815,088)	75,271,139
Business-type Activities:				
Enterprise Funds:				
Water				
Accrued vacation and leave (Note 8)	2,542,733	1,131,108	(1,260,227)	2,413,614
OPEB liability (Note 9)	1,508,276	446,070	-	1,954,346
Sewer				
Due to other governments	271,339	-	(24,500)	246,839
Accrued vacation and leave (Note 8)	1,902,650	1,041,190	(1,186,555)	1,757,285
OPEB liability (Note 9)	984,930	296,957	-	1,281,887
Other Business-type Activities				
Accrued vacation and leave (Note 8)	195,669	40,920	(196,052)	40,537
Pollution Remediation (Note 20)	42,050	-	(15,050)	27,000
OPEB liability (Note 9)	87,898	306	-	88,204
Total Enterprise Funds/ Business-type Activities	7,535,545	2,956,551	(2,682,384)	7,809,712
Total	\$ 78,987,390	\$ 23,590,933	\$ (19,497,472)	\$ 83,080,851

The above liabilities are liquidated by the various operating funds in which the liabilities exist. See Note 4 for detailed explanations for the amounts recorded as due to other governments.

15. Compliance and Accountability

The following funds have fund balance deficits or net position deficits at December 31, 2012:

Special Revenue Funds:

Income Tax Collection	\$ 253,039
Emergency Medical Service	2,987,027
Special Assessment	8,605,579
Community Development	1,695,974
Police Grants	301,077
City Facilities Operating	1,331,720

Capital Project Funds:

Streets	12,273,876
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Internal Service Funds:

Medical Self-Insurance	7,260,348
Workers' Compensation Reserve	3,533,240
Self-Insurance Settlement	262,232
Engineering Bureau	1,618,438
Information Technology	\$ 2,634,730

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 Emergency Medical Service will receive subsidy from the General Fund. On a cash basis, the Special Assessment Fund has a positive balance and is awaiting receipt of assessments from property owners to retire the S.A. notes. The Police Grants funds requested grant draws are based on actual cash basis expenditures. The City Facilities Operating Fund has significantly decreased the deficit during prior years and will review the remaining deficit.

The Capital Project Funds that have deficit fund balances at year-end have incurred expenditures that have not yet been reimbursed. The Streets Fund has outstanding G.O. Notes that will be repaid from future collections. The City carries out programs in its capital budget for which pooled cash is spent up front.

The Internal Service Funds, that have deficit net position balances at year-end, have incurred expenses above charges for services. User charges will be assessed to eliminate the deficits. In 2012, the City issued bond anticipation notes for the Medical Self-Insurance fund. The debt will be repaid through user charges. The City's policy is to transfer funds from the pertinent division's operating budget for actual claim settlements to reimburse the Workers' Compensation and Self-Insurance Settlement Fund. The Engineering Bureau will review its applied overhead rate charged to projects to address the deficits. Information Technology will review staffing levels and also the applied overhead rates charged to formulate a plan.

16. Income Taxes

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

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

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

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

17. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. The Property taxes collected are allocated to the various funds based upon voter authorization.

Real property taxes are levied each October on the assessed value listed as of the prior January 1. Assessed values are established by the County Fiscal Officer at 35% of appraised market value. By law, a revaluation of all property based on current individual appraisals is required to be completed no less than every six years. The last revaluation was completed in tax year 2008 for collection in 2009. The next sexennial revaluation will be completed in 2014 for collection in 2015. In addition, the County Fiscal Officer is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal) taxable real property values triennially to reflect true values.

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

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

17. Property Taxes (Continued)

The assessed value upon which the 2012 property tax was based aggregated \$2,672,112,000. The assessed value for 2012 (upon which the 2013 property tax will be based) is approximately \$2,662,476,000.

Under the current allocation method, the City's share was 1.030% (10.30 mills) of assessed value in 2012 for collection in 2013. The City's Charter limits the maximum total tax rate that could be levied without a vote of the electors to 1.05% (10.5 mills).

The Fiscal Officer collects property taxes on behalf of all taxing districts in the County including the City of Akron and periodically remits to the City its portion of the taxes collected. Current real property tax collections for the year ended December 31, 2012, including delinquencies from prior years, were 89% of the current year tax levy. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue, while the remainder of the tax receivable is deferred.

18. JEDD Revenues

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

In 1998 the City entered into a JEDD contract with Bath Township (Bath) and the City of Fairlawn (Fairlawn). This contract was approved by voters in November 1998 and became effective on January 1, 1999. As in the other JEDDs, a 2% income tax has been levied by the District. In accordance with the City of Akron's income tax increase, as of January 1, 2006, Bath's income tax rate increased to 2.25%. As stated in the contract, the net JEDD revenues are allocated to the City and Fairlawn, with the City providing water and sewer services.

19. Pledged Revenues

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

Water System Revenues

The City has pledged future water customer revenues, net of specified operating expenses to repay \$79 million in water system revenue bonds, Ohio Public Works Commission loans and Ohio Water Development Authority loans issued at various dates ranging from November 12, 1999 through November 7, 2012. Proceeds from the bonds and loans provided financing for various water projects. The bonds and loans are payable solely from water customer net revenues and have varying final maturity dates ranging from January 1, 2014 through March 1, 2034. The total principal and interest remaining to be paid on the bonds and loans as of December 31, 2012 is \$59,298,619. Principal and interest paid for 2012 and total customer net revenues were \$6,175,549 and \$11,766,938 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
07/01/03	\$ 28,045,000	Various Water Projects	03/01/14	\$ 2,578,850	\$ 5,185,150
08/10/06	13,340,000	Various Water Projects	03/01/26	1,000,895	13,985,803
09/17/09	22,100,000	Various Water Projects	03/01/34	1,367,750	29,864,475
11/12/99	1,068,337	Clean and Reline Wtr Main	07/01/20	41,345	625,601
08/23/00	8,108,260	Sedimentation Basin Rehab	07/01/20	626,574	5,012,591
05/09/01	481,350	Water Force Main	01/01/12	29,021	-
04/28/04	2,900,272	Post Chemical Bldg.	01/01/14	346,242	519,362
12/24/08	1,547,061	Water Meter Replacement	01/01/20	184,872	1,386,541
11/07/12	14,565	Water Main Replacement	01/01/14	-	14,710
05/09/12	1,395,673	Water Wall	01/01/26	-	2,031,345
05/30/12	470,615	Stow Road Bolt Replcmnt	01/01/32	-	673,041
	<u>\$ 79,471,133</u>			<u>\$ 6,175,549</u>	<u>\$ 59,298,619</u>

19. Pledged Revenues (Continued)

Sewer System Revenues

The City has pledged future sewer customer revenues, net of specified operating expenses to repay \$136.3 million in sewer system revenue bonds and Ohio Water Development Authority loans issued at various dates ranging from March 30, 1995 through September 9, 2012. Proceeds from the bonds and loans provided financing for various sewer projects. The bonds and loans are payable solely from sewer customer net revenues and have varying maturity dates ranging from December 1, 2013 through January 1, 2032. The total principal and interest remaining to be paid on the bonds as of December 31, 2012 is \$77,051,528. Principal and interest paid for 2012 and total customer net revenues were \$10,999,112 and \$9,658,197 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
04/01/98	\$ 19,140,000	Various Sewer Projects	12/01/13	\$ 1,217,306.00	\$ 1,217,081.00
12/01/05	33,855,000	Various Sewer Projects	12/01/17	3,862,650	20,988,750
03/30/95	15,328,600	W WTP Computerization	07/01/15	1,176,439	3,529,800
04/27/95	17,873,932	Hawkins-Willow Run	07/01/15	1,371,789	4,115,366
10/06/04	8,231,733	Water Meter Replacement	07/01/15	997,645	2,992,934
02/09/05	10,951,961	Storage Basin Rack 41	07/01/14	1,571,991	3,143,981
12/17/08	1,547,061	Water Meter Replacement	01/01/20	184,872	1,386,541
03/31/10	961,135	Sand Run Sewer Recon	01/01/30	81,341	1,122,460
05/26/10	157,670	Mill Street Sewer Repair	07/01/30	13,914	191,556
03/31/10	89,400	W WTP Influent Screen	01/01/15	21,584	44,336
08/04/10	369,492	WPC Control System	07/01/20	48,790	344,990
06/30/10	86,423	W WTP Roof Replacement	01/01/30	6,209	103,120
07/27/11	773,886	Lake Woods Pump Station	01/01/31	32,922	1,207,615
07/27/11	408,558	2nd St Pump Station	01/01/32	15,328	592,033
05/09/12	1,395,673	Water Wall	1/1/2026	-	2,031,345
08/08/12	2,510,838	CSO Ohio Canal Tunnel	12/1/2015	-	2,785,234
07/27/11	371,849	Massillon Rd Sewer	12/01/16	94,925	676,683
11/30/11	255,135	Goodyear CSO Retention	12/01/17	-	290,953
04/25/12	40,315	Shullo Pump Station	12/01/15	8,449	36,036
04/25/12	30,752	Weathervane Pump Station	12/01/14	8,449	25,819
01/04/12	619,190	Main Outfall Sewer Plan	12/01/16	74,863	593,202
04/25/12	867,371	Large Diam. Pipe Inspect.	01/01/15	180,005	774,675
01/18/12	2,236,257	CSO Rack 8 Sewer Sep	01/01/28	-	3,112,941
04/25/12	782,664	Sanitary Sewer Recon	01/01/30	29,641	1,029,803
02/15/12	15,003,738	WPC Step Feed Ph1	07/01/27	-	21,563,575
03/21/12	1,008,320	CSO Rack 25 Separation	01/01/30	-	1,397,920
04/25/12	843,447	Northside Interceptor	07/01/30	-	1,149,450
09/09/12	547,463	WPCS High Rate Treat.	07/01/14	-	603,329
	<u>\$ 136,287,863</u>			<u>\$ 10,999,112</u>	<u>\$ 77,051,528</u>

19. Pledged Revenues (Continued)

JEDD Revenues

The City has pledged future JEDD revenues to repay JEDD revenue bonds originally issued in 2000 and 2002 for \$53.2 million. These bonds were refinanced in December of 2011 with a \$27.2 million refunding bond issue. Proceeds from the original bonds issued provided financing for various water and sewer projects. The bonds are payable solely from JEDD revenues and have a final maturity date of December 1, 2022. The total principal and interest remaining to be paid on the bonds as of December 31, 2012 is \$33,685,000. Principal and interest paid for 2012 and total JEDD revenues were \$1,085,415 and \$20,811,613 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
12/21/11	\$ 27,165,000	Various Water/Sewer Projects	12/01/22	\$ 1,085,415	\$ 33,685,000

Non-Tax Revenues

The City has pledged future non-tax revenues, to repay \$53.7 million in non-tax revenue bonds issued December 15, 2006 through December 15, 2011. In December of 2011 bonds were issued to refund the bonds originally issued in 1997. Proceeds from the bonds provided financing for various economic development and renovation projects. The bonds are payable from non-tax revenue including fees of licenses, fines and interest earnings. The maturity dates range from December 1, 2018 through December 1, 2028. The total principal and interest remaining to be paid on the bonds as of December 31, 2012 is \$74,089,477. Principal and interest paid for 2012 and total non-tax revenues were \$3,432,152 and \$107,340,398 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
12/15/06	\$ 19,500,000	Various Econ. Dev. Proj.	12/01/26	\$ 1,540,765	\$ 23,623,181
09/18/08	20,150,000	Various Econ. Dev. Proj.	12/01/28	1,608,688	35,280,208
12/15/11	14,035,000	O'Neils Bldg Renovation	12/01/18	282,699	15,186,088
	<u>\$ 53,685,000</u>			<u>\$ 3,432,152</u>	<u>\$ 74,089,477</u>

19. Pledged Revenues (Continued)

Income Tax Revenues

The City has pledged future income tax revenues, to repay \$56.4 million in income tax revenue bonds and bond anticipation notes issued at various dates ranging from December 15, 2011 through November 14, 2012. The 2011 issue refunded an issue from 1999. Proceeds from the bonds provided financing for various liabilities, equipment, facilities, and improvements. The bonds are payable solely from income tax revenues and have varying maturity dates ranging from March 14, 2013 through December 1, 2032. The total principal and interest remaining to be paid on the bonds as of December 31, 2012 is \$69,700,926. Principal and interest paid for 2012 and total income tax revenues were \$155,003 and \$113,025,937 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
12/15/11	\$ 6,405,000	Pension Accrued Liability	12/01/23	\$ 155,003	\$ 7,533,650
03/14/12	11,000,000	Health Benefit BAN	03/14/13	-	11,151,250
11/14/12	10,115,000	Var Purpose IT Notes	11/14/13	-	10,228,794
11/14/12	28,870,000	Var Purpose IT Rev Bonds	12/01/32	-	40,787,232
	<u>\$ 56,390,000</u>			<u>\$ 155,003</u>	<u>\$ 69,700,926</u>

CLC Income Tax Revenues

The City's income tax rate includes .25% Community Learning Center (CLC) income tax revenue. This is designated exclusively for funding the Akron Public Schools' local share in obtaining State of Ohio grants for the construction and renovation of community learning centers (CLC) in Akron. The City has issued bonds totaling \$257.4 million with final maturities in 2014, 2015 and 2033. The Akron Public Schools' annual contribution towards this debt is \$3,000,000. The City has committed each year, from the supplemental income tax revenue, amounts sufficient to cover the City's portion of the principal and interest requirements. Total principal and interest remaining on bonds are \$354,284,434. For 2012 total principal and interest paid by the City was \$11,282,196 and total income tax revenues were \$18,064,499.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service*	Future Debt Service
01/01/04	\$ 50,000,000	Community Learning Centers	12/01/14	\$ 5,494,875	\$ 5,848,500
11/20/10	17,880,000	Community Learning Centers	12/01/33	771,650	30,850,875
11/20/10	12,060,000	Community Learning Centers	12/01/33	765,548	25,613,278
11/20/10	15,060,000	Community Learning Centers	12/01/33	884,624	25,233,181
06/13/12	155,360,000	Community Learning Centers	12/01/33	3,271,388	259,236,600
06/13/12	7,025,000	Community Learning Centers	12/01/15	94,111	7,502,000
	<u>\$ 257,385,000</u>			<u>\$ 11,282,196</u>	<u>\$ 354,284,434</u>

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

20. Pollution Remediation

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Cost* addresses reporting standards for pollution remediation obligations. The City is aware of seven sites that meet the requirements for disclosure. The first site is a vacant, undeveloped piece of land known as the Middlebury Property which includes Middlebury East and Middlebury Grocery. The City of Akron legally obligated itself by voluntarily commencing cleanup activities and has obtained a \$750,000 grant to assist in the remediation clean-up. The projected cost to remediate Middlebury East was estimated at approximately \$1,200,000. The estimated expenses of \$200,000 for 2013 include \$70,566 reimbursable expense under the Clean Ohio grant award. The non-reimbursable amount of \$149,434 (\$129,434 in 2013 and \$20,000 in 2014) is reflected in the Statement of Net Position as of December 31, 2012. As for Middlebury Grocery, the expenses are estimated at \$10,000 for the next 10 years to facilitate the Operation and Maintenance Plan. This amount is minimal and is not included in the Statement of Net Position as of December 31, 2012.

The second site is known as the Westside Depot property where the City of Akron was compelled to take remediation action. This site used to house an underground storage tank (UST) system. During an upgrade to this system in 1991, there was evidence of residual petroleum hydrocarbons under the tank and the associated dispensing equipment. This site also had been the location of a previous UST system that may have consisted of a diesel tank, gasoline tank, and kerosene tank. The projected completion date expanded into 2014 with the estimated cost of \$74,050. The amount estimated for 2013 is \$47,050 and the remaining \$27,000 is anticipated to be finished in 2014. These amounts are recorded as a liability in the Airport Fund as of December 31, 2012.

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

The fourth site is referred to as the Imperial Electric/XXth Century property. The City will conduct demolition and remediation activities at this site estimated at approximately \$1,600,000. The City was awarded Clean Ohio Revitalization Funds to assist in the remediation of the property. The project completion date was extended to 2013 and the estimated cost of \$488,843 is recorded as a liability as of December 31, 2012.

The fifth site is referred to as Building 116 and is located at 200 South Martha Avenue. The City has been awarded Clean Ohio Revitalization Funds to assist in the remediation of the property. The estimated total project cost was \$1,500,000 with a remaining balance of \$18,505 expected to be spent in 2013. This remediation project will be completed in 2013 and the remaining project cost is immaterial; therefore, no liability has been recorded.

The sixth site is referred to as the Seiberling Street Landfill Road Project. It is funded 100% by grants from Ohio Department of Transportation (ODOT), Ohio Public Works Commission (OPWC) and Ohio Development Services Agency (ODSA). The 2013 estimated project cost is approximately \$2,200,000 with completion in 2013. Since this project is funded 100%, there will be no recorded liability as of December 31, 2012.

20. Pollution Remediation (Continued)

The last site is referred to as the Goodyear Powerhouse Building. This property operated as a coal-fired power plant to support the electrical needs of the Goodyear facility in the past. The estimated project cost remaining is \$780,000 with \$775,159 reimbursable from an award with the Clean Ohio grant funds. The remediation is expected to be completed in 2013. The non reimbursable expense is immaterial and no liability has been recorded.

21. Deferred Inflows/Outflows of Resources

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

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

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

	Business Type Activities		Total Enterprise Funds
	Water	Sewer	
Deferred Loss on Early Retirement	\$ 171,481	\$ 405,908	\$ 577,389
Unamortized Bond Discount	260,821	-	260,821
	<u>\$ 432,302</u>	<u>\$ 405,908</u>	<u>\$ 838,210</u>

21. Deferred Inflows/Outflows of Resources (Continued)

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

Governmental Funds						
	General Fund	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Income Taxes	\$ 5,101,756	\$ -	\$ 1,886,951	\$ -	\$ 741,078	\$ 7,729,785
Grants	11,247	-	-	-	6,440,361	6,451,608
Shared Revenues	5,636,320	63,942,232	-	-	2,777,473	72,356,025
Property Taxes	22,397,129	-	-	26,680,530	10,186,265	59,263,924
	<u>\$ 33,146,452</u>	<u>\$ 63,942,232</u>	<u>\$ 1,886,951</u>	<u>\$ 26,680,530</u>	<u>\$ 20,145,177</u>	<u>\$ 145,801,342</u>
Business Type Activities						
				Total Enterprise Funds		
		Water	Sewer			
Unamortized Bond Premium		<u>\$ 1,481,038</u>	<u>\$ 530,366</u>	<u>\$ 2,011,404</u>		

22. Transfers and Advances

For the year ended December 31, 2012 transfers presented in conformity with generally accepted accounting principles (GAAP) are listed in the following table. Interfund transfers are made to cover expenditures/expenses in various funds or to consolidate inactive funds.

Transfers In					
	Transfers Out	Other Governmental Funds	Other Enterprise Funds	Internal Service Funds	Total
Governmental Funds:					
General Fund	\$ 7,329,704	\$ 6,956,704	\$ 308,000	\$ 65,000	\$ 7,329,704
Income Tax Capital Improvement	85,000	85,000	-	-	85,000
	<u>\$ 7,414,704</u>	<u>\$ 7,041,704</u>	<u>\$ 308,000</u>	<u>\$ 65,000</u>	<u>\$ 7,414,704</u>

The table below presents the amounts the City has advanced to various funds during 2012.

Advanced To			
	Advanced From	Other Governmental Funds	Total
Governmental Funds:			
General Fund	\$ 50,000	\$ 50,000	\$ 50,000
Income Tax Capital Improvement	400,000	400,000	400,000
	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 450,000</u>

23. Contingencies

(1) Litigation

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

(2) Federal and State Grants

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

24. Closure and Post-Closure Care Costs

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

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

25. Jointly Governed Organizations

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

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

26. Related Organization

The City of Akron, in conjunction with Summit County, University of Akron, Medina County, and Greater Akron Chamber of Commerce, agreed to form the Summit Medina Business Alliance (SMBA). SMBA is a not-for-profit corporation which supports economic development of the region. The organization entered into an agreement with the Kent Regional Business Alliance to carry out activities in cooperation with the Ohio Development Services Agency and the Small Business Administration. The Mayor of the City of Akron appoints three of the five voting members of the board of trustees of the Summit Medina Business Alliance. The SMBA does not pose a financial burden on the City of Akron since it receives revenues from the City and other governments in the area. During 2012, the City paid SMBA \$75,000 for operating expenses.

27. Restatement of Beginning Balances

Effective January 1, 2012, the City recorded an adjustment to beginning balances for the implementation of GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities* and to record a change to an accounting practice. The objective of this statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead classify them as deferred inflows of resources, deferred outflows of resources, or as outflows or resources. The impact is reflected in the Statement of Net Position in the Governmental Activities. The change in accounting practice resulted in a change in beginning balances as reported in the financial statements for governmental funds. The following balances were restated:

	Balance as of January 1, 2012	Restatement	January 1, 2012 as Restated
Statement of Net Position			
Governmental Activities	<u>\$369,196,779</u>	<u>(\$7,441,212)</u>	<u>\$361,755,567</u>
Governmental Funds:			
Community Learning Centers	\$81,330,401	\$22,924,591	\$104,254,992
CLC Bond Payment	22,940,596	(22,940,596)	-
Income Tax Bond Payment	-	16,005	16,005
Other Governmental Funds	<u>15,633,889</u>	<u>-</u>	<u>15,633,889</u>
Total	<u>\$119,904,886</u>	<u>\$ -</u>	<u>\$119,904,886</u>

28. Fund Balance

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

	General Fund	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Fund balances:						
Nonspendable:						
Non-financial assets held for resale	\$ -	\$ -	\$ -	\$ -	\$ 3,085,645	\$ 3,085,645
Total nonspendable	-	-	-	-	3,085,645	3,085,645
Restricted for:						
Asset management	-	-	-	-	141,558	141,558
Building, housing and economic incentive	-	-	-	-	1,390,963	1,390,963
Community betterment	-	83,197,134	-	-	9,079,327	92,276,461
Debt service reserves	-	-	-	2,346,321	7,208,417	9,554,738
Information technology	-	-	-	-	946,956	946,956
Life enrichment	-	-	-	-	114,700	114,700
Other purposes	-	-	3,272,907	-	3,971,134	7,244,041
Protection and enforcement	-	-	-	-	1,567,416	1,567,416
Transportation/mobility	-	-	-	-	4,546,803	4,546,803
Wellness and prevention	-	-	-	-	5,670	5,670
Total restricted	-	83,197,134	3,272,907	2,346,321	28,972,944	117,789,306
Committed to:						
Building, housing and economic incentive	-	-	-	-	515,731	515,731
Community betterment	-	-	-	-	10,088,938	10,088,938
Information technology	-	-	-	-	45,963	45,963
Life enrichment	-	-	-	-	96,264	96,264
Other purposes	-	-	-	-	580,938	580,938
Protection and enforcement	266,687	-	-	-	-	266,687
Transportation/mobility	-	-	-	-	2,175,147	2,175,147
Total committed	266,687	-	-	-	13,502,981	13,769,668
Assigned to:						
Asset management	118,631	-	-	-	-	118,631
Building, housing and economic incentive	88,253	-	-	-	-	88,253
Community betterment	28,236	-	-	-	-	28,236
General governance	45,683	-	-	-	-	45,683
Life enrichment	167,793	-	-	-	-	167,793
Municipal justice	9,927	-	-	-	-	9,927
Protection and enforcement	383,583	-	-	-	-	383,583
Subsequent year appropriation of fund balance	-	-	375,380	-	-	375,380
Transportation/mobility	24,328	-	-	-	-	24,328
Waste management	366,286	-	-	-	-	366,286
Wellness and prevention	4,246	-	-	-	-	4,246
Total assigned	1,236,966	-	375,380	-	-	1,612,346
Unassigned	5,102,134	-	-	-	(27,448,292)	(22,346,158)
Total fund balances	\$ 6,605,787	\$ 83,197,134	\$ 3,648,287	\$ 2,346,321	\$ 18,113,278	\$ 113,910,807

29. Fiscal Analysis

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

30. Subsequent Events

On February 11, 2013, City Council passed ordinance 36-2013 authorizing the issuance of Health Benefit Claims Notes in the maximum principal amount of \$10,000,000 to pay the costs of maintaining the self-insurance program for employee health care benefits.

On June 3, 2013, City Council passed ordinance 165-2013 authorizing the issuance and sale of notes of the City in the maximum principal amount of \$5,000,000 to assist in financing a portion of the costs of a “project” as defined in Section 165.01 of the Ohio Revised Code, for the purpose of creating or preserving jobs and employment opportunities and improving the economic welfare of the people of the City and of the State of Ohio.

On June 17, 2013, City Council passed ordinance 187-2013 authorizing the issuance and sale of bonds in the maximum principal amount of \$8,000,000, for the purpose of refunding certain maturities of general obligation bonds of the City issued in 2010.

On June 17, 2013, City Council passed ordinance 188-2013 authorizing the issuance and sale of bonds in the maximum principal amount of \$27,000,000, for the purpose of refunding certain maturities of general obligation bonds of the City issued in 2010.

On June 17, 2013, City Council passed ordinance 189-2013 authorizing the issuance and sale of bonds in the maximum principal amount of \$40,000,000, for the purpose of refunding certain maturities of general obligation bonds of the City issued in 2005.

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Required Supplementary Information

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, 2012

	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Income taxes	\$ 79,058,350	\$ 79,058,350	\$ 81,106,650
Property taxes	17,315,284	17,315,284	16,566,693
JEDD revenues	2,173,810	2,992,270	4,200,000
Inheritance	3,652,010	5,027,020	4,454,446
Local government	7,652,805	7,652,805	8,668,934
Service revenues	16,955,740	23,339,720	21,521,704
Miscellaneous revenues	10,173,440	14,003,833	6,527,976
	136,981,439	149,389,282	143,046,403
Other sources:			
Previous year's encumbrances	1,237,472	1,237,472	1,237,472
	1,237,472	1,237,472	1,237,472
Total revenues and other sources	138,218,911	150,626,754	144,283,875
Expenditures and other uses			
Expenditures:			
Civil Service Commission:			
Wages/benefits	823,000	713,000	684,626
Other	39,530	94,530	86,840
	862,530	807,530	771,466
Finance:			
Wages/benefits	1,906,700	1,986,700	1,969,334
Other	3,797,925	6,447,925	5,702,090
	5,704,625	8,434,625	7,671,424
Law:			
Wages/benefits	2,855,000	3,150,000	3,116,348
Other	833,977	928,977	916,498
	3,688,977	4,078,977	4,032,846
Legislative:			
Wages/benefits	969,500	1,006,500	999,751
Other	118,446	228,446	218,279
	1,087,946	1,234,946	1,218,030
Municipal Court - Clerk:			
Wages/benefits	3,116,000	3,031,000	3,007,126
Other	209,376	339,376	330,492
	3,325,376	3,370,376	3,337,618

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, 2012

(continued)

	Budgeted Amounts		Actual Amounts
	Original	Final	
Municipal Court - Judges:			
Wages/benefits	3,510,600	3,645,600	3,628,237
Other	143,299	203,299	200,989
	<u>3,653,899</u>	<u>3,848,899</u>	<u>3,829,226</u>
Office of the Mayor:			
Wages/benefits	1,896,640	2,006,640	1,994,911
Other	167,285	302,285	279,848
	<u>2,063,925</u>	<u>2,308,925</u>	<u>2,274,759</u>
Planning:			
Wages/benefits	791,010	906,010	899,639
Other	115,209	115,209	106,679
	<u>906,219</u>	<u>1,021,219</u>	<u>1,006,318</u>
Public Health:			
Wages/benefits	50,000	25,000	21,907
Other	5,154,454	4,654,454	3,040,139
	<u>5,204,454</u>	<u>4,679,454</u>	<u>3,062,046</u>
Public Safety:			
Wages/benefits	4,316,250	4,776,250	4,747,106
Other	8,722,754	9,237,754	8,831,593
	<u>13,039,004</u>	<u>14,014,004</u>	<u>13,578,699</u>
Public Service:			
Wages/benefits	12,212,060	10,431,960	10,394,824
Other	19,795,340	18,849,240	14,043,882
Capital outlay	15,500	15,500	7
	<u>32,022,900</u>	<u>29,296,700</u>	<u>24,438,713</u>
Fire:			
Wages/benefits	27,500,000	24,400,000	23,955,550
Other	1,942,898	5,642,898	4,784,260
	<u>29,442,898</u>	<u>30,042,898</u>	<u>28,739,810</u>
Police:			
Wages/benefits	43,525,310	43,525,310	42,724,300
Other	3,609,408	4,809,408	4,733,452
	<u>47,134,718</u>	<u>48,334,718</u>	<u>47,457,752</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, 2012

(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Neighborhood Assistance:			
Wages/benefits	-	2,300,100	2,286,427
Other	-	826,100	666,763
	-	3,126,200	2,953,190
 Total expenditures	 148,137,471	 154,599,471	 144,371,897
 Deficiency of revenues and other sources over expenditures	 (9,918,560)	 (3,972,717)	 (88,022)
 Fund balance, January 1, 2012	 3,972,718	 3,972,718	 3,972,718
 Fund balance (deficit), December 31, 2012	 \$ (5,945,842)	 \$ 1	 \$ 3,884,696

Note:

Included in Other expenditures above are transfer out of the following:

Finance	\$ 1,220,000
Public Service	\$ 2,493,000
Fire	\$ 3,048,298
Police	\$ 354,406
Neighborhood Assistance	\$ 214,000

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 13,831,600	\$ 13,831,600	\$ 16,016,834
Governmental revenues	1,237,850	1,237,850	1,079,676
Miscellaneous revenue	430,550	430,550	207,844
	<u>15,500,000</u>	<u>15,500,000</u>	<u>17,304,354</u>
Other sources:			
Previous year's encumbrances	34,127	34,127	34,127
	<u>34,127</u>	<u>34,127</u>	<u>34,127</u>
Total revenues and other sources	15,534,127	15,534,127	17,338,481
Expenditures			
Department Wide:			
Other	17,366,627	17,366,627	13,080,477
Total expenditures	<u>17,366,627</u>	<u>17,366,627</u>	<u>13,080,477</u>
Excess (deficiency) of revenues and other sources over expenditures	(1,832,500)	(1,832,500)	4,258,004
Fund balance, January 1, 2012	<u>14,007,018</u>	<u>14,007,018</u>	<u>14,007,018</u>
Fund balance, December 31, 2012	<u>\$ 12,174,518</u>	<u>\$ 12,174,518</u>	<u>\$ 18,265,022</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 30,078,990	\$ 30,078,990	\$ 24,912,096
JEDD revenues	1,068,140	1,068,140	1,675,000
Governmental revenues	2,435,320	2,435,320	717,719
Gasoline tax	2,293,730	2,293,730	24,719
Miscellaneous revenues	2,123,820	2,123,820	1,199,865
	<u>38,000,000</u>	<u>38,000,000</u>	<u>28,529,399</u>
Other sources:			
Previous year's encumbrances	346,980	346,980	346,980
	<u>346,980</u>	<u>346,980</u>	<u>346,980</u>
Total revenues and other sources	38,346,980	38,346,980	28,876,379
Expenditures			
Department Wide:			
Wages/benefits	619,810	619,810	613,193
Other	35,733,360	35,308,360	30,521,791
Capital outlay	1,326,520	1,751,520	1,428,154
Total expenditures	<u>37,679,690</u>	<u>37,679,690</u>	<u>32,563,138</u>
Excess (deficiency) of revenues and other sources over expenditures	667,290	667,290	(3,686,759)
Fund balance, January 1, 2012,	<u>5,142,305</u>	<u>5,142,305</u>	<u>5,142,305</u>
Fund balance, December 31, 2012	<u>\$ 5,809,595</u>	<u>\$ 5,809,595</u>	<u>\$ 1,455,546</u>

Note:

Included in Other expenditures above are transfer out of \$85,000.

City of Akron, Ohio

Notes to the Budgetary Comparison Schedule

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

For the Year Ended December 31, 2012

Budgetary Data

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

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

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

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

	<u>General</u>	<u>Community Learning Centers</u>	<u>Income Tax Capital Improvement</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ (88,022)	\$ 4,258,004	\$ (3,686,759)
Adjustments:			
To adjust revenues for accruals	(5,409,961)	37,367,471	(1,220,411)
To adjust expenditures for accruals	1,722,613	(62,717,460)	962,326
To adjust for encumbrances	<u>1,236,966</u>	<u>34,127</u>	<u>808,830</u>
Net change in fund balance (GAAP basis)	<u>\$ (2,538,404)</u>	<u>\$ (21,057,858)</u>	<u>\$ (3,136,014)</u>

Supplementary Information

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

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

To Account for Special Purposes:

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

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

Community Development	H.O.M.E. Program
Community Environment Grants	Police Grants
Akron Metro. Area Transportation Study	Health Grants

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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

General Bond Payment	Pension Obligation Refunding
Debt Service Bond Payment	JEDD Bond Payment
Main Place Bond Payment	Income Tax Bond Payment
Downtown Hotel Bond Payment	Taxable Revenue Bond Payment
Non-Tax Revenue Bond Payment	

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

To Account for Grant Revenue and Other Funding Sources:

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

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2012

Special Revenue Funds									
	Income Tax Collection	Emergency Medical Service	Special Assessment	Street and Highway Maintenance	Community Development	Community Environment Grants	Akron Metro. Area Transportation Study	H.O.M.E. Program	
Assets									
Pooled cash and investments	\$ 1,130,067	\$ -	\$ 3,773,479	\$ 156,515	\$ 59,335	\$ 288,180	\$ 3,301	\$ 548,456	
Restricted cash and investments	-	-	-	-	-	-	-	-	
Receivables, net of allowances for uncollectibles	-	9,501,652	6,851	3,850,996	97,672	-	-	7,184	
Loans receivable	-	-	-	-	66,898	918,891	-	3,502,877	
Due from other governments	-	-	-	-	2,604,673	15,030	99,798	107,374	
Due from other funds	-	-	-	-	-	2,500	-	-	
Assets held for resale	-	-	-	-	-	-	-	-	
Total assets and deferred outflows	\$ 1,130,067	\$ 9,501,652	\$ 3,780,330	\$ 4,007,511	\$ 2,828,578	\$ 1,224,601	\$ 103,099	\$ 4,165,891	
Liabilities									
Accounts payable	\$ 48,514	\$ 70,397	\$ 629,987	\$ 69,404	\$ 1,381,552	\$ 44,400	\$ 35,146	\$ 508,666	
Deposits	-	-	-	-	-	-	-	-	
Advances from other funds	-	-	-	-	400,000	-	-	-	
Due to other governments	-	-	-	-	-	-	-	-	
Due to other funds	1,225,534	2,987,840	281,134	527,020	21,467	-	5,913	-	
Due to others	-	-	-	-	-	-	-	-	
Accrued liabilities	13,027	373,750	51,233	48,775	16,713	-	10,853	-	
Accrued wages	36,488	199,071	134,052	178,276	47,567	-	30,730	-	
Accrued vacation and leave	59,543	-	9,503	-	52,580	-	-	-	
S.A. Notes	-	-	11,280,000	-	-	-	-	-	
G.O. Notes	-	-	-	-	-	-	-	-	
Total liabilities	1,383,106	3,631,058	12,385,909	823,475	1,919,879	44,400	82,642	508,666	
Deferred Inflows of Resources	-	8,857,621	-	2,777,473	2,604,673	15,030	-	107,374	
Fund balances									
Fund balance:									
Nonspendable	-	-	-	-	-	-	-	-	
Restricted	-	-	-	406,563	-	1,165,171	20,457	3,549,851	
Committed	-	-	-	-	-	-	-	-	
Unassigned	(253,039)	(2,987,027)	(8,605,579)	-	(1,695,974)	-	-	-	
Total fund balances (deficits)	(253,039)	(2,987,027)	(8,605,579)	406,563	(1,695,974)	1,165,171	20,457	3,549,851	
Total liabilities, deferred inflows and fund balances	\$ 1,130,067	\$ 9,501,652	\$ 3,780,330	\$ 4,007,511	\$ 2,828,578	\$ 1,224,601	\$ 103,099	\$ 4,165,891	

City of Akron, Ohio
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2012
(continued)

Special Revenue Funds									
	Tax Equivalency	E.D.A. Revolving Loans	Joint Economic Development Districts	Akron Muni. Court Information System	Canal Park Stadium COPs	Downtown District Heating COPs	Off-Street Parking COPs	Public Health	
Assets									
Pooled cash and investments	\$ 1,256,751	\$ 40,362	\$ 503,911	\$ 959,598	\$ 2	\$ -	\$ -	\$ 6,229	
Restricted cash and investments	-	-	-	-	114,698	3,971,134	4,119,783	-	
Receivables, net of allowances for uncollectibles	-	-	2,201,215	16,322	-	-	-	886	
Loans receivable	-	78,373	40,500	-	-	-	-	-	
Due from other governments	12,994	-	-	-	-	-	-	-	
Due from other funds	-	-	-	-	-	-	-	-	
Assets held for resale	-	-	-	-	-	-	-	-	
	\$ 1,269,745	\$ 118,735	\$ 2,745,626	\$ 975,920	\$ 114,700	\$ 3,971,134	\$ 4,119,783	\$ 7,115	
Liabilities									
Accounts payable	\$ 739,684	\$ -	\$ 192,932	\$ 28,613	\$ -	\$ -	\$ -	\$ 1,733	
Deposits	-	-	-	-	-	-	-	-	
Advances from other funds	-	-	-	-	-	-	-	-	
Due to other governments	-	-	503,151	-	-	-	-	-	
Due to other funds	1,336	-	25,857	351	-	-	-	-	
Due to others	-	-	-	-	-	-	-	-	
Accrued liabilities	-	-	2,896	-	-	-	-	-	
Accrued wages	-	-	7,484	-	-	-	-	-	
Accrued vacation and leave	-	-	-	-	-	-	-	-	
S.A. Notes	-	-	-	-	-	-	-	-	
G.O. Notes	-	-	-	-	-	-	-	-	
Total liabilities	741,020	-	732,320	28,964	-	-	-	1,733	
Deferred Inflows of Resources	12,994	-	741,078	-	-	-	-	-	
Fund balances									
Fund balance:									
Nonspendable	-	-	-	-	-	-	-	-	
Restricted	-	118,735	1,272,228	946,956	114,700	3,971,134	4,119,783	5,382	
Committed	515,731	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	-	
Total fund balances (deficits)	515,731	118,735	1,272,228	946,956	114,700	3,971,134	4,119,783	5,382	
Total liabilities, deferred inflows and fund balances	\$ 1,269,745	\$ 118,735	\$ 2,745,626	\$ 975,920	\$ 114,700	\$ 3,971,134	\$ 4,119,783	\$ 7,115	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2012
(continued)

	Special Revenue Funds				Debt Service Funds			
	Police Grants	Safety Programs	Health Grants	City Facilities Operating	Various Purpose Funding	Deposits	General Bond Payment	Debt Service Bond Payment
Assets								
Pooled cash and investments	\$ 546,079	\$ 2,656,539	\$ 281,027	\$ -	\$ 4,800,114	\$ 1,053,890	\$ 715,257	\$ -
Restricted cash and investments	-	-	-	-	-	-	-	2,117,315
Receivables, net of allowances for uncollectibles	-	137,845	-	107,176	45,834	158,409	1,396,230	-
Loans receivable	-	-	-	-	-	-	-	-
Due from other governments	43,179	308,606	-	37,828	-	-	-	-
Due from other funds	-	-	-	-	25,000	-	-	-
Assets held for resale	-	-	-	-	-	-	-	-
	\$ 589,258	\$ 3,102,990	\$ 281,027	\$ 145,004	\$ 4,870,948	\$ 1,212,299	\$ 2,111,487	\$ 2,117,315
Liabilities								
Accounts payable	\$ 82,966	\$ 61,508	\$ -	\$ 252,625	\$ 216,902	\$ 35,542	\$ 23,851	\$ -
Deposits	-	-	-	-	-	383,986	-	-
Advances from other funds	50,000	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	1,037	617,946	-	686,271	-	-	973	-
Due to others	-	-	-	500,000	-	651,213	-	-
Accrued liabilities	11,332	44,338	-	-	269,538	-	3,858	-
Accrued wages	5,974	39,628	-	-	-	-	11,023	-
Accrued vacation and leave	-	-	-	-	-	-	56,969	-
S.A. Notes	-	-	-	-	-	-	-	-
G.O. Notes	-	-	-	-	-	-	-	-
Total liabilities	151,309	763,420	-	1,438,896	486,440	1,070,741	96,674	-
Deferred Inflows of Resources	739,026	772,154	280,739	37,828	20,203	-	1,328,644	-
Fund balances								
Fund balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	1,567,416	288	-	4,364,305	141,558	686,169	2,117,315
Committed	-	-	-	-	-	-	-	-
Unassigned	(301,077)	-	-	(1,331,720)	-	-	-	-
Total fund balances (deficits)	(301,077)	1,567,416	288	(1,331,720)	4,364,305	141,558	686,169	2,117,315
Total liabilities, deferred inflows and fund balances	\$ 589,258	\$ 3,102,990	\$ 281,027	\$ 145,004	\$ 4,870,948	\$ 1,212,299	\$ 2,111,487	\$ 2,117,315

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2012
(continued)

	Debt Service Funds				Capital Project Funds			
	Main Place Bond Payment	Downtown Hotel Bond Payment	Non-Tax Revenue Bond Payment	Pension Obligation Refunding	JEDD Bond Payment	Income Tax Bond Payment	Taxable Revenue Bond Payment	Streets
Assets								
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Restricted cash and investments	492,934	4	2,175,224	1	5,866	28,919	1,701,985	-
Receivables, net of allowances for uncollectibles	-	-	-	-	-	-	-	110,598
Loans receivable	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	715,626
Due from other funds	-	-	-	-	-	-	-	1,805,037
Assets held for resale	-	-	-	-	-	-	-	-
	\$ 492,934	\$ 4	\$ 2,175,224	\$ 1	\$ 5,866	\$ 28,919	\$ 1,701,985	\$ 2,631,261
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,283,812
Deposits	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	108,778
Due to other funds	-	-	-	-	-	-	-	2,092,097
Due to others	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	118,200
Accrued wages	-	-	-	-	-	-	-	4,154
Accrued vacation and leave	-	-	-	-	-	-	-	-
S.A. Notes	-	-	-	-	-	-	-	-
G.O. Notes	-	-	-	-	-	-	-	10,115,000
Total liabilities	-	-	-	-	-	-	-	14,722,041
Deferred Inflows of Resources								183,096
Fund balances								
Fund balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	492,934	4	2,175,224	1	5,866	28,919	1,701,985	-
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(12,273,876)
Total fund balances (deficits)	492,934	4	2,175,224	1	5,866	28,919	1,701,985	(12,273,876)
Total liabilities, deferred inflows and fund balances	\$ 492,934	\$ 4	\$ 2,175,224	\$ 1	\$ 5,866	\$ 28,919	\$ 1,701,985	\$ 2,631,261

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2012
(continued)

Capital Project Funds						
	Information Improvements and Technology	Parks and Recreation	Public Facilities and Improvements	Public Parking	Economic Development	Total
Assets						
Pooled cash and investments	\$ 45,963	\$ 776	\$ 634,197	\$ 2,222,501	\$ 1,405,999	\$ 23,088,528
Restricted cash and investments	-	-	-	-	-	14,727,863
Receivables, net of allowances for uncollectibles	-	-	-	-	-	17,638,870
Loans receivable	-	-	-	-	10,921,157	15,528,696
Due from other governments	-	190,903	-	-	3,368,202	7,504,213
Due from other funds	-	14,112	715	-	2,693	1,850,057
Assets held for resale	-	-	-	-	3,085,645	3,085,645
	\$ 45,963	\$ 205,791	\$ 634,912	\$ 2,222,501	\$ 18,783,696	\$ 83,423,872
Liabilities						
Accounts payable	\$ -	\$ 82,177	\$ 23,891	\$ 26,263	\$ 1,066,313	\$ 7,906,878
Deposits	-	-	-	-	-	383,986
Advances from other funds	-	-	-	-	-	450,000
Due to other governments	-	-	-	-	1,972,644	2,584,573
Due to other funds	-	13,495	2,745	893	226,969	8,718,878
Due to others	-	-	-	-	-	1,151,213
Accrued liabilities	-	9,285	27,338	20,198	680,513	1,701,847
Accrued wages	-	-	-	-	-	694,447
Accrued vacation and leave	-	-	-	-	-	178,595
S.A. Notes	-	-	-	-	-	11,280,000
G.O. Notes	-	-	-	-	-	10,115,000
Total liabilities	-	104,957	53,974	47,354	3,946,439	45,165,417
Deferred Inflows of Resources	-	4,570	-	-	1,662,674	20,145,177
Fund balances						
Fund balance:						
Nonspendable	-	-	-	-	3,085,645	3,085,645
Restricted	-	-	-	-	-	28,972,944
Committed	45,963	96,264	580,938	2,175,147	10,088,938	13,502,981
Unassigned	-	-	-	-	-	(27,448,292)
Total fund balances (deficits)	45,963	96,264	580,938	2,175,147	13,174,583	18,113,278
Total liabilities, deferred inflows and fund balances	\$ 45,963	\$ 205,791	\$ 634,912	\$ 2,222,501	\$ 18,783,696	\$ 83,423,872

City of Akron, Ohio

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

Year Ended December 31, 2012

Special Revenue Funds										
	Income Tax Collection	Emergency Medical Service	Special Assessment	Street and Highway Maintenance	Community Development	Community Environment Grants	Akron Metro. Area Transportation Study	H.O.M.E. Program	Tax Equivalency	E.D.A. Revolving Loans
Revenues										
Income taxes	\$ 6,186,376	\$ -	\$ -	\$ -	\$ 205,000	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	5,336,526	-	-	-	-	-	-	3,826,425	-
JEDD revenues	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	13,781,306	-	33,707	-	-	-	-	-
Grants and subsidies	-	-	-	-	10,765,391	396,062	1,482,671	989,809	-	-
Investment earnings	-	834	-	11,411	-	6,996	-	5,604	-	3,796
Shared revenues	-	1,816,453	-	7,559,152	-	-	-	-	-	-
Licenses, fees and fines	162,611	8,839	-	73,656	-	-	4,795	-	3,778,494	-
Charges for services	-	1,721,549	91,615	1,113,710	7,399	-	70	-	-	-
Miscellaneous	-	45	52,672	66,073	1,279,893	-	305,144	73,083	2,600	-
	6,348,987	8,884,246	13,925,593	8,824,002	12,294,170	403,058	1,792,680	1,068,496	7,607,519	3,796
Expenditures										
Current:										
General government	4,876,394	-	11,083,300	-	2,366	-	-	-	97,849	-
Public service	-	2,721	76,859	6,229,980	1,727,718	-	-	-	9,074	-
Public safety	-	10,455,249	93,768	713	-	-	-	-	-	-
Community environment	-	-	1,501,169	-	11,650,023	414,214	1,643,314	1,385,159	6,778,979	-
Public health	-	-	-	-	18,518	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	10,800	2,260,360	2,800,000	113,277	-	-	-	767,373	-
Interest	-	3,122	531,224	-	-	-	-	-	306,973	-
Bond issuance expenditures	-	-	-	-	-	-	-	-	-	-
	4,876,394	10,471,892	15,546,680	9,030,693	13,511,902	414,214	1,643,314	1,385,159	7,960,248	-
Excess (deficiency) of revenues over (under) expenditures	1,472,593	(1,587,646)	(1,621,087)	(206,691)	(1,217,732)	(11,156)	149,366	(316,663)	(352,729)	3,796
Other financing sources (uses)										
Issuance of general obligation bonds	-	-	-	-	50,562	-	-	-	-	-
Premium on G.O. Debt	-	-	-	-	-	-	-	-	-	-
Issuance of refunding obligations	-	-	-	-	-	-	-	-	-	-
Issuance of capital lease	-	-	1,073,170	1,426,000	-	-	-	-	-	-
Lease - financed capital lease	-	-	(1,073,170)	(1,426,000)	-	-	-	-	-	-
Payment for refund obligations	-	-	-	-	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	-	-	-	-	-
Transfers-in	-	2,180,000	-	-	-	-	85,000	-	-	-
	-	2,180,000	-	-	50,562	-	85,000	-	-	-
Net change in fund balances	1,472,593	592,354	(1,621,087)	(206,691)	(1,167,170)	(11,156)	234,366	(316,663)	(352,729)	3,796
Fund balances (deficits), January 1, 2012, as restated	(1,725,632)	(3,579,381)	(6,984,492)	613,254	(528,804)	1,176,327	(213,909)	3,866,514	868,460	114,939
Fund balances (deficits), December 31, 2012	\$ (253,039)	\$ (2,987,027)	\$ (8,605,579)	\$ 406,563	\$ (1,695,974)	\$ 1,165,171	\$ 20,457	\$ 3,549,851	\$ 515,731	\$ 118,735

City of Akron, Ohio

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

Year Ended December 31, 2012
(continued)

	Special Revenue Funds										
	Joint Economic Development Districts	Akron Muni. Information System	Canal Park Stadium COPs	Downtown District Heating COPs	Off-Street Parking COPs	Public Health	Police Grants	Safety Programs	Health Grants	City Facilities Operating	
Revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Income taxes	-	-	-	-	-	-	-	-	-	3,360,000	
Property taxes	-	-	-	-	-	-	-	-	-	-	
JEDD revenues	10,686,614	-	-	-	-	-	-	-	-	-	
Special assessments	-	-	-	-	-	843	-	-	-	17,163	
Grants and subsidies	-	-	-	-	-	-	2,478,442	1,804,232	-	78,907	
Investment earnings	-	-	-	-	-	-	6,462	5,543	-	1,760	
Shared revenues	-	-	-	494	-	-	-	777,785	-	-	
Licenses, fees and fines	-	238,650	-	-	-	14,880	-	35,580	-	578,609	
Charges for services	360,252	16,322	-	-	-	886	11,445	945,534	288	25,000	
Miscellaneous	180,660	-	20,000	33,834	-	53	10,155	289,511	2,671	2,007,134	
	11,227,526	254,972	20,000	34,328	534	16,662	2,506,504	3,858,185	2,959	6,068,573	
Expenditures											
Current:											
General government	7,893,047	188,873	-	-	-	21,245	-	-	-	151,591	
Public service	1,034,655	-	-	1,443,329	-	843	-	4,824	-	8,620,956	
Community environment	327,545	-	-	-	127	-	1,847,454	5,488,739	-	-	
Public health	-	-	-	-	-	-	-	-	-	200,481	
Recreation and parks	68,667	-	-	-	-	-	-	-	-	6,077	
Debt service:											
Principal Retirement	572,151	-	-	-	-	-	-	-	-	440,000	
Interest	1,811,385	-	-	-	-	-	-	-	-	608,563	
Bond issuance expenditures	-	-	-	-	-	-	-	-	-	-	
	11,707,450	188,873	-	1,443,329	127	22,088	1,847,454	5,493,563	-	10,027,668	
	(479,924)	66,099	20,000	(1,409,001)	407	(5,426)	659,050	(1,635,378)	2,959	(3,959,095)	
Excess (deficiency) of revenues over (under) expenditures											
Other financing sources (uses)											
Issuance of general obligation bonds	-	-	-	-	-	-	-	-	-	1,011,250	
Premium on G.O. Debt	-	-	-	-	-	-	-	-	-	-	
Issuance of refunding obligations	-	-	-	-	-	-	-	-	-	-	
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-	
Lease - financed capital lease	-	-	-	-	-	-	-	-	-	-	
Payment for refund obligations	-	-	-	-	-	-	-	-	-	-	
Premium on refunding bonds	-	-	-	-	-	-	-	-	-	-	
Transfers-in	-	-	-	-	-	-	204,406	1,573,298	-	2,925,000	
	-	-	-	-	-	-	204,406	1,573,298	-	3,936,250	
Net change in fund balances	(479,924)	66,099	20,000	(1,409,001)	407	(5,426)	863,456	(62,080)	2,959	(22,845)	
Fund balances (deficits), January 1, 2012, as restated	1,752,152	880,857	94,700	5,380,135	4,119,376	10,808	(1,164,533)	1,629,496	(2,671)	(1,308,875)	
Fund balances (deficits), December 31, 2012	\$ 1,272,228	\$ 946,956	\$ 114,700	\$ 3,971,134	\$ 4,119,783	\$ 5,382	\$ (301,077)	\$ 1,567,416	\$ 288	\$ (1,331,720)	

City of Akron, Ohio

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

Year Ended December 31, 2012
(continued)

Special Revenue Funds										
	Various Purpose Funding			Debt Service Funds			Income Tax Bond Payment			
	Deposits	General Bond Payment	Debt Service Bond Payment	Main Place Bond Payment	Downtown Hotel Bond Payment	Non-Tax Revenue Bond Payment	Pension Obligation Refunding	JEDD Bond Payment	Income Tax Bond Payment	
Revenues										
Income taxes	\$ 51,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-	-	-	-	-	-
JEDD revenues	-	884,406	780,744	-	-	-	155,003	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Grants and subsidies	1,406,534	-	-	-	-	-	-	-	-	-
Investment earnings	293	20,834	-	-	-	-	1	6	6,860	-
Shared revenues	-	272,469	-	-	-	-	-	-	-	-
Licenses, fees and fines	732,932	-	-	-	-	-	-	-	-	-
Charges for services	169,567	-	-	-	-	-	-	-	-	-
Miscellaneous	69,296	148	40,927	-	-	4,012	-	5,649	6,054	-
	2,430,274	1,157,023	821,671	-	-	4,012	155,004	5,655	12,914	-
Expenditures										
Current:										
General government	51,730	1,384,278	12,118	-	-	-	-	-	-	-
Public service	24,229	-	-	-	-	-	-	-	-	-
Public safety	50,000	-	-	-	-	-	-	-	-	-
Community environment	552,442	-	-	-	-	-	-	-	-	-
Public health	609,876	-	-	-	-	-	-	-	-	-
Recreation and parks	1,329,655	-	-	-	-	-	-	-	-	-
Debt service:										
Principal Retirement	-	-	1,237,680	77,968	-	-	-	-	-	-
Interest	-	-	318,872	171,997	-	-	155,003	-	-	-
Bond issuance expenditures	-	-	696,966	-	-	-	-	-	-	-
	2,617,932	1,384,278	2,265,636	249,965	-	-	155,003	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(187,658)	90,958	(1,443,965)	(249,965)	-	4,012	1	5,655	12,914	-
Other financing sources (uses)										
Issuance of general obligation bonds	-	-	7,756,682	-	-	-	-	-	-	-
Premium on G.O. Debt	-	-	1,031,315	-	-	-	-	-	-	-
Issuance of refunding obligations	-	-	8,540,000	-	-	-	-	-	-	-
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-
Lease - financed capital lease	-	-	-	-	-	-	-	-	-	-
Payment for refund obligations	-	-	(9,286,507)	-	-	-	-	-	-	-
Premium on refunding bonds	-	-	860,639	-	-	-	-	-	-	-
Transfers-in	74,000	-	-	-	-	-	-	-	-	-
	74,000	-	8,902,129	-	-	-	-	-	-	-
Net change in fund balances	(113,658)	90,958	7,458,164	(249,965)	-	4,012	1	5,655	12,914	-
Fund balances (deficits), January 1, 2012, as restated	4,477,963	50,600	(5,340,849)	742,899	4	2,171,212	-	211	16,005	-
Fund balances (deficits), December 31, 2012	\$ 4,364,305	\$ 141,558	\$ 2,117,315	\$ 492,934	\$ 4	\$ 2,175,224	\$ 1	\$ 5,866	\$ 28,919	-

City of Akron, Ohio

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

Year Ended December 31, 2012
(continued)

	Debt Service Funds							Capital Projects Funds							Total
	Taxable Revenue Bond Payment	Streets	Information Technology and Improvements	Parks and Recreation	Public Facilities and Improvements	Public Parking	Economic Development								
Revenues	\$	\$	\$	\$	\$	\$	\$								\$
Income taxes	-	1,861,755	-	-	715	-	512,693								12,538,619
Property taxes	-	-	-	-	-	-	-								10,983,104
JEDD revenues	-	-	-	-	-	-	-								10,686,614
Special assessments	-	561,587	-	-	-	-	-								14,541,183
Grants and subsidies	-	4,794,038	-	1,311,038	24,108	-	15,963,923								41,495,155
Investment earnings	452	-	-	-	-	-	132,531								207,191
Shared revenues	-	-	-	-	-	-	-								14,204,353
Licenses, fees and fines	-	-	-	-	-	-	-								1,850,552
Charges for services	-	548,035	-	-	-	-	-								4,463,637
Miscellaneous	-	-	-	-	33,858	-	-								5,866,868
	452	7,765,415	19	1,781,989	58,681	-	16,880,712								116,837,276
Expenditures															
Current:															
General government	-	2,159	-	4,500	37,259	-	1,569								26,337,985
Public service	-	6,670,992	-	339,060	39,272	22,898	11,038,874								37,306,284
Public safety	-	1,186,758	-	2,266	152,133	59,256	-								19,336,336
Community environment	-	213,154	-	195,605	59,463	11,611	4,811,503								29,744,789
Public health	-	-	-	-	-	-	-								628,394
Recreation and parks	-	254,235	-	1,609,416	74,388	-	481,839								3,824,277
Debt service:															
Principal Retirement	-	-	-	-	-	-	-								8,279,609
Interest	-	-	-	-	-	-	104,187								4,011,326
Bond issuance expenditures	-	-	-	-	-	-	-								696,966
	-	8,327,298	-	2,150,847	362,515	93,765	16,457,972								130,165,966
	452	(561,883)	19	(368,858)	(303,834)	(93,765)	422,740								(13,328,690)
Other financing sources (uses)															
Issuance of general obligation bonds	-	2,392,347	-	1,982,766	388,320	5,756,035	6,381,914								25,719,876
Premium on G.O. Debt	-	665,000	-	-	-	-	-								1,696,315
Issuance of refunding obligations	-	-	-	-	-	-	-								8,540,000
Issuance of capital lease	-	-	-	-	-	-	-								2,499,170
Lease - financed capital lease	-	-	-	-	-	-	-								(2,499,170)
Payment for refund obligations	-	-	-	-	-	-	-								(9,286,507)
Premium on refunding bonds	-	-	-	-	-	-	-								860,639
Transfers-in	-	-	-	-	-	-	-								7,041,704
	-	3,057,347	-	1,982,766	388,320	5,756,035	6,381,914								34,572,027
Net change in fund balances	452	2,495,464	19	1,613,908	84,486	5,662,270	6,804,654								21,243,337
Fund balances (deficits), January 1, 2012, as restated	1,701,533	(14,769,340)	45,944	(1,517,644)	496,452	(3,487,123)	6,369,929								(3,130,059)
Fund balances (deficits), December 31, 2012	\$	1,701,985	\$ (12,273,876)	\$ 45,963	\$ 96,264	\$ 2,175,147	\$ 13,174,583								\$ 18,113,278

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 6,185,190	\$ 6,185,190	\$ 5,317,575
Miscellaneous revenues	14,810	14,810	162,611
	<u>6,200,000</u>	<u>6,200,000</u>	<u>5,480,186</u>
Other sources:			
Previous year's encumbrances	74,984	74,984	74,984
	<u>74,984</u>	<u>74,984</u>	<u>74,984</u>
Total revenues and other sources	6,274,984	6,274,984	5,555,170
Expenditures			
Finance:			
Wages/benefits	2,178,000	1,828,000	1,774,104
Other	3,726,584	3,826,584	3,728,537
	<u>5,904,584</u>	<u>5,654,584</u>	<u>5,502,641</u>
Total expenditures	5,904,584	5,654,584	5,502,641
Excess of revenues and other sources over expenditures	370,400	620,400	52,529
Fund balance, January 1, 2012	<u>938,121</u>	<u>938,121</u>	<u>938,121</u>
Fund balance, December 31, 2012	<u>\$ 1,308,521</u>	<u>\$ 1,558,521</u>	<u>\$ 990,650</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, 2012

	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Property taxes	\$ 7,481,913	\$ 7,481,913	\$ 7,154,763
Transport billing	2,632,630	5,112,190	1,786,968
Other revenue	-	-	10,041
	<u>10,114,543</u>	<u>12,594,103</u>	<u>8,951,772</u>
Other sources:			
Transfer-in	867,370	1,684,313	2,180,000
Previous year's encumbrances	<u>65,478</u>	<u>65,478</u>	<u>65,478</u>
Total other sources	932,848	1,749,791	2,245,478
Total revenues and other sources	11,047,391	14,343,894	11,197,250
Expenditures			
Fire:			
Wages/benefits	8,050,000	9,550,000	9,506,241
Other	<u>1,109,578</u>	<u>1,329,578</u>	<u>1,284,089</u>
Total expenditures	9,159,578	10,879,578	10,790,330
Excess of revenues and other sources over expenditures	1,887,813	3,464,316	406,920
Fund deficit, January 1, 2012	<u>(3,464,315)</u>	<u>(3,464,315)</u>	<u>(3,464,315)</u>
Fund balance (deficit), December 31, 2012	<u>\$ (1,576,502)</u>	<u>\$ 1</u>	<u>\$ (3,057,395)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Special Assessment Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Special assessments	\$ 267,860	\$ 4,992,420	\$ 14,211,636
Service revenues	27,090	504,850	84,830
Miscellaneous revenues	69,220	1,290,180	56,786
	364,170	6,787,450	14,353,252
Other sources:			
Note/bond proceeds	875,830	16,323,550	11,250,900
Previous year's encumbrances	368,531	368,531	368,531
	1,244,361	16,692,081	11,619,431
Total revenues and other sources	1,608,531	23,479,531	25,972,683
Expenditures			
Finance:			
Wages/benefits	394,400	419,400	413,988
Other	733,652	13,233,652	13,232,487
	1,128,052	13,653,052	13,646,475
Public Service:			
Wages/benefits	3,676,680	3,550,980	3,406,107
Other	8,830,866	8,597,666	8,563,413
Capital outlay	3	3	3
	12,507,549	12,148,649	11,969,523
Neighborhood Assistance:			
Wages/benefits	-	125,700	103,926
Other	-	233,200	227,001
	-	358,900	330,927
Total expenditures	13,635,601	26,160,601	25,946,925
Excess (deficiency) of revenues and other sources over expenditures	(12,027,070)	(2,681,070)	25,758
Fund balance, January 1, 2012	3,556,386	3,556,386	3,556,386
Fund balance (deficit), December 31, 2012	\$ (8,470,684)	\$ 875,316	\$ 3,582,144

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Property taxes	\$ 801,633	\$ 801,633	\$ 815,001
Miscellaneous revenues	-	-	17,625
Total revenues	801,633	801,633	832,626
Expenditures			
Police:			
Wages/benefits	-	650,000	650,000
Other	-	151,630	151,622
Total expenditures	-	801,630	801,622
Excess of revenues over expenditures	801,633	3	31,004
Fund balance, January 1, 2012	-	-	-
Fund balance, December 31, 2012	\$ 801,633	\$ 3	\$ 31,004

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Property taxes	\$ 801,633	\$ 801,633	\$ 815,001
Miscellaneous revenues	-	-	17,625
Total revenues	801,633	801,633	832,626
Expenditures			
Fire:			
Wages/benefits	-	650,000	650,000
Other	-	151,630	151,622
Total expenditures	-	801,630	801,622
Excess of revenues over expenditures	801,633	3	31,004
Fund balance, January 1, 2012	-	-	-
Fund balance, December 31, 2012	\$ 801,633	\$ 3	\$ 31,004

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, 2012

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Gasoline tax	\$ 2,955,670	\$ 3,659,710	\$ 5,059,013
Motor vehicle license tax	2,364,530	2,927,770	2,635,783
Service revenues	567,490	702,660	299,066
Transfer from State of Ohio	1,418,720	1,756,660	1,484,946
Miscellaneous revenues	307,380	380,615	537,794
	<u>7,613,790</u>	<u>9,427,415</u>	<u>10,016,602</u>
Other sources:			
General fund subsidy	1,986,210	2,459,320	-
Previous year's encumbrances	42,714	42,714	42,714
	<u>2,028,924</u>	<u>2,502,034</u>	<u>42,714</u>
Total revenues and other sources	9,642,714	11,929,449	10,059,316
Expenditures			
Public Service:			
Wages/benefits	5,495,800	5,915,800	5,760,677
Other	3,747,234	5,777,234	3,957,986
Capital outlay	10,500	10,500	10,496
	<u>9,253,534</u>	<u>11,703,534</u>	<u>9,729,159</u>
Total expenditures	9,253,534	11,703,534	9,729,159
Excess of revenues and other sources over expenditures	389,180	225,915	330,157
Fund deficit, January 1, 2012	<u>(225,915)</u>	<u>(225,915)</u>	<u>(225,915)</u>
Fund balance, December 31, 2012	<u>\$ 163,265</u>	<u>\$ -</u>	<u>\$ 104,242</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
Miscellaneous revenues	\$ 11,000,000	\$ -	\$ -
Total revenues	11,000,000	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	11,000,000	-	-
Fund balance, January 1, 2012	-	-	-
Fund balance, December 31, 2012	\$ 11,000,000	\$ -	\$ -

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 7,861,770	\$ 12,927,580	\$ 11,526,709
Income taxes	863,930	1,420,610	205,000
Service revenues	777,540	1,278,550	358,872
Miscellaneous revenues	496,760	816,856	1,680,759
	<u>10,000,000</u>	<u>16,443,596</u>	<u>13,771,340</u>
Other sources:			
Previous year's encumbrances	32,481	32,481	32,481
	<u>32,481</u>	<u>32,481</u>	<u>32,481</u>
Total revenues and other sources	10,032,481	16,476,077	13,803,821
Expenditures			
Department Wide:			
Wages/benefits	2,174,640	2,174,640	2,077,198
Other	6,678,780	13,228,780	10,880,330
Capital Outlay	390,001	540,001	468,383
	<u>9,243,421</u>	<u>15,943,421</u>	<u>13,425,911</u>
Total expenditures	9,243,421	15,943,421	13,425,911
Excess of revenues and other sources over expenditures	789,060	532,656	377,910
Fund deficit, January 1, 2012	<u>(532,655)</u>	<u>(532,655)</u>	<u>(532,655)</u>
Fund balance (deficit), December 31, 2012	<u>\$ 256,405</u>	<u>\$ 1</u>	<u>\$ (154,745)</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
Miscellaneous revenues	\$ 340,000	\$ -	\$ -
Total revenues and other sources	340,000	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	340,000	-	-
Fund balance, January 1, 2012	-	-	-
Fund balance, December 31, 2012	<u>\$ 340,000</u>	<u>\$ -</u>	<u>\$ -</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 23,460	\$ 189,550	\$ 393,562
Miscellaneous revenues	11,540	93,273	34,362
	<u>35,000</u>	<u>282,823</u>	<u>427,924</u>
Other sources:			
Previous year's encumbrances	29,170	29,170	29,170
	<u>29,170</u>	<u>29,170</u>	<u>29,170</u>
Total revenues and other sources	64,170	311,993	457,094
Expenditures			
Department Wide:			
Other	279,170	554,170	420,467
	<u>279,170</u>	<u>554,170</u>	<u>420,467</u>
Total expenditures	279,170	554,170	420,467
Excess (deficiency) of revenues and other sources over expenditures	(215,000)	(242,177)	36,627
Fund balance, January 1, 2012	<u>242,178</u>	<u>242,178</u>	<u>242,178</u>
Fund balance, December 31, 2012	<u>\$ 27,178</u>	<u>\$ 1</u>	<u>\$ 278,805</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Federal/State grants	\$ 2,184,870	\$ 2,184,870	\$ 1,662,000
Service revenues	-	-	4,865
Miscellaneous revenues	115,230	115,230	111,016
	<u>2,300,100</u>	<u>2,300,100</u>	<u>1,777,881</u>
Other sources:			
Previous year's encumbrances	2,506	2,506	2,506
	<u>2,302,606</u>	<u>2,302,606</u>	<u>1,780,387</u>
Total revenues and other sources	2,302,606	2,302,606	1,780,387
Expenditures			
AMATS:			
Planning:			
Wages/benefits	1,207,850	1,227,850	1,217,479
Other	421,506	481,506	416,069
	<u>1,629,356</u>	<u>1,709,356</u>	<u>1,633,548</u>
Total expenditures	1,629,356	1,709,356	1,633,548
Excess of revenues and other sources over expenditures	673,250	593,250	146,839
Fund deficit, January 1, 2012	<u>(147,255)</u>	<u>(147,255)</u>	<u>(147,255)</u>
Fund balance (deficit), December 31, 2012	<u>\$ 525,995</u>	<u>\$ 445,995</u>	<u>\$ (416)</u>

Note: Included in Miscellaneous revenues above is a transfer in of \$85,000.

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 1,874,590	\$ 1,874,590	\$ 989,809
Miscellaneous revenues	165,410	165,410	108,899
	<u>2,040,000</u>	<u>2,040,000</u>	<u>1,098,708</u>
Other sources:			
Previous year's encumbrances	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>
Total revenues and other sources	2,040,002	2,040,002	1,098,710
Expenditures			
Department Wide:			
Other	1,100,002	1,100,002	1,097,198
Total expenditures	1,100,002	1,100,002	1,097,198
Excess of revenues and other sources over expenditures	940,000	940,000	1,512
Fund balance, January 1, 2012	<u>546,930</u>	<u>546,930</u>	<u>546,930</u>
Fund balance, December 31, 2012	<u>\$ 1,486,930</u>	<u>\$ 1,486,930</u>	<u>\$ 548,442</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Taxes and assessments	\$ 774,830	\$ 7,581,800	\$ 7,551,875
Miscellaneous revenues	5,170	50,549	6,158
	<u>780,000</u>	<u>7,632,349</u>	<u>7,558,033</u>
Other sources:			
Previous year's encumbrances	10,983	10,983	10,983
Total revenues and other sources	790,983	7,643,332	7,569,016
Expenditures			
Department Wide:			
Other	<u>1,410,983</u>	<u>8,510,983</u>	<u>7,179,917</u>
Total expenditures	1,410,983	8,510,983	7,179,917
Excess (deficiency) of revenues and other sources over expenditures	(620,000)	(867,651)	389,099
Fund balance, January 1, 2012	<u>867,651</u>	<u>867,651</u>	<u>867,651</u>
Fund balance, December 31, 2012	<u>\$ 247,651</u>	<u>\$ -</u>	<u>\$ 1,256,750</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Miscellaneous revenues	\$ 25,000	\$ 25,000	\$ 22,158
Total revenues	25,000	25,000	22,158
Expenditures			
Office of the Mayor			
Other	36,000	36,000	-
Total expenditures	36,000	36,000	-
Excess (deficiency) of revenues over expenditures	(11,000)	(11,000)	22,158
Fund balance, January 1, 2012	18,203	18,203	18,203
Fund balance, December 31, 2012	\$ 7,203	\$ 7,203	\$ 40,361

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, 2012

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
JEDD revenues	\$ 14,437,960	\$ 15,612,390	\$ 15,199,095
Income taxes	-	-	62,589
Service revenues	115,960	125,390	320,272
Miscellaneous revenues	146,080	157,969	182,380
	14,700,000	15,895,749	15,764,336
Other sources:			
Previous year's encumbrances	282,834	282,834	282,834
	282,834	282,834	282,834
Total revenues and other sources	14,982,834	16,178,583	16,047,170
Expenditures			
Department Wide:			
Wages/benefits	300,000	300,000	212,805
Other	14,759,832	16,159,832	15,935,971
Capital Outlay	235,002	235,002	160,614
Total expenditures	15,294,834	16,694,834	16,309,390
Deficiency of revenues and other sources over expenditures	(312,000)	(516,251)	(262,220)
Fund balance January 1, 2012	516,251	516,251	516,251
Fund balance, December 31, 2012	\$ 204,251	\$ -	\$ 254,031

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Service revenues	\$ 300,000	\$ 300,000	\$ 257,225
Other sources:			
Previous year's encumbrances	69,971	69,971	69,971
	69,971	69,971	69,971
Total revenues and other sources	369,971	369,971	327,196
Expenditures			
Court Clerk:			
Other	160,885	160,885	89,565
Judges:			
Other	194,436	194,436	107,218
Total expenditures	355,321	355,321	196,783
Excess of revenues and other sources over expenditures	14,650	14,650	130,413
Fund balance, January 1, 2012	798,188	798,188	798,188
Fund balance, December 31, 2012	\$ 812,838	\$ 812,838	\$ 928,601

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Service revenues	\$ -	\$ 30,000	\$ 15,918
Total revenues and other sources	-	30,000	15,918
Expenditures			
Court Clerk:			
Other	-	40,000	19,912
Total expenditures	-	40,000	19,912
Deficiency of revenues over expenditures	-	(10,000)	(3,994)
Fund balance, January 1, 2012	10,223	10,223	10,223
Fund balance, December 31, 2012	\$ 10,223	\$ 223	\$ 6,229

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 2,677,690	\$ 3,805,500	\$ 2,532,489
Property taxes	708,000	1,006,200	-
Miscellaneous revenues	154,310	219,300	224,411
	<u>3,540,000</u>	<u>5,031,000</u>	<u>2,756,900</u>
Previous year's encumbrances	29,461	29,461	29,461
	<u>29,461</u>	<u>29,461</u>	<u>29,461</u>
Total revenues and other sources	3,569,461	5,060,461	2,786,361
Expenditures			
Police:			
Wages/benefits	3,155,690	3,155,690	1,459,855
Other	414,821	1,564,821	744,291
Total expenditures	<u>3,570,511</u>	<u>4,720,511</u>	<u>2,204,146</u>
Excess (deficiency) of revenues and other sources over expenditures	(1,050)	339,950	582,215
Fund deficit, January 1, 2012	<u>(339,074)</u>	<u>(339,074)</u>	<u>(339,074)</u>
Fund balance (deficit), December 31, 2012	<u>\$ (340,124)</u>	<u>\$ 876</u>	<u>\$ 243,141</u>

Note: Included in Miscellaneous revenues above is a transfer in of \$204,406.

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Governmental revenues	\$ 190,000	\$ -	\$ -
Total revenues	190,000	-	-
 Total expenditures	-	-	-
 Excess of revenues over expenditures	190,000	-	-
 Fund balance, January 1, 2012	-	-	-
 Fund balance, December 31, 2012	\$ 190,000	\$ -	\$ -

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, 2012

	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 3,455,700	\$ 4,125,980	\$ 2,978,647
Service revenues	921,520	1,100,260	926,044
Miscellaneous revenues	172,780	206,295	1,897,213
	4,550,000	5,432,535	5,801,904
Other sources:			
Previous year's encumbrances	45,010	45,010	45,010
	45,010	45,010	45,010
Total revenues and other sources	4,595,010	5,477,545	5,846,914
Expenditures			
Public Safety:			
Wages/benefits	358,000	333,000	327,998
Other	75,000	5,000	3,200
Capital Outlay	5,000	-	-
	438,000	338,000	331,198
Public Service:			
Other	1,369	1,369	1,366
	1,369	1,369	1,366
Fire:			
Wages/benefits	1,500,000	4,200,000	2,603,153
Other	25,000	575,000	252,265
	1,525,000	4,775,000	2,855,418
Police:			
Wages/benefits	1,435,600	1,470,600	1,359,783
Other	556,483	606,483	538,820
Capital outlay	50,277	245,277	241,481
	2,042,360	2,322,360	2,140,084
Total expenditures	4,006,729	7,436,729	5,328,066
Excess (deficiency) of revenues and other sources over expenditures	588,281	(1,959,184)	518,848
Fund balance, January 1, 2012	1,959,184	1,959,184	1,959,184
Fund balance, December 31, 2012	\$ 2,547,465	\$ -	\$ 2,478,032

Note: Included in Miscellaneous revenues above is a transfer in of \$1,573,298.

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Service revenues	\$ -	\$ -	\$ 288
Total revenues	-	-	288
 Total expenditures	-	-	-
 Excess of revenues over expenditures	-	-	288
 Fund balance, January 1, 2012	280,739	280,739	280,739
 Fund balance, December 31, 2012	\$ 280,739	\$ 280,739	\$ 281,027

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 1,653,330	\$ 2,244,340	\$ 3,360,000
Governmental revenues	-	-	78,907
Miscellaneous revenues	3,146,670	4,271,498	5,906,014
	<u>4,800,000</u>	<u>6,515,838</u>	<u>9,344,921</u>
Other sources:			
General fund subsidy	3,200,000	4,343,890	-
Previous year's encumbrances	24,618	24,618	24,618
	<u>3,224,618</u>	<u>4,368,508</u>	<u>24,618</u>
Total revenues and other sources	8,024,618	10,884,346	9,369,539
Expenditures			
Department Wide:			
Other	5,762,118	10,762,118	9,681,617
Capital outlay	535,000	535,000	495,120
	<u>6,297,118</u>	<u>11,297,118</u>	<u>10,176,737</u>
Total expenditures	6,297,118	11,297,118	10,176,737
Excess (deficiency) of revenues and other sources over expenditures	1,727,500	(412,772)	(807,198)
Fund deficit, January 1, 2012	<u>412,773</u>	<u>412,773</u>	<u>412,773</u>
Fund balance (deficit), December 31, 2012	<u>\$ 2,140,273</u>	<u>\$ 1</u>	<u>\$ (394,425)</u>

Note: Included in Miscellaneous revenues above is a transfer in of \$2,925,000.

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, 2012

	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Income taxes	\$ 100,000	\$ 100,000	\$ 97,372
Governmental revenues	1,675,000	1,675,000	1,405,897
Service revenues	1,025,000	1,025,000	733,031
Miscellaneous revenues	750,000	750,000	352,113
	<u>3,550,000</u>	<u>3,550,000</u>	<u>2,588,413</u>
Other sources:			
Previous year's encumbrances	18,619	18,619	18,619
	<u>18,619</u>	<u>18,619</u>	<u>18,619</u>
Total revenues and other sources	3,568,619	3,568,619	2,607,032
Expenditures			
Department Wide:			
Wages/benefits	40,000	690,000	578,919
Other	3,318,419	3,318,419	2,033,488
	<u>3,358,419</u>	<u>4,008,419</u>	<u>2,612,407</u>
Total expenditures	3,358,419	4,008,419	2,612,407
Excess (deficiency) of revenues and other sources over expenditures	210,200	(439,800)	(5,375)
Fund balance, January 1, 2012	<u>4,740,601</u>	<u>4,740,601</u>	<u>4,740,601</u>
Fund balance, December 31, 2012	<u>\$ 4,950,801</u>	<u>\$ 4,300,801</u>	<u>\$ 4,735,226</u>

Note: Included in Miscellaneous revenues above is a transfer in of \$74,000.

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Deposits Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Miscellaneous revenues	\$ 1,300,000	\$ 1,300,000	\$ 528,856
Total revenues	1,300,000	1,300,000	528,856
Expenditures			
Finance:			
Other	959,900	959,900	399,694
Excess of revenues over expenditures	340,100	340,100	129,162
Fund balance, January 1, 2012	906,036	906,036	906,036
Fund balance, December 31, 2012	\$ 1,246,136	\$ 1,246,136	\$ 1,035,198

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Property taxes	\$ 1,122,287	\$ 1,122,287	\$ 1,157,142
Miscellaneous revenues	-	-	148
	<u>1,122,287</u>	<u>1,122,287</u>	<u>1,157,290</u>
Other sources:			
Transfer in	83,000,000	83,000,000	-
Previous year's encumbrances	2,741	2,741	2,741
	<u>83,002,741</u>	<u>83,002,741</u>	<u>2,741</u>
Total revenues and other sources	84,125,028	84,125,028	1,160,031
Expenditures			
Finance:			
Wages/benefits	417,000	447,000	442,659
Other	109,011	899,011	868,906
	<u>526,011</u>	<u>1,346,011</u>	<u>1,311,565</u>
Total expenditures	526,011	1,346,011	1,311,565
Excess (deficiency) of revenues and other sources over expenditures	83,599,017	82,779,017	(151,534)
Fund balance, January 1, 2012	<u>864,930</u>	<u>864,930</u>	<u>864,930</u>
Fund balance, December 31, 2012	<u>\$ 84,463,947</u>	<u>\$ 83,643,947</u>	<u>\$ 713,396</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Non-appropriated Capital Projects Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Miscellaneous revenues	\$ 2,100,000	\$ -	\$ -
Total revenues	2,100,000	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	2,100,000	-	-
Fund balance, January 1, 2012	-	-	-
Fund balance, December 31, 2012	\$ 2,100,000	\$ -	\$ -

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Miscellaneous revenues	\$ 5,900,000	\$ -	\$ -
Total revenues	5,900,000	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	5,900,000	-	-
Fund balance, January 1, 2012	-	-	-
Fund balance, December 31, 2012	\$ 5,900,000	\$ -	\$ -

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Streets Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 226,230	\$ 400,610	\$ 499,581
Taxes and assessments	417,650	739,590	561,588
Governmental revenues	2,864,400	5,072,330	1,623,595
Service revenues	348,040	616,320	-
Gasoline tax	469,860	832,030	-
Miscellaneous revenues	3,828,500	6,779,540	6,331,499
	<u>8,154,680</u>	<u>14,440,420</u>	<u>9,016,263</u>
Other sources:			
Note/Bond proceeds	8,840,320	15,654,580	22,885
Previous year's encumbrances	29,168	29,168	29,168
	<u>8,869,488</u>	<u>15,683,748</u>	<u>52,053</u>
Total revenues and other sources	17,024,168	30,124,168	9,068,316
Expenditures			
Public Service:			
Wages/benefits	150,000	151,000	149,422
Other	10,555,147	8,554,147	5,590,932
Capital outlay	12,500,021	9,500,021	3,026,854
	<u>23,205,168</u>	<u>18,205,168</u>	<u>8,767,208</u>
Total expenditures	23,205,168	18,205,168	8,767,208
Excess (deficiency) of revenues and other sources over expenditures	(6,181,000)	11,919,000	301,108
Fund deficit, January 1, 2012	<u>(2,503,435)</u>	<u>(2,503,435)</u>	<u>(2,503,435)</u>
Fund balance (deficit), December 31, 2012	<u>\$ (8,684,435)</u>	<u>\$ 9,415,565</u>	<u>\$ (2,202,327)</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Information Technology and Improvements Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Miscellaneous revenue	\$ 450,000	\$ 450,000	\$ -
	450,000	450,000	-
Other sources:			
Previous year's encumbrances	1	1	1
	1	1	1
Total revenues and other sources	450,001	450,001	1
Expenditures			
Public Service:			
Other	40,000	-	-
Capital outlay	1	50,001	45,963
Total expenditures	40,001	50,001	45,963
Excess (deficiency) of revenues and other sources over expenditures	410,000	400,000	(45,962)
Fund balance, January 1, 2012	45,961	45,961	45,961
Fund balance (deficit), December 31, 2012	\$ 455,961	\$ 445,961	\$ (1)

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Transportation Fund, Non-GAAP Budget Basis
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
Miscellaneous revenues	\$ 3,900,000	\$ -	\$ -
Total revenues	3,900,000	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	3,900,000	-	-
Fund balance, January 1, 2012	-	-	-
Fund balance, December 31, 2012	\$ 3,900,000	\$ -	\$ -

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 1,139,530	\$ 1,139,530	\$ 346,418
Governmental revenues	284,880	284,880	63,038
Miscellaneous revenues	153,850	153,850	298,184
	<u>1,578,260</u>	<u>1,578,260</u>	<u>707,640</u>
Other sources:			
Note/Bond proceeds	3,321,740	3,321,740	-
Previous year's encumbrances	263,741	263,741	263,741
	<u>3,585,481</u>	<u>3,585,481</u>	<u>263,741</u>
Total revenues and other sources	5,163,741	5,163,741	971,381
Expenditures			
Public Service:			
Other	2,234,372	1,234,372	481,209
Capital outlay	2,550,369	1,550,369	729,005
	<u>4,784,741</u>	<u>2,784,741</u>	<u>1,210,214</u>
Total expenditures	4,784,741	2,784,741	1,210,214
Excess (deficiency) of revenues and other sources over expenditures	379,000	2,379,000	(238,833)
Fund balance, January 1, 2012	<u>239,590</u>	<u>239,590</u>	<u>239,590</u>
Fund balance, December 31, 2012	<u>\$ 618,590</u>	<u>\$ 2,618,590</u>	<u>\$ 757</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 351,410	\$ 351,410	\$ 55,779
Income taxes	360,420	360,420	-
Miscellaneous revenues	153,190	153,190	2,187
	<u>865,020</u>	<u>865,020</u>	<u>57,966</u>
Other sources:			
Note/Bond proceeds	4,234,980	4,234,980	-
Previous year's encumbrances	185,925	185,925	185,925
	<u>4,420,905</u>	<u>4,420,905</u>	<u>185,925</u>
Total revenues and other sources	5,285,925	5,285,925	243,891
Expenditures			
Public Service:			
Wages/benefits	-	50,000	30,846
Other	2,185,925	535,925	373,148
Capital outlay	1,500,000	100,000	88,064
	<u>3,685,925</u>	<u>685,925</u>	<u>492,058</u>
Total expenditures	3,685,925	685,925	492,058
Excess (deficiency) of revenues and other sources over expenditures	1,600,000	4,600,000	(248,167)
Fund balance, January 1, 2012	<u>772,372</u>	<u>772,372</u>	<u>772,372</u>
Fund balance, December 31, 2012	<u>\$ 2,372,372</u>	<u>\$ 5,372,372</u>	<u>\$ 524,205</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Miscellaneous revenues	\$ 1,328,120	\$ 1,328,120	\$ 50,000
	<u>1,328,120</u>	<u>1,328,120</u>	<u>50,000</u>
Other sources:			
Note/Bond proceeds	7,171,880	7,171,880	-
Previous year's encumbrances	87,525	87,525	87,525
	<u>7,259,405</u>	<u>7,259,405</u>	<u>87,525</u>
Total revenues and other sources	8,587,525	8,587,525	137,525
Expenditures			
Public Service:			
Other	1,630,406	630,406	289,654
Capital outlay	1,557,119	57,119	57,119
	<u>3,187,525</u>	<u>687,525</u>	<u>346,773</u>
Total expenditures	3,187,525	687,525	346,773
Excess (deficiency) of revenues and other sources over expenditures	5,400,000	7,900,000	(209,248)
Fund balance, January 1, 2012	<u>2,344,875</u>	<u>2,344,875</u>	<u>2,344,875</u>
Fund balance, December 31, 2012	<u>\$ 7,744,875</u>	<u>\$ 10,244,875</u>	<u>\$ 2,135,627</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ 157,410	\$ 157,410	\$ 515,294
Taxes and assessments	3,751,540	3,751,540	146,577
Governmental revenues	3,069,440	3,069,440	4,914,027
Miscellaneous revenues	3,725,310	3,725,310	5,251,506
	<u>10,703,700</u>	<u>10,703,700</u>	<u>10,827,404</u>
Other sources:			
Note/Bond proceeds	6,296,300	6,296,300	146,386
Previous year's encumbrances	107,695	107,695	107,695
	<u>6,403,995</u>	<u>6,403,995</u>	<u>254,081</u>
Total revenues and other sources	17,107,695	17,107,695	11,081,485
Expenditures			
Department Wide:			
Other	10,495,342	10,995,342	7,095,825
Capital outlay	6,803,953	6,303,953	3,732,541
	<u>17,299,295</u>	<u>17,299,295</u>	<u>10,828,366</u>
Total expenditures	17,299,295	17,299,295	10,828,366
Excess (deficiency) of revenues and other sources over expenditures	(191,600)	(191,600)	253,119
Fund balance, January 1, 2012	<u>1,095,444</u>	<u>1,095,444</u>	<u>1,095,444</u>
Fund balance, December 31, 2012	<u>\$ 903,844</u>	<u>\$ 903,844</u>	<u>\$ 1,348,563</u>

NON-MAJOR ENTERPRISE FUNDS

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

- Oil and Gas
- Golf Course
- Airport

City of Akron, Ohio

Combining Statement of Net Position - Non-Major Enterprise Funds

December 31, 2012

	Oil and Gas	Golf Course	Airport	Total
Assets				
Pooled cash and investments	\$ 223,577	\$ 46	\$ 10,114	\$ 233,737
Receivables, net of allowances for uncollectibles	23,224	50	19,434	42,708
Due from other governments	-	-	107,691	107,691
Inventories, at cost	-	33,579	-	33,579
Property, plant and equipment, net of accumulated depreciation	395,485	1,407,473	8,527,710	10,330,668
Total assets and deferred outflows	642,286	1,441,148	8,664,949	10,748,383
Liabilities				
Accounts payable	27,555	41,309	67,600	136,464
Due to other funds	1,545	3,213	778	5,536
Accrued liabilities	1,576	3,730	47,910	53,216
Accrued wages	4,502	10,016	-	14,518
Accrued vacation and leave	21,544	2,070	-	23,614
Obligations under capital lease	-	14,472	-	14,472
Noncurrent liabilities				
Obligations under capital lease	-	65,470	-	65,470
Due in more than one year	56,648	39,385	59,708	155,741
Total liabilities and deferred inflows	113,370	179,665	175,996	469,031
Net Position				
Net investment in capital assets	395,485	1,327,531	8,527,710	10,250,726
Unrestricted (deficit)	133,431	(66,048)	(38,757)	28,626
Total net position	\$ 528,916	\$ 1,261,483	\$ 8,488,953	\$ 10,279,352

City of Akron, Ohio

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

For the Year Ended December 31, 2012

	Oil and Gas	Golf Course	Airport	Total
Operating revenues				
Charges for services	\$ 226,172	\$ 938,725	\$ 197,878	\$ 1,362,775
Other	23,224	45,441	105,583	174,248
	<u>249,396</u>	<u>984,166</u>	<u>303,461</u>	<u>1,537,023</u>
Operating expenses				
Personal services	196,846	577,796	96,193	870,835
Direct expenses	70,897	352,977	309,643	733,517
Rentals and lease	-	114,749	-	114,749
Utilities	346	76,998	4,524	81,868
Insurance	15,154	3,778	6,707	25,639
Depreciation, depletion and amortization	-	48,872	241,211	290,083
Other	1,392	425	-	1,817
	<u>284,635</u>	<u>1,175,595</u>	<u>658,278</u>	<u>2,118,508</u>
Operating income (loss)	(35,239)	(191,429)	(354,817)	(581,485)
Transfers-in	-	290,000	18,000	308,000
Capital contributions	-	-	285,346	285,346
	<u>-</u>	<u>290,000</u>	<u>303,346</u>	<u>593,346</u>
Changes in net position	(35,239)	98,571	(51,471)	11,861
Net position, January 1, 2012	<u>564,155</u>	<u>1,162,912</u>	<u>8,540,424</u>	<u>10,267,491</u>
Net position, December 31, 2012	<u>\$ 528,916</u>	<u>\$ 1,261,483</u>	<u>\$ 8,488,953</u>	<u>\$ 10,279,352</u>

City of Akron, Ohio
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended December 31, 2012

	Oil and Gas	Golf	Airport	Total Non-Major Enterprise Funds
Operating activities				
Cash received from customers	\$ 223,683	\$ 938,843	\$ 89,815	\$ 1,252,341
Cash payments to suppliers for goods and services	(57,866)	(502,592)	(251,589)	(812,047)
Cash paid for salaries and employee benefits	(191,641)	(633,103)	(229,017)	(1,053,761)
Other revenues	23,224	45,441	105,583	174,248
Other expenses	(1,392)	(425)	-	(1,817)
Net cash provided by (used for) operating activities	(3,992)	(151,836)	(285,208)	(441,036)
Non-capital financing activities				
Transfers from other funds	-	290,000	18,000	308,000
Transfers out for negative cash balances	-	(124,334)	-	(124,334)
Net cash provided by (used for) non-capital financing activities	-	165,666	18,000	183,666
Capital and related financing activities				
Acquisition and construction of capital assets	-	(13,784)	(86,085)	(99,869)
Capital Contributions	-	-	285,346	285,346
Net cash provided by (used for) capital and related financing activities	-	(13,784)	199,261	185,477
Net increase (decrease) in cash and cash equivalents	(3,992)	46	(67,947)	(71,893)
Cash and cash equivalents, January 1, 2012	227,569	-	78,061	305,630
Cash and cash equivalents, December 31, 2012	<u>\$ 223,577</u>	<u>\$ 46</u>	<u>\$ 10,114</u>	<u>\$ 233,737</u>

City of Akron, Ohio
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended December 31, 2012

	<u>Oil and Gas</u>	<u>Golf</u>	<u>Airport</u>	<u>Total Non-Major Enterprise Funds</u>
Operating income (loss)	\$ (35,239)	\$ (191,429)	\$ (354,817)	\$ (581,485)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion and amortization	-	48,872	241,211	290,083
(Increase) decrease in operating assets:				
Receivables	(2,489)	118	(372)	(2,743)
Due from other governments	-	-	(107,691)	(107,691)
Inventories	-	14,561	10,652	25,213
Increase (decrease) in operating liabilities:				
Accounts payable	27,307	32,867	64,856	125,030
Due to other funds	1,224	(1,518)	(6,223)	(6,517)
Accrued liabilities	4,437	(12,837)	1,155	(7,245)
Accrued wages	66	2,396	(6,179)	(3,717)
Accrued vacation and leave	702	(44,866)	(127,800)	(171,964)
Net cash provided by (used for) operating activities	<u>\$ (3,992)</u>	<u>\$ (151,836)</u>	<u>\$ (285,208)</u>	<u>\$ (441,036)</u>

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INTERNAL SERVICE FUNDS

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

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

Combining Statement of Net Position - Internal Service Funds

December 31, 2012

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve
Assets			
Pooled cash and investments	\$ 107,230	\$ 6,801,295	\$ 3,398,584
Receivables, net of allowances for uncollectibles	143,159	834	-
Due from other funds	740,452	-	-
Inventories, at cost	826,799	-	-
Property, plant and equipment, net of accumulated depreciation	1,678,432	-	-
Total assets and deferred outflows	3,496,072	6,802,129	3,398,584
Liabilities			
Accounts payable	319,045	42,450	17,327
Due to other funds	10,745	187	-
Accrued liabilities	26,998	-	1,254,492
Accrued wages	80,713	-	-
Accrued vacation and leave	217,430	-	-
Liability for unpaid claims	-	3,019,840	1,219,974
Noncurrent liabilities			
Due in more than one year	1,008,500	-	4,440,031
Bonds, notes, loans	-	11,000,000	-
Total liabilities and deferred inflows	1,663,431	14,062,477	6,931,824
Net Position			
Net investment in capital assets	1,678,432	-	-
Unrestricted (deficit)	154,209	(7,260,348)	(3,533,240)
Total net position	\$ 1,832,641	\$ (7,260,348)	\$ (3,533,240)

Combining Statement of Net Position - Internal Service Funds

December 31, 2012

Self- Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Information Technology	Total
\$ 17,942	\$ 23,957	\$ 1,692	\$ 3,017	\$ 1	\$ 10,353,718
-	-	-	-	-	143,993
-	-	64,436	360,873	252,901	1,418,662
-	-	-	-	-	826,799
-	-	244,999	113,788	112,275	2,149,494
17,942	23,957	311,127	477,678	365,177	14,892,666
1,733	-	71,103	37,046	25,397	514,101
-	-	393	25,381	295,031	331,737
-	-	4,688	34,010	9,227	1,329,415
-	-	13,393	95,589	29,050	218,745
-	-	47,134	475,929	139,475	879,968
278,441	-	-	-	-	4,518,255
-	-	127,055	1,428,161	501,727	7,505,474
-	-	-	-	2,000,000	13,000,000
280,174	-	263,766	2,096,116	2,999,907	28,297,695
-	-	244,999	113,788	112,275	2,149,494
(262,232)	23,957	(197,638)	(1,732,226)	(2,747,005)	(15,554,523)
\$ (262,232)	\$ 23,957	\$ 47,361	\$ (1,618,438)	\$ (2,634,730)	\$ (13,405,029)

City of Akron, Ohio

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

For the Year Ended December 31, 2012

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve
Operating revenues			
Charges for services	\$ 8,800,076	\$ 31,159,633	\$ 3,109,264
Other	97,210	702,335	27,637
	<u>8,897,286</u>	<u>31,861,968</u>	<u>3,136,901</u>
Operating expenses			
Personal services	2,522,925	-	-
Direct expenses	6,334,984	3,525,838	1,052,744
Claims	-	26,112,168	1,133,625
Rentals and lease	834	-	-
Utilities	71,523	-	-
Insurance	9,024	20,792	1,733
Depreciation, depletion and amortization	191,234	-	-
Other	7,050	-	-
	<u>9,137,574</u>	<u>29,658,798</u>	<u>2,188,102</u>
Operating income (loss)	(240,288)	2,203,170	948,799
Non-operating revenues (expenses)			
Interest income	-	-	73
Interest expense	(24,059)	(259,278)	-
Loss on disposal of capital assets	(9,987)	-	-
	<u>(34,046)</u>	<u>(259,278)</u>	<u>73</u>
Gain (loss) before transfers	(274,334)	1,943,892	948,872
Transfers-in	-	-	-
Capital contributions	3,850	-	-
	<u>3,850</u>	<u>-</u>	<u>-</u>
Net change in position	(270,484)	1,943,892	948,872
Net position (deficit), January 1, 2012	2,103,125	(9,204,240)	(4,482,112)
Net position (deficit), December 31, 2012	<u>\$ 1,832,641</u>	<u>\$ (7,260,348)</u>	<u>\$ (3,533,240)</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2012

Self- Insurance Settlement	Storeroom	Telephone System	Engineering Bureau	Information Technology	Total
\$ -	\$ 1,046,734	\$ 639,583	\$ 5,157,511	\$ 2,567,397	\$ 52,480,198
164,571	12,026	948	3,509	2,761	1,010,997
164,571	1,058,760	640,531	5,161,020	2,570,158	53,491,195
-	59,654	567,858	4,152,344	1,087,168	8,389,949
180	727,926	355,476	382,620	1,061,417	13,441,185
-	-	-	-	-	27,245,793
-	90,224	-	17,215	-	108,273
-	2,913	126,893	13,977	16,978	232,284
-	-	11,515	14,144	1,088	58,296
-	-	42,068	6,810	60,757	300,869
-	-	-	3,400	-	10,450
180	880,717	1,103,810	4,590,510	2,227,408	49,787,099
164,391	178,043	(463,279)	570,510	342,750	3,704,096
-	-	-	-	-	73
-	-	-	-	-	(283,337)
-	(25,322)	-	-	-	(35,309)
-	(25,322)	-	-	-	(318,573)
164,391	152,721	(463,279)	570,510	342,750	3,385,523
-	65,000	-	-	-	65,000
-	-	-	3,700	-	7,550
-	65,000	-	3,700	-	72,550
164,391	217,721	(463,279)	574,210	342,750	3,458,073
(426,623)	(193,764)	510,640	(2,192,648)	(2,977,480)	(16,863,102)
\$ (262,232)	\$ 23,957	\$ 47,361	\$ (1,618,438)	\$ (2,634,730)	\$ (13,405,029)

City of Akron, Ohio
Combining Statement of Cash Flows-Internal Service Funds
For the Year Ended December 31, 2012

	Motor Equipment	Medical Self - Insurance	Workers' Compensation Reserve	Self - Insurance Settlement
Operating activities				
Cash received from customers	\$ 9,376,766	\$ 31,158,799	\$ 3,139,492	\$ -
Cash payments to suppliers for goods and services	(6,406,815)	(3,691,851)	(1,044,718)	-
Cash paid for salaries and employee benefits	(2,392,565)	(24,988,917)	(1,564,955)	(163,875)
Other revenues	97,210	702,335	27,637	164,571
Other expenses	(7,050)	-	-	-
Net cash provided by (used for) operating activities	667,546	3,180,366	557,456	696
Non-capital financing activities				
Transfers from other funds	-	-	-	-
Transfers in for negative cash balances	-	-	-	-
Transfers out for negative cash balances	(536,257)	-	-	-
Proceeds sale of notes	-	11,000,000	-	-
Principal paid on bonds, loans and notes	-	(13,000,000)	-	-
Interest paid on bonds, loans and notes	-	(259,278)	-	-
Net cash provided by (used for) non-capital financing activities	(536,257)	(2,259,278)	-	-
Capital and related financing activities				
Interest paid on bonds and loans	(24,059)	-	-	-
Acquisition and construction of capital assets	(3,850)	-	-	-
Capital contributions	3,850	-	-	-
Net cash provided by (used for) capital and related financing activities	(24,059)	-	-	-
Investing activities				
Interest on investments	-	-	73	-
Net cash provided by investing activities	-	-	73	-
Net increase (decrease) in cash and cash equivalents	107,230	921,088	557,529	696
Cash and cash equivalents, January 1, 2012	-	5,880,207	2,841,055	17,246
Cash and cash equivalents, December 31, 2012	\$ 107,230	\$ 6,801,295	\$ 3,398,584	\$ 17,942

City of Akron, Ohio
Combining Statement of Cash Flows-Internal Service Funds
For the Year Ended December 31, 2012

Storeroom	Telephone System	Engineering Bureau	Information Technology	Total
\$ 1,230,838	\$ 584,171	\$ 5,078,252	\$ 2,604,656	\$ 53,172,974
(861,250)	(424,781)	(529,186)	(1,145,037)	(14,103,638)
(124,953)	(566,744)	(4,142,202)	(1,010,186)	(34,954,397)
12,026	948	3,509	2,761	1,010,997
-	-	(3,400)	-	(10,450)
256,661	(406,406)	406,973	452,194	5,115,486
65,000	-	-	-	65,000
-	-	-	293,639	293,639
(297,704)	-	(403,956)	(745,832)	(1,983,749)
-	-	-	-	11,000,000
-	-	-	-	(13,000,000)
-	-	-	-	(259,278)
(232,704)	-	(403,956)	(452,193)	(3,884,388)
-	-	-	-	(24,059)
-	-	(3,700)	-	(7,550)
-	-	3,700	-	7,550
-	-	-	-	(24,059)
-	-	-	-	73
-	-	-	-	73
23,957	(406,406)	3,017	1	1,207,112
-	408,098	-	-	9,146,606
\$ 23,957	\$ 1,692	\$ 3,017	\$ 1	\$ 10,353,718

City of Akron, Ohio
Combining Statement of Cash Flows-Internal Service Funds
For the Year Ended December 31, 2012
(continued)

	<u>Motor Equipment</u>	<u>Medical Self - Insurance</u>	<u>Workers' Compensation</u>	<u>Self - Insurance Settlement</u>
Operating income (loss)	\$ (240,288)	\$ 2,203,170	\$ 948,799	\$ 164,391
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion and amortization	191,234	-	-	-
(Increase) decrease in operating assets:				
Receivables	(10,357)	(834)	30,228	-
Due from other funds	587,047	-	-	-
Inventories	(5,451)	-	-	-
Increase (decrease) in operating liabilities:				
Accounts payable	13,226	(140,927)	9,763	180
Due to other funds	1,775	(4,294)	(4)	-
Accrued liabilities	95,325	-	-	-
Accrued wages	1,948	-	-	-
Accrued vacation and leave	33,087	-	-	-
Estimated liability for unpaid claims	-	1,123,251	(431,330)	(163,875)
Net cash provided by (used for) operating activities	<u>\$ 667,546</u>	<u>\$ 3,180,366</u>	<u>\$ 557,456</u>	<u>\$ 696</u>

City of Akron, Ohio
Combining Statement of Cash Flows-Internal Service Funds
For the Year Ended December 31, 2012
(continued)

Storeroom	Telephone System	Engineering Bureau	Information Technology	Total
\$ 178,043	\$ (463,279)	\$ 570,510	\$ 342,750	\$ 3,704,096
-	42,068	6,810	60,757	300,869
-	-	-	-	19,037
184,104	(55,412)	(79,259)	37,259	673,739
71,665	-	-	-	66,214
(110,337)	68,710	(3,515)	19,035	(143,865)
(1,515)	393	(97,715)	(84,589)	(185,949)
(38,733)	109	104,700	37,467	198,868
(2,831)	337	(1,238)	5,125	3,341
(23,735)	668	(93,320)	34,390	(48,910)
-	-	-	-	528,046
\$ 256,661	\$ (406,406)	\$ 406,973	\$ 452,194	\$ 5,115,486

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FIDUCIARY FUNDS

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

Claire Merrix Trust
Holocaust Memorial Trust
Police/Fire Beneficiary Trust

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

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

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

City of Akron, Ohio

Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds

December 31, 2012

	Claire Merrix Trust	Holocaust Memorial Trust	Police/Fire Beneficiary Trust	Total
Assets				
Cash and investments	\$ 810	\$ 6,886	\$ 4,660	\$ 12,356
Total assets	810	6,886	4,660	12,356
Total liabilities	-	-	-	-
Net Position	\$ 810	\$ 6,886	\$ 4,660	\$ 12,356

City of Akron, Ohio

Combining Statement of Fiduciary Net Position
Agency Funds

December 31, 2012

	Municipal Court	Police Property Monetary Evidence	Unclaimed Monies	Total
Assets				
Cash and investments	\$ 642,362	\$ 15,000	\$ 70,925	\$ 728,287
Total assets	642,362	15,000	70,925	728,287
Liabilities				
Due to others	642,362	15,000	70,925	728,287
Total liabilities	642,362	15,000	70,925	728,287
Net Position	\$ -	\$ -	\$ -	\$ -

City of Akron, Ohio

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

For the Year Ended December 31, 2012

	Claire Merrix Trust	Holocaust Memorial Trust	Police/Fire Beneficiary Trust	Total
Additions				
Contributions	\$ -	\$ 11,839	\$ 600	\$ 12,439
	-	11,839	600	12,439
Deductions				
Education and awareness	-	7,270	-	7,270
	-	7,270	-	7,270
Excess of revenues over expenses	-	4,569	600	5,169
Excess of revenues over expenditures	-	4,569	600	5,169
Net position, January 1, 2012	810	2,317	4,060	7,187
Net position, December 31, 2012	\$ 810	\$ 6,886	\$ 4,660	\$ 12,356

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Year Ended December 31, 2012

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Municipal Court				
Assets				
Cash	\$ 734,402	\$ -	\$ 92,040	\$ 642,362
Liabilities				
Due to others	\$ 734,402	\$ -	\$ 92,040	\$ 642,362
Police Property Monetary Evidence				
Assets				
Cash	\$ 15,000	\$ -	\$ -	\$ 15,000
Liabilities				
Due to others	\$ 15,000	\$ -	\$ -	\$ 15,000
Unclaimed Monies				
Assets				
Cash	\$ 74,363	\$ -	\$ 3,438	\$ 70,925
Liabilities				
Due to others	\$ 74,363	\$ -	\$ 3,438	\$ 70,925
Total All Agency Funds				
Assets				
Cash	\$ 823,765	\$ -	\$ 95,478	\$ 728,287
	\$ 823,765	\$ -	\$ 95,478	\$ 728,287
Liabilities				
Due to others	\$ 823,765	\$ -	\$ 95,478	\$ 728,287
	\$ 823,765	\$ -	\$ 95,478	\$ 728,287

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Statistical Section

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	189
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources which are income tax and property tax.	196
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	201
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the City.	208
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	210

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

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

Schedule 1

	2003	2004	2005	2006	2007
Governmental Activities					
Net Investment in Capital Assets	\$ 342,937,788	\$ 347,553,024	\$ 354,911,430	\$ 343,894,860	\$ 350,900,710
Restricted	40,319,154	305,806,875	305,806,875	154,998,029	136,131,553
Unrestricted	(68,256,422)	(342,848,212)	(342,622,082)	(162,608,235)	(122,216,128)
Total Governmental Activities Net Position	315,000,520	310,511,687	318,096,223	336,284,654	364,816,135
Business-Type Activities					
Net Investment in Capital Assets	298,087,580	305,496,572	312,958,242	319,708,498	331,088,686
Restricted	9,237,606	8,890,371	8,890,371	9,762,791	9,603,496
Unrestricted	14,462,481	12,254,737	13,956,855	13,310,341	8,684,965
Total Business-Type Activities Net Position	321,787,667	326,641,680	335,805,468	342,781,630	349,377,147
Primary Government					
Net Investment in Capital Assets	641,025,368	653,049,596	667,869,672	663,603,358	681,989,396
Restricted	49,556,760	314,697,246	314,697,246	164,760,820	145,735,049
Unrestricted	(53,793,941)	(330,593,475)	(328,665,227)	(149,297,894)	(113,531,163)
Total Primary Government Net Position	\$ 636,788,187	\$ 637,153,367	\$ 653,901,691	\$ 679,066,284	\$ 714,193,282
Governmental Activities					
Net Investment in Capital Assets	\$ 352,615,832	\$ 325,085,939	\$ 320,611,400	\$ 336,791,218	\$ 342,181,729
Restricted	67,956,219	46,034,221	76,133,681	64,060,427	45,769,529
Unrestricted	(59,811,038)	(32,116,320)	(63,841,247)	(39,096,078)	(28,089,325)
Total Governmental Activities Net Position	360,761,013	339,003,840	332,903,834	361,755,567	359,861,933
Business-Type Activities					
Net Investment in Capital Assets	361,078,967	364,052,481	368,334,039	382,353,490	381,737,149
Restricted	14,242,721	11,601,001	11,955,748	9,650,185	9,726,690
Unrestricted	(6,359,846)	(534,594)	5,913,913	(898,127)	8,473,245
Total Business-Type Activities Net Position	368,961,842	375,118,888	386,203,700	391,105,548	399,937,084
Primary Government					
Net Investment in Capital Assets	713,694,799	689,138,420	688,945,439	719,144,708	723,918,878
Restricted	82,198,940	57,635,222	88,089,429	73,710,612	55,496,219
Unrestricted	(66,170,884)	(32,650,914)	(57,927,334)	(39,994,205)	(19,616,080)
Total Primary Government Net Position	\$ 729,722,855	\$ 714,122,728	\$ 719,107,534	\$ 752,861,115	\$ 759,799,017

Source: City of Akron, Ohio Finance Department

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

Schedule 2

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues										
Governmental Activities										
Charges for Services:										
General Government	\$ 10,558,403	\$ 10,199,944	\$ 8,768,534	\$ 10,203,648	\$ 11,187,070	\$ 10,125,125	\$ 9,480,148	\$ 13,878,801	\$ 9,674,230	\$ 10,218,969
Public Service	12,047,537	13,685,910	24,515,742	1,221,943	28,739,656	25,837,733	23,701,124	33,856,324	25,094,315	14,404,457
Public Safety	2,088,567	4,661,113	1,079,551	634,517	1,499,758	1,178,463	916,609	1,286,320	847,335	508,391
Community Environment	195,500	276,244	64,412	27,488,539	13,466	12,583	19,165	13,934	7,607	422,186
Public Health	5,459,085	3,302,809	583,033	27,244	674,598	559,903	575,124	623,919	37,132	3,512
Recreation and Parks	660,897	600,501	339,674	387,161	363,552	313,784	331,715	414,527	242,837	183,754
Operating Grants and Contributions	18,489,411	18,798,602	20,736,629	20,085,504	21,939,297	23,163,116	21,601,120	38,518,668	17,302,475	19,658,258
Capital Grants and Contributions	28,011,341	26,959,413	19,497,224	22,023,997	24,822,927	22,905,722	26,257,174	38,467,858	38,778,626	35,507,412
Total Governmental Activities Program Revenues	77,510,741	78,484,536	75,584,799	82,072,553	89,240,324	84,096,429	82,882,179	127,060,351	91,984,557	80,906,939
Business-Type Activities										
Charges for Services:										
Water	26,531,458	33,897,438	32,677,553	34,203,720	33,313,008	32,650,800	32,702,521	34,365,128	34,718,912	32,215,076
Sewer	32,592,485	34,489,974	36,365,900	35,658,036	36,113,694	35,355,134	35,817,311	44,879,526	49,610,750	56,208,333
Oil & Gas	3,938	-	-	1,136	18,544	-	269,720	371,137	373,269	226,172
Parking Facilities	4,187,879	4,109,336	4,921,793	4,921,561	4,982,704	4,995,719	4,684,648	4,798,580	4,710,310	4,577,496
Golf Course	866,188	889,957	878,878	903,859	891,709	864,188	885,577	926,633	807,693	938,725
Airport	144,498	180,169	193,369	162,557	143,520	188,253	149,172	65,186	76,912	197,878
Capital Grants and Contributions	15,866,870	11,952,537	6,356,588	4,537,330	5,918,599	14,089,131	6,601,474	5,838,213	4,416,302	7,786,418
Total Business-Type Activities Program Revenues	80,193,316	85,519,411	81,394,081	80,388,199	81,381,778	88,143,225	81,110,423	91,244,403	94,714,148	102,150,098
Total Primary Government Program Revenues	\$ 157,704,057	\$ 164,003,947	\$ 156,978,880	\$ 162,460,752	\$ 170,622,102	\$ 172,239,654	\$ 163,992,602	\$ 218,304,754	\$ 186,698,705	\$ 183,057,037
Expenses										
Governmental Activities										
General Government	\$ 41,985,779	\$ 33,154,330	\$ 53,063,391	\$ 38,206,653	\$ 40,750,017	\$ 38,873,128	\$ 43,879,396	\$ 57,324,570	\$ 48,717,920	\$ 44,074,083
Public Service	56,239,734	57,321,381	54,923,173	64,832,236	63,895,682	73,262,623	80,172,670	104,776,341	50,268,506	52,045,512
Public Safety	101,498,621	106,914,744	104,848,506	109,812,346	114,350,511	117,038,957	123,812,322	112,983,694	109,950,785	113,141,469
Community Environment	17,365,752	25,985,445	21,514,112	94,412,587	50,882,056	42,181,020	35,724,084	36,971,008	58,355,271	66,174,345
Public Health	17,534,327	16,556,343	15,832,640	17,204,170	17,568,811	16,288,130	16,833,245	16,584,773	3,517,378	3,982,604
Recreation and Parks	4,895,539	5,035,419	7,603,460	2,552,319	5,800,662	6,270,738	6,270,738	5,704,548	5,801,457	6,906,906
Interest	17,723,691	27,403,295	27,077,616	26,808,875	27,325,682	28,172,429	24,194,932	24,845,202	22,212,625	35,466,855
Unallocated Depreciation	9,607,943	10,476,870	11,389,516	12,069,428	12,818,481	13,654,482	14,158,196	14,740,666	15,358,939	15,559,132
Total Governmental Activities Expenses	266,851,386	282,847,827	296,252,414	365,898,614	333,391,902	335,092,003	345,045,583	373,930,802	314,182,881	337,350,906
Business-Type Activities										
Water	35,835,251	37,959,261	30,733,296	33,312,219	33,459,745	29,839,906	33,622,159	34,399,758	35,228,188	28,050,700
Sewer	32,068,358	37,797,875	37,224,648	33,322,391	35,287,533	35,843,446	34,847,213	39,299,082	46,730,809	58,124,816
Oil & Gas	224,349	286,140	284,733	179,995	204,153	933,312	123,292	479,640	250,643	279,689
Parking Facilities	5,126,582	5,637,623	5,966,776	5,702,299	1,317,386	4,431,405	6,797,185	7,248,743	7,355,958	7,780,158
Golf Course	1,302,587	1,366,476	1,381,619	1,353,376	786,711	1,327,158	1,193,344	1,270,474	1,193,071	1,176,344
Airport	576,004	712,909	764,876	679,883	5,974,113	985,551	695,864	686,012	1,005,792	653,852
Total Business-Type Activities Expenses	75,133,131	83,760,284	76,355,948	74,550,163	77,029,641	73,381,055	77,412,871	83,383,709	91,764,461	96,065,559
Total Primary Government Expenses	\$ 341,984,517	\$ 366,608,111	\$ 372,608,362	\$ 440,448,777	\$ 410,421,543	\$ 408,473,058	\$ 422,458,454	\$ 457,314,511	\$ 405,947,342	\$ 433,416,465

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

Schedule 2

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Governmental Activities	\$ (189,340,645)	\$ (204,363,291)	\$ (220,667,615)	\$ (283,826,061)	\$ (244,151,578)	\$ (250,995,574)	\$ (262,163,404)	\$ (246,870,451)	\$ (222,198,324)	\$ (256,443,967)
Business-Type Activities	5,060,185	1,759,127	5,038,133	5,838,036	4,352,137	14,762,170	3,697,552	7,860,694	2,949,687	6,084,539
Total Primary Government Net Expense	\$ (184,280,460)	\$ (202,604,164)	\$ (215,629,482)	\$ (277,988,025)	\$ (239,799,441)	\$ (236,233,404)	\$ (258,465,852)	\$ (239,009,757)	\$ (219,248,637)	\$ (250,359,428)
General Revenue and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Income Taxes	\$ 101,802,168	\$ 114,352,078	\$ 126,766,520	\$ 121,875,043	\$ 144,647,307	\$ 130,610,516	\$ 120,914,118	\$ 119,257,796	\$ 134,473,083	\$ 131,601,798
Property Taxes	30,374,275	28,193,761	27,850,829	37,242,477	30,154,104	33,326,060	28,160,321	29,013,731	25,831,020	24,003,912
JEDD Revenues	12,084,490	13,607,119	13,946,982	16,550,254	16,551,588	17,831,880	15,603,044	15,190,788	16,826,153	20,706,211
Investment Earnings	1,032,073	2,620,285	6,195,543	6,546,494	4,820,973	3,557,435	2,411,286	554,263	643,612	439,005
Unrestricted Shared Revenues	31,105,413	32,235,453	45,169,402	106,744,240	65,033,815	51,291,763	60,374,803	57,043,369	51,162,387	69,710,284
Miscellaneous	11,109,869	9,186,760	7,662,219	12,787,733	10,899,487	9,964,899	13,832,819	20,122,026	30,059,892	8,337,078
Gain (loss) on Sale of Capital Assets	-	(107,274)	1,659,116	-	223,635	-	-	1,539	95,999	60,045
Transfers	(594,344)	(213,724)	(998,460)	268,251	352,150	357,899	(890,160)	(393,067)	(529,996)	(308,000)
Total Governmental Activities	\$ 186,913,944	\$ 199,874,458	\$ 228,252,151	\$ 302,014,492	\$ 272,683,059	\$ 246,940,452	\$ 240,406,231	\$ 240,770,445	\$ 258,562,150	\$ 254,550,333
Business-Type Activities:										
Investment Earnings	\$ 93,242	\$ 108,993	\$ 280,566	\$ 460,615	\$ 504,738	\$ 204,914	\$ 11,377	\$ 6,945	\$ 626	\$ 785
Miscellaneous	1,409,184	2,767,615	2,833,804	945,762	2,090,792	4,975,510	1,557,957	2,824,106	1,350,658	2,438,212
Gain (loss) on Sale of Capital Assets	56,035	4,554	12,825	-	-	-	-	-	-	-
Transfers	594,344	213,724	998,460	(268,251)	(352,150)	(357,899)	890,160	393,067	529,996	308,000
Total Business-Type Activities	\$ 2,152,805	\$ 3,094,886	\$ 4,125,655	\$ 1,138,126	\$ 2,243,380	\$ 4,822,525	\$ 2,459,494	\$ 3,224,118	\$ 1,881,280	\$ 2,746,997
Total Primary Government	\$ 189,066,749	\$ 202,969,344	\$ 232,377,806	\$ 303,152,618	\$ 274,926,439	\$ 251,762,977	\$ 242,865,725	\$ 243,994,563	\$ 260,443,430	\$ 257,297,330
Change in Net Position										
Governmental Activities	\$ (2,426,701)	\$ (4,488,833)	\$ 7,584,536	\$ 18,188,431	\$ 28,531,481	\$ (4,055,122)	\$ (21,757,173)	\$ (6,100,006)	\$ 36,363,826	\$ (1,893,634)
Business-Type Activities	7,212,990	4,854,013	9,163,788	6,976,162	6,595,517	19,584,695	6,157,046	11,084,812	4,830,967	8,831,536
Total Primary Government Change in Net Position	\$ 4,786,289	\$ 365,180	\$ 16,748,324	\$ 25,164,593	\$ 35,126,998	\$ 15,529,573	\$ (15,600,127)	\$ 4,984,806	\$ 41,194,793	\$ 6,937,902

Source: City of Akron, Ohio Finance Department

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

Schedule 3

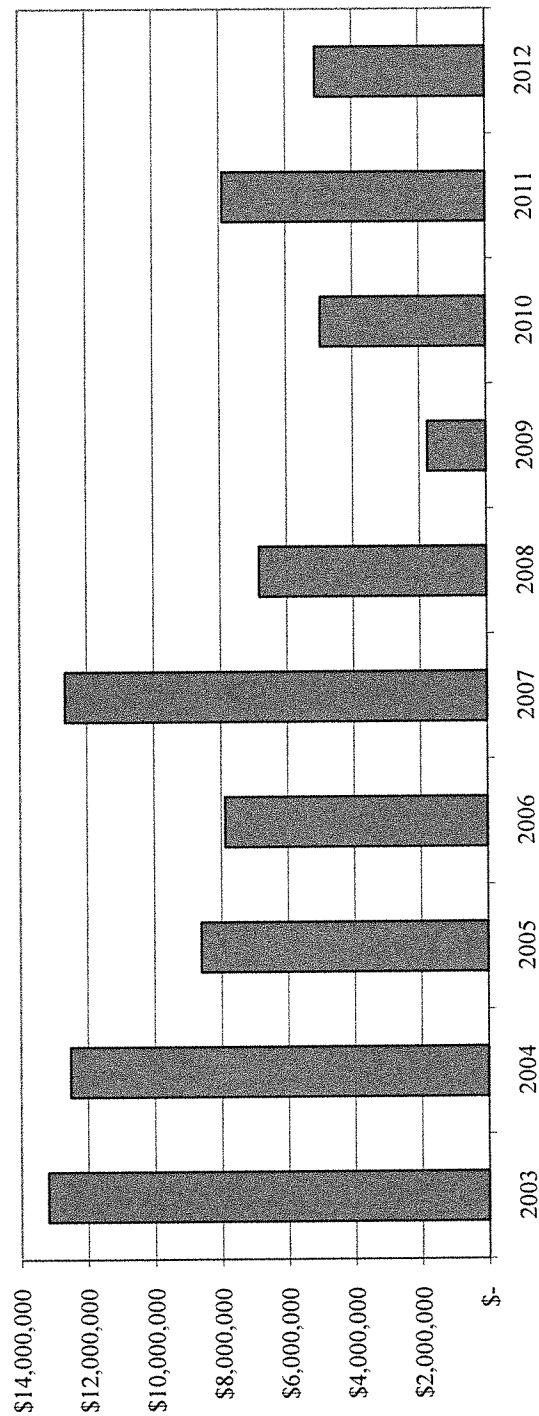
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	\$ 1,233,303	\$ 1,680,684	\$ 2,403,155	\$ 2,014,480	\$ 963,366	\$ 2,386,705	\$ 2,177,149	\$ 1,122,215
Unreserved	13,198,625	12,516,302	8,608,934	7,885,122	12,649,039	6,827,641	1,768,399	4,967,367
Total General Fund	14,431,928	14,196,986	11,012,089	9,899,602	13,612,405	9,214,346	3,945,548	6,089,582
All Other Governmental Funds								
Reserved	41,592,028	35,591,716	35,336,754	32,654,441	34,820,649	36,305,482	41,808,901	42,689,767
Unreserved, Reported in:								
Special Revenue funds	23,238,226	148,315,752	155,814,840	105,278,827	98,975,199	92,806,560	86,496,275	79,439,815
Debt Service funds	14,290,672	89,894,236	84,744,936	128,340,399	107,977,695	81,470,862	21,195,871	42,601,924
Capital Projects funds	(53,474,079)	(65,862,884)	(35,950,447)	(38,860,992)	(30,530,366)	(58,810,627)	(62,640,775)	(30,112,902)
Total All Other Governmental Funds	25,646,847	207,938,820	239,946,083	227,412,675	211,243,177	151,772,277	86,860,272	134,618,604
Total Governmental Funds	\$ 40,078,775	\$ 222,135,806	\$ 250,958,172	\$ 237,312,277	\$ 224,855,582	\$ 160,986,623	\$ 90,805,820	\$ 140,708,186

	2011	2012
General Fund		
Nonspendable	\$ -	\$ -
Restricted	-	-
Committed	-	266,687
Assigned	1,242,472	1,236,966
Unassigned	7,901,719	5,102,134
Total General Fund	9,144,191	6,605,787
All Other Governmental Funds		
Nonspendable	3,085,645	3,085,645
Restricted	142,850,022	117,789,306
Committed	5,448,281	13,502,981
Assigned	-	375,380
Unassigned	(40,623,253)	(27,448,292)
Total All Other Governmental Funds	110,760,695	107,305,020
Total Governmental Funds	\$ 119,904,886	\$ 113,910,807

Source: City of Akron, Ohio Finance Department

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

Unreserved/Unassigned General Fund Balance



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

Schedule 4

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Income Taxes	\$ 100,774,470	\$ 112,668,881	\$ 124,572,314	\$ 127,928,669	\$ 142,933,003	\$ 133,917,849	\$ 120,606,323	\$ 119,438,082	\$ 135,345,234	\$ 131,090,435
Property Taxes	30,374,275	28,193,761	27,896,871	32,427,784	29,786,617	34,008,937	27,917,658	28,070,162	24,111,972	24,573,729
JEDD Revenues	12,532,059	13,332,783	14,057,613	16,861,380	17,829,829	16,020,928	15,476,781	15,462,316	16,577,998	20,811,614
Special Assessments	12,786,836	13,924,427	13,236,631	12,754,375	13,778,724	14,412,033	15,567,437	14,675,422	6,312,847	14,965,865
Grants and Subsidies:										
Community Development	11,589,020	14,274,362	12,861,997	11,605,228	12,478,212	11,604,598	6,006,871	11,853,749	7,795,876	
Other	22,567,077	17,559,226	13,843,621	17,604,596	20,183,088	19,177,807	21,556,728	45,241,004	45,841,289	43,315,295
Investment Earnings	1,384,938	2,921,080	7,267,257	7,389,680	5,234,435	2,383,263	2,709,994	821,213	772,109	517,882
Shared Revenues	33,095,237	32,461,563	46,266,621	105,766,818	65,507,619	52,410,270	60,312,501	56,132,211	52,491,818	68,768,384
Licenses, Fees and Fines	8,473,148	8,358,074	10,642,221	9,623,800	10,142,722	9,901,876	7,456,839	8,422,362	7,682,875	8,011,431
Charges for Services	21,913,831	23,544,847	24,283,315	28,670,461	28,800,007	27,410,285	29,564,397	24,678,776	24,002,116	17,759,520
Miscellaneous	11,904,151	11,503,832	10,681,121	12,655,993	12,752,168	11,104,742	15,331,816	20,073,582	28,533,349	8,662,590
Total Revenues	\$ 267,395,042	\$ 278,742,836	\$ 305,609,582	\$ 383,288,784	\$ 359,426,424	\$ 332,352,588	\$ 322,507,345	\$ 344,868,879	\$ 349,467,483	\$ 338,476,745
Expenditures										
Current:										
General Government	\$ 34,653,886	\$ 33,314,886	\$ 38,532,903	\$ 41,985,087	\$ 40,124,206	\$ 36,852,582	\$ 40,365,547	\$ 39,428,651	\$ 42,400,285	\$ 42,710,925
Public Service	75,365,244	69,852,895	87,267,701	106,364,245	103,565,149	116,321,398	103,175,779	112,534,126	71,513,740	59,446,860
Public Safety	96,926,410	102,644,931	104,460,027	108,252,675	110,120,643	117,083,540	110,995,872	110,080,622	110,814,070	109,643,467
Community Environment	14,248,628	28,624,126	23,995,474	112,504,139	81,741,762	66,515,907	70,119,083	69,931,132	77,037,268	91,645,889
Public Health	17,088,441	16,249,087	15,753,502	16,571,533	16,916,380	15,932,988	16,670,607	16,808,854	3,957,653	4,004,247
Recreation and Parks	4,907,828	4,746,079	7,580,781	2,420,510	5,567,820	5,615,714	6,281,860	5,448,715	5,480,847	6,946,793
Capital Outlay	41,238,897	16,986,611	192,958	3,022,789	220,829	1,433,944	192,751	34,536	-	-
Debt service:										
Principal Retirement	22,808,733	29,645,607	33,847,273	24,356,115	29,352,928	30,849,415	32,699,777	55,294,176	42,815,931	29,088,580
Interest	17,116,598	26,951,543	19,064,159	27,795,926	28,311,670	28,876,343	25,125,146	25,657,874	33,620,136	28,600,017
Bond Issuance Expenditures	453,922	1,441,316	2,215,424	413,476	1,096,121	-	306,768	2,331,621	1,458,659	2,304,239
Total Expenditures	\$ 324,808,587	\$ 330,457,081	\$ 332,910,202	\$ 443,686,495	\$ 417,017,508	\$ 419,481,831	\$ 405,933,190	\$ 437,550,307	\$ 389,098,589	\$ 374,391,017
Excess of Revenues Under Expenditures	\$ (57,413,545)	\$ (51,714,245)	\$ (27,300,620)	\$ (60,397,711)	\$ (57,591,084)	\$ (87,129,243)	\$ (83,425,845)	\$ (92,681,428)	\$ (39,631,106)	\$ (35,914,272)

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

Schedule 4

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses)										
Issuance of General Obligation Bond	\$ 41,000,540	\$ 219,049,460	\$ 52,735,419	\$ 43,250,000	\$ 39,759,106	\$ 20,150,000	\$ 12,884,092	\$ 127,285,840	\$ 10,703,000	\$ 26,870,000
Issuance of General Obligation Notes	1,871,200	3,418,530	1,115,300	2,072,575	1,831,645	-	-	-	-	-
Issuance of Special Assessment Notes	-	-	-	-	-	2,752,385	-	-	-	-
Issuance of Loans	-	-	-	-	2,285,818	-	574,903	239,569	-	-
Issuance of COP's	-	-	-	-	1,470,894	-	-	13,200,000	-	-
Proceeds of Refunding Bonds Premium	-	-	-	-	-	-	-	-	4,360,193	24,186,215
Loan Proceeds	-	3,041,694	-	1,241,581	-	-	-	-	-	-
Premium on G.O. Debt	1,011,980	8,475,316	7,289,095	456,909	419,776	-	676,207	2,601,452	205,387	1,696,315
Proceeds of Refund Obligations	-	-	95,235,000	-	-	-	-	-	97,633,009	170,925,000
Payment for Refunding Obligations	-	-	(96,873,368)	-	-	-	-	-	(93,235,293)	(193,384,337)
Issuance of Capital Lease	-	-	-	9,050,203	-	-	-	-	-	8,227,250
Lease - Financed Capital Assets	-	-	-	(9,050,203)	-	-	-	-	-	(8,227,250)
Transfers-in	2,806,868	5,756,980	16,040,091	3,231,801	5,329,997	3,580,999	31,868,200	43,172,287	12,145,484	7,041,704
Transfers-out	(3,607,267)	(5,970,704)	(19,418,551)	(3,501,050)	(5,962,847)	(3,223,100)	(32,758,360)	(43,915,354)	(12,706,505)	(7,414,704)
Total Other Financing Sources (Uses)	\$ 43,083,321	\$ 233,771,276	\$ 56,122,986	\$ 46,751,816	\$ 45,134,389	\$ 23,260,284	\$ 13,245,042	\$ 142,583,794	\$ 19,105,275	\$ 29,920,193
Net Change in Fund Balance	\$ (14,330,224)	\$ 182,057,031	\$ 28,822,366	\$ (13,645,895)	\$ (12,456,695)	\$ (63,868,959)	\$ (70,180,803)	\$ 49,902,366	\$ (20,525,831)	\$ (5,994,079)
Debt Service as a Percentage of Noncapital Expenditures	15.42%	19.46%	18.01%	14.43%	17.10%	17.74%	17.28%	22.30%	22.67%	17.49%

Source: City of Akron, Ohio Finance Department

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

Tax Collection Year	Real Property		Personal Property		Public Utilities		Total		Total Direct Rate	Percent of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2004	\$ 2,725,682	\$ 7,787,663	\$ 323,378	\$ 1,293,512	\$ 126,329	\$ 504,569	\$ 3,175,389	\$ 9,585,744	9.09	33.13 %
2005	2,751,773	7,862,209	321,452	1,285,808	128,371	512,763	3,201,596	9,660,780	10.30	33.14
2006	3,004,852	8,585,291	234,182	936,728	116,085	463,549	3,355,119	9,985,568	10.30	33.60
2007	3,006,951	8,591,289	160,595	642,380	112,615	450,190	3,280,161	9,683,859	10.30	33.87
2008	2,991,842	8,548,120	80,493	321,972	97,027	387,821	3,169,362	9,257,913	10.30	34.23
2009	2,921,073	8,345,923	-	-	96,579	386,009	3,017,652	8,731,932	10.30	34.56
2010	2,911,817	8,319,477	-	-	93,107	274,050	3,004,924	8,593,527	10.30	34.97
2011	2,928,343	8,366,694	-	-	88,008	251,451	3,016,351	8,618,145	10.30	35.00
2012	2,580,090	7,371,686	-	-	92,022	262,920	2,672,112	7,634,606	10.30	35.00
2013	2,550,584	7,287,383	-	-	111,892	319,691	2,662,476	7,607,074	10.30	35.00

Source: City of Akron, Ohio Finance Department

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

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

Tax Collection Year	City Direct Rates					Overlapping Rates			
	Operating	Police Pension	Fire Pension	Debt Retirement	Total Direct Rate	Akron City School District	Summit County	Akron Metro Parks	
2004	8.15	0.30	0.30	0.34	9.09	63.76	13.00	0.85	
2005	9.15	0.30	0.30	0.55	10.30	63.76	14.36	0.85	
2006	9.28	0.30	0.30	0.42	10.30	63.76	14.26	0.85	
2007	9.28	0.30	0.30	0.42	10.30	71.66	15.14	1.46	
2008	9.28	0.30	0.30	0.42	10.30	71.66	14.87	1.46	
2009	9.28	0.30	0.30	0.42	10.30	71.66	14.78	1.46	
2010	9.28	0.30	0.30	0.42	10.30	71.66	14.80	1.46	
2011	9.28	0.30	0.30	0.42	10.30	71.66	14.80	1.46	
2012	9.28	0.30	0.30	0.42	10.30	71.66	14.80	1.46	
2013	9.28	0.30	0.30	0.42	10.30	79.56	14.84	1.46	

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
Principal Property Tax Payers
12/31/2012 and 12/31/2003
(in thousands of dollars)

	December 31, 2012			December 31, 2003		
	Taxpayer	Taxable Assessed Value	Percentage of Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Taxable Assessed Value
Ohio Edison		\$ 69,447	2.61 %	First Energy	\$ 73,158	2.30 %
American Transmission		12,083	0.45	SBC	42,177	1.33
Albrecht Incorporated		11,508	0.43	Goodyear Tire & Rubber Co.	29,925	0.94
East Ohio Gas		10,439	0.39	Bridgestone/Firestone	24,813	0.78
CHM Akron LLC		10,233	0.38	Aircraft Braking Systems	23,783	0.75
Ohio Edison Tower Limited Liability		8,154	0.31	F.W. Albrecht Co.	16,537	0.52
Busson, Berhard B		7,545	0.28	Dominion East Ohio	13,536	0.43
Exchange Street Associates		7,191	0.27	Chapel Hill Mall, Ltd.	12,448	0.39
HCRI Akron Properties LLC		7,116	0.27	Lockheed Martin Tactical Systems	11,248	0.35
Plaza Chapel Hill Ltd		6,590	0.25	Beacon Journal Publishing	9,402	0.30
		<u>\$ 150,306</u>	<u>5.64 %</u>		<u>\$ 257,027</u>	<u>8.09 %</u>

Source: City of Akron, Ohio Finance Department

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

Fiscal Year Ending 12/31	Tax Levied For The Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 26,092,082	\$ 23,970,195	91.9 %	\$ 1,423,773	\$ 25,393,968	97.3 %
2004	25,924,487	24,300,721	93.7	1,565,564	25,866,285	99.8
2005	29,665,733	27,657,423	93.2	1,528,312	29,185,735	98.4
2006	32,145,893	29,413,676	91.5	1,829,441	31,243,117	97.2
2007	32,131,608	29,150,861	90.7	1,590,480	30,741,341	95.7
2008	31,706,811	29,288,188	92.4	1,930,460	31,218,648	98.5
2009	30,939,477	28,423,391	91.9	1,653,009	30,099,260	97.3
2010	30,874,452	28,383,628	91.9	1,701,324	30,084,952	97.4
2011	31,064,531	27,798,721	89.5	1,927,137	29,726,017	95.7
2012	27,518,858	24,477,858	88.9	1,838,523	26,316,381	95.6

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
Income Tax Collections by Annual Collection Amount (Withholding and Direct Accounts)
Fiscal Years 2011 and 2012

Fiscal Year 2011				
Collection Level	Number of Accounts	Percentage of Total	Total Income Tax Collections	Percentage of Total
\$1,000 and under	28,031	81.94 %	\$ 5,153,629	4.07 %
\$1,001 - \$2,500	2,794	8.17	4,420,232	3.49
\$2,501 - \$5,000	1,323	3.87	4,628,009	3.66
\$5,001 - \$10,000	813	2.38	5,746,250	4.54
\$10,001 - \$50,000	952	2.78	19,737,480	15.60
\$50,001 - \$100,000	141	0.41	9,638,898	7.62
\$100,001 - \$250,000	105	0.31	15,329,976	12.11
\$250,001 - \$1,000,000	34	0.10	14,997,721	11.85
Over \$1,000,001	14	0.04	46,909,398	37.06
	34,207	100.00 %	\$ 126,561,593	100.00 %
Fiscal Year 2012				
Collection Level	Number of Accounts	Percentage of Total	Total Income Tax Collections	Percentage of Total
\$1,000 and under	27,660	81.38 %	\$ 5,265,245	3.98 %
\$1,001 - \$2,500	2,816	8.28	4,474,479	3.38
\$2,501 - \$5,000	1,347	3.96	4,712,427	3.56
\$5,001 - \$10,000	864	2.54	6,049,719	4.57
\$10,001 - \$50,000	1,007	2.96	21,184,139	16.00
\$50,001 - \$100,000	143	0.42	9,925,829	7.49
\$100,001 - \$250,000	101	0.30	15,312,895	11.56
\$250,001 - \$1,000,000	42	0.12	18,515,019	13.98
Over \$1,000,001	12	0.04	46,999,659	35.48
	33,992	100.00 %	\$ 132,439,411	100.00 %

Source: City of Akron, Ohio Finance Department

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

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

Schedule 10

Fiscal Year	Governmental Activities										Internal Service General Obligation		
	Ohio												
	General Obligation	OPWC Loan	Development Services Agency Loan	Non-Tax Revenue	Income Tax Revenue	Special Revenue	Special Assessment	Capital Leases	SIB Loans				
2003	\$ 198,325,413	\$ 5,797,627	\$ 978,212	\$ 29,065,000	\$ 8,910,000	\$ 50,260,000	\$ 11,924,332	\$ 23,666,965	\$ -	\$	\$ 4,032,034		
2004	184,235,042	5,336,703	1,416,362	27,725,000	220,625,000	48,325,000	15,807,918	23,378,407	7,758,500		2,739,522		
2005	194,652,842	8,232,378	1,363,491	26,325,000	217,585,000	46,315,000	15,582,562	59,023,039	9,955,500		233,610		
2006	207,077,924	9,931,118	1,309,013	44,360,000	214,130,000	44,240,000	14,586,695	69,784,688	9,955,500		201,629		
2007	215,894,886	10,361,148	1,252,877	42,330,000	210,160,000	42,090,000	13,506,503	84,418,159	9,358,258		168,214		
2008	202,790,378	12,290,973	1,140,066	60,350,000	205,660,000	39,855,000	11,185,513	79,186,932	7,253,784		133,129		
2009	202,648,923	11,654,067	995,219	58,145,000	200,655,000	37,535,000	8,780,422	75,051,348	6,756,297		123,488		
2010	248,558,640	10,750,755	845,086	55,795,000	240,105,000	35,115,000	8,382,097	68,759,067	5,782,826		-		
2011	240,483,180	10,706,454	5,689,471	50,835,000	234,095,000	27,165,000	11,240,502	62,314,778	4,475,878		-		
2012	228,843,318	9,845,763	5,582,645	50,080,000	248,230,000	27,165,000	8,591,829	55,605,348	3,129,427		-		

Fiscal Year	Business-Type Activities						Total Government			Per Capita ^a		Percentage of Personal Income ^a	
	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Capital Leases							
2003	\$ 3,763,196	\$ 59,045,000	\$ 43,465,000	\$ 43,091,983	\$ 3,229,272	\$ 711,163	\$ 486,265,197	\$	2,240	\$	12.73 %		
2004	2,856,881	54,035,000	41,135,000	60,518,215	3,059,266	510,157	699,461,973		3,222		18.31		
2005	1,339,672	49,205,000	42,485,000	56,302,243	3,141,885	309,151	732,051,373		3,372		19.17		
2006	922,222	57,565,000	39,665,000	50,996,798	2,852,601	180,539	767,758,727		3,537		20.10		
2007	800,792	51,845,000	37,380,000	46,142,221	2,651,087	515,964	768,875,109		3,542		20.13		
2008	673,927	45,845,000	34,425,000	40,586,608	2,449,574	330,456	744,156,340		3,428		19.48		
2009	638,680	47,375,000	30,910,000	34,769,136	2,348,817	426,430	718,812,827		3,311		18.82		
2010	632,925	43,925,000	27,260,000	34,216,816	2,147,303	515,999	782,791,514		3,931		19.99		
2011	637,827	40,365,000	23,470,000	28,255,744	1,945,789	453,909	742,133,532		3,727		18.95		
2012	634,450	37,175,000	19,515,000	51,142,305	1,744,275	387,152	747,671,512		3,755		19.10		

Source: City of Akron, Finance Department

^a See Schedule 16 for population and personal income data.

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

Schedule 11

	2003	2004	2005	2006	2007
Debt limit	\$ 174,646,395	\$ 176,087,780	\$ 184,531,545	\$ 180,408,855	\$ 174,314,910
Total net debt applicable to limit	127,795,447	148,161,046	134,204,723	149,035,885	157,065,630
Legal debt margin	<u>\$ 46,850,948</u>	<u>\$ 27,926,734</u>	<u>\$ 50,326,822</u>	<u>\$ 31,372,970</u>	<u>\$ 17,249,280</u>
Total net debt applicable to limit as a percentage of debt limit	73.17%	84.14%	72.73%	82.61%	90.10%
Total unvoted net debt as a percentage of total assessed value of all property	4.00%	4.60%	3.90%	4.50%	4.95%
Debt limit	\$ 165,970,886	\$ 165,270,819	\$ 165,899,335	\$ 146,966,147	\$ 146,436,165
Total net debt applicable to limit	153,258,194	145,155,121	122,132,898	156,428,662	125,904,916
Legal debt margin	<u>\$ 12,712,692</u>	<u>\$ 20,115,698</u>	<u>\$ 43,766,437</u>	<u>\$ (9,462,515)</u>	<u>\$ 20,531,249</u>
Total net debt applicable to limit as a percentage of debt limit	92.34%	87.83%	73.62%	106.44%	85.98%
Total unvoted net debt as a percentage of total assessed value of all property	5.08%	4.83%	4.05%	5.85%	4.73%

Source: City of Akron, Ohio Finance Department

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

Schedule 12

	2003	2004	2005	2006	2007
Debt limit	\$ 333,415,845	\$ 336,167,580	\$ 352,287,495	\$ 344,416,905	\$ 332,783,010
Total net debt applicable to limit	128,795,447	148,561,046	134,204,723	149,035,885	157,065,630
Legal debt margin	<u>\$ 204,620,398</u>	<u>\$ 187,606,534</u>	<u>\$ 218,082,772</u>	<u>\$ 195,381,020</u>	<u>\$ 175,717,380</u>
Total net debt applicable to limit as a percentage of debt limit	38.63%	44.19%	38.10%	43.27%	47.20%
Total net debt as a percentage of total assessed value of all property	4.10%	4.60%	3.90%	4.50%	4.95%
Debt limit	\$ 316,853,509	\$ 315,517,018	\$ 316,716,912	\$ 280,571,736	\$ 279,559,951
Total net debt applicable to limit	153,258,194	145,155,119	122,132,898	156,428,662	125,904,916
Legal debt margin	<u>\$ 163,595,315</u>	<u>\$ 170,361,899</u>	<u>\$ 194,584,014</u>	<u>\$ 124,143,074</u>	<u>\$ 153,655,035</u>
Total net debt applicable to limit as a percentage of debt limit	48.37%	46.01%	38.56%	55.75%	45.04%
Total net debt as a percentage of total assessed value of all property	5.08%	4.83%	4.05%	5.85%	4.73%

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
 Computation of Direct and Overlapping Debt
 As of December 31, 2012

Political Subdivision	Amount of Debt	Percent Applicable to City	City's Share
City of Akron	\$ 669,984,330	100.00 %	\$ 669,984,330
Summit County	73,937,670	23.32	17,242,265
Copley-Fairlawn City School District	1,485,000	4.55	67,568
Revere Local School District	7,520,597	3.15	236,899
Akron Metro Regional Transit Authority	205,000	23.32	47,806
Woodridge Local School District	8,785,000	30.21	2,653,949
Summit County Library District	35,405,000	34.51	12,218,266
	<u>\$ 797,322,597</u>		<u>\$ 702,451,081</u>

Sources: Debt outstanding for overlapping governments, taken from Ohio Municipal Advisory Council (OMAC), as of January 1, 2013
 other: City of Akron, Ohio Finance Department

(1) Percentages determined by dividing the amount of assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the subdivisions.

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

Fiscal Year	General Obligation		Less: Amounts Available in Debt		Total	Percentage of Estimated Actual Taxable		Per Capita ²
	Bonds		Service Fund			Value ¹ of Property	%	
2003	\$ 217,948	\$	3,458	\$	214,490	2.24	%	\$ 988
2004	205,570		2,401		203,169	2.10		936
2005	211,768		2,552		209,216	2.10		964
2006	222,777		3,383		219,394	2.27		1,011
2007	230,369		2,526		227,843	2.48		1,050
2008	214,783		2,121		212,662	2.44		980
2009	212,192		2,790		209,402	2.44		965
2010	257,574		2,367		255,207	2.96		1,281
2011	252,362		2,823		249,539	3.27		1,253
2012	238,070		2,301		235,769	3.09		1,184

Source: City of Akron, Ohio Finance Department

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

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

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

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

Schedule 15

Fiscal Year	Sewer Revenue Bonds, OPWC and OWDA Loans										Non-Tax Revenue Bonds									
	Less:					JEDD Bonds					JEDD					Non-Tax				
	Operating Expenses ¹					Debt Service					Gross Revenue					Collections				
	Sewer Gross Revenue	Net Available Revenue	Principal	Interest	Coverage	Principal	Interest	Principal	Interest	Coverage	Revenue	Principal	Interest	Coverage	Revenue	Principal	Interest	Principal	Interest	Coverage
2003	\$ 32,774	\$ 22,497	\$ 10,277	\$ 2,450	2.20	\$ 2,225	\$ 2,450	\$ 1,685	\$ 2,613	2.92	% \$ 12,532	\$ 1,685	\$ 2,613	2.92	%					
2004	34,696	26,318	8,378	2,344	1.79	2,330	2,344	1,935	2,365	3.10	13,333	1,935	2,365	3.10						
2005	37,499	25,466	12,033	2,440	2.58	2,440	2,231	2,010	2,300	3.26	14,058	2,010	2,300	3.26						
2006	35,800	22,730	13,070	2,820	2.76	2,820	1,922	2,075	2,231	3.92	16,861	2,075	2,231	3.92						
2007	36,772	24,194	12,578	2,285	3.10	2,285	1,767	2,150	2,156	4.14	17,830	2,150	2,156	4.14						
2008	38,507	25,477	13,030	2,995	2.79	2,995	1,674	2,235	2,074	3.72	16,021	2,235	2,074	3.72						
2009	35,831	24,671	11,160	3,515	2.20	3,515	1,565	2,320	1,985	3.60	15,477	2,320	1,985	3.60						
2010	45,948	28,956	16,992	8,397	1.56	8,397	2,521	2,420	1,884	3.59	15,462	2,420	1,884	3.59						
2011	49,674	36,169	13,505	8,423	1.27	8,423	2,250	2,535	1,774	3.85	16,578	2,535	1,774	3.85						
2012	57,229	47,571	9,658	8,983	0.88	8,983	2,016	-	1,085	19.18	20,812	-	1,085	19.18						

Fiscal Year	Water Revenue Bonds, OPWC and OWDA Loans										Non-Tax Revenue Bonds									
	Less:					Debt Service					Non-Tax					Debt Service				
	Operating Expenses ¹					Interest					Collections					Interest				
	Water Gross Revenue	Net Available Revenue	Principal	Interest	Coverage	Principal	Interest	Principal	Interest	Coverage	Revenue	Principal	Interest	Coverage	Revenue	Principal	Interest	Principal	Interest	Coverage
2003	\$ 29,444	\$ 27,616	\$ 1,828	\$ 2,141	0.33	\$ 3,425	\$ 2,141	\$ 1,285	\$ 1,550	27.08	% \$ 76,771	\$ 1,285	\$ 1,550	27.08	%					
2004	35,616	30,151	5,465	2,530	0.72	5,010	2,530	1,340	1,494	27.80	78,790	1,340	1,494	27.80						
2005	33,682	22,679	11,003	2,186	1.57	4,830	2,186	1,400	1,435	34.97	99,140	1,400	1,435	34.97						
2006	34,720	25,276	9,444	4,980	1.35	4,980	2,034	1,465	1,372	57.85	164,107	1,465	1,372	57.85						
2007	34,036	24,254	9,782	5,720	1.20	5,720	2,431	2,030	2,318	28.16	122,437	2,030	2,318	28.16						
2008	33,652	22,486	11,166	6,000	1.37	6,000	2,164	2,130	2,563	21.99	103,210	2,130	2,563	21.99						
2009	33,890	18,493	15,397	6,220	1.89	6,220	1,916	2,205	3,644	19.73	115,375	2,205	3,644	19.73						
2010	35,496	26,745	8,751	4,707	1.23	4,707	2,398	2,350	3,521	18.96	111,323	2,350	3,521	18.96						
2011	35,249	27,933	7,316	4,931	1.01	4,931	2,282	2,610	3,385	18.80	112,710	2,610	3,385	18.80						
2012	33,448	21,681	11,767	4,126	1.91	4,126	2,050	755	2,677	30.07	103,202	755	2,677	30.07						

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

Schedule 15

Fiscal Year	CLC Bonds				Income Tax Revenue Bonds			
	CLC Collections	Debt Service		Coverage	Income Tax Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2003	\$ -	\$ -	\$ -	0.00	% \$ 100,774	\$ 4,710	\$ 2,427	14.12
2004	9,820	3,000	9,434	0.79	102,849	5,077	2,617	13.37
2005	12,433	2,745	10,232	0.96	112,139	5,062	2,608	14.62
2006	13,671	3,150	10,067	1.03	114,258	4,573	2,356	16.49
2007	13,074	3,650	9,878	0.97	129,859	4,933	2,541	17.37
2008	14,915	4,165	9,801	1.07	119,003	5,054	2,604	15.54
2009	12,425	4,660	9,697	0.87	108,181	4,954	2,508	14.50
2010	12,806	5,190	10,401	0.82	106,632	4,930	2,865	13.68
2011	16,822	5,750	11,845	0.96	118,523	2,939	5,988	13.28
2012	18,064	5,225	6,057	1.60	113,026	-	155	729.20

Source: City of Akron, Ohio Finance Department

¹Net of Depreciation

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

Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)	Education - Bachelor's Degree or Higher (1)	School Enrollment (1)	Unemployment Rate (2)
2012	199,110	\$ 3,915,299,040	\$ 19,664	\$ 34,359	35.5	20 %	56,760	7.6 %
2011	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	9.4
2010	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	9.5
2009	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	11.4
2008	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	6.7
2007	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	5.9
2006	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	5.9
2005	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	6.6
2004	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	6.9
2003	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	8.2

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

City of Akron, Ohio
Principal Employers
6/1/2012 and 12/31/2003

Schedule 17

June 1, 2012				December 31, 2003			
Employer	Full-Time Employees	Rank	Percentage of Total City Employment	Employer	Full-Time Employees	Rank	Percentage of Total City Employment
Summa Health System	10,000 *	1	10.20 %	Summa Health System	4,815	1	4.50 %
Akron General Health System	4,150	2	4.23	Akron General Health System	4,810	2	4.50
County of Summit	3,468	3	3.54	Goodyear Tire & Rubber Company	4,000	3	3.74
Akron City School District	3,094	4	3.16	Summit County	3,470	4	3.25
Goodyear Tire & Rubber Company	3,000	5	3.06	Akron City School District	3,000	5	2.81
The University of Akron	2,845	6	2.90	First Energy Corporation	2,470	6	2.31
FirstMerit Corporation	2,695	7	2.75	City of Akron	2,456	7	2.30
Akron Children's Hospital	2,681	8	2.74	The University of Akron	2,160	8	2.02
First Energy Corporation	2,537	9	2.59	Children's Hospital Medical Center	1,900	9	1.78
Time Warner Cable NEO Div	2,440	10	2.49	Sterling, Inc. Headquarters	1,800	10	1.68
	36,910		37.66 %		30,881		28.89 %

Source: City of Akron, Ohio Finance Department

*Employees include subcontractors, new Excellence Center, new Cancer Center, new Rehabilitation Center, Outreach plus satellite facilities. The satellite facilities are not located in Akron.

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

Schedule 18

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government:										
City Council	4	3	3	2	2	2	3	3	3	3
Courts	94	91	91	92	95	95	89	88	87	89
Mayor's Office - Administration	1	1	1	1	1	1	-	-	-	-
Elected and Appointed Officials	47	51	51	51	52	54	45	45	44	44
Economic Development	11	11	10	9	8	8	4	5	5	4
Labor Relations	3	2	2	2	1	1	-	-	-	-
Human Relations	3	2	-	-	-	-	-	-	-	-
Finance Department	97	96	94	105	102	98	80	78	75	101
Civil/Criminal	12	12	13	11	10	10	8	8	8	8
Personnel Department	22	22	19	14	15	13	11	10	8	9
Planning Department	-	-	-	1	1	1	-	-	-	-
Police Department	1	-	-	-	-	-	-	-	-	-
Engineering Bureau	-	-	-	-	-	1	-	1	1	-
Public Safety:										
Elected and Appointed Officials	1	-	-	-	-	1	-	-	-	-
Finance Department	2	2	2	1	1	1	-	-	-	-
Health Department	2.5	2	2	2	2	2	1	1	-	-
Building Inspection	21	22	20	19	20	12	-	-	-	-
Communications	19	18	19	20	19	20	17	17	15	15
Weights & Measures	4	4	3	1	-	-	-	-	-	-
Safety Communications	68	62	64	63	64	61	55	54	57	58
Fire Department	391	385	401	389	379	408	331	363	348	345
Police Department	528	521	511	494	517	514	503	488	445	454
Traffic Engineering	32	31	32	30	30	29	23	22	20	18
Customer Service	-	-	-	2	-	-	-	-	-	-
Engineering Bureau	-	-	-	-	1	1	-	-	-	-
Public Health:										
Health Department	177.5	166	158	156	154	152	137	110	-	-

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

Schedule 18

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Service:										
City Council	-	1	1	1	-	-	-	-	-	-
Elected and Appointed Officials	5	5	5	4	4	4	3	4	4	4
Building Inspection	-	-	-	-	1	-	-	-	-	-
Fire Department	-	-	-	-	-	-	11	10	-	-
Public Service Administration	4	4	4	4	4	4	2	2	2	1
Customer Service	16	14	12	10	8	7	8	19	10	12
Housing	-	-	-	-	-	-	-	-	9	9
Plans and Permits Center	4	4	4	4	3	3	2	2	2	1
Customer Service Response	-	13	12	12	13	11	9	9	7	8
Engineering Bureau	79	71	68	66	60	59	53	46	43	54
Airport	6	6	5	5	5	5	4	2	1	-
Building Maintenance	30	30	27	27	32	32	28	28	26	24
Motor Equipment	44	38	39	36	35	36	31	31	31	30
Golf Course	5	6	6	6	6	5	4	3	3	3
Public Utilities Administration	4	3	3	3	3	3	2	1	1	-
Utilities Services	74	67	62	58	56	54	52	50	48	56
Water Department	272	270	260	246	251	226	198	200	200	148
Public Works Administration	7	7	7	7	9	9	8	6	6	8
Highway Maintenance	80	74	68	64	70	67	62	59	55	50
Sanitation Services	65	66	65	63	45	43	38	38	38	39
Street Cleaning	38	37	37	34	37	39	37	37	35	32
Parks Maintenance	30	30	30	28	29	28	26	25	24	24
Engineering Services	7	7	7	6	6	5	6	6	4	-
Community Environment:										
Elected and Appointed Officials	2	2	2	2	2	-	1	1	1	-
Economic Development	1	-	-	1	1	1	-	-	-	-
Planning Department	81	76	70	67	66	65	54	58	53	51
Recreation Bureau	23	24	24	23	23	23	20	21	21	23
Totals:	2,418	2,359	2,314	2,242	2,243	2,214	1,966	1,951	1,740	1,725

Source: City of Akron, Ohio Finance Department

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
*Building Department:										
Commercial & Right Away Plan Review	695	701	710	876	1,229	1,001	-	-	-	-
New House Permits	137	295	300	111	114	100	-	-	-	-
Zoning Complaint Investigation	260	347	350	377	576	435	-	-	-	-
Total Number of Permits Issued	2,570	2,257	2,202	2,165	6,031	2,406	1,130	1,100	1,073	522
City Council Ordinances Passed	687	670	664	621	649	557	549	414	395	414
Fire										
Emergency Responses	30,945	31,373	31,112	31,533	32,422	32,941	32,044	32,754	34,246	34,294
Fire/Rescue	7,700	7,601	7,884	7,280	7,930	7,500	6,912	6,346	6,812	7,283
Police										
Calls for Service	177,008	177,008	174,640	165,503	158,243	165,832	167,225	153,577	146,337	143,885
Civil Division Cases Filed	13,602	13,651	14,846	15,088	15,435	15,582	12,474	11,742	11,525	12,052
Criminal/Traffic Division Cases Filed	45,666	43,157	42,114	40,690	38,880	39,274	40,170	36,227	32,453	32,298
Parking Division Cases Filed	20,958	22,815	26,645	23,636	20,201	15,656	21,878	34,402	23,571	29,126
Parks and Recreation										
Good Park Golf Course Attendance	34,438	31,219	33,100	32,931	31,681	31,096	32,561	36,690	30,061	33,691
Mud Run Golf Course Attendance	6,577	9,302	9,350	10,913	10,661	10,742	11,282	12,332	10,806	13,494
Business Services										
Curb Service Accounts	-	-	-	-	-	-	62,556	61,692	61,411	61,270
Sewer										
Sewer Accounts	81,859	81,346	81,035	80,909	79,721	79,835	78,745	78,985	78,653	78,653
Sewer Amounts Billed (in thousands)	\$ 32,663	\$ 33,328	\$ 34,481	\$ 32,074	\$ 37,120	\$ 37,416	\$ 36,303	\$ 37,723	\$ 39,011	\$ 53,756
Water										
Water Accounts	83,134	82,955	82,448	82,944	84,037	83,765	82,516	84,348	83,794	83,550
Water Amounts Billed (in thousands)	\$ 27,633	\$ 27,508	\$ 30,060	\$ 29,022	\$ 28,316	\$ 28,751	\$ 27,077	\$ 31,579	\$ 30,033	\$ 33,125

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

Source: City of Akron, Ohio Finance Department

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Number of Uniformed Police Officers	484	477	468	451	474	470	457	443	406	412
Number of Districts	11	12	12	12	12	12	12	12	12	12
Fire										
Number of Firefighters and Officers	366	359	375	359	353	382	317	350	329	325
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	2	2	2	2	2	2	2	2	2
Water										
Miles of Pipe	1213	1,213	1,215	1,213	1,213	1,221	1,223	1,223	1,225	1,225
Average Daily Pumpage (in millions of gallons)	41	38	37	35	38	37	34	34	35	35
Distribution-Storage Reservoirs	15	15	15	15	15	15	15	15	15	15
Sewer										
Sanitary Sewers (miles)	835	837	649	701	649	649	680	680	681	681
Storm Sewers (miles)	262	268	269	382	382	382	382	382	382	382
Storm and Combined Sewer Inlets (miles)	96	97	286	309	309	309	309	309	309	309
Pump Stations	33	33	33	33	33	33	33	33	33	33
Other Public Works										
Oil Wells	14	13	13	13	13	13	13	13	13	13
Parking Decks	8	10	10	10	10	10	10	10	10	10

Source: City of Akron, Ohio Finance Department

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