

CITY OF AKRON, OHIO

Single Audit Report

Year Ended December 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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City Council
City of Akron
205 Municipal Building
166 South High St.
Akron, Ohio 44308

We have reviewed the Independent Auditor's Report of the City of Akron, Summit County, prepared by Deloitte & Touche LLP, for the audit period January 1, 2001 to December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Akron is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

September 30, 2002

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CITY OF AKRON, OHIO

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Catherine G. Watson
Director of Finance

Diane L. Miller-Dawson
Deputy Director of Finance



Donna M. Urdiales
Executive Assistant

Donald L. Plusquellic
Mayor

DEPARTMENT OF FINANCE

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

July 21, 2002

Dear Users of the City of Akron's
Basic Financial Statements:

The accompanying basic financial statements of the City of Akron as of and for the year ended December 31, 2001 include the financial statements and notes required under accounting principles generally accepted in the United States of America that are essential to fair presentation of the City's financial position and results of operations and of the cash flows of the City's proprietary fund types. Additional information regarding the City's financial activities for 2001 is available in the City's separately issued Comprehensive Annual Financial Report ("CAFR") for the year ended December 31, 2001. Copies of the CAFR can be obtained by contacting the Treasury Division at:

City of Akron, Ohio
161 South High Street
Suite 200
Akron, Ohio 44308
(330)-375-2330

Sincerely,

Catherine G. Watson
Director of Finance

CGW/CMD/dmu

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the City of Akron, Ohio (the "City"), as of December 31, 2001 and for the year then ended, as listed in the foregoing table of contents. These basic financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, such basic financial statements present fairly, in all material respects, the financial position of the City of Akron, Ohio, as of December 31, 2001, and the results of its operations and the cash flows of its business type activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, in fiscal year 2001, the City adopted Governmental Accounting Standards Board ("GASB") Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues, an amendment of GASB Statement No. 33*, GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus, an amendment of GASB Statements No. 21 and No. 34*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

Management's Discussion and Analysis on pages 5 - 18 and the Budgetary Comparison Schedule – General Fund on pages 79 - 82 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the City taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. This schedule is the responsibility of the management of the City. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

July 15, 2002

CITY OF AKRON, OHIO MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Akron's financial performance provides an overview of financial activities for the fiscal year ended December 31, 2001. Please read this information in conjunction with the City's financial statements that begin on page 20.

FINANCIAL HIGHLIGHTS

- The assets of the City of Akron exceeded its liabilities at December 31, 2001 by \$625,044,714 (net assets). Of this amount \$45,577,737 is restricted for debt service.
- The governmental activities' total net assets increased \$5,183,934 and the business-type activities' total net assets increased \$20,997,909, for a total increase in the City's total net assets of \$26,181,843
- As of the close of the current fiscal year, the City of Akron's governmental funds reported combined ending fund balances of \$55,508,658, a decrease of \$21,193,289 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance reported in the General Fund was \$8,384,889, or 6.34 % of total General Fund expenditures.
- The City of Akron's total debt increased by \$1,914,095 (less than .5%) during the current year.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

The government-wide financial statements can be found on pages 20-21 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 101 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 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 non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Akron adopts an annual appropriated budget for its General Fund, and for some special revenue, debt service, enterprise, and internal service funds. The General Fund budgetary comparison has been provided as Required Supplementary Information (RSI) to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary funds. The City of Akron maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Akron uses enterprise funds to account for its water, sewer, oil and gas, golf, airport, and off-street parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Akron's various functions. The City of Akron uses internal service funds to account for its vehicle maintenance, medical self-insurance, workers' compensation self-insurance, other self-insurance costs, storeroom (providing a City-wide copy center, mailing operation and central storeroom), management information system (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), graphics operation (providing City-wide printing, art, and photographic services), and engineering bureau (responsible for design and construction of 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, all of 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. Proprietary fund financial statements also present a statement of cash flows. Individual fund data for the non-major enterprise and 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 26-31 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 32-33 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 34-77 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the City of Akron, assets exceeded liabilities by \$625,044,714 at the close of the most recent fiscal year.

By far the largest portion of the City of Akron's net assets (96 %) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), net of accumulated depreciation, less any related, still-outstanding debt used to acquire those assets. The City of Akron uses these capital assets to provide services to 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.

This is the first year for the City of Akron in implementing the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This statement requires a comparative analysis of government-wide data in the Management Discussion and Analysis (MD&A) section. Since this is the first year of implementing the new standard, comparative data is not available. In future years, comparative data will be presented.

Summary Statement of Net Assets				
as of December 31, 2001				
(in thousands)				
		Governmental	Business-type	
		Activities	Activities	Total
Assets:				
	Current and other assets	\$ 151,977	\$ 38,660	\$ 190,637
	Capital assets	582,517	429,778	1,012,295
	Total assets	\$ 734,494	\$ 468,438	\$ 1,202,932
Liabilities:				
	Long-term liabilities	\$ 309,528	\$ 153,896	\$ 463,424
	Other liabilities	93,838	20,625	114,463
	Total liabilities	\$ 403,366	\$ 174,521	\$ 577,887
Net assets:				
	Invested in capital assets, net			
	of related debt	\$ 330,405	\$ 268,152	\$ 598,557
	Restricted	37,540	8,038	45,578
	Unrestricted (deficit)	(36,817)	17,727	(19,090)
	Total net assets	\$ 331,128	\$ 293,917	\$ 625,045

The restricted portion of the City of Akron’s net assets (7 %) is restricted for the payment of debt service.

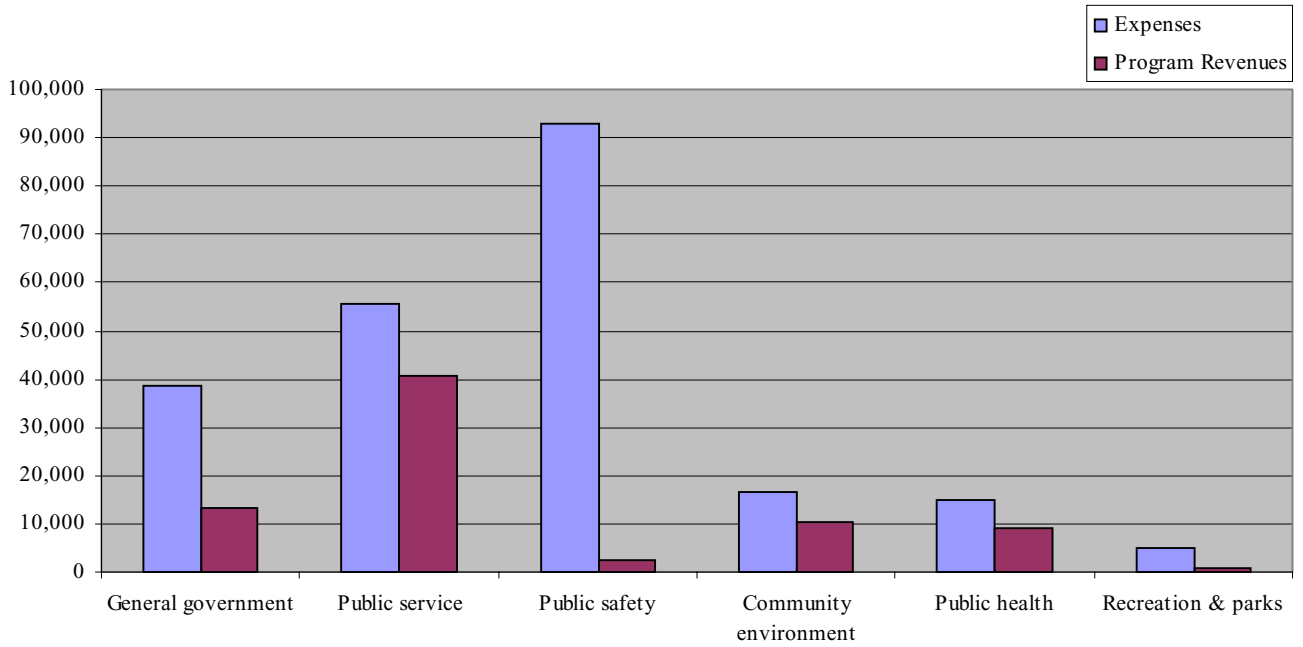
During the current year, the City’s net assets increased by \$26,181,843. Most of this increase represents revenues greater than the ongoing expenses for the year.

Governmental activities. Governmental activities increased the City of Akron’s net assets by \$5,183,934, thereby accounting for 20 % of the total growth in net assets of the City of Akron.

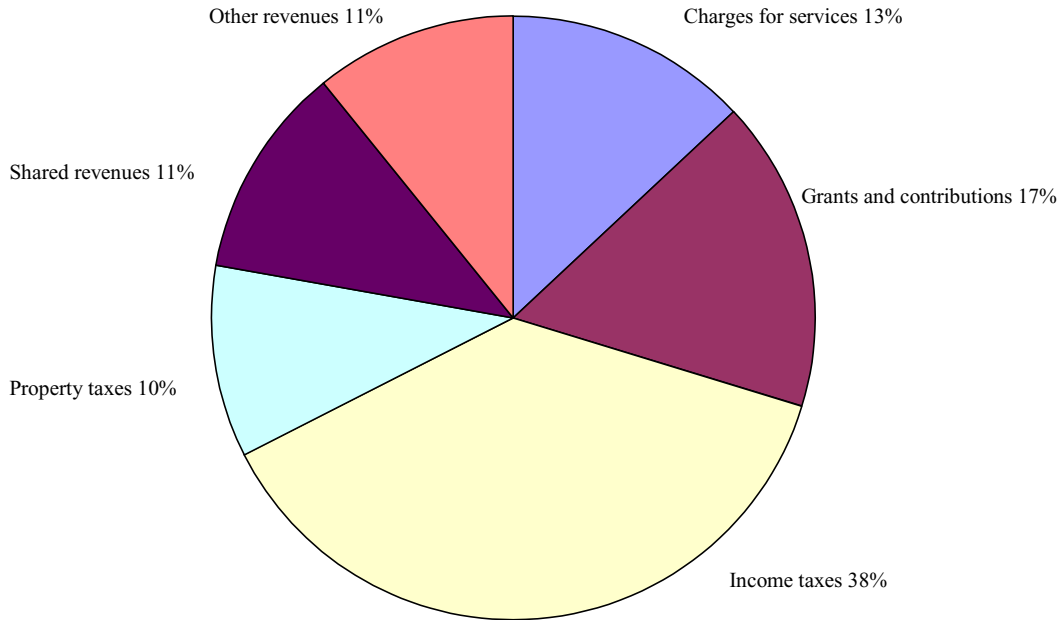
The unrestricted deficit shows that, for the governmental activities, the City of Akron does not have available unrestricted net assets. The City finances long-term obligations such as compensated absences on a year-to-year basis as they come due and must be paid, rather than setting aside resources as the liabilities are incurred. Consequently, liabilities grow each year, but assets do not.

Changes in Net Assets						
For Fiscal Year Ended December 31, 2001						
(in thousands)						
		Governmental	Business-type			
		Activities	Activities		Total	
Revenues:						
Program revenues:						
	Charges for services	\$ 33,728	\$ 69,629		\$ 103,357	
	Operating grants and contributions	18,173	-		18,173	
	Capital grants and contributions	24,937	17,586		42,523	
General revenues:						
	Income taxes	97,366	-		97,366	
	Property taxes	26,511	-		26,511	
	JEDD revenues	14,773	-		14,773	
	Investment earnings	3,835	379		4,214	
	Shared revenues	29,655	-		29,655	
	Miscellaneous	8,541	819		9,360	
	Total revenues	\$ 257,519	\$ 88,413		\$ 345,932	
Expenses:						
	General government	\$ 38,768	\$ -		\$ 38,768	
	Public service	55,687	-		55,687	
	Public safety	93,140	-		93,140	
	Community environment	16,739	-		16,739	
	Public health	14,907	-		14,907	
	Recreation and parks	4,860	-		4,860	
	Interest on debt	14,205	-		14,205	
	Unallocated depreciation	8,330	-		8,330	
	Water	-	30,038		30,038	
	Sewer	-	30,547		30,547	
	Oil & gas	-	323		323	
	Golf course	-	860		860	
	Airport	-	619		619	
	Off-street parking	-	4,223		4,223	
	Total expenses	246,636	66,610		313,246	
Changes in net assets before special						
	items and transfers	10,883	21,803		32,686	
	Special items	6,490	14		6,504	
	Transfers	(791)	791		-	
	Changes in net assets	\$ 5,184	\$ 20,998		\$ 26,182	
	Net assets - beginning (as restated)	325,944	272,919		598,863	
	Net assets - ending	\$ 331,128	\$ 293,917		\$ 625,045	

Expenses and Program Revenues - Governmental Activities
(in thousands)



Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased the City of Akron’s net assets by \$20,997,909, accounting for 80 % of the total growth in the government’s net assets. Prior to implementing GASB No. 34, capital grants were not shown as revenues in the Statement of Revenues, Expenses and Changes in Retained Earnings, but were accounted for as a direct addition to contributed capital in fund equity. With the implementation of GASB No. 34, capital grants are shown in the Statement of Activities in the financial statements as program revenues, capital grants and contributions in the amount of \$17,586,440.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

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

As of the end of the current fiscal year, the City of Akron’s governmental funds reported combined ending fund balances of \$55,508,658, a decrease of \$21,193,289 in comparison with the prior year. The unreserved amount of \$11,314,089 is available for spending at the City’s discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$38,836,383) and (2) to reserve for loans receivable (\$5,358,186).

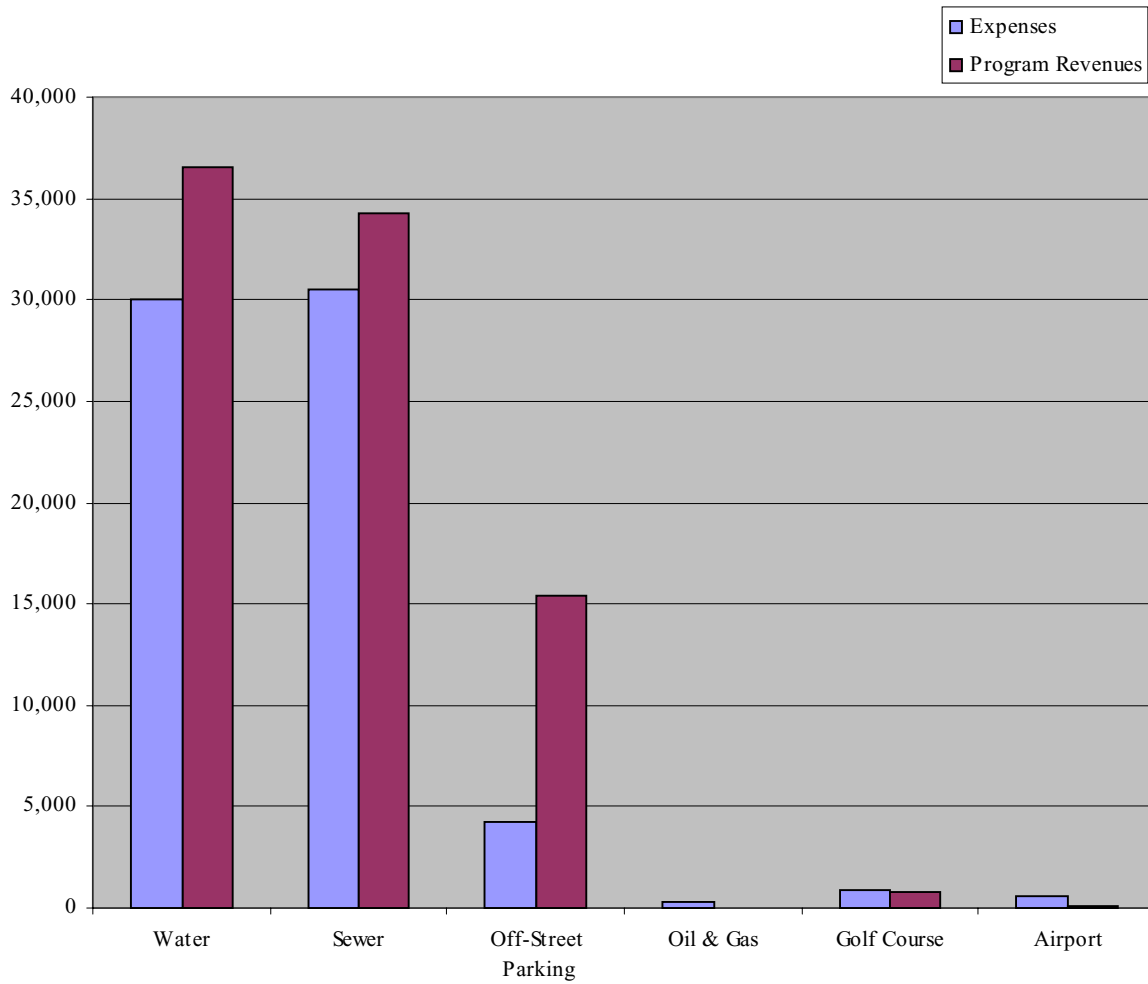
The General Fund is the chief operating fund of the City of Akron. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,596,094, while the total fund balance was \$10,916,729. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.5% of total General Fund expenditures, while total fund balance represents 8% of that amount.

The fund balance of the City of Akron's General Fund decreased by \$5,430,359 during the current fiscal year. Key factors in this decrease are as follows:

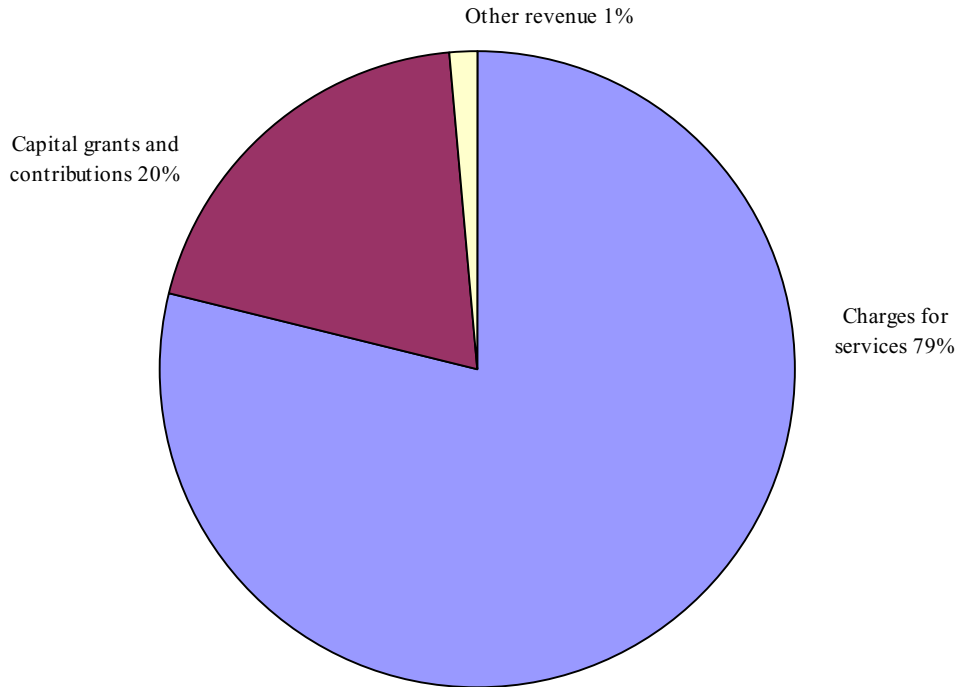
- Property tax revenues decreased \$993,993 due to the way this revenue was previously recorded. In implementing GASB No. 33, property taxes receivable are recorded as receivable and deferred revenue. In prior years, the first two months of property tax collections were recorded as receivable and revenues.
- Investment earnings declined \$1,752,875 due to lower interest rates on City investments and less funds to invest.
- Shared revenues increased \$1,955,425. In prior years shared revenues from the state were not recorded as receivables and revenues. In implementing GASB No. 33, shared revenues are now recognized when they are both measurable and available.
- The City changed its estimate of current expenditures for accrued leave for the current fiscal year. Amounts that were previously recorded as non-current liabilities are now classified as current and due to this revision, accrued leave expenditures increased \$2,164,010 in the funds.

The Special Assessment Bond Payment Fund has a total fund balance of \$3,110,975. The net increase in the Special Assessment Bond Payment Fund was \$3,145,440. The increase in fund balance is due mainly to a decrease in debt principal and interest payments.

Expenses and Program Revenues - Business-type Activities
(in thousands)



Revenues by Sources - Business-type Activities



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

Unrestricted net assets of the Water fund at the end of the year amounted to \$10,632,165; for the Sewer fund, \$7,404,132; and for the Off-Street Parking fund, (\$41,931). The net income for the Water fund amounted to \$7,557,437; for the Sewer fund, \$3,420,656; and for the Off-Street Parking fund, \$9,989,241. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Akron’s business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget was a \$2,881,090 (2.08%) increase in appropriations. It should be noted that the actual amount of expenditures and other uses was \$2,945,436 (2.09 %) less than the final amended budget amount.

During the year, revenues and other sources did not meet budgetary estimates by a minor amount of \$758,673 (0.55 %). However, as stated above, the actual amount of expenditures and other uses was less than the final amended budgetary estimates, thus eliminating the need to draw upon existing fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City of Akron's investment in capital assets for its governmental and business-type activities as of December 31, 2001, amounted to \$1,012,294,948 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure. The total increase in the City of Akron's investment in capital assets for the current fiscal year was 5.6 % (a 7.2 % decrease for governmental activities and a 3.47 % increase for business-type activities).

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

- Work continued on the High-Broadway Parking Deck and, as of the end of the year, \$8,225,085 had been spent on this project.
- The City is redeveloping, in the heart of its central business district, a 15-acre site called Lock III Redevelopment Area along the Ohio & Erie Canal for recreational, cultural and entertainment uses. Construction in progress as of the close of the fiscal year had reached \$2,212,596.
- The City continues to develop the Massillon Road Industrial Park for utility and roadway construction public improvements. The costs of the improvements through the end of the current fiscal year totaled \$2,414,485.
- The City previously acquired a 55-acre parcel (North Turkeyfoot Industrial Park) to be developed as an industrial park. The cost of infrastructure improvements through the end of the current fiscal year is \$1,386,111.
- The City started the expansion of the Ascot Industrial Park with grading and utility work.

City of Akron							
Capital Assets							
(net of accumulated depreciation)							
	Governmental		Business-type		Total		
	Activities		Activities				
	1/1/2001*	12/31/2001	1/1/2001	12/31/2001	1/1/2001	12/31/2001	
Land	\$ 125,701,322	\$ 128,966,000	\$ 24,099,529	\$ 24,262,503	\$ 149,800,851	\$ 153,228,503	
Construction							
in progress	41,941,000	53,437,303	28,374,650	36,147,625	70,315,650	89,584,928	
Buildings	110,631,924	121,447,444	61,803,532	61,335,034	172,435,456	182,782,478	
Improvements	67,925,406	65,921,012	258,636,624	252,166,284	326,562,030	318,087,296	
Equipment	9,461,995	12,840,143	5,206,108	5,201,922	14,668,103	18,042,065	
Infrastructure	187,680,161	199,905,451	37,383,974	50,664,227	225,064,135	250,569,678	
	<u>\$ 543,341,808</u>	<u>\$ 582,517,353</u>	<u>\$ 415,504,417</u>	<u>\$ 429,777,595</u>	<u>\$ 958,846,225</u>	<u>\$ 1,012,294,948</u>	

*As restated, see Footnote 6 to the basic financial statements.

Additional information on the City of Akron's capital assets can be found in note 1. G. on page 40 and note 6 starting on page 48.

Long-term debt. At the end of the current fiscal year, the City of Akron had total debt outstanding of \$418,528,461. All bonds and notes are backed by the full faith and credit of the City, except revenue bonds. The remainder of the City of Akron's debt represents bonds secured solely by specified revenue sources.

City of Akron							
Outstanding Debt							
	Governmental		Business-type		Total		
	Activities		Activities				
	2000	2001	2000	2001	2000	2001	
General Obligation Bonds	\$ 150,323,942	\$ 161,498,273	\$ 5,483,554	\$ 5,528,796	\$ 155,807,496	\$ 167,027,069	
OPWC Loan	4,672,353	5,475,764	3,735,163	3,545,533	8,407,516	9,021,297	
Ohio Department of Development	612,692	565,793	-	-	612,692	565,793	
Non-Tax Revenue	32,770,000	31,585,000	-	-	32,770,000	31,585,000	
Income Tax Revenue	9,705,000	9,450,000	-	-	9,705,000	9,450,000	
Special Revenue	27,650,000	27,285,000	-	-	27,650,000	27,285,000	
Special Assessment Bonds and Notes	21,390,518	21,043,509	-	-	21,390,518	21,043,509	
Mortgage Revenue	-	-	60,065,000	57,095,000	60,065,000	57,095,000	
Revenue	-	-	49,935,000	47,840,000	49,935,000	47,840,000	
OWDA Loan	-	-	50,271,144	47,615,793	50,271,144	47,615,793	
	<u>\$ 247,124,505</u>	<u>\$ 256,903,339</u>	<u>\$ 169,489,861</u>	<u>\$ 161,625,122</u>	<u>\$ 416,614,366</u>	<u>\$ 418,528,461</u>	

Bonds and notes issued by the City of Akron and held by the City as investments at December 31, 2001 amounting to \$14,655,537 are eliminated in the government-wide statement of net assets. Related interest amounts are eliminated in the government-wide statement of activities.

The City of Akron's total debt increased by \$1,914,095 (0.46 %) during the current fiscal year. General obligation bonds outstanding increased \$11,219, 573, and OPWC loans increased \$613,781 over the prior year. The remaining debt outstanding decreased \$9,919,259 from the prior year.

During the current fiscal year, the City issued \$52,755,000 in general obligation bonds, in part to the refinance of some of its existing debt to take advantage of favorable interest rates. The City advance refunded the outstanding \$1,150,000 City of Akron Various Purpose Improvement Bonds Series 1991, the outstanding \$9,880,000 City of Akron Various Purpose Improvement Bonds Series 1992, the outstanding \$1,460,000 City of Akron Street Improvement Bonds Series 1992, and the outstanding \$14,335,000 City of Akron Various Purpose Improvement Bonds Series 1994. The result is expected to decrease future debt service payments by approximately \$1,431,000.

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

The Ohio Revised Code provides that the net debt 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 \$307,544,475 and unvoted net debt limit (5.5%) is \$161,094,725.

Additional information on the City of Akron's long-term debt can be found in notes 9 through 11 on pages 55-68.

ECONOMIC FACTORS AND 2002 BUDGETS AND RATES

- Akron's average annual unemployment rate at year end was 6.4 %, up from the prior year's 5.6 % rate.
- The City of Akron is projecting that the income tax collections for 2002 will either remain at the same level as received in 2001 or will experience a slight decrease.
- The City of Akron and the Ohio EPA have reached a tentative agreement to deal with the combined sewer overflow problem. To fund the cost of the improvements, the Mayor will submit legislation to City Council to increase the sewer rate by 6 % effective September 1, 2002.

During the current fiscal year, the budgetary-basis unencumbered fund balance in the General Fund increased to \$5,638,391. For fiscal year 2002, the City of Akron has projected that the unencumbered fund balance will increase to \$6,226,000.

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 requests for additional information should be addressed to the Office of the Finance Director, Municipal Building, Room 205, 166 South High Street, Akron, Ohio 44308.

BASIC FINANCIAL STATEMENTS

City of Akron, Ohio
Statement of Net Assets
December 31, 2001

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Pooled cash and investments	\$ 50,425,323	\$ 23,354,737	\$ 73,780,060
Receivables, net	75,723,044	7,695,782	83,418,826
Loans receivable	234,181	-	234,181
Due from other governments	6,672,213	3,345,740	10,017,953
Internal balances	51,842	(51,842)	-
Inventories, at cost	990,374	3,285,875	4,276,249
Total current assets	<u>134,096,977</u>	<u>37,630,292</u>	<u>171,727,269</u>
Noncurrent assets:			
Receivables, net	12,190,306	-	12,190,306
Loans receivable	5,124,005	-	5,124,005
Unamortized bond issue costs	565,101	1,029,937	1,595,038
Capital assets:			
Land and construction in progress	182,403,303	60,410,128	242,813,431
Other capital assets, net	400,114,050	369,367,467	769,481,517
Total noncurrent assets	<u>600,396,765</u>	<u>430,807,532</u>	<u>1,031,204,297</u>
Total assets	<u>\$ 734,493,742</u>	<u>\$ 468,437,824</u>	<u>\$ 1,202,931,566</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 19,053,527	\$ 4,365,308	\$ 23,418,835
Customer deposits	-	514,861	514,861
Due to other governments	578,236	-	578,236
Deferred revenue	39,812,914	-	39,812,914
Matured bonds and interest payable	215,975	-	215,975
Accrued interest payable	1,744,316	2,748,751	4,493,067
Accrued wages	4,054,841	647,820	4,702,661
Accrued vacation and leave	4,595,755	2,432,581	7,028,336
Obligations under capital lease	1,113,506	-	1,113,506
Liability for unpaid claims	4,164,241	-	4,164,241
Bonds, notes and loans payable	18,504,794	9,915,574	28,420,368
Total current liabilities	<u>93,838,105</u>	<u>20,624,895</u>	<u>114,463,000</u>
Noncurrent liabilities:			
Obligations under capital lease	24,809,589	-	24,809,589
Liabilities due in more than one year	59,402,318	3,995,030	63,397,348
Deferred charges and other liabilities	1,572,909	(1,808,550)	(235,641)
Bonds, notes and loans payable due in more than one year	223,743,008	151,709,548	375,452,556
Total noncurrent liabilities	<u>309,527,824</u>	<u>153,896,028</u>	<u>463,423,852</u>
Total liabilities	<u>403,365,929</u>	<u>174,520,923</u>	<u>577,886,852</u>
Net Assets			
Invested in capital assets, net of related debt	330,404,704	268,152,473	598,557,177
Restricted for debt service	37,540,147	8,037,590	45,577,737
Unrestricted (deficit)	(36,817,038)	17,726,838	(19,090,200)
Total net assets	<u>\$ 331,127,813</u>	<u>\$ 293,916,901</u>	<u>\$ 625,044,714</u>

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

City of Akron, Ohio
Statement of Activities
For the Year Ended December 31, 2001

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 38,768,317	\$ 13,063,377	\$ 176,705	\$ -	\$ (25,528,235)	\$ -	\$ (25,528,235)
Public service	55,687,143	15,521,690	126,125	24,937,475	(15,101,853)	-	(15,101,853)
Public safety	93,139,875	1,856,550	834,505	-	(90,448,820)	-	(90,448,820)
Community environment	16,738,817	223,243	10,292,728	-	(6,222,846)	-	(6,222,846)
Public health	14,907,272	2,506,311	6,647,998	-	(5,752,963)	-	(5,752,963)
Recreation and parks	4,859,938	557,324	95,577	-	(4,207,037)	-	(4,207,037)
Interest	14,205,615	-	-	-	(14,205,615)	-	(14,205,615)
Unallocated depreciation*	8,330,330	-	-	-	(8,330,330)	-	(8,330,330)
Total governmental activities	246,637,307	33,728,495	18,173,638	24,937,475	(169,797,699)	-	(169,797,699)
Business-type activities:							
Water	30,038,479	32,222,070	-	4,367,701	-	6,551,292	6,551,292
Sewer	30,546,848	32,297,145	-	1,954,122	-	3,704,419	3,704,419
Oil & gas	322,762	11,168	-	-	-	(311,594)	(311,594)
Golf course	859,773	815,239	-	-	-	(44,534)	(44,534)
Airport	619,396	143,747	-	-	-	(475,649)	(475,649)
Parking facilities	4,222,739	4,139,961	-	11,264,617	-	11,181,839	11,181,839
Total business-type activities	66,609,997	69,629,330	-	17,586,440	-	20,605,773	20,605,773
Total Government	\$ 313,247,304	\$ 103,357,825	\$ 18,173,638	\$ 42,523,915	\$ (169,797,699)	\$ 20,605,773	\$ (149,191,926)
General Revenues:							
Taxes:							
Income taxes					\$ 97,365,573	\$ -	\$ 97,365,573
Property taxes					26,511,099	-	26,511,099
JEDD revenues					14,772,847	-	14,772,847
Investment Earnings					3,835,238	379,423	4,214,661
Shared revenues					29,654,718	-	29,654,718
Miscellaneous					8,540,740	818,560	9,359,300
Loss on sale of fixed assets					(239,961)	(14,468)	(254,429)
Special item - loss on debt forgiveness					(6,250,000)	-	(6,250,000)
Transfers					791,379	(791,379)	-
Change in net assets					5,183,934	20,997,909	26,181,843
Net assets - beginning (as restated)					325,943,879	272,918,992	598,862,871
Net assets - ending					\$ 331,127,813	\$ 293,916,901	\$ 625,044,714

* 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, 2001

	General	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and investments	\$ 8,595,993	\$ -	\$ 22,234,879	\$ 30,830,872
Restricted cash and investments	-	1,110,975	13,006,882	14,117,857
Receivables, net of allowances for uncollectibles	41,579,877	22,071,529	21,660,809	85,312,215
Loans receivable	-	-	5,358,186	5,358,186
Due from other governments	5,440	-	5,670,741	5,676,181
Due from other funds	794,261	-	23,252,821	24,047,082
Due from others	-	-	2,561,008	2,561,008
Total assets	<u>\$ 50,975,571</u>	<u>\$ 23,182,504</u>	<u>\$ 93,745,326</u>	<u>\$ 167,903,401</u>
Liabilities				
Accounts payable	\$ 4,296,782	\$ -	\$ 3,925,846	\$ 8,222,628
Due to other governments	-	-	1,635,117	1,635,117
Due to other funds	1,194,628	-	22,219,450	23,414,078
Deferred grant revenue	30,240	-	3,374,882	3,405,122
Deferred revenue	28,795,927	20,071,529	14,727,118	63,594,574
Matured bonds payable	-	-	140,000	140,000
Matured interest payable	-	-	75,975	75,975
Accrued liabilities	-	-	4,529,844	4,529,844
Accrued wages	2,937,394	-	839,129	3,776,523
Accrued vacation and leave	2,803,871	-	797,011	3,600,882
Total liabilities	<u>40,058,842</u>	<u>20,071,529</u>	<u>52,264,372</u>	<u>112,394,743</u>
Fund balances				
Reserved for encumbrances	2,320,635	-	36,515,748	38,836,383
Reserved for loans receivable	-	-	5,358,186	5,358,186
Unreserved designated for pre-encumbrances	211,205	-	1,401,915	1,613,120
Unreserved reported in general fund	8,384,889	-	-	8,384,889
Unreserved reported in special revenue funds	-	-	25,387,625	25,387,625
Unreserved reported in debt service funds	-	3,110,975	9,676,138	12,787,113
Deficit reported in capital project funds	-	-	(36,858,658)	(36,858,658)
Total fund balances	<u>10,916,729</u>	<u>3,110,975</u>	<u>41,480,954</u>	<u>55,508,658</u>
Total liabilities and fund balances	<u>\$ 50,975,571</u>	<u>\$ 23,182,504</u>	<u>\$ 93,745,326</u>	<u>\$ 167,903,401</u>

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

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

December 31, 2001

Total fund balances for governmental funds (Exhibit 3)		\$ 55,508,658
Total net assets reported for governmental activities in the statement of net assets is different because:		
Investments in City of Akron issued bonds and notes are eliminated in the government-wide statement of net assets.		(14,655,537)
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		579,224,542
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Income taxes	4,967,486	
JEDD revenues	640,678	
Special assessments	10,300,000	
Shared revenues	<u>11,278,618</u>	
		27,186,782
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		1,030,643
Long-term liabilities including bonds payable and accrues interest payable are not due and payable in the current period and therefore are not reported in the funds.		
Accounts payable	(5,137,839)	
Due to other governments	(8,440,000)	
Accrued interest payable	(1,711,207)	
Accrued vacation and leave	(42,288,788)	
Bonds, notes and loans payable	(224,407,070)	
Special assessment notes	(9,247,500)	
Obligations under capital lease	(25,923,095)	
Unamortized bond premium	(1,572,909)	
Unamortized bond issue cost	<u>565,101</u>	
		(318,163,307)
OPWC loan funds not drawn down, therefore, receivable not reflected in the funds.		996,032
		<u>996,032</u>
Total net assets of governmental activities (Exhibit 1)		<u><u>\$ 331,127,813</u></u>

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

City of Akron, Ohio

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

For the Year Ended December 31, 2001

	General	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Revenues				
Income taxes	\$ 66,336,024	\$ -	\$ 29,624,607	\$ 95,960,631
Property taxes	14,774,630	-	11,736,469	26,511,099
JEDD revenues	-	-	14,682,526	14,682,526
Special assessments	545,409	10,808,058	3,566,240	14,919,707
Grants and subsidies:				
Community development	-	-	9,553,122	9,553,122
Other	31,434	-	18,636,850	18,668,284
Investment earnings	2,751,381	185,815	1,113,798	4,050,994
Shared revenues	22,601,830	-	8,004,380	30,606,210
Licenses, fees and fines	7,628,266	-	1,204,718	8,832,984
Charges for services	13,690,610	-	8,206,171	21,896,781
Miscellaneous	672,300	-	8,028,861	8,701,161
	<u>129,031,884</u>	<u>10,993,873</u>	<u>114,357,742</u>	<u>254,383,499</u>
Expenditures				
Current:				
General government	17,909,604	10,920	15,010,003	32,930,527
Public service	19,686,238	-	29,559,516	49,245,754
Public safety	82,582,116	-	12,716,503	95,298,619
Community environment	1,685,089	-	13,445,736	15,130,825
Public health	6,796,076	-	8,064,101	14,860,177
Recreation and parks	3,502,453	-	1,390,209	4,892,662
Capital outlay	70	-	57,248,602	57,248,672
Debt service:				
Principal retirement	-	2,652,000	16,512,096	19,164,096
Interest	-	986,133	13,191,762	14,177,895
Bond issuance expense	-	-	571,774	571,774
	<u>132,161,646</u>	<u>3,649,053</u>	<u>167,710,302</u>	<u>303,521,001</u>
Excess (deficiency) of revenues over (under) expenditures	(3,129,762)	7,344,820	(53,352,560)	(49,137,502)
Other financing sources (uses)				
Proceeds of general obligation bonds	-	-	23,714,000	23,714,000
Proceeds of general obligation notes	-	-	6,494,940	6,494,940
Proceeds of refunding bonds	-	-	28,185,000	28,185,000
Proceeds of refunding bonds premium	-	-	1,591,482	1,591,482
Advance refunding escrow	-	-	(28,737,105)	(28,737,105)
Operating transfers in	3,359,310	245,135	34,804,923	38,409,368
Operating transfers out	(5,659,907)	(4,444,515)	(25,359,050)	(35,463,472)
Special item - loss on debt forgiveness	-	-	(6,250,000)	(6,250,000)
	<u>(2,300,597)</u>	<u>(4,199,380)</u>	<u>34,444,190</u>	<u>27,944,213</u>
Net change in fund balance	(5,430,359)	3,145,440	(18,908,370)	(21,193,289)
Fund balances (deficits), January 1, 2001, as restated	<u>16,347,088</u>	<u>(34,465)</u>	<u>60,389,324</u>	<u>76,701,947</u>
Fund balances, December 31, 2001	<u>\$ 10,916,729</u>	<u>\$ 3,110,975</u>	<u>\$ 41,480,954</u>	<u>\$ 55,508,658</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, 2001

Changes in fund balances - total governmental funds (Exhibit 4) \$ (21,193,289)

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 (\$53,406,621) exceeded depreciation (\$14,332,938) in the current period. 39,073,683

The net effect of selling capital assets decreased net assets. (235,726)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (252,944)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums and deferred amount on refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items. (11,512,447)

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. (142,524)

Certain net revenues (expenses) of the internal service funds are reported with governmental activities in the statement of activities. (552,819)

Changes in net assets of governmental activities (Exhibit 2) \$ 5,183,934

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

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2001

	Water	Sewer	Off-Street Parking
Assets			
Current assets			
Pooled cash and investments	\$ 9,800,720	\$ 3,242,310	\$ 409,546
Restricted cash and investments	3,323,719	6,440,205	-
Receivables, net of allowances for uncollectibles	3,365,060	4,271,125	52,931
Due from other governments	2,090,353	1,255,387	-
Due from other funds	173,682	40,454	-
Inventories, at cost	1,767,641	1,476,218	-
Noncurrent assets			
Unamortized bond issue costs	473,456	556,481	-
Property, plant and equipment, net of accumulated depreciation	128,773,479	238,997,293	51,495,265
Total assets	<u>\$ 149,768,110</u>	<u>\$ 256,279,473</u>	<u>\$ 51,957,742</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 1,484,094	\$ 1,057,717	\$ 478,490
Customer deposits	514,861	-	-
Due to other funds	42,663	172,741	5,576
Accrued interest payable	1,295,426	1,429,960	20,342
Accrued liabilities	1,003,348	266,631	-
Accrued wages	416,614	209,731	-
Accrued vacation and leave	1,562,290	803,175	-
Liability for unpaid claims	-	-	-
Debt:			
General obligation bonds	293,293	75,170	456,376
Mortgage revenue bonds	3,265,000	-	-
Revenue bonds	-	2,150,000	-
OWDA loans	555,335	2,864,520	-
OPWC loans	95,958	117,422	-
Noncurrent liabilities			
Due in more than one year	2,463,532	1,288,691	-
Deferred charges and other liabilities	(1,639,305)	(169,245)	-
Bonds, notes, loans	67,046,839	81,703,957	2,278,752
Total liabilities	<u>78,399,948</u>	<u>91,970,470</u>	<u>3,239,536</u>
Net assets			
Invested in capital assets net of related debt	57,517,054	152,086,224	48,760,137
Restricted for debt service	3,218,943	4,818,647	-
Unrestricted (deficit)	10,632,165	7,404,132	(41,931)
Total net assets	<u>\$ 71,368,162</u>	<u>\$ 164,309,003</u>	<u>\$ 48,718,206</u>

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

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2001

Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ 138,237	\$ 13,590,813	\$ 16,345,248
-	9,763,924	3,786,883
6,666	7,695,782	40,127
-	3,345,740	-
11,168	225,304	891,805
42,016	3,285,875	990,374
-	1,029,937	-
<u>10,511,558</u>	<u>429,777,595</u>	<u>3,292,811</u>
<u>\$ 10,709,645</u>	<u>\$ 468,714,970</u>	<u>\$ 25,347,248</u>
\$ 51,367	\$ 3,071,668	\$ 590,559
-	514,861	-
323,213	544,193	1,205,920
3,023	2,748,751	33,109
23,661	1,293,640	572,657
21,475	647,820	278,318
67,116	2,432,581	994,873
-	-	4,164,241
42,500	867,339	2,249,933
-	3,265,000	-
-	2,150,000	-
-	3,419,855	-
-	213,380	-
242,807	3,995,030	7,616,649
-	(1,808,550)	-
<u>680,000</u>	<u>151,709,548</u>	<u>6,343,299</u>
<u>1,455,162</u>	<u>175,065,116</u>	<u>24,049,558</u>
9,789,058	268,152,473	(2,388,683)
-	8,037,590	-
<u>(534,575)</u>	<u>17,459,791</u>	<u>3,686,373</u>
<u>\$ 9,254,483</u>		<u>\$ 1,297,690</u>
	267,047	
	<u>\$ 293,916,901</u>	

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City of Akron, Ohio

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

For the Year Ended December 31, 2001

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
Operating revenues						
Charges for services	\$ 32,865,613	\$ 32,297,145	\$ 4,139,961	\$ 970,154	\$ 70,272,873	\$ 37,390,542
Other	249,471	102,861	15,579	450,649	818,560	465,498
	33,115,084	32,400,006	4,155,540	1,420,803	71,091,433	37,856,040
Operating expenses						
Personal services	13,532,487	6,773,787	-	940,523	21,246,797	9,378,120
Direct expenses	7,549,623	10,189,073	2,481,099	443,529	20,663,324	9,795,796
Claims	-	-	-	-	-	15,926,675
Rentals and lease	190,171	6,131	-	55,746	252,048	64,824
Utilities	1,436,602	2,154,827	501,883	90,521	4,183,833	253,080
Insurance	85,941	173,732	16,885	9,801	286,359	17,679
Depreciation, depletion and amortization	3,468,717	6,719,079	976,347	238,963	11,403,106	547,062
Other	112,150	50,543	67,788	584	231,065	13,679
	26,375,691	26,067,172	4,044,002	1,779,667	58,266,532	35,996,915
Operating income (loss)	6,739,393	6,332,834	111,538	(358,864)	12,824,901	1,859,125
Non-operating revenues (expenses)						
Interest income	90,567	287,526	-	1,330	379,423	501,399
Interest expense	(3,847,122)	(5,187,126)	(181,858)	(37,949)	(9,254,055)	(488,043)
Capital contributions	4,367,701	1,954,122	11,264,617	-	17,586,440	-
Loss on disposal of fixed assets	(6,563)	(7,905)	-	-	(14,468)	(4,235)
	604,583	(2,953,383)	11,082,759	(36,619)	8,697,340	9,121
Income (loss) before operating transfers	7,343,976	3,379,451	11,194,297	(395,483)	21,522,241	1,868,246
Operating transfers in	391,212	452,386	-	309,000	1,152,598	786,974
Operating transfers out	(177,751)	(411,181)	(1,205,056)	(149,989)	(1,943,977)	(2,941,491)
	213,461	41,205	(1,205,056)	159,011	(791,379)	(2,154,517)
Net income (loss)	7,557,437	3,420,656	9,989,241	(236,472)	20,730,862	(286,271)
Net assets, January 1, 2001, as restated	63,810,725	160,888,347	38,728,965	9,490,955		1,583,961
Net assets, December 31, 2001	\$ 71,368,162	\$ 164,309,003	\$ 48,718,206	\$ 9,254,483		\$ 1,297,690

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

267,047
\$ 20,997,909

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, 2001

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating activities						
Cash received from customers	\$ 33,810,804	\$ 33,047,101	\$ 4,105,280	\$ 990,590	\$ 71,953,775	\$ 38,112,859
Cash payments to suppliers for goods and services	(9,349,337)	(12,994,900)	(3,129,360)	(585,707)	(26,059,304)	(7,824,529)
Cash paid for salaries and employee benefits	(13,398,078)	(6,905,398)	-	(918,836)	(21,222,312)	(30,349,130)
Other revenues	249,471	102,861	15,579	450,649	818,560	2,503,414
Other expenses	(112,150)	(50,543)	(67,788)	(584)	(231,065)	(13,679)
Net cash provided by (used for) operating activities	11,200,710	13,199,121	923,711	(63,888)	25,259,654	2,428,935
Non-capital financing activities						
Operating transfers from other funds	391,212	452,386	-	309,000	1,152,598	786,974
Proceeds from the sale of bonds	-	-	-	-	-	171,738
Transfers in for negative cash balances	-	-	-	316,470	316,470	1,191,047
Transfers out for negative cash balances	-	-	-	(268,107)	(268,107)	(645,697)
Principal paid on bonds and loans	-	-	-	-	-	(320,000)
Interest paid on bonds and loans	-	-	-	-	-	(163,820)
Operating transfers to other funds	(177,751)	(411,181)	(1,205,056)	(149,989)	(1,943,977)	(2,941,491)
Net cash provided by (used for) non-capital financing activities	213,461	41,205	(1,205,056)	207,374	(743,016)	(1,921,249)
Capital and related financing activities						
Proceeds from bonds and loans	361,179	209,988	1,175,128	-	1,746,295	159,590
Principal paid on bonds and loans	(4,136,367)	(5,163,517)	(750,000)	(42,500)	(10,092,384)	(2,182,000)
Interest paid on bonds and loans	(3,724,259)	(5,243,467)	(182,563)	(38,101)	(9,188,390)	(332,472)
Acquisition and construction of capital assets	(6,439,281)	(5,322,808)	(11,264,617)	(190,684)	(23,217,390)	(348,307)
Capital contributions	4,367,701	1,954,122	11,264,617	-	17,586,440	-
Net cash used for capital and related financing activities	(9,571,027)	(13,565,682)	242,565	(271,285)	(23,165,429)	(2,703,189)
Investing activities						
Purchase of investment securities	(17,012,984)	(42,925,864)	-	-	(59,938,848)	-
Proceeds from sales and maturities of investment securities	17,012,984	42,925,864	-	-	59,938,848	-
Interest on investments	90,567	287,526	-	1,330	379,423	501,399
Net cash provided by investing activities	90,567	287,526	-	1,330	379,423	501,399
Net increase (decrease) in cash and cash equivalents	1,933,711	(37,830)	(38,780)	(126,469)	1,730,632	(1,694,104)
Cash and cash equivalents, January 1, 2001	11,190,728	9,720,345	448,326	264,706	21,624,105	21,826,235
Cash and cash equivalents, December 31, 2001	\$ 13,124,439	\$ 9,682,515	\$ 409,546	\$ 138,237	\$ 23,354,737	\$ 20,132,131

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, 2001
(continued)

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating income (loss)	\$ 6,739,393	\$ 6,332,834	\$ 111,538	\$ (358,864)	\$ 12,824,901	\$ 1,859,125
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	3,468,717	6,719,079	976,347	238,963	11,403,106	547,062
Loss on disposal of fixed assets and other	-	(14,100)	(1,573)	-	(15,673)	-
(Increase) decrease in operating assets:						
Receivables	1,045,226	758,112	(34,681)	21,994	1,790,651	2,110,226
Due from other funds	(100,035)	(8,156)	-	(1,558)	(109,749)	650,007
Inventories	321,541	(28,886)	-	273	292,928	(28,399)
Increase (decrease) in operating liabilities:						
Accounts payable	(91,520)	(192,917)	(85,261)	19,670	(350,028)	(100,593)
Due to other funds	(375,553)	(235,234)	(42,659)	(6,053)	(659,499)	(98,363)
Accrued liabilities	134,351	20,134	-	5,469	159,954	51,150
Accrued wages	42,013	28,925	-	1,404	72,342	16,564
Accrued vacation and leave	16,577	(180,670)	-	14,814	(149,279)	(107,411)
Estimated liability for unpaid claims	-	-	-	-	-	(2,470,433)
Net cash provided by (used for) operating activities	\$ 11,200,710	\$ 13,199,121	\$ 923,711	\$ (63,888)	\$ 25,259,654	\$ 2,428,935

Non-cash capital and investing activities:						
Due from other governments	\$ 644,519	\$ -	\$ -	\$ -	\$ 644,519	\$ -
Amortization bond issue, discount, and premium	(61,848)	(37,605)	-	-	(99,453)	-
Unamortization charge refunding bond	-	(53,942)	-	-	(53,942)	-
Amortization deferred loss	(153,276)	-	-	-	(153,276)	-
Accounts payable for property, plant and equipment	9,697	37,367	(10,791)	(11,136)	25,137	(26,293)
Due to other funds for property, plant and equipment	357,763	-	-	-	357,763	-
Contract retainer	(478,934)	37,604	-	-	(441,330)	(1,260)
OWDA bonds	481,350	-	-	-	481,350	-

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

City of Akron, Ohio

Statement of Net Assets
Fiduciary Funds

December 31, 2001

	Private Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets		
Cash and investments	\$ 2,405	\$ 2,098,307
Receivables, net of allowances for uncollectibles	-	29,216
	<u> </u>	<u> </u>
Total assets	<u>\$ 2,405</u>	<u>\$ 2,127,523</u>
Liabilities		
Accounts payable	\$ -	\$ 125,434
Customer deposits	-	417,145
Due to other governments	-	722,432
Due to others	-	142,410
Accrued liabilities	-	720,102
	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>2,127,523</u>
Net assets	<u>\$ 2,405</u>	<u>\$ -</u>

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

City of Akron, Ohio

Statement of Changes in Net Assets
Private Purpose Trust Funds

For the Year Ended December 31, 2001

	Private Purpose Trust Funds
Additions	
Contributions	\$ 5,959
	<u>5,959</u>
Deductions	
Education and awareness	8,082
	<u>8,082</u>
Deficiency of revenues over expenditures	<u>(2,123)</u>
Net assets, January 1, 2001, as restated	<u>4,528</u>
Net assets, December 31, 2001	<u><u>\$ 2,405</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, 2001

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*, in that the financial statements include those activities and functions of the City. The City has no component units as defined by GASB 14.

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. With this 2001 financial report the City has changed its financial reporting by early implementing the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, an Amendment of GASB Statements No. 21 and No. 34, effective January 1, 2001. These “Reporting Model” statements affect the way the City prepares and presents financial information. State and local governments traditionally have used a financial reporting model substantially different from the one used to prepare private-sector financial reports. As part of the early implementation of GASB 34 and 37, the City has also opted for early implementation of infrastructure reporting as prescribed by GASB 34 and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, which rescinds some and modifies other financial statement disclosure requirements. Effective January 1, 2001, the City also implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*. Implementation of these GASB Statements resulted in a restatement of beginning fund balances and fund equity as previously reported in the basic financial statements (see Note 21).

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 establishes new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions. Financial information of the City is presented in the following format:

Basic Financial Statements:

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

1. Summary of Significant Accounting Policies (Continued)

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

Internal service fund balances, 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 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, investment earnings, shared revenues, charges for services, and licenses, fees, and fines.

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

The Special Assessment Bond Payment fund is required by state statute and is used to account for the accumulation of resources for, and the payment of, special

1. Summary of Significant Accounting Policies (Continued)

assessment debt principal and interest and related costs. Revenues consist primarily of special assessment collections.

The Water enterprise fund accounts for the financial activity related to operating the City's water supply, treatment and distribution system. In addition to over 90,000 customers in the City, the Water enterprise fund also serves five other municipalities and parts of six adjacent townships. Revenues consist primarily of charges for services.

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

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

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

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

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. 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.
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.

1. Summary of Significant Accounting Policies (Continued)

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 in essentially the same manner as proprietary funds.
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.
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. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. 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 an 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 an 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). This includes income taxes, JEDD revenues, investment earnings, and shared revenues. 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 special assessments, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and deferred until they become available. Other revenues, including licenses, fees and fines, and charges for services are recorded as revenue when received in cash because they are generally not measurable until actually received.

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

1. Summary of Significant Accounting Policies (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with 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, royalties, and connection fees, result from nonexchange transactions or ancillary activities.

In the proprietary funds, operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. 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 2001, supplemental appropriations were passed by City Council. The effects of these supplemental appropriations were not material in relation to the original appropriations.
- (5) Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Unencumbered appropriations lapse at year-end.

E. *Cash, Cash Equivalents, and Investments*

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

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.

1. Summary of Significant Accounting Policies (Continued)

- F. **Inventories** – Inventories are valued at cost (first-in, first-out) and adjusted to annual physical counts which are then maintained on a perpetual basis until the end of the year.
- G. **Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements to the extent the City’s capitalization threshold is met. The City defines capital assets as assets with an estimated useful life in excess of five years and an individual cost of more than \$5,000 for land; \$10,000 for equipment and vehicles; \$25,000 for land improvements, buildings, and improvements other than buildings; and \$100,000 for infrastructure. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Contributed fixed assets are recorded at their estimated fair market value at the date contributed.

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 general capital assets.

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	5-20

1. Summary of Significant Accounting Policies (Continued)

H. **Compensated Absences** – The City accrues for compensated absences such as vacation, paid leave, sick leave and compensatory time. For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "accrued vacation and leave" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental funds. In the government-wide financial statements and for proprietary funds, the entire amount of compensated absences (current and noncurrent) is reported as a liability.

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

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

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

The City's interfund receivables and payables at December 31, 2001 are presented in Note 5. Interfund transfers are presented in Note 18.

K. **Post-retirement Benefits** – In addition to the post-retirement benefits provided by the Police and Firemen's Disability and Pension Fund of Ohio and the Public Employees Retirement System of Ohio (see Note 8), the City provides post-retirement health care and life insurance benefits, in accordance with union agreements and City Council ordinances, for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Currently, 1,812 retirees meet those eligibility requirements. The City pays 100% of the cost of health care and life insurance benefits. The cost of retiree health care and life insurance benefits is recognized as expenditure/expense as claims are incurred. For 2001, those costs totaled \$2,951,713.

1. Summary of Significant Accounting Policies (Continued)

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

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 statutes, grant agreements and various bond agreement requirements. Investments are also held separately by the special revenue, debt service, enterprise, and internal service funds. City ordinances further authorize and direct the permitted types of deposits and investments.

Deposits:

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

At December 31, 2001, the carrying amount of the City’s deposits was \$11,955,023 (including certificates of deposit of \$5,000,000), and the bank balance was \$19,030,428. The difference in the carrying amount and bank balance was composed of outstanding checks and other normal reconciling items. Of the bank balance, \$500,989 was covered by federal depository insurance, \$18,230,954 was uninsured but collateralized with unregistered securities held by the pledging financial institution’s trust department in the City’s name, and \$298,485 was uninsured and uncollateralized as defined by the GASB (securities are pledged with the pledging financial institution’s trust department or agent, but not in the City’s name).

Total cash and investments are reported as follows:			
Balance Sheet - Governmental Funds:			
	Pooled cash and investments	\$30,830,872	
	Restricted cash and investments	14,117,857	
Statement of Net Assets - Proprietary Funds:			
Enterprise funds			
	Pooled cash and investments	13,590,813	
	Restricted cash and investments	9,763,924	
Internal Service funds			
	Pooled cash and investments	16,345,248	
	Restricted cash and investments	3,786,883	
Statement of Fiduciary Net Assets		2,100,712	
Total		<u>\$90,536,309</u>	

Investments in City of Akron bonds and notes amounting to \$14,655,537 are eliminated in the government-wide statement of net assets at December 31, 2001.

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. The net effect of these realized and unrealized gains and losses (\$718,834 of net gains in 2001) is reflected in the investment income on the operating statement of the appropriate fund.

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.

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, 2001.

The City's investments are categorized to give an indication of the level of credit risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent, but not in the City's name.

2. Pooled Cash and Investments (Continued)

	Category			Carrying/ Fair Value
	1	2	3	
U.S. government securities	\$ 27,955,845	\$ -	\$ -	\$ 27,955,845
Repurchase agreements	4,100,000	-	-	4,100,000
City of Akron bonds and notes	14,655,537	-	-	14,655,537
Investments held by bond trustees (primarily U.S. government securities)	<u>17,717,181</u>	<u>-</u>	<u>-</u>	<u>17,717,181</u>
	<u>\$ 64,428,563</u>	<u>\$ -</u>	<u>\$ -</u>	64,428,563
Uncategorized investments:				
STAROhio				<u>14,152,723</u>
Total investments				<u>\$ 78,581,286</u>

Investments in STAROhio are unclassified investments since STAROhio represents an investment pool managed by another governmental unit and investments therein are not evidenced by securities that exist in physical or book entry form.

At December 31, 2001, \$27,668,664 of cash and investments was restricted for the following purposes: \$4,032,014 was restricted for project costs for Canal Park Stadium; \$19,849,767 was restricted solely for retirement of City obligations; and the balance of \$3,786,883 represents a deposit with an escrow agent as part of a loan guarantee for a developer (see Note 10).

The City is required by contractual agreement with its insurance administrator to maintain at a bank an imprest fund in the amount of \$3,314 which is included in the deposits of the City.

3. Receivables

Receivables, including water and sewer unbilled charges for services, of approximately \$2,850,000 and \$391,000, respectively, consist of the following at December 31, 2001:

	Taxes	Customer Charges, Special Assessments, and Others	Accrued Interest	Gross Receivables	Allowance for Uncollectibles	Net
Governmental Activities:						
Governmental Funds:						
General Fund	\$ 28,584,743	\$ 13,349,790	\$ 377,309	\$ 42,311,842	\$ (731,965)	\$ 41,579,877
Special Assessment Bond Payment	-	24,490,306	-	24,490,306	(2,418,777)	22,071,529
Other Governmental Funds	<u>13,196,732</u>	<u>11,022,610</u>	<u>2,475.00</u>	<u>24,221,817</u>	<u>-</u>	<u>24,221,817</u>
Total Governmental Funds	41,781,475	48,862,706	379,784	91,023,965	(3,150,742)	87,873,223
Internal Service Funds	<u>-</u>	<u>40,127</u>	<u>-</u>	<u>40,127</u>	<u>-</u>	<u>40,127</u>
Total Governmental Activities	41,781,475	48,902,833	379,784	91,064,092	(3,150,742)	87,913,350
Business-type Activities:						
Enterprise Funds:						
Water	-	7,005,714	-	7,005,714	(3,640,654)	3,365,060
Sewer	-	8,474,714	-	8,474,714	(4,203,589)	4,271,125
Off-Street Parking	-	52,931	-	52,931	-	52,931
Other Enterprise Funds	<u>-</u>	<u>6,666</u>	<u>-</u>	<u>6,666</u>	<u>-</u>	<u>6,666</u>
Total Enterprise Funds/ Business-type Activities	-	15,540,025	-	15,540,025	(7,844,243)	7,695,782
Total Receivables	<u>\$ 41,781,475</u>	<u>\$ 64,442,858</u>	<u>\$ 379,784</u>	<u>\$ 106,604,117</u>	<u>\$ (10,994,985)</u>	<u>\$ 95,609,132</u>

Delinquent special assessment receivables amounted to \$2,418,777 at December 31, 2001 and were fully reserved for in the allowance for uncollectibles in the Special Assessment Bond Payment fund.

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

Governmental Activities:

General Fund

Property Tax Receivable	\$ 17,557,938
Shared Revenue	7,611,724
Income Tax Receivable	<u>3,626,265</u>
	28,795,927

Other Governmental Activities

Special Assessments Receivable	20,071,529
Property Tax Receivable	9,118,325
Shared Revenue	4,267,572
JEDD Receivable	<u>1,341,221</u>
	<u>34,798,647</u>
	<u>\$ 63,594,574</u>

4. Due From/To Other Governments

Amounts due from other governments at December 31, 2001 primarily represent amounts related to grant activity and consist of the following:

	Federal	State	Total
Governmental Activities:			
Governmental Funds:			
General Fund	\$ -	\$ 5,440	\$ 5,440
Other Governmental Funds	<u>4,450,071</u>	<u>1,220,670</u>	<u>5,670,741</u>
Total Governmental Funds	4,450,071	1,226,110	5,676,181
The following amounts are also included in the statement of net assets-OPWC loan funds receivable:			
	<u>-</u>	<u>996,032</u>	<u>996,032</u>
Total Governmental Activities	<u><u>\$ 4,450,071</u></u>	<u><u>\$ 2,222,142</u></u>	<u><u>\$ 6,672,213</u></u>
Business-type Activities:			
Enterprise Funds:			
Water	\$ -	\$ 2,090,353	\$ 2,090,353
Sewer	-	1,255,387	1,255,387
Total Enterprise Funds/Business-type Activities	<u><u>\$ -</u></u>	<u><u>\$ 3,345,740</u></u>	<u><u>\$ 3,345,740</u></u>

Amounts due to other governments at December 31, 2001 consist of the following:

	Federal	County	Local	Total
Governmental Activities:				
Other Governmental Funds	\$ 1,635,117	\$ -	\$ -	\$ 1,635,117
The following amounts are also included in the statement of net assets: liabilities due in more than one year				
	<u>-</u>	<u>5,140,000</u>	<u>3,300,000</u>	<u>8,440,000</u>
Total Governmental Activities	<u><u>\$ 1,635,117</u></u>	<u><u>\$ 5,140,000</u></u>	<u><u>\$ 3,300,000</u></u>	<u><u>\$ 10,075,117</u></u>

The statement of fiduciary net assets also includes \$722,432 as due to other governments.

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

The local amount is related to the JEDD contract between the City, Bath Township, and the City of Fairlawn (see Note 17).

5. Interfund Receivables and Payables

Interfund receivable and payable balances at December 31, 2001 consist of the following individual fund receivables and payables:

	Receivable	Payable
Governmental Funds:		
General Fund	\$ 794,261	\$ 1,194,628
Other Governmental Funds	<u>23,252,821</u>	<u>22,219,450</u>
	<u>\$ 24,047,082</u>	<u>\$ 23,414,078</u>
Proprietary Funds:		
Enterprise Funds:		
Water	\$ 173,682	\$ 42,663
Sewer	40,454	172,741
Off-Street Parking	-	5,576
Other Enterprise Funds	<u>11,168</u>	<u>323,213</u>
	<u>\$ 225,304</u>	<u>\$ 544,193</u>
Internal Service Funds	<u>\$ 891,805</u>	<u>\$ 1,205,920</u>

6. Capital Assets

Capital asset activity for the year ended December 31, 2001 was as follows:

	Balance January 1, 2001	Restatement (See Note 21)	Additions	Deletions	Balance December 31, 2001
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 113,773,682	\$ 11,927,640	\$ 3,548,741	\$ 284,063	\$ 128,966,000
Construction in progress	41,942,680	(1,680)	21,190,014	9,693,711	53,437,303
Total capital assets, not being depreciated	<u>\$ 155,716,362</u>	<u>\$ 11,925,960</u>	<u>\$ 24,738,755</u>	<u>\$ 9,977,774</u>	<u>\$ 182,403,303</u>
Capital assets, being depreciated:					
Buildings	150,382,445	(40,134)	13,956,862	-	164,299,173
Improvements	78,252,353	-	2,420	21,918	78,232,855
Equipment	72,967,347	-	5,457,282	2,857,188	75,567,441
Infrastructure	187,680,161	147,067,703	20,555,620	-	355,303,484
Total capital assets, being depreciated	<u>489,282,306</u>	<u>147,027,569</u>	<u>39,972,184</u>	<u>2,879,106</u>	<u>673,402,953</u>
Less accumulated depreciation for:					
Buildings	494,675	39,215,712	3,141,342	-	42,851,729
Improvements	84,912	10,242,035	1,984,896	-	12,311,843
Equipment	6,732,135	56,773,217	1,423,432	2,201,486	62,727,298
Infrastructure	-	147,067,703	8,330,330	-	155,398,033
Total accumulated depreciation	<u>7,311,722</u>	<u>253,298,667</u>	<u>14,880,000</u>	<u>2,201,486</u>	<u>273,288,903</u>
Total capital assets, being depreciated, net	<u>481,970,584</u>	<u>(106,271,098)</u>	<u>25,092,184</u>	<u>677,620</u>	<u>400,114,050</u>
Governmental activities capital assets, net	<u>\$ 637,686,946</u>	<u>\$ (94,345,138)</u>	<u>\$ 49,830,939</u>	<u>\$ 10,655,394</u>	<u>\$ 582,517,353</u>

6. Capital Assets (Continued)

	Balance			Balance
	January 1,			December 31,
	2001	Additions	Deletions	2001
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 24,099,529	\$ 162,974	\$ -	\$ 24,262,503
Construction in progress	28,374,650	20,872,191	13,099,216	36,147,625
Total capital assets, not being depreciated	\$ 52,474,179	\$ 21,035,165	\$ 13,099,216	\$ 60,410,128
Capital assets, being depreciated:				
Buildings	117,204,065	1,046,971	-	118,251,036
Improvements	437,974,030	1,156,728	99,949	439,030,809
Equipment	24,852,173	1,788,138	1,208,539	25,431,772
Infrastructure	38,242,129	14,404,603	9,155	52,637,577
Total capital assets, being depreciated	\$ 618,272,397	\$ 18,396,440	\$ 1,317,643	\$ 635,351,194
Less accumulated depreciation for:				
Buildings	55,400,533	1,515,469	-	56,916,002
Improvements	179,337,406	7,527,119	-	186,864,525
Equipment	19,646,065	1,245,323	661,538	20,229,850
Infrastructure	858,155	1,115,195	-	1,973,350
Total accumulated depreciation	\$ 255,242,159	\$ 11,403,106	\$ 661,538	\$ 265,983,727
Total capital assets, being depreciated, net	\$ 363,030,238	\$ 6,993,334	\$ 656,105	\$ 369,367,467
Business-type activities capital assets, net	\$ 415,504,417	\$ 28,028,499	\$ 13,755,321	\$ 429,777,595

6. Capital Assets (Continued)

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

Governmental Activities:

General government	\$	1,469,863
Public service		643,103
Public safety		1,585,910
Community environment		2,039,346
Public health		264,386
Unallocated depreciation		8,330,330
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>547,062</u>
Total depreciation expense charged to governmental activities	\$	<u>14,880,000</u>

Business-type Activities:

Water	\$	3,468,717
Sewer		6,719,079
Off-Street Parking		976,347
Other Business-type activities		<u>238,963</u>
Total depreciation, deletion and amortization expense charged to business-type activities	\$	<u>11,403,106</u>

6. Capital Assets (Continued)

Construction in progress and remaining capital commitments (including capitalized interest of \$129,795, of which \$71,439 was capitalized in 2001) is comprised of the following:

	Project Authorization	Expended to December 31, 2001	Committed
Enterprise:			
Water	\$ 24,683,283	\$ 17,305,400	\$ 7,377,883
Sewer	12,488,112	4,591,071	7,897,041
Off-Street Parking	15,736,061	14,251,154	1,484,907
General Fixed Assets	<u>66,950,161</u>	<u>53,437,303</u>	<u>13,512,858</u>
	<u><u>\$ 119,857,617</u></u>	<u><u>\$ 89,584,928</u></u>	<u><u>\$ 30,272,689</u></u>

7. Accrued Vacation and Leave

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

Vacation, paid leave, sick leave and compensatory time accumulated by employees whose wages are charged to governmental fund types have been recorded as liabilities in the governmental funds to the extent currently available resources will pay such liabilities. The balance has been recorded on the statement of net assets. Vacation, paid leave, sick leave and compensatory time accumulated by employees whose wages are charged to proprietary fund types are expensed when earned, and recorded as liabilities in the government-wide statement of net assets and in the proprietary fund statement of net assets.

Sick leave is earned by substantially all employees. Unused sick leave is accumulated up to 960 hours per employee and vests upon reaching certain age and service requirements. The vested portion of accumulated sick leave and amounts earned through December 31, 2001, and expected to vest in the future has been accrued in the statement of net assets for all City employees. Amounts related to the City's proprietary fund operations are also accrued for in the proprietary fund statement of net assets due to the nature of these funds.

7. **Accrued Vacation and Leave (Continued)**

As of December 31, 2001, the accrued vacation, paid leave, sick leave, and compensatory time is as follows:

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Governmental Activities:				
Governmental Funds:				
General Fund	\$ 613,097	\$ 2,803,871	\$ (613,097)	\$ 2,803,871
Other Governmental Activities	173,500	797,011	(173,500)	797,011
Total Governmental Funds	786,597	3,600,882	(786,597)	3,600,882
Internal Service Funds	1,047,140	994,873	(1,047,140)	994,873
Total Governmental Activities	1,833,737	4,595,755	(1,833,737)	4,595,755
Business-type Activities:				
Enterprise Funds:				
Water	1,555,857	1,562,290	(1,555,857)	1,562,290
Sewer	872,544	803,175	(872,544)	803,175
Other Enterprise Funds	63,908	67,116	(63,908)	67,116
Total Enterprise Funds/ Business-type Activities	2,492,309	2,432,581	(2,492,309)	2,432,581
	\$ 4,326,046	\$ 7,028,336	\$ (4,326,046)	\$ 7,028,336
The following amounts are also included as long-term obligations in the government-wide statement of net assets:				
Governmental Activities:				
Other Governmental Activities	\$ 43,970,910	\$ 14,696,691	\$ (16,378,813)	\$ 42,288,788
Internal Service Funds	1,104,776	1,151,646	(1,206,790)	1,049,632
Total Governmental Activities	45,075,686	15,848,337	(17,585,603)	43,338,420
Business-type Activities:				
Water	2,453,388	1,673,290	(1,663,146)	2,463,532
Sewer	1,399,992	736,283	(847,584)	1,288,691
Other Business-type Activities	231,201	81,938	(70,332)	242,807
Total Business-type Activities	4,084,581	2,491,511	(2,581,062)	3,995,030
	\$ 49,160,267	\$ 18,339,848	\$ (20,166,665)	\$ 47,333,450

8. Pension and Other Post-Retirement Benefit Plans

Police officers and firefighters participate in the statewide Ohio Police and Fire Pension Fund (Police and Fire). Substantially all other City employees participate in the statewide Public Employees Retirement System of Ohio (PERS). Both Police and Fire and PERS are cost-sharing, multi-employer defined benefit public employee retirement systems.

PERS

PERS 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. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employees of local governments are required to contribute 8.5% of their covered payroll to PERS. The 2001 and 2000 employer contribution rate for local government employer units was 13.55% and 10.84%, respectively, of covered payroll including 4.3% in each year which is used to fund post-retirement health care benefits. The employer contribution rate for 2000 reflects a one-year temporary employer contribution rate rollback of 20%. The City's total contributions to PERS for pension benefits (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2001, 2000, and 1999 were \$6,159,206, \$4,905,591, and \$6,418,434, respectively, which were equal to 100% of the required employer contributions for each year.

In addition to the pension benefits, PERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. As noted above, the Ohio Revised Code provides statutory authority for employer contributions. During 2001 and 2000, \$2,862,628 and \$3,225,672, respectively, of the City's total contribution to PERS was used for post-retirement benefits.

The assumptions and calculations below were based on PERS's latest actuarial review performed as of December 31, 2000. OPEB are advanced-funded using the entry age normal cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. Other significant actuarial assumptions include a rate of return on investments of 7.75%, a salary increase of 4.75% for inflation and between .54% and 5.1% based on seniority and merit, and a health care cost increase of 4.75% annually.

At December 31, 2000 (latest information available), the number of active contributing participants was approximately 411,076. Actuarial contribution requirements are determined for the retirement plan as a whole, not for the individual employers. Net assets available for payment of benefits at December 31, 2000 were approximately \$11.8 billion. The actuarial accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used were approximately \$14.4 billion and \$2.6 billion, respectively.

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

Ohio Police and Fire Pension Fund

Police and Fire 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. Police and Fire 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 at: 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 Police and Fire are equal to the amounts actually paid by the City each year. The City's total contributed amounts for Police (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2001, 2000, and 1999 were \$2,831,500, \$2,937,318 and \$2,792,619, respectively. The City's total contributed amounts for Fire (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2001, 2000 and 1999 were \$3,494,231, \$3,407,084 and \$3,289,466, respectively.

In addition to pension benefits, Police and Fire provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending at least on a 2/3 basis. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing the fund's Board of Trustees to provide health care coverage to all eligible individuals. The Ohio Revised Code provides that health care costs paid from the funds of Police and Fire shall be included in the employer's contribution rate (the board-defined allocations are 7.25%, 7.5% and 7.75% in 2000, 2001 and 2002 respectively, of covered payroll). Health care funding and accounting is on a pay-as-you-go basis. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. The total health care costs paid by the Police and Fire plan were \$106.1 million, which was net of member contributions of \$5.7 million, for the year ended December 31, 2000 (latest information available). For Police and Fire, the City's contribution for 2001 used to pay post-retirement health care was \$1,772,565 and \$1,591,986, respectively. Eligible benefit recipients totaled 12,853 and 10,037 for uniformed police and fire personnel, respectively.

9. Notes Payable

The following is a summary of special assessment note transactions for the year ended December 31, 2001 reflected in governmental activities in the government-wide financial statements:

Notes Payable at January 1, 2001	\$ 7,592,700
New notes issued	5,899,800
Notes retired	<u>(4,245,000)</u>
Notes Payable at December 31, 2001	<u>\$ 9,247,500</u>

9. Notes Payable (Continued)

Notes payable at December 31, 2001, are comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
Special Assessment Notes:				
<u>Governmental Activities:</u>				
Paving Notes:				
June 4, 1999	5.00	5-99	June 6, 2004	\$ 882,500
December 6, 1999	5.00	10-99	December 6, 2004	426,200
March 13, 2000	6.00	1-00	March 13, 2005	1,050,200
October 19, 2000	6.00	4-00	October 19, 2005	617,200
October 19, 2000	6.00	6-00	October 19, 2005	61,600
October 19, 2000	6.00	7-00	October 19, 2005	85,900
February 20, 2001	6.00	1-01	February 20, 2006	52,700
March 15, 2001	6.00	2-01	March 15, 2006	626,800
April 18, 2001	6.00	4-01	April 18, 2006	580,400
June 1, 2001	6.00	5-01	June 1, 2006	1,260,900
July 25, 2001	6.00	6-01	July 25, 2006	419,900
July 25, 2001	6.00	7-01	July 25, 2006	205,400
July 25, 2001	6.00	8-01	July 25, 2006	477,800
July 25, 2001	6.00	9-01	July 25, 2006	110,000
September 14, 2001	6.00	10-01	September 14, 2006	260,900
September 14, 2001	6.00	11-01	September 14, 2006	92,100
September 14, 2001	6.00	12-01	September 14, 2006	124,400
September 14, 2001	6.00	13-01	September 14, 2006	535,700
November 20, 2001	6.00	14-01	November 20, 2006	461,300
November 20, 2001	6.00	15-01	November 20, 2006	85,700
November 20, 2001	6.00	16-01	November 20, 2006	216,700
December 14, 2001	6.00	17-01	December 14, 2006	39,800
December 14, 2001	6.00	18-01	December 14, 2006	109,100
December 14, 2001	6.00	19-01	December 14, 2006	31,300
Concrete Reconstruction Notes:				
June 5, 2000	6.00	3-00	June 5, 2005	176,800
Sidewalk Notes:				
March 15, 2001	6.00	3-01	March 15, 2006	208,900
Storm Sewer Notes:				
October 19, 2000	6.00	5-00	October 19, 2005	<u>47,300</u>
Total Special Assessment Notes				<u>\$ 9,247,500</u>

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

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

The weighted average interest rates on special assessment notes at December 31, 2001 was 5.86%.

9. Notes Payable (Continued)

The following is a summary of the City's future debt service requirements for notes payable as of December 31, 2001 (in thousands):

Fiscal Year Ending December 31	<u>Governmental Activities</u>		Total
	<u>Special Assessment Notes</u> Notes	Interest	
2002	\$ -	\$ 542	\$ 542
2003	-	542	542
2004	1,309	515	1,824
2005	2,039	410	2,449
2006	<u>5,900</u>	<u>187</u>	<u>6,087</u>
	<u>\$ 9,248</u>	<u>\$ 2,196</u>	<u>\$ 11,444</u>

10. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended December 31, 2001:

	Governmental Activities						
	General Obligation	OPWC Loan	Ohio Department of Development Loan	Non-Tax Revenue	Income Tax Revenue	Special Revenue	Special Assessment
Long-term debt payable at January 1, 2001	\$ 139,560,038	\$ 4,672,353	\$ 612,692	\$ 32,770,000	\$ 9,705,000	\$ 27,650,000	\$ 13,797,818
New Issues:							
Various Purpose							
Improvements	49,162,326	-	-	-	-	-	-
Capital Projects	-	996,032	-	-	-	-	-
Final Judgment	-	-	-	-	-	-	-
Off-Street Parking	-	-	-	-	-	-	-
Radio Communications	-	-	-	-	-	-	-
Street Improvements	-	-	-	-	-	-	2,110,191
Water System	-	-	-	-	-	-	-
Retirements	<u>(35,817,323)</u>	<u>(192,621)</u>	<u>(46,899)</u>	<u>(1,185,000)</u>	<u>(255,000)</u>	<u>(365,000)</u>	<u>(4,112,000)</u>
Long-term debt payable at December 31, 2001	<u>\$ 152,905,041</u>	<u>\$ 5,475,764</u>	<u>\$ 565,793</u>	<u>\$ 31,585,000</u>	<u>\$ 9,450,000</u>	<u>\$ 27,285,000</u>	<u>\$ 11,796,009</u>
	Governmental Activities			Business-type Activities			
	Internal Service General Obligation	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Total
Long-term debt payable at January 1, 2001	\$ 10,763,904	\$ 5,483,554	\$ 60,065,000	\$ 49,935,000	\$ 50,271,144	\$ 3,735,163	\$ 409,021,666
New Issues:							
Various Purpose							
Improvements	-	-	-	-	-	-	49,162,326
Capital Projects	-	-	-	-	-	-	996,032
Final Judgment	171,738	-	-	-	-	-	171,738
Off-Street Parking	-	1,175,128	-	-	-	-	1,175,128
Radio Communications	159,590	571,168	-	-	-	-	730,758
Street Improvements	-	-	-	-	-	-	2,110,191
Water System	-	-	-	-	481,350	-	481,350
Retirements	<u>(2,502,000)</u>	<u>(1,701,054)</u>	<u>(2,970,000)</u>	<u>(2,095,000)</u>	<u>(3,136,701)</u>	<u>(189,630)</u>	<u>(54,568,228)</u>
Long-term debt payable at December 31, 2001	<u>\$ 8,593,232</u>	<u>\$ 5,528,796</u>	<u>\$ 57,095,000</u>	<u>\$ 47,840,000</u>	<u>\$ 47,615,793</u>	<u>\$ 3,545,533</u>	<u>\$ 409,280,961</u>

Included in the Governmental Activities Special Assessment are three ten-year Special Assessment Resurfacing Projects Notes: Series 1996, in the amount of \$94,665; Series 1997, in the amount of \$236,913; and Series 1998, in the amount of \$258,261.

Bonds and notes issued by the City of Akron and held by the City as investments at December 31, 2001 amounting to \$14,655,537 (see Note 2) are eliminated in the government-wide statement of net assets.

10. Long-Term Debt (Continued)

Long-term debt at December 31, 2001 is comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
Governmental Activities:				
<u>General Obligation Bonds:</u>				
Highway Improvement Bonds:				
April 1, 1977	5.25	No. 5	October 1, 2002	\$ 200,000
June 1, 1978	5.625	No. 6	December 1, 2002	200,000
June 1, 1979	6	No. 7	December 1, 2004	600,000
December 1, 1979	7.125	No. 8	December 1, 2005	1,600,000
Municipal Building Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	175,000
Municipal Garage Bonds:				
July 1, 1986	7.5	-	September 1, 2006	125,000
Parks Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	125,000
Pedestrian Walkway Bonds:				
July 1, 1986	7.5	-	September 1, 2006	275,000
Real Estate Acquisition Bonds:				
September 28, 1989	5	-	August 15, 2004	491,749
September 28, 1989	5	-	August 15, 2004	808,251
Recycle Energy System Construction Bonds:				
November 1, 1982	10.375	1st Series	November 1, 2003	560,000
May 1, 1983	8.75	2nd Series	November 1, 2003	800,000
Solid Waste Storage Facility Bonds:				
July 1, 1986	7.5	-	September 1, 2006	600,000
Street Improvement Bonds:				
May 1, 1983	8.75	-	November 1, 2003	500,000
June 1, 1984	10.5	-	December 1, 2004	720,000
May 1, 1985	8.75	-	November 1, 2005	800,000
July 1, 1986	7.5	-	September 1, 2006	1,375,000
Urban Renewal Public Improvement Bonds:				
February 21, 1991	8	Series 1990	December 1, 2020	853,120
December 10, 1991	8	Series 1991	December 1, 2021	1,484,000

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
Governmental Activities (Continued):				
Various Purpose Improvement Bonds:				
October 15, 1993	.05 to 8	-	December 1, 2013	\$ 9,060,000
August 1, 1995	4.9 to 5.5	-	December 1, 2008	1,290,000
November 1, 1995	4.2 to 6	-	November 1, 2016	7,875,000
August 15, 1996	4.6 to 8	-	August 15, 2021	460,000
December 1, 1996	3.95 to 6.125	-	December 1, 2017	10,695,000
December 1, 1997	4.3 to 6	-	December 1, 2018	15,932,500
December 1, 1998	4.25 to 4.75	-	December 1, 2019	12,298,095
November 1, 1999	4.4 to 6.5	-	November 1, 2020	17,480,000
November 1, 2000	5.5 to 5.75	-	November 1, 2021	16,360,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	<u>49,162,326</u>
				<u>\$ 152,905,041</u>
OPWC Loans:				
July 1, 1993	6	R.E.S.	July 1, 2004	\$ 114,888
July 1, 1997	0	Boxwood Ave.	July 1, 2018	627,000
July 1, 1998	0	Lakeshore Blvd.	January 1, 2020	937,950
July 1, 1998	0	Tallmadge Ave.	July 1, 2021	666,909
July 1, 1999	0	Lakeshore Blvd.	July 1, 2022	244,797
July 1, 1999	0	Bye Street	July 1, 2022	285,188
July 1, 1999	0	Wooster/East Ave.	July 1, 2022	598,500
July 1, 2000	0	Bishop Street	July 1, 2022	122,000
July 1, 2000	0	NW Storm Outlets	July 1, 2022	477,500
July 1, 2000	0	N. Arlington Bridge	July 1, 2022	405,000
July 1, 2001	0	Darrow Road	July 1, 2023	<u>996,032</u>
				<u>\$ 5,475,764</u>
Ohio Department of Development Loan:				
November 26, 1996	3	1997	February 1, 2012	<u>\$ 565,793</u>
				<u>\$ 565,793</u>
Non-Tax Revenue Bonds:				
November 1, 1997	4 to 6	1997	December 1, 2018	<u>\$ 31,585,000</u>
				<u>\$ 31,585,000</u>
Income Tax Revenue:				
April 15, 1999	3.3 to 5.25	1999	December 1, 2023	<u>\$ 9,450,000</u>
				<u>\$ 9,450,000</u>
Special Revenue:				
July 1, 2000	4.55 to 5.625	2000	December 1, 2020	\$ 13,650,000
August 1, 2000	4.45 to 6	2000	December 1, 2020	<u>13,635,000</u>
				<u>\$ 27,285,000</u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
Governmental Activities (Continued):				
<u>Special Assessment Obligations:</u>				
Resurfacing Notes:				
June 1, 1997	6	1997	December 1, 2006	94,665
May 1, 1998	6	1998	December 1, 2007	236,913
April 1, 1999	6	1998	December 1, 2008	258,261
Street Improvement Bonds:				
September 1, 1978	7.25	Rosemary Blvd.	September 1, 2014	39,000
October 15, 1993	4 to 8	1993	December 1, 2003	270,000
June 15, 1994	4.75 to 5.4	1994	December 1, 2004	405,000
August 1, 1995	4.9 to 5.25	1995	December 1, 2005	320,000
August 15, 1996	4.6 to 8	1996	December 1, 2021	1,250,000
August 15, 1997	4.65 to 5.15	1997	December 1, 2007	1,085,000
August 15, 1998	4.25 to 4.55	1998	December 1, 2008	1,970,000
August 15, 1999	4.1 to 5.5	1999	December 1, 2009	530,000
April 1, 2000	6	1999	December 1, 2009	301,979
August 15, 2000	4.375 to 4.875	2000	December 1, 2010	2,925,000
November 1, 2001	3.0 to 5.5	2001	December 1, 2022	1,515,051
December 1, 2001	6	2001	December 1, 2006	<u>595,140</u>
				<u><u>\$ 11,796,009</u></u>
<u>Internal Service General Obligation Bonds:</u>				
Computer Equipment Bonds:				
December 1, 1997	4.3 to 6	-	December 1, 2018	\$ 1,980,000
December 1, 1998	4.25 to 4.75	-	December 1, 2019	3,354,556
Final Judgment Bonds:				
August 15, 1996	4.5 to 8	-	December 1, 2021	2,740,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	171,738
Municipal Facility Bonds:				
December 1, 1998	4.25 to 4.75	-	December 1, 2019	187,348
Radio Communications System Bonds:				
November 1, 2001	3.0 to 5.5	-	December 1, 2022	<u>159,590</u>
				<u><u>\$ 8,593,232</u></u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Business-type Activities:</u>				
<u>Enterprise General Obligation Bonds:</u>				
Golf Course Clubhouse Bonds:				
December 1, 1997	4.3 to 6	-	December 1, 2018	\$ 722,500
Off-Street Parking Facility Bonds:				
June 1, 1984	10.5	Morley	December 1, 2004	495,000
May 1, 1985	8.75	-	November 1, 2005	640,000
December 1, 1997	4.3 to 6	-	December 1, 2018	425,000
November 1, 2001	3.0 to 5.5	Canal/Tell	December 1, 2022	856,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	319,128
Radio Communications System Bonds:				
November 1, 2001	3.0 to 5.5	-	December 1, 2022	571,168
Sewer System Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	250,000
Water System Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	<u>1,250,000</u>
				<u>\$ 5,528,796</u>
<u>Enterprise Mortgage Revenue Bonds:</u>				
Waterworks System Bonds:				
May 15, 1994	3.6 to 6	1994	March 1, 2014	\$ 23,380,000
January 15, 1996	3.5 to 4.875	1996	March 1, 2012	18,555,000
February 1, 1998	3.65 to 5	1998	March 1, 2018	<u>15,160,000</u>
				<u>\$ 57,095,000</u>
<u>Enterprise Revenue Bonds:</u>				
Sewer System Improvement Bonds:				
June 1, 1996	4.3 to 6.2	1996	December 1, 2016	\$ 19,550,000
January 1, 1997	3.75 to 5.55	1997	December 1, 2016	12,275,000
April 1, 1998	3.7 to 5.5	1998	December 1, 2017	<u>16,015,000</u>
				<u>\$ 47,840,000</u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
Business-type Activities (Continued):				
<u>Enterprise OWDA Loans:</u>				
May 28, 1981	10.71	Water	July 1, 2006	\$ 1,298,228
December 31, 1981	10.71	Sewer	July 1, 2006	4,327,427
May 6, 1982	12	Sewer	January 1, 2010	4,951,809
June 4, 1984	10.54	Sewer	July 1, 2004	1,420,783
March 30, 1995	4.56	Sewer	July 1, 2015	12,075,876
April 27, 1995	4.56	Sewer	July 1, 2015	14,080,790
September 30, 1999	2.01	Water	July 1, 2019	1,105,267
May 25, 2000	4.64	Water	July 1, 2021	7,874,263
April 26, 2001	3.9	Water	July 1, 2011	<u>481,350</u>
				<u>\$ 47,615,793</u>
<u>Enterprise OPWC Loans:</u>				
July 1, 1991	0	Sewer	July 1, 2002	\$ 21,000
July 1, 1995	0	Water	July 1, 2016	896,137
December 1, 1995	0	Sewer	January 1, 2017	351,606
July 1, 1996	0	Sewer	July 1, 2017	816,540
July 1, 1997	0	Sewer	July 1, 2018	565,250
July 1, 2000	0	Water	July 1, 2021	<u>895,000</u>
				<u>\$ 3,545,533</u>

10. Long-Term Debt (Continued)

The following is a summary of the City's future debt service requirements as of December 31, 2001 (in thousands):

Governmental Activities						
Fiscal Year Ending December 31	General Obligation Bonds		OPWC Loan		Ohio Department of Development Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 12,001	\$ 8,054	\$ 323	\$ 6	\$ 48	\$ 18
2003	12,713	7,266	326	3	50	16
2004	12,520	6,914	303	1	51	14
2005	10,355	5,909	279	-	53	13
2006	9,633	5,357	279	-	55	11
2007-2011	39,960	20,473	1,394	-	298	27
2012-2016	32,131	11,411	1,394	-	11	-
2017-2021	22,037	3,719	1,178	-	-	-
2022-2026	1,555	78	-	-	-	-
	<u>\$ 152,905</u>	<u>\$ 69,181</u>	<u>\$ 5,476</u>	<u>\$ 10</u>	<u>\$ 566</u>	<u>\$ 99</u>
Fiscal Year Ending December 31	Non-Tax Revenue Bonds		Income Tax Revenue		Special Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 1,235	\$ 1,603	\$ 265	\$ 443	\$ 890	\$ 1,429
2003	1,285	1,550	275	434	935	1,389
2004	1,340	1,494	285	423	975	1,346
2005	1,400	1,435	295	412	1,025	1,300
2006	1,465	1,372	305	400	1,075	1,252
2007-2011	8,475	5,703	1,735	1,796	6,205	5,424
2012-2016	11,115	3,061	2,175	1,354	8,010	3,628
2017-2021	5,270	399	2,795	733	8,170	1,171
2022-2026	-	-	1,320	95	-	-
	<u>\$ 31,585</u>	<u>\$ 16,617</u>	<u>\$ 9,450</u>	<u>\$ 6,090</u>	<u>\$ 27,285</u>	<u>\$ 16,939</u>
Fiscal Year Ending December 31	Special Assessment Bonds		Internal Service General Obligation Bonds		Governmental Activities Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 2,362	\$ 574	\$ 2,250	\$ 397	\$ 19,374	\$ 12,524
2003	2,225	458	2,311	300	20,120	11,416
2004	1,565	351	1,293	201	18,332	10,744
2005	1,383	273	126	146	14,916	9,488
2006	1,346	206	132	140	14,290	8,738
2007-2011	2,808	319	683	598	61,558	34,340
2012-2016	107	7	805	407	55,748	19,868
2017-2021	-	-	993	166	40,443	6,188
2022-2026	-	-	-	-	2,875	173
	<u>\$ 11,796</u>	<u>\$ 2,188</u>	<u>\$ 8,593</u>	<u>\$ 2,355</u>	<u>\$ 247,656</u>	<u>\$ 113,479</u>

10. Long-Term Debt (Continued)

Business-type Activities						
Fiscal Year	General		Mortgage		Revenue	
	Obligation Bonds		Revenue		Revenue	
Ending	Principal	Interest	Principal	Interest	Principal	Interest
December 31						
2002	\$ 868	\$ 363	\$ 3,265	\$ 2,871	\$ 2,150	\$ 2,549
2003	898	294	3,425	2,711	2,225	2,450
2004	906	227	3,590	2,535	2,330	2,344
2005	640	161	3,770	2,355	2,440	2,231
2006	485	117	3,950	2,170	2,565	2,105
2007-2011	697	359	23,965	7,390	15,080	8,286
2012-2016	555	212	13,410	1,618	19,645	3,715
2017-2021	415	73	1,720	87	1,405	70
2022-2026	65	3	-	-	-	-
	\$ 5,529	\$ 1,809	\$ 57,095	\$ 21,737	\$ 47,840	\$ 23,750
Business-type Activities						
Fiscal Year	OWDA Loans		OPWC Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Ending						
December 31						
2002	\$ 3,420	\$ 2,979	\$ 214	\$ -	\$ 9,917	\$ 8,762
2003	3,685	2,715	192	-	10,425	8,170
2004	3,974	2,428	192	-	10,992	7,534
2005	3,714	2,113	192	-	10,756	6,860
2006	3,998	1,831	192	-	11,190	6,223
2007-2011	14,396	5,777	962	-	55,100	21,812
2012-2016	11,852	2,152	962	-	46,424	7,697
2017-2021	2,577	260	639	-	6,756	490
2022-2026	-	-	-	-	65	3
	\$ 47,616	\$ 20,255	\$ 3,545	\$ -	\$ 161,625	\$ 67,551

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 fixed assets of the Water System that had net carrying value of approximately \$128,773,000 at December 31, 2001. 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 debt service fund. Revenue bonds 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 from the City's General Fund.

10. Long-Term Debt (Continued)

Bond Indenture Agreements for the Waterworks System Mortgage Revenue Bond dated May 15, 1994, the Waterworks System Mortgage Revenue Improvement Bond dated January 15, 1996, the Sanitary Sewer System Revenue Bonds dated June 1, 1996, the Sanitary Sewer System Revenue Bonds dated January 1, 1997, the Sanitary Sewer System Improvement and Refunding Revenue Bond dated April 1, 1998, and the Waterworks System Mortgage Revenue Improvement Bonds dated February 1, 1998, require deposits to a debt service fund based on a calculation of net operating revenues. The Sewer System Revenue Bond Indenture Agreement dated April 1, 1998 requires that a debt service reserve fund be created and maintained at a minimum of \$4,699,018 for the Series 1996 Bonds, the Series 1997 Bonds, and the Series 1998 Bonds. The balances in the debt service reserve fund and the debt service fund at December 31, 2001 were as follows:

	Waterworks System 1994 Issue	Waterworks System 1996 Issue	Waterworks System 1998 Issue	Sewer System 1996, 1997, and 1998 Issues
Minimum balance of debt service reserve fund	\$ -	\$ -	\$ -	\$ 4,699,018
Actual balance of debt service reserve fund	<u>1,294,344</u>	<u>785,211</u>	<u>1,139,388</u>	<u>4,818,648</u>
Excess	<u>\$ 1,294,344</u>	<u>\$ 785,211</u>	<u>\$ 1,139,388</u>	<u>\$ 119,630</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, 2001, the City's total net debt amounted to 3.4% of the total assessed value of all property within the City and unvoted net debt amounted to 3.3% of the total assessed value of all property within the City.

On November 15, 2001, the City issued \$52,755,000 in general obligation bonds (Various Purpose Improvement and Refunding Bonds, Series 2001, dated as of November 1, 2001, maturing on December 1, 2002 through 2022) with interest rates ranging from 3.0% to 5.5%. Out of the net proceeds of \$53,774,707 (after payment of \$664,599 in underwriting fees, insurance, and other issuance costs, and including a premium of \$1,591,482), \$28,737,105 plus an additional \$3,875,395 of City funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the following issues:

- \$1,165,000 Various Purpose Improvement Bonds, Series 1991, dated as of June 1, 1991, maturing on December 1 from 2001 through 2011
- \$10,785,000 Various Purpose Improvement Bonds, Series 1992, dated as of November 1, 1992, maturing on December 1, 2001 through 2013
- \$1,940,000 Street Improvement Bonds, Series 1992, dated as of November 1, 1992, maturing on December 1, 2001 through 2013
- \$15,825,000 City of Akron Various Purpose Improvement Bonds, Series 1994, dated as of June 15, 1994, maturing on December 1, 2001 through 2014

10. Long-Term Debt (Continued)

As a result, the above bonds 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 over the next 13 years by approximately \$1,431,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1,174,000. The net difference between the reacquisition price and the carrying amount of the old debt has been recorded as a component of deferred bond issuance costs and is being amortized over the previous remaining life of the old debt.

The City has defeased certain enterprise fund 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, 2001:

Issue	Defeasance Date	Original Amount		Principal Outstanding at 12/31/01
		Defeased	Escrowed	
Waterworks System First Mortgage Revenue Bonds Series 1991	1996	\$ 19,090,000	\$ 20,726,104	\$ 16,820,000
Sewer System Improvement General Obligation Bonds	1998	7,800,000	8,317,677	<u>5,400,000</u>
				<u><u>\$ 22,220,000</u></u>

In July, 1995, the City entered into an agreement to guarantee \$3 million of bank loan financing for a developer. The total amount of financing obtained by such developer is \$15.5 million. As a part of this guarantee, the City must deposit in escrow \$3 million with the banks involved with the financing. As of December 31, 2001, the entire \$3 million has been placed in escrow.

During 2001, the City entered into an amendment and restatement of cooperative agreement among various parties to unconditionally guarantee the principal and interest payments of the Summit County Port Authority Revenue Bonds (Akron Civic Theatre Project), issued by the Summit County Port Authority. The bonds were issued September 1, 2001 in the amount of \$14,646,070. The City believes that the Summit County Port Authority is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the bonds; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2001.

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, 2001, there was one industrial revenue bond outstanding. The aggregate principal amount payable for the issue was \$845,000.

11. Obligations Under Capitalized Leases

In November, 1996, \$28.9 million Series 1996 Convertible Capital Appreciation Certificates of Participation (COPs) were issued by a bank to finance the costs of the construction of a professional baseball stadium (meeting class "AA" standards) within the City. In connection with the issuance of the Series 1996 COPs, the City entered into a capital lease agreement (as lessee) for the baseball stadium. The City will make lease payments during successive annual renewal periods through November 25, 2016, providing City Council appropriates funds each year for that purpose. If the lease is paid through November 25, 2016, the City will acquire title to the baseball stadium. The lease agreement also includes a purchase option during the years 2001 through 2016.

Future COPs payments are as follows as of December 31, 2001:

<u>Year</u>	<u>Payments</u>
2002	\$ 3,941,525
2003	3,938,320
2004	3,940,620
2005	3,941,097
2006	3,943,010
2007-2011	19,699,720
2012-2016	<u>19,702,093</u>
Total lease payments	59,106,385
Less amount representing interest	<u>33,183,290</u>
Present value of lease payments	<u>\$ 25,923,095</u>
Net book value of leased assets	<u>\$ 26,826,283</u> *

* Amount represents the entire net book value of the facility recorded in the statement of net assets including amounts provided by other financing sources.

Unspent funds of approximately \$4 million provided from the COPs are recorded as restricted assets in the governmental activities in the accompanying statement of net assets as of December 31, 2001. In the unlikely event the lease is terminated, the restricted funds are available for payment of the certificates.

12. 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 to \$100,000,000 per occurrence, with a variety of deductibles beginning at \$50,000. Coverage is purchased on 1,222 vehicles for combined single-limit liability of \$1,000,000. 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 annual medical insurance 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'

12. Self-Insurance Funds (Continued)

Compensation for injured workers' claims subject to a maximum annual claim limit of \$300,000 for each worker's compensation claim. All funds of the City participate in the program and make payments to the internal service fund based on the experience premium that would normally be charged by the Ohio Bureau of Workers' Compensation. Future claims liabilities are actuarially determined.

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

The claims liabilities of \$2,821,648, \$7,165,905 and \$743,705 reported in the Medical, Workers' Compensation, and Self-Insurance Settlement funds, respectively, at December 31, 2001, are in accordance with the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and GASB Statement No. 30, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. These GASB statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities recorded include the estimated incremental expenses to be incurred to settle the claims, including legal fees. Claims liabilities are based on evaluations of individual claims and a review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported. The claims liabilities represent the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Estimated future recoveries on settled and unsettled claims, such as subrogations, if any, are evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims. Any adjustments resulting from the actual settlement of the claims are reflected in the financial statements at the time the adjustments are determined. Changes in the funds' claims liabilities amounts in fiscal 2000 and 2001 were:

	Beginning of Year Liability	Claim Adjustments	Current Period Claims	Claim Payments	Balance at End of Year
<u>Medical Self-Insurance Fund</u>					
2000	\$ 4,587,330	\$ -	\$ 14,628,452	\$ (16,823,097)	\$ 2,392,685
2001	2,392,685	-	15,653,913	(15,224,950)	2,821,648
<u>Workers' Compensation Reserve Fund</u>					
2000	8,772,051	(1,078,593)	1,950,211	(336,159)	9,307,510
2001	9,307,510	(2,368,039)	2,126,848	(1,900,414)	7,165,905
<u>Self-Insurance Settlement Fund</u>					
2000	672,103	-	149,058	(203,441)	617,720
2001	617,720	-	262,089	(136,104)	743,705

13. Long-term Liabilities

The City reports the following amounts relating to the government's long-term liabilities for the year ended December 31, 2001:

		Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Governmental Activities:					
Governmental Funds:					
	Accrued vacation and leave	\$ 43,970,910	\$ 14,696,691	\$ (16,378,813)	\$ 42,288,788
	Due to other governments	8,768,239	1,300,000	(571,358)	9,496,881
		-	-	-	-
	Total Governmental Funds	52,739,149	15,996,691	(16,950,171)	51,785,669
Internal Service Funds:					
	Accrued vacation and leave	1,104,776	1,151,646	(1,206,790)	1,049,632
	Estimated liability for unpaid claims	9,307,510	2,126,848	(4,867,341)	6,567,017
	Total Internal Service Funds	10,412,286	3,278,494	(6,074,131)	7,616,649
	Total Governmental Activities	63,151,435	19,275,185	(23,024,302)	59,402,318
Business-type Activities:					
Enterprise Funds:					
	Water				
	Accrued vacation and leave	2,453,388	1,673,290	(1,663,146)	2,463,532
	Sewer				
	Accrued vacation and leave	1,399,992	736,283	(847,584)	1,288,691
	Other Business-type Activities				
	Accrued vacation and leave	231,201	81,938	(70,332)	242,807
	Total Enterprise Funds/ Business-type Activities	4,084,581	2,491,511	(2,581,062)	3,995,030
	Total	\$ 67,236,016	\$ 21,766,696	\$ (25,605,364)	\$ 63,397,348

The above liabilities are generally liquidated by the various operating funds.

14. Deficit Fund Balances

The following funds have fund balance deficits or retained earnings deficits at December 31, 2001:

Special Revenue Funds:

Special Assessment Street Cleaning	\$ 3,847,041
Law Enforcement	272,946
Building Code Enforcement	12,356
Community Development	961,839
Alcohol and Drug Abuse Counseling	324,001
Supplemental Food Program	11,492
Sexually Transmitted Disease Control	13,767
Akron Metro. Area Transportation Study	208,271
Summer Lunch Program	390
Lead Poisoning Prevention	1,654
Section 108 Loans	38,238
Balch Street Recreation Center	13,952
Police Grants	26,703
Various Domestic Violence	9,648
Recreation Special Purpose	62,452

Capital Project Funds:

Non-appropriated Capital Projects	664,652
Streets	3,841,478
Massillon Road Industrial Park	2,852,523
Projects Fund by G.O. Bonds	3,764,100
GoJo Headquarters Improvements	1,342,401
Capital Projects with Private Funding	1,318,898
North Turkeyfoot Industrial Park	1,437,070
Facilities and Projects with Various Funding	60

Internal Service Funds:

Self-Insurance Settlement	3,733,156
Engineering Bureau	1,106,515
Management Information Systems	5,390,355

The special revenue funds that have deficit fund balances at year-end have incurred expenditures that have not yet been reimbursed. The Special Assessment Street Cleaning Fund is short-term and is repaid through special assessments collected in the following year, thus always resulting in a deficit at year-end.

The majority of the capital projects funds that have deficit fund balances at year-end have incurred expenditures that have not yet been reimbursed from debt issuance and/or transfers. Non-appropriated Capital Projects and Streets are two of the funds where the City carries out programs in its capital budget for which pooled cash is spent up front. Once the particular project is completed, the City seeks reimbursement from a variety of pertinent sources.

14. Deficit Fund Balances (Continued)

The internal service funds that have deficit retained earnings balances at year-end have incurred expenses above charges for services. User charges will be assessed to eliminate the deficits. The majority of the deficit in the Self-Insurance Settlement Fund is the result of issuing \$3,100,000 in bonds in 1996 for the lawsuit settlement with OWDA regarding RES. The remaining deficit is the estimated accrued liability for claims. The City's policy is to transfer funds from the pertinent division's operating budget for actual claim settlements to reimburse the Self-Insurance Settlement Fund. The Engineering Bureau raised its applied overhead rate charged to capital projects in March 2002 to address the deficit in its internal service fund. The deficit in the Management Information Systems Fund is the result of issuing bonds to cover the costs of implementing new and updated technology, including the network infrastructure, mainframe, accounting system, and payroll and personnel systems. The bonds are being repaid with user fees charged to each division's operating budget.

15. Income Taxes

The City levies a tax at the rate of 2% 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.

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

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

16. Property Taxes

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

Real property taxes are levied each October on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor 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 1996 for collection in 1997. The next sexennial revaluation will be completed this year for collection in 2003. In addition, the County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal) taxable real property values triennially to reflect true values.

16. Property Taxes (Continued)

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

Generally, tangible personal property used in business (except certain public utilities) is currently assessed for ad valorem taxation purposes at 25% of true value (in general, the same as net book value). Public utility tangible personal property (with some exceptions), land and improvements are assessed at 88% of true value.

The assessed value upon which the 2001 property tax was based aggregated \$2,896,506,000. The assessed value for 2001 (upon which the 2002 property tax will be based) is approximately \$2,928,995,000.

Under the current allocation method, the City's share was .909% (9.09 mills) of assessed value in 2001 for collection in 2002. 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 County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Akron. The County Auditor periodically remits to the City its portion of the taxes collected. Current real property and tangible personal property tax collections for the year ended December 31, 2001, including delinquencies from prior years, were 98.1% and 102.6%, respectively, of the current year tax levy.

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

17. 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. 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 contract, the net JEDD revenues are allocated to the City and Fairlawn, with the City providing water and sewer services. A payment representing 10% of the net revenues for six years commencing January 1, 2000 will be delivered to Bath Township on or before March 15, 2006. The amount for calendar years 2000 and 2001 has been estimated at \$1,300,000 and has been recorded in the statement of net assets as a noncurrent liability. In addition, Bath Township receives an annual payment of \$250,000 for ten years from the City. The City has recorded the \$2,000,000 remaining balance as of December 31, 2001 due to Bath Township on the financial statements with \$250,000 as a current liability and a noncurrent liability of \$1,750,000.

18. Transfers

For the year ended December 31, 2001, operating transfers presented in conformity with generally accepted accounting principles (GAAP) consisted of the following:

	Transfers Out	Transfers In						
		General Fund	Special Assessment Bond Payment	Other Governmental Funds	Water Fund	Sewer Fund	Other Enterprise Funds	Internal Service Funds
General Fund:								
Other Governmental Funds	\$ 5,239,434	\$ -	\$ -	\$ 5,239,434	\$ -	\$ -	\$ -	\$ -
Sewer	50,173	-	-	-	-	50,173	-	-
Other Enterprise Funds	300,000	-	-	-	-	-	300,000	-
Internal Service Funds	70,300	-	-	-	-	-	-	70,300
Total General Fund	\$ 5,659,907	\$ -	\$ -	\$ 5,239,434	\$ -	\$ 50,173	\$ 300,000	\$ 70,300
Special Assessment								
Bond Payment:								
Other Governmental Funds	\$ 4,444,515	\$ -	\$ -	\$ 4,444,515	\$ -	\$ -	\$ -	\$ -
Water Fund:								
Other Governmental Funds	\$ 159,751	\$ -	\$ -	\$ 159,751	\$ -	\$ -	\$ -	\$ -
Internal Service Funds	18,000	-	-	-	-	-	-	18,000
Total Water Fund	\$ 177,751	\$ -	\$ -	\$ 159,751	\$ -	\$ -	\$ -	\$ 18,000
Sewer Fund:								
Other Governmental Funds	\$ 395,431	\$ -	\$ -	\$ 395,431	\$ -	\$ -	\$ -	\$ -
Internal Service Funds	15,750	-	-	-	-	-	-	15,750
Total Sewer Fund	\$ 411,181	\$ -	\$ -	\$ 395,431	\$ -	\$ -	\$ -	\$ 15,750
Off-Street Parking:								
Other Governmental Funds	\$ 1,205,056	\$ -	\$ -	\$ 1,205,056	\$ -	\$ -	\$ -	\$ -
Nonmajor Funds:								
Other Governmental Funds	\$ 25,359,050	\$ 3,209,310	\$ 245,135	\$ 20,584,256	\$ 391,212	\$ 402,213	\$ 9,000	\$ 517,924
Other Enterprise Funds	149,989	-	-	149,989	-	-	-	-
Internal Service Funds	2,941,491	150,000	-	2,626,491	-	-	-	165,000
Total Nonmajor Funds	\$ 28,450,530	\$ 3,359,310	\$ 245,135	\$ 23,360,736	\$ 391,212	\$ 402,213	\$ 9,000	\$ 682,924
Total	\$ 40,348,940	\$ 3,359,310	\$ 245,135	\$ 34,804,923	\$ 391,212	\$ 452,386	\$ 309,000	\$ 786,974

19. Contingencies

(1) Litigation

The City is a defendant in a number of lawsuits pertaining to matters that are incidental to performing routine governmental functions. In a wrongful employment termination case, the plaintiff was awarded \$1.7 million dollars and in a destruction of public documents case, the plaintiffs were awarded \$861,908. The City of Akron is appealing both of these judgments and there is likelihood that the judgments may be reduced or reversed. 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.

20. Closure and Post-Closure Care Costs

On November 9, 1998 the City entered into an agreement to transfer control and operating responsibility of the Hardy Road Landfill (Landfill) to Akron Regional Landfill Inc. (ARLI). Under the agreement, the Landfill and certain real property immediately adjacent to the Landfill known as the Greenfield Facility may eventually be transferred to ARLI. ARLI assumed full responsibility for all costs for operation, permitting, groundwater monitoring, closure, and post-closure costs of the Landfill. ARLI has leased the Landfill and at a future date will purchase the Greenfield Facility upon completion of certain conditions per the agreement. The City and ARLI have requested the Ohio Environmental Protection Agency to permit the Greenfield Facility to be used as a landfill and the initial application has been denied. An appeal is being filed. In the event such permit is not issued, ARLI will construct a transfer station within the City. The City also agreed to use the ARLI-controlled landfill facility for disposal of ninety percent of the refuse collected by the City's sanitation department. See Note 23 regarding the closing of the Hardy Road Landfill. During 2000, a civil penalty related to the landfill amounting to \$750,000 was levied against the City. The civil penalty was accrued for during 2000, and \$459,081 remains as a liability at December 31, 2001.

21. Restatement of Beginning Balances

Effective January 1, 2001, the City early implemented GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, an amendment of GASB Statements No. 21 and No. 34. The City also implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*. Implementation of these GASB Statements resulted in a change in beginning balances as reported in the financial statements. The following balances were restated:

	Original Balance as of January 1, 2001	Restatement	Balance January 1, 2001 as Restated
Governmental Activities:			
Governmental Funds:			
General Fund	\$ 13,692,005	\$ 2,655,083	\$ 16,347,088
Special Assessment Bond Payment	3,222,269	(3,256,734)	(34,465)
Other Governmental Funds	60,093,452	295,872	60,389,324
Total Governmental Funds	77,007,726	(305,779)	76,701,947
Internal Service Funds	1,614,336	(30,375)	1,583,961
Adjustments to convert to accrual accounting from modified accrual accounting:			
Capital assets	634,222,243	(94,345,139)	539,877,104
Long-term liabilities	(317,034,488)	-	(317,034,488)
GASB No. 33 and No. 36 adjustment	-	26,899,913	26,899,913
Accounts payable	-	(618,790)	(618,790)
Accrued interest	-	(1,465,768)	(1,465,768)
Total Governmental Activities	395,809,817	(69,865,938)	325,943,879
Business-type Activities:			
Enterprise Funds:			
Water	63,810,725	-	63,810,725
Sewer	160,902,447	(14,100)	160,888,347
Off-Street Parking	38,730,538	(1,573)	38,728,965
Other Enterprise Funds	9,490,955	-	9,490,955
Total Business-type Activities	272,934,665	(15,673)	272,918,992
	\$ 668,744,482	\$ (69,881,611)	\$ 598,862,871
Fiduciary net assets	\$ 194,322	\$ (189,794)	\$ 4,528

22. Special Item

During 2001, the City recorded a \$6,250,000 special item – loss on debt forgiveness pursuant to an amendment and restatement of cooperative agreement which terminated a loan agreement with Inventure Place, Inc. The City anticipates that the additional bed tax revenues received by the City pursuant to the amended agreement will be sufficient to recover the loss on debt forgiveness.

23. Subsequent Events

Pursuant to the Ohio Environmental Protection Agency's ruling, the Hardy Road Landfill officially closed on June 30, 2002. The City will divert its waste to Waste Management's American Landfill in Stark County.

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City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2001

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Property taxes	\$ 15,023,020	\$ 15,860,000	\$ 15,238,356
Investment earnings	4,000,000	4,000,000	4,000,000
Local government	15,574,810	15,574,810	15,443,729
State taxes	5,434,840	5,434,840	7,320,804
Other revenue	27,317,860	26,480,880	25,950,708
	<u>67,350,530</u>	<u>67,350,530</u>	<u>67,953,597</u>
Other sources:			
Income tax transfers in	68,061,740	68,061,740	66,700,000
Other transfers in	1,000,000	1,000,000	1,000,000
Previous year's encumbrances	2,621,184	2,621,184	2,621,184
	<u>71,682,924</u>	<u>71,682,924</u>	<u>70,321,184</u>
Total revenues and other sources	139,033,454	139,033,454	138,274,781
Expenditures and other uses			
Expenditures:			
General Governmental:			
Civil Service Commission:			
Wages/benefits	1,420,500	1,448,500	1,430,168
Other	131,705	139,705	134,812
	<u>1,552,205</u>	<u>1,588,205</u>	<u>1,564,980</u>
Finance:			
Administration:			
Wages/benefits	2,034,500	1,989,590	1,941,418
Other	4,292,248	4,742,248	4,517,982
	-	15,000	13,068
	<u>6,326,748</u>	<u>6,746,838</u>	<u>6,472,468</u>
Law:			
Wages/benefits	2,673,380	2,593,380	2,556,221
Other	805,855	909,855	895,249
	<u>3,479,235</u>	<u>3,503,235</u>	<u>3,451,470</u>
Legislative:			
Wages/benefits	755,470	725,470	708,899
Other	304,944	284,944	242,769
Capital outlay	15,196	15,196	10,000
	<u>1,075,610</u>	<u>1,025,610</u>	<u>961,668</u>

City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2001
(continued)

	Budgeted Amounts		
	Original	Final	Actual Amounts
Municipal Court - Clerk:			
Wages/benefits	\$ 2,324,030	\$ 2,304,030	\$ 2,261,437
Other	273,018	353,018	310,566
Capital outlay	12,000	12,000	9,859
	<u>2,609,048</u>	<u>2,669,048</u>	<u>2,581,862</u>
Municipal Court - Judges:			
Wages/benefits	2,705,060	2,665,060	2,597,018
Other	298,947	289,947	296,344
Capital outlay	9,350	9,350	350
	<u>3,013,357</u>	<u>2,964,357</u>	<u>2,893,712</u>
Office of the Mayor:			
Wages/benefits	2,276,940	2,116,940	2,040,548
Other	398,087	438,087	411,524
	<u>2,675,027</u>	<u>2,555,027</u>	<u>2,452,072</u>
Planning Administration:			
Wages/benefits	1,119,590	1,119,590	1,088,368
Other	114,277	114,277	103,130
	<u>1,233,867</u>	<u>1,233,867</u>	<u>1,191,498</u>
Public Health:			
Wages/benefits	5,742,620	5,892,620	5,812,835
Other	1,001,749	1,161,749	1,135,813
Capital outlay	38,000	38,000	35,419
	<u>6,782,369</u>	<u>7,092,369</u>	<u>6,984,067</u>
Public Safety:			
Wages/benefits	7,496,770	7,296,770	7,116,405
Other	10,594,319	10,364,319	10,170,059
Capital outlay	30,600	65,600	59,090
	<u>18,121,689</u>	<u>17,726,689</u>	<u>17,345,554</u>
Public Service:			
Wages/benefits	12,049,810	11,474,810	11,265,520
Other	10,433,475	11,000,975	10,931,748
Capital outlay	7,500	7,500	11,521
	<u>22,490,785</u>	<u>22,483,285</u>	<u>22,208,789</u>
Fire:			
Wages/benefits	24,279,760	24,919,760	24,559,487
Other	1,804,438	1,904,438	1,900,766
	<u>26,084,198</u>	<u>26,824,198</u>	<u>26,460,253</u>

City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2001
(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Police:			
Wages/benefits	\$ 36,195,620	\$ 36,195,620	\$ 35,522,003
Other	4,266,282	4,266,282	4,257,676
Capital outlay	65,584	65,584	65,566
	<u>40,527,486</u>	<u>40,527,486</u>	<u>39,845,245</u>
Total expenditures	135,971,624	136,940,214	134,413,638
Other uses:			
Transfer to Airport	306,360	306,360	300,000
Transfer to Highway Maintenance	2,000,000	3,912,500	3,500,000
	<u>2,306,360</u>	<u>4,218,860</u>	<u>3,800,000</u>
Total expenditures and other uses	<u>138,277,984</u>	<u>141,159,074</u>	<u>138,213,638</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	755,470	(2,125,620)	61,143
Fund balance, January 1, 2001	<u>5,577,248</u>	<u>5,577,248</u>	<u>5,577,248</u>
Fund balance, December 31, 2001	<u>\$ 6,332,718</u>	<u>\$ 3,451,628</u>	<u>\$ 5,638,391</u>

City of Akron, Ohio

Notes to the Budgetary Comparison Schedule – General Fund

For the Year Ended December 31, 2001

1. 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 – General Fund 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 only major governmental fund formally budgeted by the City is the general fund.

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

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

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

		General Fund		
	Excess of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ 61,143		
	Adjustments:			
	To adjust revenues for accruals	(3,264,109)		
	To adjust expenditures for accruals	(2,518,536)		
	To adjust for encumbrances	291,143		
	Deficiency of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	<u>\$ (5,430,359)</u>		

CITY OF AKRON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2001**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
DEPARTMENT OF AGRICULTURE		
From the Ohio Department of Health:		
Child Nutrition Cluster:		
Summer Food Service Program for Children	10.559	\$ 95,578
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	<u>1,348,581</u>
Total Department of Agriculture		<u>1,444,159</u>
ENVIRONMENTAL PROTECTION AGENCY		
From the Ohio EPA:		
Air Pollution Control Program Support	66.001	196,300
Study Brownfields Demonstration	66.811	<u>107,299</u>
Total Environmental Protecting Agency		<u>303,599</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
From the Ohio Department of Health:		
Childhood Lead Poisoning Prevention	93.197	60,876
Immunization Action Plan	93.268	209,040
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	142,086
Presentation and Treatment of Substance Abuse	93.959	144,947
Injury Prevention	93.991	25,683
Cardiovascular Disease Risk Reduction	93.991	5,461
TB Screening	93.991	<u>19,885</u>
Total CFDA No. 93.991		51,029
Child and Family Health Services	93.994	527,705
Dental Sealant Program	93.994	<u>36,925</u>
Total CFDA No. 93.994		564,630
AIDS Health Education	93.940	243,579
HIV-Ryan White Program	93.940	<u>42,202</u>
Total CFDA No. 93.940		285,781
Ryan White Planning/Evaluation	93.917	34,000
Community Based Care Grant	93.917	<u>54,954</u>
Total CFDA No. 93.917		88,954
Refugee Health Screening	93.576	30,196
Sexually Transmitted Disease Control	93.977	67,068
STD Diagnostic	93.977	<u>2,525</u>
Total CFDA No. 93.977		69,593
Outpatient Early Intervention Services	93.918	50,000
HRSA Grant	93.918B	<u>13,102</u>
Total CFDA No. 93.918		<u>63,102</u>
Total Department of Health and Human Services		<u>1,710,234</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Programs:		
CDBG - Entitlement and (HUD-Administered) Small Cities Cluster:		
Community Development Block Grants/Entitlement Grants	14.218	8,924,569
Emergency Shelter Grants Program	14.231	268,986
Home Investment Partnership Program	14.239	3,899,308
Lead-Based Paint:		
Lead Based Paint - Hazard Control in Privately Owned Housing	14.900	184,922
HUD Lead Hazard Control	14.900	<u>989,070</u>
Total CFDA No. 14.900		1,173,992
From the Ohio Department of Human Services:		
Empowerment Zones Program	14.244	<u>219,381</u>
Total Department of Housing and Urban Development		<u>14,486,236</u>

(Continued)

CITY OF AKRON, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2001**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
DEPARTMENT OF JUSTICE		
Direct Programs:		
Local Law Enforcement Block Grants Program	16.592	335,106
Public Safety Partnership and Community Policing Grants:		
Universal Hiring II	16.710	344,638
Cops Advancing Community Policing	16.710	35,162
Cops School Based Partnership	16.710	<u>9,583</u>
Total CFDA No. 16.710		389,383
From the Governor's Office of Criminal Justice Services:		
Executive Office for Weed and Seed	16.595	164,764
Juvenile Accountability Incentive Block Grant	16.523	<u>46,312</u>
Total Department of Justice		<u>935,565</u>
DEPARTMENT OF TRANSPORTATION		
From Ohio Department of Highway Safety:		
Highway Safety Cluster:		
ODOT - Akron Metropolitan Transportation Study	20.600	16,384
Cops in Shops	20.600	<u>26,432</u>
Total CFDA No. 20.600		42,816
Highway Planning and Construction:		
ODOT - Akron Metropolitan Transportation Study	20.205	772,971
ODOT - Maiden Lane - Polsky Skywalk	20.205	540,591
ODOT - Riverview Bikeway - Phase 2	20.205	414,734
ODOT - US 224 Upgrade	20.205	299,720
ODOT - Valleyview Bikeway - Phase 2	20.205	3,799
ODOT - Lock 1 Hike/Bike Trail	20.205	57,985
ODOT - Darrow Road	20.205	1,064,497
ODOT - West Market Street	20.205	4,270,767
ODOT - North Portage Path	20.205	575,045
ODOT - Seiberling Street	20.205	<u>19,350</u>
Total CFDA No. 20.205		8,019,459
Total Department of Transportation		<u>8,062,275</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 26,942,068</u>

See notes to supplemental schedule of expenditures of federal awards.

(Concluded)

CITY OF AKRON, OHIO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2001

1. BASIS OF PRESENTATION

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

2. SUBRECIPIENTS

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

Program Title	Federal CFDA No.	Amount Provided to Subrecipients
Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	\$ 519,494
CDBG- Entitlement and (HUD-Administered) Small Cities Cluster - Community Development Block Grant/Entitlement Grants	14.218	1,089,526
Emergency Shelter Grants Program	14.231	253,535
HOME Investment Partnership Program	14.239	428,278
Empowerment Zone Program	14.244	172,993
Lead-Based Paint Hazard Control in Privately Owned Housing	14.900	3,585
HUD Lead Hazard Control	14.900	802,592
Juvenile Accountability Block Grant	16.523	46,312
Local Law Enforcement Block Grant 99	16.592	81,178
Local Law Enforcement Block Grant 00	16.592	30,664
Weed & Seed 98	16.595	2,873
Weed & Seed 99	16.595	87,440
Immunization Action Plan	93.268	121,751
Ryan White Planning/Evaluation	93.917	34,000
Community Based Care	93.917	59,318
HRSA Grant	93.918	50,000
HRSA - HIV Grant	93.918	13,102
HIV Prevention Activities	93.940	201,178
Child and Family Health Services	93.994	<u>263,129</u>
Total		<u>\$4,260,948</u>

3. LOANS OUTSTANDING

The City of Akron, Ohio, had the following loan balances outstanding at December 31, 2001, which had continuing compliance requirements.

Program Title	Federal CFDA No.	Balance Outstanding
Empowerment Zone Program	14.244	\$ 223,377
HOME Investment Partnership Program	14.239	1,482,444

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON THE AUDIT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the basic financial statements of the City of Akron, Ohio (the "City"), as of and for the year ended December 31, 2001, and have issued our report thereon dated July 15, 2002, which included an explanatory paragraph regarding the implementation of new accounting standards. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we did note certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated July 15, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated July 15, 2002.

This report is intended solely for the information and use of City management, federal awarding agencies, the Auditor of the State of Ohio, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

July 15, 2002

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO
EACH MAJOR FEDERAL AWARD PROGRAM**

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

Compliance

We have audited the compliance of the City of Akron, Ohio (the "City"), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2001. The City's major federal programs are identified in the summary of auditors' results section of the accompanying Supplemental Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2001.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of City management, federal awarding agencies, the Auditor of the State of Ohio, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

July 15, 2002

CITY OF AKRON, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2001

PART I - SUMMARY OF AUDITORS' RESULTS

- The independent auditors' report on the financial statements expressed an unqualified opinion.
- Reportable Conditions in Internal Control Disclosed by the Audit of the Financial Statements - N/A (None reported).
- Noncompliance Noted that is Material to the Financial Statements of the City - None.
- Reportable Conditions in Internal Control Over Major Federal Financial Assistance Programs Disclosed by the Audit of the Financial Statements - N/A (None reported).
- The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
- The audit disclosed no findings required to be reported by OMB Circular A-133.
- The City's major programs were:

Program Name	CFDA No.
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557
Community Development Block Grants/Entitlement Grants	14.218
HUD Lead Based Paint Hazard Control	14.900
Executive Office for Weed and Seed	16.595
Highway Planning and Construction	20.205

- A threshold of \$808,262 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
- The City did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II - FINANCIAL STATEMENT FINDINGS SECTION

None

CITY OF AKRON, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2001

PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COST SECTION

None

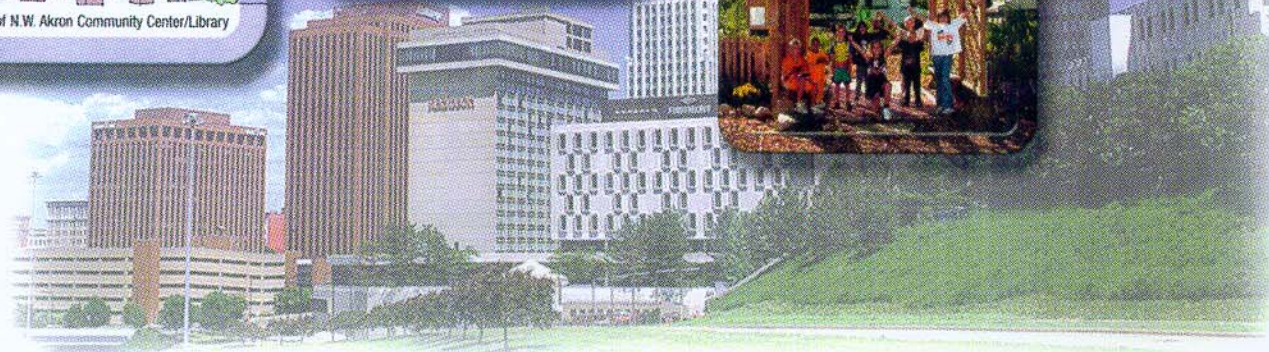
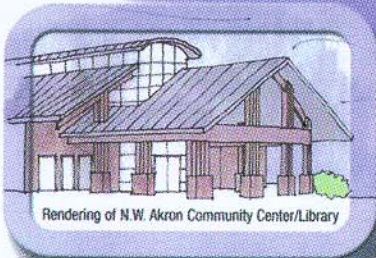
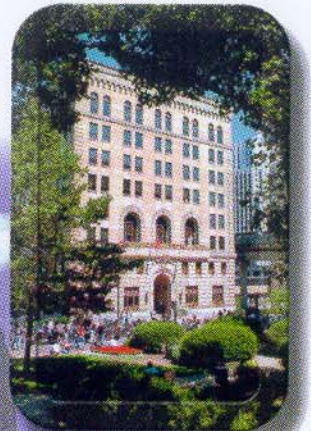
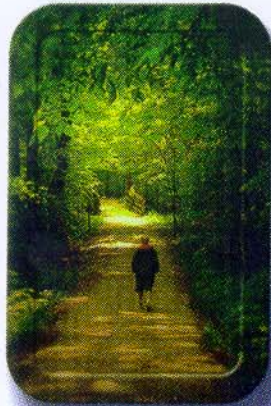
CITY OF AKRON, OHIO

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2001**

None

City of Akron, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year ended December 31, 2001
Donald L. Plusquellic, Mayor

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City of Akron, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



For the Fiscal Year ended December 31, 2001

Donald L. Plusquellic, Mayor

Issued by the Department of Finance

Catherine G. Watson, Director

Diane L. Miller-Dawson, Deputy Director

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**INTRODUCTORY
SECTION**

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ELECTED AND APPOINTED OFFICIALS

MAYOR

Donald L. Plusquellic

COUNCIL MEMBERS

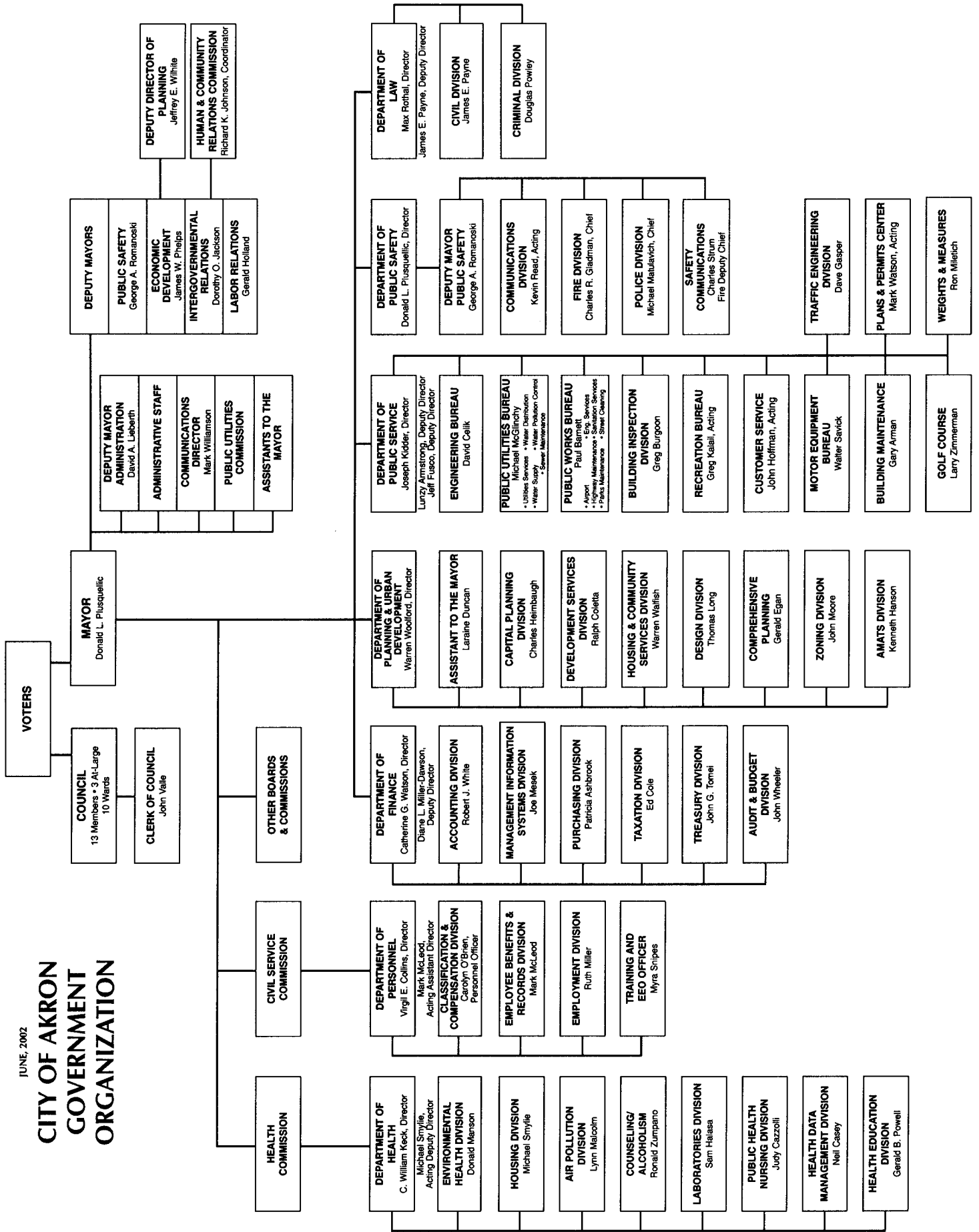
Daniel M. Horrigan	1st Ward
Joseph A. Finley	2nd Ward
Marco S. Sommerville, President	3rd Ward
Renee' L. Greene	4th Ward
James D. Shealey	5th Ward
Dr. Teresa H. Albanese	6th Ward
Mary Ellen McAvoy	7th Ward
Robert E. Keith	8th Ward
Michael N. Freeman	9th Ward
Garry L. Moneyppenny	10th Ward
Michael D. Williams	Councilman-at-Large
John R. Conti, President Pro-Tem	Councilman-at-Large
John R. Otterman, Vice President	Councilman-at-Large

CABINET OF THE MAYOR

Catherine G. Watson	Director of Finance
Diane Miller-Dawson	Deputy Director of Finance
Max Rothal	Director of Law
James E. Payne	Deputy Director of Law
Joseph P. Kidder	Director of Public Service
Lunzy O. Armstrong	Deputy Director of Public Service
Jeffery C. Fusco	Deputy Director of Public Service
Warren L. Woolford	Director of Planning and Urban Development
James W. Phelps	Deputy Mayor for Economic Development
Dorothy O. Jackson	Deputy Mayor for Intergovernmental Relations
George A. Romanoski	Deputy Mayor for Public Safety
Gerald O. Holland	Deputy Mayor for Labor Relations
Jeffery E. Wilhite	Deputy Director of Planning
Vince Ciraco	Assistant to the Mayor
Laraine Duncan	Assistant to the Mayor
Mark A. Williamson	Communications Director
David A. Lieberth	Deputy Mayor for Administration

CITY OF AKRON GOVERNMENT ORGANIZATION

JUNE, 2002



CITY OF AKRON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CITY OF AKRON, OHIO

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Catherine G. Watson
Director of Finance



Donna M. Urdiales
Executive Assistant

Diane L. Miller-Dawson
Deputy Director of Finance

Donald L. Plusquellic
Mayor

DEPARTMENT OF FINANCE

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

July 21, 2002

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, 2001. This report fully presents financial and operating information about the City's activities during 2001 that should be useful to citizens and taxpayers. The report, prepared by the Department of Finance, contains a comprehensive analysis of the City's financial position and activities for the year.

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

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

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

- The Introductory Section, which includes this letter of transmittal, contains information pertinent to the City's management and organization. References in this section to Note 1, Note 2, etc. are to Notes to the Financial Statements contained in the Financial Section of this report.
- The Financial Section contains the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information (RSI) and various other Statements and Schedules pertaining to the City's funds and activities.

- The Statistical Section contains numerous tables of financial and demographic information. Much of this information is shown with comparative data for the ten-year period from 1992 through 2001.

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 estimated 2000 Census population of 217,074. The City's land area is approximately 62 square miles and is located in the northeastern region of the state in the County of Summit.

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

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

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

The City contributes to two state-administered retirement plans covering various groups of City employees. The financial statements of these state-mandated plans are not included in the City's financial report as the plans are outside of our control and are independent of our financial resources or influence.

Economic Conditions and Outlook

Major revenue sources for the City continue to be the City's income tax, property taxes, local fees, service charges, and state shared local government revenue. Although many surrounding jurisdictions experienced a decrease in their income tax collections in 2001 due to the economic downturn, the City's cash income tax collections increased by 1.6%. On a cash basis for 2001, property taxes in the general fund increased by 3% and the state's local government revenue to the City increased 3.5%. The strengths of the local economy are reflected by the growth over the past five years in the fields of medical and health services, legal and professional services, communications, public utilities, and finance and related service industries. Income tax receipts from the 12 largest economic sectors in the City have increased nearly 15% since 1997 with receipts for eight of the 12 sectors growing by more than 20%. While these 12 sectors combined account for 81% of total tax collections, no one sector makes up more than 17% of the total collected.

Although the number of building permits issued in 2001 decreased by approximately 11% over the number of permits issued in 2000, the estimated valuation of the building permits issued increased 23%. We anticipate substantial increases in property valuations over the next several years due to the major capital projects planned by the University of Akron, the Akron-Summit County Public Library, and Summa Health System.

The financial outlook appears bright for the City of Akron. The revenue collected from our four Joint Economic Development Districts (JEDDs), approximately \$15 million in 2001, is an additional funding source to encourage and promote economic development and to secure a solid tax base.

Major Initiatives

We continue to focus most of our attention on neighborhoods and families. For over 25 years, the Community Development Block Grant (CDBG) program has assisted in the positive development of the City. Many neighborhoods have been stabilized through housing rehabilitation programs and capital improvement investments, keeping Akron's housing market one of the most affordable in the United States. The CDBG funds are important to the revitalization and stabilization of Akron and many other municipalities throughout the United States. The continuance of the program is vital to the growth of a community. The City of Akron has been notified by the U.S. Department of Housing and Urban Development (HUD) that it will be recognized at a ceremony to receive a "HUD award of excellence." The honor is for consistent and longstanding attention to providing local residents with the benefits of the CDBG Program in a timely and high-quality manner. The City's Neighborhood Development and Petition Areas witnessed the rehabilitation of 256 housing units. The City also participated in the rehabilitation of approximately 40 homes of elderly or disabled, low-income residents. The City's Minor and Emergency Home Repair Program assisted 94 houses, and the Citywide Minor Home Repair Program administered by the Housing Network repaired 21 houses. In 2001, the City worked with the Urban Neighborhood Development Corporation for the construction of 18 new homes, the sale of 17 new homes, and the purchase of 7 vacant lots. CDBG funds were used to support the social needs as well as the physical improvement of Akron's neighborhoods. Over \$522,578 was expended on services benefiting youth, elderly, and family development. An example of the services included Crisis Intervention through Victims' Assistance, the Retired Senior Volunteer Program, and the Boys and Girls Club.

As further evidence of our commitment to the neighborhoods, the City is continuing the Neighborhood Partnership Program. Grants are awarded by the City to neighborhood-based organizations for activities such as cleaning up vacant lots, providing tutoring and after-school programs for children, and renovating playgrounds. The neighborhood groups must match the Neighborhood Partnership Program grants with in-kind volunteer services as well as cash contributions. The 2002 grant program for community revitalization projects awarded 46 separate grants.

The City, under the strong leadership of Mayor Plusquellic, received national recognition at the annual meeting of the U.S. Conference of Mayors held in Madison, Wisconsin in June 2002. Mayor Donald L. Plusquellic was elected Chairman of the Advisory Board of the U.S. Conference of Mayors and is in line to become Conference Vice-President in 2003 and President in 2004. Mayor Plusquellic is also committed to regionalism, not only through the JEDDs but also by developing strong ties with the new mayor of Cleveland, Ohio—a major city that is approximately 35 miles north of Akron.

Our downtown activity has seen many renovations in the past few years. The City continues its commitment to the revitalization of downtown Akron as the largest single employment center in the region through the expansion and strengthening of the existing components including government, professional offices, utilities, education, culture, and entertainment through both public and private investment. The Akron-Summit County Public Library renovation and expansion is well under way and will double the existing usable square footage. A consultant has been selected to evaluate the feasibility of recapturing portions of the innerbelt for downtown development. The renovation of the Civic Theater is another exciting project underway in downtown. In addition to the projects in process, there were new businesses that opened during 2001 in the downtown area. Menches Brothers is a new restaurant that is located in the Canal Park Stadium and will remain open year round. A private developer renovated the United 1 Building on South Main Street at an estimated cost of \$2,000,000, and the City assisted with a \$45,000 facade grant and a loan subsidy. The City of Akron and County of Summit jointly contributed \$800,000 to

attract WKYC TV3 and Paxson Communications (TV23) to open a downtown Akron location for a jointly-produced Akron news broadcast.

The City has proactively addressed the parking issue in the downtown area. With the extensive development downtown, the administration realized early the ultimate need would be parking facilities. The renovation of the Opportunity Park Parking Deck is on schedule, and the City plans on repairing and resealing the Cascade Parking Deck during 2002. The City also assisted in the planning of a new 625-space parking deck to serve the Akron-Summit County Public Library, United Building, and surrounding area and also participated in the plans for a 425-space surface parking lot on the west bank of the canal by Advanced Elastomer Systems (AES).

Economic development continues to be another major initiative in the City of Akron. Our Economic Development Division is constantly working to attract new businesses to Akron and to assist existing ones in relocating for expansion purposes. The City was successful in attracting Coltene/Whaledent to relocate from out of state to Akron, which will result in 200 new jobs in Akron. The Swiss-based, multinational corporation makes products found in dental offices, dental laboratories and health care institutions in more than 115 countries. Many of its products are polymer-based and are used in applications in restorative dentistry, cosmetic dentistry, and orthodontics, a perfect complement to Akron's existing polymer industry base.

Akron utilizes its industrial parks as a tool to create and retain jobs. Akron has invested in nine industrial redevelopment areas. These include four active industrial parks including the 32-acre North Turkeyfoot Industrial Park located in the Akron/Coventry Joint Economic Development District (JEDD) and the 116-acre Massillon Road Industrial Park in the Akron/Springfield JEDD. Gardner Pie Company, located in the North Turkeyfoot Industrial Park, successfully transferred 30 employees from another location. The International Brotherhood of Electrical Workers (IBEW) Local #306 invested \$2.7 million in an electrician training facility and union office in the park. The Massillon Road Industrial Park also shows great potential. Quality Mold, Inc., the world's largest independent tire mold manufacturer, completed construction of a \$4 million facility and will consolidate several facilities in the area and employ 160 people, increasing to 250 over the next five years. AESCO Electronics, Inc., a manufacturer of electronic components, envisions moving 50 existing employees and adding an additional 40 employees within five years of completion of their facility. Within the Ascot Industrial Park expansion area (46.4 acres), in 2001 Arch Aluminum & Glass Company invested \$4 million in a new facility and created 70 new jobs and is anticipating adding 50 additional jobs within three years. Another area deemed for economic development is the Brown-Graves Redevelopment Area. The City and County of Summit are currently evaluating redevelopment opportunities for this 38-acre complex. The land located south of Miller (approximately 8 acres) will be developed for residential use. The County of Summit will use a portion of the land for jail expansion purposes, and the City will prepare and market the balance of the property for industrial use.

The City has applied for and received a Brownfields Assessment Demonstration Pilot Grant in the amount of \$250,000 from the United States Environmental Protection Agency (USEPA). These funds are being used to conduct environmental assessments, develop remedial alternatives and reuse analyses and risk assessments at six selected sites throughout the City. The City is submitting an application for \$200,000 in supplemental Brownfields Assessment Funds to be spent in a similar manner as the original Pilot Grant. The City also recently submitted two grant applications to the Clean Ohio Council of the Ohio Department of Development: (1) a \$2.8 million application for environmental clean-up of a site to locate a much needed grocery in East Akron and (2) a \$3 million application for clean-up of a site that housed an old electric-generating plant.

These are just a few of the initiatives that, when taken together, contribute to the strength and diversity of the City's economy and make Akron one of the best places to live in America.

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 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. It is used to account for all financial resources traditionally associated with government that are not required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. City ordinances or federal or state statutes specify the uses and limitations of each Special Revenue Fund. During 2001 the City had 59 Special Revenue Funds.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. During 2001 the City had 10 Debt Service Funds.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2001 the City had 31 Capital Projects Funds.

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 governments. The City does not have any permanent funds.

Proprietary funds:

Enterprise Funds – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; there, the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has six separate enterprise funds for its Water, Sewer, Oil and Gas, Golf, Airport and Off-Street Parking operations.

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

Fiduciary funds:

Private Purpose Trust Funds – Private purpose trust funds are used to account for other trust arrangements which benefit individuals, private organizations, or other governments. During 2001 the City had three Private Purpose Trust Funds.

Agency Funds – Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The City had nine Agency Funds during 2001.

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

Basis of Accounting:

Except for budgetary purposes, the basis of accounting used by the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units and are consistent with 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 and agency 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 funds is on the flow of total economic resources (all assets and liabilities). The accrual basis of accounting (revenues are recognized when earned and expenses when incurred) is utilized by the City in its proprietary funds.

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

During the year ended December 31, 2001, the City implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*. Effective January 1, 2001, the City also changed its financial reporting to comply with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and GASB Statement No. 37, which amended GASB Statement No. 34. The government-wide financial statements, including governmental activities, in order to comply with GASB Statement No. 34, are presented on the full accrual basis of accounting. As part of the implementation of GASB Statement No. 34, the City has opted for early implementation of infrastructure reporting. In doing so, the historical cost of infrastructure assets (retroactive to 1979) is included as part of the governmental capital assets reported in the government-wide statement. Thus, the depreciated value of construction costs for roads, curbs and gutters, streets and sidewalks, and drainage systems is reported. In conjunction with the implementation of GASB 34, the City has also opted for early implementation of GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, which rescinds some and modifies other financial statement disclosure requirements.

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

Debt Administration

City debt is maintained at realistic levels in relation to the overall financial condition and to projected needs for public facilities and improvements. The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita, as shown below, are useful indicators of the City's debt position.

NET BONDED DEBT

<u>Year</u>	<u>Net Bonded Debt Amount</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2001	\$ 172,062,105	5.87%	\$ 793

General obligation bonds are recorded in governmental activities in the government-wide financial statements except those applicable to water, sewer, golf, and off-street parking, which are recorded in the

applicable enterprise funds in the fund financial statements and in business type-activities in the government-wide financial statements.

Outstanding general obligation bonds at December 31, 2001 totaled \$167,027,069. In addition, \$21,043,509 of special assessment bonds and notes was outstanding. Therefore, the City had a total of \$188,070,578 of long- and short-term general obligation debt at the end of 2001. The debt management plan of the City involves the issuance of bonds to convert eligible bond anticipation notes and the continuation of the self-imposed limitation on new note and bond issuance to a level that can be retired with capital budget funds without compromising the five-year investment program.

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, as followed by 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 2001, investment interest income averaged a yield of 5.05% compared to a yield of 5.74% in 2000. The interest earnings are maximized by investing to projected payment dates on a competitive bid basis and by investing bank balances daily. This resulted in an average book balance investment of 109.96%.

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 proved to be the most cost-effective program for this type of coverage. 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.

The City also has in place reserve funds for workers' compensation and medical benefits.

Independent Annual Audit

In 1998, Deloitte & Touche LLP was contracted to perform the audit of the City of Akron for a period of five years. We appreciate the cooperation of State Auditor Jim Petro and Deloitte & Touche LLP 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, 2000. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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 a Certificate of Achievement for the last seventeen consecutive years (1984 through 2000). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The 2001 Comprehensive Annual Financial Report could not have been accomplished without the dedication of the professionals in the Audit and Budget Division of the Department of Finance. Special acknowledgment must go to John R. Wheeler, CPA, Audit and Budget Manager, and his staff for the many hours of quality service they have provided to the City in the formulation of this report. I further wish to thank you, Mayor, for continuing to provide to the department the necessary support and leadership required to enhance the City's overall fiscal position and its financial reporting practices. We trust that this timely, complete, and fully readable Comprehensive Annual Financial Report satisfies the needs of you and City Council for responsible financial planning and reporting.

Respectfully,



Catherine G. Watson
Director of Finance

CGW/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, 2000

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.



Timothy D. Crave
President

Jeffrey L. Esler
Executive Director

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**FINANCIAL
SECTION**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the City of Akron, Ohio (the "City"), as of December 31, 2001 and for the year then ended, as listed in the foregoing table of contents. These basic financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such basic financial statements present fairly, in all material respects, the financial position of the City of Akron, Ohio, as of December 31, 2001, and the results of its operations and the cash flows of its business type activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, in fiscal year 2001, the City adopted Governmental Accounting Standards Board ("GASB") Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues, an amendment of GASB Statement No. 33*, GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus, an amendment of GASB Statements No. 21 and No. 34*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

Management's Discussion and Analysis on pages 19 - 32 and the Budgetary Comparison Schedule - General Fund on pages 93 - 96, listed in the accompanying table of contents as Exhibit A-1, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the City's basic financial statements taken as a whole. The supplementary information listed in the accompanying table of contents as Exhibits B-1 through F-3 are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the City. These financial statements and schedules are also the responsibility of the management of the City. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Deloitte + Touche LLP

July 15, 2002

CITY OF AKRON, OHIO MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Akron's financial performance provides an overview of financial activities for the fiscal year ended December 31, 2001. Please read this information in conjunction with the transmittal letter on page 7 and the City's financial statements that begin on page 33.

FINANCIAL HIGHLIGHTS

- The assets of the City of Akron exceeded its liabilities at December 31, 2001 by \$625,044,714 (net assets). Of this amount \$45,577,737 is restricted for debt service.
- The governmental activities' total net assets increased \$5,183,934 and the business-type activities' total net assets increased \$20,997,909, for a total increase in the City's total net assets of \$26,181,843
- As of the close of the current fiscal year, the City of Akron's governmental funds reported combined ending fund balances of \$55,508,658, a decrease of \$21,193,289 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance reported in the General Fund was \$8,384,889, or 6.34 % of total General Fund expenditures.
- The City of Akron's total debt increased by \$1,914,095 (less than .5%) during the current year.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

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

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

The City of Akron maintains 101 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 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 non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Akron adopts an annual appropriated budget for its General Fund, and for some special revenue, debt service, enterprise, and internal service funds. The General Fund budgetary comparison has been provided as Required Supplementary Information (RSI) to demonstrate compliance with this budget.

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

Proprietary funds. The City of Akron maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Akron uses enterprise funds to account for its water, sewer, oil and gas, golf, airport, and off-street parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Akron's various functions. The City of Akron uses internal service funds to account for its vehicle maintenance, medical self-insurance, workers' compensation self-insurance, other self-insurance costs, storeroom (providing a City-wide copy center, mailing operation and central storeroom), management information system (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), graphics operation (providing City-wide printing, art, and photographic services), and engineering bureau (responsible for design and construction of 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, all of 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. Proprietary fund financial statements also present a statement of cash flows. Individual fund data for the non-major enterprise and internal service funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-91 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information (RSI) as mentioned earlier concerning the City of Akron's General Fund budgetary comparison. Required Supplementary Information (RSI) can be found on pages 93-96 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, enterprise funds, and internal service funds are presented immediately following the Required Supplementary Information (RSI) and can be found on pages 97-159 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the City of Akron, assets exceeded liabilities by \$625,044,714 at the close of the most recent fiscal year.

By far the largest portion of the City of Akron's net assets (96 %) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), net of accumulated depreciation, less any related, still-outstanding debt used to acquire those assets. The City of Akron uses these capital assets to provide services to 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.

This is the first year for the City of Akron in implementing the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This statement requires a comparative analysis of government-wide data in the Management Discussion and Analysis (MD&A) section. Since this is the first year of implementing the new standard, comparative data is not available. In future years, comparative data will be presented.

Summary Statement of Net Assets				
as of December 31, 2001				
(in thousands)				
		Governmental	Business-type	
		Activities	Activities	Total
Assets:				
	Current and other assets	\$ 151,977	\$ 38,660	\$ 190,637
	Capital assets	582,517	429,778	1,012,295
	Total assets	\$ 734,494	\$ 468,438	\$ 1,202,932
Liabilities:				
	Long-term liabilities	\$ 309,528	\$ 153,896	\$ 463,424
	Other liabilities	93,838	20,625	114,463
	Total liabilities	\$ 403,366	\$ 174,521	\$ 577,887
Net assets:				
	Invested in capital assets, net			
	of related debt	\$ 330,405	\$ 268,152	\$ 598,557
	Restricted	37,540	8,038	45,578
	Unrestricted (deficit)	(36,817)	17,727	(19,090)
	Total net assets	\$ 331,128	\$ 293,917	\$ 625,045

The restricted portion of the City of Akron's net assets (7 %) is restricted for the payment of debt service.

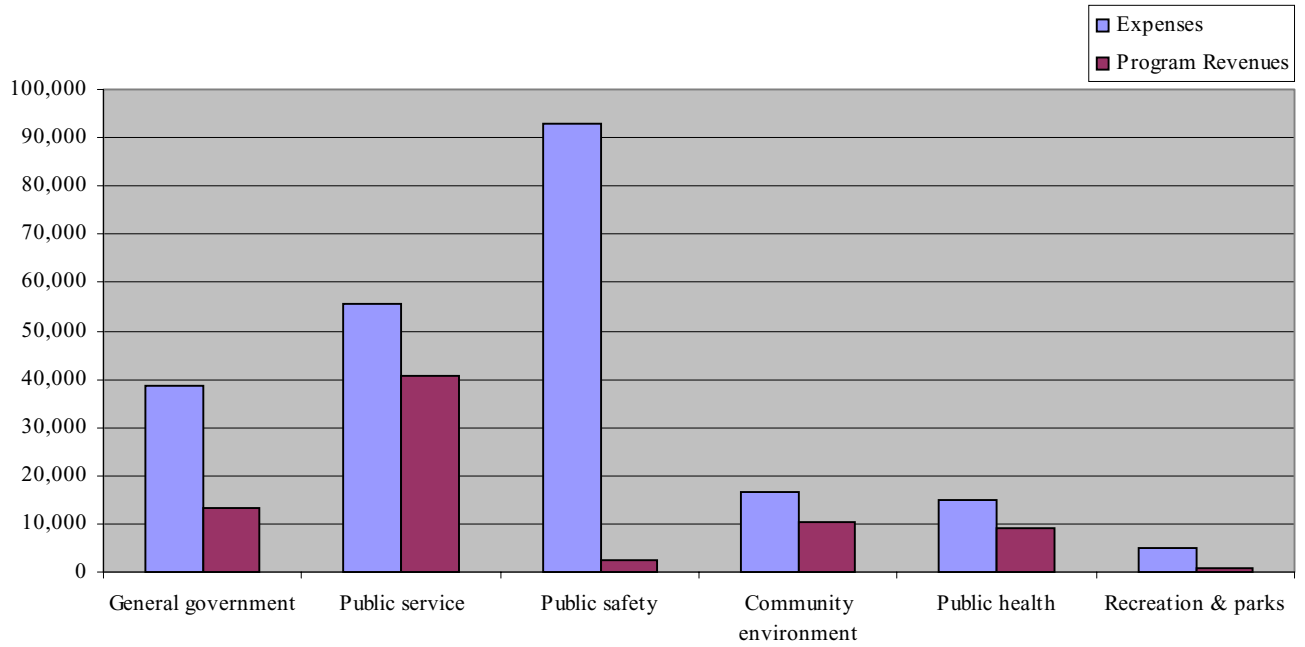
During the current year, the City's net assets increased by \$26,181,843. Most of this increase represents revenues greater than the ongoing expenses for the year.

Governmental activities. Governmental activities increased the City of Akron's net assets by \$5,183,934, thereby accounting for 20 % of the total growth in net assets of the City of Akron.

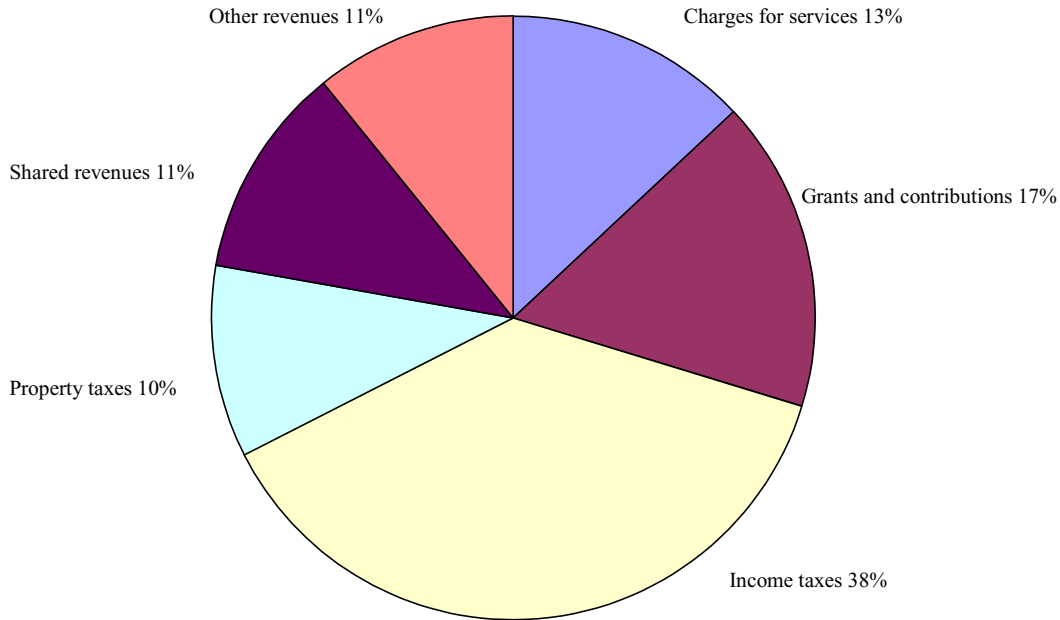
The unrestricted deficit shows that, for the governmental activities, the City of Akron does not have available unrestricted net assets. The City finances long-term obligations such as compensated absences on a year-to-year basis as they come due and must be paid, rather than setting aside resources as the liabilities are incurred. Consequently, liabilities grow each year, but assets do not.

Changes in Net Assets						
For Fiscal Year Ended December 31, 2001						
(in thousands)						
		Governmental	Business-type			
		Activities	Activities		Total	
Revenues:						
Program revenues:						
	Charges for services	\$ 33,728	\$ 69,629		\$ 103,357	
	Operating grants and contributions	18,173	-		18,173	
	Capital grants and contributions	24,937	17,586		42,523	
General revenues:						
	Income taxes	97,366	-		97,366	
	Property taxes	26,511	-		26,511	
	JEDD revenues	14,773	-		14,773	
	Investment earnings	3,835	379		4,214	
	Shared revenues	29,655	-		29,655	
	Miscellaneous	8,541	819		9,360	
	Total revenues	\$ 257,519	\$ 88,413		\$ 345,932	
Expenses:						
	General government	\$ 38,768	\$ -		\$ 38,768	
	Public service	55,687	-		55,687	
	Public safety	93,140	-		93,140	
	Community environment	16,739	-		16,739	
	Public health	14,907	-		14,907	
	Recreation and parks	4,860	-		4,860	
	Interest on debt	14,205	-		14,205	
	Unallocated depreciation	8,330	-		8,330	
	Water	-	30,038		30,038	
	Sewer	-	30,547		30,547	
	Oil & gas	-	323		323	
	Golf course	-	860		860	
	Airport	-	619		619	
	Off-street parking	-	4,223		4,223	
	Total expenses	246,636	66,610		313,246	
Changes in net assets before special						
	items and transfers	10,883	21,803		32,686	
Special items						
	Transfers	6,490	14		6,504	
		(791)	791		-	
	Changes in net assets	\$ 5,184	\$ 20,998		\$ 26,182	
	Net assets - beginning (as restated)	325,944	272,919		598,863	
	Net assets - ending	\$ 331,128	\$ 293,917		\$ 625,045	

Expenses and Program Revenues - Governmental Activities
(in thousands)



Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased the City of Akron’s net assets by \$20,997,909, accounting for 80 % of the total growth in the government’s net assets. Prior to implementing GASB No. 34, capital grants were not shown as revenues in the Statement of Revenues, Expenses and Changes in Retained Earnings, but were accounted for as a direct addition to contributed capital in fund equity. With the implementation of GASB No. 34, capital grants are shown in the Statement of Activities in the financial statements as program revenues, capital grants and contributions in the amount of \$17,586,440.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

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

As of the end of the current fiscal year, the City of Akron’s governmental funds reported combined ending fund balances of \$55,508,658, a decrease of \$21,193,289 in comparison with the prior year. The unreserved amount of \$11,314,089 is available for spending at the City’s discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$38,836,383) and (2) to reserve for loans receivable (\$5,358,186).

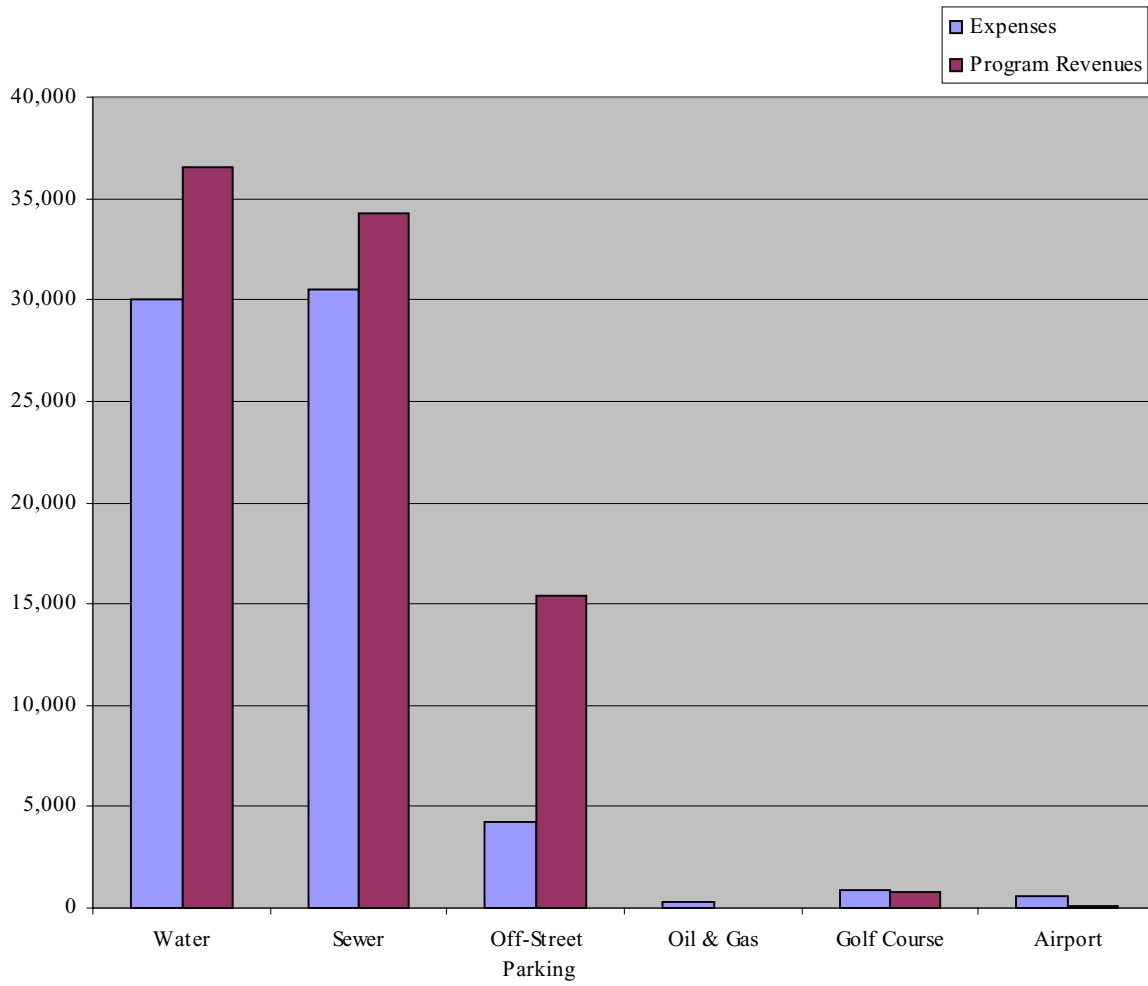
The General Fund is the chief operating fund of the City of Akron. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,596,094, while the total fund balance was \$10,916,729. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.5% of total General Fund expenditures, while total fund balance represents 8% of that amount.

The fund balance of the City of Akron's General Fund decreased by \$5,430,359 during the current fiscal year. Key factors in this decrease are as follows:

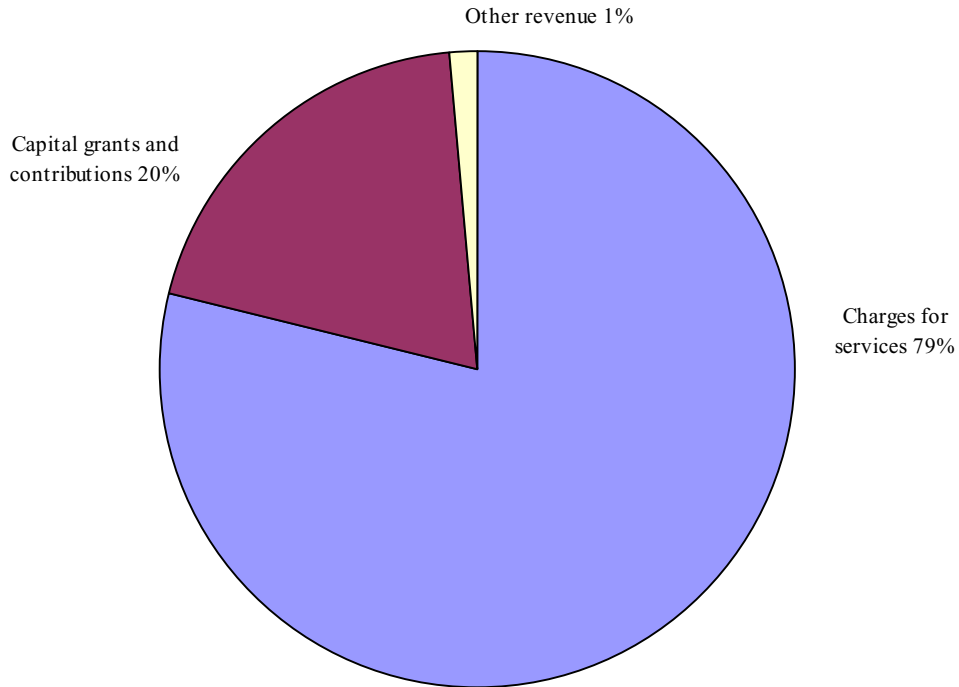
- Property tax revenues decreased \$993,993 due to the way this revenue was previously recorded. In implementing GASB No. 33, property taxes receivable are recorded as receivable and deferred revenue. In prior years, the first two months of property tax collections were recorded as receivable and revenues.
- Investment earnings declined \$1,752,875 due to lower interest rates on City investments and less funds to invest.
- Shared revenues increased \$1,955,425. In prior years shared revenues from the state were not recorded as receivables and revenues. In implementing GASB No. 33, shared revenues are now recognized when they are both measurable and available.
- The City changed its estimate of current expenditures for accrued leave for the current fiscal year. Amounts that were previously recorded as non-current liabilities are now classified as current and due to this revision, accrued leave expenditures increased \$2,164,010 in the funds.

The Special Assessment Bond Payment Fund has a total fund balance of \$3,110,975. The net increase in the Special Assessment Bond Payment Fund was \$3,145,440. The increase in fund balance is due mainly to a decrease in debt principal and interest payments.

Expenses and Program Revenues - Business-type Activities
(in thousands)



Revenues by Sources - Business-type Activities



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

Unrestricted net assets of the Water fund at the end of the year amounted to \$10,632,165; for the Sewer fund, \$7,404,132; and for the Off-Street Parking fund, (\$41,931). The net income for the Water fund amounted to \$7,557,437; for the Sewer fund, \$3,420,656; and for the Off-Street Parking fund, \$9,989,241. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Akron’s business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget was a \$2,881,090 (2.08%) increase in appropriations. It should be noted that the actual amount of expenditures and other uses was \$2,945,436 (2.09 %) less than the final amended budget amount.

During the year, revenues and other sources did not meet budgetary estimates by a minor amount of \$758,673 (0.55 %). However, as stated above, the actual amount of expenditures and other uses was less than the final amended budgetary estimates, thus eliminating the need to draw upon existing fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City of Akron's investment in capital assets for its governmental and business-type activities as of December 31, 2001, amounted to \$1,012,294,948 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure. The total increase in the City of Akron's investment in capital assets for the current fiscal year was 5.6 % (a 7.2 % decrease for governmental activities and a 3.47 % increase for business-type activities).

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

- Work continued on the High-Broadway Parking Deck and, as of the end of the year, \$8,225,085 had been spent on this project.
- The City is redeveloping, in the heart of its central business district, a 15-acre site called Lock III Redevelopment Area along the Ohio & Erie Canal for recreational, cultural and entertainment uses. Construction in progress as of the close of the fiscal year had reached \$2,212,596.
- The City continues to develop the Massillon Road Industrial Park for utility and roadway construction public improvements. The costs of the improvements through the end of the current fiscal year totaled \$2,414,485.
- The City previously acquired a 55-acre parcel (North Turkeyfoot Industrial Park) to be developed as an industrial park. The cost of infrastructure improvements through the end of the current fiscal year is \$1,386,111.
- The City started the expansion of the Ascot Industrial Park with grading and utility work.

City of Akron							
Capital Assets							
(net of accumulated depreciation)							
	Governmental		Business-type		Total		
	Activities		Activities				
	1/1/2001*	12/31/2001	1/1/2001	12/31/2001	1/1/2001	12/31/2001	
Land	\$ 125,701,322	\$ 128,966,000	\$ 24,099,529	\$ 24,262,503	\$ 149,800,851	\$ 153,228,503	
Construction							
in progress	41,941,000	53,437,303	28,374,650	36,147,625	70,315,650	89,584,928	
Buildings	110,631,924	121,447,444	61,803,532	61,335,034	172,435,456	182,782,478	
Improvements	67,925,406	65,921,012	258,636,624	252,166,284	326,562,030	318,087,296	
Equipment	9,461,995	12,840,143	5,206,108	5,201,922	14,668,103	18,042,065	
Infrastructure	187,680,161	199,905,451	37,383,974	50,664,227	225,064,135	250,569,678	
	<u>\$ 543,341,808</u>	<u>\$ 582,517,353</u>	<u>\$ 415,504,417</u>	<u>\$ 429,777,595</u>	<u>\$ 958,846,225</u>	<u>\$ 1,012,294,948</u>	

*As restated, see Footnote 6 to the basic financial statements.

Additional information on the City of Akron's capital assets can be found in note 1. G. on page 45 and note 6 starting on page 54.

Long-term debt. At the end of the current fiscal year, the City of Akron had total debt outstanding of \$418,528,461. All bonds and notes are backed by the full faith and credit of the City, except revenue bonds. The remainder of the City of Akron's debt represents bonds secured solely by specified revenue sources.

City of Akron								
Outstanding Debt								
	Governmental				Business-type		Total	
	Activities				Activities			
	2000	2001	2000	2001	2000	2001	2000	2001
General Obligation Bonds	\$ 150,323,942	\$ 161,498,273	\$ 5,483,554	\$ 5,528,796	\$ 155,807,496	\$ 167,027,069		
OPWC Loan	4,672,353	5,475,764	3,735,163	3,545,533	8,407,516	9,021,297		
Ohio Department of Development	612,692	565,793	-	-	612,692	565,793		
Non-Tax Revenue	32,770,000	31,585,000	-	-	32,770,000	31,585,000		
Income Tax Revenue	9,705,000	9,450,000	-	-	9,705,000	9,450,000		
Special Revenue	27,650,000	27,285,000	-	-	27,650,000	27,285,000		
Special Assessment Bonds and Notes	21,390,518	21,043,509	-	-	21,390,518	21,043,509		
Mortgage Revenue	-	-	60,065,000	57,095,000	60,065,000	57,095,000		
Revenue	-	-	49,935,000	47,840,000	49,935,000	47,840,000		
OWDA Loan	-	-	50,271,144	47,615,793	50,271,144	47,615,793		
	<u>\$ 247,124,505</u>	<u>\$ 256,903,339</u>	<u>\$ 169,489,861</u>	<u>\$ 161,625,122</u>	<u>\$ 416,614,366</u>	<u>\$ 418,528,461</u>		

Bonds and notes issued by the City of Akron and held by the City as investments at December 31, 2001 amounting to \$14,655,537 are eliminated in the government-wide statement of net assets. Related interest amounts are eliminated in the government-wide statement of activities.

The City of Akron's total debt increased by \$1,914,095 (0.46 %) during the current fiscal year. General obligation bonds outstanding increased \$11,219, 573, and OPWC loans increased \$613,781 over the prior year. The remaining debt outstanding decreased \$9,919,259 from the prior year.

During the current fiscal year, the City issued \$52,755,000 in general obligation bonds, in part to the refinance of some of its existing debt to take advantage of favorable interest rates. The City advance refunded the outstanding \$1,150,000 City of Akron Various Purpose Improvement Bonds Series 1991, the outstanding \$9,880,000 City of Akron Various Purpose Improvement Bonds Series 1992, the outstanding \$1,460,000 City of Akron Street Improvement Bonds Series 1992, and the outstanding \$14,335,000 City of Akron Various Purpose Improvement Bonds Series 1994. The result is expected to decrease future debt service payments by approximately \$1,431,000.

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

The Ohio Revised Code provides that the net debt 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 \$307,544,475 and unvoted net debt limit (5.5%) is \$161,094,725.

Additional information on the City of Akron's long-term debt can be found in notes 9 through 11 on pages 69-82.

ECONOMIC FACTORS AND 2002 BUDGETS AND RATES

- Akron's average annual unemployment rate at year end was 6.4 %, up from the prior year's 5.6 % rate.
- The City of Akron is projecting that the income tax collections for 2002 will either remain at the same level as received in 2001 or will experience a slight decrease.
- The City of Akron and the Ohio EPA have reached a tentative agreement to deal with the combined sewer overflow problem. To fund the cost of the improvements, the Mayor will submit legislation to City Council to increase the sewer rate by 6 % effective September 1, 2002.

During the current fiscal year, the budgetary-basis unencumbered fund balance in the General Fund increased to \$5,638,391. For fiscal year 2002, the City of Akron has projected that the unencumbered fund balance will increase to \$6,226,000.

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 requests for additional information should be addressed to the Office of the Finance Director, Municipal Building, Room 205, 166 South High Street, Akron, Ohio 44308.

BASIC FINANCIAL STATEMENTS

City of Akron, Ohio
Statement of Net Assets
December 31, 2001

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Pooled cash and investments	\$ 50,425,323	\$ 23,354,737	\$ 73,780,060
Receivables, net	75,723,044	7,695,782	83,418,826
Loans receivable	234,181	-	234,181
Due from other governments	6,672,213	3,345,740	10,017,953
Internal balances	51,842	(51,842)	-
Inventories, at cost	990,374	3,285,875	4,276,249
Total current assets	<u>134,096,977</u>	<u>37,630,292</u>	<u>171,727,269</u>
Noncurrent assets:			
Receivables, net	12,190,306	-	12,190,306
Loans receivable	5,124,005	-	5,124,005
Unamortized bond issue costs	565,101	1,029,937	1,595,038
Capital assets:			
Land and construction in progress	182,403,303	60,410,128	242,813,431
Other capital assets, net	400,114,050	369,367,467	769,481,517
Total noncurrent assets	<u>600,396,765</u>	<u>430,807,532</u>	<u>1,031,204,297</u>
Total assets	<u>\$ 734,493,742</u>	<u>\$ 468,437,824</u>	<u>\$ 1,202,931,566</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 19,053,527	\$ 4,365,308	\$ 23,418,835
Customer deposits	-	514,861	514,861
Due to other governments	578,236	-	578,236
Deferred revenue	39,812,914	-	39,812,914
Matured bonds and interest payable	215,975	-	215,975
Accrued interest payable	1,744,316	2,748,751	4,493,067
Accrued wages	4,054,841	647,820	4,702,661
Accrued vacation and leave	4,595,755	2,432,581	7,028,336
Obligations under capital lease	1,113,506	-	1,113,506
Liability for unpaid claims	4,164,241	-	4,164,241
Bonds, notes and loans payable	18,504,794	9,915,574	28,420,368
Total current liabilities	<u>93,838,105</u>	<u>20,624,895</u>	<u>114,463,000</u>
Noncurrent liabilities:			
Obligations under capital lease	24,809,589	-	24,809,589
Liabilities due in more than one year	59,402,318	3,995,030	63,397,348
Deferred charges and other liabilities	1,572,909	(1,808,550)	(235,641)
Bonds, notes and loans payable due in more than one year	223,743,008	151,709,548	375,452,556
Total noncurrent liabilities	<u>309,527,824</u>	<u>153,896,028</u>	<u>463,423,852</u>
Total liabilities	<u>403,365,929</u>	<u>174,520,923</u>	<u>577,886,852</u>
Net Assets			
Invested in capital assets, net of related debt	330,404,704	268,152,473	598,557,177
Restricted for debt service	37,540,147	8,037,590	45,577,737
Unrestricted (deficit)	(36,817,038)	17,726,838	(19,090,200)
Total net assets	<u>\$ 331,127,813</u>	<u>\$ 293,916,901</u>	<u>\$ 625,044,714</u>

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

City of Akron, Ohio
Statement of Activities
For the Year Ended December 31, 2001

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 38,768,317	\$ 13,063,377	\$ 176,705	\$ -	(25,528,235)	-	(25,528,235)
Public service	55,687,143	15,521,690	126,125	24,937,475	(15,101,853)	-	(15,101,853)
Public safety	93,139,875	1,856,550	834,505	-	(90,448,820)	-	(90,448,820)
Community environment	16,738,817	223,243	10,292,728	-	(6,222,846)	-	(6,222,846)
Public health	14,907,272	2,506,311	6,647,998	-	(5,752,963)	-	(5,752,963)
Recreation and parks	4,859,938	557,324	95,577	-	(4,207,037)	-	(4,207,037)
Interest	14,205,615	-	-	-	(14,205,615)	-	(14,205,615)
Unallocated depreciation*	8,330,330	-	-	-	(8,330,330)	-	(8,330,330)
Total governmental activities	246,637,307	33,728,495	18,173,638	24,937,475	(169,797,699)	-	(169,797,699)
Business-type activities:							
Water	30,038,479	32,222,070	-	4,367,701	-	6,551,292	6,551,292
Sewer	30,546,848	32,297,145	-	1,954,122	-	3,704,419	3,704,419
Oil & gas	322,762	11,168	-	-	-	(311,594)	(311,594)
Golf course	859,773	815,239	-	-	-	(44,534)	(44,534)
Airport	619,396	143,747	-	-	-	(475,649)	(475,649)
Parking facilities	4,222,739	4,139,961	-	11,264,617	-	11,181,839	11,181,839
Total business-type activities	66,609,997	69,629,330	-	17,586,440	-	20,605,773	20,605,773
Total Government	\$ 313,247,304	\$ 103,357,825	\$ 18,173,638	\$ 42,523,915	\$ (169,797,699)	\$ 20,605,773	\$ (149,191,926)

General Revenues:

Taxes:

Income taxes	\$ 97,365,573	\$ -	\$ -	\$ 97,365,573
Property taxes	26,511,099	-	-	26,511,099
JEDD revenues	14,772,847	-	-	14,772,847
Investment Earnings	3,835,238	379,423	-	4,214,661
Shared revenues	29,654,718	-	-	29,654,718
Miscellaneous	8,540,740	818,560	-	9,359,300
Loss on sale of fixed assets	(239,961)	(14,468)	-	(254,429)
Special item - loss on debt forgiveness	(6,250,000)	-	-	(6,250,000)
Transfers	791,379	(791,379)	-	-
Change in net assets	5,183,934	20,997,909	26,181,843	26,181,843
Net assets - beginning (as restated)	325,943,879	272,918,992	598,862,871	598,862,871
Net assets - ending	\$ 331,127,813	\$ 293,916,901	\$ 625,044,714	\$ 625,044,714

* 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, 2001

	General	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and investments	\$ 8,595,993	\$ -	\$ 22,234,879	\$ 30,830,872
Restricted cash and investments	-	1,110,975	13,006,882	14,117,857
Receivables, net of allowances for uncollectibles	41,579,877	22,071,529	21,660,809	85,312,215
Loans receivable	-	-	5,358,186	5,358,186
Due from other governments	5,440	-	5,670,741	5,676,181
Due from other funds	794,261	-	23,252,821	24,047,082
Due from others	-	-	2,561,008	2,561,008
Total assets	<u>\$ 50,975,571</u>	<u>\$ 23,182,504</u>	<u>\$ 93,745,326</u>	<u>\$ 167,903,401</u>
Liabilities				
Accounts payable	\$ 4,296,782	\$ -	\$ 3,925,846	\$ 8,222,628
Due to other governments	-	-	1,635,117	1,635,117
Due to other funds	1,194,628	-	22,219,450	23,414,078
Deferred grant revenue	30,240	-	3,374,882	3,405,122
Deferred revenue	28,795,927	20,071,529	14,727,118	63,594,574
Matured bonds payable	-	-	140,000	140,000
Matured interest payable	-	-	75,975	75,975
Accrued liabilities	-	-	4,529,844	4,529,844
Accrued wages	2,937,394	-	839,129	3,776,523
Accrued vacation and leave	2,803,871	-	797,011	3,600,882
Total liabilities	<u>40,058,842</u>	<u>20,071,529</u>	<u>52,264,372</u>	<u>112,394,743</u>
Fund balances				
Reserved for encumbrances	2,320,635	-	36,515,748	38,836,383
Reserved for loans receivable	-	-	5,358,186	5,358,186
Unreserved designated for pre-encumbrances	211,205	-	1,401,915	1,613,120
Unreserved reported in general fund	8,384,889	-	-	8,384,889
Unreserved reported in special revenue funds	-	-	25,387,625	25,387,625
Unreserved reported in debt service funds	-	3,110,975	9,676,138	12,787,113
Deficit reported in capital project funds	-	-	(36,858,658)	(36,858,658)
Total fund balances	<u>10,916,729</u>	<u>3,110,975</u>	<u>41,480,954</u>	<u>55,508,658</u>
Total liabilities and fund balances	<u>\$ 50,975,571</u>	<u>\$ 23,182,504</u>	<u>\$ 93,745,326</u>	<u>\$ 167,903,401</u>

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

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

December 31, 2001

Total fund balances for governmental funds (Exhibit 3)		\$ 55,508,658
Total net assets reported for governmental activities in the statement of net assets is different because:		
Investments in City of Akron issued bonds and notes are eliminated in the government-wide statement of net assets.		(14,655,537)
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		579,224,542
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Income taxes	4,967,486	
JEDD revenues	640,678	
Special assessments	10,300,000	
Shared revenues	<u>11,278,618</u>	
		27,186,782
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		1,030,643
Long-term liabilities including bonds payable and accrues interest payable are not due and payable in the current period and therefore are not reported in the funds.		
Accounts payable	(5,137,839)	
Due to other governments	(8,440,000)	
Accrued interest payable	(1,711,207)	
Accrued vacation and leave	(42,288,788)	
Bonds, notes and loans payable	(224,407,070)	
Special assessment notes	(9,247,500)	
Obligations under capital lease	(25,923,095)	
Unamortized bond premium	(1,572,909)	
Unamortized bond issue cost	<u>565,101</u>	
		(318,163,307)
OPWC loan funds not drawn down, therefore, receivable not reflected in the funds.		996,032
		<u>996,032</u>
Total net assets of governmental activities (Exhibit 1)		<u><u>\$ 331,127,813</u></u>

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

City of Akron, Ohio

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

For the Year Ended December 31, 2001

	General	Special Assessment Bond Payment	Other Governmental Funds	Total Governmental Funds
Revenues				
Income taxes	\$ 66,336,024	\$ -	\$ 29,624,607	\$ 95,960,631
Property taxes	14,774,630	-	11,736,469	26,511,099
JEDD revenues	-	-	14,682,526	14,682,526
Special assessments	545,409	10,808,058	3,566,240	14,919,707
Grants and subsidies:				
Community development	-	-	9,553,122	9,553,122
Other	31,434	-	18,636,850	18,668,284
Investment earnings	2,751,381	185,815	1,113,798	4,050,994
Shared revenues	22,601,830	-	8,004,380	30,606,210
Licenses, fees and fines	7,628,266	-	1,204,718	8,832,984
Charges for services	13,690,610	-	8,206,171	21,896,781
Miscellaneous	672,300	-	8,028,861	8,701,161
	<u>129,031,884</u>	<u>10,993,873</u>	<u>114,357,742</u>	<u>254,383,499</u>
Expenditures				
Current:				
General government	17,909,604	10,920	15,010,003	32,930,527
Public service	19,686,238	-	29,559,516	49,245,754
Public safety	82,582,116	-	12,716,503	95,298,619
Community environment	1,685,089	-	13,445,736	15,130,825
Public health	6,796,076	-	8,064,101	14,860,177
Recreation and parks	3,502,453	-	1,390,209	4,892,662
Capital outlay	70	-	57,248,602	57,248,672
Debt service:				
Principal retirement	-	2,652,000	16,512,096	19,164,096
Interest	-	986,133	13,191,762	14,177,895
Bond issuance expense	-	-	571,774	571,774
	<u>132,161,646</u>	<u>3,649,053</u>	<u>167,710,302</u>	<u>303,521,001</u>
Excess (deficiency) of revenues over (under) expenditures	(3,129,762)	7,344,820	(53,352,560)	(49,137,502)
Other financing sources (uses)				
Proceeds of general obligation bonds	-	-	23,714,000	23,714,000
Proceeds of general obligation notes	-	-	6,494,940	6,494,940
Proceeds of refunding bonds	-	-	28,185,000	28,185,000
Proceeds of refunding bonds premium	-	-	1,591,482	1,591,482
Advance refunding escrow	-	-	(28,737,105)	(28,737,105)
Operating transfers in	3,359,310	245,135	34,804,923	38,409,368
Operating transfers out	(5,659,907)	(4,444,515)	(25,359,050)	(35,463,472)
Special item - loss on debt forgiveness	-	-	(6,250,000)	(6,250,000)
	<u>(2,300,597)</u>	<u>(4,199,380)</u>	<u>34,444,190</u>	<u>27,944,213</u>
Net change in fund balance	(5,430,359)	3,145,440	(18,908,370)	(21,193,289)
Fund balances (deficits), January 1, 2001, as restated	<u>16,347,088</u>	<u>(34,465)</u>	<u>60,389,324</u>	<u>76,701,947</u>
Fund balances, December 31, 2001	<u>\$ 10,916,729</u>	<u>\$ 3,110,975</u>	<u>\$ 41,480,954</u>	<u>\$ 55,508,658</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, 2001

Changes in fund balances - total governmental funds (Exhibit 4) \$ (21,193,289)

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 (\$53,406,621) exceeded depreciation (\$14,332,938) in the current period. 39,073,683

The net effect of selling capital assets decreased net assets. (235,726)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (252,944)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums and deferred amount on refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items. (11,512,447)

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. (142,524)

Certain net revenues (expenses) of the internal service funds are reported with governmental activities in the statement of activities. (552,819)

Changes in net assets of governmental activities (Exhibit 2) \$ 5,183,934

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

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2001

	Water	Sewer	Off-Street Parking
Assets			
Current assets			
Pooled cash and investments	\$ 9,800,720	\$ 3,242,310	\$ 409,546
Restricted cash and investments	3,323,719	6,440,205	-
Receivables, net of allowances for uncollectibles	3,365,060	4,271,125	52,931
Due from other governments	2,090,353	1,255,387	-
Due from other funds	173,682	40,454	-
Inventories, at cost	1,767,641	1,476,218	-
Noncurrent assets			
Unamortized bond issue costs	473,456	556,481	-
Property, plant and equipment, net of accumulated depreciation	128,773,479	238,997,293	51,495,265
Total assets	<u>\$ 149,768,110</u>	<u>\$ 256,279,473</u>	<u>\$ 51,957,742</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 1,484,094	\$ 1,057,717	\$ 478,490
Customer deposits	514,861	-	-
Due to other funds	42,663	172,741	5,576
Accrued interest payable	1,295,426	1,429,960	20,342
Accrued liabilities	1,003,348	266,631	-
Accrued wages	416,614	209,731	-
Accrued vacation and leave	1,562,290	803,175	-
Liability for unpaid claims	-	-	-
Debt:			
General obligation bonds	293,293	75,170	456,376
Mortgage revenue bonds	3,265,000	-	-
Revenue bonds	-	2,150,000	-
OWDA loans	555,335	2,864,520	-
OPWC loans	95,958	117,422	-
Noncurrent liabilities			
Due in more than one year	2,463,532	1,288,691	-
Deferred charges and other liabilities	(1,639,305)	(169,245)	-
Bonds, notes, loans	67,046,839	81,703,957	2,278,752
Total liabilities	<u>78,399,948</u>	<u>91,970,470</u>	<u>3,239,536</u>
Net assets			
Invested in capital assets net of related debt	57,517,054	152,086,224	48,760,137
Restricted for debt service	3,218,943	4,818,647	-
Unrestricted (deficit)	10,632,165	7,404,132	(41,931)
Total net assets	<u>\$ 71,368,162</u>	<u>\$ 164,309,003</u>	<u>\$ 48,718,206</u>

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

City of Akron, Ohio

Statement of Net Assets - Proprietary Funds

December 31, 2001

Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ 138,237	\$ 13,590,813	\$ 16,345,248
-	9,763,924	3,786,883
6,666	7,695,782	40,127
-	3,345,740	-
11,168	225,304	891,805
42,016	3,285,875	990,374
-	1,029,937	-
<u>10,511,558</u>	<u>429,777,595</u>	<u>3,292,811</u>
<u>\$ 10,709,645</u>	<u>\$ 468,714,970</u>	<u>\$ 25,347,248</u>
\$ 51,367	\$ 3,071,668	\$ 590,559
-	514,861	-
323,213	544,193	1,205,920
3,023	2,748,751	33,109
23,661	1,293,640	572,657
21,475	647,820	278,318
67,116	2,432,581	994,873
-	-	4,164,241
42,500	867,339	2,249,933
-	3,265,000	-
-	2,150,000	-
-	3,419,855	-
-	213,380	-
242,807	3,995,030	7,616,649
-	(1,808,550)	-
<u>680,000</u>	<u>151,709,548</u>	<u>6,343,299</u>
<u>1,455,162</u>	<u>175,065,116</u>	<u>24,049,558</u>
9,789,058	268,152,473	(2,388,683)
-	8,037,590	-
<u>(534,575)</u>	<u>17,459,791</u>	<u>3,686,373</u>
<u>\$ 9,254,483</u>		<u>\$ 1,297,690</u>
	267,047	
	<u>\$ 293,916,901</u>	

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City of Akron, Ohio

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

For the Year Ended December 31, 2001

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
Operating revenues						
Charges for services	\$ 32,865,613	\$ 32,297,145	\$ 4,139,961	\$ 970,154	\$ 70,272,873	\$ 37,390,542
Other	249,471	102,861	15,579	450,649	818,560	465,498
	<u>33,115,084</u>	<u>32,400,006</u>	<u>4,155,540</u>	<u>1,420,803</u>	<u>71,091,433</u>	<u>37,856,040</u>
Operating expenses						
Personal services	13,532,487	6,773,787	-	940,523	21,246,797	9,378,120
Direct expenses	7,549,623	10,189,073	2,481,099	443,529	20,663,324	9,795,796
Claims	-	-	-	-	-	15,926,675
Rentals and lease	190,171	6,131	-	55,746	252,048	64,824
Utilities	1,436,602	2,154,827	501,883	90,521	4,183,833	253,080
Insurance	85,941	173,732	16,885	9,801	286,359	17,679
Depreciation, depletion and amortization	3,468,717	6,719,079	976,347	238,963	11,403,106	547,062
Other	112,150	50,543	67,788	584	231,065	13,679
	<u>26,375,691</u>	<u>26,067,172</u>	<u>4,044,002</u>	<u>1,779,667</u>	<u>58,266,532</u>	<u>35,996,915</u>
Operating income (loss)	6,739,393	6,332,834	111,538	(358,864)	12,824,901	1,859,125
Non-operating revenues (expenses)						
Interest income	90,567	287,526	-	1,330	379,423	501,399
Interest expense	(3,847,122)	(5,187,126)	(181,858)	(37,949)	(9,254,055)	(488,043)
Capital contributions	4,367,701	1,954,122	11,264,617	-	17,586,440	-
Loss on disposal of fixed assets	(6,563)	(7,905)	-	-	(14,468)	(4,235)
	<u>604,583</u>	<u>(2,953,383)</u>	<u>11,082,759</u>	<u>(36,619)</u>	<u>8,697,340</u>	<u>9,121</u>
Income (loss) before operating transfers	7,343,976	3,379,451	11,194,297	(395,483)	21,522,241	1,868,246
Operating transfers in	391,212	452,386	-	309,000	1,152,598	786,974
Operating transfers out	(177,751)	(411,181)	(1,205,056)	(149,989)	(1,943,977)	(2,941,491)
	<u>213,461</u>	<u>41,205</u>	<u>(1,205,056)</u>	<u>159,011</u>	<u>(791,379)</u>	<u>(2,154,517)</u>
Net income (loss)	7,557,437	3,420,656	9,989,241	(236,472)	20,730,862	(286,271)
Net assets, January 1, 2001, as restated	63,810,725	160,888,347	38,728,965	9,490,955		1,583,961
Net assets, December 31, 2001	\$ 71,368,162	\$ 164,309,003	\$ 48,718,206	\$ 9,254,483	\$	\$ 1,297,690

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

267,047
\$ 20,997,909

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, 2001

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating activities						
Cash received from customers	\$ 33,810,804	\$ 33,047,101	\$ 4,105,280	\$ 990,590	\$ 71,953,775	\$ 38,112,859
Cash payments to suppliers for goods and services	(9,349,337)	(12,994,900)	(3,129,360)	(585,707)	(26,059,304)	(7,824,529)
Cash paid for salaries and employee benefits	(13,398,078)	(6,905,398)	-	(918,836)	(21,222,312)	(30,349,130)
Other revenues	249,471	102,861	15,579	450,649	818,560	2,503,414
Other expenses	(112,150)	(50,543)	(67,788)	(584)	(231,065)	(13,679)
Net cash provided by (used for) operating activities	11,200,710	13,199,121	923,711	(63,888)	25,259,654	2,428,935
Non-capital financing activities						
Operating transfers from other funds	391,212	452,386	-	309,000	1,152,598	786,974
Proceeds from the sale of bonds	-	-	-	-	-	171,738
Transfers in for negative cash balances	-	-	-	316,470	316,470	1,191,047
Transfers out for negative cash balances	-	-	-	(268,107)	(268,107)	(645,697)
Principal paid on bonds and loans	-	-	-	-	-	(320,000)
Interest paid on bonds and loans	-	-	-	-	-	(163,820)
Operating transfers to other funds	(177,751)	(411,181)	(1,205,056)	(149,989)	(1,943,977)	(2,941,491)
Net cash provided by (used for) non-capital financing activities	213,461	41,205	(1,205,056)	207,374	(743,016)	(1,921,249)
Capital and related financing activities						
Proceeds from bonds and loans	361,179	209,988	1,175,128	-	1,746,295	159,590
Principal paid on bonds and loans	(4,136,367)	(5,163,517)	(750,000)	(42,500)	(10,092,384)	(2,182,000)
Interest paid on bonds and loans	(3,724,259)	(5,243,467)	(182,563)	(38,101)	(9,188,390)	(332,472)
Acquisition and construction of capital assets	(6,439,281)	(5,322,808)	(11,264,617)	(190,684)	(23,217,390)	(348,307)
Capital contributions	4,367,701	1,954,122	11,264,617	-	17,586,440	-
Net cash used for capital and related financing activities	(9,571,027)	(13,565,682)	242,565	(271,285)	(23,165,429)	(2,703,189)
Investing activities						
Purchase of investment securities	(17,012,984)	(42,925,864)	-	-	(59,938,848)	-
Proceeds from sales and maturities of investment securities	17,012,984	42,925,864	-	-	59,938,848	-
Interest on investments	90,567	287,526	-	1,330	379,423	501,399
Net cash provided by investing activities	90,567	287,526	-	1,330	379,423	501,399
Net increase (decrease) in cash and cash equivalents	1,933,711	(37,830)	(38,780)	(126,469)	1,730,632	(1,694,104)
Cash and cash equivalents, January 1, 2001	11,190,728	9,720,345	448,326	264,706	21,624,105	21,826,235
Cash and cash equivalents, December 31, 2001	\$ 13,124,439	\$ 9,682,515	\$ 409,546	\$ 138,237	\$ 23,354,737	\$ 20,132,131

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, 2001
(continued)

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating income (loss)	\$ 6,739,393	\$ 6,332,834	\$ 111,538	\$ (358,864)	\$ 12,824,901	\$ 1,859,125
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	3,468,717	6,719,079	976,347	238,963	11,403,106	547,062
Loss on disposal of fixed assets and other	-	(14,100)	(1,573)	-	(15,673)	-
(Increase) decrease in operating assets:						
Receivables	1,045,226	758,112	(34,681)	21,994	1,790,651	2,110,226
Due from other funds	(100,035)	(8,156)	-	(1,558)	(109,749)	650,007
Inventories	321,541	(28,886)	-	273	292,928	(28,399)
Increase (decrease) in operating liabilities:						
Accounts payable	(91,520)	(192,917)	(85,261)	19,670	(350,028)	(100,593)
Due to other funds	(375,553)	(235,234)	(42,659)	(6,053)	(659,499)	(98,363)
Accrued liabilities	134,351	20,134	-	5,469	159,954	51,150
Accrued wages	42,013	28,925	-	1,404	72,342	16,564
Accrued vacation and leave	16,577	(180,670)	-	14,814	(149,279)	(107,411)
Estimated liability for unpaid claims	-	-	-	-	-	(2,470,433)
Net cash provided by (used for) operating activities	\$ 11,200,710	\$ 13,199,121	\$ 923,711	\$ (63,888)	\$ 25,259,654	\$ 2,428,935

Non-cash capital and investing activities:						
Due from other governments	\$ 644,519	\$ -	\$ -	\$ -	\$ 644,519	\$ -
Amortization bond issue, discount, and premium	(61,848)	(37,605)	-	-	(99,453)	-
Unamortization charge refunding bond	-	(53,942)	-	-	(53,942)	-
Amortization deferred loss	(153,276)	-	-	-	(153,276)	-
Accounts payable for property, plant and equipment	9,697	37,367	(10,791)	(11,136)	25,137	(26,293)
Due to other funds for property, plant and equipment	357,763	-	-	-	357,763	-
Contract retainer	(478,934)	37,604	-	-	(441,330)	(1,260)
OWDA bonds	481,350	-	-	-	481,350	-

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

City of Akron, Ohio

Statement of Net Assets
Fiduciary Funds

December 31, 2001

	Private Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets		
Cash and investments	\$ 2,405	\$ 2,098,307
Receivables, net of allowances for uncollectibles	-	29,216
	<u> </u>	<u> </u>
Total assets	<u>\$ 2,405</u>	<u>\$ 2,127,523</u>
Liabilities		
Accounts payable	\$ -	\$ 125,434
Customer deposits	-	417,145
Due to other governments	-	722,432
Due to others	-	142,410
Accrued liabilities	-	720,102
	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>2,127,523</u>
Net assets	<u>\$ 2,405</u>	<u>\$ -</u>

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

City of Akron, Ohio

Statement of Changes in Net Assets
Private Purpose Trust Funds

For the Year Ended December 31, 2001

	Private Purpose Trust Funds
Additions	
Contributions	\$ 5,959
	<u>5,959</u>
Deductions	
Education and awareness	8,082
	<u>8,082</u>
Deficiency of revenues over expenditures	<u>(2,123)</u>
Net assets, January 1, 2001, as restated	<u>4,528</u>
Net assets, December 31, 2001	<u><u>\$ 2,405</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, 2001

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*, in that the financial statements include those activities and functions of the City. The City has no component units as defined by GASB 14.

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. With this 2001 financial report the City has changed its financial reporting by early implementing the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, an Amendment of GASB Statements No. 21 and No. 34, effective January 1, 2001. These “Reporting Model” statements affect the way the City prepares and presents financial information. State and local governments traditionally have used a financial reporting model substantially different from the one used to prepare private-sector financial reports. As part of the early implementation of GASB 34 and 37, the City has also opted for early implementation of infrastructure reporting as prescribed by GASB 34 and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, which rescinds some and modifies other financial statement disclosure requirements. Effective January 1, 2001, the City also implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*. Implementation of these GASB Statements resulted in a restatement of beginning fund balances and fund equity as previously reported in the basic financial statements (see Note 21).

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 establishes new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions. Financial information of the City is presented in the following format:

Basic Financial Statements:

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

1. Summary of Significant Accounting Policies (Continued)

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

Internal service fund balances, 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 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, investment earnings, shared revenues, charges for services, and licenses, fees, and fines.

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

The Special Assessment Bond Payment fund is required by state statute and is used to account for the accumulation of resources for, and the payment of, special

1. Summary of Significant Accounting Policies (Continued)

assessment debt principal and interest and related costs. Revenues consist primarily of special assessment collections.

The Water enterprise fund accounts for the financial activity related to operating the City's water supply, treatment and distribution system. In addition to over 90,000 customers in the City, the Water enterprise fund also serves five other municipalities and parts of six adjacent townships. Revenues consist primarily of charges for services.

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

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

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

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

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. 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.
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.

1. Summary of Significant Accounting Policies (Continued)

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 in essentially the same manner as proprietary funds.
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.
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. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. 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 an 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 an 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). This includes income taxes, JEDD revenues, investment earnings, and shared revenues. 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 special assessments, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and deferred until they become available. Other revenues, including licenses, fees and fines, and charges for services are recorded as revenue when received in cash because they are generally not measurable until actually received.

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

1. Summary of Significant Accounting Policies (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with 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, royalties, and connection fees, result from nonexchange transactions or ancillary activities.

In the proprietary funds, operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. 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 2001, supplemental appropriations were passed by City Council. The effects of these supplemental appropriations were not material in relation to the original appropriations.
- (5) Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Unencumbered appropriations lapse at year-end.

E. *Cash, Cash Equivalents, and Investments*

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

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.

1. Summary of Significant Accounting Policies (Continued)

- F. **Inventories** – Inventories are valued at cost (first-in, first-out) and adjusted to annual physical counts which are then maintained on a perpetual basis until the end of the year.
- G. **Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements to the extent the City’s capitalization threshold is met. The City defines capital assets as assets with an estimated useful life in excess of five years and an individual cost of more than \$5,000 for land; \$10,000 for equipment and vehicles; \$25,000 for land improvements, buildings, and improvements other than buildings; and \$100,000 for infrastructure. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Contributed fixed assets are recorded at their estimated fair market value at the date contributed.

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 general capital assets.

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	5-20

1. Summary of Significant Accounting Policies (Continued)

H. **Compensated Absences** – The City accrues for compensated absences such as vacation, paid leave, sick leave and compensatory time. For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "accrued vacation and leave" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental funds. In the government-wide financial statements and for proprietary funds, the entire amount of compensated absences (current and noncurrent) is reported as a liability.

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

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

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

The City's interfund receivables and payables at December 31, 2001 are presented in Note 5. Interfund transfers are presented in Note 18.

K. **Post-retirement Benefits** – In addition to the post-retirement benefits provided by the Police and Firemen's Disability and Pension Fund of Ohio and the Public Employees Retirement System of Ohio (see Note 8), the City provides post-retirement health care and life insurance benefits, in accordance with union agreements and City Council ordinances, for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Currently, 1,812 retirees meet those eligibility requirements. The City pays 100% of the cost of health care and life insurance benefits. The cost of retiree health care and life insurance benefits is recognized as expenditure/expense as claims are incurred. For 2001, those costs totaled \$2,951,713.

1. Summary of Significant Accounting Policies (Continued)

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

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 statutes, grant agreements and various bond agreement requirements. Investments are also held separately by the special revenue, debt service, enterprise, and internal service funds. City ordinances further authorize and direct the permitted types of deposits and investments.

Deposits:

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

At December 31, 2001, the carrying amount of the City’s deposits was \$11,955,023 (including certificates of deposit of \$5,000,000), and the bank balance was \$19,030,428. The difference in the carrying amount and bank balance was composed of outstanding checks and other normal reconciling items. Of the bank balance, \$500,989 was covered by federal depository insurance, \$18,230,954 was uninsured but collateralized with unregistered securities held by the pledging financial institution’s trust department in the City’s name, and \$298,485 was uninsured and uncollateralized as defined by the GASB (securities are pledged with the pledging financial institution’s trust department or agent, but not in the City’s name).

Total cash and investments are reported as follows:			
Balance Sheet - Governmental Funds:			
	Pooled cash and investments	\$30,830,872	
	Restricted cash and investments	14,117,857	
Statement of Net Assets - Proprietary Funds:			
Enterprise funds			
	Pooled cash and investments	13,590,813	
	Restricted cash and investments	9,763,924	
Internal Service funds			
	Pooled cash and investments	16,345,248	
	Restricted cash and investments	3,786,883	
Statement of Fiduciary Net Assets		2,100,712	
Total		<u>\$90,536,309</u>	

Investments in City of Akron bonds and notes amounting to \$14,655,537 are eliminated in the government-wide statement of net assets at December 31, 2001.

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. The net effect of these realized and unrealized gains and losses (\$718,834 of net gains in 2001) is reflected in the investment income on the operating statement of the appropriate fund.

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.

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, 2001.

The City's investments are categorized to give an indication of the level of credit risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent, but not in the City's name.

2. Pooled Cash and Investments (Continued)

	Category			Carrying/ Fair Value
	1	2	3	
U.S. government securities	\$ 27,955,845	\$ -	\$ -	\$ 27,955,845
Repurchase agreements	4,100,000	-	-	4,100,000
City of Akron bonds and notes	14,655,537	-	-	14,655,537
Investments held by bond trustees (primarily U.S. government securities)	17,717,181	-	-	17,717,181
	\$ 64,428,563	\$ -	\$ -	64,428,563
Uncategorized investments:				
STAROhio				14,152,723
Total investments				\$ 78,581,286

Investments in STAROhio are unclassified investments since STAROhio represents an investment pool managed by another governmental unit and investments therein are not evidenced by securities that exist in physical or book entry form.

At December 31, 2001, \$27,668,664 of cash and investments was restricted for the following purposes: \$4,032,014 was restricted for project costs for Canal Park Stadium; \$19,849,767 was restricted solely for retirement of City obligations; and the balance of \$3,786,883 represents a deposit with an escrow agent as part of a loan guarantee for a developer (see Note 10).

The City is required by contractual agreement with its insurance administrator to maintain at a bank an imprest fund in the amount of \$3,314 which is included in the deposits of the City.

3. Receivables

Receivables, including water and sewer unbilled charges for services, of approximately \$2,850,000 and \$391,000, respectively, consist of the following at December 31, 2001:

	Taxes	Customer Charges, Special Assessments, and Others	Accrued Interest	Gross Receivables	Allowance for Uncollectibles	Net
Governmental Activities:						
Governmental Funds:						
General Fund	\$ 28,584,743	\$ 13,349,790	\$ 377,309	\$ 42,311,842	\$ (731,965)	\$ 41,579,877
Special Assessment Bond Payment	-	24,490,306	-	24,490,306	(2,418,777)	22,071,529
Other Governmental Funds	<u>13,196,732</u>	<u>11,022,610</u>	<u>2,475.00</u>	<u>24,221,817</u>	<u>-</u>	<u>24,221,817</u>
Total Governmental Funds	41,781,475	48,862,706	379,784	91,023,965	(3,150,742)	87,873,223
Internal Service Funds	<u>-</u>	<u>40,127</u>	<u>-</u>	<u>40,127</u>	<u>-</u>	<u>40,127</u>
Total Governmental Activities	41,781,475	48,902,833	379,784	91,064,092	(3,150,742)	87,913,350
Business-type Activities:						
Enterprise Funds:						
Water	-	7,005,714	-	7,005,714	(3,640,654)	3,365,060
Sewer	-	8,474,714	-	8,474,714	(4,203,589)	4,271,125
Off-Street Parking	-	52,931	-	52,931	-	52,931
Other Enterprise Funds	<u>-</u>	<u>6,666</u>	<u>-</u>	<u>6,666</u>	<u>-</u>	<u>6,666</u>
Total Enterprise Funds/ Business-type Activities	-	15,540,025	-	15,540,025	(7,844,243)	7,695,782
Total Receivables	<u>\$ 41,781,475</u>	<u>\$ 64,442,858</u>	<u>\$ 379,784</u>	<u>\$ 106,604,117</u>	<u>\$ (10,994,985)</u>	<u>\$ 95,609,132</u>

Delinquent special assessment receivables amounted to \$2,418,777 at December 31, 2001 and were fully reserved for in the allowance for uncollectibles in the Special Assessment Bond Payment fund.

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

Governmental Activities:

General Fund

Property Tax Receivable	\$ 17,557,938
Shared Revenue	7,611,724
Income Tax Receivable	<u>3,626,265</u>
	28,795,927

Other Governmental Activities

Special Assessments Receivable	20,071,529
Property Tax Receivable	9,118,325
Shared Revenue	4,267,572
JEDD Receivable	<u>1,341,221</u>
	<u>34,798,647</u>
	<u>\$ 63,594,574</u>

4. Due From/To Other Governments

Amounts due from other governments at December 31, 2001 primarily represent amounts related to grant activity and consist of the following:

	Federal	State	Total
Governmental Activities:			
Governmental Funds:			
General Fund	\$ -	\$ 5,440	\$ 5,440
Other Governmental Funds	<u>4,450,071</u>	<u>1,220,670</u>	<u>5,670,741</u>
Total Governmental Funds	4,450,071	1,226,110	5,676,181
The following amounts are also included in the statement of net assets-OPWC loan funds receivable:			
	<u>-</u>	<u>996,032</u>	<u>996,032</u>
Total Governmental Activities	<u><u>\$ 4,450,071</u></u>	<u><u>\$ 2,222,142</u></u>	<u><u>\$ 6,672,213</u></u>
Business-type Activities:			
Enterprise Funds:			
Water	\$ -	\$ 2,090,353	\$ 2,090,353
Sewer	-	1,255,387	1,255,387
Total Enterprise Funds/Business-type Activities	<u><u>\$ -</u></u>	<u><u>\$ 3,345,740</u></u>	<u><u>\$ 3,345,740</u></u>

Amounts due to other governments at December 31, 2001 consist of the following:

	Federal	County	Local	Total
Governmental Activities:				
Other Governmental Funds	\$ 1,635,117	\$ -	\$ -	\$ 1,635,117
The following amounts are also included in the statement of net assets: liabilities due in more than one year				
	<u>-</u>	<u>5,140,000</u>	<u>3,300,000</u>	<u>8,440,000</u>
Total Governmental Activities	<u><u>\$ 1,635,117</u></u>	<u><u>\$ 5,140,000</u></u>	<u><u>\$ 3,300,000</u></u>	<u><u>\$ 10,075,117</u></u>

The statement of fiduciary net assets also includes \$722,432 as due to other governments.

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

The local amount is related to the JEDD contract between the City, Bath Township, and the City of Fairlawn (see Note 17).

5. Interfund Receivables and Payables

Interfund receivable and payable balances at December 31, 2001 consist of the following individual fund receivables and payables:

	Receivable	Payable
Governmental Funds:		
General Fund	\$ 794,261	\$ 1,194,628
Other Governmental Funds	<u>23,252,821</u>	<u>22,219,450</u>
	<u>\$ 24,047,082</u>	<u>\$ 23,414,078</u>
 Proprietary Funds:		
Enterprise Funds:		
Water	\$ 173,682	\$ 42,663
Sewer	40,454	172,741
Off-Street Parking	-	5,576
Other Enterprise Funds	<u>11,168</u>	<u>323,213</u>
	<u>\$ 225,304</u>	<u>\$ 544,193</u>
 Internal Service Funds	 <u>\$ 891,805</u>	 <u>\$ 1,205,920</u>

6. Capital Assets

Capital asset activity for the year ended December 31, 2001 was as follows:

	Balance January 1, 2001	Restatement (See Note 21)	Additions	Deletions	Balance December 31, 2001
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 113,773,682	\$ 11,927,640	\$ 3,548,741	\$ 284,063	\$ 128,966,000
Construction in progress	<u>41,942,680</u>	<u>(1,680)</u>	<u>21,190,014</u>	<u>9,693,711</u>	<u>53,437,303</u>
Total capital assets, not being depreciated	<u>\$ 155,716,362</u>	<u>\$ 11,925,960</u>	<u>\$ 24,738,755</u>	<u>\$ 9,977,774</u>	<u>\$ 182,403,303</u>
Capital assets, being depreciated:					
Buildings	150,382,445	(40,134)	13,956,862	-	164,299,173
Improvements	78,252,353	-	2,420	21,918	78,232,855
Equipment	72,967,347	-	5,457,282	2,857,188	75,567,441
Infrastructure	<u>187,680,161</u>	<u>147,067,703</u>	<u>20,555,620</u>	<u>-</u>	<u>355,303,484</u>
Total capital assets, being depreciated	<u>489,282,306</u>	<u>147,027,569</u>	<u>39,972,184</u>	<u>2,879,106</u>	<u>673,402,953</u>
Less accumulated depreciation for:					
Buildings	494,675	39,215,712	3,141,342	-	42,851,729
Improvements	84,912	10,242,035	1,984,896	-	12,311,843
Equipment	6,732,135	56,773,217	1,423,432	2,201,486	62,727,298
Infrastructure	<u>-</u>	<u>147,067,703</u>	<u>8,330,330</u>	<u>-</u>	<u>155,398,033</u>
Total accumulated depreciation	<u>7,311,722</u>	<u>253,298,667</u>	<u>14,880,000</u>	<u>2,201,486</u>	<u>273,288,903</u>
Total capital assets, being depreciated, net	<u>481,970,584</u>	<u>(106,271,098)</u>	<u>25,092,184</u>	<u>677,620</u>	<u>400,114,050</u>
Governmental activities capital assets, net	<u>\$ 637,686,946</u>	<u>\$ (94,345,138)</u>	<u>\$ 49,830,939</u>	<u>\$ 10,655,394</u>	<u>\$ 582,517,353</u>

6. Capital Assets (Continued)

	Balance			Balance
	January 1,	Additions	Deletions	December 31,
	2001			2001
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 24,099,529	\$ 162,974	\$ -	\$ 24,262,503
Construction in progress	28,374,650	20,872,191	13,099,216	36,147,625
Total capital assets, not being depreciated	\$ 52,474,179	\$ 21,035,165	\$ 13,099,216	\$ 60,410,128
Capital assets, being depreciated:				
Buildings	117,204,065	1,046,971	-	118,251,036
Improvements	437,974,030	1,156,728	99,949	439,030,809
Equipment	24,852,173	1,788,138	1,208,539	25,431,772
Infrastructure	38,242,129	14,404,603	9,155	52,637,577
Total capital assets, being depreciated	\$ 618,272,397	\$ 18,396,440	\$ 1,317,643	\$ 635,351,194
Less accumulated depreciation for:				
Buildings	55,400,533	1,515,469	-	56,916,002
Improvements	179,337,406	7,527,119	-	186,864,525
Equipment	19,646,065	1,245,323	661,538	20,229,850
Infrastructure	858,155	1,115,195	-	1,973,350
Total accumulated depreciation	\$ 255,242,159	\$ 11,403,106	\$ 661,538	\$ 265,983,727
Total capital assets, being depreciated, net	\$ 363,030,238	\$ 6,993,334	\$ 656,105	\$ 369,367,467
Business-type activities capital assets, net	\$ 415,504,417	\$ 28,028,499	\$ 13,755,321	\$ 429,777,595

6. Capital Assets (Continued)

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

Governmental Activities:

General government	\$	1,469,863
Public service		643,103
Public safety		1,585,910
Community environment		2,039,346
Public health		264,386
Unallocated depreciation		8,330,330
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>547,062</u>
Total depreciation expense charged to governmental activities	\$	<u>14,880,000</u>

Business-type Activities:

Water	\$	3,468,717
Sewer		6,719,079
Off-Street Parking		976,347
Other Business-type activities		<u>238,963</u>
Total depreciation, deletion and amortization expense charged to business-type activities	\$	<u>11,403,106</u>

6. Capital Assets (Continued)

Construction in progress and remaining capital commitments (including capitalized interest of \$129,795, of which \$71,439 was capitalized in 2001) is comprised of the following:

	Project Authorization	Expended to December 31, 2001	Committed
Enterprise:			
Water	\$ 24,683,283	\$ 17,305,400	\$ 7,377,883
Sewer	12,488,112	4,591,071	7,897,041
Off-Street Parking	15,736,061	14,251,154	1,484,907
General Fixed Assets	<u>66,950,161</u>	<u>53,437,303</u>	<u>13,512,858</u>
	<u><u>\$ 119,857,617</u></u>	<u><u>\$ 89,584,928</u></u>	<u><u>\$ 30,272,689</u></u>

7. Accrued Vacation and Leave

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

Vacation, paid leave, sick leave and compensatory time accumulated by employees whose wages are charged to governmental fund types have been recorded as liabilities in the governmental funds to the extent currently available resources will pay such liabilities. The balance has been recorded on the statement of net assets. Vacation, paid leave, sick leave and compensatory time accumulated by employees whose wages are charged to proprietary fund types are expensed when earned, and recorded as liabilities in the government-wide statement of net assets and in the proprietary fund statement of net assets.

Sick leave is earned by substantially all employees. Unused sick leave is accumulated up to 960 hours per employee and vests upon reaching certain age and service requirements. The vested portion of accumulated sick leave and amounts earned through December 31, 2001, and expected to vest in the future has been accrued in the statement of net assets for all City employees. Amounts related to the City's proprietary fund operations are also accrued for in the proprietary fund statement of net assets due to the nature of these funds.

7. **Accrued Vacation and Leave (Continued)**

As of December 31, 2001, the accrued vacation, paid leave, sick leave, and compensatory time is as follows:

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Governmental Activities:				
Governmental Funds:				
General Fund	\$ 613,097	\$ 2,803,871	\$ (613,097)	\$ 2,803,871
Other Governmental Activities	173,500	797,011	(173,500)	797,011
Total Governmental Funds	786,597	3,600,882	(786,597)	3,600,882
Internal Service Funds	1,047,140	994,873	(1,047,140)	994,873
Total Governmental Activities	1,833,737	4,595,755	(1,833,737)	4,595,755
Business-type Activities:				
Enterprise Funds:				
Water	1,555,857	1,562,290	(1,555,857)	1,562,290
Sewer	872,544	803,175	(872,544)	803,175
Other Enterprise Funds	63,908	67,116	(63,908)	67,116
Total Enterprise Funds/ Business-type Activities	2,492,309	2,432,581	(2,492,309)	2,432,581
	\$ 4,326,046	\$ 7,028,336	\$ (4,326,046)	\$ 7,028,336
The following amounts are also included as long-term obligations in the government-wide statement of net assets:				
Governmental Activities:				
Other Governmental Activities	\$ 43,970,910	\$ 14,696,691	\$ (16,378,813)	\$ 42,288,788
Internal Service Funds	1,104,776	1,151,646	(1,206,790)	1,049,632
Total Governmental Activities	45,075,686	15,848,337	(17,585,603)	43,338,420
Business-type Activities:				
Water	2,453,388	1,673,290	(1,663,146)	2,463,532
Sewer	1,399,992	736,283	(847,584)	1,288,691
Other Business-type Activities	231,201	81,938	(70,332)	242,807
Total Business-type Activities	4,084,581	2,491,511	(2,581,062)	3,995,030
	\$ 49,160,267	\$ 18,339,848	\$ (20,166,665)	\$ 47,333,450

8. Pension and Other Post-Retirement Benefit Plans

Police officers and firefighters participate in the statewide Ohio Police and Fire Pension Fund (Police and Fire). Substantially all other City employees participate in the statewide Public Employees Retirement System of Ohio (PERS). Both Police and Fire and PERS are cost-sharing, multi-employer defined benefit public employee retirement systems.

PERS

PERS 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. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employees of local governments are required to contribute 8.5% of their covered payroll to PERS. The 2001 and 2000 employer contribution rate for local government employer units was 13.55% and 10.84%, respectively, of covered payroll including 4.3% in each year which is used to fund post-retirement health care benefits. The employer contribution rate for 2000 reflects a one-year temporary employer contribution rate rollback of 20%. The City's total contributions to PERS for pension benefits (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2001, 2000, and 1999 were \$6,159,206, \$4,905,591, and \$6,418,434, respectively, which were equal to 100% of the required employer contributions for each year.

In addition to the pension benefits, PERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. As noted above, the Ohio Revised Code provides statutory authority for employer contributions. During 2001 and 2000, \$2,862,628 and \$3,225,672, respectively, of the City's total contribution to PERS was used for post-retirement benefits.

The assumptions and calculations below were based on PERS's latest actuarial review performed as of December 31, 2000. OPEB are advanced-funded using the entry age normal cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. Other significant actuarial assumptions include a rate of return on investments of 7.75%, a salary increase of 4.75% for inflation and between .54% and 5.1% based on seniority and merit, and a health care cost increase of 4.75% annually.

At December 31, 2000 (latest information available), the number of active contributing participants was approximately 411,076. Actuarial contribution requirements are determined for the retirement plan as a whole, not for the individual employers. Net assets available for payment of benefits at December 31, 2000 were approximately \$11.8 billion. The actuarial accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used were approximately \$14.4 billion and \$2.6 billion, respectively.

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

Ohio Police and Fire Pension Fund

Police and Fire 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. Police and Fire 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 at: 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 Police and Fire are equal to the amounts actually paid by the City each year. The City's total contributed amounts for Police (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2001, 2000, and 1999 were \$2,831,500, \$2,937,318 and \$2,792,619, respectively. The City's total contributed amounts for Fire (excluding the amount relating to post-retirement health care benefits) for the years ended December 31, 2001, 2000 and 1999 were \$3,494,231, \$3,407,084 and \$3,289,466, respectively.

In addition to pension benefits, Police and Fire provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending at least on a 2/3 basis. The health care coverage provided by the retirement system is considered to be an "other post-employment benefit" (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing the fund's Board of Trustees to provide health care coverage to all eligible individuals. The Ohio Revised Code provides that health care costs paid from the funds of Police and Fire shall be included in the employer's contribution rate (the board-defined allocations are 7.25%, 7.5% and 7.75% in 2000, 2001 and 2002 respectively, of covered payroll). Health care funding and accounting is on a pay-as-you-go basis. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. The total health care costs paid by the Police and Fire plan were \$106.1 million, which was net of member contributions of \$5.7 million, for the year ended December 31, 2000 (latest information available). For Police and Fire, the City's contribution for 2001 used to pay post-retirement health care was \$1,772,565 and \$1,591,986, respectively. Eligible benefit recipients totaled 12,853 and 10,037 for uniformed police and fire personnel, respectively.

9. Notes Payable

The following is a summary of special assessment note transactions for the year ended December 31, 2001 reflected in governmental activities in the government-wide financial statements:

Notes Payable at January 1, 2001	\$ 7,592,700
New notes issued	5,899,800
Notes retired	<u>(4,245,000)</u>
Notes Payable at December 31, 2001	<u>\$ 9,247,500</u>

9. Notes Payable (Continued)

Notes payable at December 31, 2001, are comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
Special Assessment Notes:				
<u>Governmental Activities:</u>				
Paving Notes:				
June 4, 1999	5.00	5-99	June 6, 2004	\$ 882,500
December 6, 1999	5.00	10-99	December 6, 2004	426,200
March 13, 2000	6.00	1-00	March 13, 2005	1,050,200
October 19, 2000	6.00	4-00	October 19, 2005	617,200
October 19, 2000	6.00	6-00	October 19, 2005	61,600
October 19, 2000	6.00	7-00	October 19, 2005	85,900
February 20, 2001	6.00	1-01	February 20, 2006	52,700
March 15, 2001	6.00	2-01	March 15, 2006	626,800
April 18, 2001	6.00	4-01	April 18, 2006	580,400
June 1, 2001	6.00	5-01	June 1, 2006	1,260,900
July 25, 2001	6.00	6-01	July 25, 2006	419,900
July 25, 2001	6.00	7-01	July 25, 2006	205,400
July 25, 2001	6.00	8-01	July 25, 2006	477,800
July 25, 2001	6.00	9-01	July 25, 2006	110,000
September 14, 2001	6.00	10-01	September 14, 2006	260,900
September 14, 2001	6.00	11-01	September 14, 2006	92,100
September 14, 2001	6.00	12-01	September 14, 2006	124,400
September 14, 2001	6.00	13-01	September 14, 2006	535,700
November 20, 2001	6.00	14-01	November 20, 2006	461,300
November 20, 2001	6.00	15-01	November 20, 2006	85,700
November 20, 2001	6.00	16-01	November 20, 2006	216,700
December 14, 2001	6.00	17-01	December 14, 2006	39,800
December 14, 2001	6.00	18-01	December 14, 2006	109,100
December 14, 2001	6.00	19-01	December 14, 2006	31,300
Concrete Reconstruction Notes:				
June 5, 2000	6.00	3-00	June 5, 2005	176,800
Sidewalk Notes:				
March 15, 2001	6.00	3-01	March 15, 2006	208,900
Storm Sewer Notes:				
October 19, 2000	6.00	5-00	October 19, 2005	<u>47,300</u>
Total Special Assessment Notes				<u>\$ 9,247,500</u>

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

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

The weighted average interest rates on special assessment notes at December 31, 2001 was 5.86%.

9. Notes Payable (Continued)

The following is a summary of the City's future debt service requirements for notes payable as of December 31, 2001 (in thousands):

Fiscal Year Ending December 31	<u>Governmental Activities</u>		Total
	<u>Special Assessment Notes</u> Notes	Interest	
2002	\$ -	\$ 542	\$ 542
2003	-	542	542
2004	1,309	515	1,824
2005	2,039	410	2,449
2006	<u>5,900</u>	<u>187</u>	<u>6,087</u>
	<u>\$ 9,248</u>	<u>\$ 2,196</u>	<u>\$ 11,444</u>

10. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended December 31, 2001:

	Governmental Activities						
	General Obligation	OPWC Loan	Ohio Department of Development Loan	Non-Tax Revenue	Income Tax Revenue	Special Revenue	Special Assessment
Long-term debt payable at January 1, 2001	\$ 139,560,038	\$ 4,672,353	\$ 612,692	\$ 32,770,000	\$ 9,705,000	\$ 27,650,000	\$ 13,797,818
New Issues:							
Various Purpose							
Improvements	49,162,326	-	-	-	-	-	-
Capital Projects	-	996,032	-	-	-	-	-
Final Judgment	-	-	-	-	-	-	-
Off-Street Parking	-	-	-	-	-	-	-
Radio Communications	-	-	-	-	-	-	-
Street Improvements	-	-	-	-	-	-	2,110,191
Water System	-	-	-	-	-	-	-
Retirements	<u>(35,817,323)</u>	<u>(192,621)</u>	<u>(46,899)</u>	<u>(1,185,000)</u>	<u>(255,000)</u>	<u>(365,000)</u>	<u>(4,112,000)</u>
Long-term debt payable at December 31, 2001	<u>\$ 152,905,041</u>	<u>\$ 5,475,764</u>	<u>\$ 565,793</u>	<u>\$ 31,585,000</u>	<u>\$ 9,450,000</u>	<u>\$ 27,285,000</u>	<u>\$ 11,796,009</u>
	Governmental Activities			Business-type Activities			
	Internal Service General Obligation	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Total
Long-term debt payable at January 1, 2001	\$ 10,763,904	\$ 5,483,554	\$ 60,065,000	\$ 49,935,000	\$ 50,271,144	\$ 3,735,163	\$ 409,021,666
New Issues:							
Various Purpose							
Improvements	-	-	-	-	-	-	49,162,326
Capital Projects	-	-	-	-	-	-	996,032
Final Judgment	171,738	-	-	-	-	-	171,738
Off-Street Parking	-	1,175,128	-	-	-	-	1,175,128
Radio Communications	159,590	571,168	-	-	-	-	730,758
Street Improvements	-	-	-	-	-	-	2,110,191
Water System	-	-	-	-	481,350	-	481,350
Retirements	<u>(2,502,000)</u>	<u>(1,701,054)</u>	<u>(2,970,000)</u>	<u>(2,095,000)</u>	<u>(3,136,701)</u>	<u>(189,630)</u>	<u>(54,568,228)</u>
Long-term debt payable at December 31, 2001	<u>\$ 8,593,232</u>	<u>\$ 5,528,796</u>	<u>\$ 57,095,000</u>	<u>\$ 47,840,000</u>	<u>\$ 47,615,793</u>	<u>\$ 3,545,533</u>	<u>\$ 409,280,961</u>

Included in the Governmental Activities Special Assessment are three ten-year Special Assessment Resurfacing Projects Notes: Series 1996, in the amount of \$94,665; Series 1997, in the amount of \$236,913; and Series 1998, in the amount of \$258,261.

Bonds and notes issued by the City of Akron and held by the City as investments at December 31, 2001 amounting to \$14,655,537 (see Note 2) are eliminated in the government-wide statement of net assets.

10. Long-Term Debt (Continued)

Long-term debt at December 31, 2001 is comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
Governmental Activities:				
<u>General Obligation Bonds:</u>				
Highway Improvement Bonds:				
April 1, 1977	5.25	No. 5	October 1, 2002	\$ 200,000
June 1, 1978	5.625	No. 6	December 1, 2002	200,000
June 1, 1979	6	No. 7	December 1, 2004	600,000
December 1, 1979	7.125	No. 8	December 1, 2005	1,600,000
Municipal Building Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	175,000
Municipal Garage Bonds:				
July 1, 1986	7.5	-	September 1, 2006	125,000
Parks Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	125,000
Pedestrian Walkway Bonds:				
July 1, 1986	7.5	-	September 1, 2006	275,000
Real Estate Acquisition Bonds:				
September 28, 1989	5	-	August 15, 2004	491,749
September 28, 1989	5	-	August 15, 2004	808,251
Recycle Energy System Construction Bonds:				
November 1, 1982	10.375	1st Series	November 1, 2003	560,000
May 1, 1983	8.75	2nd Series	November 1, 2003	800,000
Solid Waste Storage Facility Bonds:				
July 1, 1986	7.5	-	September 1, 2006	600,000
Street Improvement Bonds:				
May 1, 1983	8.75	-	November 1, 2003	500,000
June 1, 1984	10.5	-	December 1, 2004	720,000
May 1, 1985	8.75	-	November 1, 2005	800,000
July 1, 1986	7.5	-	September 1, 2006	1,375,000
Urban Renewal Public Improvement Bonds:				
February 21, 1991	8	Series 1990	December 1, 2020	853,120
December 10, 1991	8	Series 1991	December 1, 2021	1,484,000

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
Governmental Activities (Continued):				
Various Purpose Improvement Bonds:				
October 15, 1993	.05 to 8	-	December 1, 2013	\$ 9,060,000
August 1, 1995	4.9 to 5.5	-	December 1, 2008	1,290,000
November 1, 1995	4.2 to 6	-	November 1, 2016	7,875,000
August 15, 1996	4.6 to 8	-	August 15, 2021	460,000
December 1, 1996	3.95 to 6.125	-	December 1, 2017	10,695,000
December 1, 1997	4.3 to 6	-	December 1, 2018	15,932,500
December 1, 1998	4.25 to 4.75	-	December 1, 2019	12,298,095
November 1, 1999	4.4 to 6.5	-	November 1, 2020	17,480,000
November 1, 2000	5.5 to 5.75	-	November 1, 2021	16,360,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	<u>49,162,326</u>
				<u>\$ 152,905,041</u>
OPWC Loans:				
July 1, 1993	6	R.E.S.	July 1, 2004	\$ 114,888
July 1, 1997	0	Boxwood Ave.	July 1, 2018	627,000
July 1, 1998	0	Lakeshore Blvd.	January 1, 2020	937,950
July 1, 1998	0	Tallmadge Ave.	July 1, 2021	666,909
July 1, 1999	0	Lakeshore Blvd.	July 1, 2022	244,797
July 1, 1999	0	Bye Street	July 1, 2022	285,188
July 1, 1999	0	Wooster/East Ave.	July 1, 2022	598,500
July 1, 2000	0	Bishop Street	July 1, 2022	122,000
July 1, 2000	0	NW Storm Outlets	July 1, 2022	477,500
July 1, 2000	0	N. Arlington Bridge	July 1, 2022	405,000
July 1, 2001	0	Darrow Road	July 1, 2023	<u>996,032</u>
				<u>\$ 5,475,764</u>
Ohio Department of Development Loan:				
November 26, 1996	3	1997	February 1, 2012	<u>\$ 565,793</u>
				<u>\$ 565,793</u>
Non-Tax Revenue Bonds:				
November 1, 1997	4 to 6	1997	December 1, 2018	<u>\$ 31,585,000</u>
				<u>\$ 31,585,000</u>
Income Tax Revenue:				
April 15, 1999	3.3 to 5.25	1999	December 1, 2023	<u>\$ 9,450,000</u>
				<u>\$ 9,450,000</u>
Special Revenue:				
July 1, 2000	4.55 to 5.625	2000	December 1, 2020	\$ 13,650,000
August 1, 2000	4.45 to 6	2000	December 1, 2020	<u>13,635,000</u>
				<u>\$ 27,285,000</u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
Governmental Activities (Continued):				
<u>Special Assessment Obligations:</u>				
Resurfacing Notes:				
June 1, 1997	6	1997	December 1, 2006	94,665
May 1, 1998	6	1998	December 1, 2007	236,913
April 1, 1999	6	1998	December 1, 2008	258,261
Street Improvement Bonds:				
September 1, 1978	7.25	Rosemary Blvd.	September 1, 2014	39,000
October 15, 1993	4 to 8	1993	December 1, 2003	270,000
June 15, 1994	4.75 to 5.4	1994	December 1, 2004	405,000
August 1, 1995	4.9 to 5.25	1995	December 1, 2005	320,000
August 15, 1996	4.6 to 8	1996	December 1, 2021	1,250,000
August 15, 1997	4.65 to 5.15	1997	December 1, 2007	1,085,000
August 15, 1998	4.25 to 4.55	1998	December 1, 2008	1,970,000
August 15, 1999	4.1 to 5.5	1999	December 1, 2009	530,000
April 1, 2000	6	1999	December 1, 2009	301,979
August 15, 2000	4.375 to 4.875	2000	December 1, 2010	2,925,000
November 1, 2001	3.0 to 5.5	2001	December 1, 2022	1,515,051
December 1, 2001	6	2001	December 1, 2006	<u>595,140</u>
				<u><u>\$ 11,796,009</u></u>
<u>Internal Service General Obligation Bonds:</u>				
Computer Equipment Bonds:				
December 1, 1997	4.3 to 6	-	December 1, 2018	\$ 1,980,000
December 1, 1998	4.25 to 4.75	-	December 1, 2019	3,354,556
Final Judgment Bonds:				
August 15, 1996	4.5 to 8	-	December 1, 2021	2,740,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	171,738
Municipal Facility Bonds:				
December 1, 1998	4.25 to 4.75	-	December 1, 2019	187,348
Radio Communications System Bonds:				
November 1, 2001	3.0 to 5.5	-	December 1, 2022	<u>159,590</u>
				<u><u>\$ 8,593,232</u></u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Business-type Activities:</u>				
<u>Enterprise General Obligation Bonds:</u>				
Golf Course Clubhouse Bonds:				
December 1, 1997	4.3 to 6	-	December 1, 2018	\$ 722,500
Off-Street Parking Facility Bonds:				
June 1, 1984	10.5	Morley	December 1, 2004	495,000
May 1, 1985	8.75	-	November 1, 2005	640,000
December 1, 1997	4.3 to 6	-	December 1, 2018	425,000
November 1, 2001	3.0 to 5.5	Canal/Tell	December 1, 2022	856,000
November 1, 2001	3.0 to 5.5	-	December 1, 2022	319,128
Radio Communications System Bonds:				
November 1, 2001	3.0 to 5.5	-	December 1, 2022	571,168
Sewer System Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	250,000
Water System Improvement Bonds:				
July 1, 1986	7.5	-	September 1, 2006	<u>1,250,000</u>
				<u>\$ 5,528,796</u>
<u>Enterprise Mortgage Revenue Bonds:</u>				
Waterworks System Bonds:				
May 15, 1994	3.6 to 6	1994	March 1, 2014	\$ 23,380,000
January 15, 1996	3.5 to 4.875	1996	March 1, 2012	18,555,000
February 1, 1998	3.65 to 5	1998	March 1, 2018	<u>15,160,000</u>
				<u>\$ 57,095,000</u>
<u>Enterprise Revenue Bonds:</u>				
Sewer System Improvement Bonds:				
June 1, 1996	4.3 to 6.2	1996	December 1, 2016	\$ 19,550,000
January 1, 1997	3.75 to 5.55	1997	December 1, 2016	12,275,000
April 1, 1998	3.7 to 5.5	1998	December 1, 2017	<u>16,015,000</u>
				<u>\$ 47,840,000</u>

10. Long-Term Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
Business-type Activities (Continued):				
<u>Enterprise OWDA Loans:</u>				
May 28, 1981	10.71	Water	July 1, 2006	\$ 1,298,228
December 31, 1981	10.71	Sewer	July 1, 2006	4,327,427
May 6, 1982	12	Sewer	January 1, 2010	4,951,809
June 4, 1984	10.54	Sewer	July 1, 2004	1,420,783
March 30, 1995	4.56	Sewer	July 1, 2015	12,075,876
April 27, 1995	4.56	Sewer	July 1, 2015	14,080,790
September 30, 1999	2.01	Water	July 1, 2019	1,105,267
May 25, 2000	4.64	Water	July 1, 2021	7,874,263
April 26, 2001	3.9	Water	July 1, 2011	<u>481,350</u>
				<u>\$ 47,615,793</u>
<u>Enterprise OPWC Loans:</u>				
July 1, 1991	0	Sewer	July 1, 2002	\$ 21,000
July 1, 1995	0	Water	July 1, 2016	896,137
December 1, 1995	0	Sewer	January 1, 2017	351,606
July 1, 1996	0	Sewer	July 1, 2017	816,540
July 1, 1997	0	Sewer	July 1, 2018	565,250
July 1, 2000	0	Water	July 1, 2021	<u>895,000</u>
				<u>\$ 3,545,533</u>

10. Long-Term Debt (Continued)

The following is a summary of the City's future debt service requirements as of December 31, 2001 (in thousands):

Fiscal Year Ending December 31	Governmental Activities					
	General Obligation Bonds		OPWC Loan		Ohio Department of Development Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 12,001	\$ 8,054	\$ 323	\$ 6	\$ 48	\$ 18
2003	12,713	7,266	326	3	50	16
2004	12,520	6,914	303	1	51	14
2005	10,355	5,909	279	-	53	13
2006	9,633	5,357	279	-	55	11
2007-2011	39,960	20,473	1,394	-	298	27
2012-2016	32,131	11,411	1,394	-	11	-
2017-2021	22,037	3,719	1,178	-	-	-
2022-2026	1,555	78	-	-	-	-
	<u>\$ 152,905</u>	<u>\$ 69,181</u>	<u>\$ 5,476</u>	<u>\$ 10</u>	<u>\$ 566</u>	<u>\$ 99</u>

Fiscal Year Ending December 31	Non-Tax Revenue Bonds		Income Tax Revenue		Special Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2002	\$ 1,235	\$ 1,603	\$ 265	\$ 443	\$ 890
2003	1,285	1,550	275	434	935	1,389
2004	1,340	1,494	285	423	975	1,346
2005	1,400	1,435	295	412	1,025	1,300
2006	1,465	1,372	305	400	1,075	1,252
2007-2011	8,475	5,703	1,735	1,796	6,205	5,424
2012-2016	11,115	3,061	2,175	1,354	8,010	3,628
2017-2021	5,270	399	2,795	733	8,170	1,171
2022-2026	-	-	1,320	95	-	-
	<u>\$ 31,585</u>	<u>\$ 16,617</u>	<u>\$ 9,450</u>	<u>\$ 6,090</u>	<u>\$ 27,285</u>	<u>\$ 16,939</u>

Fiscal Year Ending December 31	Special Assessment Bonds		Internal Service General Obligation Bonds		Governmental Activities Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2002	\$ 2,362	\$ 574	\$ 2,250	\$ 397	\$ 19,374
2003	2,225	458	2,311	300	20,120	11,416
2004	1,565	351	1,293	201	18,332	10,744
2005	1,383	273	126	146	14,916	9,488
2006	1,346	206	132	140	14,290	8,738
2007-2011	2,808	319	683	598	61,558	34,340
2012-2016	107	7	805	407	55,748	19,868
2017-2021	-	-	993	166	40,443	6,188
2022-2026	-	-	-	-	2,875	173
	<u>\$ 11,796</u>	<u>\$ 2,188</u>	<u>\$ 8,593</u>	<u>\$ 2,355</u>	<u>\$ 247,656</u>	<u>\$ 113,479</u>

10. Long-Term Debt (Continued)

	Business-type Activities					
Fiscal Year	General Obligation Bonds		Mortgage Revenue		Revenue	
Ending December 31	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 868	\$ 363	\$ 3,265	\$ 2,871	\$ 2,150	\$ 2,549
2003	898	294	3,425	2,711	2,225	2,450
2004	906	227	3,590	2,535	2,330	2,344
2005	640	161	3,770	2,355	2,440	2,231
2006	485	117	3,950	2,170	2,565	2,105
2007-2011	697	359	23,965	7,390	15,080	8,286
2012-2016	555	212	13,410	1,618	19,645	3,715
2017-2021	415	73	1,720	87	1,405	70
2022-2026	65	3	-	-	-	-
	\$ 5,529	\$ 1,809	\$ 57,095	\$ 21,737	\$ 47,840	\$ 23,750
Fiscal Year	OWDA Loans		OPWC Loans		Business-type Activities Total	
Ending December 31	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 3,420	\$ 2,979	\$ 214	\$ -	\$ 9,917	\$ 8,762
2003	3,685	2,715	192	-	10,425	8,170
2004	3,974	2,428	192	-	10,992	7,534
2005	3,714	2,113	192	-	10,756	6,860
2006	3,998	1,831	192	-	11,190	6,223
2007-2011	14,396	5,777	962	-	55,100	21,812
2012-2016	11,852	2,152	962	-	46,424	7,697
2017-2021	2,577	260	639	-	6,756	490
2022-2026	-	-	-	-	65	3
	\$ 47,616	\$ 20,255	\$ 3,545	\$ -	\$ 161,625	\$ 67,551

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 fixed assets of the Water System that had net carrying value of approximately \$128,773,000 at December 31, 2001. 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 debt service fund. Revenue bonds 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 from the City's General Fund.

10. Long-Term Debt (Continued)

Bond Indenture Agreements for the Waterworks System Mortgage Revenue Bond dated May 15, 1994, the Waterworks System Mortgage Revenue Improvement Bond dated January 15, 1996, the Sanitary Sewer System Revenue Bonds dated June 1, 1996, the Sanitary Sewer System Revenue Bonds dated January 1, 1997, the Sanitary Sewer System Improvement and Refunding Revenue Bond dated April 1, 1998, and the Waterworks System Mortgage Revenue Improvement Bonds dated February 1, 1998, require deposits to a debt service fund based on a calculation of net operating revenues. The Sewer System Revenue Bond Indenture Agreement dated April 1, 1998 requires that a debt service reserve fund be created and maintained at a minimum of \$4,699,018 for the Series 1996 Bonds, the Series 1997 Bonds, and the Series 1998 Bonds. The balances in the debt service reserve fund and the debt service fund at December 31, 2001 were as follows:

	Waterworks System 1994 Issue	Waterworks System 1996 Issue	Waterworks System 1998 Issue	Sewer System 1996, 1997, and 1998 Issues
Minimum balance of debt service reserve fund	\$ -	\$ -	\$ -	\$ 4,699,018
Actual balance of debt service reserve fund	<u>1,294,344</u>	<u>785,211</u>	<u>1,139,388</u>	<u>4,818,648</u>
Excess	<u>\$ 1,294,344</u>	<u>\$ 785,211</u>	<u>\$ 1,139,388</u>	<u>\$ 119,630</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, 2001, the City's total net debt amounted to 3.4% of the total assessed value of all property within the City and unvoted net debt amounted to 3.3% of the total assessed value of all property within the City.

On November 15, 2001, the City issued \$52,755,000 in general obligation bonds (Various Purpose Improvement and Refunding Bonds, Series 2001, dated as of November 1, 2001, maturing on December 1, 2002 through 2022) with interest rates ranging from 3.0% to 5.5%. Out of the net proceeds of \$53,774,707 (after payment of \$664,599 in underwriting fees, insurance, and other issuance costs, and including a premium of \$1,591,482), \$28,737,105 plus an additional \$3,875,395 of City funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the following issues:

- \$1,165,000 Various Purpose Improvement Bonds, Series 1991, dated as of June 1, 1991, maturing on December 1 from 2001 through 2011
- \$10,785,000 Various Purpose Improvement Bonds, Series 1992, dated as of November 1, 1992, maturing on December 1, 2001 through 2013
- \$1,940,000 Street Improvement Bonds, Series 1992, dated as of November 1, 1992, maturing on December 1, 2001 through 2013
- \$15,825,000 City of Akron Various Purpose Improvement Bonds, Series 1994, dated as of June 15, 1994, maturing on December 1, 2001 through 2014

10. Long-Term Debt (Continued)

As a result, the above bonds 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 over the next 13 years by approximately \$1,431,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1,174,000. The net difference between the reacquisition price and the carrying amount of the old debt has been recorded as a component of deferred bond issuance costs and is being amortized over the previous remaining life of the old debt.

The City has defeased certain enterprise fund 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, 2001:

Issue	Defeasance Date	<u>Original Amount</u>		Principal Outstanding at 12/31/01
		Defeased	Escrowed	
Waterworks System First Mortgage Revenue Bonds Series 1991	1996	\$ 19,090,000	\$ 20,726,104	\$ 16,820,000
Sewer System Improvement General Obligation Bonds	1998	7,800,000	8,317,677	<u>5,400,000</u>
				<u>\$ 22,220,000</u>

In July, 1995, the City entered into an agreement to guarantee \$3 million of bank loan financing for a developer. The total amount of financing obtained by such developer is \$15.5 million. As a part of this guarantee, the City must deposit in escrow \$3 million with the banks involved with the financing. As of December 31, 2001, the entire \$3 million has been placed in escrow.

During 2001, the City entered into an amendment and restatement of cooperative agreement among various parties to unconditionally guarantee the principal and interest payments of the Summit County Port Authority Revenue Bonds (Akron Civic Theatre Project), issued by the Summit County Port Authority. The bonds were issued September 1, 2001 in the amount of \$14,646,070. The City believes that the Summit County Port Authority is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the bonds; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2001.

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, 2001, there was one industrial revenue bond outstanding. The aggregate principal amount payable for the issue was \$845,000.

11. Obligations Under Capitalized Leases

In November, 1996, \$28.9 million Series 1996 Convertible Capital Appreciation Certificates of Participation (COPs) were issued by a bank to finance the costs of the construction of a professional baseball stadium (meeting class "AA" standards) within the City. In connection with the issuance of the Series 1996 COPs, the City entered into a capital lease agreement (as lessee) for the baseball stadium. The City will make lease payments during successive annual renewal periods through November 25, 2016, providing City Council appropriates funds each year for that purpose. If the lease is paid through November 25, 2016, the City will acquire title to the baseball stadium. The lease agreement also includes a purchase option during the years 2001 through 2016.

Future COPs payments are as follows as of December 31, 2001:

<u>Year</u>	<u>Payments</u>
2002	\$ 3,941,525
2003	3,938,320
2004	3,940,620
2005	3,941,097
2006	3,943,010
2007-2011	19,699,720
2012-2016	<u>19,702,093</u>
Total lease payments	59,106,385
Less amount representing interest	<u>33,183,290</u>
Present value of lease payments	<u>\$ 25,923,095</u>
Net book value of leased assets	<u>\$ 26,826,283</u> *

* Amount represents the entire net book value of the facility recorded in the statement of net assets including amounts provided by other financing sources.

Unspent funds of approximately \$4 million provided from the COPs are recorded as restricted assets in the governmental activities in the accompanying statement of net assets as of December 31, 2001. In the unlikely event the lease is terminated, the restricted funds are available for payment of the certificates.

12. 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 to \$100,000,000 per occurrence, with a variety of deductibles beginning at \$50,000. Coverage is purchased on 1,222 vehicles for combined single-limit liability of \$1,000,000. 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 annual medical insurance 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'

12. Self-Insurance Funds (Continued)

Compensation for injured workers' claims subject to a maximum annual claim limit of \$300,000 for each worker's compensation claim. All funds of the City participate in the program and make payments to the internal service fund based on the experience premium that would normally be charged by the Ohio Bureau of Workers' Compensation. Future claims liabilities are actuarially determined.

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

The claims liabilities of \$2,821,648, \$7,165,905 and \$743,705 reported in the Medical, Workers' Compensation, and Self-Insurance Settlement funds, respectively, at December 31, 2001, are in accordance with the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and GASB Statement No. 30, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. These GASB statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities recorded include the estimated incremental expenses to be incurred to settle the claims, including legal fees. Claims liabilities are based on evaluations of individual claims and a review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported. The claims liabilities represent the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Estimated future recoveries on settled and unsettled claims, such as subrogations, if any, are evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims. Any adjustments resulting from the actual settlement of the claims are reflected in the financial statements at the time the adjustments are determined. Changes in the funds' claims liabilities amounts in fiscal 2000 and 2001 were:

	Beginning of Year Liability	Claim Adjustments	Current Period Claims	Claim Payments	Balance at End of Year
<u>Medical Self-Insurance Fund</u>					
2000	\$ 4,587,330	\$ -	\$ 14,628,452	\$ (16,823,097)	\$ 2,392,685
2001	2,392,685	-	15,653,913	(15,224,950)	2,821,648
<u>Workers' Compensation Reserve Fund</u>					
2000	8,772,051	(1,078,593)	1,950,211	(336,159)	9,307,510
2001	9,307,510	(2,368,039)	2,126,848	(1,900,414)	7,165,905
<u>Self-Insurance Settlement Fund</u>					
2000	672,103	-	149,058	(203,441)	617,720
2001	617,720	-	262,089	(136,104)	743,705

13. Long-term Liabilities

The City reports the following amounts relating to the government's long-term liabilities for the year ended December 31, 2001:

		Balance			Balance
		January 1,			December 31,
		2001	Additions	Deletions	2001
Governmental Activities:					
Governmental Funds:					
	Accrued vacation and leave	\$ 43,970,910	\$ 14,696,691	\$ (16,378,813)	\$ 42,288,788
	Due to other governments	8,768,239	1,300,000	(571,358)	9,496,881
		-	-	-	-
	Total Governmental Funds	52,739,149	15,996,691	(16,950,171)	51,785,669
Internal Service Funds:					
	Accrued vacation and leave	1,104,776	1,151,646	(1,206,790)	1,049,632
	Estimated liability for unpaid claims	9,307,510	2,126,848	(4,867,341)	6,567,017
	Total Internal Service Funds	10,412,286	3,278,494	(6,074,131)	7,616,649
	Total Governmental Activities	63,151,435	19,275,185	(23,024,302)	59,402,318
Business-type Activities:					
Enterprise Funds:					
	Water				
	Accrued vacation and leave	2,453,388	1,673,290	(1,663,146)	2,463,532
	Sewer				
	Accrued vacation and leave	1,399,992	736,283	(847,584)	1,288,691
	Other Business-type Activities				
	Accrued vacation and leave	231,201	81,938	(70,332)	242,807
	Total Enterprise Funds/ Business-type Activities	4,084,581	2,491,511	(2,581,062)	3,995,030
	Total	\$ 67,236,016	\$ 21,766,696	\$ (25,605,364)	\$ 63,397,348

The above liabilities are generally liquidated by the various operating funds.

14. Deficit Fund Balances

The following funds have fund balance deficits or retained earnings deficits at December 31, 2001:

Special Revenue Funds:

Special Assessment Street Cleaning	\$ 3,847,041
Law Enforcement	272,946
Building Code Enforcement	12,356
Community Development	961,839
Alcohol and Drug Abuse Counseling	324,001
Supplemental Food Program	11,492
Sexually Transmitted Disease Control	13,767
Akron Metro. Area Transportation Study	208,271
Summer Lunch Program	390
Lead Poisoning Prevention	1,654
Section 108 Loans	38,238
Balch Street Recreation Center	13,952
Police Grants	26,703
Various Domestic Violence	9,648
Recreation Special Purpose	62,452

Capital Project Funds:

Non-appropriated Capital Projects	664,652
Streets	3,841,478
Massillon Road Industrial Park	2,852,523
Projects Fund by G.O. Bonds	3,764,100
GoJo Headquarters Improvements	1,342,401
Capital Projects with Private Funding	1,318,898
North Turkeyfoot Industrial Park	1,437,070
Facilities and Projects with Various Funding	60

Internal Service Funds:

Self-Insurance Settlement	3,733,156
Engineering Bureau	1,106,515
Management Information Systems	5,390,355

The special revenue funds that have deficit fund balances at year-end have incurred expenditures that have not yet been reimbursed. The Special Assessment Street Cleaning Fund is short-term and is repaid through special assessments collected in the following year, thus always resulting in a deficit at year-end.

The majority of the capital projects funds that have deficit fund balances at year-end have incurred expenditures that have not yet been reimbursed from debt issuance and/or transfers. Non-appropriated Capital Projects and Streets are two of the funds where the City carries out programs in its capital budget for which pooled cash is spent up front. Once the particular project is completed, the City seeks reimbursement from a variety of pertinent sources.

14. Deficit Fund Balances (Continued)

The internal service funds that have deficit retained earnings balances at year-end have incurred expenses above charges for services. User charges will be assessed to eliminate the deficits. The majority of the deficit in the Self-Insurance Settlement Fund is the result of issuing \$3,100,000 in bonds in 1996 for the lawsuit settlement with OWDA regarding RES. The remaining deficit is the estimated accrued liability for claims. The City's policy is to transfer funds from the pertinent division's operating budget for actual claim settlements to reimburse the Self-Insurance Settlement Fund. The Engineering Bureau raised its applied overhead rate charged to capital projects in March 2002 to address the deficit in its internal service fund. The deficit in the Management Information Systems Fund is the result of issuing bonds to cover the costs of implementing new and updated technology, including the network infrastructure, mainframe, accounting system, and payroll and personnel systems. The bonds are being repaid with user fees charged to each division's operating budget.

15. Income Taxes

The City levies a tax at the rate of 2% 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.

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

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

16. Property Taxes

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

Real property taxes are levied each October on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor 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 1996 for collection in 1997. The next sexennial revaluation will be completed this year for collection in 2003. In addition, the County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal) taxable real property values triennially to reflect true values.

16. Property Taxes (Continued)

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

Generally, tangible personal property used in business (except certain public utilities) is currently assessed for ad valorem taxation purposes at 25% of true value (in general, the same as net book value). Public utility tangible personal property (with some exceptions), land and improvements are assessed at 88% of true value.

The assessed value upon which the 2001 property tax was based aggregated \$2,896,506,000. The assessed value for 2001 (upon which the 2002 property tax will be based) is approximately \$2,928,995,000.

Under the current allocation method, the City's share was .909% (9.09 mills) of assessed value in 2001 for collection in 2002. 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 County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Akron. The County Auditor periodically remits to the City its portion of the taxes collected. Current real property and tangible personal property tax collections for the year ended December 31, 2001, including delinquencies from prior years, were 98.1% and 102.6%, respectively, of the current year tax levy.

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

17. 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. 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 contract, the net JEDD revenues are allocated to the City and Fairlawn, with the City providing water and sewer services. A payment representing 10% of the net revenues for six years commencing January 1, 2000 will be delivered to Bath Township on or before March 15, 2006. The amount for calendar years 2000 and 2001 has been estimated at \$1,300,000 and has been recorded in the statement of net assets as a noncurrent liability. In addition, Bath Township receives an annual payment of \$250,000 for ten years from the City. The City has recorded the \$2,000,000 remaining balance as of December 31, 2001 due to Bath Township on the financial statements with \$250,000 as a current liability and a noncurrent liability of \$1,750,000.

18. Transfers

For the year ended December 31, 2001, operating transfers presented in conformity with generally accepted accounting principles (GAAP) consisted of the following:

	Transfers Out	Transfers In						
		General Fund	Special Assessment	Other Governmental Funds	Water Fund	Sewer Fund	Other Enterprise Funds	Internal Service Funds
			Bond Payment					
General Fund:								
Other Governmental Funds	\$ 5,239,434	\$ -	\$ -	\$ 5,239,434	\$ -	\$ -	\$ -	\$ -
Sewer	50,173	-	-	-	-	50,173	-	-
Other Enterprise Funds	300,000	-	-	-	-	-	300,000	-
Internal Service Funds	70,300	-	-	-	-	-	-	70,300
Total General Fund	\$ 5,659,907	\$ -	\$ -	\$ 5,239,434	\$ -	\$ 50,173	\$ 300,000	\$ 70,300
Special Assessment								
Bond Payment:								
Other Governmental Funds	\$ 4,444,515	\$ -	\$ -	\$ 4,444,515	\$ -	\$ -	\$ -	\$ -
Water Fund:								
Other Governmental Funds	\$ 159,751	\$ -	\$ -	\$ 159,751	\$ -	\$ -	\$ -	\$ -
Internal Service Funds	18,000	-	-	-	-	-	-	18,000
Total Water Fund	\$ 177,751	\$ -	\$ -	\$ 159,751	\$ -	\$ -	\$ -	\$ 18,000
Sewer Fund:								
Other Governmental Funds	\$ 395,431	\$ -	\$ -	\$ 395,431	\$ -	\$ -	\$ -	\$ -
Internal Service Funds	15,750	-	-	-	-	-	-	15,750
Total Sewer Fund	\$ 411,181	\$ -	\$ -	\$ 395,431	\$ -	\$ -	\$ -	\$ 15,750
Off-Street Parking:								
Other Governmental Funds	\$ 1,205,056	\$ -	\$ -	\$ 1,205,056	\$ -	\$ -	\$ -	\$ -
Nonmajor Funds:								
Other Governmental Funds	\$ 25,359,050	\$ 3,209,310	\$ 245,135	\$ 20,584,256	\$ 391,212	\$ 402,213	\$ 9,000	\$ 517,924
Other Enterprise Funds	149,989	-	-	149,989	-	-	-	-
Internal Service Funds	2,941,491	150,000	-	2,626,491	-	-	-	165,000
Total Nonmajor Funds	\$ 28,450,530	\$ 3,359,310	\$ 245,135	\$ 23,360,736	\$ 391,212	\$ 402,213	\$ 9,000	\$ 682,924
Total	\$ 40,348,940	\$ 3,359,310	\$ 245,135	\$ 34,804,923	\$ 391,212	\$ 452,386	\$ 309,000	\$ 786,974

19. Contingencies

(1) Litigation

The City is a defendant in a number of lawsuits pertaining to matters that are incidental to performing routine governmental functions. In a wrongful employment termination case, the plaintiff was awarded \$1.7 million dollars and in a destruction of public documents case, the plaintiffs were awarded \$861,908. The City of Akron is appealing both of these judgments and there is likelihood that the judgments may be reduced or reversed. 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.

20. Closure and Post-Closure Care Costs

On November 9, 1998 the City entered into an agreement to transfer control and operating responsibility of the Hardy Road Landfill (Landfill) to Akron Regional Landfill Inc. (ARLI). Under the agreement, the Landfill and certain real property immediately adjacent to the Landfill known as the Greenfield Facility may eventually be transferred to ARLI. ARLI assumed full responsibility for all costs for operation, permitting, groundwater monitoring, closure, and post-closure costs of the Landfill. ARLI has leased the Landfill and at a future date will purchase the Greenfield Facility upon completion of certain conditions per the agreement. The City and ARLI have requested the Ohio Environmental Protection Agency to permit the Greenfield Facility to be used as a landfill and the initial application has been denied. An appeal is being filed. In the event such permit is not issued, ARLI will construct a transfer station within the City. The City also agreed to use the ARLI-controlled landfill facility for disposal of ninety percent of the refuse collected by the City's sanitation department. See Note 23 regarding the closing of the Hardy Road Landfill. During 2000, a civil penalty related to the landfill amounting to \$750,000 was levied against the City. The civil penalty was accrued for during 2000, and \$459,081 remains as a liability at December 31, 2001.

21. Restatement of Beginning Balances

Effective January 1, 2001, the City early implemented GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, an amendment of GASB Statements No. 21 and No. 34. The City also implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*. Implementation of these GASB Statements resulted in a change in beginning balances as reported in the financial statements. The following balances were restated:

	Original Balance as of January 1, 2001	Restatement	Balance January 1, 2001 as Restated
Governmental Activities:			
Governmental Funds:			
General Fund	\$ 13,692,005	\$ 2,655,083	\$ 16,347,088
Special Assessment Bond Payment	3,222,269	(3,256,734)	(34,465)
Other Governmental Funds	60,093,452	295,872	60,389,324
Total Governmental Funds	77,007,726	(305,779)	76,701,947
Internal Service Funds	1,614,336	(30,375)	1,583,961
Adjustments to convert to accrual accounting from modified accrual accounting:			
Capital assets	634,222,243	(94,345,139)	539,877,104
Long-term liabilities	(317,034,488)	-	(317,034,488)
GASB No. 33 and No. 36 adjustment	-	26,899,913	26,899,913
Accounts payable	-	(618,790)	(618,790)
Accrued interest	-	(1,465,768)	(1,465,768)
Total Governmental Activities	395,809,817	(69,865,938)	325,943,879
Business-type Activities:			
Enterprise Funds:			
Water	63,810,725	-	63,810,725
Sewer	160,902,447	(14,100)	160,888,347
Off-Street Parking	38,730,538	(1,573)	38,728,965
Other Enterprise Funds	9,490,955	-	9,490,955
Total Business-type Activities	272,934,665	(15,673)	272,918,992
	\$ 668,744,482	\$ (69,881,611)	\$ 598,862,871
Fiduciary net assets	\$ 194,322	\$ (189,794)	\$ 4,528

22. Special Item

During 2001, the City recorded a \$6,250,000 special item – loss on debt forgiveness pursuant to an amendment and restatement of cooperative agreement which terminated a loan agreement with Inventure Place, Inc. The City anticipates that the additional bed tax revenues received by the City pursuant to the amended agreement will be sufficient to recover the loss on debt forgiveness.

23. Subsequent Events

Pursuant to the Ohio Environmental Protection Agency's ruling, the Hardy Road Landfill officially closed on June 30, 2002. The City will divert its waste to Waste Management's American Landfill in Stark County.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2001

(continued)

	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Property taxes	\$ 15,023,020	\$ 15,860,000	\$ 15,238,356
Investment earnings	4,000,000	4,000,000	4,000,000
Local government	15,574,810	15,574,810	15,443,729
State taxes	5,434,840	5,434,840	7,320,804
Other revenue	27,317,860	26,480,880	25,950,708
	<u>67,350,530</u>	<u>67,350,530</u>	<u>67,953,597</u>
Other sources:			
Income tax transfers in	68,061,740	68,061,740	66,700,000
Other transfers in	1,000,000	1,000,000	1,000,000
Previous year's encumbrances	2,621,184	2,621,184	2,621,184
	<u>71,682,924</u>	<u>71,682,924</u>	<u>70,321,184</u>
Total revenues and other sources	139,033,454	139,033,454	138,274,781
Expenditures and other uses			
Expenditures:			
General Governmental:			
Civil Service Commission:			
Wages/benefits	1,420,500	1,448,500	1,430,168
Other	131,705	139,705	134,812
	<u>1,552,205</u>	<u>1,588,205</u>	<u>1,564,980</u>
Finance:			
Administration:			
Wages/benefits	2,034,500	1,989,590	1,941,418
Other	4,292,248	4,742,248	4,517,982
	-	15,000	13,068
	<u>6,326,748</u>	<u>6,746,838</u>	<u>6,472,468</u>
Law:			
Wages/benefits	2,673,380	2,593,380	2,556,221
Other	805,855	909,855	895,249
	<u>3,479,235</u>	<u>3,503,235</u>	<u>3,451,470</u>
Legislative:			
Wages/benefits	755,470	725,470	708,899
Other	304,944	284,944	242,769
Capital outlay	15,196	15,196	10,000
	<u>1,075,610</u>	<u>1,025,610</u>	<u>961,668</u>

City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2001

(continued)

	Budgeted Amounts		
	Original	Final	Actual Amounts
Municipal Court - Clerk:			
Wages/benefits	\$ 2,324,030	\$ 2,304,030	\$ 2,261,437
Other	273,018	353,018	310,566
Capital outlay	12,000	12,000	9,859
	<u>2,609,048</u>	<u>2,669,048</u>	<u>2,581,862</u>
Municipal Court - Judges:			
Wages/benefits	2,705,060	2,665,060	2,597,018
Other	298,947	289,947	296,344
Capital outlay	9,350	9,350	350
	<u>3,013,357</u>	<u>2,964,357</u>	<u>2,893,712</u>
Office of the Mayor:			
Wages/benefits	2,276,940	2,116,940	2,040,548
Other	398,087	438,087	411,524
	<u>2,675,027</u>	<u>2,555,027</u>	<u>2,452,072</u>
Planning Administration:			
Wages/benefits	1,119,590	1,119,590	1,088,368
Other	114,277	114,277	103,130
	<u>1,233,867</u>	<u>1,233,867</u>	<u>1,191,498</u>
Public Health:			
Wages/benefits	5,742,620	5,892,620	5,812,835
Other	1,001,749	1,161,749	1,135,813
Capital outlay	38,000	38,000	35,419
	<u>6,782,369</u>	<u>7,092,369</u>	<u>6,984,067</u>
Public Safety:			
Wages/benefits	7,496,770	7,296,770	7,116,405
Other	10,594,319	10,364,319	10,170,059
Capital outlay	30,600	65,600	59,090
	<u>18,121,689</u>	<u>17,726,689</u>	<u>17,345,554</u>
Public Service:			
Wages/benefits	12,049,810	11,474,810	11,265,520
Other	10,433,475	11,000,975	10,931,748
Capital outlay	7,500	7,500	11,521
	<u>22,490,785</u>	<u>22,483,285</u>	<u>22,208,789</u>
Fire:			
Wages/benefits	24,279,760	24,919,760	24,559,487
Other	1,804,438	1,904,438	1,900,766
	<u>26,084,198</u>	<u>26,824,198</u>	<u>26,460,253</u>

City of Akron, Ohio

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2001
(continued)

	Budgeted Amounts		
	Original	Final	Actual Amounts
Police:			
Wages/benefits	\$ 36,195,620	\$ 36,195,620	\$ 35,522,003
Other	4,266,282	4,266,282	4,257,676
Capital outlay	65,584	65,584	65,566
	<u>40,527,486</u>	<u>40,527,486</u>	<u>39,845,245</u>
Total expenditures	135,971,624	136,940,214	134,413,638
Other uses:			
Transfer to Airport	306,360	306,360	300,000
Transfer to Highway Maintenance	2,000,000	3,912,500	3,500,000
	<u>2,306,360</u>	<u>4,218,860</u>	<u>3,800,000</u>
Total expenditures and other uses	<u>138,277,984</u>	<u>141,159,074</u>	<u>138,213,638</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	755,470	(2,125,620)	61,143
Fund balance, January 1, 2001	<u>5,577,248</u>	<u>5,577,248</u>	<u>5,577,248</u>
Fund balance, December 31, 2001	<u>\$ 6,332,718</u>	<u>\$ 3,451,628</u>	<u>\$ 5,638,391</u>

City of Akron, Ohio

Notes to the Budgetary Comparison Schedule – General Fund

For the Year Ended December 31, 2001

1. 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 – General Fund 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 only major governmental fund formally budgeted by the City is the general fund.

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

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

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

		General Fund		
	Excess of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ 61,143		
	Adjustments:			
	To adjust revenues for accruals	█ (3,264,109)		
	To adjust expenditures for accruals	█ (2,518,536)		
	To adjust for encumbrances	291,143		
	Deficiency of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	█ <u>\$ (5,430,359)</u>		

**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 Special Revenue Funds are:

To Account for Special Purposes:

Income Tax Collection	Section 108 Loans
Emergency Medical Service	C.B.D. Tax Equivalency
Special Assessment	Industrial Incubator
Income Tax Capital Improvement	Joint Economic Development Districts
C.I.P. Operating	Kenmore Improvement
Street and Highway Maintenance	Vehicle Immobilization
Special Assessment Street Cleaning	Akron Muni. Court Information System
Special Assessment Street Lighting	Recreation Bureau Donations
Law Enforcement	Balch Street Recreation Center
Drug Law Enforcement	Canal Park Stadium COPs
Indigent Drivers' Alcohol Treatment	Public Health
D.U.I. Enforcement and Education	Safety Programs
Equipment Replacement	Landfill Operations
Convention and Exhibition Hall	City Facilities Operating
Weed Control	Local Communications
Litter Control	Various Purpose Funding
Building Code Enforcement	Recreation Special Purpose
Comprehensive Planning	Building Appeals
Upgrade Staff Program	Payroll
Lead Poisoning Prevention	Investment Earnings
E.D.A. Revolving Loans	

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

Fire-Public Education and Safety	Summer Lunch Program
Haz/Mat Rescue Grant	Child and Family Health Services
E.M.S. Grant Fund	H.O.M.E. Program
Community Development	K.A.B. Litter Control
Air Pollution Control	State/Federal Grants Diverse
Alcohol and Drug Abuse Counseling	Enterprise Community Grant
Supplemental Food Program	Police Grants
Sexually Transmitted Disease Control	Various Domestic Violence
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.

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

To Account for Grant Revenue and Other Funding Sources:

Non-emergency City Radio System	Americans with Disabilities Act
Ascot Park Public Improvements	Market-High Renewal Project
Canal Park Condominiums U.D.A.G.	Tell Development Project
Airport Industrial Park	Projects Funded by G.O. Bonds
Convention Center	Cascade Hotel Renovation
Canal Square U.D.A.G.	O'Neil's Building Renovation
Non-appropriated Capital Projects	Canal Redevelopment
Eaton Estate Urban Redevelopment	Firestone Stadium Improvements
Road and Bridge Improvements	GoJo Headquarters Improvements
Arterial Street Construction	Tell Parking Expansion
Streets	Capital Projects with Private Funding
Massillon Road Industrial Park	Traffic Management Program
Exchange Street Redevelopment	Mustill Store Renovation
Akron Square Urban Renewal Area	NorthTurkeyfoot Industrial Park
Police/Fire Combined Dispatch	Facilities and Project with Various Funding
Inventors' Hall of Fame	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001

	Special Revenue Funds						
	Income Tax Collection	Emergency Medical Service	Special Assessment	Income Tax Capital Improvement	C.I.P. Operating	Street and Highway Maintenance	Special Assessment Street Cleaning
Assets							
Pooled cash and investments	\$ 1,956,178	\$ 1,685,772	\$ 209,172	\$ -	\$ 176,721	\$ 329,807	\$ -
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	8,262,560	748	14,139	4,078,407	4,140,663	595
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	481,778	-	-	-
Due from other funds	232,840	-	-	3,682,057	-	-	-
Due from others	-	-	-	-	-	-	-
Total assets	\$ 2,189,018	\$ 9,948,332	\$ 209,920	\$ 4,177,974	\$ 4,255,128	\$ 4,470,470	\$ 595
Liabilities							
Accounts payable	\$ 380,313	-	\$ 25,937	\$ 41,279	\$ 18,256	\$ 127,745	\$ 55,391
Due to other governments	-	-	-	-	-	-	-
Due to other funds	424,751	2,608	529	20,488	1,056	159,858	3,705,165
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	8,262,560	-	-	1,341,221	2,228,708	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	298,348	-	-	-
Accrued wages	57,599	198,524	7,636	-	53,136	186,706	71,993
Accrued vacation and leave	19,425	549,095	2,869	-	9,204	53,038	15,087
Total liabilities	882,088	9,012,787	36,971	360,115	1,422,873	2,756,055	3,847,636
Fund balances							
Fund balance:							
Reserved for encumbrances	57,920	97,989	1,892	2,264,781	39,906	264,667	196,763
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	3,175	24,610	705	76,815	9,114	25,086	44,054
Unreserved reported in special revenue funds	1,245,835	812,946	170,352	1,476,263	2,783,235	1,424,662	(4,087,858)
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	1,306,930	935,545	172,949	3,817,859	2,832,255	1,714,415	(3,847,041)
Total liabilities and fund balances	\$ 2,189,018	\$ 9,948,332	\$ 209,920	\$ 4,177,974	\$ 4,255,128	\$ 4,470,470	\$ 595

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

	Special Revenue Funds					Indigent Drivers' Alcohol Treatment
	Special Assessment Street Lighting	Fire-Public Education and Safety	Haz/Mat Rescue Grant	E.M.S. Grant Fund	Law Enforcement	Drug Law Enforcement
Assets						
Pooled cash and investments	\$ -	\$ 58,998	\$ 36,566	\$ 56,965	\$ -	\$ 53,715
Restricted cash and investments	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	2,848	-	-	-	23,589	2,285
Loans receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Due from other funds	7,574,165	-	-	-	3,640	2,252
Due from others	-	-	-	-	-	-
Total assets	\$ 7,577,013	\$ 58,998	\$ 36,566	\$ 56,965	\$ 27,229	\$ 58,252
						\$ 93,273
Liabilities						
Accounts payable	\$ 77,553	\$ -	\$ -	\$ -	\$ 9,490	\$ -
Due to other governments	-	-	-	-	-	-
Due to other funds	72	-	7,934	-	290,685	-
Deferred grant revenue	-	-	-	26,412	-	-
Deferred revenue	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Accrued wages	4,142	-	-	-	-	2,054
Accrued vacation and leave	1,072	-	-	-	-	4,205
Total liabilities	82,839	-	7,934	26,412	300,175	6,259
Fund balances						
Fund balance:						
Reserved for encumbrances	175,512	629	30,332	-	12,077	1,199
Reserved for loans receivable	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	108,342	400	2,800	-	624	15,511
Unreserved reported in special revenue funds	7,210,320	57,969	(4,500)	30,553	(285,647)	35,283
Unreserved reported in debt service funds	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-
Total fund balances	7,494,174	58,998	28,632	30,553	(272,946)	51,993
Total liabilities and fund balances	\$ 7,577,013	\$ 58,998	\$ 36,566	\$ 56,965	\$ 27,229	\$ 58,252
						\$ 93,273

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

	Special Revenue Funds						
	D. U.I. Enforcement and Education	Equipment Replacement	Convention and Exhibition Hall	Weed Control	Litter Control	Building Code Enforcement	Community Development
Assets							
Pooled cash and investments	\$ 51,771	\$ 722,753	\$ 293,692	\$ 6,270	\$ 30,578	\$ 4,631	\$ 2,064,805
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	649	-	13,970	-	-	-	5,500
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from others	-	-	-	-	-	-	-
Total assets	\$ 52,420	\$ 722,753	\$ 307,662	\$ 6,270	\$ 30,578	\$ 4,631	\$ 2,070,305
Liabilities							
Accounts payable	\$ -	\$ 78,860	\$ -	\$ 1,268	\$ -	\$ 16,987	\$ 213,964
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	-	-	882	-	-	25,292
Deferred grant revenue	-	-	-	-	-	-	2,630,006
Deferred revenue	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Accrued wages	-	-	-	483	-	-	78,505
Accrued vacation and leave	-	-	-	35	-	-	84,377
Total liabilities	-	78,860	-	2,668	-	16,987	3,032,144
Fund balances							
Fund balance:							
Reserved for encumbrances	-	353,868	-	10,041	29,750	69,221	572,291
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	690,961	-	4,690	-	-	95,990
Unreserved reported in special revenue funds	52,420	(400,936)	307,662	(11,129)	828	(81,577)	(1,630,120)
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	52,420	643,893	307,662	3,602	30,578	(12,356)	(961,839)
Total liabilities and fund balances	\$ 52,420	\$ 722,753	\$ 307,662	\$ 6,270	\$ 30,578	\$ 4,631	\$ 2,070,305

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

Special Revenue Funds										
	Air Pollution Control	Alcohol and Drug Abuse Counseling	Comprehensive Planning	Upgrade Staff Program	Supplemental Food Program	Sexually Transmitted Disease Control	Akron Metro. Area Transportation Study			
Assets										
Pooled cash and investments	\$ 1,974,911	\$ -	\$ 27,161	\$ 187,348	\$ -	\$ -	\$ -			
Restricted cash and investments	-	-	-	-	-	-	-			
Receivables, net of allowances for uncollectibles	8,175	-	8,333	390	-	-	-			
Loans receivable	-	-	500,000	-	-	-	-			
Due from other governments	-	-	-	-	87,397	9,933	-			
Due from other funds	-	-	-	-	3,844	-	-			
Due from others	-	-	-	-	-	-	-			
Total assets	\$ 1,983,086	\$ -	\$ 535,494	\$ 187,738	\$ 91,241	\$ 9,933	\$ -			
Liabilities										
Accounts payable	\$ 1,456	\$ 56	\$ -	\$ 78	\$ 32,546	\$ -	\$ 249			
Due to other governments	-	-	-	-	-	-	-			
Due to other funds	2,647	292,163	-	39	41,736	21,449	169,867			
Deferred grant revenue	-	-	-	-	-	-	-			
Deferred revenue	-	-	-	-	-	-	-			
Matured bonds payable	-	-	-	-	-	-	-			
Matured interest payable	-	-	-	-	-	-	-			
Accrued liabilities	-	-	-	-	-	-	-			
Accrued wages	30,968	25,194	-	-	22,328	1,878	26,813			
Accrued vacation and leave	9,775	6,588	-	-	6,123	373	11,342			
Total liabilities	44,846	324,001	-	117	102,733	23,700	208,271			
Fund balances										
Fund balance:										
Reserved for encumbrances	38,530	11,004	21,295	42,366	5,150	847	31,979			
Reserved for loans receivable	-	-	500,000	-	-	-	-			
Unreserved designated for pre-encumbrances	10,955	665	-	1,966	3,457	2,500	3,709			
Unreserved reported in special revenue funds	1,888,755	(335,670)	14,199	143,289	(20,099)	(17,114)	(243,959)			
Unreserved reported in debt service funds	-	-	-	-	-	-	-			
Unreserved reported in capital project funds	-	-	-	-	-	-	-			
Total fund balances	1,938,240	(324,001)	535,494	187,621	(11,492)	(13,767)	(208,271)			
Total liabilities and fund balances	\$ 1,983,086	\$ -	\$ 535,494	\$ 187,738	\$ 91,241	\$ 9,933	\$ -			

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

	Special Revenue Funds						
	Summer Lunch Program	Child and Family Health Services	H.O.M.E. Program	Lead Poisoning Prevention	K.A.B. Litter Control	State/Federal Grants Diverse	E.D.A. Revolving Loans
Assets							
Pooled cash and investments	\$ 23,726	\$ 79,508	\$ 469,439	\$ -	\$ -	\$ 645,105	\$ 92,458
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	-	-	-	-	-	-
Loans receivable	-	-	1,482,444	-	-	-	-
Due from other governments	-	39,340	302,968	-	15,785	49,747	-
Due from other funds	-	-	-	-	-	27,636	-
Due from others	-	-	-	-	-	-	-
Total assets	\$ 23,726	\$ 118,848	\$ 2,254,851	\$ -	\$ 15,785	\$ 722,488	\$ 92,458
Liabilities							
Accounts payable	\$ -	\$ 83,702	\$ 16,800	\$ -	\$ 41	\$ 81,659	\$ -
Due to other governments	-	-	-	-	-	-	-
Due to other funds	550	912	-	1,654	178	93	-
Deferred grant revenue	23,566	-	-	-	-	276,550	-
Deferred revenue	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Accrued wages	-	4,948	-	-	-	24,252	-
Accrued vacation and leave	-	1,315	-	-	-	10,226	-
Total liabilities	24,116	90,877	16,800	1,654	219	392,780	-
Fund balances							
Fund balance:							
Reserved for encumbrances	-	133,203	311,026	4,128	-	391,303	-
Reserved for loans receivable	-	-	1,482,444	-	-	-	-
Unreserved designated for pre-encumbrances	-	6,957	-	8	-	140,350	-
Unreserved reported in special revenue funds	(390)	(112,189)	444,581	(5,790)	15,566	(201,945)	92,458
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	(390)	27,971	2,238,051	(1,654)	15,566	329,708	92,458
Total liabilities and fund balances	\$ 23,726	\$ 118,848	\$ 2,254,851	\$ -	\$ 15,785	\$ 722,488	\$ 92,458

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

Special Revenue Funds		Joint					Akron Muni. Court Information System
		C.B.D. Tax Equivalency	Industrial Incubator	Economic Development Districts	Kenmore Improvement	Vehicle Immobilization	
Section 108	Loans						
	\$ 1	\$ 26,078	\$ 574,662	\$ 1,237,030	\$ 73,166	\$ 87,188	\$ 317,175
Assets							
Pooled cash and investments	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	13,957	7,495	1,872,529	-	-	18,198
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	35,299	-	-	-
Due from other funds	-	-	-	11,712,830	-	-	-
Due from others	-	-	-	-	-	-	-
Total assets	\$ 1	\$ 40,035	\$ 582,157	\$ 14,857,688	\$ 73,166	\$ 87,188	\$ 335,373
	\$						
Liabilities							
Accounts payable	-	6,398	12,031	604,184	-	-	498
Due to other governments	38,239	-	-	-	-	-	-
Due to other funds	-	273	3,909	142,654	-	-	121
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	-	-	640,678	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	7,930	343,267	-	-	-
Accrued wages	-	-	-	-	-	-	-
Accrued vacation and leave	-	-	-	-	-	-	-
Total liabilities	38,239	6,671	23,870	1,730,783	-	-	619
Fund balances							
Fund balance:							
Reserved for encumbrances	-	21,818	526,182	2,875,706	-	31,200	73,404
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	-	-	5,187	-	250	1,852
Unreserved reported in special revenue funds	(38,238)	11,546	32,105	10,246,012	73,166	55,738	259,498
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	-	-	-	-	-	-	-
Total fund balances	(38,238)	33,364	558,287	13,126,905	73,166	87,188	334,754
Total liabilities and fund balances	\$ 1	\$ 40,035	\$ 582,157	\$ 14,857,688	\$ 73,166	\$ 87,188	\$ 335,373

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

Special Revenue Funds									
	Recreation Bureau Donations	Enterprise Community Grant	Balch Street Recreation Center	Canal Park Stadium COPs	Public Health	Police Grants	Various Domestic Violence		
Assets									
Pooled cash and investments	\$ 256,838	\$ 487,536	\$ -	\$ -	\$ 232,577	\$ 464,427	\$ -		
Restricted cash and investments	-	-	-	4,032,014	-	-	-		
Receivables, net of allowances for uncollectibles	-	1,954	-	-	-	-	105		
Loans receivable	-	443,135	-	-	-	-	-		
Due from other governments	-	-	-	-	-	-	161,388		
Due from other funds	-	-	-	-	-	2,802	-		
Due from others	-	-	-	-	-	-	-		
Total assets	\$ 256,838	\$ 932,625	\$ -	\$ 4,032,014	\$ 232,577	\$ 467,229	\$ 161,493		
Liabilities									
Accounts payable	\$ -	\$ -	\$ 13,485	\$ -	\$ 8,584	\$ 117,899	\$ -		
Due to other governments	-	-	-	-	-	-	-		
Due to other funds	-	-	467	-	135	104	166,028		
Deferred grant revenue	-	-	-	-	-	353,711	-		
Deferred revenue	-	-	-	-	-	-	-		
Matured bonds payable	-	-	-	-	-	-	-		
Matured interest payable	-	-	-	-	-	-	-		
Accrued liabilities	-	-	-	-	-	-	-		
Accrued wages	-	-	-	-	2,590	16,513	2,475		
Accrued vacation and leave	-	-	-	-	1,150	5,705	2,638		
Total liabilities	-	-	13,952	-	12,459	493,932	171,141		
Fund balances									
Fund balance:									
Reserved for encumbrances	78,865	211,970	45,825	-	9,907	320,377	63,756		
Reserved for loans receivable	-	443,135	-	-	-	-	-		
Unreserved designated for pre-encumbrances	2,665	-	-	-	1,006	54,634	679		
Unreserved reported in special revenue funds	175,308	277,520	(59,777)	4,032,014	209,205	(401,714)	(74,083)		
Unreserved reported in debt service funds	-	-	-	-	-	-	-		
Unreserved reported in capital project funds	-	-	-	-	-	-	-		
Total fund balances	256,838	932,625	(13,952)	4,032,014	220,118	(26,703)	(9,648)		
Total liabilities and fund balances	\$ 256,838	\$ 932,625	\$ -	\$ 4,032,014	\$ 232,577	\$ 467,229	\$ 161,493		

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

	Special Revenue Funds							
	Safety Programs	Landfill Operations	Health Grants	City Facilities Operating	Local Communications	Various Purpose Funding	Recreation Special Purpose	
Assets								
Pooled cash and investments	\$ 53,581	\$ 786,830	\$ 6,057	\$ 288,415	\$ -	\$ 135,467	\$ -	
Restricted cash and investments	-	-	-	-	-	-	-	
Receivables, net of allowances for uncollectibles	3,401	-	-	6,666	200,000	-	-	
Loans receivable	-	-	-	-	-	-	-	
Due from other governments	-	-	130,326	-	-	-	-	
Due from other funds	-	-	-	-	-	10,755	-	
Due from others	-	-	-	-	-	-	-	
Total assets	\$ 56,982	\$ 786,830	\$ 136,383	\$ 295,081	\$ 200,000	\$ 146,222	\$ -	
Liabilities								
Accounts payable	\$ -	\$ -	\$ 16,498	\$ 75,321	\$ -	\$ 14,250	\$ 5,730	
Due to other governments	-	-	-	-	-	-	-	
Due to other funds	-	536	370	7,276	200,000	-	55,381	
Deferred grant revenue	-	-	64,637	-	-	-	-	
Deferred revenue	-	-	-	-	-	-	-	
Matured bonds payable	-	-	-	-	-	-	-	
Matured interest payable	-	-	-	-	-	-	-	
Accrued liabilities	-	-	-	-	-	-	-	
Accrued wages	-	-	6,691	1,991	-	-	1,259	
Accrued vacation and leave	-	-	1,702	183	-	-	82	
Total liabilities	-	536	89,898	84,771	200,000	14,250	62,452	
Fund balances								
Fund balance:								
Reserved for encumbrances	3,457	43,995	1,833,887	54,667	-	119,570	81,952	
Reserved for loans receivable	-	-	-	-	-	-	-	
Unreserved designated for pre-encumbrances	-	-	8,598	871	-	-	19,896	
Unreserved reported in special revenue funds	53,525	742,299	(1,796,000)	154,772	-	12,402	(164,300)	
Unreserved reported in debt service funds	-	-	-	-	-	-	-	
Unreserved reported in capital project funds	-	-	-	-	-	-	-	
Total fund balances	56,982	786,294	46,485	210,310	-	131,972	(62,452)	
Total liabilities and fund balances	\$ 56,982	\$ 786,830	\$ 136,383	\$ 295,081	\$ 200,000	\$ 146,222	\$ -	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

	Special Revenue Funds			Debt Service Funds			Market Valley Urban Renewal Bond		
	Building Appeals	Payroll	Investment Earnings	General Bond Payment	Debt Service Bond Payment	Main Place Bond Payment	Market Valley Urban Renewal Bond Payment		
Assets									
Pooled cash and investments	\$ 3,123	\$ -	\$ 706,420	\$ 328,529	\$ 632,680	\$ -	\$ -		
Restricted cash and investments	-	-	-	-	3,023,098	295,945	3,009		
Receivables, net of allowances for uncollectibles	-	-	-	855,765	2,475	-	-		
Loans receivable	-	-	-	-	-	-	-		
Due from other governments	-	-	-	-	-	-	-		
Due from other funds	-	-	-	-	-	-	-		
Due from others	-	2,561,008	-	-	-	-	-		
Total assets	\$ 3,123	\$ 2,561,008	\$ 706,420	\$ 1,184,294	\$ 3,658,253	\$ 295,945	\$ 3,009		
Liabilities									
Accounts payable	\$ -	\$ 1,503,792	\$ -	\$ 25,917	\$ -	\$ -	\$ -		
Due to other governments	-	6,878	-	-	-	-	-		
Due to other funds	-	1,010,002	24,778	449	-	-	-		
Deferred grant revenue	-	-	-	-	-	-	-		
Deferred revenue	-	-	-	855,765	-	-	-		
Matured bonds payable	-	-	-	-	140,000	-	-		
Matured interest payable	-	-	-	-	75,975	-	-		
Accrued liabilities	-	-	-	-	-	-	-		
Accrued wages	-	-	-	8,970	-	-	-		
Accrued vacation and leave	-	-	-	1,402	-	-	-		
Total liabilities	-	2,520,672	24,778	892,503	215,975	-	-		
Fund balances									
Fund balance:									
Reserved for encumbrances	-	-	-	3,587	-	-	-		
Reserved for loans receivable	-	-	-	-	-	-	-		
Unreserved designated for pre-encumbrances	-	-	-	6,114	-	-	-		
Unreserved reported in special revenue funds	3,123	40,336	681,642	-	-	-	-		
Unreserved reported in debt service funds	-	-	-	282,090	3,442,278	295,945	3,009		
Unreserved reported in capital project funds	-	-	-	-	-	-	-		
Total fund balances	3,123	40,336	681,642	291,791	3,442,278	295,945	3,009		
Total liabilities and fund balances	\$ 3,123	\$ 2,561,008	\$ 706,420	\$ 1,184,294	\$ 3,658,253	\$ 295,945	\$ 3,009		

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

	Debt Service Funds			Capital Project Funds				
	Downtown Hotel Bond Payment	Non-Tax Revenue Bond Payment	Pension Obligation Refunding	JEDD Bond Payment	G.O. Refunding Bond Payment	Non-emergency City Radio System	Ascot Park Public Improvements	
Assets								
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,275	
Restricted cash and investments	-	3,080,542	48,987	2,523,287	-	-	-	
Receivables, net of allowances for uncollectibles	-	-	-	-	-	-	36,083	
Loans receivable	-	-	-	-	-	-	-	
Due from other governments	-	-	-	-	-	-	300,000	
Due from other funds	-	-	-	-	-	-	-	
Due from others	-	-	-	-	-	-	-	
Total assets	\$ -	\$ 3,080,542	\$ 48,987	\$ 2,523,287	\$ -	\$ -	\$ 614,358	
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,585	
Due to other governments	-	-	-	-	-	-	-	
Due to other funds	-	-	-	-	-	-	4,434	
Deferred grant revenue	-	-	-	-	-	-	-	
Deferred revenue	-	-	-	-	-	-	-	
Matured bonds payable	-	-	-	-	-	-	-	
Matured interest payable	-	-	-	-	-	-	-	
Accrued liabilities	-	-	-	-	-	-	89,320	
Accrued wages	-	-	-	-	-	-	-	
Accrued vacation and leave	-	-	-	-	-	-	-	
Total liabilities	-	-	-	-	-	-	98,339	
Fund balances								
Fund balance:								
Reserved for encumbrances	-	-	-	-	-	-	348,316	
Reserved for loans receivable	-	-	-	-	-	-	-	
Unreserved designated for pre-encumbrances	-	-	-	-	-	-	-	
Unreserved reported in special revenue funds	-	-	-	-	-	-	-	
Unreserved reported in debt service funds	-	3,080,542	48,987	2,523,287	-	-	-	
Unreserved reported in capital project funds	-	-	-	-	-	-	167,703	
Total fund balances	-	\$ 3,080,542	\$ 48,987	\$ 2,523,287	-	-	\$ 516,019	
Total liabilities and fund balances	\$ -	\$ 3,080,542	\$ 48,987	\$ 2,523,287	\$ -	\$ -	\$ 614,358	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

Capital Project Funds										
	Canal Park Condominiums U.D.A.G.	Airport Industrial Park	Convention Center	Canal Square U.D.A.G.	Non-appropriated Capital Projects	Eaton Estate Urban Redevelopment	Road and Bridge Improvements			
Assets										
Pooled cash and investments	\$ 155,610	\$ 407,511	\$ -	\$ -	\$ -	\$ 908,096	\$ -			
Restricted cash and investments	-	-	-	-	-	-	-			
Receivables, net of allowances for uncollectibles	-	147,379	-	-	-	-	1,599,703			
Loans receivable	250,548	-	-	-	-	-	-			
Due from other governments	-	-	-	-	197,143	-	309,479			
Due from other funds	-	-	-	-	-	-	-			
Due from others	-	-	-	-	-	-	-			
Total assets	\$ 406,158	\$ 554,890	\$ -	\$ -	\$ 197,143	\$ 908,096	\$ 1,909,182			
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 12,195	\$ -	\$ -			
Due to other governments	-	-	-	-	-	-	-			
Due to other funds	-	-	-	-	820,179	301	358,545			
Deferred grant revenue	-	-	-	-	-	-	-			
Deferred revenue	-	-	-	-	-	-	1,398,186			
Matured bonds payable	-	-	-	-	-	-	-			
Matured interest payable	-	-	-	-	-	-	-			
Accrued liabilities	-	-	-	-	29,421	-	33,308			
Accrued wages	-	-	-	-	-	-	-			
Accrued vacation and leave	-	-	-	-	-	-	-			
Total liabilities	-	-	-	-	861,795	301	1,790,039			
Fund balances										
Fund balance:										
Reserved for encumbrances	250,000	-	-	-	380,125	-	952,243			
Reserved for loans receivable	250,548	-	-	-	-	-	-			
Unreserved designated for pre-encumbrances	-	-	-	-	-	-	-			
Unreserved reported in special revenue funds	-	-	-	-	-	-	-			
Unreserved reported in debt service funds	-	-	-	-	-	-	-			
Unreserved reported in capital project funds	(94,390)	554,890	-	-	(1,044,777)	907,795	(833,100)			
Total fund balances	406,158	554,890	-	-	(664,652)	907,795	119,143			
Total liabilities and fund balances	\$ 406,158	\$ 554,890	\$ -	\$ -	\$ 197,143	\$ 908,096	\$ 1,909,182			

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

	Capital Project Funds						
	Arterial Street Construction	Streets	Massillon Road Industrial Park	Exchange Street Redevelopment	Akron Square Urban Renewal Area	Police/Fire Combined Dispatch	Inventors' Hall of Fame
Assets							
Pooled cash and investments	\$ 9,715	\$ -	\$ -	\$ 4,139	\$ 571,568	\$ 2,410	\$ 993,005
Restricted cash and investments	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	94,100	-	2,055	18,390	-	214,918
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	3,550,158	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from others	-	-	-	-	-	-	-
Total assets	\$ 9,715	\$ 3,644,258	\$ -	\$ 6,194	\$ 589,958	\$ 2,410	\$ 1,207,923
Liabilities							
Accounts payable	\$ -	\$ 131,241	\$ 37,796	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	5,654,257	2,710,459	-	743	-	-
Deferred grant revenue	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	1,698,757	104,268	-	-	-	-
Accrued wages	-	1,481	-	-	-	-	-
Accrued vacation and leave	-	-	-	-	-	-	-
Total liabilities	-	7,485,736	2,852,523	-	743	-	-
Fund balances							
Fund balance:							
Reserved for encumbrances	-	15,043,766	372,390	-	-	195,167	-
Reserved for loans receivable	-	-	-	-	-	-	-
Unreserved designated for pre-encumbrances	-	19,730	-	-	-	-	-
Unreserved reported in special revenue funds	-	-	-	-	-	-	-
Unreserved reported in debt service funds	-	-	-	-	-	-	-
Unreserved reported in capital project funds	9,715	(18,904,974)	(3,224,913)	6,194	589,215	(192,757)	1,207,923
Total fund balances	9,715	(3,841,478)	(2,852,523)	6,194	589,215	2,410	1,207,923
Total liabilities and fund balances	\$ 9,715	\$ 3,644,258	\$ -	\$ 6,194	\$ 589,958	\$ 2,410	\$ 1,207,923

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

Capital Project Funds		Projects					
Americans with Disabilities Act	Market-High Renewal Project	Tell Development Project	Funded by G.O. Bonds	Cascade Hotel Renovation	O'Neils Building Renovation	Canal Redevelopment	
Assets							
Pooled cash and investments	\$ -	\$ 32,030	\$ 15,203	\$ -	\$ 52,339	\$ 564,189	
Restricted cash and investments	-	-	-	-	-	-	
Receivables, net of allowances for uncollectibles	-	-	-	448	-	-	
Loans receivable	-	-	-	-	2,682,059	-	
Due from other governments	-	-	-	-	-	-	
Due from other funds	-	-	-	-	-	-	
Due from others	-	-	-	-	-	-	
Total assets	\$ -	\$ 32,030	\$ 15,203	\$ 448	\$ 2,734,398	\$ 564,189	
Liabilities							
Accounts payable	\$ -	\$ -	\$ 13,981	\$ 20,516	\$ -	\$ -	
Due to other governments	-	-	-	-	-	-	
Due to other funds	-	-	-	2,114,603	1,590,000	1,192	
Deferred grant revenue	-	-	-	-	-	-	
Deferred revenue	-	-	-	-	-	-	
Matured bonds payable	-	-	-	-	-	-	
Matured interest payable	-	-	-	-	-	-	
Accrued liabilities	-	-	-	1,629,429	-	-	
Accrued wages	-	-	-	-	-	-	
Accrued vacation and leave	-	-	-	-	-	-	
Total liabilities	-	13,981	13,981	3,764,548	1,590,000	1,192	
Fund balances							
Fund balance:							
Reserved for encumbrances	-	-	12,251	6,502,657	-	-	
Reserved for loans receivable	-	-	-	-	2,682,059	-	
Unreserved designated for pre-encumbrances	-	-	-	3,501	-	-	
Unreserved reported in special revenue funds	-	-	-	-	-	-	
Unreserved reported in debt service funds	-	-	-	-	-	-	
Unreserved reported in capital project funds	-	32,030	(11,029)	(10,270,258)	(1,537,661)	562,997	
Total fund balances	-	32,030	1,222	(3,764,100)	1,144,398	562,997	
Total liabilities and fund balances	\$ -	\$ 32,030	\$ 15,203	\$ 448	\$ 2,734,398	\$ 564,189	

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

	Capital Project Funds							North Turkeyfoot Industrial Park
	Firestone Stadium Improvements	GoJo Headquarters Improvements	Tell Parking Expansion	Capital Projects with Private Funding	Traffic Management Program	Mustill Store Renovation		
Assets								
Pooled cash and investments	\$ 1,414	\$ -	\$ 206,281	\$ -	\$ -	\$ -	\$ -	
Restricted cash and investments	-	-	-	-	-	-	-	
Receivables, net of allowances for uncollectibles	-	-	-	838	-	-	-	
Loans receivable	-	-	-	-	-	-	-	
Due from other governments	-	-	-	-	-	-	-	
Due from other funds	-	-	-	-	-	-	-	
Due from others	-	-	-	-	-	-	-	
Total assets	\$ 1,414	\$ -	\$ 206,281	\$ 838	\$ -	\$ -	\$ -	
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 37,315	\$ -	\$ -	\$ -	
Due to other governments	-	-	-	-	-	-	-	
Due to other funds	-	1,220,993	-	1,282,421	-	-	-	1,268,172
Deferred grant revenue	-	-	-	-	-	-	-	
Deferred revenue	-	-	-	-	-	-	-	
Matured bonds payable	-	-	-	-	-	-	-	
Matured interest payable	-	-	-	-	-	-	-	
Accrued liabilities	-	121,408	-	-	-	-	-	168,898
Accrued wages	-	-	-	-	-	-	-	
Accrued vacation and leave	-	-	-	-	-	-	-	
Total liabilities	-	1,342,401	-	1,319,736	-	-	-	1,437,070
Fund balances								
Fund balance:								
Reserved for encumbrances	-	497,532	87,767	101,858	-	20,000	-	176,392
Reserved for loans receivable	-	-	-	-	-	-	-	
Unreserved designated for pre-encumbrances	-	-	-	3,488	-	-	-	
Unreserved reported in special revenue funds	-	-	-	-	-	-	-	
Unreserved reported in debt service funds	-	-	-	-	-	-	-	
Unreserved reported in capital project funds	1,414	(1,839,933)	118,514	(1,424,244)	-	(20,000)	-	(1,613,462)
Total fund balances	1,414	(1,342,401)	206,281	(1,318,898)	-	-	-	(1,437,070)
Total liabilities and fund balances	\$ 1,414	\$ -	\$ 206,281	\$ 838	\$ -	\$ -	\$ -	\$ -

City of Akron, Ohio

Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2001
(continued)

	<u>Capital Project Funds</u>	<u>Total</u>
	<u>Facilities and</u> <u>Projects with</u> <u>Various</u> <u>Funding</u>	
Assets		
Pooled cash and investments	\$ 5,490	\$ 22,234,879
Restricted cash and investments	-	13,006,882
Receivables, net of allowances for uncollectibles	-	21,660,809
Loans receivable	-	5,358,186
Due from other governments	-	5,670,741
Due from other funds	-	23,252,821
Due from others	-	2,561,008
Total assets	<u>\$ 5,490</u>	<u>\$ 93,745,326</u>
Liabilities		
Accounts payable	-	\$ 3,925,846
Due to other governments	-	1,635,117
Due to other funds	60	22,219,450
Deferred grant revenue	-	3,374,882
Deferred revenue	-	14,727,118
Matured bonds payable	-	140,000
Matured interest payable	-	75,975
Accrued liabilities	5,490	4,529,844
Accrued wages	-	839,129
Accrued vacation and leave	-	797,011
Total liabilities	<u>5,550</u>	<u>52,264,372</u>
Fund balances		
Fund balance:		
Reserved for encumbrances	5,490	36,515,748
Reserved for loans receivable	-	5,358,186
Unreserved designated for pre-encumbrances	-	1,401,915
Unreserved reported in special revenue funds	-	25,387,625
Unreserved reported in debt service funds	-	9,676,138
Unreserved reported in capital project funds	(5,550)	(36,858,658)
Total fund balances	<u>(60)</u>	<u>41,480,954</u>
Total liabilities and fund balances	<u>\$ 5,490</u>	<u>\$ 93,745,326</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2001

	Special Revenue Funds						
	Income Tax Collection	Emergency Medical Service	Special Assessment	Income Tax Capital Improvement	C.I.P. Operating	Street and Highway Maintenance	Special Assessment Street Cleaning
Revenues							
Income taxes	\$ 4,373,123	\$ -	\$ -	\$ 123,555	\$ 1,131,908	\$ -	\$ -
Property taxes	-	7,335,862	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	151,108	-	-	-	-
Grants and subsidies:							
Community development	-	-	-	-	-	-	-
Other	-	-	-	878,466	-	20,000	-
Investment earnings	-	-	-	-	-	-	-
Shared revenues	-	-	-	-	-	5,116,213	-
Licenses, fees and fines	-	-	-	-	-	60,262	-
Charges for services	550,045	3,530	-	337,121	-	2,002,385	61,101
Miscellaneous	33,528	-	40	1,150,844	169	63,423	14,537
	4,956,696	7,339,392	151,148	2,489,986	1,132,077	7,262,283	75,638
Expenditures							
Current:							
General government	5,239,495	-	412,714	-	4,755	-	-
Public service	-	-	-	797,624	-	8,580,031	4,553,913
Public safety	-	8,327,798	-	220,045	-	1,338,063	-
Community environment	-	-	-	2,895	1,363,768	-	-
Public health	-	-	-	81,588	-	-	-
Recreation and parks	-	-	-	396,745	-	-	-
Capital outlay	-	-	-	5,833,107	-	-	-
Debt service:							
Principal Retirement	-	-	-	-	-	-	199,515
Interest	-	-	-	-	-	-	-
Bond issuance expense	-	-	-	-	-	-	-
	5,239,495	8,327,798	412,714	7,332,004	1,368,523	9,918,094	4,753,428
Excess (deficiency) of revenues over (under) expenditures	(282,799)	(988,406)	(261,566)	(4,842,018)	(236,446)	(2,655,811)	(4,677,790)
Other financing sources (uses)							
Proceeds of general obligation bonds	-	-	-	3,467,183	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-
Proceeds of refunding bonds premium	-	-	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-	-	-
Operating transfers in	-	-	-	7,780,880	-	3,500,000	4,444,515
Operating transfers out	-	(29,000)	-	(5,527,426)	(100,000)	(78,392)	(21,865)
Special item - loss on debt forgiveness	-	-	-	-	-	-	-
	-	(29,000)	-	5,720,637	(100,000)	3,421,608	4,422,650
Net changes in fund balance	(282,799)	(1,017,406)	(261,566)	878,619	(336,446)	765,797	(255,140)
Fund balances (deficits), January 1, 2001, as restated	1,589,729	1,952,951	434,515	2,939,240	3,168,701	948,618	(3,591,901)
Fund balances (deficits), December 31, 2001	\$ 1,306,930	\$ 935,545	\$ 172,949	\$ 3,817,859	\$ 2,832,255	\$ 1,714,415	\$ (3,847,041)

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

	Special Revenue Funds								Indigent Drivers' Alcohol Treatment
	Special Assessment Street Lighting	Fire-Public Education and Safety	Haz/Mat Rescue Grant	E.M.S. Grant Fund	Law Enforcement	Drug Law Enforcement			
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-	-	-
Special assessments	2,803,385	-	-	-	-	-	-	-	-
Grants and subsidies:									
Community development	-	-	-	-	-	-	-	-	-
Other	-	-	-	131	-	-	-	-	-
Investment earnings	-	-	-	-	22,532	-	16,504	-	-
Shared revenues	-	-	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-	38,759	-	43,955
Charges for services	2,148	-	32,195	-	-	-	-	-	-
Miscellaneous	11,921	11,759	-	227	121,299	-	58,632	-	-
	2,817,454	11,759	32,195	940	143,831	-	113,895	-	43,955
	1,319,351	19,861	49,199	1,298	131,159	-	307,355	-	-
	1,498,103	(8,102)	(17,004)	-	12,672	-	(193,460)	-	43,955
Excess (deficiency) of revenues over (under) expenditures									
Other financing sources (uses)									
Proceeds of general obligation bonds	-	-	-	-	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-
Proceeds of refunding bonds premium	-	-	-	-	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers out	(51,874)	-	-	-	(285,151)	-	-	-	-
Special item - loss on debt forgiveness	(51,874)	-	-	-	(285,151)	-	-	-	-
	1,446,229	(8,102)	(17,004)	-	(272,479)	-	(193,460)	-	43,955
Net changes in fund balance	6,047,945	67,100	45,636	30,553	(467)	-	245,453	-	49,318
Fund balances (deficits), January 1, 2001, as restated	7,494,174	58,998	28,632	30,553	(272,946)	-	51,993	-	93,273
Fund balances (deficits), December 31, 2001									

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

	Special Revenue Funds						
	D.U.I. Enforcement and Education	Equipment Replacement	Convention and Exhibition Hall	Weed Control	Litter Control	Building Code Enforcement	Community Development
Revenues	\$ -	\$ 443,441	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	-	89,669	35,886	31,142	15,555
Grants and subsidies:	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	6,340,066
Other	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Shared revenues	-	-	225,245	-	-	-	-
Licenses, fees and fines	10,652	-	-	-	-	-	-
Charges for services	-	-	-	-	5,084	-	-
Miscellaneous	-	171,504	63,165	-	153	6,515	901,476
	10,652	614,945	288,410	89,669	41,123	37,657	7,257,097
Expenditures							
Current:							
General government	-	13	216,881	-	-	-	67,050
Public service	-	852,968	-	96,211	-	-	(2,001)
Public safety	15,285	977,662	-	-	-	-	-
Community environment	-	65,314	-	-	-	190,758	7,455,631
Public health	-	(14,652)	-	-	65,687	-	256,048
Recreation and parks	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	500
Debt service:	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Bond issuance expense	-	-	-	-	-	-	-
	15,285	1,881,305	216,881	96,211	65,687	190,758	7,777,228
Excess (deficiency) of revenues over (under) expenditures	(4,633)	(1,266,360)	71,529	(6,542)	(24,564)	(153,101)	(520,131)
Other financing sources (uses)							
Proceeds of general obligation bonds	-	3,320,000	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-
Proceeds of refunding bonds premium	-	-	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	38,000	165,000	506,973
Operating transfers out	-	(2,763,433)	(250,000)	-	-	-	(91,219)
Special item - loss on debt forgiveness	-	-	-	-	-	-	-
	-	556,567	(250,000)	-	38,000	165,000	415,754
Net changes in fund balance	(4,633)	(709,793)	(178,471)	(6,542)	13,436	11,899	(104,377)
Fund balances (deficits), January 1, 2001, as restated	57,053	1,353,686	486,133	10,144	17,142	(24,255)	(857,462)
Fund balances (deficits), December 31, 2001	\$ 52,420	\$ 643,893	\$ 307,662	\$ 3,602	\$ 30,578	\$ (12,356)	\$ (961,839)

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

Special Revenue Funds										
	Air Pollution Control	Alcohol and Drug Abuse Counseling	Comprehensive Planning	Upgrade Staff Program	Supplemental Food Program	Sexually Transmitted Disease Control	Akron Metro. Area Transportation Study			
Revenues	\$	\$	\$	\$	\$	\$	\$			
Income taxes	-	-	-	-	-	-	-			
Property taxes	-	-	-	-	-	-	-			
JEDD revenues	-	-	-	-	-	-	-			
Special assessments	-	-	-	-	-	-	-			
Grants and subsidies:										
Community development	-	-	-	-	-	-	-			
Other	2,426,821	237,882	46,312	85,893	1,348,453	54,749	877,898			
Investment earnings	-	-	18,750	-	3,912	-	-			
Shared revenues	-	-	-	-	-	-	-			
Licenses, fees and fines	179,440	230	-	299	-	-	-			
Charges for services	865	551,286	-	152,770	-	14,843	(92,051)			
Miscellaneous	49	17,100	14,660	932	60	-	3,689			
	2,607,175	806,498	79,722	239,894	1,352,425	69,592	789,536			
Expenditures										
Current:										
General government	-	-	-	-	-	-	(3,603)			
Public service	-	-	-	-	-	-	30			
Public safety	-	-	-	-	-	-	-			
Community environment	-	-	46,312	-	-	-	983,951			
Public health	1,195,440	1,001,966	-	187,651	1,341,346	69,592	756			
Recreation and parks	-	-	-	-	-	-	-			
Capital outlay	-	-	-	-	-	-	-			
Debt service:										
Principal Retirement	-	-	-	-	-	-	-			
Interest	-	-	-	-	-	-	-			
Bond issuance expense	-	-	-	-	-	-	-			
	1,195,440	1,001,966	46,312	187,651	1,341,346	69,592	981,134			
Excess (deficiency) of revenues over (under) expenditures	1,411,735	(195,468)	33,410	52,243	11,079	-	(191,598)			
Other financing sources (uses)										
Proceeds of general obligation bonds	-	-	-	-	-	-	-			
Proceeds of general obligation notes	-	-	-	-	-	-	-			
Proceeds of refunding bonds	-	-	-	-	-	-	-			
Proceeds of refunding bonds premium	-	-	-	-	-	-	-			
Advance refunding escrow	-	-	-	-	-	-	-			
Operating transfers in	-	-	-	-	-	-	-			
Operating transfers out	-	-	-	-	-	-	-			
Special item - loss on debt forgiveness	-	-	-	-	-	-	-			
Net changes in fund balance	1,411,735	(195,468)	33,410	52,243	11,079	-	(191,598)			
Fund balances (deficits), January 1, 2001, as restated	526,505	(128,533)	502,084	135,378	(22,571)	(13,767)	(16,673)			
Fund balances (deficits), December 31, 2001	\$ 1,938,240	\$ (324,001)	\$ 535,494	\$ 187,621	\$ (11,492)	\$ (13,767)	\$ (208,271)			

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

	Special Revenue Funds							E.D.A. Revolving Loans
	Summer Lunch Program	Child and Family Health Services	H.O.M.E. Program	Lead Poisoning Prevention	K.A.B. Litter Control	State/ Federal Grants Diverse		
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Grants and subsidies:								
Community development	-	-	2,137,886	-	-	339,515	-	-
Other	95,577	485,003	-	-	78,925	813,555	-	-
Investment earnings	-	-	-	-	-	-	-	-
Shared revenues	-	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	15,862	-	-
Charges for services	-	42,702	-	3,447	-	792,073	-	-
Miscellaneous	-	-	790,985	-	1,739	4,287	-	-
	95,577	527,705	2,928,871	3,447	80,664	1,965,292	-	-
Expenditures								
Current:								
General government	-	-	-	-	-	29,741	-	-
Public service	499	-	-	-	78,925	-	-	-
Public safety	-	-	-	-	-	-	-	-
Community environment	-	-	1,738,550	-	2,186	249,284	-	-
Public health	-	526,398	-	2,568	-	1,538,750	-	-
Recreation and parks	95,577	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal Retirement	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Bond issuance expense	-	-	-	-	-	-	-	-
	96,076	526,398	1,738,550	2,568	81,111	1,817,775	-	-
Excess (deficiency) of revenues over (under) expenditures	(499)	1,307	1,190,321	879	(447)	147,517	-	-
Other financing sources (uses)								
Proceeds of general obligation bonds	-	-	-	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Proceeds of refunding bonds premium	-	-	-	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-	-	-	-
Operating transfers in	-	-	(460,500)	-	1,232	28,022	-	-
Operating transfers out	-	-	-	-	-	(605,778)	-	-
Special item - loss on debt forgiveness	-	-	(460,500)	-	1,232	(577,756)	-	-
Net changes in fund balance	(499)	1,307	729,821	879	785	(430,239)	-	-
Fund balances (deficits), January 1, 2001, as restated	109	26,664	1,508,230	(2,533)	14,781	759,947	92,458	92,458
Fund balances (deficits), December 31, 2001	\$ (390)	\$ 27,971	\$ 2,238,051	\$ (1,654)	\$ 15,566	\$ 329,708	\$ 92,458	\$ 92,458

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

Special Revenue Funds		C.B.D. Tax Equivalency	Industrial Incubator	Joint Economic Development Districts	Kenmore Improvement	Vehicle Immobilization	Akron Muni. Court Information System
Section 108 Loans							
Revenues	\$ -	\$ -	\$ 335,000	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-
Property taxes	-	146,440	-	-	-	-	-
JEDD revenues	-	-	-	14,682,526	-	-	-
Special assessments	-	-	-	-	-	-	-
Grants and subsidies:	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Other	-	-	190,800	107,299	-	-	-
Investment earnings	-	-	-	-	-	-	-
Shared revenues	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-	229,994
Charges for services	-	-	222,097	774,553	-	-	-
Miscellaneous	-	55,829	7,495	53,445	6,808	25,832	-
	-	202,269	755,392	15,617,823	6,808	25,832	229,994
	5,709	2,816,303	1,165,641	13,521,610	3,000	12,679	152,905
	(5,709)	(2,614,034)	(410,249)	2,096,213	3,808	13,153	77,089
Excess (deficiency) of revenues over (under) expenditures							
Other financing sources (uses)							
Proceeds of general obligation bonds	-	-	840,000	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-
Proceeds of refunding bonds premium	-	-	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-	-	-
Operating transfers in	15,869	2,614,613	335,000	-	-	-	-
Operating transfers out	-	(106,027)	-	(10,861,955)	-	-	(100,000)
Special item - loss on debt forgiveness	-	-	-	-	-	-	-
	15,869	2,508,586	1,175,000	(10,861,955)	-	-	(100,000)
Net changes in fund balance	10,160	(105,448)	764,751	(8,765,742)	3,808	13,153	(22,911)
Fund balances (deficits), January 1, 2001, as restated	(48,398)	138,812	(206,464)	21,892,647	69,358	74,035	357,665
Fund balances (deficits), December 31, 2001	\$ (38,238)	\$ 33,364	\$ 558,287	\$ 13,126,905	\$ 73,166	\$ 87,188	\$ 334,754

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

Special Revenue Funds		Enterprise Community Grant	Balch Street Recreation Center	Canal Park Stadium COPs	Public Health	Police Grants	Various Domestic Violence
Revenues	\$	\$	\$	\$	\$	\$	\$
Income taxes	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	-	-	44,688	-	-
Grants and subsidies:	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Other	-	360,251	-	-	-	601,324	176,705
Investment earnings	-	16,199	-	117,092	-	7,242	-
Shared revenues	-	-	-	-	-	38,019	-
Licenses, fees and fines	-	-	-	-	601,053	259	-
Charges for services	60,286	-	35,902	-	449,621	1,435	105
Miscellaneous	74,274	282,799	740	-	3,325	11,316	32,889
	134,560	659,249	36,642	117,092	1,098,687	659,595	209,699
Expenditures							
Current:							
General government	-	-	-	5,807	545	-	232,858
Public service	-	-	41,013	-	1,294	-	-
Public safety	-	-	-	-	-	1,037,602	-
Community environment	-	63,587	-	-	-	-	-
Public health	-	794	-	-	355,721	-	-
Recreation and parks	37,892	-	171,068	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal Retirement	-	-	-	2,956,340	-	-	-
Interest	-	-	-	983,660	-	-	-
Bond issuance expense	-	-	-	-	-	-	-
	37,892	64,381	212,081	3,945,807	357,560	1,037,602	232,858
Excess (deficiency) of revenues over (under) expenditures	96,668	594,868	(175,439)	(3,828,715)	741,127	(378,007)	(23,159)
Other financing sources (uses)							
Proceeds of general obligation bonds	-	-	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-
Proceeds of refunding bonds premium	-	-	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-	-	-
Operating transfers in	65,000	-	181,563	3,409,065	-	311,345	-
Operating transfers out	(65,000)	-	-	-	(700,000)	-	-
Special item - loss on debt forgiveness	-	-	-	-	-	-	-
	-	-	181,563	3,409,065	(700,000)	311,345	-
Net changes in fund balance	96,668	594,868	6,124	(419,650)	41,127	(66,662)	(23,159)
Fund balances (deficits), January 1, 2001, as restated	160,170	337,757	(20,076)	4,451,664	178,991	39,959	13,511
Fund balances (deficits), December 31, 2001	\$ 256,838	\$ 932,625	\$ (13,952)	\$ 4,032,014	\$ 220,118	\$ (26,703)	\$ (9,648)

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

Special Revenue Funds									
	Safety Programs	Landfill Operations	Health Grants	City Facilities Operating	Local Communications	Various Purpose Funding	Recreation Special Purpose		
Revenues	\$ -	\$ -	\$ -	\$ -	\$ 404,031	\$ -	\$ -		
Income taxes	-	-	-	-	-	-	-		
Property taxes	-	-	-	-	-	-	-		
JEDD revenues	-	-	-	-	-	-	-		
Special assessments	-	-	-	-	-	-	-		
Grants and subsidies:									
Community development	-	-	-	-	-	-	-		
Other	-	-	1,224,458	-	200,000	-	-	21,627	
Investment earnings	-	-	-	-	-	-	-		
Shared revenues	-	-	-	-	-	-	-		
Licenses, fees and fines	21,167	-	28,161	-	-	-	-		352,121
Charges for services	-	300,000	12,636	603,149	-	-	-	264,781	205,365
Miscellaneous	-	300,000	1,265,255	603,149	604,031	-	-	286,408	557,486
	21,167	300,000	1,265,255	603,149	604,031	-	-	286,408	557,486
Expenditures	4,783	421,561	1,300,960	710,297	904,031	287,111	689,642		
Current:									
General government	-	245,358	-	4,384	800,000	-	-		
Public service	-	175,667	-	665,699	-	-	-		
Public safety	4,783	-	-	-	104,031	-	-		1,081
Community environment	-	-	-	39,848	-	-	-	287,111	
Public health	-	-	1,300,960	-	-	-	-		
Recreation and parks	-	-	-	366	-	-	-		688,561
Capital outlay	-	536	-	-	-	-	-		
Debt service:									
Principal Retirement	-	-	-	-	-	-	-		
Interest	-	-	-	-	-	-	-		
Bond issuance expense	-	-	-	-	-	-	-		
	4,783	421,561	1,300,960	710,297	904,031	287,111	689,642		
Excess (deficiency) of revenues over (under) expenditures	16,384	(121,561)	(35,705)	(107,148)	(300,000)	(703)	(132,156)		
Other financing sources (uses)									
Proceeds of general obligation bonds	-	-	-	-	-	-	-		
Proceeds of general obligation notes	-	-	-	-	-	-	-		
Proceeds of refunding bonds	-	-	-	-	-	-	-		
Proceeds of refunding bonds premium	-	-	-	-	-	-	-		
Advance refunding escrow	-	-	-	-	-	-	-		
Operating transfers in	-	-	-	85,525	-	-	-	119,149	
Operating transfers out	-	-	-	-	-	-	-	(46,473)	
Special item - loss on debt forgiveness	-	-	-	-	-	-	-		
	-	-	-	85,525	-	-	-	72,676	
Net changes in fund balance	16,384	(121,561)	(35,705)	(21,623)	(300,000)	(703)	(132,156)	71,973	(132,156)
Fund balances (deficits), January 1, 2001, as restated	40,598	907,855	82,190	231,933	300,000	59,999	69,704		
Fund balances (deficits), December 31, 2001	\$ 56,982	\$ 786,294	\$ 46,485	\$ 210,310	\$ -	\$ 131,972	\$ (62,452)		

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

	Special Revenue Funds			Debt Service Funds			Market Valley Urban Renewal Bond Payment
	Building Appeals	Payroll	Investment Earnings	General Bond Payment	Debt Service Bond Payment	Main Place Bond Payment	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ 15,358,245	\$ -	\$ -
Income taxes	-	-	-	-	968,747	-	168,744
Property taxes	-	-	-	309,786	-	216,332	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Grants and subsidies:	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Investment earnings	-	-	41,116	-	277,344	9,217	2,171
Shared revenues	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Miscellaneous	3,123	40,336	665,304	-	-	-	-
	3,123	40,336	706,420	309,786	16,604,336	225,549	170,915
Expenditures							
Current:							
General government	-	-	24,778	392,755	100,598	-	-
Public service	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	11,712,306	-	-
Interest	-	-	-	-	7,724,677	-	-
Bond issuance expense	-	-	24,778	392,755	19,537,581	-	-
	3,123	40,336	681,642	(82,969)	(2,933,245)	225,549	170,915
Excess (deficiency) of revenues over (under) expenditures							
Other financing sources (uses)							
Proceeds of general obligation bonds	-	-	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-
Proceeds of refunding bonds premium	-	-	-	-	467,603	-	-
Advance refunding escrow	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	3,409,383	-	-
Operating transfers out	-	-	-	-	(318,820)	(238,339)	(170,000)
Special item - loss on debt forgiveness	-	-	-	-	-	-	-
	-	-	-	-	3,558,166	(238,339)	(170,000)
Net changes in fund balance	3,123	40,336	681,642	(82,969)	624,921	(12,790)	915
Fund balances (deficits), January 1, 2001, as restated	-	-	-	374,760	2,817,357	308,735	2,094
Fund balances (deficits), December 31, 2001	\$ 3,123	\$ 40,336	\$ 681,642	\$ 291,791	\$ 3,442,278	\$ 295,945	\$ 3,009

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

	Debt Service Funds			Capital Project Funds				
	Downtown Hotel Bond Payment	Non-Tax Revenue Bond Payment	Pension Obligation Refunding	JEDD Bond Payment	G.O. Refunding Bond Payment	Non-emergency City Radio System	Ascot Park Public Improvements	
Revenues	\$ -	\$ 2,838,115	\$ -	\$ -	\$ -	\$ -	\$ -	
Income taxes	-	-	-	-	-	-	329,280	
Property taxes	-	-	707,528	-	-	-	-	
JEDD revenues	-	-	-	-	-	-	-	
Special assessments	-	-	-	-	-	-	-	
Grants and subsidies:	-	-	-	-	-	-	-	
Community development	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	300,000	
Investment earnings	-	98,101	16,536	158,276	-	-	-	
Shared revenues	-	-	-	-	-	-	-	
Licenses, fees and fines	-	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	51,334	
	-	2,936,216	724,064	158,276	-	-	680,614	
	78,425	2,840,615	707,910	2,353,071	571,774	-	1,399,095	
	(78,425)	95,601	16,154	(2,194,795)	(571,774)	-	(718,481)	
Excess (deficiency) of revenues over (under) expenditures								
Other financing sources (uses)								
Proceeds of general obligation bonds	-	-	-	-	-	-	1,060,000	
Proceeds of general obligation notes	-	-	-	-	-	-	-	
Proceeds of refunding bonds	-	-	-	-	28,185,000	-	-	
Proceeds of refunding bonds premium	-	-	-	-	1,123,879	-	-	
Advance refunding escrow	-	-	-	-	(28,737,105)	-	-	
Operating transfers in	78,425	-	-	2,218,916	-	90,005	-	
Operating transfers out	-	-	-	-	-	-	(53,310)	
Special item - loss on debt forgiveness	-	-	-	-	-	-	-	
	78,425	-	-	2,218,916	571,774	90,005	1,006,690	
	-	95,601	16,154	24,121	-	90,005	288,209	
Fund balances (deficits), January 1, 2001, as restated	-	2,984,941	32,833	2,499,166	-	(90,005)	227,810	
Fund balances (deficits), December 31, 2001	\$ -	\$ 3,080,542	\$ 48,987	\$ 2,523,287	\$ -	\$ -	\$ 516,019	

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

	Capital Project Funds							Road and Bridge Improvements
	Canal Park U.D.A.G.	Airport Industrial Park	Convention Center	Canal Square U.D.A.G.	Non-appropriated Capital Projects	Eaton Estate Urban Redevelopment		
Revenues	\$ -	\$ -	\$ -	\$ 12,814	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Property taxes	-	413,139	-	-	-	442,852	-	-
JEDD revenues	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Grants and subsidies:	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Other	-	-	-	336,127	-	-	-	365,496
Investment earnings	8,466	-	-	-	-	-	-	-
Shared revenues	-	-	-	-	-	-	-	1,575,331
Licenses, fees and fines	-	-	-	-	-	-	-	-
Charges for services	-	-	-	146,852	-	-	-	40,196
Miscellaneous	22	66,892	-	347,608	-	-	-	-
	8,488	480,031	-	843,401	-	442,852	-	1,981,023
Expenditures								
Current:								
General government	-	-	1,122	-	341	-	-	-
Public service	-	-	-	-	28,008	-	-	11,939
Public safety	-	-	-	-	-	-	-	-
Community environment	145,000	-	-	-	70,956	-	12,518	-
Public health	-	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-	-
Capital outlay	-	174	-	-	808,332	301	-	1,589,053
Debt service:	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Bond issuance expense	-	-	-	-	-	-	-	-
	145,000	174	1,122	-	907,637	12,819	-	1,600,992
Excess (deficiency) of revenues over (under) expenditures	(136,512)	479,857	(1,122)	(1)	(64,236)	430,033	380,031	
Other financing sources (uses)								
Proceeds of general obligation bonds	-	-	-	-	397,000	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Proceeds of refunding bonds premium	-	-	-	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	916,107	-	-	73,267
Operating transfers out	-	(9,000)	-	-	-	(186,590)	-	(110,254)
Special item - loss on debt forgiveness	-	-	-	-	-	-	-	-
	-	(9,000)	-	-	1,313,107	(186,590)	-	(36,987)
Net changes in fund balance	(136,512)	470,857	(1,122)	(1)	1,248,871	243,443	343,044	
Fund balances (deficits), January 1, 2001, as restated	542,670	84,033	1,122	1	(1,913,523)	664,352	(223,901)	
Fund balances (deficits), December 31, 2001	\$ 406,158	\$ 554,890	\$ -	\$ -	\$ (664,652)	\$ 907,795	\$ 119,143	

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

Capital Project Funds		Streets	Massillon Road Industrial Park	Exchange Street Redevelopment	Akron Square Urban Renewal Area	Police/Fire Combined Dispatch	Inventors' Hall of Fame
Arterial Street Construction							
Revenues	\$	1,977,799	-	-	-	-	-
Income taxes							
Property taxes					458,993		
JEDD revenues							
Special assessments		394,807					
Grants and subsidies:							
Community development		735,655					
Other		7,293,675					
Investment earnings							
Shared revenues			250,000				184,276
Licenses, fees and fines							799,572
Charges for services		1,628,556					
Miscellaneous		414,140	121,684	65,647	93,003		156,074
		12,444,632	371,684	65,647	551,996		1,139,922
Expenditures							
Current:							
General government		27,046					
Public service		2,334,118	186,844			164,131	
Public safety							
Community environment							
Public health							
Recreation and parks							
Capital outlay		20,565,058	2,535,751		20,089		1,792,903
Debt service:							
Principal Retirement							
Interest							
Bond issuance expense							
		22,926,222	2,722,595		20,089	164,131	1,792,903
Excess (deficiency) of revenues over (under) expenditures		(10,481,590)	(2,350,911)	65,647	531,907	(164,131)	(652,981)
Other financing sources (uses)							
Proceeds of general obligation bonds		3,647,817					
Proceeds of general obligation notes		6,494,940					
Proceeds of refunding bonds							
Proceeds of refunding bonds premium							
Advance refunding escrow							
Operating transfers in		1,095,436				171,000	
Operating transfers out		(334,615)					(959,222)
Special item - loss on debt forgiveness							(6,250,000)
		10,903,578				171,000	(7,209,222)
Net changes in fund balance		421,988	(2,350,911)	65,647	531,907	6,869	(7,862,203)
Fund balances (deficits), January 1, 2001, as restated		9,715	(501,612)	(59,453)	57,308	(4,459)	9,070,126
Fund balances (deficits), December 31, 2001		9,715	(2,852,523)	6,194	589,215	2,410	1,207,923

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

Capital Project Funds		Market-High Renewal Project	Tell Development Project	Projects Funded by G.O. Bonds	Cascade Hotel Renovation	O'Neils Building Renovation	Canal Redevelopment
Revenues							
Income taxes	\$ -	\$ -	\$ -	\$ 2,526,576	\$ -	\$ -	\$ -
Property taxes	-	-	238,766	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Grants and subsidies:							
Community development	-	-	-	-	-	-	-
Other	-	-	-	-	94,437	-	31,050
Investment earnings	-	-	-	-	-	-	-
Shared revenues	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Miscellaneous	-	-	-	379,830	(1)	173,337	-
			238,766	2,906,406	94,436	173,337	31,050
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public service	-	-	-	4,739,142	-	-	-
Public safety	-	-	-	3,271	-	-	-
Community environment	-	-	13,981	-	-	-	-
Public health	-	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-	-
Capital outlay	1	2,746	392,561	14,980,589	-	6,244	16,297
Debt service:							
Principal Retirement	-	-	-	-	-	-	-
Interest	-	-	-	-	111,071	-	-
Bond issuance expense	-	-	-	-	-	-	-
	1	2,746	406,542	19,723,002	111,071	6,244	16,297
	(1)	(2,746)	(167,776)	(16,816,596)	(16,635)	167,093	14,753
Excess (deficiency) of revenues over (under) expenditures							
Other financing sources (uses)							
Proceeds of general obligation bonds	-	-	-	10,922,000	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-
Proceeds of refunding bonds premium	-	-	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-	-	-
Operating transfers in	-	-	-	566,764	-	2,118,361	-
Operating transfers out	-	-	-	(444,429)	(78,425)	-	(246,953)
Special item - loss on debt forgiveness	-	-	-	-	-	-	-
	-	-	-	11,044,335	(78,425)	2,118,361	(246,953)
	(1)	(2,746)	(167,776)	(5,772,261)	(95,060)	2,285,454	(232,200)
Net changes in fund balance							
Fund balances (deficits), January 1, 2001, as restated	1	34,776	168,998	2,008,161	1,239,458	(2,285,454)	795,197
Fund balances (deficits), December 31, 2001	\$ -	\$ 32,030	\$ 1,222	\$ (3,764,100)	\$ 1,144,398	\$ -	\$ 562,997

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

Capital Project Funds		Firestone Stadium Improvements	GoJo Headquarters Improvements	Tell Parking Expansion	Capital Projects with Private Funding	Traffic Management Program	Mustill Store Renovation	North Turkeyfoot Industrial Park
Revenues	\$	-	\$	-	\$	-	100,000	\$
Income taxes	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Grants and subsidies:	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Shared revenues	-	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	2,786	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	21,968	4,250	-	-	44,202	2,534	-	-
	21,968	4,250	-	-	46,988	2,534	100,000	-
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public service	-	179,361	-	-	757,284	-	-	-
Public safety	-	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-	-
Public health	-	-	-	-	153,488	-	-	-
Recreation and parks	-	-	-	-	-	-	-	-
Capital outlay	-	20,402	-	9,373	60,650	1	-	1,540,617
Debt service:								
Principal Retirement	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Bond issuance expense	-	-	-	-	-	-	-	-
	-	199,763	-	9,373	971,422	1	-	1,540,617
Excess (deficiency) of revenues over (under) expenditures	21,968	(195,513)	(9,373)	(924,434)	2,533	100,000	(1,540,617)	
Other financing sources (uses)								
Proceeds of general obligation bonds	60,000	-	-	-	-	-	-	-
Proceeds of general obligation notes	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Proceeds of refunding bonds premium	-	-	-	-	-	-	-	-
Advance refunding escrow	-	-	336,000	-	(65,000)	-	-	-
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Special item - loss on debt forgiveness	-	-	-	-	-	-	-	-
	60,000	-	336,000	(65,000)	-	-	-	-
Net changes in fund balance	81,968	(195,513)	326,627	(989,434)	2,533	100,000	(1,540,617)	
Fund balances (deficits), January 1, 2001, as restated	(80,554)	(1,146,888)	(120,346)	(329,464)	(2,533)	(100,000)	103,547	
Fund balances (deficits), December 31, 2001	\$ 1,414	\$ (1,342,401)	\$ 206,281	\$ (1,318,898)	\$ -	\$ -	\$ (1,437,070)	

City of Akron, Ohio

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

For the Year Ended December 31, 2001
(continued)

	<u>Capital Project Funds Facilities and Projects with Various Funding</u>	<u>Total</u>
Revenues		
Income taxes	-	\$ 29,624,607
Property taxes	-	11,736,469
JEDD revenues	-	14,682,526
Special assessments	-	3,566,240
Grants and subsidies:		
Community development	-	9,553,122
Other	-	18,636,850
Investment earnings	-	1,113,798
Shared revenues	-	8,004,380
Licenses, fees and fines	-	1,204,718
Charges for services	-	8,206,171
Miscellaneous	-	8,028,861
	-	<u>114,357,742</u>
Expenditures		
Current:		
General government	49,410	15,010,003
Public service	-	29,559,516
Public safety	-	12,716,503
Community environment	-	13,445,736
Public health	-	8,064,101
Recreation and parks	-	1,390,209
Capital outlay	80,158	57,248,602
Debt service:		
Principal Retirement	-	16,512,096
Interest	-	13,191,762
Bond issuance expense	-	571,774
	<u>129,568</u>	<u>167,710,302</u>
Excess (deficiency) of revenues over (under) expenditures	(129,568)	(53,352,560)
Other financing sources (uses)		
Proceeds of general obligation bonds	-	23,714,000
Proceeds of general obligation notes	-	6,494,940
Proceeds of refunding bonds	-	28,185,000
Proceeds of refunding bonds premium	-	1,591,482
Advance refunding escrow	-	(28,737,105)
Operating transfers in	129,508	34,804,923
Operating transfers out	-	(25,359,050)
Special item - loss on debt forgiveness	-	(6,250,000)
	<u>129,508</u>	<u>34,444,190</u>
Net changes in fund balance	(60)	(18,908,370)
Fund balances (deficits), January 1, 2001, as restated	-	60,389,324
Fund balances (deficits), December 31, 2001	\$ (60)	\$ 41,480,954

City of Akron, Ohio

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

For the Year Ended December 31, 2001

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Income taxes	\$ 97,297,010	\$ 97,277,010	\$ 96,173,451
Miscellaneous	1,228,800	1,228,800	514,655
	<u>98,525,810</u>	<u>98,505,810</u>	<u>96,688,106</u>
Other sources:			
Previous year's encumbrances	202,685	202,685	202,685
	<u>98,728,495</u>	<u>98,708,495</u>	<u>96,890,791</u>
Expenditures and other uses			
Expenditures:			
General Governmental:			
Taxation:			
Wages/benefits	2,166,420	2,166,420	1,890,365
Other	3,322,985	3,332,985	3,440,078
	<u>5,489,405</u>	<u>5,499,405</u>	<u>5,330,443</u>
Other uses:			
Transfer out	93,235,260	93,225,260	91,465,750
	<u>98,724,665</u>	<u>98,724,665</u>	<u>96,796,193</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,830	(16,170)	94,598
Fund balance, January 1, 2001	<u>1,903,219</u>	<u>1,903,219</u>	<u>1,903,219</u>
Fund balance, December 31, 2001	<u>\$ 1,907,049</u>	<u>\$ 1,887,049</u>	<u>\$ 1,997,817</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2001

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Property taxes	\$ 7,983,670	\$ 8,200,000	\$ 8,030,778
Non-resident billing	20,000	20,000	644
Miscellaneous	-	-	2,885
	<u>8,003,670</u>	<u>8,220,000</u>	<u>8,034,307</u>
Other sources:			
Previous year's encumbrances	71,605	71,605	71,605
	<u>71,605</u>	<u>71,605</u>	<u>71,605</u>
Total revenues and other sources	8,075,275	8,291,605	8,105,912
Expenditures and other uses			
Expenditures:			
Public Safety:			
Emergency Medical Services:			
Wages/benefits	7,405,880	7,435,880	7,274,210
Other	540,265	716,265	715,946
Capital outlay	-	14,000	13,550
	<u>-</u>	<u>14,000</u>	<u>13,550</u>
Total expenditures	7,946,145	8,166,145	8,003,706
Excess (deficiency) of revenues and other sources over expenditures and other uses	129,130	125,460	102,206
Fund balance, January 1, 2001	<u>1,460,968</u>	<u>1,460,968</u>	<u>1,460,968</u>
Fund balance, December 31, 2001	<u>\$ 1,590,098</u>	<u>\$ 1,586,428</u>	<u>\$ 1,563,174</u>

City of Akron, Ohio

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, 2001

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Special assessments	\$ 12,980,000	\$ 12,000,000	\$ 11,292,087
Other sources:			
Previous year's encumbrances	312	312	312
Total revenues and other sources	12,980,312	12,000,312	11,292,399
Expenditures and other uses			
Expenditures:			
General Governmental:			
Treasury:			
Wages/benefits	318,950	318,950	227,832
Other	216,002	216,002	193,705
Total expenditures	534,952	534,952	421,537
Other uses:			
Transfer out	12,430,000	12,430,000	11,141,687
Total expenditures and other uses	12,964,952	12,964,952	11,563,224
Excess (deficiency) of revenues and other sources over expenditures and other uses	15,360	(964,640)	(270,825)
Fund balance, January 1, 2001	477,398	477,398	477,398
Fund balance, December 31, 2001	\$ 492,758	\$ (487,242)	\$ 206,573

City of Akron, Ohio

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, 2001

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Property taxes	\$ 855,390	\$ 870,000	\$ 860,440
Total revenues	855,390	870,000	860,440
Expenditures and other uses			
Expenditures:			
Public Safety:			
Police:			
Other	354,000	354,000	353,955
Total expenditures	354,000	354,000	353,955
Other uses:			
Transfer out	500,000	500,000	500,000
Total expenditures and other uses	854,000	854,000	853,955
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,390	16,000	6,485
Fund balance, January 1, 2001	133,369	133,369	133,369
Fund balance, December 31, 2001	\$ 134,759	\$ 149,369	\$ 139,854

City of Akron, Ohio

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, 2001

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Property taxes	\$ 855,390	\$ 870,000	\$ 860,440
Total revenues	855,390	870,000	860,440
Expenditures and other uses			
Expenditures:			
Public Safety:			
Fire:			
Other	354,000	354,000	353,955
Total expenditures	354,000	354,000	353,955
Other uses:			
Transfer out	500,000	500,000	500,000
Total expenditures and other uses	854,000	854,000	853,955
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,390	16,000	6,485
Fund balance, January 1, 2001	133,369	133,369	133,369
Fund balance, December 31, 2001	\$ 134,759	\$ 149,369	\$ 139,854

City of Akron, Ohio

Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual-
Capital Investments Program (C.I.P.) Operating Fund, Non-GAAP Budget Basis

For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Miscellaneous	\$ 100	\$ 100	\$ 169
Other sources:			
Income tax transfers in	25,173,520	25,173,520	24,695,750
Previous year's encumbrances	35,840	35,840	35,840
Total other sources	25,209,360	25,209,360	24,731,590
Total revenues and other sources	25,209,460	25,209,460	24,731,759
Expenditures and other uses			
Expenditures:			
Community Environment:			
Planning and Urban Development:			
Wages/benefits	1,209,810	1,229,810	1,212,301
Other	339,540	426,030	296,089
Total expenditures	1,549,350	1,655,840	1,508,390
Other uses:			
Transfer out	23,399,670	23,400,000	23,400,000
Total expenditures and other uses	24,949,020	25,055,840	24,908,390
Excess (deficiency) of revenues and other sources over expenditures and other uses	260,440	153,620	(176,631)
Fund balance, January 1, 2001	304,331	304,331	304,331
Fund balance, December 31, 2001	\$ 564,771	\$ 457,951	\$ 127,700

City of Akron, Ohio

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, 2001

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Gasoline tax	\$ 3,800,000	\$ 3,600,000	\$ 3,654,475
Motor vehicle license tax	1,660,000	1,450,000	1,453,948
Sales and service revenue	900,000	700,000	686,798
Transfer from State of Ohio	1,600,000	550,000	722,099
	<u>7,960,000</u>	<u>6,300,000</u>	<u>6,517,320</u>
Other sources:			
Other transfer in	2,000,000	3,500,000	3,500,000
Previous year's encumbrances	465,409	465,409	465,409
	<u>2,465,409</u>	<u>3,965,409</u>	<u>3,965,409</u>
Total other sources			
	<u>2,465,409</u>	<u>3,965,409</u>	<u>3,965,409</u>
Total revenues and other sources	10,425,409	10,265,409	10,482,729
Expenditures and other uses			
Expenditures:			
Public Service:			
Wages/benefits	5,641,300	5,890,300	5,685,041
Other	3,688,624	3,908,624	3,690,947
	<u>9,329,924</u>	<u>9,798,924</u>	<u>9,375,988</u>
Public Safety:			
Wages/benefits	873,580	859,580	850,128
Other	327,484	372,484	366,179
	<u>1,201,064</u>	<u>1,232,064</u>	<u>1,216,307</u>
Total expenditures	10,530,988	11,030,988	10,592,295
Excess (deficiency) of revenues and other sources over expenditures and other uses	(105,579)	(765,579)	(109,566)
Fund balance, January 1, 2001	<u>98,099</u>	<u>98,099</u>	<u>98,099</u>
Fund balance, December 31, 2001	<u>\$ (7,480)</u>	<u>\$ (667,480)</u>	<u>\$ (11,467)</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2001

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
General sales and services	\$ 69,000	\$ 80,000	\$ 75,638
Other sources:			
Proceeds of special assessment notes	4,615,000	-	-
Previous year's encumbrances	318,399	318,399	318,399
Total other sources	4,933,399	318,399	318,399
Total revenues and other sources	5,002,399	398,399	394,037
Expenditures and other uses			
Expenditures:			
Public Service:			
Street Cleaning:			
Wages/benefits	2,431,310	2,616,310	2,494,874
Other	2,672,719	3,042,719	2,588,831
Total expenditures	5,104,029	5,659,029	5,083,705
Excess (deficiency) of revenues and other sources over expenditures and other uses	(101,630)	(5,260,630)	(4,689,668)
Fund balance, January 1, 2001	813,533	813,533	813,533
Fund balance, December 31, 2001	\$ 711,903	\$ (4,447,097)	\$ (3,876,135)

City of Akron, Ohio

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

For the Year Ended December 31, 2001

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Special Assessments	\$ 3,003,000	\$ 3,003,000	\$ 2,803,385
Miscellaneous	19,000	19,000	11,359
	<u>3,022,000</u>	<u>3,022,000</u>	<u>2,814,744</u>
Other sources:			
Previous year's encumbrances	208,770	208,770	208,770
	<u>208,770</u>	<u>208,770</u>	<u>208,770</u>
Total revenues and other sources	3,230,770	3,230,770	3,023,514
Expenditures and other uses			
Expenditures:			
Public Service:			
Street Lighting:			
Wages/benefits	76,470	76,470	77,447
Other	1,834,230	1,834,230	1,573,034
	<u>1,910,700</u>	<u>1,910,700</u>	<u>1,650,481</u>
Total expenditures	1,910,700	1,910,700	1,650,481
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,320,070	1,320,070	1,373,033
Fund balance, January 1, 2001	<u>5,917,418</u>	<u>5,917,418</u>	<u>5,917,418</u>
Fund balance, December 31, 2001	<u>\$ 7,237,488</u>	<u>\$ 7,237,488</u>	<u>\$ 7,290,451</u>

City of Akron, Ohio

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, 2001

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Grants and subsidies	\$ 3,800,000	\$ 3,800,000	\$ 4,559,946
Other sources:			
Previous year's encumbrances	33,063	33,063	33,063
Total revenues and other sources	3,833,063	3,833,063	4,593,009
Expenditures and other uses			
Expenditures:			
General Government:			
Economic Development:			
Wages/benefits	74,240	74,240	71,829
Other	900	900	1,100
	75,140	75,140	72,929
Community Environment:			
Planning and Urban Development:			
Wages/benefits	2,622,240	2,622,240	2,481,430
Other	703,363	703,363	665,589
Capital Outlay	36,000	36,000	26,510
	3,361,603	3,361,603	3,173,529
Public Health:			
Environmental Services:			
Wages/benefits	414,260	414,260	252,782
Other	7,200	7,200	9,012
	421,460	421,460	261,794
Total expenditures	3,858,203	3,858,203	3,508,252
Excess (deficiency) of revenues and other sources over expenditures and other uses	(25,140)	(25,140)	1,084,757
Fund balance, January 1, 2001	(811,538)	(811,538)	(811,538)
Fund balance, December 31, 2001	\$ (836,678)	\$ (836,678)	\$ 273,219

City of Akron, Ohio

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, 2001

	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Local emmission/asbestos fees	\$ 164,810	\$ 164,810	\$ 171,265
Federal grant	290,290	290,290	347,371
State general revenues	165,330	165,330	141,104
State permit fees	780,740	780,740	624,181
Other revenue	46,810	46,810	89,864
	<u>1,447,980</u>	<u>1,447,980</u>	<u>1,373,785</u>
Other sources:			
Previous year's encumbrances	160,710	160,710	160,710
	<u>160,710</u>	<u>160,710</u>	<u>160,710</u>
Total revenues and other sources	1,608,690	1,608,690	1,534,495
Expenditures and other uses			
Expenditures:			
Public Health:			
Wages/benefits	963,210	980,210	968,220
Other	685,010	668,010	268,100
Capital Outlay	30,500	30,500	-
	<u>1,678,720</u>	<u>1,678,720</u>	<u>1,236,320</u>
Total expenditures	1,678,720	1,678,720	1,236,320
Excess (deficiency) of revenues and other sources over expenditures and other uses	(70,030)	(70,030)	298,175
Fund balance, January 1, 2001	<u>1,627,249</u>	<u>1,627,249</u>	<u>1,627,249</u>
Fund balance, December 31, 2001	<u>\$ 1,557,219</u>	<u>\$ 1,557,219</u>	<u>\$ 1,925,424</u>

City of Akron, Ohio

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, 2001

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Grants and subsidies	\$ 1,198,000	\$ 1,198,000	\$ 867,638
Miscellaneous	13,000	13,000	13,949
	<u>1,211,000</u>	<u>1,211,000</u>	<u>881,587</u>
Other sources:			
Previous year's encumbrances	19,410	19,410	19,410
	<u>1,230,410</u>	<u>1,230,410</u>	<u>900,997</u>
Total revenues and other sources	1,230,410	1,230,410	900,997
Expenditures and other uses			
Expenditures:			
Community Environment:			
AMATS:			
Wages/benefits	930,950	930,950	776,840
Other	322,340	322,340	233,160
	<u>1,253,290</u>	<u>1,253,290</u>	<u>1,010,000</u>
Total expenditures	1,253,290	1,253,290	1,010,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	(22,880)	(22,880)	(109,003)
Fund balance, January 1, 2001	<u>(93,576)</u>	<u>(93,576)</u>	<u>(93,576)</u>
Fund balance, December 31, 2001	<u>\$ (116,456)</u>	<u>\$ (116,456)</u>	<u>\$ (202,579)</u>

City of Akron, Ohio

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, 2001

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Property taxes	\$ 827,150	\$ 840,760	\$ 831,759
Other sources:			
Previous year's encumbrances	2,650	2,650	2,650
Total revenues and other sources	829,800	843,410	834,409
Expenditures and other uses			
Expenditures:			
General Government:			
Treasury:			
Wages/benefits	289,290	326,290	321,369
Other	92,400	92,400	81,584
Total expenditures	381,690	418,690	402,953
Other uses:			
Transfer out	450,000	450,000	450,000
Total expenditures and other uses	831,690	868,690	852,953
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,890)	(25,280)	(18,544)
Fund balance, January 1, 2001	337,372	337,372	337,372
Fund balance, December 31, 2001	\$ 335,482	\$ 312,092	\$ 318,828

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 City's major enterprise funds are:

- Water
- Sewer
- Off-Street Parking

City of Akron, Ohio

Statement of Net Assets - Non-Major Enterprise Funds

December 31, 2001

	Oil and Gas	Golf Course	Airport	Total
Assets				
Pooled cash and investments	\$ 138,237	\$ -	\$ -	\$ 138,237
Receivables, net of allowances for uncollectibles	-	6,666	-	6,666
Due from other funds	11,168	-	-	11,168
Inventories, at cost	-	22,079	19,937	42,016
Property, plant and equipment, net of accumulated depreciation	479,735	1,596,460	8,435,363	10,511,558
Total assets	\$ 629,140	\$ 1,625,205	\$ 8,455,300	\$ 10,709,645
Liabilities				
Accounts payable	\$ 73	\$ 6,655	\$ 44,639	\$ 51,367
Due to other funds	2,444	245,391	75,378	323,213
Accrued interest payable	-	3,023	-	3,023
Accrued liabilities	4,971	10,175	8,515	23,661
Accrued wages	4,433	7,827	9,215	21,475
Accrued vacation and leave	14,363	24,140	28,613	67,116
Debt:				
General obligation bonds	-	42,500	-	42,500
Noncurrent liabilities				
Due in more than one year	33,248	116,969	92,590	242,807
Bonds, notes, loans	-	680,000	-	680,000
Total liabilities	59,532	1,136,680	258,950	1,455,162
Net assets				
Invested in capital assets net of related debt	479,735	873,960	8,435,363	9,789,058
Restricted for debt service	-	-	-	-
Unrestricted (deficit)	89,873	(385,435)	(239,013)	(534,575)
Total net assets	\$ 569,608	\$ 488,525	\$ 8,196,350	\$ 9,254,483

City of Akron, Ohio

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

For the Year Ended December 31, 2001

	Oil and Gas	Golf Course	Airport	Total
Operating revenues				
Charges for services	\$ 11,168	\$ 815,239	\$ 143,747	\$ 970,154
Other	265,467	11,964	173,218	450,649
	<u>276,635</u>	<u>827,203</u>	<u>316,965</u>	<u>1,420,803</u>
Operating expenses				
Personal services	187,333	428,181	325,009	940,523
Direct expenses	87,623	223,489	132,417	443,529
Rentals and lease	4,008	51,738	-	55,746
Utilities	6,817	70,670	13,034	90,521
Insurance	-	1,386	8,415	9,801
Depreciation, depletion and amortization	37,715	51,164	150,084	238,963
Other	584	-	-	584
	<u>324,080</u>	<u>826,628</u>	<u>628,959</u>	<u>1,779,667</u>
Operating income (loss)	(47,445)	575	(311,994)	(358,864)
Non-operating revenues (expenses)				
Interest income	1,330	-	-	1,330
Interest expense	-	(37,949)	-	(37,949)
	<u>1,330</u>	<u>(37,949)</u>	<u>-</u>	<u>(36,619)</u>
Loss before operating transfers	(46,115)	(37,374)	(311,994)	(395,483)
Operating transfers in	-	-	309,000	309,000
Operating transfers out	(119,149)	(30,840)	-	(149,989)
	<u>(119,149)</u>	<u>(30,840)</u>	<u>309,000</u>	<u>159,011</u>
Net loss	(165,264)	(68,214)	(2,994)	(236,472)
Net assets, January 1, 2001, as restated	<u>734,872</u>	<u>556,739</u>	<u>8,199,344</u>	<u>9,490,955</u>
Net assets, December 31, 2001	<u>\$ 569,608</u>	<u>\$ 488,525</u>	<u>\$ 8,196,350</u>	<u>\$ 9,254,483</u>

City of Akron, Ohio
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended December 31, 2001

	<u>Oil and Gas</u>	<u>Golf</u>	<u>Airport</u>	<u>Total Non-Major Proprietary Funds</u>
Operating activities				
Cash received from customers	\$ 24,655	\$ 822,188	\$ 143,747	\$ 990,590
Cash payments to suppliers for goods and services	(105,073)	(351,124)	(129,510)	(585,707)
Cash paid for salaries and employee benefits	(193,115)	(410,470)	(315,251)	(918,836)
Other revenues	265,467	11,964	173,218	450,649
Other expenses	(584)	-	-	(584)
Net cash provided by (used for) operating activities	(8,650)	72,558	(127,796)	(63,888)
Non-capital financing activities				
Operating transfers from other funds	-	-	309,000	309,000
Transfers in for negative cash balances	-	243,761	72,709	316,470
Transfers out for negative cash balances	-	(204,878)	(63,229)	(268,107)
Operating transfers to other funds	(119,149)	(30,840)	-	(149,989)
Net cash provided by (used for) non-capital financing activities	(119,149)	8,043	318,480	207,374
Capital and related financing activities				
Principal paid on bonds and loans	-	(42,500)	-	(42,500)
Interest paid on bonds and loans	-	(38,101)	-	(38,101)
Acquisition and construction of capital assets	-	-	(190,684)	(190,684)
Net cash used for capital and related financing activities	-	(80,601)	(190,684)	(271,285)
Investing activities				
Interest on investments	1,330	-	-	1,330
Net cash provided by investing activities	1,330	-	-	1,330
Net increase (decrease) in cash and cash equivalents	(126,469)	-	-	(126,469)
Cash and cash equivalents, January 1, 2001	264,706	-	-	264,706
Cash and cash equivalents, December 31, 2001	<u>\$ 138,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,237</u>

City of Akron, Ohio
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended December 31, 2001
(continued)

	<u>Oil and Gas</u>	<u>Golf</u>	<u>Airport</u>	<u>Total Non-Major Proprietary Funds</u>
Operating income (loss)	\$ (47,445)	\$ 575	\$ (311,994)	\$ (358,864)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	37,715	51,164	150,084	238,963
(Increase) decrease in operating assets:				
Receivables	15,045	6,949	-	21,994
Due from other funds	(1,558)	-	-	(1,558)
Inventories	-	3,966	(3,693)	273
Increase (decrease) in operating liabilities:				
Accounts payable	(6,320)	(4,671)	30,661	19,670
Due to other funds	(305)	(3,136)	(2,612)	(6,053)
Accrued liabilities	1,138	2,606	1,725	5,469
Accrued wages	(77)	1,271	210	1,404
Accrued vacation and leave	(6,843)	13,834	7,823	14,814
Net cash provided by (used for) operating activities	<u>\$ (8,650)</u>	<u>\$ 72,558</u>	<u>\$ (127,796)</u>	<u>\$ (63,888)</u>
 Non-cash capital and investing activities:				
Accounts payable for property, plant and equipment	\$ -	\$ -	\$ (11,136)	\$ (11,136)

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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
- Graphics
- Engineering Bureau
- Management Information Systems
- Reserve for Accumulated Leave

Combining Statement of Net Assets - Internal Service Funds

December 31, 2001

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve	Self- Insurance Settlement
Assets				
Pooled cash and investments	\$ 358,213	\$ 3,688,663	\$ 8,605,198	\$ -
Restricted cash and investments	-	-	3,786,883	-
Receivables, net of allowances for uncollectibles	9,472	21,464	-	-
Due from other funds	550,738	-	-	-
Inventories, at cost	899,789	-	-	-
Property, plant and equipment, net of accumulated depreciation	1,040,336	-	-	-
Total assets	\$ 2,858,548	\$ 3,710,127	\$ 12,392,081	\$ -
Liabilities				
Accounts payable	\$ 370,629	\$ 8,176	\$ 6,039	\$ 12,129
Due to other funds	1,768	-	-	52,760
Accrued interest payable	842	-	-	12,824
Accrued liabilities	62,895	-	332,516	-
Accrued wages	72,934	-	-	-
Accrued vacation and leave	292,522	-	-	-
Liability for unpaid claims	-	2,821,648	598,888	743,705
Debt:				
General obligation bonds	10,990	-	-	168,611
Noncurrent liabilities				
Due in more than one year	205,684	-	6,567,017	-
Bonds, notes, loans	212,756	-	-	2,743,127
Total liabilities	1,231,020	2,829,824	7,504,460	3,733,156
Net assets				
Invested in capital assets net of related debt	816,590	-	-	-
Restricted for debt service	-	-	-	-
Unrestricted (deficit)	810,938	880,303	4,887,621	(3,733,156)
Total net assets	\$ 1,627,528	\$ 880,303	\$ 4,887,621	\$ (3,733,156)

Combining Statement of Net Assets - Internal Service Funds

December 31, 2001

Storeroom	Telephone System	Graphics	Engineering Bureau	Mangement Information Systems	Reserve for Accumulated Leave	Total
\$ 262,728	\$ 299,690	\$ 130,756	\$ -	\$ -	\$ 3,000,000	\$ 16,345,248
-	-	-	-	-	-	3,786,883
-	9,191	-	-	-	-	40,127
66,295	92,984	-	181,788	-	-	891,805
90,585	-	-	-	-	-	990,374
-	303,517	65,721	467,070	1,416,167	-	3,292,811
<u>\$ 419,608</u>	<u>\$ 705,382</u>	<u>\$ 196,477</u>	<u>\$ 648,858</u>	<u>\$ 1,416,167</u>	<u>\$ 3,000,000</u>	<u>\$ 25,347,248</u>
\$ 44,533	\$ 39,157	\$ 9,036	\$ 58,429	\$ 42,431	\$ -	\$ 590,559
127	-	326	110,260	1,040,679	-	1,205,920
-	-	-	467	18,976	-	33,109
3,153	-	4,555	140,120	29,418	-	572,657
4,113	-	5,555	160,772	34,944	-	278,318
7,563	-	10,710	546,161	137,917	-	994,873
-	-	-	-	-	-	4,164,241
-	-	-	14,767	2,055,565	-	2,249,933
24,738	-	35,637	615,972	167,601	-	7,616,649
-	-	-	108,425	3,278,991	-	6,343,299
84,227	39,157	65,819	1,755,373	6,806,522	-	24,049,558
-	303,517	65,721	343,878	(3,918,389)	-	(2,388,683)
-	-	-	-	-	-	-
<u>335,381</u>	<u>362,708</u>	<u>64,937</u>	<u>(1,450,393)</u>	<u>(1,471,966)</u>	<u>3,000,000</u>	<u>3,686,373</u>
<u>\$ 335,381</u>	<u>\$ 666,225</u>	<u>\$ 130,658</u>	<u>\$ (1,106,515)</u>	<u>\$ (5,390,355)</u>	<u>\$ 3,000,000</u>	<u>\$ 1,297,690</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2001

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve	Self- Insurance Settlement	Storeroom
Operating revenues					
Charges for services	\$ 6,872,624	\$ 17,271,820	\$ 1,166,089	\$ -	\$ 1,343,458
Other	70,609	278,539	32,400	-	230
	<u>6,943,233</u>	<u>17,550,359</u>	<u>1,198,489</u>	<u>-</u>	<u>1,343,688</u>
Operating expenses					
Personal services	2,458,257	-	-	-	117,861
Direct expenses	3,625,595	2,583,265	111,932	1,456	1,196,703
Claims	-	15,653,913	-	272,762	-
Rentals and lease	727	-	-	-	11,235
Utilities	90,988	-	-	-	-
Insurance	7,451	-	-	-	-
Depreciation, depletion and amortization	60,104	-	-	-	-
Other	1,585	-	-	6,738	-
	<u>6,244,707</u>	<u>18,237,178</u>	<u>111,932</u>	<u>280,956</u>	<u>1,325,799</u>
Operating income (loss)	698,526	(686,819)	1,086,557	(280,956)	17,889
Non-operating revenues (expenses)					
Interest income	-	-	501,399	-	-
Interest expense	(11,002)	-	-	(162,992)	-
Loss on disposal of fixed assets	-	-	-	-	-
	<u>(11,002)</u>	<u>-</u>	<u>501,399</u>	<u>(162,992)</u>	<u>-</u>
Income (loss) before operating transfers	687,524	(686,819)	1,587,956	(443,948)	17,889
Operating transfers in	-	-	-	686,974	-
Operating transfers out	(191,491)	-	(2,600,000)	-	-
	<u>(191,491)</u>	<u>-</u>	<u>(2,600,000)</u>	<u>686,974</u>	<u>-</u>
Net income (loss)	496,033	(686,819)	(1,012,044)	243,026	17,889
Net assets, January 1, 2001, as restated	1,131,495	1,567,122	5,899,665	(3,976,182)	317,492
Net assets, December 31, 2001	<u>\$ 1,627,528</u>	<u>\$ 880,303</u>	<u>\$ 4,887,621</u>	<u>\$ (3,733,156)</u>	<u>\$ 335,381</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2001

Telephone System	Graphics	Engineering Bureau	Mangement Information Systems	Reserve for Accumulated Leave	Total
\$ 615,844	\$ 179,411	\$ 6,433,678	\$ 3,507,618	\$ -	\$ 37,390,542
77,260	207	6,013	240	-	465,498
693,104	179,618	6,439,691	3,507,858	-	37,856,040
-	151,881	5,514,586	1,135,535	-	9,378,120
277,799	108,835	778,998	1,111,213	-	9,795,796
-	-	-	-	-	15,926,675
-	52,843	19	-	-	64,824
141,167	1,896	18,674	355	-	253,080
-	-	9,626	602	-	17,679
29,212	16,398	111,758	329,590	-	547,062
-	-	5,356	-	-	13,679
448,178	331,853	6,439,017	2,577,295	-	35,996,915
244,926	(152,235)	674	930,563	-	1,859,125
-	-	-	-	-	501,399
-	-	(7,761)	(306,288)	-	(488,043)
-	-	(4,235)	-	-	(4,235)
-	-	(11,996)	(306,288)	-	9,121
244,926	(152,235)	(11,322)	624,275	-	1,868,246
-	100,000	-	-	-	786,974
(150,000)	-	-	-	-	(2,941,491)
(150,000)	100,000	-	-	-	(2,154,517)
94,926	(52,235)	(11,322)	624,275	-	(286,271)
571,299	182,893	(1,095,193)	(6,014,630)	3,000,000	1,583,961
\$ 666,225	\$ 130,658	\$ (1,106,515)	\$ (5,390,355)	\$ 3,000,000	\$ 1,297,690

City of Akron, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2001

	Motor Equipment	Medical Self - Insurance	Workers' Compensation Reserve	Self - Insurance Settlement	Storeroom
Operating activities					
Cash received from customers	\$ 7,014,411	\$ 17,275,291	\$ 1,166,089	\$ -	\$ 1,354,680
Cash payments to suppliers for goods and services	(3,788,481)	-	-	(315,154)	(1,194,238)
Cash paid for salaries and employee benefits	(2,541,253)	(17,800,039)	(3,131,274)	-	(112,805)
Other revenues	70,609	278,539	2,070,316	-	230
Other expense	(1,585)	-	-	(6,738)	-
Net cash provided by (used for) operating activities	753,701	(246,209)	105,131	(321,892)	47,867
Non-capital financing activities					
Operating transfers from other funds	-	-	-	686,974	-
Proceeds from the sale of bonds	-	-	-	171,738	-
Transfers in for negative cash balances	-	-	-	52,760	-
Transfers out for negative cash balances	(135,039)	-	-	(105,760)	-
Principal paid on bonds and loans	-	-	-	(320,000)	-
Interest paid on bonds and loans	-	-	-	(163,820)	-
Operating transfers to other funds	(191,491)	-	(2,600,000)	-	-
Net cash provided by (used for) non-capital financing activities	(326,530)	-	(2,600,000)	321,892	-
Capital and related financing activities					
Principal paid on bonds and loans	(45,406)	-	-	-	-
Interest paid on bonds and loans	(11,084)	-	-	-	-
Proceeds from the sale of bonds	36,398	-	-	-	-
Acquisition and construction of capital assets	(48,866)	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(68,958)	-	-	-	-
Investing activities					
Interest on investments	-	-	501,399	-	-
Net cash provided by investing activities	-	-	501,399	-	-
Net increase (decrease) in cash and cash equivalents	358,213	(246,209)	(1,993,470)	-	47,867
Cash and cash equivalents, January 1, 2001	-	3,934,872	14,385,551	-	214,861
Cash and cash equivalents, December 31, 2001	\$ 358,213	\$ 3,688,663	\$ 12,392,081	\$ -	\$ 262,728

City of Akron, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2001

Telephone System	Graphics	Engineering Bureau	Management Information Systems	Reserve For Accumulated Leave	Total
\$ 715,389	\$ 282,435	\$ 6,654,563	\$ 3,650,001	\$ -	\$ 38,112,859
(418,491)	(165,786)	(830,988)	(1,111,391)	-	(7,824,529)
-	(167,353)	(5,466,283)	(1,130,123)	-	(30,349,130)
77,260	207	6,013	240	-	2,503,414
-	-	(5,356)	-	-	(13,679)
374,158	(50,497)	357,949	1,408,727	-	2,428,935
-	100,000	-	-	-	786,974
-	-	-	-	-	171,738
-	-	100,766	1,037,521	-	1,191,047
-	-	(404,898)	-	-	(645,697)
-	-	-	-	-	(320,000)
-	-	-	-	-	(163,820)
(150,000)	-	-	-	-	(2,941,491)
(150,000)	100,000	(304,132)	1,037,521	-	(1,921,249)
-	-	(131,258)	(2,005,336)	-	(2,182,000)
-	-	(7,957)	(313,431)	-	(332,472)
-	-	123,192	-	-	159,590
(91,890)	-	(37,794)	(169,757)	-	(348,307)
(91,890)	-	(53,817)	(2,488,524)	-	(2,703,189)
-	-	-	-	-	501,399
-	-	-	-	-	501,399
132,268	49,503	-	(42,276)	-	(1,694,104)
167,422	81,253	-	42,276	3,000,000	21,826,235
\$ 299,690	\$ 130,756	\$ -	\$ -	\$ 3,000,000	\$ 20,132,131

City of Akron, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2001
(continued)

	Motor Equipment	Medical Self - Insurance	Workers' Compensation	Self - Insurance Settlement	Storeroom
Operating income (loss)	\$ 698,526	\$ (686,819)	\$ 1,086,557	\$ (280,956)	\$ 17,889
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	60,104	-	-	-	-
(Increase) decrease in operating assets:					
Receivables	70,571	3,471	2,037,916	-	5,000
Due from other funds	71,216	-	-	-	6,222
Inventories	(37,913)	-	-	-	9,514
Increase (decrease) in operating liabilities:					
Accounts payable	(14,686)	8,176	6,039	(166,921)	14,671
Due to other funds	(11,121)	-	-	-	(10,485)
Accrued liabilities	10,355	-	-	-	386
Accrued wages	(1,675)	-	-	-	1,125
Accrued vacation and leave	(91,676)	-	-	-	3,545
Estimated liability for unpaid claims	-	428,963	(3,025,381)	125,985	-
Net cash provided by (used for) operating activities	<u>\$ 753,701</u>	<u>\$ (246,209)</u>	<u>\$ 105,131</u>	<u>\$ (321,892)</u>	<u>\$ 47,867</u>
Non-cash capital and investing activities:					
Accounts payable for property, plant and equipment	\$ 31,806	\$ -	\$ -	\$ -	\$ -
Contract retainer	-	-	-	-	-

City of Akron, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2001
(continued)

Telephone System	Graphics	Engineering Bureau	Management Information Systems	Reserve For Accumulated Leave	Total
\$ 244,926	\$ (152,235)	\$ 674	\$ 930,563	\$ -	\$ 1,859,125
29,212	16,398	111,758	329,590	-	547,062
(6,732)	-	-	-	-	2,110,226
106,277	103,024	220,885	142,383	-	650,007
-	-	-	-	-	(28,399)
1,282	2,406	39,176	9,264	-	(100,593)
(807)	(4,618)	(62,847)	(8,485)	-	(98,363)
-	887	32,359	7,163	-	51,150
-	453	12,052	4,609	-	16,564
-	(16,812)	3,892	(6,360)	-	(107,411)
-	-	-	-	-	(2,470,433)
<u>\$ 374,158</u>	<u>\$ (50,497)</u>	<u>\$ 357,949</u>	<u>\$ 1,408,727</u>	<u>\$ -</u>	<u>\$ 2,428,935</u>
\$ -	\$ -	\$ (58,099)	\$ -	\$ -	\$ (26,293)
-	-	(1,260)	-	-	(1,260)

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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.

Claire Merrix Trust
Holocaust Memorial Trust
Police/Fire Beneficiary Trust

Agency Funds - account for assets held for individuals, private organizations, and other governments. Their titles are descriptive of their nature. They are:

Contract Retainers
Lease Deposits, Oil and Gas Wells
Municipal Court Unclaimed Monies
Sidewalk
Zoning
Bid Deposit
Septic Tank Cleaner Deposit
Fire Insurance Claims Deposit
Municipal Court

City of Akron, Ohio
 Combining Statement of Net Assets
 Fiduciary Funds

December 31, 2001

	Agency							
	Private Purpose Trust	Claire Merrix Trust	Holocaust Memorial Trust	Police/Fire Beneficiary Trust	Contract Retainers	Deposits, Oil & Gas Wells	Unclaimed Monies	Sidewalk
Assets								
Cash and investments	\$ 810	\$ -	\$ 995	\$ 600	\$ 820,536	\$ 6,000	\$ 60,905	\$ 75,108
Receivables, net of allowances for uncollectibles	-	-	-	-	-	-	-	-
Total assets	\$ 810	\$ -	\$ 995	\$ 600	\$ 820,536	\$ 6,000	\$ 60,905	\$ 75,108
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 100,434	\$ -	\$ -	\$ -
Customer deposits	-	-	-	-	-	6,000	-	75,108
Due to other governments	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	60,905	-
Accrued liabilities	-	-	-	-	720,102	-	-	-
Total liabilities	-	-	-	-	820,536	6,000	60,905	75,108
Net assets	\$ 810	\$ -	\$ 995	\$ 600	\$ -	\$ -	\$ -	\$ -

City of Akron, Ohio
 Combining Statement of Net Assets
 Fiduciary Funds

December 31, 2001
 (continued)

Agency	Zoning	Bid Deposit	Septic Tank Cleaner Deposit	Fire Insurance Claims Deposit	Municipal Court	Total
Assets						
Cash and investments	\$ 81,505	\$ 104,482	\$ 8,600	\$ 218,739	\$ 722,432	\$ 2,100,712
Receivables, net of allowances for uncollectibles	-	-	-	29,216	-	29,216
Total assets	\$ 81,505	\$ 104,482	\$ 8,600	\$ 247,955	\$ 722,432	\$ 2,129,928
Liabilities						
Accounts payable	-	25,000	-	-	-	\$ 125,434
Customer deposits	-	79,482	8,600	247,955	-	417,145
Due to other governments	-	-	-	-	722,432	722,432
Due to others	81,505	-	-	-	-	142,410
Accrued liabilities	-	-	-	-	-	720,102
Total liabilities	\$ 81,505	\$ 104,482	\$ 8,600	\$ 247,955	\$ 722,432	\$ 2,127,523
Net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,405

City of Akron, Ohio

Combining Statement of Changes in Net Assets
Private Purpose Trust Funds

For the Year Ended December 31, 2001

	Claire Merrix Trust	Holocaust Memorial Trust	Police/Fire Beneficiary Trust	Total
Additions				
Contributions	\$ -	\$ 5,559	\$ 400	\$ 5,959
	-	5,559	400	5,959
Deductions				
Education and awareness	-	8,082	-	8,082
	-	8,082	-	8,082
Excess (deficiency) of revenues over expenditures	-	(2,523)	400	(2,123)
Net assets, January 1, 2001, as restated	810	3,518	200	4,528
Net assets, December 31, 2001	\$ 810	\$ 995	\$ 600	\$ 2,405

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Year Ended December 31, 2001

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Building Appeals				
Assets				
Cash	\$ 2,623	\$ -	\$ 2,623	\$ -
Liabilities				
Due to others	\$ 2,623	\$ -	\$ 2,623	\$ -
Contract Retainers				
Assets				
Cash	\$ 1,032,040	\$ 851,399	\$ 1,062,903	\$ 820,536
Liabilities				
Accounts payable	\$ 72,049	\$ 100,434	\$ 72,049	\$ 100,434
Accrued liabilities	959,991	750,965	990,854	720,102
	\$ 1,032,040	\$ 851,399	\$ 1,062,903	\$ 820,536
Loomis Award				
Assets				
Cash	\$ 1,197	\$ -	\$ 1,197	\$ -
Liabilities				
Due to others	\$ 1,197	\$ -	\$ 1,197	\$ -
Lease Deposits, Oil and Gas Wells				
Assets				
Cash	\$ 6,000	\$ -	\$ -	\$ 6,000
Liabilities				
Customer deposits	\$ 6,000	\$ -	\$ -	\$ 6,000

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency FundsFor the Year Ended December 31, 2001
(continued)

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Municipal Court Unclaimed Monies				
Assets				
Cash	\$ 61,281	\$ -	\$ 376	\$ 60,905
Liabilities				
Due to others	\$ 61,281	\$ -	\$ 376	\$ 60,905
Employees Retirement				
Assets				
Cash	\$ 231,190	\$ -	\$ 231,190	\$ -
Due from other funds	109,464	-	109,464	-
	\$ 340,654	\$ -	\$ 340,654	\$ -
Liabilities				
Due to other governments	\$ 340,654	\$ -	\$ 340,654	\$ -
City Income Tax Withheld				
Assets				
Cash	\$ 156,679	\$ -	\$ 156,679	\$ -
Due from other funds	56,621	-	56,621	-
	\$ 213,300	\$ -	\$ 213,300	\$ -
Liabilities				
Due to other funds	\$ 213,300	\$ -	\$ 213,300	\$ -
Medicare Insurance				
Assets				
Cash	\$ 2,742	\$ -	\$ 2,742	\$ -
Liabilities				
Due to other governments	\$ 2,742	\$ -	\$ 2,742	\$ -

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency FundsFor the Year Ended December 31, 2001
(continued)

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Sidewalk				
Assets				
Cash	\$ 67,160	\$ 10,930	\$ 2,982	\$ 75,108
Liabilities				
Customer deposits	\$ 67,160	\$ 10,930	\$ 2,982	\$ 75,108
Savings Bonds				
Assets				
Cash	\$ 2,013	\$ -	\$ 2,013	\$ -
Liabilities				
Due to other governments	\$ 2,013	\$ -	\$ 2,013	\$ -
Zoning				
Assets				
Cash	\$ 247,801	\$ 73,550	\$ 239,846	\$ 81,505
Liabilities				
Due to others	247,801	73,550	239,846	81,505
P.E.R.S. Purchase Credit				
Assets				
Cash	\$ 8,153	\$ -	\$ 8,153	\$ -
Liabilities				
Due to other governments	\$ 8,153	\$ -	\$ 8,153	\$ -

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency FundsFor the Year Ended December 31, 2001
(continued)

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Police Officers' Safety				
Assets				
Cash	\$ 456	\$ -	\$ 456	\$ -
Liabilities				
Due to others	\$ 456	\$ -	\$ 456	\$ -
Bid Deposit				
Assets				
Cash	\$ 153,019	\$ 68,565	\$ 117,102	\$ 104,482
Liabilities				
Accounts Payable	\$ -	\$ 25,000	\$ -	\$ 25,000
Customer deposits	153,019	43,565	117,102	79,482
	\$ 153,019	\$ 68,565	\$ 117,102	\$ 104,482
Police Pension Employee Contribution				
Assets				
Cash	\$ 122,131	\$ -	\$ 122,131	\$ -
Due from other funds	6,474	-	6,474	-
	\$ 128,605	\$ -	\$ 128,605	\$ -
Liabilities				
Due to other governments	\$ 128,605	\$ -	\$ 128,605	\$ -

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency FundsFor the Year Ended December 31, 2001
(continued)

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Fire Pension Employee Contribution				
Assets				
Cash	\$ 51,085	\$ -	\$ 51,085	\$ -
Due from other funds	57,545	-	57,545	-
	<u>\$ 108,630</u>	<u>\$ -</u>	<u>\$ 108,630</u>	<u>\$ -</u>
Liabilities				
Due to other governments	\$ 108,630	\$ -	\$ 108,630	\$ -
	<u>\$ 108,630</u>	<u>\$ -</u>	<u>\$ 108,630</u>	<u>\$ -</u>
Septic Tank Cleaner Deposit				
Assets				
Cash	\$ 8,600	\$ -	\$ -	\$ 8,600
	<u>\$ 8,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,600</u>
Liabilities				
Customer deposits	\$ 8,600	\$ -	\$ -	\$ 8,600
	<u>\$ 8,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,600</u>
Fire Insurance Claims Deposit				
Assets				
Cash	\$ 265,039	\$ 268,611	\$ 314,911	\$ 218,739
Customer Receivable	\$ -	\$ 29,216	\$ -	\$ 29,216
	<u>\$ 265,039</u>	<u>\$ 297,827</u>	<u>\$ 314,911</u>	<u>\$ 247,955</u>
Liabilities				
Customer deposits	265,039	297,827	314,911	247,955
	<u>265,039</u>	<u>297,827</u>	<u>314,911</u>	<u>247,955</u>

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency FundsFor the Year Ended December 31, 2001
(continued)

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Akron Development Corporation Escrow				
Assets				
Due from others	531,059	-	531,059	-
Liabilities				
Accounts payable	\$ 23,832	\$ -	\$ 23,832	\$ -
Due to other funds	503,578	-	503,578	-
Due to others	3,649	-	3,649	-
	<u>\$ 531,059</u>	<u>\$ -</u>	<u>\$ 531,059</u>	<u>\$ -</u>
Public Utilities Commission				
Assets				
Cash	\$ 1	\$ -	\$ 1	\$ -
Liabilities				
Due to others	\$ 1	\$ -	\$ 1	\$ -
Restaurant				
Assets				
Cash	\$ 10,930	\$ -	\$ 10,930	\$ -
Liabilities				
Due to others	\$ 10,930	\$ -	\$ 10,930	\$ -
Mud Run Drainage Basin				
Assets				
Cash	\$ 56,410	\$ -	\$ 56,410	\$ -
Liabilities				
Due to others	\$ 56,410	\$ -	\$ 56,410	\$ -

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency FundsFor the Year Ended December 31, 2001
(continued)

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Payroll				
Assets				
Cash	\$ 152,108	\$ -	\$ 152,108	\$ -
Due from others	77,996	-	77,996	-
	<u>\$ 230,104</u>	<u>\$ -</u>	<u>\$ 230,104</u>	<u>\$ -</u>
Liabilities				
Due to other funds	<u>\$ 230,104</u>	<u>\$ -</u>	<u>\$ 230,104</u>	<u>\$ -</u>
Investment Earnings				
Assets				
Cash	<u>\$ 665,304</u>	<u>\$ -</u>	<u>\$ 665,304</u>	<u>\$ -</u>
Liabilities				
Due to other funds	<u>\$ 665,304</u>	<u>\$ -</u>	<u>\$ 665,304</u>	<u>\$ -</u>
C.D. Loan and Grant Escrow				
Assets				
Cash	<u>\$ 362,585</u>	<u>\$ -</u>	<u>\$ 362,585</u>	<u>\$ -</u>
Liabilities				
Due to others	<u>\$ 362,585</u>	<u>\$ -</u>	<u>\$ 362,585</u>	<u>\$ -</u>
H.O.M.E. Escrow				
Assets				
Cash	<u>\$ 331,259</u>	<u>\$ -</u>	<u>\$ 331,259</u>	<u>\$ -</u>
Liabilities				
Due to others	<u>\$ 331,259</u>	<u>\$ -</u>	<u>\$ 331,259</u>	<u>\$ -</u>

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency FundsFor the Year Ended December 31, 2001
(continued)

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Municipal Court				
Assets				
Cash	\$ 601,527	\$ 120,905	\$ -	\$ 722,432
Liabilities				
Due to other governments	\$ 601,527	\$ 120,905	\$ -	\$ 722,432
JEDD Agency				
Assets				
Cash	\$ 730	\$ -	\$ 730	\$ -
Liabilities				
Due to others	\$ 730	\$ -	\$ 730	\$ -
Building Inspection				
Assets				
Cash	\$ 1,600	\$ -	\$ 1,600	\$ -
Liabilities				
Due to others	\$ 1,600	\$ -	\$ 1,600	\$ -

City of Akron, Ohio

Combining Statement of Changes in Assets and Liabilities
Agency FundsFor the Year Ended December 31, 2001
(continued)

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Total All Agency Funds				
Assets				
Cash	\$ 4,601,663	\$ 1,393,960	\$ 3,897,316	\$ 2,098,307
Receivables net of allowance	-	29,216	-	29,216
Due from other funds	230,104	-	230,104	-
Due from others	609,055	-	609,055	-
	<u>\$ 5,440,822</u>	<u>\$ 1,423,176</u>	<u>\$ 4,736,475</u>	<u>\$ 2,127,523</u>
Liabilities				
Accounts payable	\$ 95,881	\$ 125,434	\$ 95,881	\$ 125,434
Customer deposits	499,818	352,322	434,995	417,145
Due to other governments	1,192,324	120,905	590,797	722,432
Due to other funds	1,612,286	-	1,612,286	-
Due to others	1,080,522	73,550	1,011,662	142,410
Accrued liabilities	959,991	750,965	990,854	720,102
	<u>\$ 5,440,822</u>	<u>\$ 1,423,176</u>	<u>\$ 4,736,475</u>	<u>\$ 2,127,523</u>

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CAPITAL ASSETS
USED IN THE OPERATIONS
OF GOVERNMENTAL FUNDS

City of Akron, Ohio
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source*
December 31, 2001 and 2000

Governmental Funds Capital Assets:	<u>2001</u>	<u>2000**</u>
Land	\$ 128,752,656	\$ 113,560,338
Buildings	163,553,188	149,384,719
Improvements other than buildings	77,564,445	77,528,830
Machinery and equipment	66,402,647	64,129,440
Infrastructure	355,303,484	187,680,161
Construction in progress	<u>53,437,303</u>	<u>41,938,755</u>
Total Governmental Funds Capital Assets	<u>\$ 845,013,723</u>	<u>\$ 634,222,243</u>

Investment in Governmental Funds Capital Assets by Source:

As of beginning of year	\$ 634,222,243	\$ 450,092,609
General Fund	(1,836,334)	(1,754,485)
Special Revenue Fund	12,328,546	9,218,462
Capital Projects Funds	41,345,739	12,435,911
Other Funds	158,953,529	-
Infrastructure***	<u>-</u>	<u>164,229,746</u>
As of end of year	<u>\$ 845,013,723</u>	<u>\$ 634,222,243</u>

* This schedule presents only the capital asset balances related to governmental funds, excluding accumulate depreciation. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

** Excludes the restatement of capital asset balances pursuant to GASB Statement No. 34, effective January 1, 2001.

*** Accounting change effective January 1, 2000.

City of Akron, Ohio
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity*
December 31, 2001

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
Governmental Funds Capital Assets, January 1, 2001	\$ 113,560,338	\$ 149,384,719	\$ 77,528,830	\$ 64,129,440	\$ 187,680,161	\$ 41,938,755	\$ 634,222,243
Restatement of capital asset balanc	11,927,640	-	(40,134)	-	147,067,703	(1,680)	158,953,529
General Government:							
Law	-	323,701	-	-	-	-	323,701
Mayor's Office/City Council	-	360,000	-	(13,601)	-	-	346,399
Muni Court Clerk / Judges	-	-	-	5,303	-	106,251	111,554
Finance	-	4,219,660	(20,000)	10,769	-	(5,873,669)	(1,663,240)
	-	4,903,361	(20,000)	2,471	-	(5,767,418)	(881,586)
Public Safety:							
Police	-	15,824	-	350,081	-	-	365,905
Fire/E.M.S	-	152,050	-	117,080	-	-	269,130
Police/Fire Combined Dispatch	-	-	-	1,789,653	-	(1,593,816)	195,837
Communications	-	-	-	(48,506)	-	-	(48,506)
Building Inspection	-	-	-	30,163	-	-	30,163
Traffic Engineering	-	-	-	47,323	122,716	1,053,668	1,223,707
Weights and Measures	-	-	-	-	-	-	-
	-	167,874	-	2,285,794	122,716	(540,148)	2,036,236
Public Service:							
Customer Service	-	-	-	(17,776)	-	-	(17,776)
Recreation	-	-	-	-	-	-	-
Public Works	1,105,046	51,775	-	(184,116)	19,704,891	18,518,429	39,196,025
Motor Equipment/KAB	-	-	-	-	-	-	-
Building Maintenance	28,520	8,383,607	95,749	12,946	678,013	(461,545)	8,737,290
Resource Bureau	-	-	-	-	-	-	-
	1,133,566	8,435,382	95,749	(188,946)	20,382,904	18,056,884	47,915,539
Public Health:							
Health Administration	-	-	-	(34,524)	-	-	(34,524)
Air Pollution Control	-	-	-	12,690	-	-	12,690
Environmental Services	-	-	-	14,191	-	-	14,191
Housing	-	-	-	27,446	-	-	27,446
Data Management	-	-	-	22,117	-	-	22,117
Laboratory	-	-	-	11,201	-	-	11,201
Medical and Nursing	-	-	-	14,191	-	-	14,191
	-	-	-	67,312	-	-	67,312
Community Environment:							
Administration	2,131,112	661,852	-	106,576	50,000	(249,090)	2,700,450
	-	-	-	-	-	-	-
Governmental Funds Capital Assets, December 31, 2001	\$ 128,752,656	\$ 163,553,188	\$ 77,564,445	\$ 66,402,647	\$ 355,303,484	\$ 53,437,303	\$ 845,013,723

* This schedule presents only the capital asset balances related to governmental funds, excluding accumulated depreciation. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Akron, Ohio
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity*
For the fiscal year ended December 31, 2001

Function and Activity	Governmental Funds Capital Assets January 1, 2001	Restatement of Capital Asset Balances January 1, 2001	Additions	Deletions	Governmental Funds Capital Assets December 31, 2001
General Government:					
Law	\$ 254,852	\$ -	\$ 323,701	\$ -	\$ 578,553
Mayor's Office/City Council	3,918,495	-	360,000	13,601	4,264,894
Municipal Court/Judges	556,735	-	120,442	8,888	668,289
Finance	120,684,106	-	4,538,051	6,201,291	119,020,866
	<u>125,414,188</u>	<u>-</u>	<u>5,342,194</u>	<u>6,223,780</u>	<u>124,532,602</u>
Public Safety:					
Police	4,083,437	-	1,007,347	641,442	4,449,342
Fire/EMS	11,482,986	-	475,205	206,074	11,752,117
Combined Dispatch	4,684,824	-	1,789,653	1,593,816	4,880,661
Communications	691,782	-	-	48,506	643,276
Traffic Engineering	407,294	-	1,280,198	56,490	1,631,002
Building Inspection	123,089	-	56,764	26,601	153,252
Weights and Measures	73,554	-	-	-	73,554
Other and Administrative	27,178	-	-	-	27,178
	<u>21,574,144</u>	<u>-</u>	<u>4,609,167</u>	<u>2,572,929</u>	<u>23,610,382</u>
Public Service:					
Customer Service	129,981	-	43,103	60,879	112,205
Recreation	1,706,802	-	-	-	1,706,802
Public Works	12,029,138	11,925,960	52,052,791	12,856,766	63,151,123
Administration	216,338	-	-	-	216,338
Building Maintenance	110,828	(40,134)	13,544,020	4,806,730	8,807,984
Motor Equipment	49,296	-	-	-	49,296
Resource Bureau	644,137	-	-	-	644,137
Plans Center	45,269	-	-	-	45,269
	<u>14,931,789</u>	<u>11,885,826</u>	<u>65,639,914</u>	<u>17,724,375</u>	<u>74,733,154</u>
Public Health:					
Health Administration	1,572,309	-	-	34,524	1,537,785
Air Pollution Control	28,896	-	12,690	-	41,586
Environmental Services	421,106	-	14,191	-	435,297
Housing	31,952	-	27,446	-	59,398
Medical and Nursing	206,299	-	14,191	-	220,490
Health Data Management	17,977	-	22,117	-	40,094
Laboratory	-	-	11,201	-	11,201
Lead Poisoning Prevention	2,618	-	-	-	2,618
Alcoholism Counseling	29,654	-	-	-	29,654
	<u>2,310,811</u>	<u>-</u>	<u>101,836</u>	<u>34,524</u>	<u>2,378,123</u>
Community Environment:					
Administration	104,948,880	-	12,553,750	9,853,302	107,649,328
Infrastructure	176,884,699	147,067,703	-	-	323,952,402
Assets acquired prior to January 1, 1984	188,157,732	-	-	-	188,157,732
	<u>188,157,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,157,732</u>
Total Governmental Funds Capital Assets	<u>\$ 634,222,243</u>	<u>\$ 158,953,529</u>	<u>\$ 88,246,861</u>	<u>\$ 36,408,910</u>	<u>\$ 845,013,723</u>

* This schedule presents only the capital asset balances related to governmental funds, excluding accumulated depreciation. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**STATISTICAL
SECTION**

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TABLE 1
CITY OF AKRON, OHIO
GENERAL GOVERNMENTAL EXPENDITURES
BY FUNCTION (1)
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	General Government	Public Service	Public Safety	Community Environment	Public Health	Recreation & Parks	Capital Outlay	Debt Service	Total
1992	\$ 24,700	\$20,045	\$63,729	\$ 22,946	\$ 7,555	\$ 5,034	\$ 21,522	\$ 20,604	\$ 186,135
1993	25,742	18,162	69,931	32,646	8,097	4,906	33,724	17,416	210,624
1994	31,883	20,279	76,192	32,087	10,061	5,282	32,741	19,756	228,281
1995	28,181	18,430	80,285	22,615	12,596	5,839	39,363	20,552	227,861
1996	24,083	20,962	82,980	19,141	10,499	7,014	61,691	22,329	248,699
1997	20,937	32,971	86,614	14,919	11,823	3,620	49,764	22,372	243,020
1998	23,757	28,844	89,467	18,007	12,589	3,580	74,294	25,717	276,255
1999	27,744	32,460	87,926	17,552	13,680	3,816	50,235	25,773	259,186
2000	32,063	33,316	95,100	14,929	13,516	3,712	52,013	30,624	275,273
2001	32,930	49,245	95,299	15,131	14,860	4,893	57,249	33,914	303,521

(1) Includes General, Special Revenue, Debt Service and Capital Project Funds on the modified accrual basis of accounting

Source: City of Akron, Ohio Finance Department

TABLE 2
CITY OF AKRON, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
(In Thousands)

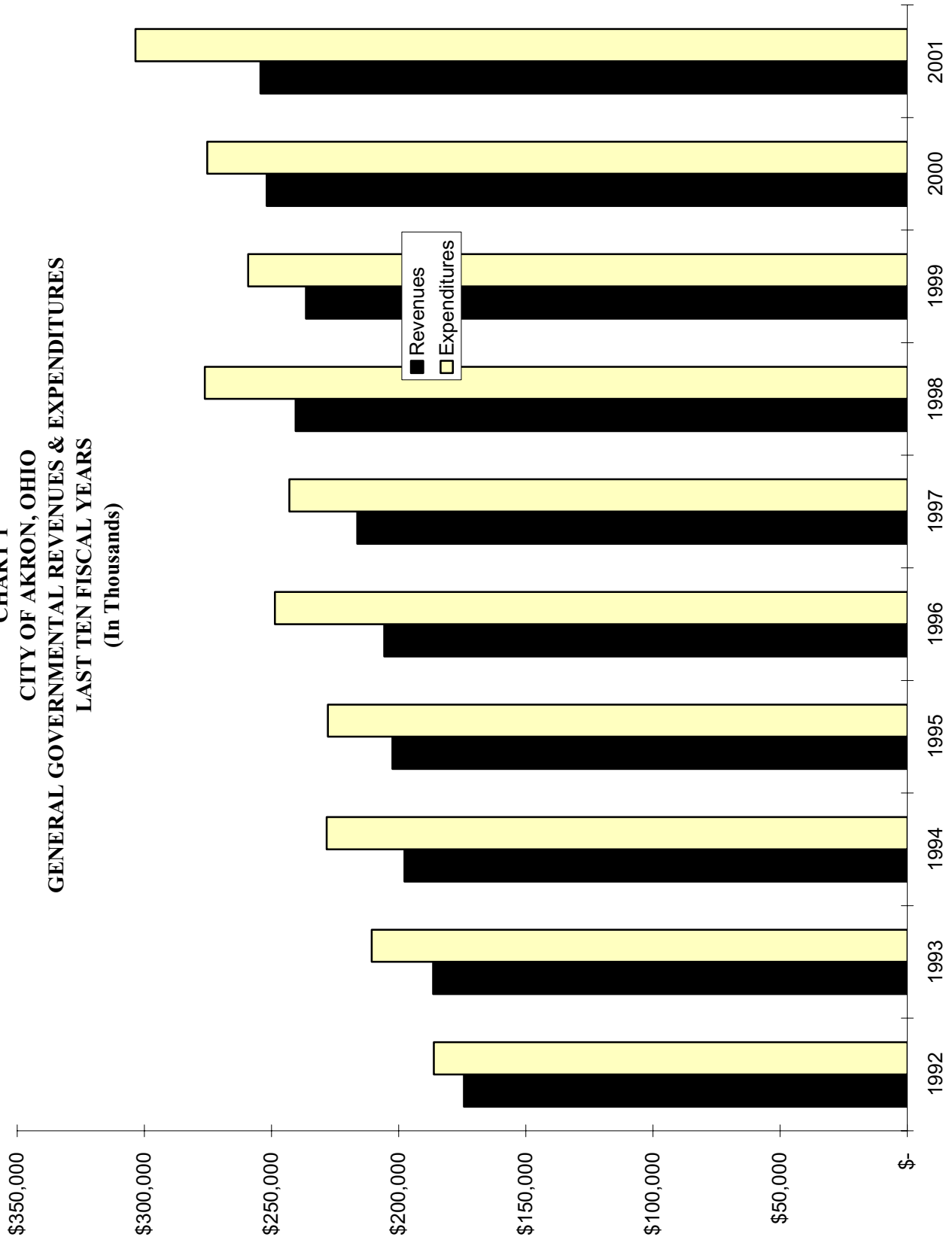
Fiscal Year	Income Taxes	Property Taxes	JEDD Revenues (2)	Grants & Subsidies	Investment Earnings	Shared Revenues	Licenses, Fees & Fines	Special Assessments & Charges For Services	Miscellaneous	Total
1992	\$ 73,560	\$ 20,945	\$ -	\$ 22,056	\$ 4,134	\$ 17,260	\$ 8,160	\$ 21,497	\$ 6,718	\$ 174,330
1993	76,672	19,818	-	19,974	2,821	29,589	7,041	21,169	9,331	186,415
1994	79,028	20,716	-	20,897	4,290	31,357	10,103	27,845	3,518	197,754
1995	85,227	22,491	-	25,769	5,000	25,699	8,725	26,105	3,406	202,422
1996	94,507	22,530	-	19,394	3,247	26,552	7,818	26,710	4,931	205,689
1997	92,189	25,109	-	21,838	3,721	24,224	8,837	33,612	6,737	216,267
1998	89,495	27,236	-	22,728	5,658	30,693	8,406	32,504	23,808	240,528
1999	93,105	26,074	11,978	20,555	4,632	32,123	8,220	33,165	6,577	236,429
2000	93,689	27,272	16,183	28,147	6,157	30,357	8,520	33,905	7,634	251,864
2001	95,961	26,511	14,683	28,221	4,051	30,606	8,833	36,816	8,701	254,383

(1) Includes General, Special Revenue, Debt Service and Capital Project Funds on the modified accrual basis of accounting

(2) JEDD Revenues are derived from a 2% income tax collected in the City's Joint Economic Development Districts. Previously the City had classified these revenues as Income Taxes (1995 - 1997) and Misc. (1998). JEDD Revenue collections for prior years were as follows: 1995 \$3,452,322; 1996 \$6,842,265; 1997 \$6,672,285; 1998 \$7,856,106.

Source: City of Akron, Ohio Finance Department

CHART 1
CITY OF AKRON, OHIO
GENERAL GOVERNMENTAL REVENUES & EXPENDITURES
LAST TEN FISCAL YEARS
(In Thousands)



Includes General, Special Revenue, Debt Service and Capital Project Funds on the modified accrual basis of accounting

TABLE 3
CITY OF AKRON, OHIO
AD VALOREM PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Collection Year	Total Tax Levy	Amount of		Percent of		Amount of		Percent of	
		Total Tax Collection	Total Tax Collection	Total Tax Collection	to Tax Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes	Delinquent Taxes to Tax Levy	Delinquent Taxes to Tax Levy
1992	\$15,151,856	\$15,051,548	99.3 %	\$1,972,754	13.0 %				
1993	15,086,915	15,070,886	99.9	1,788,170	11.9				
1994	16,554,078	16,391,654	99.0	1,665,869	10.1				
1995	16,799,605	16,441,285	97.9	1,704,235	10.1				
1996	17,367,148	17,262,372	99.4	1,497,785	8.6				
1997	20,449,613	20,257,358	99.1	1,838,513	9.0				
1998	20,499,377	20,396,338	99.5	2,054,099	10.0				
1999	20,779,354	21,037,337	101.2	1,696,834	8.2				
2000	22,505,782	22,238,102	98.8	2,034,172	9.0				
2001	22,651,092	22,220,183	98.1	2,194,962	9.7				

Source: City of Akron, Ohio Finance Department

**TABLE 4
CITY OF AKRON, OHIO
INCOME TAX COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Collected	Tax Rate
1992	\$72,181,892	2.0 %
1993	76,232,611	2.0
1994	78,467,138	2.0
1995	80,509,971	2.0
1996	84,048,750	2.0
1997	85,270,894	2.0
1998	88,324,829	2.0
1999	92,681,503	2.0
2000	94,006,773	2.0
2001	96,173,451	2.0

Source: City of Akron, Ohio Finance Department

TABLE 5
CITY OF AKRON, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)

Tax Collection Year	Real Property		Personal Property		Public Utilities		Total		Percent of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1993	\$1,589,326	\$4,540,931	\$392,568	\$1,570,272	\$183,061	\$183,061	\$2,164,955	\$6,294,264	34.40 %
1994	1,742,811	4,979,460	385,271	1,541,084	185,529	185,529	2,313,611	6,706,073	34.50
1995	1,769,160	5,054,743	390,600	1,562,400	188,894	188,894	2,348,654	6,806,037	34.51
1996	1,769,745	5,056,414	389,230	1,556,922	174,080	197,818	2,333,055	6,811,154	34.25
1997	2,102,773	6,007,925	395,098	1,580,392	167,796	190,677	2,665,667	7,778,994	34.27
1998	2,110,844	6,030,983	386,865	1,547,460	166,939	189,702	2,664,648	7,768,145	34.30
1999	2,124,127	6,068,934	396,770	1,587,083	167,948	190,849	2,688,845	7,846,866	34.27
2000	2,324,149	6,640,426	405,265	1,621,060	166,661	189,387	2,896,075	8,450,873	34.27
2001	2,339,016	6,682,903	403,913	1,615,652	153,577	174,518	2,896,506	8,473,073	34.18
2002	2,368,179	6,766,226	438,484	1,753,936	122,332	139,013	2,928,995	8,659,176	33.83

Source: Summit County Auditor

TABLE 6
CITY OF AKRON, OHIO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Per \$1,000 of Assessed Valuations)

Tax Collection Year	City of Akron										Total
	Operating	Police Pension	Fire Pension	Debt Retirement	Total City Rate	Akron City School District	Summit County	Akron Metro Parks			
1993	7.75	0.30	0.30	0.25	8.60	45.96	12.73	0.75			68.04
1994	7.75	0.30	0.30	0.25	8.60	45.96	12.45	0.75			67.76
1995	7.75	0.30	0.30	0.25	8.60	54.86	14.20	0.85			78.51
1996	8.15	0.30	0.30	0.25	9.00	54.86	14.03	0.85			78.74
1997	8.15	0.30	0.30	0.25	9.00	54.86	11.43	0.85			76.14
1998	8.15	0.30	0.30	0.29	9.04	54.86	12.67	0.85			77.42
1999	8.15	0.30	0.30	0.30	9.05	54.86	13.21	0.85			77.97
2000	8.15	0.30	0.30	0.29	9.04	54.86	12.81	0.85			77.56
2001	8.15	0.30	0.30	0.29	9.04	54.86	13.61	0.85			78.36
2002	8.15	0.30	0.30	0.34	9.09	63.76	13.57	0.85			87.27

Source: Summit County Auditor

TABLE 7
CITY OF AKRON, OHIO
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Certified for Collection	Amount Collected	Percent Collected	Accumulated Delinquent
1992	\$8,734,110	\$8,585,992	98.3 %	\$2,959,112
1993	8,916,243	8,805,092	98.8	2,726,432
1994	9,161,805	9,276,910	101.3	2,673,441
1995	10,266,611	10,071,528	98.1	2,956,502
1996	10,360,551	10,126,330	97.7	3,295,272
1997	11,176,255	10,824,913	96.9	3,675,389
1998	11,011,677	10,846,347	98.5	3,909,322
1999	10,676,569	11,585,883	108.5 (1)	3,280,568
2000	10,628,747	10,661,383	100.3	3,256,734
2001	11,331,061	11,191,162	98.8	2,418,777

(1) Included in the 1999 amount collected is approximately \$1,464,000 collected as a result of Summit County selling some of the delinquent tax liens to a private company.

Source: Summit County Auditor

TABLE 8
CITY OF AKRON, OHIO
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Assessed Value (000's)	Gross Bonded Debt (2)	Debt Service Monies Available	Debt		Net Bonded Debt	Percent of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
					Payable From Enterprise Funds (3)	Bonded Debt			
1992	\$223,019	\$2,164,955	\$107,921,505	\$2,773,199	\$19,240,000	\$85,908,306	3.97 %	\$385	
1993	223,019	2,313,611	115,234,030	2,704,635	17,835,000	94,694,395	4.09	425	
1994	223,019	2,348,654	130,871,555	2,249,058	17,288,000	111,334,497	4.74	499	
1995	223,019	2,333,055	135,339,080	2,414,094	16,160,000	116,764,986	5.00	524	
1996	223,019	2,665,667	143,239,000	2,393,577	14,655,000	126,190,423	4.73	566	
1997	223,019	2,664,648	157,999,624	2,548,662	13,665,000	141,785,962	5.32	636	
1998	223,019	2,688,845	160,286,248	2,718,371	4,910,000	152,657,877	5.68	685	
1999	223,019	2,896,075	164,747,872	3,406,072	3,885,000	157,456,800	5.44	706	
2000	217,074	2,896,506	168,491,626	3,160,356	3,260,000	162,071,270	5.60	747	
2001	217,074	2,928,995	178,233,239	3,536,134	2,635,000	172,062,105	5.87	793	

(1) Source: U.S. Bureau of the Census

(2) Includes all bonded general obligation debt

(3) Includes bonded debt payable from Water, Sewer, and Off-Street Parking revenues

Source: City of Akron, Ohio Finance Department

TABLE 9
CITY OF AKRON, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
UNVOTED DEBT LIMIT (5 1/2%)
AS OF DECEMBER 31, 2000 AND 2001

	2000	2001
Total assessed property value	\$2,896,506,000	\$2,928,995,000
Total unvoted bonds outstanding	\$164,491,626	\$175,633,239
Total unvoted notes outstanding	4,461,388	9,837,339
Total unvoted debt	168,953,014	185,470,578
Less exemptions:		
Funds available for debt		
service requirements	1,938,080	2,425,153
Water Bonds	1,500,000	1,250,000
Sewer Bonds	300,000	250,000
Final Judgment Bonds	3,060,000	2,911,738
Off-Street Parking Bonds	1,460,000	1,135,000
Public Improvement Bonds	3,382,496	3,272,120
Special Assessment Bonds	12,684,130	11,206,170
Special Assessment Notes	4,461,388	9,837,339
Inventors' Hall of Fame Bonds	2,665,000	2,245,000
G.O. Bonds Pledged with Income Tax	51,235,000	54,192,645
Total exemptions	82,686,094	88,725,165
Net debt subject to 5 1/2% limit	\$86,266,920	\$96,745,413
Total debt limit - 5 1/2% of assessed value	159,307,830	161,094,725
Less net debt subject to 5 1/2% limitation	86,266,920	96,745,413
Total legal unvoted debt margin	\$73,040,910	\$64,349,312

Source: City of Akron, Ohio
Finance Department

TABLE 10
CITY OF AKRON, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
TOTAL DEBT LIMIT (10 1/2%)
AS OF DECEMBER 31, 2000 AND 2001

	2000	2001
Total assessed property value	\$2,896,506,000	\$2,928,995,000
Total bonds outstanding	\$278,491,626	\$283,168,239
Total notes outstanding	8,706,388	9,837,339
Total OWDA loans outstanding	50,271,144	47,615,793
Total OPWC loans outstanding	8,407,516	9,021,297
Total Certificates of Participation	28,879,435	25,923,095
Total ODOD loans outstanding	612,692	565,793
Total Non-Tax Revenue Bonds	32,770,000	31,585,000
Total Special Revenue (JEDD) Bonds	27,650,000	27,285,000
Total Income Tax Revenue Bonds	9,705,000	9,450,000
Total debt	445,493,801	444,451,556
Less exemptions:		
Funds available for debt		
service retirement	1,938,080	2,425,153
Water Bonds	1,500,000	1,250,000
Sewer Bonds	300,000	250,000
Final Judgment Bonds	3,060,000	2,911,738
Inventors' Hall of Fame Bonds	2,665,000	2,245,000
Off-Street Parking Bonds	1,460,000	1,135,000
Public Improvement Bonds	3,382,496	3,272,120
Special Assessment Bonds	12,684,130	11,206,170
Special Assessment Notes	4,461,388	9,837,339
Water Mortgage Revenue Bonds	60,065,000	57,095,000
Sewer Revenue Bonds	49,935,000	47,840,000
Special Assessment Improvement		
Notes (One Year)	4,245,000	
Water OWDA Loans	10,758,098	10,759,108
Sewer OWDA Loans	39,513,046	36,856,685
Water OPWC Loan	1,842,344	1,791,137
Sewer OPWC Loan	1,892,819	1,754,396
RES OPWC Loan	156,294	114,888
Certificates of Participation	28,879,435	25,923,095
Non-Tax Revenue Bonds	32,770,000	31,585,000
Income Tax Revenue Bonds	9,705,000	9,450,000
JEDD Revenue Bonds	27,650,000	27,285,000
Capital Projects OPWC Loan	4,516,059	5,360,876
Industrial Incubator - ODOD	612,692	565,793
G.O. Bonds Pledged with Income Tax	51,235,000	54,192,645
Total exemptions	355,226,881	345,106,143
Net debt subject to 10 1/2% limit	\$90,266,920	\$99,345,413
Total debt limit - 10 1/2% of assessed value	304,133,130	307,544,475
Less net debt subject to 10 1/2% limitation	90,266,920	99,345,413
Total legal debt margin	\$213,866,210	\$208,199,062

Source: City of Akron, Ohio
Finance Department

TABLE 11
CITY OF AKRON, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2001

Political Subdivision	Amount of Debt	Percent Applicable to City	City's Share
City of Akron	\$188,070,578 *	100.00 %	\$188,070,578
Summit County	120,422,182	27.81	33,489,409
Copley-Fairlawn City School District	8,210,000	4.64	380,944
Revere Local School District	15,253,649	2.74	417,950
Akron Metro Regional Transit Authority	1,765,001	27.81	490,847
Woodridge Local School District	16,824,855	31.90	5,367,129
Summit County Library District	33,414,269	41.22	13,773,362
	<u>\$383,960,534</u>		<u>\$241,990,219</u>

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

General Obligation Bonds	\$178,233,239
General Obligation Notes	<u>9,837,339</u>
	<u>\$188,070,578</u>

Source: City of Akron, Ohio Finance Department

TABLE 12
CITY OF AKRON, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest (1)	Total Debt Service (2)	Total General Governmental Expenditures (3)	Percent of Debt Service to Total General Governmental Expenditures
1992	\$14,074,447	\$6,529,443	\$20,603,890	\$186,133,393	11.07 %
1993	10,860,116	6,555,536	17,415,652	210,622,689	8.27
1994	12,141,614	7,613,480	19,755,094	228,279,235	8.65
1995	12,972,245	7,579,543	20,551,788	227,860,939	9.02
1996	14,366,769	7,962,202	22,328,971	249,353,650	8.95
1997	14,253,463	8,118,199	22,371,662	243,020,360	9.21
1998	15,483,845	10,232,741	25,716,586	276,254,720	9.31
1999	15,356,417	10,416,671	25,773,088	259,186,004	9.94
2000	19,163,480	11,460,262	30,623,742	275,273,002	11.12
2001	19,164,096	14,749,669	33,913,765	303,521,001	11.17

(1) Interest for 2001 includes \$571,774 of bond issuance expense.

(2) Includes all debt service other than Proprietary Funds

(3) Includes General, Special Revenue, Debt Service and Capital Project Funds on the modified accrual basis of accounting

Source: City of Akron, Ohio Finance Department

TABLE 13
CITY OF AKRON, OHIO
WATER ENTERPRISE REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			GAAP Basis Revenue Bond Coverage	Bond (2) Coverage Per Indenture
				Mtg. Principal	Mtg. Interest	Total		
1992	\$25,695,191	\$22,931,790	\$2,763,401	\$400,000	\$805,303	\$1,205,303	2.29	2.27
1993	30,706,517	25,390,551	5,315,966	425,000	778,065	1,203,065	4.42	2.87
1994	27,965,195	23,175,691	4,789,504	805,000	2,519,966	3,324,966	1.44	1.67
1995	29,072,979	25,771,036	3,301,943	1,760,000	3,643,963	5,403,963	0.61	1.80
1996	33,465,609	28,501,848	4,963,761	1,845,000	3,552,475	5,397,475	0.92	1.88
1997	35,341,049	26,531,539	8,809,510	2,035,000	3,215,798	5,250,798	1.68	2.35
1998	33,297,429	27,168,776	6,128,653	2,125,000	3,308,992	5,433,992	1.13	1.77
1999	33,504,853	23,485,953	10,018,900	2,740,000	3,257,578	5,997,578	1.67	1.86
2000	32,452,297	22,767,300	9,684,997	2,850,000	3,138,595	5,988,595	1.62	2.00
2001	33,115,084	22,906,974	10,208,110	2,970,000	3,010,803	5,980,803	1.71	2.06

(1) Direct operating expenses do not include depreciation

(2) The Revenue Bond Coverage used in complying with Section 8.02(a) of the Trust Indenture is calculated quarterly on a cash basis and is presented at year end for informational purposes only.

Source: City of Akron, Ohio Finance Department and Public Utilities Bureau

TABLE 14
CITY OF AKRON, OHIO
SEWER ENTERPRISE REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Total	GAAP Basis		Bond (2) Coverage Per Indenture
				Mtg./Rev Principal	Mtg./Rev Interest			Revenue Bond Coverage		
1992	\$26,625,369	\$19,621,499	\$7,003,870	\$455,000	\$127,250	\$582,250	12.03		13.71	
1993	29,245,937	23,607,383	5,638,554	480,000	104,500	584,500	9.65		16.24	
1994	29,547,338	27,521,348	2,025,990	-	213,695	213,695	9.48		24.36	
1995	27,763,489	26,358,312	1,405,177	-	899,802	899,802	1.56		13.70	
1996	35,090,761	24,861,166	10,229,595	-	1,102,797	1,102,797	9.28		7.55	
1997	36,342,889	21,750,388	14,592,501	1,145,000	1,989,506	3,134,506	4.66		4.96	
1998	33,862,063	21,550,161	12,311,902	2,120,000	2,598,058	4,718,058	2.61		2.68	
1999	36,653,760	22,257,657	14,396,103	2,005,000	2,816,110	4,821,110	2.99		2.73	
2000	30,960,810	19,927,901	11,032,909	2,045,000	2,731,065	4,776,065	2.31		3.10	
2001	32,400,006	19,348,093	13,051,913	2,095,000	2,642,193	4,737,193	2.76		2.90	

(1) Direct operating expenses do not include depreciation

(2) The Revenue Bond Coverage used in complying with Section 8.02(a) of the Trust Indenture is calculated quarterly on a cash basis and is presented at year end for informational purposes only.

Source: City of Akron, Ohio Finance Department and Public Utilities Bureau

TABLE 15
CITY OF AKRON, OHIO
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2001

POPULATION

<u>Year</u>	<u>City</u>	<u>County</u>	<u>PMSA *</u>
1940	244,791	339,405	386,065
1950	274,605	410,032	473,986
1960	290,351	513,569	605,367
1970	275,425	553,371	679,239
1980	237,177	524,472	660,328
1990	223,019	514,990	657,575
2000	217,074	542,899	694,960

* PMSA - Primary Metropolitan Statistical Area

Source: U.S. Bureau of Census

ESTIMATED EFFECTIVE BUYING INCOME PER HOUSEHOLD
PERCENT OF HOUSEHOLDS BY INCOME GROUP, 2000
PRIMARY METROPOLITAN STATISTICAL AREA

<u>Income Group</u>	<u>Percent</u>
\$- - \$19,999	25.10
\$20,000 - \$34,999	21.40
\$35,000 - \$49,999	18.10
\$50,000 - and over	35.40
Median Household Effective Buying Income (EBI)	\$37,619

Source: Survey of Buying Power, SALES AND
MARKETING MANAGEMENT, 2000

PER CAPITA MONEY INCOME AND MEDIAN FAMILY INCOME

<u>County:</u>	<u>1989 Per Capita Money Income (1)</u>	<u>1989 Median Family Income (2)</u>
Summit	\$14,409	\$35,060
Stark	13,003	32,800
Hamilton	15,354	37,184
Cuyahoga	14,912	35,749
Franklin	14,907	37,214
Montgomery	14,495	36,069
Lucas	13,778	35,130
Mahoning	11,668	29,657
State of Ohio	15,654	34,351
United States	14,420	35,225

Sources: (1) U. S. Bureau of Economic Analysis
(2) U. S. Bureau of Census

TABLE 16
CITY OF AKRON, OHIO
PROPERTY VALUES AND CONSTRUCTION ACTIVITY
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value (Real & Personal Property) (1)	Building Permits Issued (2)	
		Number	Estimated Valuation
1992	\$2,164,955,000	3,030	\$112,626,026
1993	2,313,611,000	3,002	127,585,335
1994	2,348,654,000	3,528	151,609,184
1995	2,333,055,000	3,495	158,145,162
1996	2,665,667,000	3,550	134,444,703
1997	2,664,648,000	3,376	139,613,241
1998	2,688,845,000	3,853	117,675,504
1999	2,896,075,000	3,662	155,200,543
2000	2,896,506,000	3,201	113,657,295
2001	2,928,995,000	2,852	140,481,950

Sources: (1) Summit County Auditor
(2) City of Akron, Ohio Building Inspection Division

TABLE 17
CITY OF AKRON, OHIO
TEN LARGEST PROPERTY TAXPAYERS
DECEMBER 31, 2001

<u>Name</u>	<u>Type of Business</u>	<u>Valuation (in thousands)</u>	<u>Percent of Total Assessed Valuation</u>
First Energy	Public Utility	\$121,481	4.15 %
Ameritech	Public Utility	41,864	1.43
Goodyear Tire & Rubber Co.	Rubber Industry	36,951	1.26
Aircraft Braking Systems	Aeronautics Equipment	25,590	0.87
Dominion East Ohio	Public Utility	25,066	0.86
Bridgestone/Firestone	Rubber Industry	18,553	0.63
Lockheed Martin Tactical Systems	Electronics	16,958	0.58
F.W. Albrecht Co.	Grocery	14,687	0.50
Chapel Hill Mall, Ltd.	Shopping Malls	11,844	0.40
Beacon Journal Publishing	Newspaper	9,962	0.34
	Totals:	<u><u>\$322,956</u></u>	<u><u>11.02 %</u></u>

Source: Summit County Auditor

TABLE 18
CITY OF AKRON, OHIO
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2001

Date of Incorporation	March 12, 1836
Adoption of City Charter	1918
Form of Government	Mayor - Council
Council Members	13
Area of City	Approximately 62 square Miles
Population (2000 census)	217,074
Police Protection:	
Number of Stations	1
Number of Uniformed Police and Officers	462
Fire Protection:	
Number of Stations	13
Number of Firefighters and Officers	379
Education:	
University of Akron Students	23,492
Akron City School District:	
Number of Schools	58
Number of Students	29,940
Number of Teachers	2,775
2001 Water System:	
Average Daily Consumption	40.65 MGD
Annual Pumpage	14,837 MG
Maximum Capacity	67 MGD
Communities Served	12
Number of Customers	82,827
Miles of Water Lines	1,188
2001 Sewer System:	
Average Daily Demand	64.23 MGD
Annual Wastewater Flow	23,443 MG
Plant Capacity	90 MGD
Communities Served	13
Number of Customers	82,089
Miles of Sewer Lines	1,209
Medical Facilities:	
Number of Hospitals	5
Number of Beds	2,349
Transportation:	
Motor Freight Carriers:	
Akron	36
SMSA	43
Railroad Systems	3
Airports	3
Bus Lines:	
Local	1 (Metro Regional Transit Authority)
National	2 (Greyhound & Continental Trailways)
Interstate Highways	6
State Highways	9
Recreation and Culture:	
City Park System	Over 2,100 Acres
Metro Park District	Over 6,000 Acres
Cuyahoga Valley National	
Recreation Area	33,000 Acres
Private and Public Golf Courses	66

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF AKRON

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 15, 2002**