

Comprehensive Annual Financial Report

City of Akron, Ohio

For the Fiscal Year Ended December 31, 2018



DANIEL HORRIGAN,
MAYOR

OHIO AUDITOR OF STATE
KEITH FABER

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Members of Council
City of Akron
166 S. High Street
Akron, Ohio 44308

We have reviewed the *Independent Auditor's Report* of the City of Akron, Summit County, prepared by Plante & Moran, PLLC, for the audit period January 1, 2018 through December 31, 2018. 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.



Keith Faber
Auditor of State
Columbus, Ohio

August 5, 2019

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City of Akron, Ohio
Daniel Horrigan, Mayor

COMPREHENSIVE ANNUAL
FINANCIAL REPORT



For the Fiscal Year Ended December 31, 2018

Issued by the Department of Finance



ELECTED AND APPOINTED OFFICIALS

As of June 2019

Daniel Horrigan, Mayor

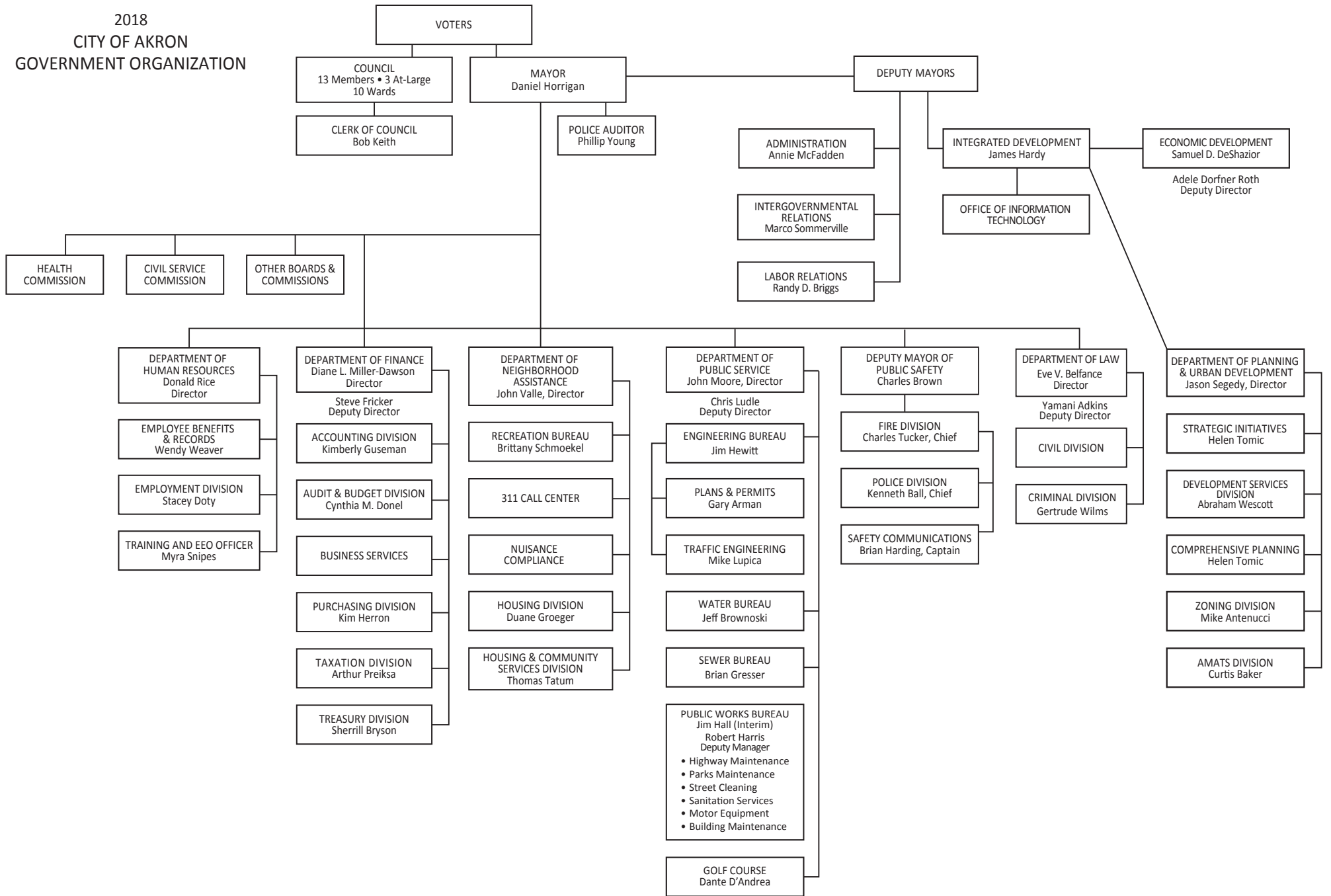
COUNCIL MEMBERS

Rich Swirsky	1st Ward
Bruce Kilby	2nd Ward
Margo M. Sommerville, Council President	3rd Ward
Russel C. Neal, Jr.	4th Ward
Tara Mosley-Samples	5th Ward
Robert E. Hoch	6th Ward
Donnie J. Kammer	7th Ward
Marilyn L. Keith	8th Ward
Michael N. Freeman	9th Ward
Zack Milkovich	10th Ward
Jeff Fusco	Councilman-at-Large
Linda F. R. Omobien	Councilman-at-Large
Veronica Sims	Councilman-at-Large

CABINET OF THE MAYOR

Diane L. Miller-Dawson	Director of Finance
John O. Moore	Director of Public Service
John W. Valle	Director of Neighborhood Assistance
Eve. V. Belfance	Director of Law
Jason Segedy	Director of Planning and Urban Development
Donald Rice	Director of Human Resources
James Hardy	Chief of Staff and Office of Integrated Development
Annie McFadden	Deputy Mayor for Administration and Deputy Chief of Staff
Marco S. Sommerville	Deputy Mayor for Intergovernmental Affairs and Senior Advisor
Samuel D. DeShazor	Deputy Mayor for Economic Development
Charles A. Brown	Deputy Mayor for Public Safety
Randy D. Briggs	Deputy Mayor for Labor Relations
Steve Fricker	Deputy Director of Finance
Christopher D. Ludle	Deputy Director of Public Service
Adele Dorfner Roth	Deputy Director of Planning and Urban Development

2018
CITY OF AKRON
GOVERNMENT ORGANIZATION



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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TINA VICK
Executive Assistant

DANIEL HORRIGAN, MAYOR

DEPARTMENT OF FINANCE

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June 28, 2019

The Honorable Daniel Horrigan
and Members of City Council
The City of Akron, Ohio

Dear Mayor Horrigan 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, 2018. This report presents financial and operating information about the City's activities during 2018 that should be useful to citizens and taxpayers. The report, prepared by the Department of Finance, contains a comprehensive analysis of the City's financial position and activities for the year.

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

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

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

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

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

The City is directed by a mayor and council form of government. Legislative authority is vested in a 13-member Council, three members of which are elected at-large and ten by wards. The Council determines the compensation of City officials and employees and enacts members' 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, utility revenue collection, and financial reporting.

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

Economic Conditions and Outlook

Major revenue sources for the City continue to be the City's income tax, property taxes, local fees, charges for services, and state-shared local government revenue. The City's cash income tax collections increased by approximately 2.89% in 2018. On a cash basis for 2018, property taxes in the general fund increased by 1.82% and the state's local government revenue to the City increased by approximately 2.94%. Income tax receipts from the 12 largest economic sectors in the City have increased by 7.5% since 2014 and, combined, account for over 67% of total tax collections. Receipts from the 12 fastest growing economic sectors have increased by 26%. No one sector makes up more than 17% of the total collected.

In 2018, the City of Akron remains in a stable financial position. Efforts to reduce expenses and operate more efficiently have allowed the City to function at a continuously high service level at lower costs. These efforts ensure the City will be in strong position for growth as the economy continues to rebound. The revenue collected from the four Joint Economic Development Districts (JEDDs) is an additional funding source to encourage and promote economic development and to secure a solid tax base.

Long-term Financial Policies

Unassigned fund balance in the general fund is 6.86% of the general fund expenditures. The general fund of the City does not have a specified unassigned fund balance target. The recommended level of unassigned fund balance will be determined as needed and as recommended by officials and approved by Council when necessary.

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

Relevant Financial Policies

The City has a charter requirement that the 2% income tax (the City's largest revenue source) used specifically for City services, be allocated so that 73% of net revenue is used for operations and the balance is used for capital needs. The passage of Issue 4 that went into effect January 2018 increased the Akron income tax rate by 0.25%. This tax increase will fund police, fire, emergency medical services and roads.

Recent Major Initiatives

The major initiatives for the City of Akron can be summarized as follows: building stronger and safer neighborhoods; creating and retaining jobs; investing in infrastructure; protecting our community and uplifting community partnerships.

In 2018, the City's administration has re-affirmed its commitment to investing in infrastructure and safety through city and capital improvements. With the help of Issue 4 funds, the City of Akron completed paving 54.5 miles of streets. This increased funding allowed the city to repave 37.5 miles on top of the 17 miles previously budgeted. Issue 4 funds were also used to fund construction for two new state-of-the-art fire stations. Fire Station 4 is being constructed south of downtown and will continue to service all of Akron along with being the center of operations for critical emergencies. Station 4 will house Fire administration and EMS command staff. The new Fire Station 2 is being constructed on the same site, as the previous station to maintain safety and stability for its neighborhood. Issue 4 funds were also used to replace 53 police vehicles for the City of Akron Police Department.

In addition to the Issue 4 funds improvements, the City has been working on other City improvements. The City celebrated the breakthrough of Rosie, the tunnel boring machine, after completing the mile long journey for the Ohio Canal Interceptor Tunnel under downtown Akron on August 29, 2018. This is the largest public improvement project in our City's history and completes the first major phase of tunnel construction. This tunnel will hold 25.6 million gallons of storm water and sewage during a heavy rain event. The City also obtained funding through an Ohio Public Works Commission grant and a low-interest loan through the Ohio EPA's Water Supply Revolving Loan Account to replace more than a dozen water mains across the City. This \$2 million project will aid in replacing 3.5 miles of the most problematic water mains and pipes that are almost 100 years old. Phase I of the Transportation Investment Generating Economic Recovery (TIGER) grant for the South Main corridor between Cedar and Mill Streets is underway. This \$31 million project includes new pavement, sidewalks, lanes for buses and bike track, upgraded underground utilities and traffic

signal equipment, LED lighting and a roundabout. This revitalized Downtown Promenade will welcome all who live, work and play in downtown Akron.

As construction moves forward, so do the City's efforts to focus on neighborhoods throughout the City. Akron City Council passed legislation to create the Vacant Building Registration (VBR) program to address blighted commercial buildings. This new law requires owners of vacant buildings to register with the City to keep the properties secure and well-lit and submit a plan to renovate, secure or demolish the structure. The new Akron Great Streets Initiative announced by Mayor Dan Horrigan in his 2018 State of the City speech, is aimed at improving ten neighborhood business districts across the City. Great Streets is designed to support and work with business and property owners. The City offered two new funding opportunities for local businesses which are Facade Improvement grants and Microloans for capital improvements. Facade Improvement matching grants are available for exterior improvements and/or site improvements. Great Streets Microloans, for \$1,000 to \$10,000, are available for capital improvement projects. The Akron Parks Challenge, a collaborative effort between city officials and neighborhood residents began in 2018. Three parks were selected for improvement: Cadillac Park in Ward 4, Chestnut Ridge Park in Ward 9 and Reservoir Park in Ward 10.

Protecting our community is a high priority for Akron. The rise in youth violence and the ongoing Opiate epidemic are serious public health issues and safety concerns. Project Ujima continues to facilitate and address youth violence in Akron. Their goal is to reduce youth violence in Akron by 20 percent by the year 2023. Recreation is offering a new Midnight Basketball League open to young men ages 16 to 33 to provide structured league play with mentorship toward educational opportunities. For the Opiate epidemic, Narcan which is a medication that blocks the effects of overdose of opioids is now carried in every police and fire vehicle. Our Quick Response Teams are assisting with follow-ups for hundreds of overdose patients to provide the right care for those dealing with addiction. Since 2016, Akron has reduced overdose emergency room visits by almost 40 percent and overdose deaths by 65 percent.

Akron continues to attract redevelopment downtown. In 2018, the City announced a partnership with Weston to renovate the historic CitiCenter Building in downtown Akron. The \$20 million project includes plans for 60 apartments and 20,000 square feet for office space. The City along with the Development Finance Authority of Summit County, Bowery Development Group and several community partners have collaborated to complete the financing for the \$42 million Bowery project. This restoration will rehabilitate six historic downtown Akron buildings into mixed-use residential, retail and office space. Construction is expected to be completed by the end of 2019. The Bowery project will help complete Akron's South Main Street by restoring the buildings and adapting for modern use but keeping the historic details of Akron's past. This project will be the keystone for all future downtown Akron development. The Bowery will have 92 new apartment units and the Akron Civic will have a new 200 seat theater drawing additional people to downtown.

Akron is committed to strengthening the City through new community partnerships. In 2018, the City's first Financial Empowerment Center (FEC) opened in Kenmore with assistance of the United Way of Summit County. It formed an Advisory Council that is made up of a diverse group of community leaders. This Council will help with funding, organizing and marketing financial services for our residents. Since opening, the FEC has counseled almost 400 clients. The City of Akron will be joining the AARP Network of Age-Friendly Cities to make sure our seniors can safely navigate all aspects of civic life and enjoy our public spaces. A new economic development

framework called "Elevate Akron" is lead by the Mayor, the Greater Akron Chamber, Summit County Executive Ilene Shapiro and GAR foundation. They will focus on local business retention and expansion, entrepreneurship and innovation along with improved business intelligence and research services. Their goal is to make Akron a more vibrant place with inclusive economic opportunities available to all. Akron has strengths that we can build upon including a local state research university, a new community college, and high patent activity.

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

Reporting Standards

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

Governmental funds:

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

Special Revenue Funds – The Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. City ordinances or federal or state statutes specify the uses and limitations of each Special Revenue Fund. During 2018, the City had 22 Special Revenue Funds.

Debt Service Funds – The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. During 2018, the City had ten Debt Service Funds.

Capital Projects Funds – The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2018, the City had six Capital Projects Funds.

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

Proprietary funds:

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

Internal Service Funds – The Internal Service Funds are used to account for the financing of goods or services provided by one division or agency to other divisions or agencies of the

government, generally on a cost-reimbursement basis. The City has seven Internal Service Funds.

Fiduciary funds:

Private Purpose Trust Funds – The Private Purpose Trust Funds are used to account for other trust arrangements which benefit individuals, private organizations, or other governments. During 2018, the City had three Private Purpose Trust Funds.

Agency Funds – The Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. During 2018, the City had seven Agency Funds.

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

Basis of Accounting:

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

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

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

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

Cash Management

Effective cash management is recognized as essential to good fiscal management. The primary objectives of the City’s investment activities are the preservation of capital and the protection of investment principal. The Treasurer’s Office within the Department of Finance invests all cash, following the City’s own investment ordinance, in various securities which consist of fixed-rate City bonds and notes, certificates of deposit, fully collateralized repurchase agreements, and U.S. government obligations. The City’s investment ordinance was modified in late 1986 to take advantage of State of Ohio investment opportunities. However, the local investment policy continues to be conservative with the highest priority given to safeguarding assets. For 2018, investment interest income averaged a yield of 2.4% compared to a yield of 1.3% in 2017. The

interest earnings are maximized by investing to projected payment dates on a competitive bid basis and by investing bank balances daily.

Risk Management

The City has been self-insured for liability coverage for non-auto-related incidents since 1985. This program was established in response to the dramatic rise in premiums in the mid-1980's and the increases in exclusions written into standard insurance policies. Additionally, the City is primarily self-insured for employee medical benefits, including major medical, dental, and vision care. This has proven to be the most cost-effective program for this type of coverage. The City also has in place reserve funds for workers' compensation and medical benefits. For other types of coverage, such as property insurance, airport liability, employee life, auto liability, and boiler and machinery coverage, the City has secured traditional insurance. The City is assisted in its insurance program by an independent consulting firm that does not underwrite insurance but has expertise in the insurance industry. The City relies on the advice offered by the consultant in securing any insurance.

Pension

The City contributes to two state-administered retirement plans covering various groups of City employees. Uniform police and fire employees participate in the statewide Ohio Police and Fire Pension Fund. Substantially, all other City employees participate in the statewide Ohio Public Employees Retirement System (OPERS). The City's total contributions to these plans were equal to 100% of the required employer contributions for the year. In accordance with GASB Statement No. 68 and GASB Statement No. 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability not accounted for as deferred inflows/outflows.

Independent Annual Audit

This report is subject to review and acceptance by the Auditor of State's office, and the requirements of Ohio Revised Code § 117.25 are not met until the Auditor of State certifies this report. This process will be completed by the Auditor of State in a reasonable timeframe and reports are subject to change if the Auditor of State determines that modification of a report is necessary to comply with required accounting or auditing standards or Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

In 2017, Plante Moran PLLC was contracted to perform the audit of the City of Akron for a period of five years. We appreciate the cooperation of State Auditor Keith Faber and Plante Moran PLLC 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, 2017. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Akron, Ohio, has received Certificates of Achievement for the last 34 consecutive years (1984 through 2017). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The 2018 Comprehensive Annual Financial Report could not have been accomplished without the dedication of the professionals in the Audit and Budget Division of the Department of Finance. Special acknowledgment must go to the Audit and Budget staff for the many hours of quality service they have provided to the City in the formulation of this report. I further wish to thank you, Mayor, for continuing to provide to the department the necessary support and leadership required to enhance the City's overall fiscal position and its financial reporting practices. We trust that this timely, complete, and fully readable Comprehensive Annual Financial Report satisfies your needs and those of City Council for responsible financial planning and reporting.

Respectfully,



Diane L. Miller-Dawson
Director of Finance

DLMD/ec



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Akron
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrell

Executive Director/CEO

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Independent Auditor's Report

To the Honorable Daniel Horrigan, Mayor, and
Diane Miller-Dawson, Director of Finance
City of Akron, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Ohio (the "City") as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the City of Akron, Ohio's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Ohio as of December 31, 2018 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Daniel Horrigan, Mayor, and
Diane Miller-Dawson, Director of Finance
City of Akron, Ohio

Emphasis of Matter

As discussed in Note 30 to the basic financial statements, during the year ended December 31, 2018, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of implementing this pronouncement, the City's net OPEB liability has been recognized on the government-wide and proprietary statements and, as discussed in Note 30, the beginning of year net position reported in these statements has been restated from the amounts previously reported in the 2017 financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Akron, Ohio's basic financial statements. The supplementary information, as identified in the table of contents, and introductory section and statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

To the Honorable Daniel Horrigan, Mayor, and
Diane Miller-Dawson, Director of Finance
City of Akron, Ohio

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2019 on our consideration of the City of Akron, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Akron, Ohio's internal control over financial reporting and compliance.

Plante & Moran, PLLC

June 28, 2019

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CITY OF AKRON, OHIO MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of the City of Akron, Ohio financial performance provides an overview of Akron's financial activities for the fiscal year ended December 31, 2018. Please read it in conjunction with the transmittal letter on page 7 and the City's financial statements, which begin on page 40.

FINANCIAL OVERVIEW

- The assets and deferred outflows of the City of Akron, Ohio exceeded its liabilities and deferred inflows at December 31, 2018 by \$446,009,951 (net position). Of this amount, \$30,035,028 is restricted for debt service, \$64,919,053 is restricted for community learning centers, \$36,572,531 is restricted for capital projects and \$13,078,294 restricted for program purpose.
- The deficit unrestricted net position is primarily the result of the City's implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27* (GASB 68) in 2015 and in 2018. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in 2018. Combined, GASB 68 and 75 reduced governmental and business-type Net Position by \$470 million and \$42 million, respectively, for the year ended December 31, 2018.
- The City's total net position increased by \$78,454,001 during the current year, as restated. Governmental activities, total net position increased by \$65,524,318 and the business-type activities, total net position increased by \$12,929,683.
- As of the close of the current fiscal year, the City of Akron's governmental funds reported combined ending fund balances of \$114,806,622, a decrease from the prior year which is attributed to the issuance of bonds in the prior year. The proceeds are being used to fund the payment of expenditures as reflected in public service and public safety expenditures for project specific costs.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,299,737 or 6.86% of total General Fund expenditures.
- The City of Akron's total debt outstanding increased by \$47,437,770 (4.4%) during the current year. During 2018, the City issued \$2,000,000 in Income Tax Revenue Bonds for various purpose improvements. There were OWDA loans issued for the cost of improving the Waterworks System (\$398,679) and the Sanitary Sewer System (\$99,264,657). The City also issued General Obligation Notes (\$41,300,000) for various purpose improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

The government-wide financial statements can be found on pages 40–41 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 39 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Community Learning Centers (CLC) Fund, the Income Tax Capital Improvement Fund and the Special Assessment Fund, and the Streets Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 42-45 of this report.

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

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

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

As of the end of the current fiscal year, the City's total governmental funds reported an ending fund balance of \$114,806,622, a decrease of \$1,436,081 in comparison with the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents

6.86% of total General Fund expenditures, while total fund balance represents 8.23% of that same amount.

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

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

The basic proprietary fund financial statements can be found on pages 46–48 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 49–50 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 51-132 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information (RSI) concerning the City of Akron's General Fund, Community Learning Centers Fund, Income Tax Capital Improvement Fund, Special Assessment Fund, and Streets Fund budgetary comparison. Also included are three required schedules related to the City's participation in two state pension and OPEB funds. The Schedule of City's Proportionate Share of Net Pension Liability includes a history of the City's proportionate share of the collective net pension liability for each state pension fund. The

Schedule of City Contributions to State Pension and OPEB Funds includes a history of contractually required contributions compared to contributions made. The Schedule of City's Proportionate Share of Net OPEB Liability includes a history of the City's proportionate share of the collective net OPEB liability for each state pension fund. Additionally, the Schedule of Contributions to the City of Akron's OPEB Plan a history of contributions made. Required Supplementary Information (RSI) can be found on pages 133-147 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, enterprise funds and internal service funds are presented immediately following the Required Supplementary Information (RSI) and can be found on pages 152-217 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Akron, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$446,009,951 at the close of the most recent fiscal year.

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

An additional portion of the City of Akron's net position 6.7% is restricted for the payment of debt service, 14.6% is restricted for community learning center activity and 11.1% is restricted for other purposes. The City's overall net position increased by \$78,454,001 during the current year; the net position of the governmental activities increased by \$65,524,318 and business-type activities increased by \$12,929,683.

Summary Statement of Net Position
as of December 31, 2017 and 2018
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Assets:						
Current and other assets	\$ 289,086	\$ 317,946	\$ 126,382	\$ 127,565	\$ 415,468	\$ 445,511
Capital assets	1,036,236	1,071,769	834,148	928,788	1,870,384	2,000,557
Total assets	\$ 1,325,322	\$ 1,389,715	\$ 960,530	\$ 1,056,353	\$ 2,285,852	\$ 2,446,068
Deferred outflows	68,562	84,512	8,949	8,607	77,511	93,119
Total assets and deferred outflows	\$ 1,393,884	\$ 1,474,227	\$ 969,479	\$ 1,064,960	\$ 2,363,363	\$ 2,539,187
Liabilities:						
Long-term liabilities	990,770	1,194,097	470,779	565,896	1,461,549	1,759,993
Other liabilities	95,094	99,103	34,859	40,033	129,953	139,136
Total liabilities	\$ 1,085,864	\$ 1,293,200	\$ 505,638	\$ 605,929	\$ 1,591,502	\$ 1,899,129
Deferred inflows	125,202	185,550	1,638	8,498	126,840	194,048
Total liabilities and deferred inflows	\$ 1,211,066	\$ 1,478,750	\$ 507,276	\$ 614,427	\$ 1,718,342	\$ 2,093,177
Net position:						
Net investment in capital assets	371,386	380,256	374,891	390,473	746,277	770,729
Restricted	128,290	141,117	5,849	3,488	134,139	144,605
Unrestricted (deficit), as restated	(316,858)	(525,896)	81,463	56,572	(235,395)	(469,324)
Total net position	\$ 182,818	\$ (4,523)	\$ 462,203	\$ 450,533	\$ 645,021	\$ 446,010

For fiscal year 2018, the City adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board Standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements. GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employee's past service;
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investments returns, and other changes are insufficient to keep up with the required nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$182,818,298 to a deficit of \$70,047,696 for governmental activities and from \$462,203,220 to \$437,603,464 for business activities.

Governmental Activities. Changes in net position before transfers was a decrease in the amount of \$65,524 (in thousands).

For the governmental activities, the unrestricted deficit results from having insufficient assets set aside for long-term obligations such as pension liability, compensated absences and OPEB

liability. The City finances such obligations on a year-to-year basis as they come due and also has ongoing capital projects that are debt-financed.

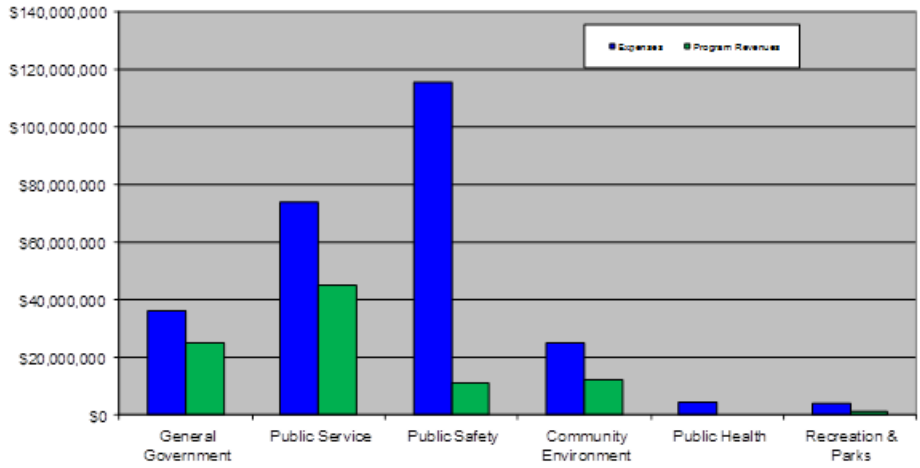
The following table (in thousands) shows total revenues for 2018 were \$366,342 which reflects an increase from the prior year. Income taxes showed an increase of \$32,242 as the collections were higher from the prior year and included the additional 0.25% increase effective January 1, 2018. Miscellaneous revenues increased by \$4,144 due partially to refunds for workers' compensation. Increases occurred in both operating and capital grants and contributions. Expenses for 2018 were also lower than 2017 by approximately \$54,438. Significant decreases were in the expenses for community environment by \$35,601 which is directly attributed to a prior year misclassification that overstated community environment and understated public service. Additionally, the activity for Community Learning Centers (CLC) along with one-time expenses in the prior year are reflected in the change. Public safety decreased relating to the implementation of Governmental Accounting Standards Board (GASB) statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Key events contributing to the changes are as follows:

- Income taxes on the cash basis increased by 2.89% coupled with the increase in the income tax rate by .25% effective January 1, 2018.
- The increase in miscellaneous revenue relates primarily to the workers' compensation refund of approximately \$2M and one-time vendor payments for cancellation of a contractual agreement.
- The increase in capital grants and contributions relate directly to the Streets fund and the grants funding for current projects as reflected by the increase in the Streets fund expenditures.
- Significant efforts were implemented during 2018 to keep expenses in line with revenue as reflected by the "Change in net position before transfers".
- The decrease in community environment is primarily in the Community Learning Centers (CLC) fund relating to the spending on CLC construction activity.
- Public safety expenses on a fund level increased, but on the Statement of Activities decreased primarily due to the implementation of GASB statement No. 75 and recording deferred inflows of resources.
- The City has focused efforts on reducing transfers to Enterprise funds. During 2018, the transfer to the Airport fund was reduced.

Changes in Net Position
For Fiscal Year Ended December 31, 2017 and 2018
(in thousands)

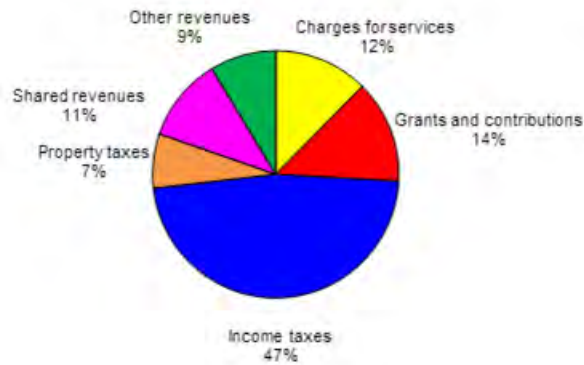
	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Revenues:						
Program revenues:						
Charges for services	\$ 50,336	\$ 45,719	\$ 130,917	\$ 121,227	\$ 181,253	\$ 166,946
Operating grants and contributions	10,412	12,013	-	-	10,412	12,013
Capital grants and contributions	34,742	37,672	4,741	1,502	39,483	39,174
General revenues:						
Income taxes	139,184	171,426	-	-	139,184	171,426
Property taxes	24,831	26,166	-	-	24,831	26,166
JEDD revenues	14,800	14,905	-	-	14,800	14,905
Investment earnings	1,222	3,409	138	32	1,360	3,441
Unrestricted shared revenues	42,727	40,614	-	-	42,727	40,614
Miscellaneous	10,221	14,365	4,571	1,298	14,792	15,663
Gain on sale of capital assets	102	53	-	-	102	53
Total revenues	\$ 328,577	\$ 366,342	\$ 140,367	\$ 124,059	\$ 468,944	\$ 490,401
Expenses:						
General government	\$ 40,785	\$ 36,394	\$ -	\$ -	\$ 40,785	\$ 36,394
Public service	72,033	74,256	-	-	72,033	74,256
Public safety	129,124	115,755	-	-	129,124	115,755
Community environment	60,901	25,300	-	-	60,901	25,300
Public health	4,425	4,492	-	-	4,425	4,492
Recreation and parks	4,449	4,129	-	-	4,449	4,129
Interest on debt	24,835	21,389	-	-	24,835	21,389
Unallocated depreciation	17,913	18,312	-	-	17,913	18,312
Water	-	-	33,952	38,510	33,952	38,510
Sewer	-	-	83,744	63,822	83,744	63,822
Oil & gas	-	-	40	42	40	42
Golf course	-	-	1,283	1,690	1,283	1,690
Airport	-	-	761	1,353	761	1,353
Off-street parking	-	-	5,376	6,503	5,376	6,503
Total expenses	\$ 354,465	\$ 300,027	\$ 125,156	\$ 111,920	\$ 479,621	\$ 411,947
Changes in net position before transfers	(25,888)	66,315	15,211	12,139	(10,677)	78,454
Transfers	(941)	(791)	941	791	-	-
Changes in net position	\$ (26,829)	\$ 65,524	\$ 16,152	\$ 12,930	\$ (10,677)	\$ 78,454
Net position - beginning, as restated	209,647	(70,047)	446,051	437,603	655,698	367,556
Net position - ending	\$ 182,818	\$ (4,523)	\$ 462,203	\$ 450,533	\$ 645,021	\$ 446,010

Expenses and Program Revenues - Governmental Activities



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

Revenues By Sources Governmental Activities



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

As of the end of the current fiscal year, the City of Akron's governmental funds reported a combined ending fund balance of \$114,806,622, a decrease in comparison to the prior year. The unassigned fund deficit balance at the end of the current year is \$7,611,961. The remainder of fund balance is distributed to indicate that it is not available for new spending because it has already been dedicated. The City's major governmental funds are the General Fund, the Community Learning Centers (CLC) Fund, the Income Tax Capital Improvement Fund, Special Assessment Fund, and the Streets Fund.

The General Fund is the chief operating fund of the City of Akron. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,299,737, while the total fund balance is \$12,350,398. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.86% of total General Fund expenditures, while total fund balance represents 8.23% of that same amount.

The fund balance of the City of Akron's General Fund increased by \$2,844,528 during the current fiscal year. Key factors in this change are as follows:

- The City's commitment to monitor revenues and approve expenditures in conformity with available resources.
- Akron's Income tax collection, our largest source of revenue in the General Fund, on the current financial resources measurement and modified accrual basis of accounting reflect an increase due to the increase in the income tax rate by .25% effective January 1, 2018.
- JEDD revenues decrease is directly attributed to utilization of the resources for projects and debt service within the JEDD fund.
- Public safety expenditures during 2018 show a decrease by over \$2M. The two items that contributed to the decrease were 2017 expenditures that did not occur during 2018. The Fire Department was required to pay a legal settlement and the Police Department expenditures for 2017 included the City's match for grant funds in the amount of \$1.8M.
- In addition to the local match for grants, the practice of transferring monies from the General Fund, to subsidize various operations is a method used annually by the City to provide resources to these funds. The City was able to reduce the transfers during 2018.

The Community Learning Centers Fund has a total fund balance of \$64,919,053. The net decrease in fund balance the Community Learning Centers Fund from the prior year was \$13,432,799 which is attributed to the spending of previously issued Income Tax Revenue Bonds. The proceeds are being used to fund the payment of expenditures as reflected in the community environment expenditures for project specific costs.

The Income Tax Capital Improvement Fund has a total fund balance of \$3,184,780. Expenditures exceeded revenue by \$8,420,919 in 2018 which were funded by the issuance of bonds yielding a decrease in the fund balance of \$2,052,149. The Fund is responsible for debt service payments and relies heavily on the collection of income taxes.

The Special Assessment Fund has a total fund balance deficit of \$9,901,239. The Fund is utilized for the accumulation of resources for, and the payment of, special assessment note issued for street lighting and street cleaning along with related assessment costs.

The Streets Fund has a total fund balance deficit of \$1,842,594. The Fund is used to account for the accumulation of resources for, and payment of street projects.

Other Governmental Funds have a combined fund balance of \$46,096,224. The increase in the combined fund balance was \$10,642,800. This majority of the change is attributed to projects within the special revenue funds specifically the Downtown District Heating COPs Fund and the Police, Fire, and Road Activity Fund.

GENERAL FUND BUDGETARY OVERVIEW

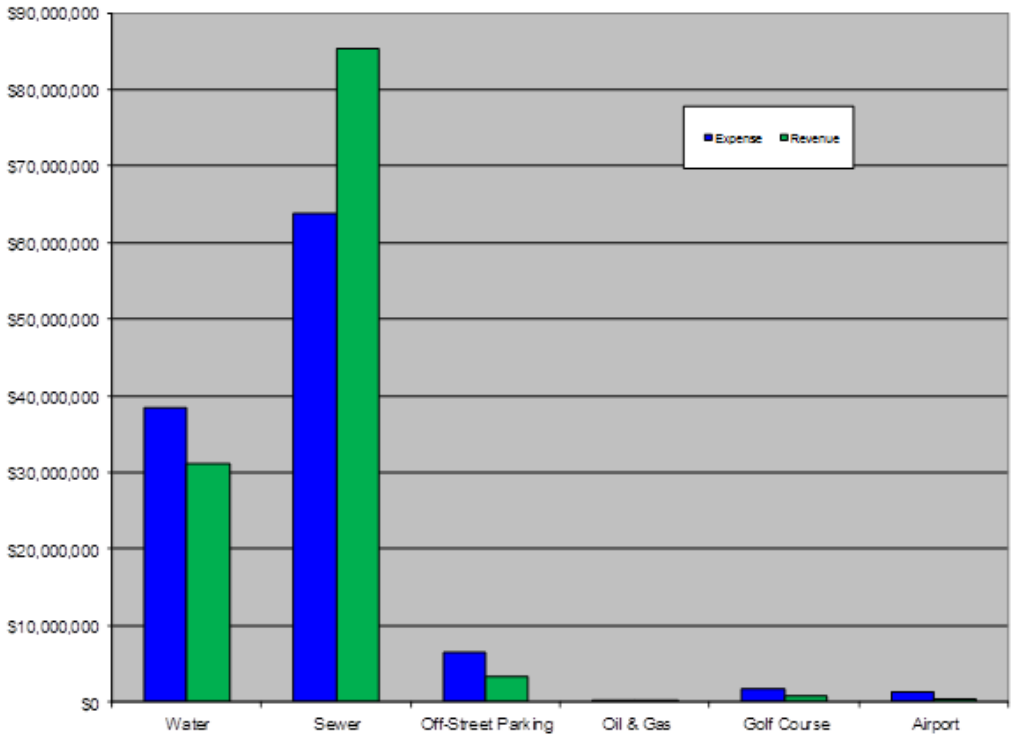
During the year, actual revenues and other sources were less than original budgetary estimates by \$4,708,972 (2.7%). Income tax revenue, the major revenue source, was more than the budgeted amount by \$1,695,646 and intergovernmental revenues by \$3,435,224. Decreases in revenues during 2018 were charges for services by \$6,189,448, license and fees by \$610,378, and miscellaneous revenue by \$3,040,016.

As a result of revenue monitoring, restraint on spending was prioritized and the General Fund balance remained stable reporting a slight increase of \$29,276. The actual expenditures were under the final budget by \$7,544,178.

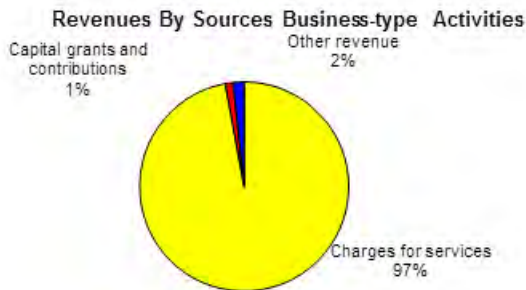
Key events contributing to the changes in the General Fund budget amounts are as follows:

- The Public Service Department's budget was increased by \$2,025,000, the Finance Department's budget was increased by \$2,600,000, and the Planning Department was increased by \$275,000, but the revenue did not materialize to allow for the full budgeted expenditures.
- The Department of Public Safety's actual expenditures were under the final budgeted amount by \$1,286,168, Department of Public Service's by \$1,364,402, Fire Department by \$529,401 and the Police Department by \$2,627,589 is attributed to the restraint on spending.

Expenses and Program Revenues - Business-type Activities



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



FINANCIAL ANALYSIS OF THE PROPRIETARY FUNDS

Business-Type Activities. Business-type activities increased the City of Akron's net position by \$12,929,683 compared to an increase of \$16,151,818 in the prior year. Total program revenues decreased by \$12,928,636 combined with decrease in expenses of \$13,235,068 attributed to the overall increase in net position.

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

Unrestricted net deficit of the Water Fund at the end of the year was \$20,448,375; for the Sewer Fund was unrestricted net position of \$80,343,248 and for the Off-Street Parking Fund was a deficit of \$198,351. The decrease reported in net position for the Water and increase in the Sewer Funds were \$3,162,257 and \$19,352,279, respectively. The decrease reported in net position for Off-Street Parking was \$2,298,714.

The Water Department services the City and 11 surrounding communities which account for 80,926 customer accounts and 1,237 miles of water mains. All bonds of the Water Fund are paid from water enterprise revenues. A ten-year comparison of certain water enterprise data is shown in Schedule 15 of the Statistical Section. Water rates remained stable and results of operations yielded an increase in net position due to cost containment. The Sewer Department services the City and 12 surrounding communities which account for 75,690 customer accounts and 1,343 miles of sewer lines. All bonds of the Sewer Fund are paid from sewer enterprise revenues. A ten-year comparison of certain sewer enterprise data is shown in Schedule 15 of the Statistical Section. Sewer rates remained virtually unchanged with only slight increases to a small population of non-resident customers and results of operations yielded an increase in net position due again to cost containment.

The Off-Street Parking Fund experienced a decrease in both the operating revenues and operating expenses. The decrease in net position directly relates to expenses exceeding operating revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City of Akron's investment in capital assets for its government and business-type activities as of December 31, 2018, amounts to \$2,000,558,535 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements (other than buildings), equipment, and infrastructure. The total increase in the City of Akron's investment in capital assets for the current fiscal year was \$130,173,906 (a 3.4% increase for governmental activities and a 11.3% increase for business-type activities).

	Capital Assets (net of accumulated depreciation) (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Land	\$ 153,603	\$ 153,973	\$ 37,900	\$ 38,403	\$ 191,503	\$ 192,376
Construction in progress	105,777	129,771	386,788	404,182	492,565	533,953
Buildings	330,469	335,458	97,765	106,942	428,234	442,400
Improvements	96,428	104,826	145,657	153,236	242,085	258,062
Equipment	29,316	32,153	4,173	4,394	33,489	36,547
Infrastructure	320,644	315,589	161,865	221,632	482,509	537,221
	<u>\$ 1,036,237</u>	<u>\$ 1,071,770</u>	<u>\$ 834,148</u>	<u>\$ 928,789</u>	<u>\$ 1,870,385</u>	<u>\$ 2,000,559</u>

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

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

- Ohio Interceptor Tunnel - \$64,633,843
- WRF Step Feed Phase II - \$13,918,010
- Community Learning Centers Construction-In-Progress - \$11,178,840
- W. Exchange Cedar Signalization Improvements - \$6,520,974
- WRF Stormwater Retention Tank & Headworks Facilities - \$5,112,585
- Aquaduct Street Green Improvements - \$4,819,630

Long-Term Debt. At the end of the current fiscal year, the City of Akron had total debt outstanding of \$1,118,921,644. All general obligation bonds are backed by the full faith and credit of the City. Special assessment bonds and notes are covered by special assessment collections and are backed by the full faith and credit of the City. The remainder of the City of Akron’s debt represents bonds secured solely by specified revenue sources.

City of Akron
Outstanding Debt
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
General Obligation Bonds	\$ 156,929	\$ 138,369	\$ 389	\$ 306	\$ 157,318	\$ 138,675
General Obligation Notes	3,500	2,500	-	-	3,500	2,500
OPWC Loan	6,372	5,737	737	535	7,109	6,272
Ohio Development Services Agency	4,610	4,265	-	-	4,610	4,265
Non-Tax Revenue Bonds	39,170	33,435	-	-	39,170	33,435
Income Tax Revenue Income Tax Revenue Bonds and Notes	369,080	365,917	-	-	369,080	365,917
Special Revenue Bonds	15,220	11,555	-	-	15,220	11,555
Special Assessment Bonds and Notes	18,013	19,723	-	-	18,013	19,723
Mortgage Revenue Bonds	-	-	19,040	14,785	19,040	14,785
OWDA Loan	-	-	438,423	521,795	438,423	521,795
	<u>\$ 612,894</u>	<u>\$ 581,501</u>	<u>\$ 458,589</u>	<u>\$ 537,421</u>	<u>\$ 1,071,483</u>	<u>\$ 1,118,922</u>

The City of Akron’s total debt outstanding increased by \$47,437,770 (4.4%) during the current fiscal year.

During the current fiscal year the City issued \$2,000,000 in Income Tax Revenue Bonds for the Community Learning Centers (CLC). There were OWDA loans issued for the cost of improving the Waterworks System (\$398,679) and the Sanitary Sewer System (\$99,264,657). The City also issued General Obligation Notes (\$41,300,000) for various purpose improvements.

The Ohio Revised Code provides that the outstanding general obligation bonds less self-supporting debt (e.g., income tax-backed projects) of the municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the assessed value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of total assessed value of property. The City of Akron’s total debt limit (10.5%) is \$283,058,699 and the total unvoted net debt limit (5.5%) is \$148,268,842.

The City's general obligation bonds are rated "AA-" by Standard & Poor's Ratings Services, "A+" by Fitch Ratings and "Aa3" by Moody's Investors Service, Inc. The insured Water Revenue bonds were originally rated Aa2 from Moody's. The 2009 Water Revenue bonds were originally rated Aa2 by Moody's and they were assigned AA by Standard & Poor's.

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

Economic Factors and Next Year's Budgets and Rates

- Unemployment at year-end 2018 shows a slight improvement at 5.3%, which is a result of constant level of employees in the workforce.
- The City of Akron budgeted income tax collections to increase by 2%, Local Government to increase slightly and Property Tax to remain stable.
- No increase in Water or Sewer service rates for 2019.
- The City will examine its current structure of fees, licenses, fines and service charges and make adjustments where appropriate.

In the 2019 budget, the General Fund unencumbered fund balance is projecting a slight increase of \$169,556.

Request for Information

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

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BASIC FINANCIAL STATEMENTS

City of Akron, Ohio
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Pooled cash and investments	\$ 50,468,662	\$ 107,264,938	\$ 157,733,600
Receivables, net	107,966,765	18,197,268	126,164,033
Loans receivable	3,829,394	-	3,829,394
Due from other governments	2,183,128	-	2,183,128
Internal balances	4,721,851	(4,721,851)	-
Inventories, at cost	552,115	3,230,002	3,782,117
Total current assets	<u>169,721,915</u>	<u>123,970,357</u>	<u>293,692,272</u>
Noncurrent assets:			
Receivables, net	69,045,247	-	69,045,247
Restricted cash and investments	53,205,376	3,488,613	56,693,989
Loans receivable	5,844,215	-	5,844,215
Deposits	11,858,489	-	11,858,489
Assets held for resale	7,919,423	-	7,919,423
Net pension asset	350,027	106,338	456,365
Capital assets:			
Land and construction in progress	283,743,449	442,584,319	726,327,768
Other capital assets, net	788,026,463	486,204,304	1,274,230,767
Total noncurrent assets	<u>1,219,992,689</u>	<u>932,383,574</u>	<u>2,152,376,263</u>
Total assets	<u>1,389,714,604</u>	<u>1,056,353,931</u>	<u>2,446,068,535</u>
Deferred Outflows of Resources	84,512,474	8,606,758	93,119,232
Total assets and deferred outflows of resources	<u>1,474,227,078</u>	<u>1,064,960,689</u>	<u>2,539,187,767</u>
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	21,244,498	6,952,665	28,197,163
Deposits	579,398	751,797	1,331,195
Due to other governments	5,725,475	4,997,507	10,722,982
Accrued interest payable	2,042,983	3,692,011	5,734,994
Accrued wages	4,607,190	613,467	5,220,657
Accrued vacation and leave	11,110,048	1,336,521	12,446,569
COPs and obligations under capital lease	5,161,083	43,578	5,204,661
Liability for unpaid claims	4,734,882	-	4,734,882
Bonds, notes and loans payable	43,897,392	21,645,797	65,543,189
Total current liabilities	<u>99,102,949</u>	<u>40,033,343</u>	<u>139,136,292</u>
Noncurrent liabilities:			
COPs and obligations under lease	68,586,781	285,969	68,872,750
Liabilities due in more than one year	68,241,064	5,489,743	73,730,807
Bonds, notes and loans payable	551,956,475	516,384,265	1,068,340,740
Net pension liability	213,544,130	16,075,412	229,619,542
Net OPEB liability	291,768,361	27,660,781	319,429,142
Total noncurrent liabilities	<u>1,194,096,811</u>	<u>565,896,170</u>	<u>1,759,992,981</u>
Total liabilities	<u>1,293,199,760</u>	<u>605,929,513</u>	<u>1,899,129,273</u>
Deferred Inflows of Resources	185,550,696	8,497,847	194,048,543
Total liabilities and deferred inflows of resources	<u>1,478,750,456</u>	<u>614,427,360</u>	<u>2,093,177,816</u>
Net position			
Net investment in capital assets	380,255,982	390,472,592	770,728,574
Restricted for debt service	26,546,417	3,488,611	30,035,028
Restricted for community learning centers	64,919,053	-	64,919,053
Restricted for capital projects	36,572,531	-	36,572,531
Restricted for program purpose	13,078,294	-	13,078,294
Unrestricted (deficit)	(525,895,655)	56,572,126	(469,323,529)
Total net position	<u>\$ (4,523,378)</u>	<u>\$ 450,533,329</u>	<u>\$ 446,009,951</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, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 36,394,068	\$ 20,571,001	\$ 709,860	\$ 3,754,982	\$ (11,358,225)	\$ -	\$ (11,358,225)
Public service	74,255,760	16,188,076	-	29,081,783	(28,985,901)	-	(28,985,901)
Public safety	115,754,910	4,103,197	3,248,963	3,978,164	(104,424,586)	-	(104,424,586)
Community environment	25,299,743	4,225,621	7,670,145	604,212	(12,799,765)	-	(12,799,765)
Public health	4,491,876	-	-	-	(4,491,876)	-	(4,491,876)
Recreation and parks	4,129,340	631,324	383,966	252,802	(2,861,248)	-	(2,861,248)
Interest	21,389,588	-	-	-	(21,389,588)	-	(21,389,588)
Unallocated depreciation*	18,312,112	-	-	-	(18,312,112)	-	(18,312,112)
Total governmental activities	300,027,397	45,719,219	12,012,934	37,671,943	(204,623,301)	-	(204,623,301)
Business-type Activities:							
Water	38,510,047	31,044,651	-	7,335	-	(7,458,061)	(7,458,061)
Sewer	63,822,180	85,405,280	-	1,208,404	-	22,791,504	22,791,504
Oil and gas	42,528	96,571	-	-	-	54,043	54,043
Golf course	1,689,944	860,100	-	-	-	(829,844)	(829,844)
Airport	1,353,358	472,756	-	203,704	-	(676,898)	(676,898)
Parking facilities	6,502,595	3,347,593	-	82,986	-	(3,072,016)	(3,072,016)
Total business-type activities	111,920,652	121,226,951	-	1,502,429	-	10,808,728	10,808,728
Total Government	\$ 411,948,049	\$ 166,946,170	\$ 12,012,934	\$ 39,174,372	\$ (204,623,301)	\$ 10,808,728	\$ (193,814,573)
General revenues:							
Taxes:							
Income taxes					\$ 171,426,317	\$ -	\$ 171,426,317
Property taxes					26,166,396	-	26,166,396
JEDD Revenues					14,905,073	-	14,905,073
Investment earnings					3,409,213	31,820	3,441,033
Unrestricted shared revenues					40,613,726	-	40,613,726
Miscellaneous					14,364,534	1,298,135	15,662,669
Gain on sale of capital assets					53,360	-	53,360
Transfers					(791,000)	791,000	-
Total general revenues and transfers					270,147,619	2,120,955	272,268,574
Change in net position					65,524,318	12,929,683	78,454,001
Net position - beginning, as restated					(70,047,696)	437,603,646	367,555,950
Net position - ending					\$ (4,523,378)	\$ 450,533,329	\$ 446,009,951

*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, 2018

	General	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Fund	Streets	Other Governmental Funds	Total Governmental Funds
Assets							
Pooled cash and investments	\$ 10,628,943	\$ 20,401,213	\$ 1,151,339	\$ 4,235,529	\$ 725,044	\$ 28,021,989	\$ 65,164,057
Restricted cash and investments	-	28,744,416	-	-	-	24,460,960	53,205,376
Receivables, net of allowances for uncollectibles	43,541,003	49,592,638	4,600,978	35,071,944	479,269	36,579,786	169,865,618
Loans receivable	-	-	-	-	-	9,673,609	9,673,609
Due from other governments	5,507	-	-	-	1,442,559	2,765,086	4,213,152
Due from other funds	4,434,181	1,437,963	1,254,756	33,401	316,564	2,151,525	9,628,390
Deposits	-	11,858,489	-	-	-	-	11,858,489
Advances to other funds	1,356,000	-	950,710	-	-	-	2,306,710
Assets held for resale	-	-	-	-	-	7,919,423	7,919,423
Total assets	\$ 59,965,634	\$ 112,034,719	\$ 7,957,783	\$ 39,340,874	\$ 2,963,436	\$ 111,572,378	\$ 333,834,824
Liabilities							
Accounts payable	\$ 1,625,131	\$ 28	\$ 484,052	\$ 752,780	\$ 1,186,758	\$ 2,018,115	\$ 6,066,864
Deposits	80,549	-	-	-	-	498,849	579,398
Advances from other funds	-	-	-	-	-	1,556,710	1,556,710
Due to other governments	2,251,800	-	1,708,719	1,730	1,331,555	3,638,093	8,931,897
Due to other funds	380,936	-	449,117	125,590	120,998	5,946,800	7,023,441
Due to others	822,239	-	-	-	-	7,224,713	8,046,952
Accrued liabilities	1,248,489	-	10,237	73,859	2,053,626	530,747	3,916,958
Accrued wages	3,180,980	-	16,348	233,521	11,102	912,891	4,354,842
Accrued vacation and leave	20,186	-	-	-	-	-	20,186
Unearned revenue	6,935,257	-	-	-	-	-	6,935,257
Special assessment notes	-	-	-	13,000,000	-	-	13,000,000
Total liabilities	16,545,567	28	2,668,473	14,187,480	4,704,039	22,326,918	60,432,505
Deferred Inflows of Resources	31,069,669	47,115,638	2,104,530	35,054,633	101,991	43,149,236	158,595,697
Fund balances							
Restricted	-	64,919,053	3,184,780	-	-	43,720,065	111,823,898
Committed	471,456	-	-	-	-	8,544,024	9,015,480
Assigned	1,579,205	-	-	-	-	-	1,579,205
Unassigned	10,299,737	-	-	(9,901,239)	(1,842,594)	(6,167,865)	(7,611,961)
Total fund balances (deficit)	12,350,398	64,919,053	3,184,780	(9,901,239)	(1,842,594)	46,096,224	114,806,622
Total liabilities, deferred inflows and fund balances	\$ 59,965,634	\$ 112,034,719	\$ 7,957,783	\$ 39,340,874	\$ 2,963,436	\$ 111,572,378	\$ 333,834,824

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

City of Akron, Ohio
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds
December 31, 2018

Total fund balances for governmental funds (Exhibit 3)		\$ 114,806,622
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		1,069,136,451
The net pension asset (excluding internal service fund net pension asset) is not an available resource and, therefore, is not reported in the funds.		306,523
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows in the funds.		
Grant revenues	633,835	
Income taxes	12,032,760	
Property taxes	7,619,011	
Special assessments	18,972,440	
Shared revenues	<u>7,325,736</u>	
		46,583,782
Long-term accounts receivables are not available to pay for current period expenditures.		1,005,714
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		(18,524,899)
Long-term liabilities including bonds payable and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds.		
Accounts payable and other accrued liabilities	(9,687,328)	
Accrued interest payable	(2,042,983)	
Accrued vacation and leave	(54,541,838)	
Bonds, notes and loans payable	(566,000,349)	
Net OPEB deferred inflows/outflows	20,480,492	
Net OPEB liabilities	(281,941,677)	
Net Pension deferred inflows/outflows	13,992,557	
Net Pension liabilities	(206,967,418)	
Obligations under capital lease and COPs	(73,747,864)	
Unamortized bond premium, discount, deferred loss, gain	<u>(57,381,163)</u>	
		(1,217,837,571)
Total net position of governmental activities (Exhibit 1)		<u><u>\$ (4,523,378)</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, 2018

	General	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Fund	Streets	Other Governmental Funds	Total Governmental Funds
Revenues							
Income taxes	\$ 93,335,458	\$ 16,916,760	\$ 34,481,201	\$ -	\$ -	\$ 18,862,301	\$ 163,595,720
Property taxes	16,737,202	-	-	-	-	8,123,690	24,860,892
JEDD revenues	2,381,000	-	3,359,000	-	-	9,165,073	14,905,073
Special assessments	155,045	-	-	16,777,631	430,126	130,046	17,492,848
Grants and subsidies	69,782	1,004,484	39,971	-	16,256,327	12,092,232	29,462,796
Investment earnings	2,080,972	838,282	1,378	-	-	530,268	3,450,900
Shared revenues	12,410,309	8,184,672	412,440	-	-	24,887,676	45,895,097
Licenses, fees and fines	14,544,445	-	-	16,200	-	4,090,973	18,651,618
Charges for services	16,695,325	-	1,001,430	76,888	316,564	6,933,153	25,023,360
Miscellaneous	5,708,927	-	836,288	109,100	643,574	9,117,993	16,415,882
	<u>164,118,465</u>	<u>26,944,198</u>	<u>40,131,708</u>	<u>16,979,819</u>	<u>17,646,591</u>	<u>93,933,405</u>	<u>359,754,186</u>
Expenditures							
Current:							
General government	24,002,143	1,010,772	690,575	1,250,014	1	12,706,128	39,659,633
Public service	23,467,100	-	1,689,840	14,860,678	22,855,482	25,124,787	87,997,887
Public safety	92,235,844	-	1,829,705	-	2,796,373	49,550,124	146,412,046
Community environment	1,097,014	17,228,941	596,681	-	11,731	34,365,245	53,299,612
Public health	4,337,323	-	-	-	-	-	4,337,323
Recreation and parks	3,804,122	-	17,652	-	586	929,480	4,751,840
Debt service:							
Principal retirement	819,880	10,130,000	32,085,449	700,361	23,300,000	12,096,119	79,131,809
Interest	309,607	12,000,033	11,642,725	332,230	-	1,856,334	26,140,929
Bond issuance expenditures	-	7,251	-	30,000	15,000	247,418	299,669
	<u>150,073,033</u>	<u>40,376,997</u>	<u>48,552,627</u>	<u>17,173,283</u>	<u>48,979,173</u>	<u>136,875,635</u>	<u>442,030,748</u>
Excess (deficiency) of revenues over (under) expenditures	14,045,432	(13,432,799)	(8,420,919)	(193,464)	(31,332,582)	(42,942,230)	(82,276,562)
Other financing sources (uses)							
Issuance of bonds	-	-	6,368,770	-	31,659,593	7,681,230	45,709,593
Issuance of COPs	-	-	-	-	-	24,445,000	24,445,000
Premium on debt	-	-	-	-	-	927,200	927,200
Original bond issue discount	-	-	-	-	-	(239,461)	(239,461)
Issuance of capital lease	776,157	-	-	427,992	-	9,585,000	10,789,149
Transfers-in	-	-	-	-	-	11,186,061	11,186,061
Transfers-out	(11,977,061)	-	-	-	-	-	(11,977,061)
	<u>(11,200,904)</u>	<u>-</u>	<u>6,368,770</u>	<u>427,992</u>	<u>31,659,593</u>	<u>53,585,030</u>	<u>80,840,481</u>
Net change in fund balance	2,844,528	(13,432,799)	(2,052,149)	234,528	327,011	10,642,800	(1,436,081)
Fund balances (deficit), January 1, 2018, as restated	9,505,870	78,351,852	5,236,929	(10,135,767)	(2,169,605)	35,453,424	116,242,703
Fund balances (deficit), December 31, 2018	<u>\$ 12,350,398</u>	<u>\$ 64,919,053</u>	<u>\$ 3,184,780</u>	<u>\$ (9,901,239)</u>	<u>\$ (1,842,594)</u>	<u>\$ 46,096,224</u>	<u>\$ 114,806,622</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, 2018

Net changes in fund balances - total governmental funds (Exhibit 4) \$ (1,436,081)

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 (\$73,930,307) exceeded depreciation (\$38,288,171) in the current period. 35,642,136

The net effect of selling capital assets increased net position. 53,360

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The amount is the net effect of the reversal of prior year items against current year accruals. (39,873,292)

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

Issuance of debt	(70,154,593)	
Issuance of capital lease	(10,789,149)	
Payment of debt	79,131,809	
Premium on debt	(927,200)	
Discount on debt	239,461	
Bond issuance expenditures	299,669	(2,200,003)

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. 73,607,583

The change in net position of the internal service funds are included in the governmental activities in the statement of activities. (269,385)

Change in net position of governmental activities (Exhibit 2) \$ 65,524,318

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

City of Akron, Ohio
Statement of Net Position - Proprietary Funds
December 31, 2018

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Assets						
Current assets:						
Pooled cash and investments	\$ 5,676,424	\$ 101,034,293	\$ 52,685	\$ 501,536	\$ 107,264,938	\$ 8,451,923
Receivables, net of allowance for uncollectibles	3,855,599	14,186,266	150,403	5,000	18,197,268	64,025
Due from other funds	880,047	-	-	-	880,047	1,059,209
Inventories, at cost	2,202,514	982,035	-	45,453	3,230,002	552,115
Total current assets	<u>12,614,584</u>	<u>116,202,594</u>	<u>203,088</u>	<u>551,989</u>	<u>129,572,255</u>	<u>10,127,272</u>
Noncurrent assets:						
Restricted cash and investments	1,138,767	2,349,846	-	-	3,488,613	-
Net pension asset	62,567	40,354	-	3,417	106,338	43,504
Property, plant and equipment, net of accumulated depreciation	157,026,911	694,338,052	68,366,921	9,056,739	928,788,623	2,633,461
Total noncurrent assets	<u>158,228,245</u>	<u>696,728,252</u>	<u>68,366,921</u>	<u>9,060,156</u>	<u>932,383,574</u>	<u>2,676,965</u>
Total assets	<u>170,842,829</u>	<u>812,930,846</u>	<u>68,570,009</u>	<u>9,612,145</u>	<u>1,061,955,829</u>	<u>12,804,237</u>
Deferred Outflows of Resources	<u>5,095,880</u>	<u>3,264,362</u>	<u>-</u>	<u>246,516</u>	<u>8,606,758</u>	<u>3,412,655</u>
Total assets and deferred outflows	<u>175,938,709</u>	<u>816,195,208</u>	<u>68,570,009</u>	<u>9,858,661</u>	<u>1,070,562,587</u>	<u>16,216,892</u>
Liabilities						
Current liabilities:						
Accounts payable	992,006	3,580,897	239,592	69,023	4,881,518	551,846
Deposits	751,797	-	-	-	751,797	-
Due to others	38,593	-	-	275	38,868	-
Due to other governments	55,632	4,939,115	-	2,760	4,997,507	79,578
Advances from other funds	-	-	-	-	-	750,000
Due to other funds	577,692	2,429,264	149,951	312,546	3,469,453	1,074,752
Accrued interest payable	539,402	3,151,623	986	-	3,692,011	-
Accrued liabilities	116,927	1,884,940	-	30,412	2,032,279	2,452,038
Accrued wages	367,087	234,240	-	12,140	613,467	252,348
Accrued vacation and leave	789,963	521,208	-	25,350	1,336,521	647,706
Obligations under capital lease	-	43,578	-	-	43,578	-
Liability for unpaid claims	-	-	-	-	-	4,734,882
Debt:						
General obligation bonds	-	-	87,327	-	87,327	-
Mortgage revenue bonds	1,189,392	-	-	-	1,189,392	-
OWDA loans	1,924,219	18,264,655	-	-	20,188,874	-
OPWC loans	95,958	84,246	-	-	180,204	-
Total current liabilities	<u>7,438,668</u>	<u>35,133,766</u>	<u>477,856</u>	<u>452,506</u>	<u>43,502,796</u>	<u>10,543,150</u>
Noncurrent liabilities:						
Obligations under capital lease	-	285,969	-	-	285,969	-
Due in more than one year	3,183,419	2,237,550	-	68,774	5,489,743	4,442,637
Bonds, notes, and loans payable	35,377,372	480,787,851	219,042	-	516,384,265	2,500,000
Net pension liability	9,458,510	6,100,423	-	516,479	16,075,412	6,576,712
Net OPEB Liability	16,711,832	10,472,256	-	476,693	27,660,781	9,826,684
Total noncurrent liabilities	<u>64,731,133</u>	<u>499,884,049</u>	<u>219,042</u>	<u>1,061,946</u>	<u>565,896,170</u>	<u>23,346,033</u>
Total liabilities	<u>72,169,801</u>	<u>535,017,815</u>	<u>696,898</u>	<u>1,514,452</u>	<u>609,398,966</u>	<u>33,889,183</u>
Deferred Inflows of Resources	<u>4,638,547</u>	<u>3,568,969</u>	<u>10,910</u>	<u>279,421</u>	<u>8,497,847</u>	<u>2,985,053</u>
Net Position						
Net investment in capital assets	118,439,970	194,915,331	68,060,552	9,056,739	390,472,592	2,633,461
Restricted for debt service	1,138,766	2,349,845	-	-	3,488,611	-
Unrestricted (deficit)	(20,448,375)	80,343,248	(198,351)	(991,951)	58,704,571	(23,290,805)
Total net position	<u>99,130,361</u>	<u>277,608,424</u>	<u>67,862,201</u>	<u>8,064,788</u>	<u>452,665,774</u>	<u>(20,657,344)</u>
Total liabilities, deferred inflows and net position	<u>\$ 175,938,709</u>	<u>\$ 816,195,208</u>	<u>\$ 68,570,009</u>	<u>\$ 9,858,661</u>	<u>\$ 1,070,562,587</u>	<u>\$ 16,216,892</u>

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

(2,132,445)
\$ 450,533,329

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

City of Akron, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended December 31, 2018

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Operating revenues						
Charges for services	\$ 31,955,257	\$ 85,390,241	\$ 3,334,511	\$ 1,429,427	\$ 122,109,436	\$ 53,628,179
Other	290,339	184,997	488,305	473,912	1,437,553	2,938,491
	<u>32,245,596</u>	<u>85,575,238</u>	<u>3,822,816</u>	<u>1,903,339</u>	<u>123,546,989</u>	<u>56,566,670</u>
Operating expenses						
Personal services	12,593,873	8,020,947	-	908,461	21,523,281	8,873,758
Direct expenses	13,687,386	37,085,242	2,894,403	1,516,651	55,183,682	15,503,254
Claims	20,849	35,609	-	-	56,458	31,854,704
Rentals and lease	349,869	113,386	-	79,001	542,256	449,932
Utilities	1,663,797	1,584,262	655,246	85,295	3,988,600	200,078
Insurance	169,307	283,878	78,435	29,533	561,153	28,214
Depreciation, depletion and amortization	5,592,207	10,102,782	2,404,576	276,915	18,376,480	323,883
Other	123,026	107,249	471,305	187,197	888,777	9,554
	<u>34,200,314</u>	<u>57,333,355</u>	<u>6,503,965</u>	<u>3,083,053</u>	<u>101,120,687</u>	<u>57,243,377</u>
Operating income (loss)	<u>(1,954,718)</u>	<u>28,241,883</u>	<u>(2,681,149)</u>	<u>(1,179,714)</u>	<u>22,426,302</u>	<u>(676,707)</u>
Nonoperating revenues (expenses)						
Interest income	13,776	18,044	-	-	31,820	1,925
Interest expense	(1,228,650)	(10,126,052)	(551)	(1,040)	(11,356,293)	(60,178)
	<u>(1,214,874)</u>	<u>(10,108,008)</u>	<u>(551)</u>	<u>(1,040)</u>	<u>(11,324,473)</u>	<u>(58,253)</u>
Gain (loss) before transfers and contributions	(3,169,592)	18,133,875	(2,681,700)	(1,180,754)	11,101,829	(734,960)
Transfers-in	-	10,000	300,000	481,000	791,000	-
Capital contributions	7,335	1,208,404	82,986	203,704	1,502,429	-
	<u>7,335</u>	<u>1,218,404</u>	<u>382,986</u>	<u>684,704</u>	<u>2,293,429</u>	<u>-</u>
Changes in net position	(3,162,257)	19,352,279	(2,298,714)	(496,050)	13,395,258	(734,960)
Net position, January 1, 2018, as restated	<u>102,292,618</u>	<u>258,256,145</u>	<u>70,160,915</u>	<u>8,560,838</u>		<u>(19,922,384)</u>
Net position, December 31, 2018	<u>\$ 99,130,361</u>	<u>\$ 277,608,424</u>	<u>\$ 67,862,201</u>	<u>\$ 8,064,788</u>		<u>\$ (20,657,344)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					<u>(465,575)</u>	
Change in net position of business-type activities					<u>\$ 12,929,683</u>	

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

City of Akron, Ohio
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2018

	Water	Sewer	Off-Street Parking	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating activities						
Cash received from customers	\$ 33,821,647	\$ 87,395,332	\$ 3,330,705	\$ 1,424,427	\$ 125,972,111	\$ 53,472,691
Cash payments to suppliers for goods and services	(15,672,650)	(39,949,729)	(3,635,989)	(1,420,013)	(60,678,381)	(11,114,933)
Cash paid for salaries and employee benefits	(13,734,765)	(8,522,147)	-	(680,868)	(22,937,780)	(42,743,839)
Other revenues	290,339	184,997	488,305	473,912	1,437,553	2,938,491
Other expenses	(123,026)	(107,249)	(471,305)	(142,197)	(843,777)	(9,554)
Net cash provided by (used for) operating activities	4,581,545	39,001,204	(288,284)	(344,739)	42,949,726	2,542,856
Non-capital financing activities						
Operating transfers from other funds	-	10,000	300,000	481,000	791,000	-
Transfers/advances in for negative cash balances	-	-	-	-	-	750,000
Proceeds from sale of notes	-	-	-	-	-	2,500,000
Principal paid on bonds, loans and notes	-	-	-	-	-	(3,500,000)
Interest paid on bonds, loans and notes	-	-	-	-	-	(40,026)
Net cash provided by (used for) non-capital financing activities	-	10,000	300,000	481,000	791,000	(290,026)
Capital and related financing activities						
Proceeds from the sale of bonds	398,679	99,264,657	-	-	99,663,336	-
Principal paid on bonds and loans	(6,072,486)	(14,675,864)	(82,986)	-	(20,831,336)	-
Interest paid on bonds and loans	(1,368,259)	(9,198,791)	(896)	(1,040)	(10,568,986)	(20,153)
Acquisition and construction of capital assets	(1,687,810)	(105,262,200)	-	-	(106,950,010)	(44,949)
Capital contributions	7,335	1,208,404	82,986	203,704	1,502,429	-
Net cash provided by (used for) capital and related financing activities	(8,722,541)	(28,663,794)	(896)	202,664	(37,184,567)	(65,102)
Investing activities						
Purchase of investment securities	(2,501,879)	(4,019)	-	-	(2,505,898)	-
Proceeds from sales and maturities of investment securities	2,501,879	4,019	-	-	2,505,898	-
Interest on investments	13,776	18,044	-	-	31,820	1,925
Net cash provided by investing activities	13,776	18,044	-	-	31,820	1,925
Net increase (decrease) in cash and cash equivalents	(4,127,220)	10,365,454	10,820	338,925	6,587,979	2,189,653
Cash and cash equivalents, January 1, 2018	10,942,411	93,018,685	41,865	162,611	104,165,572	6,262,270
Cash and cash equivalents, December 31, 2018	\$ 6,815,191	\$ 103,384,139	\$ 52,685	\$ 501,536	\$ 110,753,551	\$ 8,451,923
Operating income (loss)	\$ (1,954,718)	\$ 28,241,883	\$ (2,681,149)	\$ (1,179,714)	\$ 22,426,302	\$ (676,707)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation, depletion and amortization	5,592,207	10,102,782	2,404,576	276,915	18,376,480	323,883
(Increase) decrease in operating assets:						
Receivables	1,609,081	1,980,623	(5,725)	(5,000)	3,578,979	(35,683)
Due from other funds	163,272	5,120	-	-	168,392	(119,805)
Inventories	(13,175)	102,349	-	2,736	91,910	77,669
Increase (decrease) in operating liabilities:						
Accounts payable	134,314	(5,815,137)	99,670	26,538	(5,554,615)	278,642
Due to other funds	63,136	13,123	123,466	311,036	510,761	1,003,848
Due to other governments	3,876	4,816,704	(231,041)	(49,843)	4,539,696	35,723
Accrued liabilities	(930,280)	(607,616)	1,919	263,840	(1,272,137)	(653,681)
Accrued wages	49,480	28,565	-	1,504	79,549	25,527
Accrued vacation and leave	(135,648)	132,808	-	7,249	4,409	276,144
Estimated liability for unpaid claims	-	-	-	-	-	2,007,296
Net cash provided by (used for) operating activities	\$ 4,581,545	\$ 39,001,204	\$ (288,284)	\$ (344,739)	\$ 42,949,726	\$ 2,542,856

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

City of Akron, Ohio
Statement of Net Position - Fiduciary Funds
December 31, 2018

	Private Purpose Trust Funds		Agency Funds
Assets			
Cash and investments	\$ 31,756	\$	1,934,811
Total assets	<u>31,756</u>		<u>1,934,811</u>
Liabilities			
Due to others	<u>-</u>		<u>1,934,811</u>
Total liabilities	<u>-</u>		<u>1,934,811</u>
Net Position	<u>\$ 31,756</u>	<u>\$</u>	<u>-</u>

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

City of Akron, Ohio
Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds
For the Year Ended December 31, 2018

Exhibit 9

	Private Purpose Trust Funds
Additions	
Contributions	\$ 4,803
	4,803
Deductions	
Education and awareness	6,535
	6,535
Change in net position	(1,732)
Net position, January 1, 2018	33,488
Net position, December 31, 2018	\$ 31,756

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, 2018

1. Summary of Significant Accounting Policies

The City of Akron (the City) was incorporated in 1836 and is a home rule municipal corporation under the laws of the State of Ohio. The City operates under a Council-Mayor form of government and provides the following services as authorized by its Charter: public safety, public service, public health, recreation and development. The accompanying financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and Statement No. 61, *The Financial Reporting Entity: Omnibus* in that the financial statements include those activities and functions for which the City is accountable. The City has no component units as defined by GASB 14 and 39. The City is associated with certain organizations which are defined as jointly governed organizations, joint ventures and related organizations. These organizations are presented in Notes 25, 26 and 27 to the basic financial statements. These organizations are the Akron/Summit Convention and Visitors' Bureau, the Copley-Akron Joint Economic Development District ("JEDD"), the Coventry-Akron JEDD, the Springfield-Akron JEDD, the Bath-Akron-Fairlawn JEDD, and the Summit Medina Business Alliance (SMBA). The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

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

A. Government-wide and fund financial statements

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

Basic Financial Statements:

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

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

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

1. Summary of Significant Accounting Policies (Continued)

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. Interfund services provided and used are not eliminated in the process of consolidation.

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

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

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

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

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

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

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

The Community Learning Centers (CLC) Fund is used to account for the daily activity relating to the CLC project. The cooperative agreement with the Board of Education of the Akron Public Schools District (District) provides a mechanism to fund the renovation and/or rebuilding of all CLC's in Akron. This major rebuilding program is funded primarily through City income tax, shared revenue and bond proceeds.

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

1. Summary of Significant Accounting Policies (Continued)

The Special Assessment Fund is used to account for the accumulation of resources for, and the payment of, assessment related activities including Street Lighting, Street Cleaning, and related costs. Revenues consist primarily of special assessment collections.

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

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

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

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

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

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

Required Supplementary Information:

Required supplementary information such as Management's Discussion and Analysis and budgetary comparison schedules are also required by GASB Statement No. 34. GASB Statement No. 68 requires the Schedule of City's Proportionate Share of Net Pension Liability and the Schedule of the City Contributions to State Pension Funds. GASB Statement No. 75 requires the Schedule of Net OPEB Liability and the Schedule of Contributions for the OPEB Plan.

B. *Financial reporting presentation*

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

1. Summary of Significant Accounting Policies (Continued)

GOVERNMENTAL FUNDS

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

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

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

1. Summary of Significant Accounting Policies (Continued)

seven Agency Funds, the first one is the Municipal Court Agency Fund and it is used to account for assets held by the Municipal Court Clerk for individuals, private organizations and other governments. The second one is the Police Property Monetary Evidence Fund and is used to account for funds held by the Police Department that will be returned to other agencies. The third one is the Unclaimed Monies Fund and it is used to account for funds held until a claim is made by the lawful owner. The remaining funds relate to specific Joint Economic Development Districts (JEDD) and include: Copley-Akron JEDD, Coventry-Akron JEDD, Springfield-Akron JEDD, and Bath-Akron-Fairlawn JEDD. The JEDD funds are used to account for the specific JEDD District activities and disbursements.

3. **Other Fiduciary Funds** – Other Fiduciary Funds include pension trust funds and investment trust funds. The City does not utilize any such trust funds. Fiduciary Funds are not included in the government-wide statements.

C. *Measurement focus and basis of accounting*

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

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

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

In applying the susceptible-to-accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within sixty days after year-end and available to pay obligations of the current period). These include income taxes, JEDD revenues, investment earnings, shared revenues, and a

1. Summary of Significant Accounting Policies (Continued)

portion of special assessments. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Property taxes and the balance of special assessments, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and the balance of special assessment receivables are recorded as deferred inflows until they become available. Other revenues, including licenses, fees and fines, and charges for services are recorded as revenue when received in cash because they are generally not measurable until actually received. The City applies restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available.

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

D. *Budgetary Procedures*

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

- (1) The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) According to state law, the budget must be enacted through passage of an ordinance by April 1.
- (4) The City Finance Director is authorized by City Council to transfer funds already appropriated within departments within any fund or category of expenditures; however, any revisions that alter the total appropriation of said department must be individually approved by the City Council. During 2018, supplemental appropriations were passed by City Council.
- (5) Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are recorded as the equivalent of expenditures. Unencumbered appropriations lapse at year-end.

1. Summary of Significant Accounting Policies (Continued)

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

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

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

E. *Cash, Cash Equivalents, and Investments*

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

- G. **Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements to the extent the City’s capitalization threshold is met. The City defines capital assets as assets with an estimated useful life in excess of three years and an individual cost of more than \$5,000 for land; \$10,000 for equipment and vehicles; \$50,000 for intangibles – easements; \$500,000 for intangibles – computer software; \$25,000 for land improvements, buildings, and improvements other than buildings; and \$100,000 for infrastructure. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Contributed capital assets are recorded at their estimated fair market value at the date contributed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. Infrastructure acquired prior to December 31, 1980, is also reported as a component of the above-mentioned capital assets.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the governmental capital assets. Interest accrued during the construction of capital assets utilized by the proprietary funds is also capitalized through December 31, 2017.

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

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

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

The classifications are as follows:

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

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

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

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

(5) **Unassigned** – Amounts that are available for any new purpose: positive amounts are reported only in the general fund. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

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

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

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to restrict that portion of the appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Significant encumbrances as of December 31, 2018, total \$1,579,205 in the General fund, \$0 in the Community Learning Centers fund, \$1,071,871 in the Income Tax Capital Improvement fund, \$1,237,671 in the Special Assessment fund, \$1,572,483 in the Streets fund, and \$2,236,887 in all other Governmental funds.

1. Summary of Significant Accounting Policies (Continued)

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

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

The City's interfund receivables and payables at December 31, 2018 are presented in Note 5. These are eliminated entity-wide and shown as Internal Balances on the Statement of Net Position. Interfund transfers are presented in Note 22.

K. ***Pension and Other Post-Retirement Benefits*** – For purposes of measuring the net pension liability, OPEB liability, deferred inflows of resources related to pensions and OPEB, deferred outflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the pension and OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

The former Building Inspection and Plans and Permits employees, while employed by Summit County, must retire under Ohio Public Employees Retirement System to be entitled to receive payment of the accumulated sick leave at the hourly rate the employee was receiving at the time of resignation from the City along with the retirement differential. The City has recorded a long-term liability of \$76,451.

The former Health Department employees while employed by Summit County must retire under Ohio Public Employees Retirement System to be entitled to receive payment of the accumulated sick leave at the hourly rate the employee was receiving at the time of resignation from the City along with the retirement differential. The City has recorded a long-term liability of \$856,283. Additionally, the former Health Department employees are entitled to staggered payouts for their accumulated vacation, paid leave, and compensatory time at the hourly rate the employee was receiving at the time of resignation from the City. The liability is the actual amount due to employees.

- N. **Net Position** – Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for Capital Projects are mainly attributed to economic development, public parking, and street projects. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.
- O. **Accounting Standards** – The City applies all applicable and effective pronouncements issued by the Governmental Accounting Standards Board (GASB).

In June 2015, the GASB issued statement No. 75, *Accounting Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (Pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. For the City, this Statement is effective for periods beginning after June 15, 2017. The City's financial statements have been prepared in conformance with this Statement

In March 2016, the GASB issued statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by

1. Summary of Significant Accounting Policies (Continued)

employers to satisfy employee (plan member) contribution requirements. For the City, this statement is effective for periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. For the City, this statement is effective for reporting periods beginning after December 31, 2017. The City's financial statements have been prepared in conformance with this statement.

In November 2016, the GASB issued statement No. 83, *Certain Asset Retirement Obligations*. The object of this Statement is to address accounting and financial reporting for certain asset retirement obligations. For the City, this Statement is effective for periods beginning after June 15, 2018.

In January 2017, the GASB issued statement No. 84, *Fiduciary Activities*. The object of this Statement is to address what constitutes fiduciary activities for financial reporting, how they should be reported, and when liabilities to beneficiaries should be reported. For the City, this Statement is effective for periods beginning after December 15, 2018.

In March 2017, the GASB issued statement No. 85, *Omnibus 2017*. The object of this Statement is to address issues related to blending component units, goodwill, fair value measurement and application, and post employment benefits. For the City, this Statement is effective for periods beginning after June 15, 2017. The City's financial statements have been prepared in conformance with this statement.

In May 2017, the GASB issued statement No. 86, *Certain Debt Extinguishment Issues*. The object of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. For the City, this Statement is effective for periods beginning after June 15, 2017. The City's financial statements have been prepared in conformance with this statement.

In June 2017, GASB issued statement No. 87, *Leases*. The object of this Statement is to improve accounting and financial reporting for leases by governments. For the City, this Statement is effective for periods beginning after December 15, 2019.

In March 2018, the GASB issued statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. For the City, this statement is effective for reporting periods beginning after June 15, 2018.

In June 2018, the GASB issued statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a

1. Summary of Significant Accounting Policies (Continued)

construction period. For the City, this statement is effective for reporting periods beginning after December 15, 2019. The City's financial statements have been prepared in conformance with this Statement.

In August 2018, the GASB issued statement No. 90, *Majority Equity Interests*. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. For the City, this statement is effective for reporting periods beginning after December 15, 2018.

2. Pooled Cash and Investments

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

Deposits:

City ordinances require that all deposits be secured by collateral securities pledged at market value in an amount equal to at least 100% of the deposit, less any amount covered by federal deposit insurance. Custodial credit risk is the risk that, in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by Ohio Revised Code, is held in collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository.

The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money have been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

At December 31, 2018, the carrying amount of the City's deposits was \$34,752,874 and the bank balance was \$38,550,669. The difference in the carrying amount and bank balance was composed of outstanding checks and other normal reconciling items. Of the bank balance, \$2,451,632 was covered by federal depository insurance, and \$36,099,037 was uninsured but collateralized with unregistered securities held by the pledging financial institution's trust department in the City's name.

The money market funds, amounting to \$153,613. While held by bond trustees as the City's agents and in the City's name, are also considered uncollateralized and uninsured. The City holds money market funds amounting to \$2,387,907, while held by City are also considered uncollateralized and uninsured. However, their disposition and availability are governed by bond ordinances and indentures.

Investments in City of Akron notes amounting to \$23,147,318 are eliminated in the government-wide statement of net position at December 31, 2018.

2. Pooled Cash and Investments (Continued)

Investments:

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

Investments in U.S. Treasury securities of \$29,262,568 were classified in Level 1 of fair value hierarchy and valued using quoted market prices and \$29,715,600 were classified in Level 2 of fair value hierarchy and valued using pricing sources as provided by the investment managers. Investments held by bond trustees in U.S. Treasury securities of \$1,032,981 were classified in Level 1 of fair value hierarchy and also valued using quoted market prices.

Investments held by Community Learning Center trustees in U.S. Treasury securities of \$13,372,865 were classified in Level 1 of fair value hierarchy and valued using quoted market prices. Investments in Federal Government Agency securities of \$14,173,680 were classified in Level 2 of fair value hierarchy and valued using pricing sources as provided by the investment managers. Investments in the City of Akron notes amounting to a fair value of \$23,147,318 were classified as Level 3. At December 31, 2018, total fair value was \$96,646 below the City's net cost for its investments.

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

Credit Risk. City ordinances authorize the treasurer to invest in obligations of the United States Treasury, agencies and instrumentalities and direct obligations of the State of Ohio, including any subdivisions of the state. As of December 31, 2018, the investments held by the bond trustees and STAROhio were rated AAAM by Standard & Poor's. All municipal bonds and notes are rated A2 or better by Moody's or A or better by Standard & Poor's.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*, which establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price at which the investment could be sold on December 31, 2018.

2. Pooled Cash and Investments (Continued)

As of December 31, 2018 the City had the following investments and maturities:

<u>Investment Types</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
U.S. Treasuries or Agencies:					
FFCB Bond	\$ 4,085,442	\$ 4,091,956	\$ -	\$ -	\$ -
FHLB Bond	12,383,950	-	12,329,635	-	-
FHLMC Bonds	2,876,626	2,893,852	-	-	-
FNMA Bonds	4,930,600	-	4,903,900	-	-
Treasury Notes	34,701,550	34,637,437	-	-	-
City of Akron:					
Municipal Notes	17,500,000	14,027,000	1,641,000	219,000	1,613,000
Assessment Debt	5,647,318	646,393	2,619,813	2,381,112	-
School Facility Bonds	10,000,000	885,000	3,790,000	5,325,000	-
Investments held by bond trustees:					
U.S. Treasuries or Agencies	25,539,631	25,547,930	-	-	-
Cash Reserve	153,613	153,613	-	-	-
Investments held by Community Learning Center trustees:					
U.S. Treasuries or Agencies	27,546,546	23,083,676	4,479,314	-	-
Investment maturities	34,816	34,816	-	-	-
Total Investment Maturities		<u>\$ 106,001,673</u>	<u>\$ 29,763,662</u>	<u>\$ 7,925,112</u>	<u>\$ 1,613,000</u>
Total Fair Value	<u>\$ 145,400,092</u>				

Not included in the fair value totals above is STAR Ohio, and external investment pool which was recorded at amortized cost of \$59,197,467 at December 31, 2018. The investments in STAR Ohio are measured at amortized cost; therefore, they are not included in the tables above. There are no limitations or restrictions on any STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to STAR Ohio 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the STAR Ohio investors will be combined for these purposes.

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

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

At December 31, 2018, \$56,693,989 of cash and investments was restricted for the following purposes: \$111,980 was restricted for lease costs for Canal Park Stadium; \$23,416,196 was restricted for Akron District Energy COPs; and \$4,421,397 was restricted solely for retirement of City obligations; and the balance of \$28,744,416 was held by the trustee for payment of debt service on the Community Learning Centers' Income Tax Revenue Bonds.

2. Pooled Cash and Investments (Continued)

The following is a reconciliation of cash and investments to the Statement of Net Position as of December 31, 2018:

	Fair Value
Investments (Summarized in prior table)	\$ 145,400,092
STAR Ohio	59,197,467
Carrying amount of the City's Deposits	<u>34,943,915</u>
	<u>\$ 239,541,474</u>
Governmental Activities:	
Governmental Funds	
Cash and investments with treasurer	\$ 65,164,057
Cash and investments with fiscal and escrow agents and others	53,205,376
Internal Service Funds	
Cash and investments with treasurer	8,451,923
Total Cash and Investments - Governmental Activities	<u>\$ 126,821,356</u>
Business-Type Activities:	
Enterprise Funds	
Cash and investments with treasurer	\$ 107,264,938
Restricted cash and cash equivalents with treasurer and others	3,488,613
Total Cash and Investments - Business-Type Activities	<u>\$ 110,753,551</u>
Fiduciary Funds	
Cash and investments with City	\$ 1,966,567
Total	<u><u>\$ 239,541,474</u></u>

3. Receivables

Receivables, net of allowances for uncollectible reported in the Statement of Net Position, consist of the following at December 31, 2018:

	Taxes	Customer Charges, Special Assessments, and Others	Gross Receivables	Allowance for Uncollectibles	Net
Governmental Activities					
Governmental Funds:					
General Fund	\$ 34,282,373	\$ 10,333,031	\$ 44,615,404	\$ (1,074,401)	\$ 43,541,003
Community Learning Centers	4,592,638	45,000,000	49,592,638	-	49,592,638
Income Tax Capital Improvement	4,568,524	32,454	4,600,978	-	4,600,978
Special Assessment Fund	-	69,304,830	69,304,830	(34,232,886)	35,071,944
Streets	-	479,269	479,269	-	479,269
Other Governmental Funds	30,931,866	12,730,289	43,662,155	-	43,662,155
Total Governmental Funds	74,375,401	137,879,873	212,255,274	(35,307,287)	176,947,987
Internal Service Funds	-	64,025	64,025	-	64,025
Total Governmental Activities	74,375,401	137,943,898	212,319,299	(35,307,287)	177,012,012
Business-type Activities					
Enterprise Funds:					
Water	-	5,348,867	5,348,867	(1,493,268)	3,855,599
Sewer	-	16,968,215	16,968,215	(2,781,949)	14,186,266
Off-Street Parking	-	161,208	161,208	(10,805)	150,403
Other Enterprise Funds	-	5,000	5,000	-	5,000
Total Business-type Activities	-	22,483,290	22,483,290	(4,286,022)	18,197,268
Total Receivables	\$ 74,375,401	\$ 160,427,188	\$ 234,802,589	\$ (39,593,309)	\$ 195,209,280

Included in the amounts above are water and sewer unbilled charges for services of approximately \$1,067,000 and \$5,503,000, respectively.

Delinquent special assessment receivables amounted to \$38,011,813 at December 31, 2018 and were fully reserved for in the allowance for uncollectibles in the General, Special Assessment, Water, and Sewer funds.

4. Due From/To Other Governments

Amounts due from other governments at December 31, 2018 consist of the following:

	Federal	State	Local	Total
Governmental Funds:				
General Fund	\$ 5,507	\$ -	\$ -	\$ 5,507
Streets	1,133,494	309,065		1,442,559
Other Governmental Funds	2,746,273	18,813	-	2,765,086
Total Governmental Funds	<u>\$ 3,885,274</u>	<u>\$ 327,878</u>	<u>\$ -</u>	<u>\$ 4,213,152</u>

Amounts due to other governments at December 31, 2018 consist of the following

	Federal	State	County	Local	Total
Governmental Funds:					
General Fund	\$ -	\$ 80,042	\$ 2,171,758	\$ -	\$ 2,251,800
Income Tax Capital Improvement	-	1,697,763	10,956	-	1,708,719
Special Assessment	-	1,730	-	-	1,730
Streets	-	1,245,575	-	85,980	1,331,555
Other Governmental Funds	3,606,000	31,783	310	-	3,638,093
Total Governmental Funds	<u>\$ 3,606,000</u>	<u>\$ 1,779,535</u>	<u>\$ 2,183,024</u>	<u>\$ 85,980</u>	<u>\$ 8,931,897</u>

The \$8,931,897 due to other governments includes \$3,605,000 that is reported as long-term liabilities in the government-wide statement of net position as liabilities due in more than one year.

	Federal	State	County	Local	Total
Enterprise Funds:					
Water	\$ -	\$ -	\$ 55,632	\$ -	\$ 55,632
Sewer	-	4,906,014	33,101	-	4,939,115
Other Enterprise Funds	-	-	2,760	-	2,760
Total Enterprise Funds	<u>\$ -</u>	<u>\$ 4,906,014</u>	<u>\$ 91,493</u>	<u>\$ -</u>	<u>\$ 4,997,507</u>
Internal Service Funds:					
Other Internal Service Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,578</u>	<u>\$ -</u>	<u>\$ 79,578</u>

The federal amount listed in due to other governments is comprised of two section 108 loans from the U.S. Department of Housing and Urban Development (HUD).

The state amount listed in due to other governments is comprised of Accounts Payable transactions for Capital Assets and payments pursuant to rental agreements for office space .

The county amount listed in due to other governments relates to City reimbursements to Summit County for services provided primarily for jail spaces to house City inmates.

The state amount recorded in Business type Activities relates to Accounts Payable transactions for Capital Assets.

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

5. Due From/To Other Funds

Interfund receivable and payable balances at December 31, 2018 are due within one year consist of the following individual fund receivables and payables:

	Receivable	Payable
Governmental Funds:		
General	\$ 4,434,181	\$ 380,936
Income Tax Collection	-	2,883,671
Emergency Medical Service	-	7,314
Special Assessment	33,401	125,590
Income Tax Capital Improvement	1,254,756	449,117
Street and Highway Maintenance	83,111	98,173
Community Development	97,102	685,966
Akron Metro. Area Transportation Study	-	10,119
Tax Equivalency	-	70,832
Joint Economic Development Districts	-	112,834
Akron Muni. Court Information System	-	787
Police Grants	-	209,526
Safety Programs	-	578,000
Equipment & Facilities Operating	98,841	469,000
Various Purpose Funding	33,600	30,347
Deposits	-	528,367
Community Learning Centers	1,437,963	-
Police, Fire, and Road Activity	1,426,431	133,036
General Bond Payment	-	19,032
Streets	316,564	120,998
Parks and Recreation	-	1,642
Public Facilities and Improvements	-	5,683
Economic Development	412,440	102,471
	<u>\$ 9,628,390</u>	<u>\$ 7,023,441</u>
Proprietary Funds:		
Enterprise:		
Water	\$ 880,047	\$ 577,692
Sewer	-	2,429,264
Oil and Gas	-	34
Golf Course	-	512
Airport	-	312,000
Off-Street Parking	-	149,951
	<u>\$ 880,047</u>	<u>\$ 3,469,453</u>
Internal Service Funds:		
Motor Equipment	494,962	750,583
Self-Insurance Settlement	-	22,170
Telephone System	59,504	13
Engineering Bureau	327,438	206,779
Information Technology	177,305	95,207
	<u>1,059,209</u>	<u>1,074,752</u>
Total	<u>\$ 11,567,646</u>	<u>\$ 11,567,646</u>

5. Due From/To Other Funds (Continued)

Transactions between funds are reported as revenues in the receiving funds, and expenditures/expense in purchaser funds. The transactions result from numerous transactions between funds including expenditure and transfers of resources to provide services, subsidize operations, administration charges, and rental fees.

The General Fund charges an administration fee and rent to various funds. The Income Tax Collection Fund receives tax revenue during December that is posted in the subsequent month to the Community Learning Centers Fund and the Police, Fire, and Road Activity Fund. The proprietary funds provide goods and services through the end of the year causing a time lag between dates the goods or services were provided and when the transactions are recorded.

6. Deposits

On December 15, 2003, the City of Akron entered into a cooperative agreement for Community Learning Centers (CLC) with the Board of Education of the Akron City School District (District). The cooperative agreement is the foundation for all the activity associated with the City's .25% income tax and the ownership relating to the CLCs. As of December 31, 2018, the District had \$11,858,489 of unspent City funds that are recorded as Deposits on the City's Statement of Net Position and are recorded on the District's financial statements as "due to City of Akron".

7. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 152,227,539	\$ 370,266	\$ -	\$ 152,597,805
Construction in progress	68,151,120	32,133,350	11,879,624	88,404,846
CLC Land	1,374,959	-	-	1,374,959
CLC Construction in progress	37,625,415	11,178,840	7,438,416	41,365,839
Total capital assets, not being depreciated	<u>259,379,033</u>	<u>43,682,456</u>	<u>19,318,040</u>	<u>283,743,449</u>
Capital assets, being depreciated:				
Buildings	213,001,856	9,770,210	5,024,153	217,747,913
CLC Building Equity Interest	249,859,962	7,438,416	-	257,298,378
Improvements other than buildings	175,328,951	14,972,026	952,342	189,348,635
CLC Improvements other than buildings	253,244	-	-	253,244
Equipment & Intangibles	136,227,913	8,304,592	3,975,675	140,556,830
Infrastructure	699,045,598	12,371,855	-	711,417,453
Total capital assets, being depreciated	<u>1,473,717,524</u>	<u>52,857,099</u>	<u>9,952,170</u>	<u>1,516,622,453</u>
Less accumulated depreciation for:				
Buildings	104,976,374	5,086,562	2,368,252	107,694,684
CLC Building Equity Interest	27,416,195	4,477,766	-	31,893,961
Improvements other than buildings	79,116,999	6,088,142	475,053	84,730,088
CLC Improvements other than buildings	37,572	7,671	-	45,243
Equipment & Intangibles	106,911,481	5,201,174	3,708,728	108,403,927
Infrastructure	378,401,231	17,426,856	-	395,828,087
Total accumulated depreciation	<u>696,859,852</u>	<u>38,288,171</u>	<u>6,552,033</u>	<u>728,595,990</u>
Total capital assets, being depreciated, net	<u>776,857,672</u>	<u>14,568,928</u>	<u>3,400,137</u>	<u>788,026,463</u>
Governmental activities capital assets, net	<u>\$ 1,036,236,705</u>	<u>\$ 58,251,384</u>	<u>\$ 22,718,177</u>	<u>\$ 1,071,769,912</u>

7. Capital Assets (Continued)

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 37,899,799	\$ 503,138	\$ -	\$ 38,402,937
Construction in progress	386,787,947	107,981,694	90,588,259	404,181,382
Total capital assets, not being depreciated	<u>424,687,746</u>	<u>108,484,832</u>	<u>90,588,259</u>	<u>442,584,319</u>
Capital assets, being depreciated:				
Buildings	195,396,864	12,375,496	-	207,772,360
Improvements other than buildings	454,547,195	15,421,873	-	469,969,068
Equipment and Intangibles	40,665,962	1,087,132	215,721	41,537,373
Infrastructure	217,757,943	66,299,792	-	284,057,735
Total capital assets, being depreciated	<u>908,367,964</u>	<u>95,184,293</u>	<u>215,721</u>	<u>1,003,336,536</u>
Less accumulated depreciation for:				
Buildings	97,632,013	3,197,982	-	100,829,995
Improvements other than buildings	308,889,927	7,843,408	-	316,733,335
Equipment and Intangibles	36,493,195	802,500	152,034	37,143,661
Infrastructure	55,892,651	6,532,590	-	62,425,241
Total accumulated depreciation	<u>498,907,786</u>	<u>18,376,480</u>	<u>152,034</u>	<u>517,132,232</u>
Total capital assets, being depreciated, net	<u>409,460,178</u>	<u>76,807,813</u>	<u>63,687</u>	<u>486,204,304</u>
Business-type activities capital assets, net	<u>\$ 834,147,924</u>	<u>\$ 185,292,645</u>	<u>\$ 90,651,946</u>	<u>\$ 928,788,623</u>

7. Capital Assets (Continued)

Depreciation expense was charged during 2018 to functions of the government as follows:

Governmental Activities:

General government	\$ 2,561,983
Public service	8,009,382
Public safety	2,818,506
Community environment	6,010,981
Public health	251,324
Unallocated depreciation	18,312,112
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>323,883</u>
 Total depreciation expense charged to governmental activities	 <u><u>\$ 38,288,171</u></u>

Business-type Activities:

Water	\$ 5,592,207
Sewer	10,102,782
Off-Street Parking	2,404,576
Other Business-type activities	<u>276,915</u>
 Total depreciation, depletion and amortization expense charged to business-type activities	 <u><u>\$ 18,376,480</u></u>

Construction in progress and remaining capital commitments (including capitalized interest of \$5,390,276 through 12/31/2017) are comprised of the following:

	Project Authorization	Expended to December 31, 2018	Committed
Governmental Activities:			
Governmental	\$ 88,866,751	\$ 87,826,219	\$ 1,040,532
 Business-type Activities:			
Water	7,471,798	7,293,216	178,582
Sewer	468,502,879	393,330,110	75,172,769
Off-Street Parking	<u>67,550</u>	<u>55,950</u>	<u>11,600</u>
	<u><u>\$ 564,908,978</u></u>	<u><u>\$ 488,505,495</u></u>	<u><u>\$ 76,403,483</u></u>

8. Accrued Vacation and Leave

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

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

Vacation, paid leave, sick leave and compensatory time accumulated by employees whose wages are charged to proprietary fund types are expensed when earned and recorded as liabilities in the government-wide statement of net position and in the proprietary fund statement of net position.

Sick leave is earned by substantially all employees. Unused sick leave is accumulated up to 960 hours for uniformed firefighters and 1,000 hours for all other eligible employees. Unused sick leave vests upon reaching certain age and service requirements. The vested portion of accumulated sick leave and amounts earned through December 31, 2018 and expected to vest in the future has been accrued in the government-wide statement of net position for all City employees. Amounts related to the City's proprietary fund operations are also accrued for in the proprietary fund statement of net position due to the nature of these funds.

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

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

8. Accrued Vacation and Leave (Continued)

As of December 31, 2018, the accrued vacation, paid leave, sick leave, and compensatory time is recorded as a current liability (due within one year) in the Statement of Net Position as follows:

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
Governmental Activities:				
Governmental Funds:				
General Fund	\$ 7,398,576	\$ 7,579,955	\$ (7,398,576)	\$ 7,579,955
Income Tax Capital Improvement	36,259	40,477	(36,259)	40,477
Special Assessment Fund	281,496	276,010	(281,496)	276,010
Other Governmental Funds	2,543,146	2,565,900	(2,543,146)	2,565,900
Total Governmental Funds	10,259,477	10,462,342	(10,259,477)	10,462,342
Internal Service Funds	612,797	647,706	(612,797)	647,706
Total Governmental Activities	10,872,274	11,110,048	(10,872,274)	11,110,048
Business-type Activities:				
Enterprise Funds:				
Water	816,508	789,963	(816,508)	789,963
Sewer	476,594	521,208	(476,594)	521,208
Other Enterprise Funds	40,345	25,350	(40,345)	25,350
Total Enterprise Funds/ Business-type Activities	1,333,447	1,336,521	(1,333,447)	1,336,521
	<u>\$ 12,205,721</u>	<u>\$ 12,446,569</u>	<u>\$ (12,205,721)</u>	<u>\$ 12,446,569</u>

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

Governmental Activities:				
Governmental Funds:				
General Fund	\$ 34,346,931	\$ 11,848,991	\$ (11,800,472)	\$ 34,395,450
Income Tax Capital Improvement	174,272	56,402	(28,664)	202,010
Special Assessment Fund	1,003,145	476,360	(491,688)	987,817
Other Governmental Funds	8,235,964	3,505,364	(3,226,923)	8,514,405
Total Governmental Funds	43,760,312	15,887,117	(15,547,747)	44,099,682
Internal Service Funds	2,644,523	983,278	(742,043)	2,885,758
Total Governmental Activities	46,404,835	16,870,395	(16,289,790)	46,985,440
Business-type Activities:				
Water	3,292,522	1,246,943	(1,356,046)	3,183,419
Sewer	2,086,790	1,217,199	(1,129,005)	2,174,984
Other Business-type Activities	46,530	36,986	(14,742)	68,774
Total Business-type Activities	5,425,842	2,501,128	(2,499,793)	5,427,177
	<u>\$ 51,830,677</u>	<u>\$ 19,371,523</u>	<u>\$ (18,789,583)</u>	<u>\$ 52,412,617</u>

9. Pension and Other Post-Retirement Benefit Plans

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

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

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

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

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

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan, the member-directed plan is a defined contribution plan, and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, the vast majority of the City's employees participate in the traditional plan. Therefore, the following plan description focus on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0
2018 Actual Contribution Rates	
Employer:	
Pension	14.0
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$8,666,632 for 2018. Of this amount, \$854,831 is reported as a due to other governments. Both amounts reflected contributions for employees participating in the OPERS traditional plan, combined plan, and member directed plan.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits 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. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:	12.25	12.25
 2018 Actual Contribution Rates		
Employer:		
Pension	19.00	23.50
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
 Total Employer	<u><u>19.50 %</u></u>	<u><u>24.00 %</u></u>

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution, excluding the amount related to post-retirement health care benefits, to OP&F was \$12,931,449 for 2018. Of this amount \$1,126,033 is reported as a due to other governments. Both amounts reflected contributions for police and firefighters participating in OP&F.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS			OP&F	Total
	Traditional Plan	Combined Plan	Member Directed		
Proportionate Share of the Net Pension Liability/(Asset)	\$ 68,990,774	\$ (444,922)	\$ (11,441)	\$ 160,628,768	\$ 229,163,179
Proportion of the Net Pension Liability/(Asset)	0.43977%	0.32691%	0.16885%	2.61719%	
Pension Expense	\$ 14,812,381	\$ 71,797	\$ (3,805)	\$ 19,155,967	\$ 34,036,340

At December 31, 2018, the City reported deferred (outflows) of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS			
	Traditional Plan	Combined Plan	Member Directed	OP&F
Deferred (Outflows) Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$ 14,811,264	\$ 70,147	\$ (22,082)	\$ 5,556,523
Differences between expected and actual experience	1,289,137	132,471	3,063	(2,147,071)
Changes in proportion and differences between City contributions and proportionate share of contributions	265,080	5,667	(2,352)	2,497,170
Changes in assumptions	(8,244,803)	(38,891)	(1,350)	(6,999,441)
City contributions subsequent to the measurement date	(8,288,758)	(188,937)	(188,937)	(12,631,555)
Total Deferred (Outflows) Inflows of Resources	<u>\$ (168,080)</u>	<u>\$ (19,543)</u>	<u>\$ (211,658)</u>	<u>\$ (13,724,374)</u>

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

At December 31, 2018, \$21,298,187 is reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than the current fiscal period. Other amounts reported as deferred (outflows) of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS			OP&F
	Traditional Plan	Combined Plan	Member Directed	
Year Ending December 31:				
2019	\$ (6,161,203)	\$ 23,240	\$ (2,839)	\$ (3,522,004)
2020	1,673,581	25,161	(2,761)	(2,061,147)
2021	6,522,116	40,891	(2,320)	3,694,079
2022	6,086,183	39,231	(2,397)	2,262,000
2023	0	14,594	(3,345)	(1,193,061)
Thereafter	0	26,279	(9,060)	(272,688)
Total	<u>\$ 8,120,677</u>	<u>\$ 169,396</u>	<u>\$ (22,722)</u>	<u>\$ (1,092,821)</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Individual Entry Age
Investment Rate of Return	7.5%
Wage Inflation	3.25%-10.75%
Cost-of-living Adjustments	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple Through 2018, then 2.15% Simple

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 16.82 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation for 2017	Long Term Expected Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	City's proportionate share of the net pension liability/(asset) (in '000s)		
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
	<u> </u>	<u> </u>	<u> </u>
Traditional Plan	\$ 122,510	\$ 68,991	\$ 24,372
Combined Plan	(242)	(445)	(585)
Member Directed Plan	(11)	(11)	(16)

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption Experience Study Date	5 year period ended December 31, 2016
Investment Rate of Return	8.00%
Cost of Living Increases (COLA)	3% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3%
Salary Increases	3.75 to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.5%

Healthy Mortality

Mortality rates for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

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

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Disabled Mortality

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted to according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0 %	0 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected *	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

* levered 2x

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the national portfolio perspective above, the

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

Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	City's proportionate share of the net pension liability (in '000s)		
	1% Decrease	Current	1% Increase
	7.00%	Discount Rate 8.00%	9.00%
OP&F	\$ 222,674	\$ 160,629	\$ 110,038

Other Post-retirement Benefits (OPEB)

In addition to the post-retirement benefits provided by the Ohio Police and Fire Pension Fund and the Ohio Public Employees Retirement System of Ohio, the City provides post-retirement health care and life insurance benefits, in accordance with union agreements and City Council ordinances, for retired employees. The post-retirement healthcare coverage is a single self-insured plan, administered through Medical Mutual, which provides medical, prescription drugs, dental, and vision benefits. The major medical portion of the coverage, which includes prescription drugs, ends at age 65. All other benefits continue for the lifetime of the participant. The life insurance amounts are dependent on age at retirement and the retiree’s collective bargaining unit. All life insurance amounts are reduced by 50% after the first year of retirement. Dependents are not eligible for life insurance during retirement. The life insurance is fully insured. Substantially all of the City’s employees may become eligible for those benefits if they reach normal retirement age while working for the City. The City pays 100% of the cost of health care and life insurance benefits. Effective February 1, 2017 retiree contributions are \$30 per month for single supplemental medical and \$60 per month for family supplemental medical. Supplemental dental, vision, and life insurance are non-contributory. These benefits are financed on a pay-as-you go basis; as such, the cost of retiree health care and life insurance benefits is recognized as expenditure/expense as claims are incurred. Eligibility for OPEB benefits is receiving a pension benefit from OPERS, Police and Fire, or disability retirement. Former employees who are term-vested for pension benefits are not eligible.

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

The net OPEB liability was measured as of December 31, 2017 and the the net OPEB liability was determined by an actuarial valuation as of that date. For OPERS and OP&F, the City's proportion of the net OPEB liability was based on the City's share of contributions relative to the contributions of all participating entities. The following information is related to the proportionate share and OPEB expense (in '000s):

	<u>OPERS</u>	<u>OP&F</u>
Proportion of the Net OPEB Liability as of December 31, 2017	0.4273%	2.61719%
Proportionate share of the Net OPEB Liability	\$ 46,402	\$ 148,286
OPEB Expense	3,958	11,804

The Net OPEB Liability for the City's OPEB plan was measured as of December 31, 2017 and the net OPEB liability was determined by an actuarial valuation as of that date. The following information is related to the changes in the net OPEB liability for the City's plan (in '000s):

Net OPEB Liability - December 31, 2016	\$ 115,704
Total service cost	1,707
Interest cost	4,274
Changes in assumptions	7,518
Benefit payments	<u>(4,462)</u>
Net OPEB Liability - December 31, 2017	\$ 124,741

At December 31, 2018 the City reported deferred (outflows) of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>City of Akron</u>	<u>OPERS</u>	<u>OP&F</u>
Deferred Inflows (Outflows) of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 3,456,579	\$ 977,457
Differences between expected and actual experience	-	(36,136)	747,894
Changes in assumptions	(6,069,521)	(3,378,557)	(14,469,591)
City's contributions subsequent to the measurement date	<u>(3,015,640)</u>	-	<u>(299,893)</u>
Total Deferred Inflows (Outflows) of Resources	<u>\$ (9,085,161)</u>	<u>\$ 41,886</u>	<u>\$ (13,044,133)</u>

At December 31, 2018, \$3,315,533 is reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period. Other amounts reported as deferred inflows (outflows) of resources related to OPEB will be recognized in the OPEB expense as follows:

	<u>City of Akron</u>	<u>OPERS</u>	<u>OP&F</u>
Fiscal Year Ending December 31:			
2019	\$ (1,448,573)	\$ (768,430)	\$ (1,761,732)
2020	(1,448,573)	(768,430)	(1,761,732)
2021	(1,448,573)	714,601	(1,761,732)
2022	(1,448,573)	864,145	(1,761,732)
2023	(275,229)	-	(2,006,096)
Thereafter	<u>-</u>	<u>-</u>	<u>(3,691,217)</u>
Total	<u>\$ (6,069,521)</u>	<u>\$ 41,886</u>	<u>\$ (12,744,241)</u>

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

Actuarial Assumptions - City of Akron OPEB Plan

The total OPEB liability is based on the results of an actuarial valuation dated January 1, 2017 and rolled forward to December 31, 2017 using generally accepted actuarial procedures. The total OPEB liability was calculated by using the following assumptions:

Actuarial Cost Method	Entry age normal, level percent of projected payroll
Discount Rate	3.18% as of 12/31/2017 3.71% as of 12/31/2016
Projected Payroll Growth Rate	2.00%
Health Care Cost Trend Rate for Medical and Prescription Drugs	7.6% initial, 5.0% ultimate in 2026
Health Care Cost Trend Rate for Dental and Vision	4.5%

Pursuant to paragraph 36 of GASB 75, since the City's plan is an unfunded plan, the discount rate should reflect a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rates selected by the City reflect the S&P Municipal Bond 20-High Grade as of December 31, 2016 and December 31, 2017, respectively.

For active members, non-disabled retirees and beneficiaries, and disabled retirees, mortality rates are based on the RPH-2014 Mortality Table adjusted to 2006 fully generational for annuitants and non-annuitants with projection scale MP-2017.

The Net OPEB Liability is sensitive to changes in the discount rate and the health care trend rate. The following table presents what the Net OPEB Liability would be if it were calculated using a discount rate that is one (1) percentage point lower (2.18%) and higher (4.18%) than the current discount rate (3.18%). Additionally shown is what the City's net OPEB liability would be based on current health care trend rates that are one (1) percentage point lower (6.60%) and higher (8.60%) than the current rate (7.60%).

	1% Decrease 2.18%	Current Discount Rate 3.18%	1% Increase 4.18%
Net OPEB Liability	\$ 146,218,779	\$ 124,741,033	\$ 107,769,822
	1% Decrease 6.60%	Current Trend Rate 7.60%	1% Increase 8.60%
Net OPEB Liability	\$ 123,862,161	\$ 124,741,033	\$ 125,619,905

The below table covers the classes of plan members covered:

Retirees and surviving spouses receiving benefits:	2,268
Active plan members	<u>1,767</u>
Total membership	<u><u>4,035</u></u>

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

Actuarial Assumptions - OPERS

The total OPEB liability is based on the results of an actuarial valuation dated December 31, 2016 and rolled-forward to December 31, 2017 using generally accepted actuarial procedures. The total OPEB liability was calculated using the following assumptions:

Actuarial Valuation Date	December 31, 2016
Rolled-Forward Measurement Date	December 31, 2017
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Actuarial Assumptions	
Single Discount Rate	3.85%
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Wage Inflation	3.25%
Projected Salary Increases	3.25%-10.75%
	(Includes Wage Inflation at 3.25%)
Health Care Cost Trend Rate	7.5% Initial, 3.25% ultimate in 2028

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the OPEB liability calculated using the single discount rate of 3.85%, and the expected Net OPEB Liability if it were calculated using a discount rate that is 1.0% lower (2.85%) or 1.0% higher (4.85%) than the current rate (in '000s):

	1% Decrease 2.85%	Current Discount Rate 3.85%	1% Increase 4.85%
City's proportionate share of the Net OPEB Liability	\$ 61,647	\$ 46,402	\$ 34,067

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation. The following table presents the OPEB liability calculated using the health care cost trend rate and the expected Net OPEB Liability if it were calculated using a rate that is 1.0% lower or 1.0% higher than the current rate (in '000s):

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 44,396	\$ 46,402	\$ 48,472

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
REITs	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	<u>100.00 %</u>	<u>4.98 %</u>

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

Actuarial Assumptions - OP&F

The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. This can include assumptions about service credit, salaries and salary increases, disabilities, and retirements. Actuarially determined amounts are subject to continual review and potential modification, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

The following key methods and assumptions were used in calculating the total OPEB liability as of December 31, 2017:

Valuation Date	January 1, 2017
Rolled Forward Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption Experience	
Study Date	5-Year Period Ended December 31, 2016
Investment Rate of Return	OP&F OPEB Long Term Rate is 8.0%
Cost of Living Increases (COLA)	3% Simple; 2.2% simple for increases based on the lesser of the increases in CPI and 3%
Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent

Mortality Rates - OP&F

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

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

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and cash equivalents	0 %	0 %
Domestic Equity	16	5.21
Non - U.S. Equity	16	5.4
Core fixed income*	20	2.37
Global inflation protected securities*	20	2.33
High yield	15	4.48
Real estate	12	5.65
Private markets	8	7.99
Real assets	5	6.87
Master limited partnerships	8	7.36
Total	<u>120 %</u>	

* levered 2x

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the national portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

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

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be not be available to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016 was blended with the long-term rate of 8.00 percent, which resulted in a blended discount rate of 3.24 percent.

The Net OPEB Liability is sensitive to changes in the discount rate and the health care cost trend rate. The following tables present the Net OPEB Liability of OP&F and what OP&F's Net OPEB Liability would be if it were calculated using a rate that is 1% point lower and 1% point higher than what the current discount and health care cost trend rates are (in '000s).

	1% Decrease <u>2.24%</u>	Current Discount Rate <u>3.24%</u>	1% Increase <u>4.24%</u>
City's proportionate share of the Net OPEB Liability	\$ 185,360	\$ 148,268	\$ 119,760

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
City's proportionate share of the Net OPEB Liability	\$ 105,770	\$ 148,268	\$ 192,887

10. Notes Payable

The following is a summary of note transactions for the year ended December 31, 2018 reflected in governmental activities in the government-wide financial statements:

	<u>Governmental Activities</u> Special Assessment	<u>Governmental Activities</u> Capital Projects	<u>Governmental Activities Internal Service</u> General Health	<u>Governmental Activities</u> Total
Notes Payable at January 1, 2018	\$ 13,000,000	\$ 30,000,000	\$ 3,500,000	\$ 46,500,000
New notes issued	13,000,000	41,300,000	2,500,000	56,800,000
Notes retired	<u>(13,000,000)</u>	<u>(30,000,000)</u>	<u>(3,500,000)</u>	<u>(46,500,000)</u>
Notes Payable at December 31, 2018	<u>\$ 13,000,000</u>	<u>\$ 41,300,000</u>	<u>\$ 2,500,000</u>	<u>\$ 56,800,000</u>

The following is a summary of the City's future debt service requirements for notes payable as of December 31, 2018 (in thousands):

Fiscal Year Ending December 31	<u>Governmental Activities</u>				Total
	<u>Special Assessment Notes</u>		<u>General Obligation Notes</u>		
	Principal	Interest	Principal	Interest	
2018	<u>\$ 13,000</u>	<u>\$ 259</u>	<u>\$ 43,800</u>	<u>\$ 1,491</u>	<u>\$ 58,550</u>

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

Notes issued by the City of Akron and held by the City as investments at December 31, 2018 amounting to \$23,147,318 (Note 2) are eliminated in the government-wide statement of net position.

10. Notes Payable (Continued)

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

The weighted average interest rates on special assessment notes and general obligation notes at December 31, 2018 were 2.0% and 3.41% respectively.

Notes payable as of December 31, 2018, are comprised of the following individual issues:

<u>Issued</u>	<u>Rate %</u>	<u>Issue</u>	<u>Final Maturity</u>	<u>Amount</u>
Special Assessment Notes:				
<u>Governmental Activities:</u>				
Street Cleaning/Lighting Note:				
December 10, 2018	2.00	12-11	December 10, 2019	\$ 13,000,000
General Obligation Notes:				
<u>Governmental Activities:</u>				
Health Benefit Notes:				
October 19, 2018	2.00	10-21	October 17, 2019	2,500,000
Various Purpose Improvement Notes:				
December 11, 2018	3.50	12-11	December 10, 2019	<u>41,300,000</u>
Total General Obligation Notes				<u>43,800,000</u>
				<u>\$ 56,800,000</u>

11. Bonds and Loans Payable and Defeased Debt

The following is a summary of bonds and loans payable for the year ended December 31, 2018:

Governmental Activities					
	General Obligation	OPWC	ODSA	Non-Tax Revenue	Income Tax Revenue
Bonds and loans payable at January 1, 2018	\$ 156,929,261	\$ 6,371,819	\$ 4,610,162	\$ 39,170,000	\$ 339,080,250
New Issues:					
Capital Projects	-	-	-	-	2,000,000
Resurfacing	-	-	-	-	-
Sewer System	-	-	-	-	-
Water System	-	-	-	-	-
Street Improvements	-	-	-	-	-
Retirements	<u>(18,560,630)</u>	<u>(634,479)</u>	<u>(345,162)</u>	<u>(5,735,000)</u>	<u>(16,463,191)</u>
Bonds and loans payable at December 31, 2018	<u>\$ 138,368,631</u>	<u>\$ 5,737,340</u>	<u>\$ 4,265,000</u>	<u>\$ 33,435,000</u>	<u>\$ 324,617,059</u>
Governmental Activities					
	Special Revenue (JEDD)	Special Assessment			
Bonds and loans payable at January 1, 2018	\$ 15,220,000	\$ 5,013,087			
New Issues:					
Resurfacing	-	498,412			
Sewer System	-	-			
Water System	-	-			
Street Improvements	-	1,911,181			
Retirements	<u>(3,665,000)</u>	<u>(700,361)</u>			
Bonds and loans payable at December 31, 2018	<u>\$ 11,555,000</u>	<u>\$ 6,722,319</u>			
Business-type Activities					
	General Obligation	Mortgage Revenue	OWDA	OPWC	Total
Bonds and loans payable at January 1, 2018	\$ 389,355	\$ 19,040,000	\$ 438,423,233	\$ 736,707	\$ 1,024,983,874
New Issues:					
Capital Projects	-	-	-	-	2,000,000
Resurfacing	-	-	-	-	498,412
Sewer System	-	-	99,264,657	-	99,264,657
Water System	-	-	398,679	-	398,679
Street Improvements	-	-	-	-	1,911,181
Retirements	<u>(82,986)</u>	<u>(4,255,000)</u>	<u>(16,291,836)</u>	<u>(201,514)</u>	<u>(66,935,159)</u>
Bonds and loans payable at December 31, 2018	<u>\$ 306,369</u>	<u>\$ 14,785,000</u>	<u>\$ 521,794,733</u>	<u>\$ 535,193</u>	<u>\$ 1,062,121,644</u>

11. Bonds and Loans Payable and Defeased Debt (Continued)

Bonds and loans payable at December 31, 2018 is comprised of the following individual issues:

Issued	Rate %	Issue	Final Maturity	Amount
<u>Governmental Activities:</u>				
<u>General Obligation Bonds:</u>				
Various Purpose Improvement Bonds:				
November 30, 2010	2.0 to 5.50	Series 2010A	December 1, 2023	\$ 7,581,968
November 30, 2010	2.0 to 5.50	Series 2010B	December 1, 2031	2,740,000
December 21, 2011	1.50 to 4.0	Series 2011	December 1, 2023	22,716,663
November 29, 2012	2.0 to 4.0	Series 2012	December 1, 2024	5,720,000
March 20, 2014	1.25 to 4.0	Series 2014A	December 1, 2026	11,730,000
March 20, 2014	.45 to 4.125	Series 2014B	December 1, 2026	12,660,000
December 2, 2014	2.0 to 5.0	Series 2014C	December 1, 2031	19,570,000
March 10, 2015	1.50 to 5.0	Series 2015	December 1, 2028	20,730,000
May 26, 2016	1.00 to 4.00	Series 2016 Judgement	December 1, 2036	4,780,000
December 6, 2016	1.75 to 4.00	Series 2016A	December 1, 2031	7,155,000
December 6, 2016	1.45 to 3.05	Series 2016B	December 1, 2028	10,735,000
December 20, 2017	1.75 to 4.00	Series 2017A	December 1, 2031	8,385,000
December 20, 2017	1.85 to 3.70	Series 2017B	December 1, 2031	3,865,000
Total General Obligation Bonds:				<u>\$ 138,368,631</u>
<u>Ohio Public Works Commission Loans:</u>				
July 1, 1998	-	Lakeshore Blvd.	January 1, 2020	\$ 101,400
July 1, 1998	-	Tallmadge Ave.	July 1, 2021	183,400
July 1, 1999	-	Lakeshore Blvd.	July 1, 2022	42,839
July 1, 1999	-	Bye Street	July 1, 2022	43,875
July 1, 1999	-	Wooster/East Ave.	July 1, 2022	104,738
July 1, 2000	-	Bishop Street	July 1, 2022	24,400
July 1, 2000	-	NW Storm Outlets	July 1, 2022	108,122
July 1, 2000	-	N. Arlington Bridge	July 1, 2022	66,302
July 1, 2001	-	Darrow Road	July 1, 2023	226,542
July 1, 2003	-	US 244 Phase II	July 1, 2025	325,013
July 1, 2005	-	Manchester Rd Ph I	July 1, 2027	28,350
July 1, 2005	-	Arlington St Signalization	July 1, 2027	358,228
July 1, 2005	-	E. Market St Widening	July 1, 2027	798,150
July 1, 2006	-	W. Market Street	July 1, 2028	543,400
July 1, 2006	-	Tallmadge Ave Singalization	July 1, 2027	82,980
July 1, 2006	-	Brown and Power St.	July 1, 2027	458,700
November 28, 2008	-	Barbara Ave.	January 1, 2040	142,703
November 28, 2008	-	Newton Street Bridge	January 1, 2040	468,239
July 1, 2008	-	Mill St. Bridge	July 1, 2039	700,679
March 13, 2009	-	Dover Ave.	January 1, 2030	288,897
August 4, 2010	-	Smith/Riverview Round	December 1, 2031	527,467
October 11, 2011	-	Carroll Street	July 1, 2041	112,916
Total Ohio Public Works Commission Loans:				<u>\$ 5,737,340</u>

11. Bonds and Loans Payable and Defeased Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
Governmental Activities (Continued):				
<u>Ohio Development Services Agency Loans:</u>				
March 31, 2011	2.0	Goodyear 166 Loan	December 1, 2030	\$ 4,265,000
Total Ohio Development Services Agency Loans:				\$ 4,265,000
<u>Non-Tax Revenue Bonds:</u>				
November 25, 2014	.85 to 4.75	2014	December 1, 2034	\$ 21,705,000
November 12, 2015	1.40 to 3.625	2015	December 1, 2026	11,730,000
Total Non-tax Revenue Bonds:				\$ 33,435,000
<u>Income Tax Revenue Bonds:</u>				
December 15, 2011	2.0 to 3.75	2011	December 1, 2023	\$ 3,210,000
November 14, 2012	3.0 to 3.25	2012	December 1, 2032	7,550,000
August 8, 2013	2.03	2013	December 1, 2021	947,948
August 8, 2013	4.20	2013	December 1, 2028	2,355,914
August 7, 2014	2.03	2014	December 1, 2021	27,445,000
November 25, 2014	2.0 to 5.0	2014	December 1, 2034	358,470
June 24, 2015	2.42	2015	June 1, 2035	4,709,727
November 12, 2015	1.0 to 5.0	2015	December 1, 2028	18,650,000
December 6, 2016	1.50 to 5.0	2016	December 1, 2028	14,370,000
November 14, 2018	4.7	2018	December 1, 2048	2,000,000
Total Income Tax Revenue Bonds:				\$ 81,597,059
<u>CLC Income Tax Revenue Bonds:</u>				
July 28, 2010	3.0 to 4.5	2010A	December 1, 2033	\$ 990,000
July 28, 2010	5.074 to 6.463	2010B	December 1, 2033	12,060,000
July 28, 2010	5.87	2010C	December 1, 2026	15,060,000
June 27, 2012	3.5 to 5.0	2012A	December 1, 2033	133,320,000
May 7, 2014	.5 to 5.0	2014	December 1, 2033	20,455,000
December 8, 2016	3.5 to 5.0	2016	December 1, 2033	24,745,000
December 20, 2017	1.75 to 5.0	2017	December 1, 2033	36,390,000
Total CLC Income Tax Revenue Bonds:				\$ 243,020,000
<u>Special Revenue (JEDD) Bonds:</u>				
December 21, 2011	2.75 to 5.0	2000	December 1, 2020	\$ 2,215,000
December 21, 2011	2.75 to 5.0	2000	December 1, 2020	2,215,000
December 21, 2011	2.75 to 5.0	2002	December 1, 2022	4,405,000
December 21, 2011	2.75 to 5.0	2002	December 1, 2022	2,720,000
Total Special Revenue (JEDD) Bonds:				\$ 11,555,000

11. Bonds and Loans Payable and Defeased Debt (Continued)

<u>Issued</u>	<u>Rate %</u>	<u>Issue</u>	<u>Final Maturity</u>	<u>Amount</u>
<u>Governmental Activities (Continued):</u>				
<u>Special Assessment Obligations:</u>				
Street Improvement Bonds:				
June 1, 2010	4.0	2010	December 1, 2019	\$ 11,557
November 22, 2011	2.5	2011	December 1, 2021	1,075,000
December 15, 2017	2.3	2017	December 1, 2027	2,861,932
December 15, 2017	1.9	2017	December 1, 2022	314,760
December 15, 2017	2.3	2017	December 1, 2027	49,477
November 11, 2018	1.95	2018	December 1, 2023	498,412
December 11, 2018	2.35	2018	December 1, 2028	59,342
December 11, 2018	2.35	2018	December 1, 2028	<u>1,851,839</u>
Total Special Assessment Obligations:				<u>\$ 6,722,319</u>
 <u>Business-type Activities:</u>				
<u>General Obligation Bonds:</u>				
November 30, 2010	2.35 to 4.55	Canal/Tell	December 1, 2020	\$ 178,032
December 21, 2011	1.5 to 4.0	Canal/Tell	December 1, 2022	<u>128,337</u>
Total General Obligation Bonds:				<u>\$ 306,369</u>
 <u>Mortgage Revenue Bonds:</u>				
Waterworks System Bonds:				
September 17, 2009	2.5 to 5.0	2009	March 1, 2034	\$ 8,025,000
December 18, 2015	2.59	2015	March 1, 2026	<u>6,760,000</u>
Total Mortgage Revenue Bonds:				<u>\$ 14,785,000</u>

11. Bonds and Loans Payable and Defeased Debt (Continued)

Issued	Rate %	Issue	Final Maturity	Amount
<u>Business-type Activities (Continued):</u>				
<u>Ohio Water Development Authority Loans:</u>				
September 30, 1999	4.02	Water	July 1, 2020	\$ 150,040
May 25, 2000	4.64	Water	July 1, 2020	1,183,706
October 30, 2008	3.52	Water	January 1, 2020	267,826
October 30, 2008	3.52	Sewer	January 1, 2020	267,826
January 14, 2010	3.25	Sewer	January 1, 2030	644,918
November 19, 2009	3.25	Sewer	July 1, 2030	108,280
December 10, 2009	3.25	Sewer	July 1, 2020	83,721
December 10, 2009	3.25	Sewer	January 1, 2030	56,543
March 31, 2011	4.72	Sewer	January 1, 2032	616,401
February 24, 2011	4.14	Sewer	January 1, 2032	1,662,763
February 24, 2011	4.14	Sewer	January 1, 2032	313,494
December 8, 2011	2.80	Sewer	July 1, 2032	2,081,425
December 8, 2011	2.80	Water	January 1, 2033	1,523,314
December 8, 2011	2.80	Sewer	January 1, 2033	1,523,314
December 8, 2011	2.80	Sewer	January 1, 2032	662,623
December 8, 2011	3.55	Water	July 1, 2032	362,299
October 27, 2011	2.78	Sewer	July 1, 2033	18,010,155
October 27, 2011	2.85	Sewer	January 1, 2033	968,086
October 27, 2011	2.85	Sewer	July 1, 2032	741,619
May 31, 2012	2.69	Sewer	January 1, 2019	164,310
June 28, 2012	2.00	Water	July 1, 2033	854,810
December 6, 2012	2.44	Sewer	July 1, 2019	444,883
March 28, 2013	3.15	Sewer	July 1, 2034	4,108,486
May 30, 2013	2.67	Sewer	July 1, 2033	1,777,613
June 27, 2013	2.00	Water	July 1, 2034	2,419,325
June 27, 2013	2.00	Water	July 1, 2034	600,028
August 29, 2013	3.05	Sewer	January 1, 2035	5,345,367
September 26, 2013	4.24	Water	July 1, 2023	110,506
October 31, 2013	3.59	Sewer	July 1, 2019	68,213
October 31, 2013	3.59	Sewer	January 1, 2020	409,724
December 12, 2013	3.62	Water	January 1, 2035	664,616
January 30, 2014	3.66	Sewer	July 1, 2034	1,218,472
January 30, 2014	3.66	Water	July 1, 2024	411,226
February 27, 2014	3.65	Water	January 1, 2035	1,985,873
February 27, 2014	4.15	Water	July 1, 2035	8,941,012
January 30, 2014	3.38	Sewer	July 1, 2019	216,296
January 30, 2014	3.38	Sewer	July 1, 2019	166,908
April 24, 2014	3.95	Sewer	January 1, 2036	2,385,053
April 24, 2014	3.45	Sewer	July 1, 2034	1,258,382
June 26, 2014	3.09	Sewer	January 1, 2036	8,774,851
June 26, 2014	3.01	Sewer	July 1, 2036	12,058,156
August 28, 2014	3.34	Sewer	July 1, 2035	5,549,072
February 26, 2015	1.89	Sewer	January 1, 2036	3,275,156
February 26, 2015	1.89	Sewer	January 1, 2038	17,186,903

11. Bonds and Loans Payable and Defeased Debt (Continued)

<u>Issued</u>	<u>Rate %</u>	<u>Issue</u>	<u>Final Maturity</u>	<u>Amount</u>
<u>Business-type Activities (Continued):</u>				
<u>Ohio Water Development Authority Loans (Continued):</u>				
April 30, 2015	2.03	Sewer	July 1, 2021	\$ 15,682,843
May 28, 2015	2.26	Sewer	January 1, 2036	807,232
May 28, 2015	2.26	Sewer	January 1, 2036	5,895,875
September 24, 2015	2.45	Sewer	January 1, 2036	3,990,003
February 25, 2016	2.04	Sewer	January 1, 2036	994,936
May 28, 2015	1.96	Sewer	January 1, 2038	24,046,834
June 25, 2015	1.57	Water	January 1, 2037	795,855
July 30, 2015	2.29	Sewer	January 1, 2036	3,781,603
August 27, 2015	2.32	Sewer	January 1, 2037	4,696,961
September 24, 2015	1.74	Water	July 1, 2036	1,440,060
October 29, 2015	2.18	Sewer	January 1, 2037	2,679,355
October 29, 2015	2.35	Sewer	July 1, 2049	188,828,728
October 29, 2015	1.68	Water	July 1, 2037	373,041
December 10, 2015	2.14	Sewer	January 1, 2037	2,777,931
December 10, 2015	2.14	Sewer	January 1, 2037	3,620,238
December 10, 2015	2.14	Sewer	July 1, 2036	1,151,070
January 28, 2016	2.21	Sewer	January 1, 2026	557,330
February 25, 2016	2.05	Sewer	January 1, 2047	4,644,279
March 31, 2016	1.95	Sewer	January 1, 2048	19,878,949
June 30, 2016	1.75	Sewer	January 1, 2047	935,658
June 30, 2016	1.75	Sewer	July 1, 2048	19,163,050
June 30, 2016	1.66	Sewer	July 1, 2048	11,544,732
August 25, 2016	1.56	Sewer	July 1, 2037	1,331,113
August 25, 2016	1.40	Sewer	July 1, 2047	1,418,745
August 25, 2016	0.45	Sewer	July 1, 2049	38,024,938
August 25, 2016	1.40	Sewer	July 1, 2048	5,067,854
September 29, 2016	1.33	Sewer	January 1, 2048	3,586,948
April 27, 2017	2.33	Sewer	July 1, 2024	13,009,285
April 27, 2017	2.33	Sewer	July 1, 2023	1,836,263
April 27, 2017	2.33	Sewer	July 1, 2023	1,939,072
April 27, 2017	1.83	Water	July 1, 2038	461,272
May 25, 2017	2.28	Sewer	July 1, 2024	1,983,799
May 25, 2017	2.28	Sewer	July 1, 2023	1,008,127
May 25, 2017	0.93	Sewer	July 1, 2063	20,441,806
June 29, 2017	2.51	Sewer	January 1, 2048	1,446,697
April 26, 2018	2.89	Water	January 1, 2029	286,467
June 28, 2018	1.65	Water	January 1, 2039	2,803
July 26, 2018	-	Water	January 1, 2039	3,842
September 27, 2018	1.63	Water	July 1, 2039	35,545
Total Ohio Water Development Authority Loans:				<u>\$ 521,794,733</u>
<u>Ohio Public Works Commission Loans:</u>				
July 1, 1995	-	Water	July 1, 2019	\$ 51,208
July 1, 1996	-	Sewer	January 1, 2020	68,045
July 1, 1997	-	Sewer	July 1, 2018	74,375
July 1, 2000	-	Water	July 1, 2021	268,500
July 1, 2005	-	Sewer	July 1, 2025	73,065
Total Ohio Public Works Commission Loans:				<u>\$ 535,193</u>

11. Bonds and Loans Payable and Defeased Debt (Continued)

The following is a summary of the City's future debt service requirements as of December 31, 2018 (in thousands):

Fiscal Year Ending December 31	Governmental Activities					
	General Obligation		OPWC		ODSA	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 17,368	\$ 4,573	\$ 596	\$ -	\$ 310	\$ 94
2020	16,048	4,044	596	-	320	87
2021	18,342	3,469	546	-	330	80
2022	15,300	2,935	510	-	335	73
2023	14,410	2,494	466	-	340	65
2024-2028	43,340	6,377	1,611	-	1,835	205
2029-2033	12,550	1,105	553	-	795	22
2034-2038	1,011	82	461	-	-	-
2039-2043	-	-	351	-	-	-
2044-2048	-	-	47	-	-	-
2049-2053	-	-	-	-	-	-
2054-2058	-	-	-	-	-	-
2059-2063	-	-	-	-	-	-
	<u>\$ 138,369</u>	<u>\$ 25,079</u>	<u>\$ 5,737</u>	<u>\$ -</u>	<u>\$ 4,265</u>	<u>\$ 626</u>

Fiscal Year Ending December 31	Non-Tax Revenue		Income Tax Revenue		Special Revenue (JEDD)	
	Principal	Interest	Principal	Interest	Principal	Interest
	2019	\$ 3,025	\$ 1,173	\$ 16,754	\$ 14,933	\$ 3,835
2020	3,105	1,098	17,145	14,221	4,040	228
2021	3,190	1,013	20,245	13,556	1,810	117
2022	3,285	915	18,827	12,617	1,870	59
2023	3,395	808	19,553	11,690	-	-
2024-2028	15,470	2,167	106,071	44,083	-	-
2029-2033	1,600	322	121,848	18,022	-	-
2034-2038	365	17	3,183	387	-	-
2039-2043	-	-	438	197	-	-
2044-2048	-	-	553	82	-	-
2049-2053	-	-	-	-	-	-
2054-2058	-	-	-	-	-	-
2059-2063	-	-	-	-	-	-
	<u>\$ 33,435</u>	<u>\$ 7,513</u>	<u>\$ 324,617</u>	<u>\$ 129,788</u>	<u>\$ 11,555</u>	<u>\$ 824</u>

Fiscal Year Ending December 31	Special Assessment	
	Principal	Interest
	2019	\$ 996
2020	1,013	129
2021	1,033	106
2022	683	82
2023	616	67
2024-2028	2,381	144
2029-2033	-	-
2034-2038	-	-
2039-2043	-	-
2044-2048	-	-
2049-2053	-	-
2054-2058	-	-
2059-2063	-	-
	<u>\$ 6,722</u>	<u>\$ 680</u>

11. Bonds and Loans Payable and Defeased Debt (Continued)

Fiscal Year Ending December 31	Business-type Activities			
	General Obligation		Mortgage Revenue	
	Principal	Interest	Principal	Interest
2019	\$ 87	\$ 12	\$ 1,130	\$ 513
2020	92	7	1,165	479
2021	63	4	1,200	444
2022	64	2	1,235	408
2023	-	-	1,275	370
2024-2028	-	-	5,100	1,269
2029-2033	-	-	2,985	560
2034-2038	-	-	695	18
2039-2043	-	-	-	-
2044-2048	-	-	-	-
2049-2053	-	-	-	-
2054-2058	-	-	-	-
2059-2063	-	-	-	-
	<u>\$ 306</u>	<u>\$ 25</u>	<u>\$ 14,785</u>	<u>\$ 4,061</u>

Fiscal Year Ending December 31	OWDA		OPWC	
	Principal	Interest	Principal	Interest
	2019	\$ 20,189	\$ 7,344	\$ 180
2020	31,248	13,601	106	-
2021	30,551	12,872	69	-
2022	24,938	12,129	54	-
2023	23,518	11,543	54	-
2024-2028	109,351	49,571	72	-
2029-2033	115,469	35,901	-	-
2034-2038	81,897	22,462	-	-
2039-2043	72,498	14,285	-	-
2044-2048	5,256	609	-	-
2049-2053	2,650	333	-	-
2054-2058	2,776	207	-	-
2059-2063	1,454	45	-	-
	<u>\$ 521,795</u>	<u>\$ 180,902</u>	<u>\$ 535</u>	<u>\$ -</u>

Fiscal Year Ending December 31	Governmental Activities Total		Business-type Activities Total		Grand Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2019	\$ 42,884	\$ 21,345	\$ 21,586	\$ 7,869	\$ 64,470
2020	42,267	19,807	32,611	14,087	74,878	33,894
2021	45,496	18,341	31,883	13,320	77,379	31,661
2022	40,810	16,681	26,291	12,539	67,101	29,220
2023	38,780	15,124	24,847	11,913	63,627	27,037
2024-2028	170,708	52,976	114,523	50,840	285,231	103,816
2029-2033	137,346	19,471	118,454	36,461	255,800	55,932
2034-2038	5,020	486	82,592	22,480	87,612	22,966
2039-2043	789	197	72,498	14,285	73,287	14,482
2044-2048	600	82	5,256	609	5,856	691
2049-2053	-	-	2,650	333	2,650	333
2054-2058	-	-	2,776	207	2,776	207
2059-2063	-	-	1,454	45	1,454	45
	<u>\$ 524,700</u>	<u>\$ 164,510</u>	<u>\$ 537,421</u>	<u>\$ 184,988</u>	<u>\$ 1,062,121</u>	<u>\$ 349,498</u>

11. Bonds and Loans Payable and Defeased Debt (Continued)

All bonds and notes are backed by the full faith and credit of the City except revenue bonds. Water Mortgage Revenue Bonds are collateralized by the capital assets of the Water System that had net carrying values of approximately \$157,026,911 at December 31, 2018. It is the City's policy to pay debt service of the Enterprise and Internal Service Funds from the receipts of those funds. Accordingly, such debt is reported in those funds. Any deficiency is paid from the City's General Fund. Revenue bonds and OWDA loans are retired entirely from the excess of operating revenues over operating expenses of the applicable enterprise activity. Therefore, the City is under no obligation to repay these long-term obligations from the City's General Fund.

The 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, 2018, the City's total net debt amounted to 3.46% of the total assessed value of all property within the City and unvoted net debt amounted to 3.46% of the total assessed value of all property within the City.

11. Bonds and Loans Payable and Defeased Debt (Continued)

The City has defeased certain debt issues by placing investments in U.S. Government obligations in irrevocable escrow accounts. Such accounts will be used, together with interest earned thereon, to provide for the payment of all principal and interest on the defeased bonds on their scheduled due dates. Accordingly, the escrow accounts and the defeased bonds summarized below are not included in the accompanying financial statements at December 31, 2018:

Issue	Defeasance Date	Original Amount		Outstanding at 12/31/18
		Defeased	Escrowed	
Various Purpose Improvement Bonds, Series 1996	2005	\$ 2,600,000	\$ -	\$ 600,000
Various Purpose Improvement Bonds, Series 1997	2005	11,960,000	-	-
Various Purpose Improvement Bonds, Series 1999	2005	14,310,000	-	1,695,000
Various Purpose Improvement Bonds, Series 2000	2005	14,265,000	-	3,680,000
		<u>43,135,000</u>	<u>40,208,751</u>	<u>5,975,000</u>
Waterworks Revenue Bonds, Series 1998	2009	<u>6,570,000</u>	<u>14,464,701</u>	-
Various Purpose Improvement Bonds, Series 1998	2010	5,835,000	6,044,651	720,000
Various Purpose Improvement Bonds, Series 2001	2010	13,850,000	14,792,506	2,845,000
		<u>19,685,000</u>	<u>20,837,157</u>	<u>3,565,000</u>
Various Purpose Improvement Bonds, Series 2001	2011	7,425,000	7,474,877	3,160,000
Various Purpose Improvement Bonds, Series 2002	2011	19,390,000	20,342,508	9,795,000
Various Purpose Improvement Bonds, Series 2003	2011	15,635,000	17,109,007	9,015,000
		<u>42,450,000</u>	<u>44,926,392</u>	<u>21,970,000</u>
Non-Tax Revenue Bonds, Series 1997	2011	<u>16,385,000</u>	<u>16,594,456</u>	-
Income Tax Revenue Bonds, Series 1999	2011	<u>6,290,000</u>	<u>6,330,767</u>	<u>3,080,000</u>
Special Revenue Bonds (JEDD), Series 2000	2011	16,180,000	16,308,393	4,305,000
Special Revenue Bonds (JEDD), Series 2002	2011	16,400,000	17,153,385	6,895,000
		<u>32,580,000</u>	<u>33,461,778</u>	<u>11,200,000</u>
CLC Income Tax Revenue Bonds, Series 2004A	2012	<u>165,000,000</u>	<u>177,376,931</u>	<u>139,080,000</u>
Various Purpose Improvement Bonds, Series 2003	2012	<u>8,755,000</u>	<u>9,301,891</u>	<u>5,100,000</u>
Various Purpose Improvement Bonds, Series 2005	2014	36,750,000	40,380,525	24,435,000
Various Purpose Improvement Bonds, Series 2010C	2014	25,930,000	26,063,093	20,110,000
		<u>62,680,000</u>	<u>66,443,618</u>	<u>44,545,000</u>
Certificates of Participation, Series 2005 (Parking)	2015	16,150,000	16,522,387	7,095,000
Certificates of Participation, Series 2007 (Parking)	2015	15,260,000	16,515,970	11,730,000
		<u>31,410,000</u>	<u>33,038,357</u>	<u>18,825,000</u>
Various Purpose Improvement Bonds, Series 2006	2015	12,990,000	14,021,482	10,080,000
Various Purpose Improvement Bonds, Series 2007	2015	11,095,000	12,333,842	9,445,000
		<u>24,085,000</u>	<u>26,355,324</u>	<u>19,525,000</u>
Non-Tax Revenue Bonds, Series 2006	2015	<u>14,580,000</u>	<u>15,663,380</u>	<u>10,700,000</u>
Waterworks Revenue Bonds, Series 2006	2015	<u>8,065,000</u>	<u>8,242,290</u>	<u>6,720,000</u>
Various Purpose Improvement Bonds, Series 2009	2016	<u>10,200,000</u>	<u>10,609,118</u>	<u>9,900,000</u>
Various Purpose Improvement Bonds, Series 2010D	2016	<u>7,275,000</u>	<u>7,321,742</u>	<u>7,235,000</u>
Income Tax Revenue Bonds, Series 2012	2016	<u>15,955,000</u>	<u>16,473,042</u>	<u>14,775,000</u>
Various Purpose Improvement Bonds, Series 2010B	2017	<u>11,950,000</u>	<u>12,610,415</u>	<u>11,950,000</u>
CLC Income Tax Revenue Bonds, Series 2010A	2017	15,000,000	15,929,577	15,000,000
CLC Income Tax Revenue Bonds, Series 2014	2017	20,625,000	23,306,790	20,625,000
		<u>35,625,000</u>	<u>39,236,367</u>	<u>35,625,000</u>
				<u>\$ 369,770,000</u>

11. Bonds and Loans Payable and Defeased Debt (Continued)

The City of Akron's General Obligation bonds are rated "AA-" by Standard & Poor's Ratings Services, "A+" by Fitch Ratings and "Aa3" by Moody's Investors Service, Inc. The insured Water Revenue bonds were originally rated "Aa2" from Moody's. The 2009 Water Revenue bonds were originally rated "Aa2" by Moody's and they were assigned "AA" by Standard & Poor's in 2017. As of December 31, 2018, the City's bond ratings are as follows:

<u>Bond Description</u>	<u>Moody's Investors Service</u>	<u>Standard and Poor's</u>	<u>Fitch Ratings</u>
	<u>Current Rating</u>	<u>Current Rating</u>	<u>Current Rating</u>
2009 Waterworks System Mortgage Revenue Improvement and Refunding Bonds	A3	AA	n/a
2010 Steam Utility Certificates of Participation	n/a	A+	n/a
2010 Various Purpose Refunding Bonds, Series A	n/a	AA-	A+
2010 Various Purpose Refunding Bonds, Series B	n/a	AA-	A+
2010A Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2010B Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2010C Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2011 JEDD Revenue Refunding Bonds	n/a	AA-	n/a
2011 Nontax Revenue Economic Development Bonds	A1	n/a	n/a
2011 Pension Income Tax Revenue Refunding Bonds	Aa3	n/a	n/a
2011 Various Purpose Refunding Bonds	Aa3	AA-	n/a
2012 Various Purpose Refunding Bonds	n/a	AA-	n/a
2012 Various Purpose Income Tax Refunding Bonds	n/a	AA+	n/a
2012A Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2013-A Certificates of Participation	n/a	A+	n/a
2013-B Certificates of Participation	n/a	A+	n/a
2014 Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2014 Various Purpose Refunding Bonds, Series A	n/a	AA-	n/a
2014 Various Purpose Refunding Bonds, Series B	n/a	AA-	n/a
2014 Various Purpose Refunding Bonds, Series C	n/a	AA-	n/a
2014 Various Purpose Income Tax Refunding Bonds	n/a	AA+	n/a
2014 Nontax Revenue Economic Development Bonds	n/a	AA-	n/a
2015 Various Purpose Refunding Bonds	n/a	AA-	n/a
2015 Waterworks System Mortgage Revenue Refunding Bonds	n/a	n/a	n/a
2015 Nontax Revenue Economic Development Bonds	n/a	AA-	n/a
2015 Income Tax Revenue Bonds	n/a	n/a	n/a
2015 Income Tax Revenue Refunding Bonds	n/a	AA+	n/a
2016 General Obligation Judgement Bonds	n/a	AA-	n/a
2016 Steam Utility Certificates of Participation	n/a	A+	n/a
2016 Various Purpose Refunding Bonds, Series A	n/a	AA-	n/a
2016 Various Purpose Refunding Bonds, Series B	n/a	AA-	n/a
2016 Income Tax Revenue Refunding Bonds	n/a	AA+	n/a
2016 Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a
2017 Resurfacing Special Assessment Bonds, Series A	n/a	n/a	n/a
2017 Street Improvement Special Assessment Bonds, Series A	n/a	n/a	n/a
2017 Street Improvement Special Assessment Bonds, Series B	n/a	n/a	n/a
2017 Various Purpose Refunding Bonds, Series A	n/a	AA-	A+
2017 Various Purpose Refunding Bonds, Series B	n/a	AA-	A+
2017 Income Tax Revenue Bonds (CLC)	n/a	AA+	n/a

11. Bonds and Loans Payable and Defeased Debt (Continued)

During 2010, the City entered into an agreement with various parties to unconditionally guarantee the principal and interest payments on behalf of the International Soap Box Derby, Inc. for the loan issued by FirstMerit Bank. As of December 31, 2018, the principal amount outstanding was \$249,219. The City believes that the International Soap Box Derby Inc. is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the loan; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2018.

During 2012, the City entered into an amendment and restatement of cooperative agreement among various parties to unconditionally guarantee the principal and interest payments of the Development Finance Authority of Summit County Revenue Bonds (Akron Civic Theatre Project), issued by the Development Finance Authority of Summit County. As of December 31, 2018, the principal amount outstanding was \$12,930,000. The City believes that the Development Finance Authority of Summit County is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining term of the bonds; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2018.

During 2012, the City entered into a cooperative agreement with the Development Finance Authority of Summit County, Akron Baseball, LLC, and The Bank of New York Mellon Trust Company, N.A. to facilitate financing. The Development Finance Authority of Summit Development Revenue Bonds, Series 2012 were issued for \$3.6 million. The obligation of the City to make appropriation payments are subject to the annual appropriations made by City Council. The City has recorded a short-term liability of \$208,000 and a long-term liability of \$4,796,800 for the principal and interest payments scheduled to be paid during 2019 through 2042 in the accompanying financial statements. The principal balance outstanding as of December 31, 2018 is \$3,125,000.

The obligations of the City under this agreement, including its obligation to make payments during any fiscal year of the City in which this agreement is in effect, shall not constitute a general obligation or indebtedness of the City within the meaning of the constitution and laws of the State of Ohio. The agreement does not pledge any taxes or other moneys to the amounts payable by the City. Nothing constitutes a pledge by the City or an obligation by the City, of any taxes or other moneys to the payment of any amount payable by the City under this agreement.

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

During 2014, the City entered into an agreement with the County of Summit and Fifth Third Bank to guarantee principal and interest payments on behalf of the Akron Community Service Center and Urban League to refinance bonds issued to pay the costs of the Akron Urban League's community service center and operations. Fifth Third agreed to issue a bank bond to the Akron Urban League in the amount of \$2,000,000 to be used to finance previous bond obligations which the City had also guaranteed. Fifth Third also agreed to issue a credit line in the amount of \$100,000 to the Akron Urban League to support operations. The City agreed to guarantee one half of the bank bond and credit line debt service to be paid solely from non-tax revenues, with the County of Summit agreeing to guarantee

11. Bonds and Loans Payable and Defeased Debt (Continued)

the other half. As of December 31, 2018, the principal outstanding on the bank bond was approximately \$2,000,000 and the principal outstanding on the credit line was paid in full (see Note 32).

During 2015, the City reaffirmed and amended this agreement with the County of Summit and Fifth Third Bank to extend the maturity of the Akron Urban League's credit line and to guarantee principal and interest payments on an additional term loan issued to the Akron Urban League in the amount of \$200,000. The City agreed to guarantee one half of the term loan debt service to be paid solely from non-tax revenues, with the County of Summit agreeing to guarantee the other half. As of December 31, 2018, the principal outstanding on the term loan was \$24,176. The City believes the Akron Urban League is current on all required debt service payments and will continue to pay all debt service when due throughout the remaining terms of the bank bond, credit line and term loan; therefore, no provision for such guarantee has been recorded in the financial statements as of December 31, 2018.

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

In November, 1996, \$28.9 million Series 1996 Convertible Capital Appreciation Certificates of Participation (COPS) were issued by a bank to finance the costs of the construction of a professional baseball stadium (meeting class “AA” standards) within the City. This issue was refunded by the issuance of Series 2005 COPS. The 2005 issue was refunded by the issuance of Series 2013 COPS. In connection with the issuance of these COPS, and as amended, 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, 2023, providing City Council appropriates funds each year for that purpose. If the lease is paid through November 25, 2023, the City will acquire title to the baseball stadium. The lease agreement also includes a purchase option during the years 2014 through 2023.

The trust agreement for the issuance of the 2013 COPS requires the City to deposit \$20,000 annually into a Capital Renewal Fund. The City can utilize these funds for capital improvements such as repairs, renovations, additional equipment, other facilities, or other improvements to the baseball stadium.

On November 3, 2010, the City issued \$13.2 million Series 2010 Convertible Certificates of Participation (COPs) for the Akron Energy Systems Project. On October 25, 2016, the City issued COPs totaling \$11,965,000 for the Akron Energy Systems Project. During 2018, the City issued additional COPs totaling \$24,445,000 for the Akron Energy Systems Project. Total future payments as of December 31, 2018 are as follows:

Year	Governmental Activities					
	Series 2010		Series 2016		Series 2018	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	560,000	491,500	335,000	380,425	560,000	982,975
2020	585,000	463,500	345,000	373,725	585,000	960,575
2021	615,000	434,250	350,000	366,394	605,000	937,175
2022	645,000	403,500	360,000	358,519	635,000	906,925
2023	680,000	371,250	365,000	349,969	670,000	875,175
2024-2028	3,940,000	1,311,000	2,120,000	1,464,994	3,880,000	3,839,875
2029-2033	2,805,000	235,000	2,525,000	1,070,794	4,810,000	2,911,725
2034-2038	-	-	2,950,000	641,144	5,780,000	1,940,938
2039-2043	-	-	2,015,000	137,530	6,920,000	797,813
	<u>\$ 9,830,000</u>	<u>\$ 3,710,000</u>	<u>\$ 11,365,000</u>	<u>\$ 5,143,494</u>	<u>\$ 24,445,000</u>	<u>\$ 14,153,176</u>

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

The City also has nine other capital leases. The first is a 2012 lease for the purchase of various service-equipment. The cost of the equipment is \$7,154,080 and is included in the City's capital assets in the Statement of Net Position – Governmental Activities. The City completed the lease-purchase agreement by making the final payment during 2018.

The second is a 2015 five-year capital lease agreement for street sweepers. The cost of the equipment is \$731,754 and is included in the City's capital assets in the Statement of Net Position - Governmental Activities.

The third is a 2016 15-year capital lease agreement with Summit County to upgrade the radio system. The City's share of equipment totals \$10,635,000, consisting of City owned equipment in the amount of \$5,710,490 and the City's share of jointly owned equipment in the amount of \$4,924,510. It is included in the City's capital assets in the Statement of Net Position - Governmental Activities.

The fourth is a 2017 four-year capital lease for street sweepers. The cost of the equipment is \$570,147 and is included in the City's capital assets in the Statement of Net Position - Governmental Activities.

The fifth is a 2017 three-year capital lease for police vehicles. The cost of the vehicles totals \$469,838 and is included in the City's capital assets in the Statement of Net Position - Governmental Activities.

The City entered into four additional capital lease agreements during 2018. The sixth agreement is a three-year packer trucks lease at a rate of 2.13% for equipment totaling \$776,157. The seventh agreement is a five-year street sweepers lease at a rate of 4.18% for equipment totaling \$427,992. Both are included in the City's capital assets in the Statement of Net Position - Governmental Activities.

The eighth agreement entered during 2018 is a five-year lease at a rate of 4.19% for one Vac-Con sewer cleaning truck totaling \$386,934. It is included in the City's capital assets in the Statement of Net Position - Business-Type Activities and in the Sewer Fund.

During 2018 the City entered into a 20-year capital lease agreement at a rate of 4.00% for Fire Station No. 4 totaling \$9,585,000. The Development Finance Authority of Summit County (DFA) issued conduit bonds during 2018 to finance construction of Fire Station No. 4 on behalf of the City and will use the lease payments to pay the debt service on the bonds. The DFA also entered into a ground lease agreement with the City for the location of the property. The lease is included in the City's capital assets in the Statement of Net Position - Governmental Activities.

The following is a summary of the capital lease transactions for the year ended December 31, 2018:

	Governmental Activities				
	COPS Stadium	2015 Street Sweepers	2017 Street Sweepers	2018 Street Sweepers	Police Vehicles
Capital Lease at January 1, 2018	\$ 9,265,000	\$ 401,027	\$ 462,812	\$ -	\$ 393,487
Additions	-	-	-	427,992	-
Retirements	(2,090,000)	(109,470)	(97,338)	(73,850)	(155,025)
Capital Lease at December 31, 2018	<u>\$ 7,175,000</u>	<u>\$ 291,557</u>	<u>\$ 365,474</u>	<u>\$ 354,142</u>	<u>\$ 238,462</u>

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

	Governmental Activities (continued)				Enterprise
	Public Works Equipment	Radio System	Packer Trucks	Fire Station No. 4	Vac-Con Sewer Truck
Capital Lease at January 1, 2018	\$ 759,369	\$ 10,110,000	\$ -	\$ -	\$ -
Additions	-	-	776,157	9,585,000	386,934
Retirements	(759,369)	(600,000)	(187,928)	-	(57,387)
Capital Lease at December 31, 2018	\$ -	\$ 9,510,000	\$ 588,229	\$ 9,585,000	\$ 329,547

Future lease payments are as follows as of December 31, 2018:

Year	Governmental Activities				
	COPS Stadium	2015 Street Sweepers	2017 Street Sweepers	2018 Street Sweepers	Police Vehicles
2019	\$ 2,392,050	\$ 120,498	\$ 107,334	\$ 73,849	\$ 162,201
2020	2,397,113	184,000	107,334	73,849	81,100
2021	2,394,513	-	168,000	73,849	-
2022	283,200	-	-	73,849	-
2023	282,150	-	-	106,000	-
2024-2032	-	-	-	-	-
Total lease payments	7,749,026	304,498	382,668	401,396	243,301
Less amount representing interest	574,025	12,941	17,193	47,254	4,838
Present value of lease payments	\$ 7,175,001	\$ 291,557	\$ 365,475	\$ 354,142	\$ 238,463
Net book value of leased assets	* \$ 16,293,503	\$ 561,011	\$ 484,625	\$ 406,592	\$ 234,919

Year	Governmental Activities			Enterprise
	Radio System	Packer Trucks	Fire Station No. 4	Vac-Con Sewer Truck
2019	\$ 920,425	\$ 203,436	\$ 695,875	\$ 57,387
2020	918,125	203,436	697,875	57,387
2021	920,625	203,436	694,275	57,387
2022	921,025	-	695,275	57,387
2023	921,525	-	695,675	150,000
2024-2028	4,601,875	-	3,473,175	-
2029-2033	2,762,650	-	3,478,375	-
2034-2038	-	-	3,471,519	-
Total lease payments	11,966,250	610,308	13,902,044	379,548
Less amount representing interest	2,456,250	22,079	4,317,044	50,001
Present value of lease payments	9,510,000	588,229	9,585,000	329,547
Net book value of leased assets	\$ 7,976,250	\$ 737,349	\$ 9,489,150	\$ 367,587

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

13. Self-Insurance Funds

The City is exposed to various risks of loss including employee health-care costs and accidents, torts and legal judgments, and damage or destruction of assets. The City purchases fire and extended coverage insurance on all buildings and contents up to \$175,000,000 per occurrence, with a variety of deductibles beginning at \$250,000. Coverage is purchased on 1,017 vehicles for combined single-limit liability of \$1,000,000. There has been no significant reduction in coverage from the prior year, and settled claims have not exceeded the City's insurance coverage in any of the past three years.

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

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

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

The claims liabilities of \$3,412,447, \$1,996,399, and \$882,915 reported in the Medical, Workers' Compensation, and Self-Insurance Settlement funds, respectively, at December 31, 2018, are in accordance with the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and GASB Statement No. 30, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. These GASB statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities recorded include the estimated incremental expenses to be incurred to settle the claims, including legal fees. Claims liabilities are based on evaluations of individual claims and a review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported. The claims liabilities represent the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Estimated future recoveries on settled and unsettled claims, such as subrogations, if any, are evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims. Any adjustments resulting from the actual settlement of the claims are reflected in the financial statements at the time the adjustments are determined.

13. Self-Insurance Funds (Continued)

Changes in the funds' claims liabilities (both current and long-term) amounts in fiscal 2017 and 2018 were:

	<u>Beginning of Year Liability</u>	<u>Claim Adjustments</u>	<u>Current Period Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
<u>Medical Self-Insurance Fund</u>					
2017	\$ 3,804,311	\$ -	\$ 32,246,305	\$ (32,652,236)	\$ 3,398,380
2018	3,398,380	-	31,610,923	(31,596,856)	3,412,447
<u>Workers' Compensation Reserve Fund</u>					
2017	2,040,606	(446,991)	-	(342,528)	1,251,087
2018	1,251,087	-	996,161	(250,849)	1,996,399
<u>Self-Insurance Settlement Fund</u>					
2017	616,398	(1,125,158)	1,298,120	-	789,360
2018	789,360	(444,642)	538,197	-	882,915

14. Long-term Liabilities

The City reports the following amounts, on the Statement of Net Position, relating to the government's long-term liabilities for the year ended December 31, 2018:

	January 1, 2018	Due in More Than One Year		December 31, 2018
		Additions	Deletions	
Governmental Activities:				
Governmental Funds:				
Accrued vacation and leave (Note 8)	\$ 43,760,312	\$ 15,887,117	\$ (15,547,747)	\$ 44,099,682
Bonds, notes and loans payable	585,155,955	58,709,593	(94,409,073)	549,456,475
COPs and obligations under capital lease (Note 12)	38,853,396	35,621,083	(5,887,698)	68,586,781
Due to other governments (Note 4)	3,605,000	-	(319,000)	3,286,000
Employment Related Liabilities (Note 1)	1,025,421	-	(92,684)	932,737
Guarantees and other obligations	4,338,961	4,796,800	(591,010)	8,544,751
Net pension liability (Note 9)	239,941,912	-	(32,974,494)	206,967,418
OPEB liability (Note 9)	48,578,854	233,362,823	-	281,941,677
Unearned revenue	7,076,793	-	(141,536)	6,935,257
Total Governmental Funds	972,336,604	348,377,416	(149,963,242)	1,170,750,778
Internal Service Funds:				
Accrued vacation and leave (Note 8)	2,644,523	983,278	(742,043)	2,885,758
Bonds, notes and loans payable	3,500,000	2,500,000	(3,500,000)	2,500,000
Net pension liability (Note 9)	9,403,991	-	(2,827,279)	6,576,712
OPEB liability (Note 9)	1,884,340	7,942,344	-	9,826,684
Liability for unpaid claims	1,000,238	556,641	-	1,556,879
Total Internal Service Funds	18,433,092	11,982,263	(7,069,322)	23,346,033
Total Governmental Activities	990,769,696	360,359,679	(157,032,564)	1,194,096,811
Business-type Activities:				
Enterprise Funds:				
Water				
Accrued vacation and leave (Note 8)	3,292,522	1,246,943	(1,356,046)	3,183,419
Bonds, notes and loans payable (Notes 10,11)	38,154,696	398,679	(3,176,003)	35,377,372
Net pension liability (Note 9)	13,096,653	-	(3,638,143)	9,458,510
OPEB liability (Note 9)	3,162,635	13,549,197	-	16,711,832
Pollution Remediation (Note 20)	40,000	-	(40,000)	-
Sewer				
Accrued vacation and leave (Note 8)	2,086,790	1,217,199	(1,129,005)	2,174,984
Bonds, notes and loans payable (Notes 10,11)	399,410,978	99,264,657	(17,887,784)	480,787,851
COPs and obligations under capital lease (Note 12)	-	386,934	(100,965)	285,969
Due to other governments (Note 4)	93,863	-	(31,297)	62,566
Net pension liability (Note 9)	8,435,482	-	(2,335,059)	6,100,423
OPEB liability (Note 9)	2,031,888	8,440,368	-	10,472,256
Off Street Parking				
Bonds, notes and loans payable (Notes 10,11)	306,369	-	(87,327)	219,042
Other Business-type Activities				
Accrued vacation and leave (Note 8)	46,530	36,986	(14,742)	68,774
Net pension liability (Note 9)	500,588	15,891	-	516,479
OPEB liability (Note 9)	99,900	376,793	-	476,693
Pollution Remediation (Note 20)	20,000	-	(20,000)	-
Total Business-type Activities	470,778,894	124,933,647	(29,816,371)	565,896,170
Total	\$ 1,461,548,590	\$ 485,293,326	\$ (186,848,935)	\$ 1,759,992,981

15. Compliance and Accountability

The following funds have fund balance deficits or net position deficits at December 31, 2018:

Special Revenue Funds:

Income Tax Collection	\$	2,180,765
Special Assessment		9,901,239
Community Development		300,169
Joint Economic Development District		1,807,203
Police Grants		310,640
City Facilities Operating		1,119,902
Deposits		449,186

Capital Projects Funds:

Streets		1,842,594
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Internal Service Funds:

Motor Equipment		4,657,889
Medical Self-Insurance		3,823,237
Workers' Compensation Reserve		737,721
Self-Insurance Settlement		864,973
Engineering Bureau		10,305,045
Information Technology		667,356

The Special Revenue Funds that have deficit fund balances at year-end have incurred expenditures that have not yet received the revenue under federal or state grant agreements or as a reimbursement including some from other funds. The Income Tax Collection Fund is primarily related to tax refunds and the receivable is recorded directly in the General Fund and Income Tax Capital Improvements Fund. The timing of receipts and payments will be monitored. The Special Assessment Fund is awaiting receipt of assessments from property owners to retire the special assessment notes issued to cover the property owners assessments including street cleaning and street lighting. On a cash basis, only the Police Grants and City Facilities Operating received subsidy from the General Fund. The City will review the charges for services in the City Facilities Operating Fund. The Capital Projects Fund that has a deficit fund balance at year-end has incurred expenditures that have not yet been reimbursed. The Streets Fund has positive cash position and will be reviewed throughout the year.

The Internal Service Funds that have deficit net position balances at year-end have incurred expenses above charges for services. User charges will be assessed to eliminate the deficits. The City is reviewing the charges for services in the Motor Equipment Fund and will adjust rates if necessary. The Medical Self-Insurance Fund debt will continue to be repaid through user charges. The City's policy is to transfer funds from the pertinent division's operating budget for actual claim settlements to reimburse the Self-Insurance Settlement Fund. The Workers' Compensation Reserve deficit was caused by an increase in claims and premiums due to the Ohio Bureau of Workers Compensation. The Engineering Bureau Division will continue to review applied overhead rates charged for projects to decrease deficits going forward. In 2018 GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension* was implemented. This new implementation for OPEB (other postemployment benefits) liabilities increased deficits in Motor Equipment, Medical Self-Insurance, Engineering Bureau and Information Technology.

16. Income Taxes

The City levies a tax at the rate of 2.50% 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. 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.

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

On November 7, 2017, Akron voters increased the City's income tax rate from 2.25% to 2.50% which took effect January 1, 2018. However, the additional .25% increase is designated exclusively for funding public safety protection, including the capital and operating expenses of the Akron Police and Fire Departments, and public service improvements, including roadway improvements and related capital and operating expenses of the City of Akron. Therefore, the additional .25% will not be distributed according to the City Charter into both operation and capital improvement funds, as described below.

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

17. Property Taxes

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

Real property taxes are levied each October on the assessed value listed as of the prior January 1. Assessed values are established by the County Fiscal Officer at 35% of appraised market value. By law, a revaluation of all property based on current individual appraisals is required to be completed no less than every six years. The last revaluation was completed in tax year 2017 for collection in 2018. The next sexennial revaluation will be completed in 2020 for collection in 2021. In addition, the County Fiscal Officer is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal) taxable real property values triennially to reflect true values.

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

The assessed value upon which the 2018 property tax collections was based aggregated \$2,695,797,000. The assessed value for 2018 (upon which the 2019 property tax collections will be based) is approximately \$2,708,795,330. Under the current allocation method, the City's share was 1.05% (10.5 mills) of

17. Property Taxes (Continued)

assessed value in 2018 for collection in 2019. The City's Charter limits the maximum total tax rate that could be levied without a vote of the electors to 1.05% (10.5 mills).

The Fiscal Officer collects property taxes on behalf of all taxing districts in the County including the City of Akron and periodically remits to the City its portion of the taxes collected. Current real property tax collections for the year ended December 31, 2018, including delinquencies from prior years, were 93.34% of the current year tax levy. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue, while the remainder of the tax receivable is deferred.

18. JEDD Revenues

In an effort to promote regional growth and economic development, the City has entered into contracts with four surrounding townships and a bordering municipality to create Joint Economic Development Districts (JEDDs). The City entered into separate contracts with Copley, Coventry, and Springfield Townships to create JEDDs in 1994. Voters in each township approved the respective JEDD contracts in the November 1994 election, which became effective January 1, 1995. In accordance with state law, each of the Districts' Board of Trustees levied a 2% income tax effective January 1, 1995. In accordance with the City of Akron's income tax increases, as of January 1, 2005, Copley, Coventry and Springfield's income tax rate increased to 2.25% and as of January 1, 2018 increased to 2.5%. The proceeds of that tax are allocated, in accordance with the contract, primarily to the City. The City has utilized these JEDD revenues, in part, to construct water and sewer lines so that the JEDDs have access to the City's water and sewer system and to encourage and promote economic development.

In 1998 the City entered into a JEDD contract with Bath Township (Bath) and the City of Fairlawn (Fairlawn). This contract was approved by voters in November 1998 and became effective on January 1, 1999. As in the other JEDDs, a 2% income tax has been levied by the District. In accordance with the City of Akron's income tax increases, as of January 1, 2006, Bath's income tax rate increased to 2.25% and as of January 1, 2018 increased to 2.5%. As stated in the contract, the net JEDD revenues are allocated to the City and Fairlawn, with the City providing water and sewer services.

19. Pledged Revenues

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

Water System Revenues

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$70.7 million in water system revenue bonds and Ohio Water Development Authority loans issued at various dates ranging from September 30, 1999 through September 27, 2018. Proceeds from the bonds and loans provided financing for various water projects. The bonds and loans are payable solely from water customer net revenues and have varying final maturity dates ranging from January 1, 2020 through July 1, 2039. The total principal and interest remaining to be paid on the bonds and loans as of December 31, 2018 is \$45,177,726. Principal and interest paid for 2018 and total customer net revenues were \$7,443,742 and \$3,637,489 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
09/17/09	\$ 22,100,000	Various Water Projects	03/01/34	\$ 3,951,675	\$ 8,360,313
12/18/15	8,300,000	Various Water Projects	03/01/26	929,732	7,485,330
09/30/99	1,076,288	Clean and Reline Wtr Main	07/01/20	79,592	157,655
05/25/00	8,108,231	Sedimentation Basin Rehab	07/01/20	636,280	1,253,147
10/30/08	1,547,061	Water Meter Replacement	01/01/20	185,568	277,308
06/28/12	1,092,305	Water Main Replacement	07/01/33	66,244	993,668
12/08/11	2,375,202	Water Wall	01/01/33	172,968	1,863,909
12/08/11	470,615	Stow Road Bolt Replemnt	07/01/32	31,072	462,896
06/27/13	2,913,053	High Service Pumps Install	07/01/34	177,438	2,839,001
06/27/13	761,969	Chlorine Dioxide Feed Syst.	07/01/34	36,791	709,573
09/26/13	306,056	Spillway Improvements	07/01/23	148	137,734
12/12/13	783,568	Johnston St. Pump Station	01/01/35	55,396	894,988
01/30/14	699,377	Standby Generator Imprvmts	07/01/24	55,406	461,766
02/27/14	2,648,531	Water Main Reloctn & Repr	01/01/35	161,277	2,661,068
02/27/14	10,161,593	Water Distribution Yard	07/01/35	739,707	12,551,506
06/25/15	850,896	N. Generator & Substation	01/01/37	50,248	921,399
09/24/15	1,596,553	Backwash Water Supply	07/01/36	92,019	1,687,465
10/29/15	441,878	Sedimentation Basin 1 & 2	01/01/37	22,181	442,144
04/27/17	759,321	Stow Rd Emerg. Connection	07/01/38	-	593,770
04/26/18	573,613	Spillway Improvements	01/01/29	-	357,268
06/28/18	209,269	Eastwood Pump Station Impr.	01/01/39	-	4,552
07/26/18	288,468	Lead Service Line Replacement	01/01/39	-	3,842
09/27/18	2,665,509	Middleton Road Water Main	07/01/39	-	57,424
	<u>\$ 70,729,356</u>			<u>\$ 7,443,742</u>	<u>\$ 45,177,726</u>

19. Pledged Revenues (Continued)

Sewer System Revenues

The City has pledged future sewer customer revenues, net of specified operating expenses to repay \$666.3 million in Ohio Water Development Authority loans issued at various dates ranging from October 30, 2008 through June 29, 2017. Proceeds from the loans provided financing for various sewer projects. The loans are payable solely from sewer customer net revenues and have varying maturity dates ranging from January 1, 2018 through July 1, 2063. The total principal and interest remaining to be paid on the bonds as of December 31, 2018 is \$673,364,315. Principal and interest paid for 2018 and total customer net revenues were \$18,646,290 and \$38,344,665 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
10/30/08	\$ 1,547,061	Water Meter Replcmnt	01/01/20	\$ 185,568	\$ 277,308
01/14/10	989,338	Sand Run Sewer Recon	01/01/30	68,468	778,093
11/19/09	160,393	Mill Street Sewer Repair	07/01/30	11,106	131,630
12/10/09	369,492	WPC Control System	07/01/20	43,681	86,451
12/10/09	86,741	WWTP Roof Replcmnt	01/01/30	6,005	68,218
03/31/11	846,270	Lake Woods Pump Station	01/01/32	64,480	806,143
02/24/11	2,189,031	Massillon Road Sewer	01/01/32	163,178	2,168,731
02/24/11	414,210	2nd Street Pump Station	01/01/32	30,765	408,886
12/08/11	2,987,144	CSO Rack 8 Sewer Sep	07/01/32	180,738	2,530,322
12/08/11	2,375,202	Water Wall	01/01/33	172,968	1,863,909
12/08/11	903,132	Sanitary Sewer Recon 2011	01/01/32	51,283	800,303
10/27/11	23,943,236	WPC Step Feed Ph1	07/01/33	1,107,876	22,396,187
10/27/11	1,243,132	CSO Rack 25 Separation	01/01/33	81,975	1,188,640
10/27/11	979,845	Northside Interceptor Rehab	07/01/32	64,612	904,588
05/31/12	2,137,778	WPCS High Rate Treatment	01/01/19	333,038	166,520
12/06/12	2,114,697	Mud Run Pump Prgm Imp CD	07/01/19	453,041	453,041
03/28/13	4,861,683	Litle Cuahoga Int Rplcmnt	07/01/34	327,034	5,256,558
05/30/13	2,593,857	Main Outfall Sewer Rehab	07/01/33	50,059	2,226,336
08/29/13	6,174,836	Mud Run Trunk Swr Lining	01/01/35	416,036	6,757,913
10/31/13	334,170	CSO WPCS Headworks Study	07/01/19	59,397	70,149
10/31/13	1,523,988	WPCS Final Settling Tanks	01/01/20	151,321	427,274
01/30/14	1,881,680	Main Outfall Sewer	07/01/34	4,655	1,724,123
01/30/14	1,063,037	Rack 12 CSO Storage Basin	07/01/19	188,580	221,794
01/30/14	781,309	Rack 14 CSO Storage Basin	07/01/19	171,151	171,151
04/24/14	3,419,313	Retention Tank #2 Rehab.	01/01/36	251,070	3,592,692
04/24/14	1,500,016	Kingswood-Rocky Hollow Swr	07/01/34	98,663	1,653,512
06/26/14	11,029,390	Rack 15 Storage Basin	01/01/36	514,297	11,348,917
06/26/14	17,900,171	Mud Run Pump Station Impr.	07/01/36	1,213,612	16,816,245
08/28/14	6,827,976	OCIT Lining Protection of LCI	07/01/35	350,285	7,317,737
02/26/15	5,070,277	Mud Run Dist. Cap. Impr.	01/01/36	305,623	4,037,351
02/26/15	18,319,051	Rack 14 CSO Storage Basin	01/01/38	567,715	20,815,019
04/30/15	25,387,222	CSO Program Mgmt 2013	07/01/21	5,414,889	16,244,663
05/28/15	1,155,041	OCIT Otto St Pump Station	01/01/36	72,104	1,023,339

19. Pledged Revenues (Continued)

Sewer System Revenues (Continued)

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
05/28/15	\$ 6,564,391	Sanitary Sewer Reconstruction	01/01/36	\$ 409,786	\$ 7,171,259
09/24/15	4,433,515	Sanitary Sewer Reconstruction	01/01/36	281,733	4,930,317
02/25/16	1,431,749	Sanitary Sewer Reconstruction	01/01/36	43,770	1,234,869
05/28/15	31,617,614	Rack 12 CSO Storage Basin	01/01/38	976,696	30,275,869
07/30/15	5,502,246	Sanitary Sewer Rec 2014 Ph 2	01/01/36	344,451	4,812,638
08/27/15	5,844,021	Sanitary Sewer Rec 2014 Ph 1	01/01/37	366,877	5,970,355
10/29/15	3,273,284	Dan Sewer Separation	01/01/37	201,783	3,347,496
10/29/15	254,744,002	Ohio Canal Interceptor Tunnel	07/01/49	-	285,785,668
12/10/15	5,653,479	Mud Run District I-I Rehab	01/01/37	348,956	3,714,675
12/10/15	4,500,378	Mud Run District Repairs	01/01/37	277,781	4,519,394
12/10/15	1,374,691	Shullo & Weathervane Pump	07/01/36	84,851	1,415,019
01/28/16	1,299,344	Seiberling Street Sewer	01/01/26	145,535	631,665
02/25/16	4,823,288	Sewer Maintenance Relocation	01/01/47	215,948	6,155,924
03/31/16	26,047,415	Main Outfall Relief Sewer	01/01/48	444,678	31,753,657
06/30/16	1,238,790	White Pond Dr Pump Station	01/01/47	53,252	1,249,973
06/30/16	22,158,491	Middlebury Separation	07/01/48	915,923	25,152,356
06/30/16	14,692,039	Merriman Separation - Rack 36	07/01/48	-	15,427,324
08/25/16	2,147,990	Carpenter Sewer Separation	07/01/37	125,442	1,621,936
08/25/16	1,458,160	Tallmadge Ave Sanitary Sewer	07/01/47	59,693	1,731,077
08/25/16	47,518,521	WRF Step Feed Phase 2	07/01/49	-	41,233,302
08/25/16	7,409,403	Old Main Sewer Separation	07/01/48	-	6,612,226
09/29/16	5,147,458	Sanitary Sewer Recon 2016	01/01/48	104,322	4,589,884
04/27/17	18,071,206	CSO Program Management	07/01/24	-	14,118,703
04/27/17	2,110,593	Kelly CSO Rack 3 Design	07/01/23	-	1,970,954
04/27/17	2,210,043	Hazel Storage Basin	07/01/23	-	2,080,160
05/25/17	6,001,126	WRF Headworks Impr.	07/01/24	-	2,218,066
05/25/17	1,100,228	WRF Stormwater Ret. Tank	07/01/23	-	1,078,254
05/25/17	21,922,129	Howard Storage Basin	07/01/63	-	25,363,261
06/29/17	2,919,239	Aqueduct St Green Impr.	01/01/48	69,540	2,464,291
	<u>\$ 666,324,552</u>			<u>\$ 18,646,290</u>	<u>\$ 673,364,315</u>

19. Pledged Revenues (Continued)

JEDD Revenues

The City has pledged future JEDD revenues to repay JEDD revenue bonds originally issued in 2000 and 2002 for \$53.2 million. These bonds were refinanced in December of 2011 with a \$27.2 million refunding bond issue. Proceeds from the original bonds issued provided financing for various water and sewer projects. The bonds are payable solely from JEDD revenues and have a final maturity date of December 1, 2022. The total principal and interest remaining to be paid on the bonds as of December 31, 2018 is \$12,379,175. Principal and interest paid for 2018 and total JEDD revenues were \$4,268,363 and \$14,905,073 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
12/21/11	\$ 27,165,000	Various Water/Sewer Projects	12/01/22	\$ 4,268,363	\$ 12,379,175

Non-Tax Revenues

The City has pledged future non-tax revenues, to repay \$41.5 million in non-tax revenue bonds issued November 25, 2014 through November 12, 2015. In December of 2011, bonds were issued to refund the bonds originally issued in 1997. The 2014 issue refunded the issue from 2008. The 2015 issue refunded the issue from 2006. Proceeds from the bonds provided financing for various economic development and renovation projects. The bonds are payable from non-tax revenue including shared revenue, charges for services, licenses, fees, and fines, and miscellaneous revenue. The maturity dates range from December 1, 2026 through December 1, 2034. The total principal and interest remaining to be paid on the bonds as of December 31, 2018 is \$40,948,183. Principal and interest paid for 2018 and total non-tax revenues were \$4,198,616 and \$105,985,957 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
11/25/14	\$ 28,230,000	Various Econ. Dev. Proj.	12/01/34	\$ 2,508,150	\$ 27,407,280
11/12/15	<u>13,250,000</u>	Various Econ. Dev. Proj.	12/01/26	<u>1,690,466</u>	<u>13,540,903</u>
	<u>\$ 41,480,000</u>			<u>\$ 4,198,616</u>	<u>\$ 40,948,183</u>

19. Pledged Revenues (Continued)

Income Tax Revenues

The City has pledged future income tax revenues to repay \$164.6 million in income tax revenue bonds and bond anticipation notes issued at various dates ranging from December 15, 2011 through December 11, 2018. The 2011 issue refunded an issue from 1999. The 2016 issue partially refunded the 2012 issue. Proceeds from the bonds provided financing for various liabilities, equipment, facilities, and improvements. The bonds are payable solely from income tax revenues and have varying maturity dates ranging from October 19, 2018 through December 1, 2048. The total principal and interest remaining to be paid on the bonds as of December 31, 2018 is \$152,978,371. Principal and interest paid for 2018 and total income tax revenues were \$9,816,449 and \$146,678,960 respectively.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service	Future Debt Service
12/15/11	\$ 6,405,000	Pension	12/01/23	\$ 699,175	\$ 3,517,500
11/14/12	28,870,000	Var Purp IT Rev Bonds	12/01/32	236,150	10,517,869
08/08/13	2,493,570	OAQDA Series A	12/01/21	328,910	986,712
08/08/13	2,355,914	OAQDA Series B	12/01/28	98,948	3,049,070
08/07/14	838,000	OAQDA Series A	12/01/21	124,376	373,129
11/25/14	32,340,000	Var Purp IT Rev Bonds	12/01/34	2,647,000	38,958,750
06/24/15	5,500,000	Var Purp IT Rev Bonds	06/01/35	348,090	5,739,840
11/12/15	25,370,000	Var Purp IT Rev Bonds	12/01/28	4,499,150	22,732,550
12/06/16	14,655,000	Var Purp IT Rev Bonds	12/01/28	834,650	18,002,700
10/19/18	2,500,000	Health Benefit Ban	10/17/19	-	2,549,722
11/14/18	2,000,000	Var Purp IT Rev Bonds	12/01/48	-	3,809,044
12/11/18	41,300,000	Var Purp IT Rev Note	12/10/19	-	42,741,485
	<u>\$ 164,627,484</u>			<u>\$ 9,816,449</u>	<u>\$ 152,978,371</u>

CLC Income Tax Revenues

The City's income tax rate includes .25% Community Learning Center (CLC) income tax revenue. This is designated exclusively for funding the Akron Public Schools' local share in obtaining State of Ohio grants for the construction and renovation of community learning centers (CLC) in Akron. The City has issued bonds totaling \$314 million with final maturities in 2026 and 2033. The Akron Public Schools' annual contribution towards this debt is \$3,000,000. The City has committed each year, from the supplemental income tax revenue, amounts sufficient to cover the City's portion of the principal and interest requirements. Total principal and interest remaining on bonds are \$346,715,925. For 2018 total principal and interest paid by the City was \$22,129,981 and total income tax revenues were \$16,916,760.

Issued	Amount of Issue	Purpose of Issue	Final Maturity	Debt Service*	Future Debt Service
07/28/10	\$ 17,880,000	Community Learning Centers	12/01/33	\$ 836,775	\$ 1,024,650
07/28/10	12,060,000	Community Learning Centers	12/01/33	765,548	21,019,991
07/28/10	15,060,000	Community Learning Centers	12/01/26	884,624	19,925,434
06/27/12	155,360,000	Community Learning Centers	12/01/33	12,963,500	192,604,500
05/07/14	50,000,000	Community Learning Centers	12/01/33	2,746,719	25,169,350
12/08/16	27,000,000	Community Learning Centers	12/01/33	2,301,450	34,538,650
12/20/17	36,615,000	Community Learning Centers	12/01/33	1,631,365	52,433,350
	<u>\$ 313,975,000</u>			<u>\$ 22,129,981</u>	<u>\$ 346,715,925</u>

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

20. Pollution Remediation

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Cost* addresses reporting standards for pollution remediation obligations. The City is aware of four sites that meet the requirements for disclosure. The first site is a vacant, undeveloped piece of land known as the Middlebury Property which includes Middlebury East. The City of Akron legally obligated itself by voluntarily commencing cleanup activities and obtained a \$750,000 grant to assist in the remediation clean-up. The projected cost to remediate Middlebury East was estimated at approximately \$1,200,000. A No Further Action (NFA) letter was submitted to the Ohio Environmental Protection Agency (OEPA) in 2014. Ohio EPA issued a Covenant Not To Sue on July 14, 2015. However, the cost of the abandonment of all the wells, piping and vaults associated with the remediation will be completed in 2019 with an estimated cost of \$234,000. There are no expenses expected for 2020 and beyond. This amount is included in the Statement of Net Position as of December 31, 2018.

The second site is known as the Westside Depot property where the City of Akron was compelled to take remediation action. This site used to house an underground storage tank (UST) system. During an upgrade to this system in 1991, there was evidence of residual petroleum hydrocarbons under the tank and the associated dispensing equipment. This site also had been the location of a previous UST system that may have consisted of a diesel tank, a gasoline tank, and a kerosene tank. The City conducted free product recovery in 2016 from this site. The Ohio Bureau of Undergrnd Storage Tank Regulation (BUSTR) approved the City's Tier II evaluation in November 2016. The amount estimated for 2018 is \$25,600 with \$45,000 for 2020 and beyond. These amounts are recorded as a liability in the Airport Fund as of December 31, 2018.

The third site for remediation work is known as the former location of the Water Distribution Center with an address of 565 Johnston Street. This property was transferred to ODOT for roadway construction. In 2015, two UST's were discovered during grading activities and removed along with the soil. The City submitted a Closure Assessment Form to BUSTR which confirmed that there was a release from the UST's. On November 22, 2016, BUSTR issued a Responsible Person Notification to the City naming it the responsible party. The City just received a NFA (No Further Action) letter from BUSTR on March 18, 2019. This site is now complete and no more work is required for remediation purposes. There is no further cost for liability for 2019 and beyond.

The fourth site is known as the Water Reclamation Facility Underground Storage Tanks Project. There has been an ongoing remediation of two former USTs at the City's Water Reclamation Facility since 1991. The tanks were removed from the ground over ten years ago and have been regulated under the Ohio BUSTR because there was a release from each UST. The City completed the implementation of corrective action for each release in accordance with BUSTR's regulations. A round of tests performed in 2017 showed everything below action levels. A request to BUSTR for a No Further Action letter was submitted in December 2017. After this evaluation was completed, the City recieved a NFA letter from BUSTR dated February 21, 2018. This completes the 1991 remediation project for this site. There is no further cost liability for 2019 and beyond.

21. Deferred Inflows/Outflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has nonexchange revenue transactions and loans where a receivable has been recorded (such as when property taxes were levied), but the resources cannot be used until a future period. When the City refinances certain debt obligations, the portion of the gain that is not recognized in the current period has been deferred. These items have been reported as deferred inflow on the government-wide Statement of Net Position. In addition, deferred inflows related to pensions and OPEB are reported in the government-wide and proprietary fund statements of net position. Deferred inflows related to pensions and OPEB result from changes in Net Pension Liability and Net OPEB Liability not recognized as a component of current year pension and OPEB expense. This amount is deferred and amortized over various periods as instructed by the pension plan administrators.

On the Statement of Net Position Proprietary Funds, the City has recorded certain deferred items that will not be expensed in the current period. Internal service fund deferred outflows from pension and OPEB expense at December 31, 2018 were \$3,412,655 are included in governmental activities:

	Governmental Activities	Business Type Activities			Total Enterprise Funds
		Water	Sewer	Other Enterprise Funds	
Deferred Loss on Early Retirement	\$ 188,656	\$ -	\$ -	\$ -	\$ -
OPEB Expense	25,246,550	1,221,979	765,825	34,983	2,022,787
Pension Expense	59,077,268	3,873,901	2,498,537	211,533	6,583,971
	<u>\$ 84,512,474</u>	<u>\$ 5,095,880</u>	<u>\$ 3,264,362</u>	<u>\$ 246,516</u>	<u>\$ 8,606,758</u>

A summary of the deferred inflows of resources reported in the government-wide and proprietary fund statement of position follows. Internal service fund deferred inflows related to pensions and OPEB at December 31, 2018 were \$2,985,053 and are included in governmental activities.

	Governmental Activities	Business Type Activities				Total Enterprise Funds
		Water	Sewer	Off Street Parking	Other Enterprise Funds	
Deferred Gain	\$ 20,068,983	\$ -	\$ -	\$ -	\$ -	\$ -
Nonexchange revenues	108,549,772	345,496	800,095	10,910	-	1,156,501
OPEB	4,376,517	473,891	305,644	-	25,877	805,412
Pension	45,046,650	3,819,160	2,463,230	-	208,544	6,490,934
Pollution	-	-	-	-	45,000	45,000
Loans	7,508,774	-	-	-	-	-
	<u>\$ 185,550,696</u>	<u>\$ 4,638,547</u>	<u>\$ 3,568,969</u>	<u>\$ 10,910</u>	<u>\$ 279,421</u>	<u>\$ 8,497,847</u>

21. Deferred Inflows/Outflows of Resources (Continued)

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

	Governmental Funds						
	General Fund	Community Learning Centers	Income Tax Capital Improvement	Special Assessment Fund	Streets	Other Governmental Funds	Total Governmental Funds
Grants	\$ -	\$ -	\$ -	\$ -	\$ 101,991	\$ 2,561,868	\$ 2,663,859
Income Taxes	5,690,025	2,115,638	2,104,530	-	-	2,122,567	12,032,760
Loan Payments	-	-	-	-	-	9,608,774	9,608,774
Property Taxes	22,574,151	-	-	34,567,751	-	10,647,047	67,788,949
Shared Revenue	2,805,493	45,000,000	-	-	-	2,524,091	50,329,584
TIF	-	-	-	486,882	-	15,684,889	16,171,771
	<u>\$ 31,069,669</u>	<u>\$ 47,115,638</u>	<u>\$ 2,104,530</u>	<u>\$ 35,054,633</u>	<u>\$ 101,991</u>	<u>\$ 43,149,236</u>	<u>\$ 158,595,697</u>

Deferred inflows described in the table above also include Shared Revenues of \$45,000,000 and Property Taxes of \$60,169,938 where the resources cannot be used until a future period.

22. Transfers and Advances

For the year ended December 31, 2018 transfers and advances presented in conformity with generally accepted accounting principles (GAAP) are listed in the following tables. Interfund transfers are made to cover expenditures/expenses in various funds or to fulfill grant match requirements.

	Transfers In					Total
	Transfers Out	Other Governmental Funds	Sewer	Other Enterprise Funds	Off- Street Parking	
Governmental Funds:						
General Fund	<u>\$ 11,977,061</u>	<u>\$ 11,186,061</u>	<u>\$ 10,000</u>	<u>\$ 481,000</u>	<u>\$ 300,000</u>	<u>\$ 11,977,061</u>

The table below presents the amounts the City has advanced to various funds during 2018.

	Advanced From	Advanced To		Total
		Other Governmental Funds	Other Internal Service Funds	
Governmental Funds:				
General Fund	\$ 1,356,000	\$ 606,000	\$ 750,000	\$ 1,356,000
Income Tax Capital Improvement	950,710	950,710	-	950,710
	<u>\$ 2,306,710</u>	<u>\$ 1,556,710</u>	<u>\$ 750,000</u>	<u>\$ 2,306,710</u>

23. Contingencies

(1) Litigation

The City is a defendant in a number of lawsuits pertaining to matters that are incidental to performing routine governmental functions. During 2019, an agreement was reached in an ongoing case, the plaintiff and City agreed to a settlement in the amount of \$1,150,000 to be paid over a three year period. The City's management is of the opinion that ultimate settlement of all outstanding litigation and claims will not result in a material adverse effect on the City's financial position.

(2) Federal and State Grants

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

(3) Water Agreement

The City of Akron acquired a water system, located in Hudson, from the County of Summit in December of 2006 for \$6,454,845. In exchange for the water system, the County received the benefit of a future credit to be applied towards the purchase of Akron owned sewer infrastructure. As of December 31, 2018, the County has not purchased any sewer infrastructure and the full balance of the credit is remaining.

24. Closure and Post-Closure Care Costs

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

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

25. Jointly Governed Organizations

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

26. Joint Ventures

The Copley-Akron Joint Economic Development District ("JEDD") was created by contract between the City and Copley Township ("Township") under the provisions of Ohio Revised Code sections 715.70 and 715.71. The JEDD is governed by a six member Board of Directors of which three members are from the City (Mayor and two members of Council appointed by the Mayor and approved by Council) and three members are from the Township (all three Township Trustees). The JEDD Boards, pursuant to the contract, levies an income tax at the same rate as the City of Akron's income tax. The proceeds of that tax are allocated, in accordance with the contract, primarily to the City. Because it is legally separate from the City the JEDD is not reported as part of the primary government. A summary of the financial information is as follows:

Statement of Receipts, Disbursements and Change in Fund Balance
(Cash Basis)

Income Tax Receipts	\$ 6,621,020
Contractual Disbursements	<u>(840,252)</u>
	5,780,768
Disbursements to Akron	<u>(5,780,768)</u>
Change in Fund Cash Balance	-
Fund Cash Balance, January 1, 2018	-
Fund Cash Balance, December 31, 2018	<u><u>\$ -</u></u>

26. Joint Ventures (Continued)

The Coventry-Akron Joint Economic Development District (“JEDD”) was created by contract between the City and Coventry Township (“Township”) under the provisions of Ohio Revised Code sections 715.70 and 715.71. The JEDD is governed by a six member Board of Directors of which three members are from the City (Mayor and two members of Council appointed by the Mayor and approved by Council) and three members are from the Township (all three Township Trustees). The JEDD Boards, pursuant to the contract, levies an income tax at the same rate as the City of Akron’s income tax. The proceeds of that tax are allocated, in accordance with the contract, primarily to the City. Because it is legally separate from the City the JEDD is not reported as part of the primary government. A summary of the financial information is as follows:

Statement of Receipts, Disbursements and Change in Fund Balance
(Cash Basis)

Income Tax Receipts	\$	3,243,262
Contractual Disbursements		(480,620)
		2,762,642
Disbursements to Akron		(2,762,642)
Change in Fund Cash Balance		-
Fund Cash Balance, January 1, 2018		-
Fund Cash Balance, December 31, 2018	\$	-

The Springfield-Akron Joint Economic Development District (“JEDD”) was created by contract between the City and Springfield Township (“Township”) under the provisions of Ohio Revised Code sections 715.70 and 715.71. The JEDD is governed by a six member Board of Directors of which three members are from the City (Mayor and two members of Council appointed by the Mayor and approved by Council) and three members are from the Township (all three Township Trustees). The JEDD Boards, pursuant to the contract, levies an income tax at the same rate as the City of Akron’s income tax. The proceeds of that tax are allocated, in accordance with the contract, primarily to the City. Because it is legally separate from the City the JEDD is not reported as part of the primary government. A summary of the financial information is as follows:

Statement of Receipts, Disbursements and Change in Fund Balance
(Cash Basis)

Income Tax Receipts	\$	3,232,540
Contractual Disbursements		(400,419)
		2,832,121
Disbursements to Akron		(2,832,121)
Change in Fund Cash Balance		-
Fund Cash Balance, January 1, 2018		-
Fund Cash Balance, December 31, 2018	\$	-

26. Joint Ventures (Continued)

The Bath-Akron-Fairlawn Joint Economic Development District (“JEDD”) was created by contract between the City of Akron (City), City of Fairlawn and Bath Township (“Township”) under the provisions of Ohio Revised Code sections 715.70 and 715.71. The JEDD is governed by a nine member Board of Directors of which three members are from the City (Mayor and two members of Council appointed by the Mayor and approved by Council), three members are from the City of Fairlawn (Mayor and approved by Council) and three members are from the Township (all three Township Trustees). The JEDD Boards, pursuant to the contract, levies an income tax at the same rate as the City of Akron’s income tax. The proceeds of that tax are allocated, in accordance with the contract, primarily to the City. Because it is legally separate from the City the JEDD is not reported as part of the primary government. A summary of the financial information is as follows:

Statement of Receipts, Disbursements and Change in Fund Balance
(Cash Basis)

Income Tax Receipts	\$	8,226,832
Contractual Disbursements		<u>(4,697,285)</u>
		3,529,547
Disbursements to Akron		<u>(3,529,547)</u>
Change in Fund Cash Balance		-
Fund Cash Balance, January 1, 2018		-
Fund Cash Balance, December 31, 2018	\$	<u><u>-</u></u>

27. Related Organization

The City of Akron, in conjunction with Summit County, University of Akron, Medina County, and Greater Akron Chamber of Commerce, agreed to form the Summit Medina Business Alliance (SMBA). SMBA is a not-for-profit corporation which supports economic development of the region. The organization entered into an agreement with the Kent Regional Business Alliance to carry out activities in cooperation with the Ohio Development Services Agency and the Small Business Administration. The Mayor of the City of Akron appoints three of the five voting members of the board of trustees of the Summit Medina Business Alliance. The SMBA does not pose a financial burden on the City of Akron since it receives revenues from the City and other governments in the area. During 2018, the City paid SMBA \$75,000 for operating expenses.

28. Fund Balance

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

	<u>General Fund</u>	<u>Community Learning Centers</u>	<u>Income Tax Capital Improvement</u>	<u>Special Assessment Fund</u>	<u>Streets Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:							
Restricted:							
Asset management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,416,196	\$ 23,416,196
Building, housing and economic incentive	-	-	94,588	-	-	53,887	148,475
Construction and renovation of CLCs	-	64,919,053	-	-	-	-	64,919,053
Community betterment and outreach	-	-	230,578	-	-	11,154,061	11,384,639
Debt service reserves	-	-	-	-	-	1,044,248	1,044,248
Information technology	-	-	-	-	-	1,224,134	1,224,134
Life enrichment	-	-	609,248	-	-	111,982	721,230
Police and fire equipment	-	-	2,059,598	-	-	-	2,059,598
Protection and enforcement	-	-	50,001	-	-	4,797,831	4,847,832
Transportation/mobility	-	-	140,767	-	-	1,917,726	2,058,493
Total restricted	<u>-</u>	<u>64,919,053</u>	<u>3,184,780</u>	<u>-</u>	<u>-</u>	<u>43,720,065</u>	<u>111,823,898</u>
Committed:							
Building, housing and economic incentive	-	-	-	-	-	1,556,882	1,556,882
Community betterment and outreach	-	-	-	-	-	187,902	187,902
Information technology	-	-	-	-	-	157,824	157,824
Life enrichment	-	-	-	-	-	452,185	452,185
Non-financial assets held for resale	-	-	-	-	-	5,166,364	5,166,364
Protection and enforcement	471,456	-	-	-	-	-	471,456
Transportation/mobility	-	-	-	-	-	1,022,867	1,022,867
Total committed	<u>471,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,544,024</u>	<u>9,015,480</u>
Assigned:							
Asset management	139,167	-	-	-	-	-	139,167
Building, housing and economic incentive	152,440	-	-	-	-	-	152,440
Community betterment and outreach	12,169	-	-	-	-	-	12,169
General governance	65,940	-	-	-	-	-	65,940
Life enrichment	233,914	-	-	-	-	-	233,914
Municipal justice	36,827	-	-	-	-	-	36,827
Protection and enforcement	520,168	-	-	-	-	-	520,168
Transportation/mobility	21,045	-	-	-	-	-	21,045
Waste management	384,848	-	-	-	-	-	384,848
Wellness and prevention	12,687	-	-	-	-	-	12,687
Total assigned	<u>1,579,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,579,205</u>
Unassigned	<u>10,299,737</u>	<u>-</u>	<u>-</u>	<u>(9,901,239)</u>	<u>(1,842,594)</u>	<u>(6,167,865)</u>	<u>(7,611,961)</u>
Total fund balances	<u>\$ 12,350,398</u>	<u>\$ 64,919,053</u>	<u>\$ 3,184,780</u>	<u>\$ (9,901,239)</u>	<u>\$ (1,842,594)</u>	<u>\$ 46,096,224</u>	<u>\$ 114,806,622</u>

29. Tax Abatements

Community Reinvestment Areas (CRAs) were established under Ohio Revised Code Section 3735.66 and administered through ORC Sections 3735.66 to 3735.70. The ORC Sections prescribe that in return for building or remodeling properties within the CRA boundaries, applicants can apply for an exemption of real property taxes at 100% of the increased market value of the property.

The City established a CRA in 2010 relating to Envision Apartments. For the fiscal year ended December 31, 2018, the City had only 1 active CRA for which it abated property taxes totaling \$30,900.

During 2017 the City of Akron launched the residential tax abatement program, which designates the entire City as a CRA. Through the program residential applicants can apply for an exemption of real property taxes at 100% of the added property value on any new construction or improvements for a period of 15 years. For the fiscal year ended December 31, 2018, residential taxes abated are immaterial.

30. Restatement of Net Position

For 2018, the City implemented the Governmental Accounting Standards Board (GASB) Statement no. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions". GASB 75 established standards for measuring and recognizing OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and related expenditures. The implementation of this standard had the following effect on net position as reported December 31, 2017:

	Balance as of December 31, 2017	Restatement for Net OPEB Liability	Restatement for Deferred Outflows Subsequent to Measurement Date	December 31, 2017 as restated
Statement of Net Position				
Governmental Activities	\$ 182,818,298	\$ (257,733,618)	\$ 4,867,624	\$ (70,047,696)
Business-type Activities	462,203,220	(25,361,337)	761,763	437,603,646
Governmental Funds				
Internal Service Funds	(11,098,190)	(9,082,215)	258,021	(19,922,384)
Proprietary Funds				
Water	117,214,945	(15,387,206)	464,879	102,292,618
Sewer	267,609,012	(9,641,897)	289,030	258,256,145
Other Enterprise Funds	8,885,218	(332,234)	7,854	8,560,838

31. Future Leasing Rights, Assigned Agreements and Collateralized Borrowing

During 2017, the City entered into an agreement with EIP Communications I, LLC (EIP), under which the City relinquishes to EIP its future interest in the Assigned Agreements to EIP for the next 50 years. The City received from EIP a lump-sum payment of \$11,104,987.31. The estimated present value of the cell tower rent payments sold assuming a 2.2% interest rate and 4% rent escalation at the time of sale was \$4,028,193.95.

31. Future Leasing Rights, Assigned Agreements and Collateralized Borrowing (Continued)

The City reports \$6,935,257 on the Balance Sheet – Governmental Funds as unearned revenue that will be recognized over 50 years. The City also reports \$3,553,787 on the Statement of Net Position as Liabilities due in more than one year as of December 31, 2018. The following is a summary of the City's future debt service requirements as of December 31, 2018:

Fiscal Year Ending	Principal
<u>December 31</u>	
2019	\$ 474,407
2020	474,407
2021	474,407
2022	474,407
2023	474,407
2024-2028	<u>1,181,752</u>
	<u>\$ 3,553,787</u>

32. Subsequent Events

On January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipened-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, OP&F management expects that it will be able to provide stipends to eligible participants for the next 15 years. The effect of this change on the City's December 31, 2018 proportionate share of the net OPEB Liability is unkown at the date of this report.

On February 11, 2019, City Council passed ordinance 42-2019 authorizing the City to enter into a Guarantee Agreement in connection with the issuance by the Development Finance Authority (DFA) of Summit County of revenue bonds for the benefit of Akron Community Service Center and Urban League, Inc. On March 1, 2019, revenue bonds in the amount of \$2,750,000 were issued by DFA. The City and Summit County each guarantee 50% of the payments not made when due by Akron Community Service Center and Urban League, Inc. The City and County's original guarantees as disclosed in Note No. 11 were released with the issuance of the 2019 bonds.

On March 25, 2019, City Council passed ordinance 83-2019 authorizing the issuance of bonds in the maximum principal amount of \$95,000,000 for improvements to the City's wastewater system.

On June 10, 2019, City Council passed ordinance 162-2019 authorizing the issuance of loans in the maximum principal amount of \$9,736,785 for improvements to the City's Water Supply.

On June 17, 2019, City Council passed ordinance 181-2019 authorizing the issuance of bonds in the maximum principal amount of \$12,060,000 for improvements to Community Learning Centers.

32. Subsequent Events (Continued)

On June 17, 2019, City Council passed ordinance 182-2019 authorizing amendments to agreements between the City of Akron and Akron Energy Systems, LLC relating to the refunding of the \$13,200,000 Certificates of Participation, Series 2010 previously issued to finance improvements to the City's steam, hot water and chilled system.

On June 24, 2019, City Council passed ordinance 186-2019 authorizing the issuance of notes in the maximum principal amount of \$2,500,000 to pay the costs of maintaining the self-insurance program for employee health care benefits.

On June 24, 2019, City Council passed ordinance 187-2019 authorizing the issuance of notes in the maximum principal amount of \$13,000,000 for improvements to the City's streets by providing street-cleaning services and street lighting.

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City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 General Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Taxes, Assessments and JEDD	\$ 112,931,390	\$ 112,785,383	\$ 114,627,036
Intergovernmental Revenues	7,221,600	7,470,824	10,656,824
Charges for Services	36,358,110	36,358,110	30,168,662
License and Fees	3,579,390	3,579,390	2,969,012
Miscellaneous Revenues	10,368,890	10,368,900	7,328,874
	<u>170,459,380</u>	<u>170,562,607</u>	<u>165,750,408</u>
Other sources:			
Previous year's encumbrances	1,576,347	1,576,347	1,576,347
	<u>1,576,347</u>	<u>1,576,347</u>	<u>1,576,347</u>
Total revenues and other sources	172,035,727	172,138,954	167,326,755
Expenditures and other uses			
Expenditures:			
Civil Service:			
Wages/benefits	1,013,320	1,013,320	946,926
Other	149,929	160,029	152,194
	<u>1,163,249</u>	<u>1,173,349</u>	<u>1,099,120</u>
Finance:			
Wages/benefits	2,420,070	2,420,070	2,413,085
Other	3,930,329	6,530,329	6,376,404
Capital Outlay	-	-	-
	<u>6,350,399</u>	<u>8,950,399</u>	<u>8,789,489</u>
Law:			
Wages/benefits	3,157,780	3,157,780	3,041,924
Other	1,427,911	1,427,911	1,239,574
	<u>4,585,691</u>	<u>4,585,691</u>	<u>4,281,498</u>
Legislative:			
Wages/benefits	1,137,240	1,137,240	1,096,859
Other	252,410	252,410	221,601
	<u>1,389,650</u>	<u>1,389,650</u>	<u>1,318,460</u>
Municipal Court - Clerk:			
Wages/benefits	3,645,850	3,645,850	3,511,943
Other	403,585	403,585	387,737
	<u>4,049,435</u>	<u>4,049,435</u>	<u>3,899,680</u>

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 General Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018
 (continued)

	Budgeted Amounts		
	Budgeted Amounts		
	Original	Final	Actual Amounts
Municipal Court - Judges:			
Wages/benefits	\$ 4,936,300	\$ 4,926,300	\$ 4,606,491
Other	221,605	246,605	245,642
	<u>5,157,905</u>	<u>5,172,905</u>	<u>4,852,133</u>
Office of the Mayor:			
Wages/benefits	2,599,700	2,699,700	2,663,457
Other	341,221	356,121	345,416
	<u>2,940,921</u>	<u>3,055,821</u>	<u>3,008,873</u>
Planning:			
Wages/benefits	947,280	947,280	890,440
Other	95,361	370,361	349,017
	<u>1,042,641</u>	<u>1,317,641</u>	<u>1,239,457</u>
Public Health:			
Wages/benefits	51,290	176,290	174,509
Other	4,153,542	4,238,542	4,179,150
	<u>4,204,832</u>	<u>4,414,832</u>	<u>4,353,659</u>
Public Safety:			
Wages/benefits	5,906,030	5,906,030	5,621,837
Other	8,711,458	8,711,458	7,709,483
	<u>14,617,488</u>	<u>14,617,488</u>	<u>13,331,320</u>
Public Service:			
Wages/benefits	9,653,160	9,833,160	9,419,499
Other	12,136,582	13,956,582	13,016,747
Capital outlay	231	25,231	14,325
	<u>21,789,973</u>	<u>23,814,973</u>	<u>22,450,571</u>
Fire:			
Wages/benefits	24,394,000	24,394,000	23,955,038
Other	12,444,415	12,407,765	12,317,358
Capital Outlay	-	36,650	36,618
	<u>36,838,415</u>	<u>36,838,415</u>	<u>36,309,014</u>
Police:			
Wages/benefits	53,298,520	53,298,520	51,579,496
Other	4,701,794	4,701,794	3,799,975
Capital outlay	75,000	75,000	68,254
	<u>58,075,314</u>	<u>58,075,314</u>	<u>55,447,725</u>

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

For the Year Ended December 31, 2018
 (continued)

	Budgeted Amount		Actual Amounts
	Original	Final	
Neighborhood Assistance:			
Wages/benefits	\$ 5,549,410	\$ 5,649,410	\$ 5,499,815
Other	1,646,334	1,736,334	1,416,665
	<u>7,195,744</u>	<u>7,385,744</u>	<u>6,916,480</u>
Total expenditures	<u>169,401,657</u>	<u>174,841,657</u>	<u>167,297,479</u>
Excess (deficiency) of revenues and other sources over expenditures	2,634,080	(2,702,703)	29,276
Fund balance, January 1, 2018	<u>8,276,509</u>	<u>8,276,509</u>	<u>8,276,509</u>
Fund balance, December 31, 2018	<u>\$ 10,910,589</u>	<u>\$ 5,573,806</u>	<u>\$ 8,305,785</u>

Note:

Included in Other expenditures above are transfers out and advances of the following:		
Finance	\$	1,310,000
Fire	\$	10,401,061
Legislative	\$	10,000
Police	\$	1,000
Public Service	\$	1,923,000

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 Community Learning Centers Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Taxes, Assessments and JEDD	\$ -	\$ -	15,603,049
Intergovernmental Revenues	-	-	1,004,484
Intra Fund Transfers	-	-	2,390,000
Miscellaneous Revenues	19,600,000	23,350,000	364,470
Total revenues	19,600,000	23,350,000	19,362,003
Expenditures			
Department Wide:			
Other	19,200,000	21,700,000	21,682,543
Total expenditures	19,200,000	21,700,000	21,682,543
Excess (deficiency) of revenues and other sources over expenditures	400,000	1,650,000	(2,320,540)
Fund balance, January 1, 2018	22,721,839	22,721,839	22,721,839
Fund balance, December 31, 2018	\$ 23,121,839	\$ 24,371,839	\$ 20,401,299

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 Income Tax Capital Improvement Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	Budgeted Amounts		
	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Taxes, Assessments and JEDD	\$ 37,244,790	\$ 48,221,460	\$ 38,657,290
Intergovernmental Revenues	95,560	123,730	39,971
Miscellaneous revenues	2,938,570	3,804,620	4,211,613
	40,278,920	52,149,810	42,908,874
Other sources:			
Note/bond proceeds	2,389,080	3,093,190	1,900,000
Previous year's encumbrances	1,432,576	1,432,576	1,432,576
	3,821,656	4,525,766	3,332,576
Total revenues and other sources	44,100,576	56,675,576	46,241,450
Expenditures			
Department Wide:			
Wages/benefits	551,240	551,240	511,610
Other	40,618,993	52,618,993	42,191,985
Capital outlay	3,576,122	3,576,122	3,104,109
	44,746,355	56,746,355	45,807,704
Total expenditures	44,746,355	56,746,355	45,807,704
Excess (deficiency) of revenues and other sources over expenditures	(645,779)	(70,779)	433,746
Fund deficit, January 1, 2018	(1,143,764)	(1,143,764)	(1,143,764)
Fund deficit, December 31, 2018	\$ (1,789,543)	\$ (1,214,543)	\$ (710,018)

Note: Included in Other expenditures above are advances of \$950,710.

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, 2018

	Budgeted Amounts		
	Budgeted Amounts		
	Original	Final	Actual Amounts
Revenues and other sources			
Revenues:			
Special assessments	\$ 19,291,390	\$ 19,291,390	\$ 16,777,599
Service revenues	11,490	11,490	48,268
Miscellaneous revenues	86,170	86,170	113,770
	<u>19,389,050</u>	<u>19,389,050</u>	<u>16,939,637</u>
Other sources:			
Note/Bond proceeds	14,935,950	14,935,950	13,000,000
Previous year's encumbrances	1,627,116	1,627,116	1,627,116
	<u>16,563,066</u>	<u>16,563,066</u>	<u>14,627,116</u>
Total revenues and other sources	35,952,116	35,952,116	31,566,753
Expenditures			
Finance:			
Wages/benefits	188,620	198,620	195,085
Other	1,852,580	1,852,580	1,547,669
	<u>2,041,200</u>	<u>2,051,200</u>	<u>1,742,754</u>
Planning:			
Other	251,600	251,600	-
	<u>251,600</u>	<u>251,600</u>	<u>-</u>
Public Service:			
Wages/benefits	4,909,200	4,909,200	4,740,989
Other	20,853,425	23,028,425	21,036,307
Capital outlay	1,643,022	1,643,022	1,555,913
	<u>27,405,647</u>	<u>29,580,647</u>	<u>27,333,209</u>
Neighborhood Assistance:			
Wages/benefits	363,270	413,270	402,721
Other	1,273,409	1,713,409	1,345,483
	<u>1,636,679</u>	<u>2,126,679</u>	<u>1,748,204</u>
Total expenditures	31,335,126	34,010,126	30,824,167
Excess of revenues and other sources over expenditures	4,616,990	1,941,990	742,586
Fund balance, January 1, 2018	<u>2,255,272</u>	<u>2,255,272</u>	<u>2,255,272</u>
Fund balance, December 31, 2018	<u>\$ 6,872,262</u>	<u>\$ 4,197,262</u>	<u>\$ 2,997,858</u>

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 Streets Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		
	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>
Revenues and other sources			
Revenues:			
Taxes, Assessments and JEDD	\$ 321,200	\$ 455,040	\$ 430,115
Intergovernmental Revenues	175,060	248,000	111,742
Service Revenues	500,160	708,560	3,046,743
Miscellaneous revenues	125,040	177,140	190,000
	<u>1,121,460</u>	<u>1,588,740</u>	<u>3,778,600</u>
Other sources:			
Note/Bond proceeds	10,878,540	15,411,260	8,359,593
Previous year's encumbrances	694,874	694,874	694,874
	<u>11,573,414</u>	<u>16,106,134</u>	<u>9,054,467</u>
Total revenues and other sources	12,694,874	17,694,874	12,833,067
Expenditures			
Department Wide:			
Wages/benefits	171,310	271,310	254,740
Other	4,228,417	5,928,417	4,127,230
Capital outlay	6,863,058	9,158,058	8,670,412
	<u>11,262,785</u>	<u>15,357,785</u>	<u>13,052,382</u>
Total expenditures	11,262,785	15,357,785	13,052,382
Excess (deficiency) of revenues and other sources over expenditures	1,432,089	2,337,089	(219,315)
Fund deficit, January 1, 2018	<u>(628,124)</u>	<u>(628,124)</u>	<u>(628,124)</u>
Fund balance (deficit), December 31, 2018	<u>\$ 803,965</u>	<u>\$ 1,708,965</u>	<u>\$ (847,439)</u>

City of Akron, Ohio

Required Supplementary Information
Schedule of Net Pension Liability and Related Ratios under OPERS

For the Year Ended December 31, 2018

Traditional Plan

Measurement Date	Proportion of Collective Net Pension Liability/(Asset)	Proportionate Share of Collective Net Pension Liability/(Asset)	Covered Payroll**	Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2017	0.43977	% \$ 68,990,774	\$ 58,131,654	118.7 %	84.7 %
12/31/2016	0.44509	101,073,278	57,520,375	175.7	77.3
12/31/2015	0.43764	75,805,111	54,382,817	139.4	81.1
12/31/2014	0.44358	53,500,585	52,357,017	102.2	86.5
12/31/2013	0.44358	52,292,185	53,972,510	96.9	86.4

OPERS Combined Plan

Measurement Date	Proportion of Collective Net Pension Liability/(Asset)	Proportionate Share of Collective Net Pension Liability/(Asset)	Covered Payroll**	Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2017	0.32691	% \$ (444,922)	\$ 1,329,738	33.5 %	137.3 %
12/31/2016	0.33706	(187,599)	1,312,142	14.3	116.6
12/31/2015	0.31566	(153,607)	1,117,900	13.7	116.9
12/31/2014	0.30583	(117,750)	1,123,475	10.5	114.8
12/31/2013	0.30586	(32,090)	1,123,400	2.9	114.8

OPERS Member Directed Plan

Measurement Date	Proportion of Collective Net Pension Liability/(Asset)	Proportionate Share of Collective Net Pension Liability/(Asset)	Covered Payroll**	Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2017	0.19522	% \$ (11,441)	\$ 1,066,892	1.07 %	124.5 %
12/31/2016	0.16885	(703)	890,550	0.08	103.4
12/31/2015	0.18979	(725)	905,960	0.08	103.9

** Covered Payroll has been estimated by the City of Akron.

City of Akron, Ohio

Required Supplementary Information
Schedule of Contributions Under OPERS to State Pension and OPEB

For the Year Ended December 31, 2018

Traditional Plan

Fiscal Year Ending	Measurement Year Ending	Statutorily Required Employer Contribution	Actual Employer Contributions	Contribution Excess (Deficiency)	Covered Payroll*	Contractually Required Contribution Rates:		
						Pension	OPEB	Total
12/31/2018	12/31/2017	\$ 8,288,758	\$ 8,288,758	\$ -	\$ 59,205,414	14.00 %	0.00 %	14.00 %
12/31/2017	12/31/2016	8,138,432	8,138,432	-	58,131,654	13.00	1.00	14.00
12/31/2016	12/31/2015	8,052,853	8,052,853	-	57,520,375	12.00	2.00	14.00
12/31/2015	12/31/2014	6,525,938	6,525,938	-	54,382,817	12.00	0.00	12.00
12/31/2014	12/31/2013	7,329,982	7,329,982	-	52,357,017	12.00	2.00	14.00
12/31/2013	N/A	7,556,151	7,556,151	-	53,972,510	10.00	4.00	14.00
12/31/2012	N/A	7,346,888	7,346,888	-	52,477,770	10.00	4.00	14.00
12/31/2011	N/A	7,556,151	7,556,151	-	53,972,510	10.00	4.00	14.00
12/31/2010	N/A	8,054,706	8,054,706	-	57,533,611	9.00	5.00	14.00
12/31/2009	N/A	10,626,522	10,626,522	-	75,903,729	7.00	7.00	14.00

Combined Plan

Fiscal Year Ending	Measurement Year Ending	Statutorily Required Employer Contribution	Actual Employer Contributions	Contribution Excess (Deficiency)	Covered Payroll*	Contractually Required Contribution Rates:		
						Pension	OPEB	Total
12/31/2018	12/31/2017	\$ 188,937	\$ 188,937	\$ -	\$ 1,349,550	14.00 %	0.00 %	14.00 %
12/31/2017	12/31/2016	186,163	186,163	-	1,329,738	13.00	1.00	14.00
12/31/2016	12/31/2015	183,700	183,700	-	1,312,142	12.00	2.00	14.00
12/31/2015	12/31/2014	156,506	156,506	-	1,117,900	12.00	2.00	14.00
12/31/2014	12/31/2013	157,286	157,286	-	1,123,475	12.00	2.00	14.00

Member Directed Plan

Fiscal Year Ending	Measurement Year Ending	Statutorily Required Employer Contribution	Actual Employer Contributions	Contribution Excess (Deficiency)	Covered Payroll*	Contractually Required Contribution Rates:		
						Pension	OPEB	Total
12/31/2018	12/31/2017	\$ 188,937	\$ 188,937	\$ -	\$ 1,349,550	14.00 %	0.00 %	14.00 %
12/31/2017	12/31/2016	149,365	149,365	-	1,066,892	13.00	1.00	14.00
12/31/2016	12/31/2015	124,677	124,677	-	890,550	12.00	2.00	14.00

*Covered payroll has been estimated by the City of Akron.

City of Akron, Ohio

Required Supplementary Information
Schedule of Net Pension Liability and Related Ratios under OP&F

For the Year Ended December 31, 2018

Fire

Measurement Date	Proportion of Collective Net Pension Liability/(Asset)	Proportionate Share of Collective Net Pension Liability/(Asset)	Covered Payroll**	Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2017	1.3615340	% \$ 80,801,637	\$ 25,926,353	311.7 %	70.9 %
12/31/2016	1.3274720	84,080,723	25,713,251	327.0	68.4
12/31/2015	1.3199200	84,911,384	23,457,047	362.0	66.8
12/31/2014	1.3172024	68,236,576	20,458,336	333.5	72.2
12/31/2013	1.3172024	64,151,888	18,706,713	342.9	72.2

Police

Measurement Date	Proportion of Collective Net Pension Liability/(Asset)	Proportionate Share of Collective Net Pension Liability/(Asset)	Covered Payroll**	Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2017	1.3006560	% \$ 79,827,131	\$ 31,566,974	252.9 %	70.9 %
12/31/2016	1.3613200	86,224,625	32,224,089	267.6	68.4
12/31/2015	1.3057420	83,998,130	29,950,321	280.5	66.8
12/31/2014	1.3597730	70,441,912	34,172,517	206.1	72.2
12/31/2013	1.3597730	66,225,111	35,596,596	186.0	72.2

** Covered Payroll has been estimated by the City of Akron.

City of Akron, Ohio

Required Supplementary Information
Schedule of Contributions Under OP&F to State Pension and OPEB

For the Year Ended December 31, 2018

Fire

Fiscal Year Ending	Measurement Year Ending	Statutorily	Actual	Contribution	Covered Payroll**	Contractually Required Contribution Rates:		
		Required Employer Contributions	Employer Contributions	Excess (Deficiency)		Pension	OPEB	Total
12/31/2018	12/31/2017	\$ 6,589,940	\$ 6,589,940	\$ -	\$ 27,458,083	23.50 %	0.50 %	24.00 %
12/31/2017	12/31/2016	6,092,693	6,092,693	-	25,926,353	23.50	0.50	24.00
12/31/2016	12/31/2015	6,042,614	6,042,614	-	25,713,251	23.50	0.50	24.00
12/31/2015	12/31/2014	5,512,406	5,512,406	-	23,457,047	23.50	0.50	24.00
12/31/2014	12/31/2013	4,807,709	4,807,709	-	20,458,336	23.50	0.50	24.00
12/31/2013	N/A	3,784,368	3,784,368	-	18,706,713	20.38	3.62	24.00
12/31/2012	N/A	3,784,368	3,784,368	-	21,938,365	17.25	6.75	24.00
12/31/2011	N/A	3,667,167	3,667,167	-	21,258,939	17.25	6.75	24.00
12/31/2010	N/A	3,707,534	3,707,534	-	21,492,951	17.25	6.75	24.00
12/31/2009	N/A	4,247,254	4,247,254	-	24,621,762	17.25	6.75	24.00

Police

Fiscal Year Ending	Measurement Year Ending	Statutorily	Actual	Contribution	Covered Payroll**	Contractually Required Contribution Rates:		
		Required Employer Contributions	Employer Contributions	Excess (Deficiency)		Pension	OPEB	Total
12/31/2018	12/31/2017	\$ 6,341,509	\$ 6,341,509	\$ -	\$ 32,520,558	19.00 %	0.50 %	19.50 %
12/31/2017	12/31/2016	6,155,560	6,155,560	-	31,566,974	19.00	0.50	19.50
12/31/2016	12/31/2015	6,283,697	6,283,697	-	32,224,089	19.00	0.50	19.50
12/31/2015	12/31/2014	5,840,313	5,840,313	-	29,950,321	19.00	0.50	19.50
12/31/2014	12/31/2013	6,663,641	6,663,641	-	34,172,517	15.73	3.77	19.50
12/31/2013	N/A	6,941,336	6,941,336	-	35,596,596	12.75	6.75	19.50
12/31/2012	N/A	5,320,063	5,320,063	-	27,282,376	12.75	6.75	19.50
12/31/2011	N/A	5,170,880	5,170,880	-	26,517,333	12.75	6.75	19.50
12/31/2010	N/A	5,380,865	5,380,865	-	27,594,180	12.75	6.75	19.50
12/31/2009	N/A	5,621,044	5,621,044	-	28,825,867	12.75	6.75	19.50

**Covered Payroll has been estimated by the City of Akron.

City of Akron, Ohio

Required Supplementary Information
Schedule of Net OPEB Liability and Related Ratios

For the Year Ended December 31, 2018

City of Akron Plan

Measurement Date	Net OPEB Liability / (Asset)	Covered Payroll	Net OPEB Liability / (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/2017	\$ 124,741,033	\$ 118,465,624	105.30 %	0.00 %
12/31/2016	115,704,251	113,130,435	102.28	0.00

OPERS

Measurement Date	Proportion of Collective Net OPEB Liability / (Asset)	Proportionate Share of Collective Net OPEB Liability / (Asset)	Covered Employee Payroll	Net OPEB Liability / (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/2017	0.43 %	\$ 46,401,790	\$ 60,528,284	76.66 %	54.10 %
12/31/2016	0.43	43,158,581	59,723,067	72.26	62.10

OP&F

Measurement Date	Proportion of Collective Net OPEB Liability / (Asset)	Proportionate Share of Collective Net OPEB Liability / (Asset)	Covered Employee Payroll	Net OPEB Liability / (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/2017	2.61719 %	\$ 148,286,319	\$ 57,937,340	255.94 %	14.10 %
12/31/2016	2.61719	124,232,123	53,407,368	232.61	16.00

City of Akron, Ohio

Required Supplementary Information
 Schedule of Contributions under the City of Akron's OPEB Plan

For the Year Ended December 31, 2018

Fiscal Year Ending	Measurement Year Ending	Actual Employer Contributions	Covered Payroll *
12/31/2018	12/31/2017	\$ 3,015,640	\$ 119,397,841
12/31/2017	N/A	4,462,299	118,465,624
12/31/2016	N/A	4,867,000	113,130,435
12/31/2015	N/A	5,048,000	108,908,085
12/31/2014	N/A	4,908,000	107,105,770
12/31/2013	N/A	4,725,000	108,275,819
12/31/2012	N/A	4,772,000	83,935,000
12/31/2011	N/A	4,335,000	88,115,000
12/31/2010	N/A	9,825,000	114,340,000
12/31/2009	N/A	3,958,000	99,500,000

* Covered Payroll has been estimated by the City of Akron

City of Akron, Ohio

Notes to the Required Supplementary Information

For the Year Ended December 31, 2018

Budgetary Data

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

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

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

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

	<u>General</u>	<u>Community Learning Centers</u>	<u>Income Tax Capital Improvement</u>	<u>Special Assessment</u>	<u>Streets</u>
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ 29,276	\$ (2,320,540)	\$ 433,746	\$ 742,586	\$ (219,315)
Adjustments:					
To adjust revenues for accruals	(2,432,133)	7,582,195	259,028	(14,158,942)	36,473,117
To adjust expenditures for accruals	3,668,179	(18,694,454)	(3,816,794)	12,413,213	(37,499,274)
To adjust for encumbrances	<u>1,579,206</u>	<u>-</u>	<u>1,071,871</u>	<u>1,237,671</u>	<u>1,572,483</u>
Net change in fund balance (GAAP basis)	<u>\$ 2,844,528</u>	<u>\$ (13,432,799)</u>	<u>\$ (2,052,149)</u>	<u>\$ 234,528</u>	<u>\$ 327,011</u>

City of Akron, Ohio

Notes to the Required Supplementary Information

For the Year Ended December 31, 2018

Schedule of City's Proportionate Share of Net Pension Liability

Information regarding the City's proportionate share of the net pension liability (asset) for fiscal years ending 2014, 2015, 2016, and 2017 has been provided by the Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire Pension Fund (OP&F). The net pension liability (asset) presented in the City's financial statement as of December 31, 2018 is based on the measurement date of December 31, 2017. Information presented in this exhibit is not available for years prior to 2013.

Schedule of the City Contributions to State Pension Funds and OPEB

The Board of Trustees for both OPERS and OP&F determine the allocation between pension and OPEB plans annually and this allocation may change for year to year. The city pays all contractually required employer rates for OPERS and OP&F employees.

OPERS maintains three separate pension plans. The employer contribution rate is the same for all three plans. The City does not know which plan each of its employees participates in and; therefore; the information presented in the contribution schedule combines all plans from fiscal year ending December 31, 2007 through fiscal year ending December 31, 2013.

Schedule of the Net OPEB Liability and Related Ratios

Information regarding the City's proportionate share of the net OPEB liability for the fiscal year ending 2018 has been provided by OPERS and OP&F. The net OPEB liability presented in the City's financial statement as of December 31, 2018 is based on the measurement date of December 31, 2017. Information presented in this exhibit is not available prior to 2016.

The City also maintains its own plan that is funded on a "Pay-as-you-go" basis. The net OPEB liability for presented in the City's financial statements as of December 31, 2018 is based on the measurement date of December 31, 2017.

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Supplementary Information

NON-MAJOR GOVERNMENTAL FUNDS

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

To Account for Special Purposes:

Income Tax Collection	Canal Park Stadium COPs
Emergency Medical Service	Downtown District Heating COPs
Street and Highway Maintenance	Safety Programs
Tax Equivalency	City Facilities Operating
E.D.A. Revolving Loans	Various Purpose Funding
Joint Economic Development Districts	Deposits
Akron Muni. Court Information System	Police, Fire, and Road Activity

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

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

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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

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

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

To Account for Grant Revenue and Other Funding Sources:

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

City of Akron, Ohio
 Combining Balance Sheet - Non-Major Governmental Funds
 December 31, 2018

B-1

Special Revenue Funds

	Income Tax Collection	Emergency Medical Service	Street and Highway Maintenance	Community Development
Assets				
Pooled cash and investments	\$ 775,227	\$ 161,160	\$ 553,436	\$ 1,099,492
Restricted cash and investments	-	-	-	-
Receivables, net of allowances for uncollectibles	-	9,740,916	3,727,184	11,237
Loans receivable	-	-	-	315,119
Due from other governments	-	-	-	1,048,139
Due from other funds	-	-	83,111	97,102
Assets held for resale	-	-	-	-
Total assets	\$ 775,227	\$ 9,902,076	\$ 4,363,731	\$ 2,571,089
Liabilities				
Accounts payable	\$ 20,797	\$ 37,494	\$ 98,048	\$ 260,488
Deposits	-	-	-	-
Advances from other funds	-	-	-	270,000
Due to other governments	-	-	1,410	1,000
Due to other funds	2,883,671	7,314	98,173	685,966
Due to others	157	-	-	-
Accrued liabilities	12,442	249,474	61,326	14,612
Accrued wages	38,925	467,238	187,385	45,504
Total liabilities	2,955,992	761,520	446,342	1,277,570
Deferred Inflows of Resources	-	8,673,056	2,524,091	1,593,688
Fund balances				
Restricted	-	467,500	1,393,298	-
Committed	-	-	-	-
Unassigned	(2,180,765)	-	-	(300,169)
Total fund balances (deficits)	(2,180,765)	467,500	1,393,298	(300,169)
Total liabilities, deferred inflows and fund balances	\$ 775,227	\$ 9,902,076	\$ 4,363,731	\$ 2,571,089

City of Akron, Ohio
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2018

B-1

Special Revenue Funds					
	Community Environment Grants	Akron Metro. Area Transportation Study	H.O.M.E. Program	Tax Equivalency	E.D.A. Revolving Loans
Assets					
Pooled cash and investments	\$ 242,371	\$ 183,840	\$ 852,508	\$ 3,711,334	\$ 43,371
Restricted cash and investments	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	-	-	15,736,159	-
Loans receivable	251,813	-	3,313,288	-	15,000
Due from other governments	22,122	181,919	852,508	-	-
Due from other funds	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Total assets	\$ 516,306	\$ 365,759	\$ 5,018,304	\$ 19,447,493	\$ 58,371
Liabilities					
Accounts payable	\$ 116,374	\$ 6,944	\$ 113,621	\$ 32,718	\$ -
Deposits	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Due to other governments	-	30,373	-	-	-
Due to other funds	-	10,119	-	70,832	-
Due to others	-	-	-	2,102,172	-
Accrued liabilities	60	10,355	-	-	-
Accrued wages	158	32,561	30	-	-
Total liabilities	116,592	90,352	113,651	2,205,722	-
Deferred Inflows of Resources	172,122	-	3,865,796	15,684,889	4,484
Fund balances					
Restricted	227,592	275,407	1,038,857	-	53,887
Committed	-	-	-	1,556,882	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	227,592	275,407	1,038,857	1,556,882	53,887
Total liabilities, deferred inflows and fund balances	\$ 516,306	\$ 365,759	\$ 5,018,304	\$ 19,447,493	\$ 58,371

City of Akron, Ohio
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2018

B-1

	Special Revenue Funds			
	Joint Economic Development Districts	Akron Muni. Court Information System	Canal Park Stadium COPs	Downtown District Heating COPs
Assets				
Pooled cash and investments	\$ 922,630	\$ 1,235,776	\$ 2	\$ -
Restricted cash and investments	-	-	111,980	23,416,196
Receivables, net of allowances for uncollectibles	65,101	17,118	-	-
Loans receivable	2,000,000	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Assets held for resale	-	-	-	-
Total assets	\$ 2,987,731	\$ 1,252,894	\$ 111,982	\$ 23,416,196
Liabilities				
Accounts payable	\$ 66,426	\$ 27,973	\$ -	\$ -
Deposits	-	-	-	-
Advances from other funds	-	-	-	-
Due to other governments	310	-	-	-
Due to other funds	112,834	787	-	-
Due to others	3,079,021	-	-	-
Accrued liabilities	8,617	-	-	-
Accrued wages	27,726	-	-	-
Total liabilities	3,294,934	28,760	-	-
Deferred Inflows of Resources	1,500,000	-	-	-
Fund balances				
Restricted	-	1,224,134	111,982	23,416,196
Committed	-	-	-	-
Unassigned	(1,807,203)	-	-	-
Total fund balances (deficits)	(1,807,203)	1,224,134	111,982	23,416,196
Total liabilities, deferred inflows and fund balances	\$ 2,987,731	\$ 1,252,894	\$ 111,982	\$ 23,416,196

City of Akron, Ohio
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2018

B-1

Special Revenue Funds

	Police Grants	Safety Programs	City Facilities Operating	Various Purpose Funding	Deposits	Police, Fire, and Road Activity
Assets						
Pooled cash and investments	\$ 209,727	\$ 1,570,313	\$ 662,815	\$ 9,992,786	\$ 1,761,044	\$ 384,481
Restricted cash and investments	-	-	-	-	-	-
Receivables, net of allowances for uncollectibles	-	330,358	-	122,537	61,981	4,599,930
Loans receivable	-	-	-	-	-	-
Due from other governments	29,155	625,979	-	5,264	-	-
Due from other funds	-	-	98,841	33,600	-	1,426,431
Assets held for resale	-	-	-	-	-	-
Total assets	\$ 238,882	\$ 2,526,650	\$ 761,656	\$ 10,154,187	\$ 1,823,025	\$ 6,410,842
Liabilities						
Accounts payable	\$ 2,326	\$ 98,960	\$ 675,451	\$ 116,698	\$ -	\$ 309,525
Deposits	-	-	-	-	498,849	-
Advances from other funds	209,510	578,000	469,000	30,200	-	-
Due to other governments	-	-	-	-	-	-
Due to other funds	209,526	578,000	469,000	30,347	528,367	133,036
Due to others	-	-	268,107	-	1,244,995	-
Accrued liabilities	1,467	46,097	-	-	-	123,433
Accrued wages	5,148	99,112	-	123	-	-
Total liabilities	427,977	1,400,169	1,881,558	177,368	2,272,211	565,994
Deferred Inflows of Resources	121,545	269,410	-	5,264	-	2,122,567
Fund balances						
Restricted	-	857,071	-	9,887,612	-	3,722,281
Committed	-	-	-	83,943	-	-
Unassigned	(310,640)	-	(1,119,902)	-	(449,186)	-
Total fund balances (deficits)	(310,640)	857,071	(1,119,902)	9,971,555	(449,186)	3,722,281
Total liabilities, deferred inflows and fund balances	\$ 238,882	\$ 2,526,650	\$ 761,656	\$ 10,154,187	\$ 1,823,025	\$ 6,410,842

City of Akron, Ohio
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2018

B-1

Debt Service Funds						
	General Bond Payment	Debt Service Bond Payment	Special Assessment Bond Payment	Main Place Bond Payment	Downtown Hotel Bond Payment	Non-Tax Revenue Bond Payment
Assets						
Pooled cash and investments	\$ 547	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	421,778	38,648	21	4	279,788
Receivables, net of allowances for uncollectibles	2,117,893	-	-	-	-	-
Loans receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	-
Total assets	\$ 2,118,440	\$ 421,778	\$ 38,648	\$ 21	\$ 4	\$ 279,788
Liabilities						
Accounts payable	\$ 108	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to other funds	19,032	-	-	-	-	-
Due to others	-	-	2,000	-	-	-
Accrued liabilities	2,864	-	-	-	-	-
Accrued wages	8,981	-	-	-	-	-
Total liabilities	30,985	-	2,000	-	-	-
Deferred Inflows of Resources	1,973,991	-	-	-	-	-
Fund balances						
Restricted	113,464	421,778	36,648	21	4	279,788
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	113,464	421,778	36,648	21	4	279,788
Total liabilities, deferred inflows and fund balances	\$ 2,118,440	\$ 421,778	\$ 38,648	\$ 21	\$ 4	\$ 279,788

City of Akron, Ohio
 Combining Balance Sheet - Non-Major Governmental Funds
 December 31, 2018

B-1

Debt Service Funds				
	Pension Obligation Refunding	JEDD Bond Payment	Income Tax Bond Payment	Taxable Revenue Bond Payment
Assets				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	481	8,818	146,124	37,122
Receivables, net of allowances for uncollectibles	-	-	-	-
Loans receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Assets held for resale	-	-	-	-
Total assets	\$ 481	\$ 8,818	\$ 146,124	\$ 37,122
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits	-	-	-	-
Advances from other funds	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Due to others	-	-	-	-
Accrued liabilities	-	-	-	-
Accrued wages	-	-	-	-
Total liabilities	-	-	-	-
Deferred Inflows of Resources	-	-	-	-
Fund balances				
Restricted	481	8,818	146,124	37,122
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	481	8,818	146,124	37,122
Total liabilities, deferred inflows and fund balances	\$ 481	\$ 8,818	\$ 146,124	\$ 37,122

City of Akron, Ohio
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2018

B-1

Capital Project Funds				
	Information Technology and Improvements	Parks and Recreation	Public Facilities and Improvements	Public Parking
Assets				
Pooled cash and investments	\$ 164,700	\$ 453,913	\$ 104,018	\$ 1,023,606
Restricted cash and investments	-	-	-	-
Receivables, net of allowances for uncollectibles	-	1,047	25,460	-
Loans receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Assets held for resale	-	-	-	-
Total assets	\$ 164,700	\$ 454,960	\$ 129,478	\$ 1,023,606
Liabilities				
Accounts payable	\$ 6,876	\$ 1,133	\$ 19,836	\$ 739
Deposits	-	-	-	-
Advances from other funds	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	1,642	5,683	-
Due to others	-	-	-	-
Accrued liabilities	-	-	-	-
Accrued wages	-	-	-	-
Total liabilities	6,876	2,775	25,519	739
Deferred Inflows of Resources	-	-	-	-
Fund balances				
Restricted	-	-	-	-
Committed	157,824	452,185	103,959	1,022,867
Unassigned	-	-	-	-
Total fund balances (deficits)	157,824	452,185	103,959	1,022,867
Total liabilities, deferred inflows and fund balances	\$ 164,700	\$ 454,960	\$ 129,478	\$ 1,023,606

City of Akron, Ohio
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2018

B-1

**Capital Project
Funds**

	Economic Development	Total
Assets		
Pooled cash and investments	\$ 1,912,892	\$ 28,021,989
Restricted cash and investments	-	24,460,960
Receivables, net of allowances for uncollectibles	22,865	36,579,786
Loans receivable	3,778,389	9,673,609
Due from other governments	-	2,765,086
Due from other funds	412,440	2,151,525
Assets held for resale	7,919,423	7,919,423
	\$ 14,046,009	\$ 111,572,378
Liabilities		
Accounts payable	\$ 5,580	\$ 2,018,115
Deposits	-	498,849
Advances from other funds	-	1,556,710
Due to other governments	3,605,000	3,638,093
Due to other funds	102,471	5,946,800
Due to others	528,261	7,224,713
Accrued liabilities	-	530,747
Accrued wages	-	912,891
	4,241,312	22,326,918
Deferred Inflows of Resources	4,638,333	43,149,236
Fund balances		
Restricted	-	43,720,065
Committed	5,166,364	8,544,024
Unassigned	-	(6,167,865)
	5,166,364	46,096,224
Total fund balances (deficits)	5,166,364	46,096,224
Total liabilities, deferred inflows and fund balances	\$ 14,046,009	\$ 111,572,378

City of Akron, Ohio
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
 For the Year Ended December 31, 2018

B-2

Special Revenue Funds				
	Income Tax Collection	Emergency Medical Service	Street and Highway Maintenance	Community Development
Revenues				
Income taxes	\$ 2,789,885	\$ -	\$ -	\$ -
Property taxes	-	6,619,232	-	-
JEDD revenues	-	-	-	-
Special assessments	120	-	-	-
Grants and subsidies	-	-	-	4,580,309
Investment earnings	-	5,321	6,114	29,809
Shared revenues	-	838,132	7,770,176	-
Licenses, fees and fines	1,198,531	3,355	96,865	13,851
Charges for services	-	2,308,863	1,316,645	91,392
Miscellaneous	21,336	359,540	181,467	780,524
	<u>4,009,872</u>	<u>10,134,443</u>	<u>9,371,267</u>	<u>5,495,885</u>
Expenditures				
Current:				
General government	5,197,419	-	-	51
Public service	-	-	9,280,900	1,118,298
Public safety	-	19,798,297	-	-
Community environment	-	-	-	5,786,961
Recreation and parks	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Bond issuance expenditures	-	-	-	-
	<u>5,197,419</u>	<u>19,798,297</u>	<u>9,280,900</u>	<u>6,905,310</u>
Excess (deficiency) of revenues over (under) expenditures	(1,187,547)	(9,663,854)	90,367	(1,409,425)
Other financing sources (uses)				
Issuance of bonds	-	-	-	-
Issuance of COPs	-	-	-	-
Premium on debt	-	-	-	-
Original bond issue discount	-	-	-	-
Issuance of capital lease	-	-	-	-
Transfers-in	-	9,881,050	-	-
	<u>-</u>	<u>9,881,050</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,187,547)	217,196	90,367	(1,409,425)
Fund balances (deficit), January 1, 2018	<u>(993,218)</u>	<u>250,304</u>	<u>1,302,931</u>	<u>1,109,256</u>
Fund balances (deficit), December 31, 2018	<u>\$ (2,180,765)</u>	<u>\$ 467,500</u>	<u>\$ 1,393,298</u>	<u>\$ (300,169)</u>

City of Akron, Ohio
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
 For the Year Ended December 31, 2018

B-2

Special Revenue Funds					
	Community Environment Grants	Akron Metro. Area Transportation Study	H.O.M.E. Program	Tax Equivalency	E.D.A. Revolving Loans
Revenues					
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-
JEDD revenues	-	-	-	-	-
Special assessments	-	-	-	-	-
Grants and subsidies	1,040,502	1,452,717	596,617	-	-
Investment earnings	3,888	1,683	-	-	1,160
Shared revenues	-	-	-	15,557,152	-
Licenses, fees and fines	-	10,325	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	60,719	190,568	105,657	18,768	9,421
	<u>1,105,109</u>	<u>1,655,293</u>	<u>702,274</u>	<u>15,575,920</u>	<u>10,581</u>
Expenditures					
Current:					
General government	-	-	-	77,066	3
Public service	-	-	-	504	-
Public safety	-	-	-	-	-
Community environment	1,149,645	1,420,073	3,755,443	10,481,706	14,084
Recreation and parks	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	3,363,959	-
Interest	-	-	-	29,180	-
Bond issuance expenditures	-	-	-	-	-
	<u>1,149,645</u>	<u>1,420,073</u>	<u>3,755,443</u>	<u>13,952,415</u>	<u>14,087</u>
Excess (deficiency) of revenues over (under) expenditures	(44,536)	235,220	(3,053,169)	1,623,505	(3,506)
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Issuance of COPs	-	-	-	-	-
Premium on debt	-	-	-	-	-
Original bond issue discount	-	-	-	-	-
Issuance of capital lease	-	-	-	-	-
Transfers-in	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(44,536)	235,220	(3,053,169)	1,623,505	(3,506)
Fund balances (deficit), January 1, 2018	<u>272,128</u>	<u>40,187</u>	<u>4,092,026</u>	<u>(66,623)</u>	<u>57,393</u>
Fund balances (deficit), December 31, 2018	<u>\$ 227,592</u>	<u>\$ 275,407</u>	<u>\$ 1,038,857</u>	<u>\$ 1,556,882</u>	<u>\$ 53,887</u>

City of Akron, Ohio
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
 For the Year Ended December 31, 2018

B-2

	Special Revenue Funds			
	Joint Economic Development Districts	Akron Muni. Court Information System	Canal Park Stadium COPs	Downtown District Heating COPs
Revenues				
Income taxes	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
JEDD revenues	9,165,073	-	-	-
Special assessments	-	-	-	-
Grants and subsidies	-	-	-	-
Investment earnings	64,644	-	27,199	218,102
Shared revenues	-	-	-	-
Licenses, fees and fines	-	227,350	-	-
Charges for services	981,049	1,281	-	-
Miscellaneous	1,106,984	-	20,000	-
	<u>11,317,750</u>	<u>228,631</u>	<u>47,199</u>	<u>218,102</u>
Expenditures				
Current:				
General government	5,239,258	262,012	-	-
Public service	107,769	-	44,207	9,891,558
Public safety	-	-	-	-
Community environment	3,410,152	-	-	-
Recreation and parks	197,220	-	-	-
Debt service:				
Principal retirement	4,151,858	-	-	19,570
Interest	790,734	-	9,949	-
Bond issuance expenditures	-	-	-	159,218
	<u>13,896,991</u>	<u>262,012</u>	<u>54,156</u>	<u>10,070,346</u>
Excess (deficiency) of revenues over (under) expenditures	(2,579,241)	(33,381)	(6,957)	(9,852,244)
Other financing sources (uses)				
Issuance of bonds	-	-	-	-
Issuance of COPs	-	-	-	24,445,000
Premium on debt	-	-	-	395,256
Original bond issue discount	-	-	-	(177,511)
Issuance of capital lease	-	-	-	-
Transfers-in	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,662,745</u>
Net change in fund balances	(2,579,241)	(33,381)	(6,957)	14,810,501
Fund balances (deficit), January 1, 2018	<u>772,038</u>	<u>1,257,515</u>	<u>118,939</u>	<u>8,605,695</u>
Fund balances (deficit), December 31, 2018	<u>\$ (1,807,203)</u>	<u>\$ 1,224,134</u>	<u>\$ 111,982</u>	<u>\$ 23,416,196</u>

City of Akron, Ohio
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
 For the Year Ended December 31, 2018

B-2

Special Revenue Funds

	Police Grants	Safety Programs	City Facilities Operating	Various Purpose Funding	Deposits	Police, Fire, and Road Activity
Revenues						
Income taxes	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ 16,032,416
Property taxes	-	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-
Special assessments	-	-	129,926	-	-	-
Grants and subsidies	357,070	2,500,938	-	781,164	-	-
Investment earnings	2,185	8,028	417	792	-	-
Shared revenues	-	560,093	-	-	-	-
Licenses, fees and fines	3,500	20,711	869,346	1,647,139	-	-
Charges for services	-	1,709,794	64,651	21,578	-	-
Miscellaneous	45,563	443,736	1,542,985	55,869	262,202	-
	<u>408,318</u>	<u>5,243,300</u>	<u>2,607,325</u>	<u>2,546,542</u>	<u>262,202</u>	<u>16,032,416</u>
Expenditures						
Current:						
General government	-	-	78,972	813,920	689,200	-
Public service	-	-	1,053,825	-	-	16,557
Public safety	332,572	5,982,245	-	24,000	-	21,878,578
Community environment	-	-	2,822,223	132,990	-	-
Recreation and parks	-	-	4,444	379,841	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	94,107	-	-	-
Bond issuance expenditures	-	-	-	-	-	-
	<u>332,572</u>	<u>5,982,245</u>	<u>4,053,571</u>	<u>1,350,751</u>	<u>689,200</u>	<u>21,895,135</u>
Excess (deficiency) of revenues over (under) expenditures	75,746	(738,945)	(1,446,246)	1,195,791	(426,998)	(5,862,719)
Other financing sources (uses)						
Issuance of bonds	-	-	450,000	-	-	-
Issuance of COPs	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-
Original bond issue discount	-	-	-	-	-	-
Issuance of capital lease	-	-	-	-	-	9,585,000
Transfers-in	-	520,011	785,000	-	-	-
	<u>-</u>	<u>520,011</u>	<u>1,235,000</u>	<u>-</u>	<u>-</u>	<u>9,585,000</u>
Net change in fund balances	75,746	(218,934)	(211,246)	1,195,791	(426,998)	3,722,281
Fund balances (deficit), January 1, 2018	<u>(386,386)</u>	<u>1,076,005</u>	<u>(908,656)</u>	<u>8,775,764</u>	<u>(22,188)</u>	<u>-</u>
Fund balances (deficit), December 31, 2018	<u>\$ (310,640)</u>	<u>\$ 857,071</u>	<u>\$ (1,119,902)</u>	<u>\$ 9,971,555</u>	<u>\$ (449,186)</u>	<u>\$ 3,722,281</u>

City of Akron, Ohio
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
 For the Year Ended December 31, 2018

B-2

Debt Service Funds						
	General Bond Payment	Debt Service Bond Payment	Special Assessment Bond Payment	Main Place Bond Payment	Downtown Hotel Bond Payment	Non-Tax Revenue Bond Payment
Revenues						
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	1,504,458	-	-	-	-	-
JEDD revenues	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-
Investment earnings	-	60	271	-	-	187
Shared revenues	144,236	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	4,339	1,500	2,409,593	1,173,616	-	-
	<u>1,653,033</u>	<u>1,560</u>	<u>2,409,864</u>	<u>1,173,616</u>	<u>-</u>	<u>187</u>
Expenditures						
Current:						
General government	291,388	17,011	-	-	-	-
Public service	-	-	2,409,592	-	-	-
Public safety	-	-	-	-	-	-
Community environment	-	-	-	-	-	-
Recreation and parks	-	-	-	-	-	-
Debt service:						
Principal retirement	1,146,514	-	-	1,173,616	-	-
Interest	356,573	-	-	-	-	-
Bond issuance expenditures	-	-	-	-	-	-
	<u>1,794,475</u>	<u>17,011</u>	<u>2,409,592</u>	<u>1,173,616</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(141,442)	(15,451)	272	-	-	187
Other financing sources (uses)						
Issuance of bonds	-	-	-	-	-	-
Issuance of COPs	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-
Original bond issue discount	-	-	-	-	-	-
Issuance of capital lease	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(141,442)	(15,451)	272	-	-	187
Fund balances (deficit), January 1, 2018	254,906	437,229	36,376	21	4	279,601
Fund balances (deficit), December 31, 2018	<u>\$ 113,464</u>	<u>\$ 421,778</u>	<u>\$ 36,648</u>	<u>\$ 21</u>	<u>\$ 4</u>	<u>\$ 279,788</u>

City of Akron, Ohio
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
 For the Year Ended December 31, 2018

B-2

Debt Service Funds				
	Pension Obligation Refunding	JEDD Bond Payment	Income Tax Bond Payment	Taxable Revenue Bond Payment
Revenues				
Income taxes	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
JEDD revenues	-	-	-	-
Special assessments	-	-	-	-
Grants and subsidies	-	-	-	-
Investment earnings	517	3,156	-	37,141
Shared revenues	-	-	-	-
Licenses, fees and fines	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	2,724	-
	<u>517</u>	<u>3,156</u>	<u>2,724</u>	<u>37,141</u>
Expenditures				
Current:				
General government	-	-	-	-
Public service	-	-	-	-
Public safety	-	-	-	-
Community environment	-	-	-	-
Recreation and parks	-	-	-	-
Debt service:				
Principal retirement	121	719	-	8,532
Interest	54	323	381,794	589
Bond issuance expenditures	-	-	88,200	-
	<u>175</u>	<u>1,042</u>	<u>469,994</u>	<u>9,121</u>
Excess (deficiency) of revenues over (under) expenditures	342	2,114	(467,270)	28,020
Other financing sources (uses)				
Issuance of bonds	-	-	-	-
Issuance of COPs	-	-	-	-
Premium on debt	-	-	531,944	-
Original bond issue discount	-	-	(61,950)	-
Issuance of capital lease	-	-	-	-
Transfers-in	-	-	-	-
	<u>-</u>	<u>-</u>	<u>469,994</u>	<u>-</u>
Net change in fund balances	342	2,114	2,724	28,020
Fund balances (deficit), January 1, 2018	<u>139</u>	<u>6,704</u>	<u>143,400</u>	<u>9,102</u>
Fund balances (deficit), December 31, 2018	<u>\$ 481</u>	<u>\$ 8,818</u>	<u>\$ 146,124</u>	<u>\$ 37,122</u>

City of Akron, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
For the Year Ended December 31, 2018

B-2

Capital Projects Funds				
	Information Technology and Improvements	Parks and Recreation	Public Facilities and Improvements	Public Parking
Revenues				
Income taxes	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
JEDD revenues	-	-	-	-
Special assessments	-	-	-	-
Grants and subsidies	-	-	252,802	-
Investment earnings	-	-	-	-
Shared revenues	-	-	17,887	-
Licenses, fees and fines	-	-	-	-
Charges for services	-	-	25,460	-
Miscellaneous	100,000	45,557	-	-
	<u>100,000</u>	<u>45,557</u>	<u>296,149</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	39,828	-
Public service	33,027	930	887,406	155,004
Public safety	1,291,453	-	242,979	-
Community environment	-	206,104	2,101,403	-
Recreation and parks	-	28,707	315,462	-
Debt service:				
Principal retirement	-	200,000	331,230	-
Interest	-	-	-	-
Bond issuance expenditures	-	-	-	-
	<u>1,324,480</u>	<u>435,741</u>	<u>3,918,308</u>	<u>155,004</u>
Excess (deficiency) of revenues over (under) expenditures	(1,224,480)	(390,184)	(3,622,159)	(155,004)
Other financing sources (uses)				
Issuance of bonds	1,300,000	800,000	3,331,230	-
Issuance of COPs	-	-	-	-
Premium on debt	-	-	-	-
Original bond issue discount	-	-	-	-
Issuance of capital lease	-	-	-	-
Transfers-in	-	-	-	-
	<u>1,300,000</u>	<u>800,000</u>	<u>3,331,230</u>	<u>-</u>
Net change in fund balances	75,520	409,816	(290,929)	(155,004)
Fund balances (deficit), January 1, 2018	<u>82,304</u>	<u>42,369</u>	<u>394,888</u>	<u>1,177,871</u>
Fund balances (deficit), December 31, 2018	<u>\$ 157,824</u>	<u>\$ 452,185</u>	<u>\$ 103,959</u>	<u>\$ 1,022,867</u>

City of Akron, Ohio
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
 For the Year Ended December 31, 2018

B-2

	Capital Projects Funds	
	Economic Development	Total
Revenues		
Income taxes	\$ -	\$ 18,862,301
Property taxes	-	8,123,690
JEDD revenues	-	9,165,073
Special assessments	-	130,046
Grants and subsidies	530,113	12,092,232
Investment earnings	119,594	530,268
Shared revenues	-	24,887,676
Licenses, fees and fines	-	4,090,973
Charges for services	412,440	6,933,153
Miscellaneous	175,325	9,117,993
	<u>1,237,472</u>	<u>93,933,405</u>
Expenditures		
Current:		
General government	-	12,706,128
Public service	125,210	25,124,787
Public safety	-	49,550,124
Community environment	3,084,461	34,365,245
Recreation and parks	3,806	929,480
Debt service:		
Principal retirement	1,700,000	12,096,119
Interest	193,031	1,856,334
Bond issuance expenditures	-	247,418
	<u>5,106,508</u>	<u>136,875,635</u>
Excess (deficiency) of revenues over (under) expenditures	(3,869,036)	(42,942,230)
Other financing sources (uses)		
Issuance of bonds	1,800,000	7,681,230
Issuance of COPs	-	24,445,000
Premium on debt	-	927,200
Original bond issue discount	-	(239,461)
Issuance of capital lease	-	9,585,000
Transfers-in	-	11,186,061
	<u>1,800,000</u>	<u>53,585,030</u>
Net change in fund balances	(2,069,036)	10,642,800
Fund balances (deficit), January 1, 2018	<u>7,235,400</u>	<u>35,453,424</u>
Fund balances (deficit), December 31, 2018	<u>\$ 5,166,364</u>	<u>\$ 46,096,224</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Income taxes	\$ 6,059,350	\$ 8,503,030	\$ 4,457,260
Miscellaneous revenues	201,650	282,970	1,219,986
	<u>6,261,000</u>	<u>8,786,000</u>	<u>5,677,246</u>
Other sources:			
Previous year's encumbrances	52,529	52,529	52,529
	<u>6,313,529</u>	<u>8,838,529</u>	<u>5,729,775</u>
Total revenues and other sources	6,313,529	8,838,529	5,729,775
Expenditures			
Finance:			
Wages/benefits	1,818,330	1,818,330	1,552,565
Other	4,808,209	4,808,209	4,120,888
Capital outlay	-	-	-
	<u>6,626,539</u>	<u>6,626,539</u>	<u>5,673,453</u>
Total expenditures	6,626,539	6,626,539	5,673,453
Excess (deficiency) of revenues and other sources over expenditures	(313,010)	2,211,990	56,322
Fund balance, January 1, 2018	684,402	684,402	684,402
	<u>684,402</u>	<u>684,402</u>	<u>684,402</u>
Fund balance, December 31, 2018	<u>\$ 371,392</u>	<u>\$ 2,896,392</u>	<u>\$ 740,724</u>

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

For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Property taxes	\$ 7,522,143	\$ 7,459,054	\$ 7,468,832
Transport billing	2,657,730	2,657,740	2,186,705
Other revenue	338,260	338,260	346,790
	<u>10,518,133</u>	<u>10,455,054</u>	<u>10,002,327</u>
Other sources:			
General fund subsidy	10,183,170	10,183,170	9,881,050
Previous year's encumbrances	47,579	47,579	47,579
	<u>10,230,749</u>	<u>10,230,749</u>	<u>9,928,629</u>
Total revenues and other sources	20,748,882	20,685,803	19,930,956
Expenditures			
Fire:			
Wages/benefits	18,545,640	19,145,640	18,766,769
Other	1,365,879	1,365,879	1,197,830
	<u>19,911,519</u>	<u>20,511,519</u>	<u>19,964,599</u>
Total expenditures	19,911,519	20,511,519	19,964,599
Excess (deficiency) of revenues and other sources over expenditures	837,363	174,284	(33,643)
Fund balance, January 1, 2018	<u>161,380</u>	<u>161,380</u>	<u>161,380</u>
Fund balance, December 31, 2018	<u>\$ 998,743</u>	<u>\$ 335,664</u>	<u>\$ 127,737</u>

Note: Included in General fund subsidy above is transfers in of \$9,881,050.

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, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Property taxes	\$ 805,944	\$ 799,184	\$ 799,240
Total revenues	805,944	799,184	799,240
Expenditures			
Police:			
Wages/benefits	437,000	437,000	437,000
Other	383,000	383,000	370,888
Total expenditures	820,000	820,000	807,888
Deficiency of revenues over expenditures	(14,056)	(20,816)	(8,648)
Fund balance, January 1, 2018	33,937	33,937	33,937
Fund balance, December 31, 2018	\$ 19,881	\$ 13,121	\$ 25,289

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, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Property taxes	\$ 805,944	\$ 799,184	\$ 799,240
Total revenues	805,944	799,184	799,240
Expenditures			
Fire:			
Wages/benefits	437,000	437,000	437,000
Other	383,000	383,000	370,888
Total expenditures	820,000	820,000	807,888
Deficiency of revenues over expenditures	(14,056)	(20,816)	(8,648)
Fund balance, January 1, 2018	33,937	33,937	33,937
Fund balance, December 31, 2018	\$ 19,881	\$ 13,121	\$ 25,289

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, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Gasoline tax	\$ 8,948,900	\$ 8,948,900	\$ 5,284,310
Motor vehicle license tax	3,980,130	3,980,130	2,496,613
Service revenues	741,480	741,480	256,969
Transfer from State of Ohio	2,855,130	2,855,130	1,223,442
Miscellaneous revenues	511,370	511,360	284,297
	<u>17,037,010</u>	<u>17,037,000</u>	<u>9,545,631</u>
Other sources:			
Previous year's encumbrances	222,665	222,665	222,665
	<u>222,665</u>	<u>222,665</u>	<u>222,665</u>
Total revenues and other sources	17,259,675	17,259,665	9,768,296
Expenditures			
Public Service:			
Wages/benefits	7,229,960	7,229,960	6,764,637
Other	2,961,995	4,136,995	3,146,373
Capital outlay	-	-	-
	<u>10,191,955</u>	<u>11,366,955</u>	<u>9,911,010</u>
Total expenditures	10,191,955	11,366,955	9,911,010
Excess (deficiency) of revenues and other sources over expenditures	7,067,720	5,892,710	(142,714)
Fund balance, January 1, 2018	<u>419,578</u>	<u>419,578</u>	<u>419,578</u>
Fund balance, December 31, 2018	<u>\$ 7,487,298</u>	<u>\$ 6,312,288</u>	<u>\$ 276,864</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 9,534,950	\$ 10,990,980	\$ 4,824,096
Service revenues	94,410	108,820	73,505
Miscellaneous revenues	849,640	979,400	1,094,470
	<u>10,479,000</u>	<u>12,079,200</u>	<u>5,992,071</u>
Other sources:			
Previous year's encumbrances	164,029	164,029	164,029
Total revenues and other sources	10,643,029	12,243,229	6,156,100
Expenditures			
Department Wide:			
Wages/benefits	1,942,400	1,972,400	1,717,973
Other	5,020,277	6,971,197	4,672,977
Capital outlay	2,492	2,492	-
Total expenditures	6,965,169	8,946,089	6,390,950
Excess (deficiency) of revenues and other sources over expenditures	3,677,860	3,297,140	(234,850)
Fund balance, January 1, 2018	<u>1,265,327</u>	<u>1,265,327</u>	<u>1,265,327</u>
Fund balance, December 31, 2018	<u>\$ 4,943,187</u>	<u>\$ 4,562,467</u>	<u>\$ 1,030,477</u>

Note: Included in Miscellaneous revenues above is advances of \$260,000.

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 Community Environment Grants Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Governmental revenues	\$ 1,292,810	\$ 1,532,700	\$ 1,040,502
Miscellaneous revenues	189,190	224,300	114,398
	<u>1,482,000</u>	<u>1,757,000</u>	<u>1,154,900</u>
Other Sources:			
Previous year's encumbrances	1,096	1,096	1,096
Total revenues and other sources	1,483,096	1,758,096	1,155,996
Expenditures			
Department Wide:			
Wages/benefits	11,720	11,720	4,255
Other	1,166,596	1,416,596	1,155,666
Total expenditures	1,178,316	1,428,316	1,159,921
Excess (deficiency) of revenues and other sources over expenditures	304,780	329,780	(3,925)
Fund balance, January 1, 2018	210,177	210,177	210,177
Fund balance, December 31, 2018	<u>\$ 514,957</u>	<u>\$ 539,957</u>	<u>\$ 206,252</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Federal/State grants	\$ 1,769,000	\$ 1,769,000	\$ 1,553,758
Service revenues	183,000	183,000	10,325
Miscellaneous revenues	-	-	1,701
	<u>1,952,000</u>	<u>1,952,000</u>	<u>1,565,784</u>
Other sources:			
Previous year's encumbrances	7,120	7,120	7,120
Total revenues and other sources	1,959,120	1,959,120	1,572,904
Expenditures			
Planning:			
Wages/benefits	1,182,700	1,182,700	1,134,671
Other	383,540	383,540	296,165
Total expenditures	1,566,240	1,566,240	1,430,836
Excess of revenues and other sources over expenditures	392,880	392,880	142,068
Fund balance, January 1, 2018	<u>26,302</u>	<u>26,302</u>	<u>26,302</u>
Fund balance, December 31, 2018	<u>\$ 419,182</u>	<u>\$ 419,182</u>	<u>\$ 168,370</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Governmental revenues	\$ 1,943,570	\$ 1,943,570	\$ 596,616
Miscellaneous revenues	56,430	56,430	105,656
	<u>2,000,000</u>	<u>2,000,000</u>	<u>702,272</u>
Other sources:			
Previous year's encumbrances	10,000	10,000	10,000
Total revenues and other sources	2,010,000	2,010,000	712,272
Expenditures			
Department Wide:			
Other	1,810,000	1,810,000	881,457
Total expenditures	1,810,000	1,810,000	881,457
Excess (deficiency) of revenues and other sources over expenditures	200,000	200,000	(169,185)
Fund balance, January 1, 2018	844,132	844,132	844,132
Fund balance, December 31, 2018	<u>\$ 1,044,132</u>	<u>\$ 1,044,132</u>	<u>\$ 674,947</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Taxes and assessments	\$ 17,162,190	\$ 17,162,190	\$ 15,505,884
Miscellaneous revenues	5,810	5,810	18,773
	<u>17,168,000</u>	<u>17,168,000</u>	<u>15,524,657</u>
Other sources:			
Previous year's encumbrances	10	10	10
Total revenues and other sources	17,168,010	17,168,010	15,524,667
Expenditures			
Department Wide:			
Other	16,021,010	16,021,010	15,467,075
Total expenditures	16,021,010	16,021,010	15,467,075
Excess of revenues and other sources over expenditures	1,147,000	1,147,000	57,592
Fund balance, January 1, 2018	<u>3,653,732</u>	<u>3,653,732</u>	<u>3,653,732</u>
Fund balance, December 31, 2018	<u>\$ 4,800,732</u>	<u>\$ 4,800,732</u>	<u>\$ 3,711,324</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Miscellaneous revenues	\$ 52,000	\$ 52,000	\$ 20,771
Total revenues	52,000	52,000	20,771
Expenditures			
Office of the Mayor:			
Other	25,000	25,000	-
Total expenditures	25,000	25,000	-
Excess of revenues over expenditures	27,000	27,000	20,771
Fund balance, January 1, 2018	22,600	22,600	22,600
Fund balance, December 31, 2018	\$ 49,600	\$ 49,600	\$ 43,371

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 Joint Economic Development Districts Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
JEDD revenues	\$ 18,375,110	\$ 18,375,110	\$ 15,583,655
Service revenues	1,600,060	1,600,060	962,009
Miscellaneous revenues	2,187,830	2,187,830	1,161,415
	<u>22,163,000</u>	<u>22,163,000</u>	<u>17,707,079</u>
Other sources:			
Previous year's encumbrances	287,217	287,217	287,217
	<u>22,450,217</u>	<u>22,450,217</u>	<u>17,994,296</u>
Total revenues and other sources	22,450,217	22,450,217	17,994,296
Expenditures			
Department Wide:			
Wages/benefits	569,700	619,700	611,980
Other	16,660,797	18,660,797	16,789,004
Capital outlay	2,000	2,000	-
	<u>17,232,497</u>	<u>19,282,497</u>	<u>17,400,984</u>
Total expenditures	17,232,497	19,282,497	17,400,984
Excess of revenues and other sources over expenditures	5,217,720	3,167,720	593,312
Fund balance, January 1, 2018	41,866	41,866	41,866
	<u>41,866</u>	<u>41,866</u>	<u>41,866</u>
Fund balance, December 31, 2018	<u>\$ 5,259,586</u>	<u>\$ 3,209,586</u>	<u>\$ 635,178</u>

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 Akron Municipal Court Information System Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Service revenues	\$ 371,000	\$ 371,000	\$ 227,349
Other sources:			
Previous year's encumbrances	67,802	67,802	67,802
Total revenues and other sources	438,802	438,802	295,151
Expenditures			
Court Clerk:			
Other	283,350	283,350	135,650
Judges:			
Other	409,952	409,952	169,820
Total expenditures	693,302	693,302	305,470
Deficiency of revenues and other sources over expenditures	(254,500)	(254,500)	(10,319)
Fund balance, January 1, 2018	1,174,995	1,174,995	1,174,995
Fund balance, December 31, 2018	\$ 920,495	\$ 920,495	\$ 1,164,676

City of Akron, Ohio

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

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 2,415,490	\$ 2,799,820	\$ 654,077
Income taxes	225,740	261,660	-
Miscellaneous revenues	22,570	26,170	257,383
	<u>2,663,800</u>	<u>3,087,650</u>	<u>911,460</u>
Other sources:			
General fund subsidy	1,580,210	1,831,650	-
Previous year's encumbrances	72,697	72,697	72,697
	<u>1,652,907</u>	<u>1,904,347</u>	<u>72,697</u>
Total revenues and other sources	4,316,707	4,991,997	984,157
Expenditures			
Police:			
Wages/benefits	168,360	198,360	160,701
Other	827,837	1,039,837	733,954
Capital outlay	-	9,050	8,750
	<u>996,197</u>	<u>1,247,247</u>	<u>903,405</u>
Total expenditures	996,197	1,247,247	903,405
Excess of revenues and other sources over expenditures	3,320,510	3,744,750	80,752
Fund balance, January 1, 2018	<u>82,134</u>	<u>82,134</u>	<u>82,134</u>
Fund balance, December 31, 2018	<u>\$ 3,402,644</u>	<u>\$ 3,826,884</u>	<u>\$ 162,886</u>

Note: Included in Miscellaneous revenues above is advances of \$209,510.

City of Akron, Ohio

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

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Governmental revenues	\$ 5,820,490	\$ 6,222,200	\$ 3,174,697
Income taxes	1,700,370	1,817,720	-
Service revenues	4,852,590	5,187,500	1,706,447
Miscellaneous revenues	1,111,780	1,188,510	925,968
	<u>13,485,230</u>	<u>14,415,930</u>	<u>5,807,112</u>
Other sources:			
General fund subsidy	1,438,770	1,538,070	520,011
Previous year's encumbrances	283,965	283,965	283,965
	<u>1,722,735</u>	<u>1,822,035</u>	<u>803,976</u>
Total revenues and other sources	15,207,965	16,237,965	6,611,088
Expenditures			
Public Safety:			
Wages/benefits	493,160	493,160	480,156
Other	63,312	163,312	100,498
Capital outlay	90,000	90,000	29,729
	<u>646,472</u>	<u>746,472</u>	<u>610,383</u>
Fire:			
Wages/benefits	2,327,440	2,637,440	2,580,967
Other	1,391,288	1,411,288	1,234,071
	<u>3,718,728</u>	<u>4,048,728</u>	<u>3,815,038</u>
Police:			
Wages/benefits	1,287,280	1,287,280	1,244,198
Other	1,111,275	1,271,275	922,505
Capital outlay			
	<u>2,398,555</u>	<u>2,558,555</u>	<u>2,166,703</u>
Total expenditures	6,763,755	7,353,755	6,592,124
Excess of revenues and other sources over expenditures	8,444,210	8,884,210	18,964
Fund balance, January 1, 2018	<u>1,124,345</u>	<u>1,124,345</u>	<u>1,124,345</u>
Fund balance, December 31, 2018	\$ 9,568,555	\$ 10,008,555	\$ 1,143,309

Note: Included in General fund subsidy above are transfers in of \$520,011 and in Miscellaneous revenues above advances of \$578,000.

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

For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Taxes and assessments	\$ -	\$ -	129,928
Miscellaneous revenues	5,780,220	6,941,620	2,688,005
	<u>5,780,220</u>	<u>6,941,620</u>	<u>2,817,933</u>
Other sources:			
General fund subsidy	266,780	320,380	785,000
Note/Bond Proceeds	-	-	450,000
Previous year's encumbrances	46,804	46,804	46,804
	<u>313,584</u>	<u>367,184</u>	<u>1,281,804</u>
Total revenues and other sources	6,093,804	7,308,804	4,099,737
Expenditures			
Department Wide:			
Other	3,716,814	4,991,814	3,650,893
	<u>3,716,814</u>	<u>4,991,814</u>	<u>3,650,893</u>
Total expenditures	3,716,814	4,991,814	3,650,893
Excess of revenues and other sources over expenditures	2,376,990	2,316,990	448,844
Fund balance, January 1, 2018	190,524	190,524	190,524
Fund balance, December 31, 2018	<u>\$ 2,567,514</u>	<u>\$ 2,507,514</u>	<u>\$ 639,368</u>

Note: Included in General fund subsidy above are transfers in of \$785,000 and in Miscellaneous revenues above advances of \$469,000.

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

For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Income taxes	\$ -	\$ -	40,000
Governmental revenues	1,220,920	1,306,650	790,947
Service revenues	2,203,600	2,358,350	1,704,201
Miscellaneous revenues	136,980	146,600	77,117
	<u>3,561,500</u>	<u>3,811,600</u>	<u>2,612,265</u>
Other sources:			
Previous year's encumbrances	74,078	74,078	74,078
	<u>74,078</u>	<u>74,078</u>	<u>74,078</u>
Total revenues and other sources	3,635,578	3,885,678	2,686,343
Expenditures			
Department Wide:			
Wages/benefits	34,500	69,500	61,964
Other	4,216,578	4,566,578	1,247,839
	<u>4,251,078</u>	<u>4,636,078</u>	<u>1,309,803</u>
Total expenditures	4,251,078	4,636,078	1,309,803
Excess (deficiency) of revenues and other sources over expenditures	(615,500)	(750,400)	1,376,540
Fund balance, January 1, 2018	<u>8,568,608</u>	<u>8,568,608</u>	<u>8,568,608</u>
Fund balance, December 31, 2018	<u>\$ 7,953,108</u>	<u>\$ 7,818,208</u>	<u>\$ 9,945,148</u>

Note: Included in Miscellaneous revenues above is advances of \$30,200.

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 Deposits Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Miscellaneous revenues	\$ 1,273,000	\$ 1,273,000	\$ 248,594
Total revenues	1,273,000	1,273,000	248,594
Expenditures			
Finance:			
Other	900,000	900,000	874,851
Total expenditures	900,000	900,000	874,851
Excess (deficiency) of revenues over expenditures	373,000	373,000	(626,257)
Fund balance, January 1, 2018	2,370,101	2,370,101	2,370,101
Fund balance, December 31, 2018	\$ 2,743,101	\$ 2,743,101	\$ 1,743,844

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 Police, Fire, and Road Activity Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Income Taxes	\$ -	\$ 13,093,000	\$ 12,128,621
Total revenues	-	13,093,000	12,128,621
Expenditures			
Public Service:			
Other	-	-	1,435,932
Capital outlay	4,400,000	4,400,000	7,863,986
	4,400,000	4,400,000	9,299,918
Fire:			
Other	1,918,000	1,918,000	1,017,628
Capital outlay	2,500,000	2,500,000	38,347
	4,418,000	4,418,000	1,055,975
Police:			
Other	2,625,000	2,625,000	1,616,386
Capital outlay	1,650,000	1,650,000	136,204
	4,275,000	4,275,000	1,752,590
Total expenditures	13,093,000	13,093,000	12,108,483
Excess (deficiency) of revenues over expenditures	(13,093,000)	-	20,138
Fund balance, January 1, 2018	-	-	-
Fund balance (deficit), December 31, 2018	\$ (13,093,000)	\$ -	\$ 20,138

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues and other sources			
Revenues:			
Property taxes	\$ 1,665,617	\$ 1,648,936	\$ 1,651,101
Miscellaneous revenues	-	600,000	4,339
	<u>1,665,617</u>	<u>2,248,936</u>	<u>1,655,440</u>
Other sources:			
Previous year's encumbrances	4,557	4,557	4,557
Total revenues and other sources	1,670,174	2,253,493	1,659,997
Expenditures			
Finance:			
Wages/benefits	319,960	339,960	215,723
Other	863,207	1,938,207	1,569,594
Capital outlay	-	-	-
Total expenditures	1,183,167	2,278,167	1,785,317
Excess (deficiency) of revenues and other sources over expenditures	487,007	(24,674)	(125,320)
Fund balance, January 1, 2018	<u>116,883</u>	<u>116,883</u>	<u>116,883</u>
Fund balance (deficit), December 31, 2018	<u>\$ 603,890</u>	<u>\$ 92,209</u>	<u>\$ (8,437)</u>

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 Information Technology and Improvements Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Income taxes	\$ 90,000	\$ 1,565,000	\$ 100,000
Other Sources:			
Note Bond Proceeds	-	-	1,300,000
Total revenues and other sources	90,000	1,565,000	1,400,000
Expenditures			
Department Wide:			
Other	50,000	1,550,000	1,345,401
Total expenditures	50,000	1,550,000	1,345,401
Excess of revenues and other sources over expenditures	40,000	15,000	54,599
Fund balance, January 1, 2018	110,002	110,002	110,002
Fund balance, December 31, 2018	\$ 150,002	\$ 125,002	\$ 164,601

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 Parks and Recreation Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Miscellaneous revenues	\$ 35,950	\$ 35,950	\$ 44,510
Other sources:			
Note/Bond proceeds	1,450,050	1,450,050	600,000
Total revenues and other sources	1,486,000	1,486,000	644,510
Expenditures			
Department Wide:			
Other	425,100	425,100	372,535
Capital outlay	800,000	800,000	10,922
Total expenditures	1,225,100	1,225,100	383,457
Excess of revenues and other sources over expenditures	260,900	260,900	261,053
Fund balance, January 1, 2018	47,777	47,777	47,777
Fund balance, December 31, 2018	\$ 308,677	\$ 308,677	\$ 308,830

City of Akron, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual -
 Public Facilities and Improvements Fund, Non-GAAP Budget Basis
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Income taxes	\$ 139,510	\$ 306,780	\$ -
Governmental revenues	72,790	160,060	17,886
Miscellaneous revenues	467,030	1,027,040	-
	<u>679,330</u>	<u>1,493,880</u>	<u>17,886</u>
Other sources:			
Note/Bond proceeds	988,670	2,174,120	1,000,000
Previous year's encumbrances	271,617	271,617	271,617
	<u>1,260,287</u>	<u>2,445,737</u>	<u>1,271,617</u>
Total revenues and other sources	1,939,617	3,939,617	1,289,503
Expenditures			
Department Wide:			
Other	802,504	3,102,504	1,334,608
Capital outlay	855,112	555,112	77,440
	<u>1,657,616</u>	<u>3,657,616</u>	<u>1,412,048</u>
Total expenditures	1,657,616	3,657,616	1,412,048
Excess (deficiency) of revenues and other sources over expenditures	282,001	282,001	(122,545)
Fund balance, January 1, 2018	<u>131,911</u>	<u>131,911</u>	<u>131,911</u>
Fund balance, December 31, 2018	<u>\$ 413,912</u>	<u>\$ 413,912</u>	<u>\$ 9,366</u>

City of Akron, Ohio

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

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Miscellaneous revenues	\$ 43,000	\$ 1,043,000	\$ -
Other sources:			
Previous year's encumbrances	249	249	249
Total revenues and other sources	43,249	1,043,249	249
Expenditures			
Department Wide:			
Other	100,077	975,077	146,295
Capital outlay	1,000,172	125,172	23,500
Total expenditures	1,100,249	1,100,249	169,795
Deficiency of revenues and other sources over expenditures	(1,057,000)	(57,000)	(169,546)
Fund balance, January 1, 2018	1,181,551	1,181,551	1,181,551
Fund balance, December 31, 2018	\$ 124,551	\$ 1,124,551	\$ 1,012,005

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

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues and other sources			
Revenues:			
Taxes and assessments	\$ -	\$ -	354,534
Miscellaneous revenues	212,570	401,140	938,567
	<u>212,570</u>	<u>401,140</u>	<u>1,293,101</u>
Other sources:			
Note/Bond proceeds	2,267,430	4,278,860	100,000
Previous year's encumbrances	80	80	80
	<u>2,267,510</u>	<u>4,278,940</u>	<u>100,080</u>
Total revenues and other sources	2,480,080	4,680,080	1,393,181
Expenditures			
Department Wide:			
Other	2,349,680	4,199,680	1,128,554
Capital outlay	2,000,000	2,000,000	401,011
	<u>4,349,680</u>	<u>6,199,680</u>	<u>1,529,565</u>
Total expenditures	4,349,680	6,199,680	1,529,565
Deficiency of revenues and other sources over expenditures	(1,869,600)	(1,519,600)	(136,384)
Fund balance, January 1, 2018	<u>1,981,314</u>	<u>1,981,314</u>	<u>1,981,314</u>
Fund balance, December 31, 2018	<u>\$ 111,714</u>	<u>\$ 461,714</u>	<u>\$ 1,844,930</u>

NON-MAJOR ENTERPRISE FUNDS

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

- Oil and Gas
- Golf Course
- Airport

City of Akron, Ohio
Combining Statement of Net Position - Non-Major Enterprise Funds
December 31, 2018

C-1

	Oil and Gas	Golf Course	Airport	Total
Assets				
Current assets:				
Pooled cash and investments	\$ 163,506	\$ 11,369	\$ 326,661	\$ 501,536
Receivables, net of allowances for uncollectibles	-	5,000	-	5,000
Inventories, at cost	-	45,453	-	45,453
Total current assets	<u>163,506</u>	<u>61,822</u>	<u>326,661</u>	<u>551,989</u>
Noncurrent assets:				
Net pension asset	-	3,417	-	3,417
Property, plant and equipment, net of accumulated depreciation	395,487	1,187,606	7,473,646	9,056,739
Total noncurrent assets	<u>395,487</u>	<u>1,191,023</u>	<u>7,473,646</u>	<u>9,060,156</u>
Total assets	558,993	1,252,845	7,800,307	9,612,145
Deferred Outflows of Resources				
	-	246,516	-	246,516
Total assets and deferred outflows	<u>558,993</u>	<u>1,499,361</u>	<u>7,800,307</u>	<u>9,858,661</u>
Liabilities				
Current liabilities:				
Accounts payable	124	16,053	52,846	69,023
Due to others	-	275	-	275
Due to other governments	-	2,760	-	2,760
Due to other funds	34	512	312,000	312,546
Accrued liabilities	-	4,812	25,600	30,412
Accrued wages	-	12,140	-	12,140
Accrued vacation and leave	-	25,350	-	25,350
Total current liabilities	<u>158</u>	<u>61,902</u>	<u>390,446</u>	<u>452,506</u>
Noncurrent liabilities:				
Due in more than one year	-	68,774	-	68,774
Net pension liability	-	516,479	-	516,479
Net OPEB Liability	-	476,693	-	476,693
Total noncurrent liabilities	<u>-</u>	<u>1,061,946</u>	<u>-</u>	<u>1,061,946</u>
Total liabilities	158	1,123,848	390,446	1,514,452
Deferred Inflows of Resources				
	-	234,421	45,000	279,421
Total liabilities and deferred inflows	<u>158</u>	<u>1,358,269</u>	<u>435,446</u>	<u>1,793,873</u>
Net Position				
Net investment in capital assets	395,487	1,187,606	7,473,646	9,056,739
Unrestricted (deficit)	163,348	(1,046,514)	(108,785)	(991,951)
Total net position	<u>\$ 558,835</u>	<u>\$ 141,092</u>	<u>\$ 7,364,861</u>	<u>\$ 8,064,788</u>

City of Akron, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

C-2

	Oil and Gas	Golf Course	Airport	Total
Operating revenues				
Charges for services	\$ 96,571	\$ 860,100	\$ 472,756	\$ 1,429,427
Other	-	94,993	378,919	473,912
	<u>96,571</u>	<u>955,093</u>	<u>851,675</u>	<u>1,903,339</u>
Operating expenses				
Personal services	-	908,461	-	908,461
Direct expenses	26,380	551,346	938,925	1,516,651
Rentals and lease	-	79,001	-	79,001
Utilities	-	83,895	1,400	85,295
Insurance	15,900	6,883	6,750	29,533
Depreciation, depletion and amortization	-	57,819	219,096	276,915
Other	10	-	187,187	187,197
	<u>42,290</u>	<u>1,687,405</u>	<u>1,353,358</u>	<u>3,083,053</u>
Operating income (loss)	<u>54,281</u>	<u>(732,312)</u>	<u>(501,683)</u>	<u>(1,179,714)</u>
Interest expense	-	(1,040)	-	(1,040)
	<u>-</u>	<u>(1,040)</u>	<u>-</u>	<u>(1,040)</u>
Income (loss) before transfers	54,281	(733,352)	(501,683)	(1,180,754)
Transfers-in	-	411,000	70,000	481,000
Capital contributions	-	-	203,704	203,704
	<u>-</u>	<u>411,000</u>	<u>273,704</u>	<u>684,704</u>
Change in net position	54,281	(322,352)	(227,979)	(496,050)
Net position, January 1, 2018, as restated	<u>504,554</u>	<u>463,444</u>	<u>7,592,840</u>	<u>8,560,838</u>
Net position, December 31, 2018	<u>\$ 558,835</u>	<u>\$ 141,092</u>	<u>\$ 7,364,861</u>	<u>\$ 8,064,788</u>

City of Akron, Ohio
Combining Statement of Cash Flows - Non-Major Enterprise Funds
For the Year Ended December 31, 2018

	Oil and Gas	Golf	Airport	Total Non-Major Enterprise Funds
Operating activities				
Cash received from customers	\$ 96,571	\$ 855,100	\$ 472,756	\$ 1,424,427
Cash payments to suppliers for goods and services	(42,239)	(712,386)	(665,388)	(1,420,013)
Cash paid for salaries and employee benefits	-	(651,593)	(29,275)	(680,868)
Other revenues	-	94,993	378,919	473,912
Other expenses	(10)	-	(142,187)	(142,197)
Net cash provided by (used for) operating activities	54,322	(413,886)	14,825	(344,739)
Non-capital financing activities				
Operating transfers from other funds	-	411,000	70,000	481,000
Net cash provided by non-capital financing activities	-	411,000	70,000	481,000
Capital and related financing activities				
Interest paid on bonds and loans	-	(1,040)	-	(1,040)
Acquisition and construction of capital assets	-	-	-	-
Capital Contributions	-	-	203,704	203,704
Net cash provided by (used for) capital and related financing activities	-	(1,040)	203,704	202,664
Net increase (decrease) in cash and cash equivalents	54,322	(3,926)	288,529	338,925
Cash and cash equivalents, January 1, 2018	109,184	15,295	38,132	162,611
Cash and cash equivalents, December 31, 2018	\$ 163,506	\$ 11,369	\$ 326,661	\$ 501,536

	Oil and Gas	Golf	Airport	Total Non-Major Enterprise Funds
Operating income (loss)	\$ 54,281	\$ (732,312)	\$ (501,683)	\$ (1,179,714)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion and amortization	-	57,819	219,096	276,915
(Increase) decrease in operating assets:				
Receivables	-	(5,000)	-	(5,000)
Inventories	-	2,736	-	2,736
Increase (decrease) in operating liabilities:				
Accounts payable	12	4,241	22,285	26,538
Due to other funds	34	(998)	312,000	311,036
Due to other governments	(5)	2,760	(52,598)	(49,843)
Accrued liabilities	-	248,115	15,725	263,840
Accrued wages	-	1,504	-	1,504
Accrued vacation and leave	-	7,249	-	7,249
Net cash provided by (used for) operating activities	<u>\$ 54,322</u>	<u>\$ (413,886)</u>	<u>\$ 14,825</u>	<u>\$ (344,739)</u>

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INTERNAL SERVICE FUNDS

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

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

City of Akron, Ohio
Combining Statement of Net Position - Internal Service Funds
December 31, 2018

D-1

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve
Assets			
Current assets:			
Pooled cash and investments	\$ 545,407	\$ 3,064,040	\$ 3,631,287
Receivables, net of allowances from uncollectibles	63,377	-	-
Due from other funds	494,962	-	-
Inventories, at cost	552,115	-	-
Total current assets	1,655,861	3,064,040	3,631,287
Noncurrent assets:			
Net pension asset	12,478	3,084	-
Property, plant and equipment, net of accumulated depreciation	1,423,779	-	-
Total noncurrent assets	1,436,257	3,084	-
Total assets	3,092,118	3,067,124	3,631,287
Deferred Outflows of Resources			
	1,005,266	215,481	-
Total assets and deferred outflows	4,097,384	3,282,605	3,631,287
Liabilities			
Current liabilities:			
Accounts payable	453,460	1,042	-
Due to other governments	-	-	-
Advances from other funds	750,000	-	-
Due to other funds	750,583	22,170	-
Accrued liabilities	22,603	5,769	2,372,609
Accrued wages	73,599	17,998	-
Accrued vacation and leave	156,340	35,645	-
Liability for unpaid claims	-	3,412,447	439,520
Debt:			
Total current liabilities	2,206,585	3,495,071	2,812,129
Noncurrent liabilities:			
Due in more than one year	624,437	99,866	1,556,879
Bonds, notes, and loans	-	2,500,000	-
Net pension liability	1,886,310	466,336	-
Net OPEB Liability	3,181,779	332,908	-
Total noncurrent liabilities	5,692,526	3,399,110	1,556,879
Total liabilities	7,899,111	6,894,181	4,369,008
Deferred Inflows of Resources			
	856,162	211,661	-
Total liabilities and deferred inflows	8,755,273	7,105,842	4,369,008
Net Position			
Net investment in capital assets	1,423,779	-	-
Unrestricted (deficit)	(6,081,668)	(3,823,237)	(737,721)
Total net position	\$ (4,657,889)	\$ (3,823,237)	\$ (737,721)

Self- Insurance Settlement	Telephone System	Engineering Bureau	Information Technology	Total Internal Service Funds
\$ 17,942	\$ 227,112	\$ 448,702	\$ 517,433	\$ 8,451,923
-	-	648	-	64,025
-	59,504	327,438	177,305	1,059,209
-	-	-	-	552,115
17,942	286,616	776,788	694,738	10,127,272
-	-	24,120	3,822	43,504
-	185,195	86,745	937,742	2,633,461
-	185,195	110,865	941,564	2,676,965
17,942	471,811	887,653	1,636,302	12,804,237
-	-	1,877,986	313,922	3,412,655
17,942	471,811	2,765,639	1,950,224	16,216,892
-	71,949	6,132	19,263	551,846
-	-	-	79,578	79,578
-	-	-	-	750,000
-	13	206,779	95,207	1,074,752
-	224	42,742	8,091	2,452,038
-	748	134,575	25,428	252,348
-	-	382,603	73,118	647,706
882,915	-	-	-	4,734,882
882,915	72,934	772,831	300,685	10,543,150
-	-	1,741,741	419,714	4,442,637
-	-	-	-	2,500,000
-	-	3,646,312	577,754	6,576,712
-	-	5,254,803	1,057,194	9,826,684
-	-	10,642,856	2,054,662	23,346,033
882,915	72,934	11,415,687	2,355,347	33,889,183
-	-	1,654,997	262,233	2,985,053
882,915	72,934	13,070,684	2,617,580	36,874,236
-	185,195	86,745	937,742	2,633,461
(864,973)	213,682	(10,391,790)	(1,605,098)	(23,290,805)
\$ (864,973)	\$ 398,877	\$ (10,305,045)	\$ (667,356)	\$ (20,657,344)

City of Akron, Ohio

D-2

Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds
For the Year Ended December 31, 2018

	Motor Equipment	Medical Self- Insurance	Workers' Compensation Reserve
Operating revenues			
Charges for services	\$ 7,585,836	\$ 35,317,798	\$ 2,395,390
Other	63,057	2,372,301	50,001
	<u>7,648,893</u>	<u>37,690,099</u>	<u>2,445,391</u>
Operating expenses			
Personal services	1,984,827	743,203	-
Direct expenses	6,297,973	2,986,427	3,665,869
Claims	-	31,596,856	250,849
Rentals and lease	-	15,240	-
Utilities	84,681	1,300	-
Insurance	12,515	-	-
Depreciation, depletion and amortization	49,750	-	-
Other	8,116	-	-
	<u>8,437,862</u>	<u>35,343,026</u>	<u>3,916,718</u>
Operating income (loss)	<u>(788,969)</u>	<u>2,347,073</u>	<u>(1,471,327)</u>
Nonoperating revenues (expenses)			
Interest income	-	-	1,925
Interest expense	(20,152)	(40,026)	-
	<u>(20,152)</u>	<u>(40,026)</u>	<u>1,925</u>
Changes in net position	(809,121)	2,307,047	(1,469,402)
Net position (deficit), January 1, 2018, as restated	<u>(3,848,768)</u>	<u>(6,130,284)</u>	<u>731,681</u>
Net position (deficit), December 31, 2018	<u>\$ (4,657,889)</u>	<u>\$ (3,823,237)</u>	<u>\$ (737,721)</u>

Self- Insurance Settlement	Telephone System	Engineering Bureau	Information Technology	Total Internal Service Funds
\$ -	\$ 729,477	\$ 4,800,047	\$ 2,799,631	\$ 53,628,179
-	376,586	62,246	14,300	2,938,491
-	1,106,063	4,862,293	2,813,931	56,566,670
-	321,787	4,867,982	955,959	8,873,758
93,555	583,843	399,637	1,475,950	15,503,254
-	-	6,999	-	31,854,704
-	-	262,363	172,329	449,932
-	81,118	26,024	6,955	200,078
-	-	14,349	1,350	28,214
-	21,108	3,975	249,050	323,883
-	-	1,114	324	9,554
93,555	1,007,856	5,582,443	2,861,917	57,243,377
(93,555)	98,207	(720,150)	(47,986)	(676,707)
-	-	-	-	1,925
-	-	-	-	(60,178)
-	-	-	-	(58,253)
(93,555)	98,207	(720,150)	(47,986)	(734,960)
(771,418)	300,670	(9,584,895)	(619,370)	(19,922,384)
\$ (864,973)	\$ 398,877	\$ (10,305,045)	\$ (667,356)	\$ (20,657,344)

City of Akron, Ohio
Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended December 31, 2018

	Motor Equipment	Medical Self - Insurance	Workers' Compensation	Self - Insurance Settlement
Operating activities				
Cash received from customers	\$ 7,614,886	\$ 35,317,798	\$ 2,395,390	\$ -
Cash payments to suppliers for goods and services	(5,286,431)	(2,998,754)	(102,828)	-
Cash paid for salaries and employee benefits	(2,686,587)	(32,222,478)	(1,914,216)	-
Other revenues	63,057	2,372,301	50,001	-
Other expense	(8,116)	-	-	-
Net cash provided by (used for) operating activities	(303,191)	2,468,867	428,347	-
Non-capital financing activities				
Transfers/advances in for negative cash balances	750,000	-	-	-
Proceeds from sale of notes	-	2,500,000	-	-
Principal paid on bonds, loans and notes	-	(3,500,000)	-	-
Interest paid on bonds, loans and notes	-	(40,026)	-	-
Net cash provided by (used for) non-capital financing activities	750,000	(1,040,026)	-	-
Capital and related financing activities				
Interest paid on bonds and loans	(20,153)	-	-	-
Acquisition and construction of capital assets	-	-	-	-
Net cash used for capital financing activities	(20,153)	-	-	-
Investing activities				
Interest on investments	-	-	1,925	-
Net cash provided by investing activities	-	-	1,925	-
Net increase (decrease) in cash and cash equivalents	426,656	1,428,841	430,272	-
Cash and cash equivalents, January 1, 2018	118,751	1,635,199	3,201,015	17,942
Cash and cash equivalents, December 31, 2018	\$ 545,407	\$ 3,064,040	\$ 3,631,287	\$ 17,942

Telephone System	Engineering Bureau	Information Technology	Total
\$ 751,417	\$ 4,770,874	\$ 2,622,326	\$ 53,472,691
(641,581)	(564,488)	(1,520,851)	(11,114,933)
(320,815)	(4,789,817)	(809,926)	(42,743,839)
376,586	62,246	14,300	2,938,491
-	(1,114)	(324)	(9,554)
165,607	(522,299)	305,525	2,542,856
-	-	-	750,000
-	-	-	2,500,000
-	-	-	(3,500,000)
-	-	-	(40,026)
-	-	-	(290,026)
-	-	-	(20,153)
(44,949)	-	-	(44,949)
(44,949)	-	-	(65,102)
-	-	-	1,925
-	-	-	1,925
120,658	(522,299)	305,525	2,189,653
106,454	971,001	211,908	6,262,270
\$ 227,112	\$ 448,702	\$ 517,433	\$ 8,451,923

City of Akron, Ohio
Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended December 31, 2018
(continued)

	Motor Equipment	Medical Self - Insurance	Workers' Compensation	Self - Insurance Settlement
Operating income (loss)	\$ (788,969)	\$ 2,347,073	\$ (1,471,327)	\$ (93,555)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation, depletion and amortization	49,750	-	-	-
(Increase) decrease in operating assets:				
Receivables	(36,078)	-	-	-
Due from other funds	65,128	-	-	-
Inventories	77,669	-	-	-
Increase (decrease) in operating liabilities:				
Accounts payable	281,058	(28,949)	-	-
Due to other funds	750,011	19,095	-	-
Due to other governments	-	-	-	-
Accrued liabilities	(695,858)	103,227	-	-
Accrued wages	(657)	2,122	-	-
Accrued vacation and leave	(5,245)	12,232	-	-
Estimated liability for unpaid claims	-	14,067	1,899,674	93,555
Net cash provided by (used for) operating activities	<u>\$ (303,191)</u>	<u>\$ 2,468,867</u>	<u>\$ 428,347</u>	<u>\$ -</u>

Telephone System	Engineering Bureau	Information Technology	Total
\$ 98,207	\$ (720,150)	\$ (47,986)	\$ (676,707)
21,108	3,975	249,050	323,883
-	395	-	(35,683)
21,940	(29,568)	(177,305)	(119,805)
-	-	-	77,669
23,367	(1,927)	5,093	278,642
13	139,812	94,917	1,003,848
-	-	35,723	35,723
224	(123,662)	62,388	(653,681)
748	13,725	9,589	25,527
-	195,101	74,056	276,144
-	-	-	2,007,296
\$ 165,607	\$ (522,299)	\$ 305,525	\$ 2,542,856

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FIDUCIARY FUNDS

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

Claire Merrix Trust
Holocaust Memorial Trust
Police/Fire Beneficiary Trust

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

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

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

Copley-Akron JEDD Fund – is used to account for JEDD income taxes levied by the JEDD Board and disbursements pursuant to the contract.

Coventry-Akron JEDD Fund – is used to account for JEDD income taxes levied by the JEDD Board and disbursements pursuant to the contract.

Springfield-Akron JEDD Fund – is used to account for JEDD income taxes levied by the JEDD Board and disbursements pursuant to the contract.

Bath-Akron-Fairlawn JEDD Fund – is used to account for JEDD income taxes levied by the JEDD Board and disbursements pursuant to the contract.

City of Akron, Ohio
Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds
December 31, 2018

	Claire Merrix Trust	Holocaust Memorial Trust	Police/Fire Beneficiary Trust	Total
Assets				
Cash and investments	\$ 1,060	\$ 23,331	\$ 7,365	\$ 31,756
Total assets	1,060	23,331	7,365	31,756
Due to others	-	-	-	-
Net Position	<u>\$ 1,060</u>	<u>\$ 23,331</u>	<u>\$ 7,365</u>	<u>\$ 31,756</u>

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City of Akron, Ohio
Combining Statement of Fiduciary Net Position - Agency Funds
December 31, 2018

	Municipal Court	Police Property Monetary Evidence	Unclaimed Monies
Assets			
Cash and investments	\$ 709,003	\$ 1,011,273	\$ 214,535
Total assets	<u>709,003</u>	<u>1,011,273</u>	<u>214,535</u>
Liabilities			
Due to others	<u>709,003</u>	<u>1,011,273</u>	<u>214,535</u>
Total liabilities	<u>709,003</u>	<u>1,011,273</u>	<u>214,535</u>
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Copley - Akron JEDD	Coventry - Akron JEDD	Springfield - Akron JEDD	Bath - Akron - Fairlawn JEDD	Total
\$ -	\$ -	\$ -	\$ -	1,934,811
-	-	-	-	1,934,811
-	-	-	-	1,934,811
-	-	-	-	1,934,811
\$ -	\$ -	\$ -	\$ -	-

City of Akron, Ohio
Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds
For the Year Ended December 31, 2018

	Claire Merrix Trust	Holocaust Memorial Trust	Police/Fire Beneficiary Trust	Total
Additions				
Contributions	\$ -	\$ 4,398	\$ 405	\$ 4,803
	-	4,398	405	4,803
Deductions				
Education and awareness	-	6,535	-	6,535
	-	6,535	-	6,535
Changes in net position	-	(2,137)	405	(1,732)
Net position, January 1, 2018	1,060	25,468	6,960	33,488
Net position, December 31, 2018	<u>\$ 1,060</u>	<u>\$ 23,331</u>	<u>\$ 7,365</u>	<u>\$ 31,756</u>

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City of Akron, Ohio
Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Municipal Court				
Assets				
Cash	\$ 747,613	\$ 10,999,025	\$ 11,037,635	\$ 709,003
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities				
Due to others	\$ 747,613	\$ 10,999,025	11,037,635	\$ 709,003
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Police Property Monetary Evidence				
Assets				
Cash	\$ 916,348	\$ 417,047	\$ 322,124	\$ 1,011,271
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities				
Due to others	\$ 916,348	\$ 417,047	\$ 322,124	\$ 1,011,271
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unclaimed Monies				
Assets				
Cash	\$ 138,614	\$ 75,940	\$ 17	\$ 214,537
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities				
Due to others	\$ 138,614	\$ 75,940	\$ 17	\$ 214,537
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

City of Akron, Ohio
Combining Statement of Changes in Assets and Liabilities - Agency Funds (continued)
For the Year Ended December 31, 2018

	<u>Balance January 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2018</u>
Copley - Akron JEDD				
Assets				
Cash	\$ -	\$ 6,621,020	\$ 6,621,020	\$ -
Liabilities				
Due to others	\$ -	\$ 6,621,020	\$ 6,621,020	\$ -
Coventry - Akron JEDD				
Assets				
Cash	\$ -	\$ 3,243,262	\$ 3,243,262	\$ -
Liabilities				
Due to others	\$ -	\$ 3,243,262	3,243,262	\$ -
Springfield - Akron JEDD				
Assets				
Cash	\$ -	\$ 3,232,540	\$ 3,232,540	\$ -
Liabilities				
Due to others	\$ -	\$ 3,232,540	\$ 3,232,540	\$ -
Bath - Akron - Fairlawn JEDD				
Assets				
Cash	\$ -	\$ 8,226,832	\$ 8,226,832	\$ -
Liabilities				
Due to others	\$ -	\$ 8,226,832	\$ 8,226,832	\$ -
Total All Agency Funds				
Assets				
Cash	\$ 1,802,575	\$ 32,815,666	\$ 32,683,430	\$ 1,934,811
	<u>\$ 1,802,575</u>	<u>\$ 32,815,666</u>	<u>\$ 32,683,430</u>	<u>\$ 1,934,811</u>
Liabilities				
Due to others	\$ 1,802,575	\$ 32,815,666	\$ 32,683,430	\$ 1,934,811
	<u>\$ 1,802,575</u>	<u>\$ 32,815,666</u>	<u>\$ 32,683,430</u>	<u>\$ 1,934,811</u>

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Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	223
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources which are income tax and property tax.	230
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	235
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the City.	243
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	245

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

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

Schedule 1

	2009	2010	2011	2012	2013
Governmental Activities					
Net Investment in Capital Assets	\$ 325,085,939	\$ 320,611,400	\$ 336,791,218	\$ 342,181,729	\$ 353,686,041
Restricted	46,034,221	76,133,681	64,060,427	45,769,529	46,822,028
Unrestricted	(32,116,320)	(63,841,247)	(39,096,078)	(28,089,325)	(25,922,004)
Total Governmental Activities Net Position	339,003,840	332,903,834	361,755,567	359,861,933	374,586,065
Business-Type Activities					
Net Investment in Capital Assets	364,052,481	368,334,039	382,353,490	381,737,149	385,492,533
Restricted	11,601,001	11,955,748	9,650,185	9,726,690	9,789,966
Unrestricted	(534,594)	5,913,913	(898,127)	8,473,245	19,221,970
Total Business-Type Activities Net Position	375,118,888	386,203,700	391,105,548	399,937,084	414,504,469
Primary Government					
Net Investment in Capital Assets	689,138,420	688,945,439	719,144,708	723,918,878	739,178,574
Restricted	57,635,222	88,089,429	73,710,612	55,496,219	56,611,994
Unrestricted	(32,650,914)	(57,927,334)	(39,994,205)	(19,616,080)	(6,700,034)
Total Primary Government Net Position	\$ 714,122,728	\$ 719,107,534	\$ 752,861,115	\$ 759,799,017	\$ 789,090,534
	2014	2015 *	2016 *	2017 *	2018 *
Governmental Activities					
Net Investment in Capital Assets	\$ 352,411,914	\$ 373,605,736	\$ 361,614,290	\$ 371,386,210	\$ 380,255,982
Restricted	43,314,132	36,462,300	26,685,480	128,290,211	141,116,295
Unrestricted	(13,531,515)	(184,719,280)	(169,438,185)	(316,858,123)	(525,895,655)
Total Governmental Activities Net Position	382,194,531	225,348,756	218,861,585	182,818,298	(4,523,378)
Business-Type Activities					
Net Investment in Capital Assets	400,523,178	396,984,561	389,215,183	374,890,468	390,472,592
Restricted	9,854,895	9,498,992	9,389,310	5,849,447	3,488,611
Unrestricted	16,815,329	29,988,650	47,446,909	81,463,305	56,572,126
Total Business-Type Activities Net Position	427,193,402	436,472,203	446,051,402	462,203,220	450,533,329
Primary Government					
Net Investment in Capital Assets	752,935,092	770,590,297	750,829,473	746,276,678	770,728,574
Restricted	53,169,027	45,961,292	36,074,790	134,139,658	144,604,906
Unrestricted	3,283,814	(154,730,630)	(121,991,276)	(235,394,818)	(469,323,529)
Total Primary Government Net Position	\$ 809,387,933	\$ 661,820,959	\$ 664,912,987	\$ 645,021,518	\$ 446,009,951

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

Schedule 2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Program Revenues										
Governmental Activities										
Charges for Services:										
General Government	\$ 9,480,148	\$ 13,878,801	\$ 9,674,230	\$ 10,218,969	\$ 14,473,321	\$ 9,553,457	\$ 7,505,352	\$ 15,271,721	\$ 21,698,159	\$ 20,571,001
Public Service	23,701,124	33,856,324	25,094,315	14,404,457	16,524,746	18,489,527	19,949,672	18,353,558	18,382,609	16,188,076
Public Safety	916,609	1,286,320	847,335	508,391	862,405	4,717,778	4,349,617	4,176,521	4,181,992	4,103,197
Community Environment	19,165	13,934	7,607	422,186	164,000	2,230,381	228,261	3,467,416	5,371,735	4,225,621
Public Health	575,124	623,919	37,132	3,512	2,257	-	-	-	-	-
Recreation and Parks	331,715	414,527	242,837	183,754	230,420	730,079	721,422	1,053,610	701,426	631,324
Operating Grants and Contributions	21,601,120	38,518,668	17,302,475	19,658,258	20,409,809	19,326,836	12,724,856	13,345,362	10,412,337	12,012,934
Capital Grants and Contributions	26,257,174	38,467,858	38,778,626	35,507,412	46,774,660	41,095,526	44,349,143	46,353,664	34,742,428	37,671,943
Total Governmental Activities Program Revenues	82,882,179	127,060,351	91,984,557	80,906,939	99,441,618	96,143,584	89,828,323	102,021,852	95,490,686	95,404,096
Business-Type Activities										
Charges for Services:										
Water	32,702,521	34,365,128	34,718,912	32,215,076	34,969,933	33,986,195	35,391,626	34,910,383	33,677,422	31,044,651
Sewer	35,817,311	44,879,526	49,610,750	56,208,333	63,097,046	70,951,430	89,170,077	89,740,016	93,781,115	85,405,280
Oil & Gas	269,720	371,137	373,269	226,172	300,119	241,905	130,030	61	112,969	96,571
Parking Facilities	4,684,648	4,798,580	4,710,310	4,577,496	4,773,882	4,570,975	4,275,513	4,507,555	2,268,832	3,347,593
Golf Course	885,577	926,633	807,693	938,725	893,815	826,503	917,712	931,126	912,616	860,100
Airport	149,172	65,186	76,912	197,878	154,692	156,983	182,663	169,577	163,568	472,756
Capital Grants and Contributions	6,601,474	5,838,213	4,416,302	7,786,418	4,045,528	4,871,914	4,916,124	5,481,149	4,741,494	1,502,429
Total Business-Type Activities Program Revenues	81,110,423	91,244,403	94,714,148	102,150,098	108,235,015	115,605,905	134,983,745	135,739,867	135,658,016	122,729,380
Total Primary Government Program Revenues	\$ 163,992,602	\$ 218,304,754	\$ 186,698,705	\$ 183,057,037	\$ 207,676,633	\$ 211,749,489	\$ 224,812,068	\$ 237,761,719	\$ 231,148,702	\$ 218,133,476
Expenses										
Governmental Activities										
General Government	\$ 43,879,396	\$ 57,324,570	\$ 48,717,920	\$ 44,074,083	\$ 35,134,302	\$ 38,547,406	\$ 31,954,663	\$ 42,940,494	\$ 40,785,375	\$ 36,394,068
Public Service	80,172,670	104,776,341	50,268,506	52,045,512	65,740,981	67,516,145	74,133,731	71,811,167	72,033,027	74,255,760
Public Safety	123,812,322	112,983,694	109,950,785	113,141,469	112,374,172	120,176,274	124,943,875	140,165,348	129,124,366	115,754,910
Community Environment	35,724,084	36,971,008	58,355,271	66,174,345	88,673,453	42,970,628	44,393,603	98,362,358	60,901,084	25,299,743
Public Health	16,833,245	16,584,773	3,517,378	3,982,604	3,921,672	4,832,375	4,452,937	4,354,820	4,424,817	4,491,876
Recreation and Parks	6,270,738	5,704,548	5,801,457	6,906,906	7,690,836	6,811,470	5,567,353	5,717,798	4,449,281	4,129,340
Interest	24,194,932	24,845,202	22,212,625	35,466,855	26,324,712	27,940,204	30,189,381	23,923,218	24,834,592	21,389,588
Unallocated Depreciation	14,158,196	14,740,666	15,358,939	15,559,132	15,468,193	16,091,850	17,065,802	18,830,770	17,913,455	18,312,112
Total Governmental Activities Expenses	345,045,583	373,930,802	314,182,881	337,350,906	355,328,321	324,886,352	332,701,345	406,105,973	354,465,997	300,027,397
Business-Type Activities										
Water	33,622,159	34,399,758	35,228,188	28,050,701	31,075,633	32,522,741	37,964,538	34,913,805	33,952,382	38,510,047
Sewer	34,847,213	39,299,082	46,730,809	58,124,815	54,959,359	71,709,972	70,908,326	83,933,150	83,743,770	63,822,180
Oil & Gas	123,292	479,640	250,643	279,689	202,341	350,060	321,767	49,571	39,589	42,528
Parking Facilities	6,797,185	7,248,743	7,355,958	7,780,158	6,929,930	7,189,194	7,063,162	7,269,596	5,375,745	6,502,595
Golf Course	1,327,158	1,270,474	1,193,071	1,176,344	1,243,395	1,106,275	1,275,762	1,408,269	1,283,427	1,689,944
Airport	695,864	686,012	1,005,792	653,852	683,251	720,934	920,765	741,052	760,807	1,353,358
Total Business-Type Activities Expenses	77,412,871	83,383,709	91,764,461	96,065,559	95,093,909	113,599,176	118,454,320	128,315,443	125,155,720	111,920,652
Total Primary Government Expenses	\$ 422,458,454	\$ 457,314,511	\$ 405,947,342	\$ 433,416,465	\$ 450,422,230	\$ 438,485,528	\$ 451,155,665	\$ 534,421,416	\$ 479,621,717	\$ 411,948,049

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

Schedule 2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental Activities	\$ (262,163,404)	\$ (246,870,451)	\$ (222,198,324)	\$ (256,443,967)	\$ (255,886,703)	\$ (228,742,768)	\$ (242,873,022)	\$ (304,084,121)	\$ (258,975,311)	\$ (204,623,301)
Business-Type Activities	369,755	7,860,694	2,949,687	608,453	13,141,106	2,006,729	1,652,945	7,424,425	9,274,126	10,808,728
Total Primary Government Net Expense	\$ (258,465,852)	\$ (239,009,757)	\$ (219,248,637)	\$ (250,359,428)	\$ (242,745,597)	\$ (226,736,039)	\$ (226,343,597)	\$ (296,659,696)	\$ (249,701,185)	\$ (193,814,573)
General Revenue and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Income Taxes	\$ 120,914,118	\$ 119,257,796	\$ 134,473,083	\$ 131,601,798	\$ 141,289,710	\$ 141,389,904	\$ 143,231,380	\$ 152,856,443	\$ 139,183,876	\$ 171,426,317
Property Taxes	28,160,321	29,013,731	25,831,020	24,003,912	19,627,342	23,342,160	23,681,267	23,341,356	24,831,344	26,166,396
JEDD Revenues	15,603,044	15,190,788	16,826,153	20,706,211	18,485,942	17,758,520	19,271,731	12,341,811	14,800,350	14,905,073
Investment Earnings	2,411,286	534,263	643,612	439,005	553,699	300,784	848,901	1,170,199	1,221,577	3,409,213
Unrestricted Shared Revenues	60,374,803	57,043,369	51,162,387	69,710,284	92,823,194	46,752,194	46,387,254	98,487,030	42,726,783	40,613,726
Miscellaneous	13,832,819	20,122,026	30,059,892	8,337,078	10,657,380	10,155,196	7,853,357	11,211,091	10,221,319	14,364,534
Gain (loss) on Sale of Capital Assets	-	1,539	95,999	60,045	31,307	14,239	2,738	33,590	101,878	53,360
Transfers	(890,160)	(393,067)	(529,996)	(308,000)	(338,360)	(466,000)	(887,300)	(611,000)	(941,000)	(791,000)
Total Governmental Activities	\$ 240,406,231	\$ 240,770,445	\$ 258,562,150	\$ 254,550,333	\$ 283,130,214	\$ 239,246,997	\$ 240,389,328	\$ 298,830,520	\$ 232,146,127	\$ 270,147,619
Business-Type Activities:										
Investment Earnings	\$ 11,377	\$ 6,945	\$ 626	\$ 785	\$ 854	\$ 727	\$ 107,676	\$ 107,655	\$ 137,758	\$ 31,820
Miscellaneous	1,557,957	2,824,106	1,350,658	2,438,212	1,087,065	3,760,632	2,166,460	1,355,459	4,570,764	1,298,135
Gain (loss) on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers	890,160	393,067	529,996	308,000	338,360	466,000	887,300	611,000	941,000	791,000
Total Business-Type Activities	\$ 2,459,494	\$ 3,224,118	\$ 1,881,280	\$ 2,746,997	\$ 1,426,279	\$ 4,227,359	\$ 3,161,436	\$ 2,074,114	\$ 5,649,522	\$ 2,120,955
Total Primary Government	\$ 242,865,725	\$ 243,994,563	\$ 260,443,430	\$ 257,297,330	\$ 284,556,493	\$ 243,474,356	\$ 243,550,764	\$ 300,904,634	\$ 237,795,649	\$ 272,268,574
Change in Net Position										
Governmental Activities	\$ (21,757,173)	\$ (6,100,006)	\$ 36,363,826	\$ (1,893,634)	\$ 27,243,511	\$ 10,504,229	\$ (2,483,694)	\$ (5,253,601)	\$ (26,829,184)	\$ 65,524,318
Business-Type Activities	6,157,046	11,084,812	4,830,967	8,831,536	14,567,385	6,234,088	19,690,861	9,498,539	16,151,818	12,929,683
Total Primary Government Change in Net Position	\$ (15,600,127)	\$ 4,984,806	\$ 41,194,793	\$ 6,937,902	\$ 41,810,896	\$ 16,738,317	\$ 17,207,167	\$ 4,244,938	\$ (10,677,366)	\$ 78,454,001

Source: City of Akron, Ohio Finance Department

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

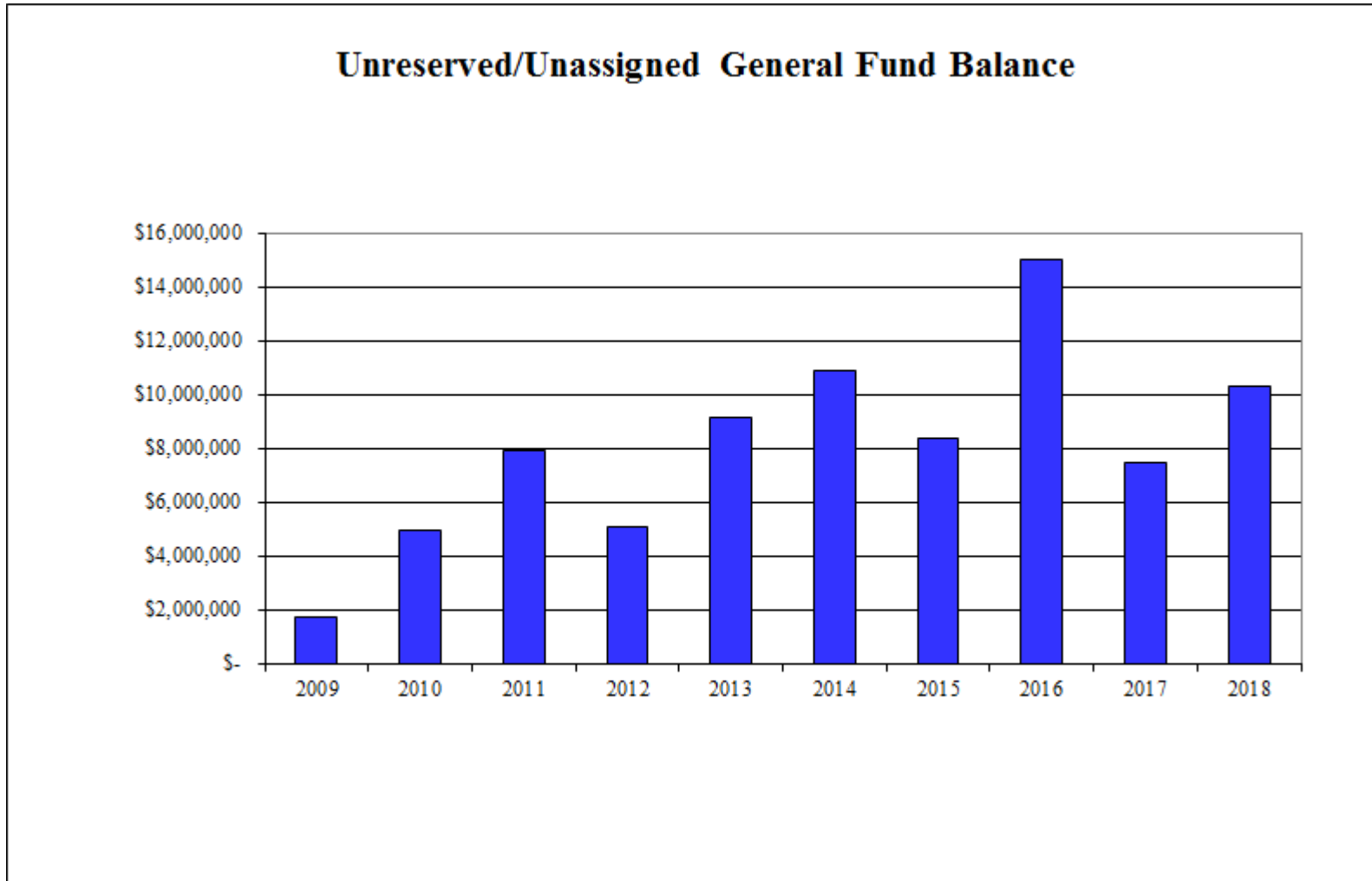
Schedule 3

	2009	2010						
General Fund								
Reserved	\$ 2,177,149	\$ 1,122,215						
Unreserved	1,768,399	4,967,367						
Total General Fund	<u>3,945,548</u>	<u>6,089,582</u>						
All Other Governmental Funds								
Reserved	41,808,901	42,689,767						
Unreserved, Reported in:								
Special Revenue funds	86,496,275	79,439,815						
Debt Service funds	21,195,871	42,601,924						
Capital Projects funds	<u>(62,640,775)</u>	<u>(30,112,902)</u>						
Total All Other Governmental Funds	86,860,272	134,618,604						
Total Governmental Funds	<u>\$ 90,805,820</u>	<u>\$ 140,708,186</u>						
	2011	2012	2013	2014	2015	2016	2017	2018
General Fund								
Committed	\$ -	\$ 266,687	\$ 290,658	\$ 329,961	\$ 377,840	\$ 397,517	\$ 443,599	\$ 471,456
Assigned	1,242,472	1,236,966	1,809,776	1,593,954	4,174,015	1,904,060	1,576,347	1,579,205
Unassigned	7,901,719	5,102,134	9,132,562	10,911,360	8,382,029	15,022,169	7,485,924	10,299,737
Total General Fund	<u>9,144,191</u>	<u>6,605,787</u>	<u>11,232,996</u>	<u>12,835,275</u>	<u>12,933,884</u>	<u>17,323,746</u>	<u>9,505,870</u>	<u>12,350,398</u>
All Other Governmental Funds								
Nonspendable	3,085,645	3,085,645	3,325,815	4,786,232	4,786,232	-	-	-
Restricted	142,850,022	117,789,306	109,458,792	144,630,245	117,100,123	138,007,616	112,431,220	111,823,898
Committed	5,448,281	13,502,981	7,490,896	13,829,487	10,510,914	14,811,603	8,988,056	8,544,024
Assigned	-	375,380	-	-	-	-	-	-
Unassigned	<u>(40,623,253)</u>	<u>(27,448,292)</u>	<u>(25,968,790)</u>	<u>(9,415,521)</u>	<u>(12,285,255)</u>	<u>(12,182,727)</u>	<u>(14,682,443)</u>	<u>(17,911,698)</u>
Total All Other Governmental Funds	110,760,695	107,305,020	94,306,713	153,830,443	120,112,014	140,636,492	106,736,833	102,456,224
Total Governmental Funds	<u>\$ 119,904,886</u>	<u>\$ 113,910,807</u>	<u>\$ 105,539,709</u>	<u>\$ 166,665,718</u>	<u>\$ 133,045,898</u>	<u>\$ 157,960,238</u>	<u>\$ 116,242,703</u>	<u>\$ 114,806,622</u>

Source: City of Akron, Ohio Finance Department

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

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



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

Schedule 4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Income Taxes *	\$ 120,606,323	\$ 119,438,082	\$ 135,345,234	\$ 131,090,435	\$ 139,960,898	\$ 140,311,367	\$ 143,288,651	\$ 151,256,789	\$ 143,176,743	\$ 163,595,720
Property Taxes	27,917,658	28,070,162	24,111,972	24,573,729	20,471,016	23,518,118	23,414,232	23,423,002	24,465,922	24,860,892
JEDD Revenues	15,476,781	15,462,316	16,577,998	20,811,614	18,090,127	17,395,933	18,723,573	14,389,449	14,800,350	14,905,073
Special Assessments	15,567,437	14,675,422	6,312,847	14,965,865	28,524,445	31,952,817	30,670,330	31,179,498	15,421,762	17,492,848
Grants and Subsidies:										
Community Development	6,006,871	11,853,749	7,795,876	-	-	-	-	-	-	-
Other	21,556,728	45,241,004	45,841,289	43,315,295	34,746,020	30,266,381	24,490,969	25,972,981	28,054,783	29,462,796
Investment Earnings	2,709,994	821,213	772,109	517,882	584,383	338,698	850,214	1,199,289	1,211,665	3,450,900
Shared Revenues	60,312,501	56,132,211	52,491,818	68,768,384	94,579,755	47,351,951	45,807,596	100,326,020	45,555,266	45,895,097
Licenses, Fees and Fines	7,456,839	8,422,362	7,682,875	8,011,431	8,627,454	10,192,771	9,460,174	17,512,114	17,610,982	18,651,618
Charges for Services	29,564,397	24,678,776	24,002,116	17,759,520	24,247,409	23,500,665	20,636,462	20,749,779	23,965,100	25,023,360
Miscellaneous	15,331,816	20,073,582	28,533,349	8,662,590	10,228,894	12,805,149	9,444,997	12,629,211	16,658,409	16,415,882
Total Revenues	\$ 322,507,345	\$ 344,868,879	\$ 349,467,483	\$ 338,476,745	\$ 380,060,401	\$ 337,633,850	\$ 326,787,198	\$ 398,638,132	\$ 330,920,982	\$ 359,754,186
Expenditures										
Current:										
General Government	\$ 40,365,547	\$ 39,428,651	\$ 42,400,285	\$ 42,710,925	\$ 33,176,262	\$ 37,323,779	\$ 28,762,899	\$ 39,813,138	\$ 38,586,495	\$ 39,659,633
Public Service	103,175,779	112,534,126	71,513,740	59,446,860	78,804,139	85,268,655	84,760,878	81,121,929	74,211,608	87,997,887
Public Safety	110,995,872	110,080,622	110,814,070	109,643,467	109,458,512	122,016,445	118,700,986	131,547,744	128,736,104	146,412,046
Community Environment	70,119,083	69,931,132	77,037,268	91,645,889	103,125,618	53,399,049	61,897,061	111,756,653	61,472,588	53,299,612
Public Health	16,670,607	16,808,854	3,957,653	4,004,247	3,900,892	4,600,444	4,186,224	4,253,940	4,239,096	4,337,323
Recreation and Parks	6,281,860	5,448,715	5,480,847	6,946,793	7,792,669	6,747,832	5,320,130	5,411,445	3,942,488	4,751,840
Capital Outlay	192,751	34,536	-	-	-	-	-	-	-	-
Debt service:										
Principal Retirement	32,699,777	55,294,176	42,815,931	29,088,580	43,956,837	59,819,902	39,655,124	51,066,536	66,716,806	79,131,809
Interest	25,125,146	25,657,874	33,620,136	28,600,017	30,353,162	28,714,831	29,406,901	27,428,807	27,171,776	26,140,929
Bond Issuance Expenditures	306,768	2,331,621	1,458,659	2,304,239	679,072	1,811,645	934,296	1,197,595	763,315	299,669
Total Expenditures	\$ 405,933,190	\$ 437,550,307	\$ 389,098,589	\$ 374,391,017	\$ 411,247,163	\$ 399,702,582	\$ 373,624,499	\$ 453,597,787	\$ 405,840,276	\$ 442,030,748
Excess of Revenues Under Expenditures	\$ (83,425,845)	\$ (92,681,428)	\$ (39,631,106)	\$ (35,914,272)	\$ (31,186,762)	\$ (62,068,732)	\$ (46,837,301)	\$ (54,959,655)	\$ (74,919,294)	\$ (82,276,562)

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

Schedule 4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses)										
Issuance of General Obligation Bond	\$ 12,884,092	\$ 127,285,840	\$ 10,703,000	\$ 26,870,000	\$ 4,849,484	\$ 88,288,000	\$ 15,500,000	\$ 52,000,000	\$ 33,575,419	\$ 45,709,593
Issuance of General Obligation Notes	-	-	-	-	-	-	-	-	-	-
Issuance of Special Assessment Notes	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	2,933,930	-	-
Issuance of Loans	574,903	239,569	-	-	1,000,000	3,373,515	9,248	-	-	-
Issuance of COP's	-	13,200,000	-	-	2,365,000	-	-	11,965,000	-	24,445,000
Issuance of Refunding Obligations	-	-	-	-	14,910,000	88,085,000	63,945,000	32,545,000	48,960,000	-
Proceeds of Refunding Bonds Premium	-	-	4,360,193	24,186,215	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Premium on G.O. Debt	676,207	2,601,452	205,387	1,696,315	179,540	9,761,734	4,873,665	6,159,498	4,067,813	927,200
Proceeds of Refund Obligations	-	-	97,633,009	170,925,000	-	-	-	-	-	-
Proceeds of collateralized borrowings	-	-	-	-	-	-	-	-	4,028,194	-
Payment for Refunding Obligations	-	-	(93,235,293)	(193,384,337)	-	-	-	-	-	-
Original Bond Issue Discount **	-	-	-	-	-	(431,029)	(148,132)	(115,961)	(153,408)	(239,461)
Issuance of Capital Lease	-	-	-	8,227,250	1,357,829	159,284	731,754	10,635,000	1,039,985	10,789,149
Payment to Refunding Agent	-	-	-	-	-	(62,680,000)	(70,075,000)	(34,403,902)	(51,846,782)	-
Lease - Financed Capital Assets	-	-	-	(8,227,250)	(1,357,829)	-	(731,754)	-	-	-
Transfers-in	31,868,200	43,172,287	12,145,484	7,041,704	8,100,091	2,727,000	8,090,322	3,216,961	12,894,168	11,186,061
Transfers-out	(32,758,360)	(43,915,354)	(12,706,505)	(7,414,704)	(8,588,451)	(3,193,000)	(8,977,622)	(3,827,961)	(13,835,168)	(11,977,061)
Total Other Financing Sources (Uses)	13,245,042	142,583,794	19,105,275	29,920,193	22,815,664	126,090,504	13,217,481	81,107,565	38,730,221	80,840,481
Net Change in Fund Balance	\$ (70,180,803)	\$ 49,902,366	\$ (20,525,831)	\$ (5,994,079)	\$ (8,371,098)	\$ 64,021,772	\$ (33,619,820)	\$ 26,147,910	\$ (36,189,073)	\$ (1,436,081)
Debt Service as a Percentage of Noncapital Expenditures	17.28%	22.30%	22.67%	17.49%	20.56%	24.57%	20.64%	19.57%	25.77%	28.60%

Source: City of Akron, Ohio Finance Department

* Since 2018, the Income Tax rate was 2.5%.

** Prior to 2014, Original Bond Issue Discount was included in Bond Issuance Expenditures.

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

Schedule 5

Tax Collection Year	Real Property		Public Utilities		Total		Total Direct Rate	Percent of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2010	\$ 2,911,817	\$ 8,319,477	\$ 93,107	\$ 274,050	\$ 3,004,924	\$ 8,593,527	10.30	34.97 %
2011	2,928,343	8,366,694	88,008	251,451	3,016,351	8,618,145	10.30	35.00
2012	2,580,090	7,371,686	92,022	262,920	2,672,112	7,634,606	10.30	35.00
2013	2,550,584	7,287,383	111,892	319,691	2,662,476	7,607,074	10.30	35.00
2014	2,493,126	7,123,217	126,778	362,223	2,619,904	7,485,440	10.30	35.00
2015	2,437,486	6,964,246	145,400	415,429	2,582,886	7,379,675	10.30	35.00
2016	2,409,852	6,885,291	165,213	472,037	2,575,065	7,357,328	10.30	35.00
2017	2,427,755	6,936,443	208,226	594,931	2,635,981	7,531,374	10.50	35.00
2018	2,473,755	7,067,871	222,043	634,409	2,695,798	7,702,280	10.50	35.00
2019	2,498,129	7,137,511	210,667	634,409	2,708,796	7,771,920	10.50	34.85

Source: City of Akron, Ohio Finance Department

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

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

Schedule 6

Tax Collection Year	City Direct Rates					Overlapping Rates		
	Operating	Police Pension	Fire Pension	Debt Retirement	Total Direct Rate	Akron City School District	Summit County	Akron Metro Parks
2010	9.28	0.30	0.30	0.42	10.30	71.66	14.80	1.46
2011	9.28	0.30	0.30	0.42	10.30	71.66	14.80	1.46
2012	9.28	0.30	0.30	0.42	10.30	71.66	14.80	1.46
2013	9.28	0.30	0.30	0.42	10.30	79.56	14.84	1.46
2014	9.28	0.30	0.30	0.42	10.30	79.56	14.81	1.46
2015	9.28	0.30	0.30	0.42	10.30	79.56	14.80	1.46
2016	9.28	0.30	0.30	0.42	10.30	79.56	15.32	1.46
2017	9.28	0.30	0.30	0.62	10.50	79.56	15.30	1.46
2018	9.28	0.30	0.30	0.62	10.50	79.56	15.26	1.46
2019	9.28	0.30	0.30	0.62	10.50	79.56	15.26	1.46

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
Principal Property Tax Payers
12/31/2018 and 12/31/2009
(in thousands of dollars)

Schedule 7

Taxpayer	December 31, 2018		Taxpayer	December 31, 2009	
	Taxable Assessed Value	Percentage of Taxable Assessed Value		Taxable Assessed Value	Percentage of Taxable Assessed Value
American Transmission	\$ 118,194	4.38 %	First Energy	\$ 72,961	2.42 %
Ohio Edison	92,125	3.42	Children's Hospital Medical Center	12,530	0.42
East Ohio Gas	17,827	0.66	American Transmission	12,404	0.41
Albrecht Incorporated	15,459	0.57	Busson, Bernard D.	11,442	0.38
DFG Chapel Hill LLC	13,352	0.50	Dominion East Ohio	8,860	0.29
Chapel Hill Mall Realty Holding LLC	12,739	0.47	Akron Centre Plaza Limited	5,250	0.17
Concord Testa Hotel Associates Inc.	7,916	0.29	Hampton Knoll Assoc., LLC	4,800	0.16
Summa Health Systems	7,759	0.29	Plaza Chapel Hill Company	4,029	0.13
Hampton Knoll LLC	7,078	0.26	South Plaza Associates, LTD	3,850	0.13
Akron Management Corporation	6,597	0.24	Akron Management Corp.	3,788	0.13
	<u>\$ 299,046</u>	<u>11.08 %</u>		<u>\$ 139,914</u>	<u>4.64 %</u>

Source: City of Akron, Ohio Finance Department

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

Schedule 8

Fiscal Year Ending 12/31	Tax Levied For The Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 30,939,477	\$ 28,423,391	91.9 %	\$ 1,653,009	\$ 30,099,260	97.3 %
2010	30,874,452	28,383,628	91.9	1,701,324	30,084,952	97.4
2011	31,064,531	27,798,721	89.5	1,927,137	29,726,017	95.7
2012	27,518,858	24,477,858	88.9	1,838,523	26,316,381	95.6
2013	27,419,596	25,174,172	91.8	1,828,647	27,002,819	98.5
2014	26,984,750	25,022,030	92.7	1,697,650	26,719,680	99.0
2015	26,604,375	24,737,683	93.0	1,577,892	26,315,575	98.9
2016	26,523,326	24,987,814	94.2	1,535,512	26,470,741	99.8
2017	27,619,239	25,985,068	94.1	1,634,171	28,982,301	104.9
2018	28,305,710	26,421,069	93.3	1,884,641	28,005,409	98.9

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
Income Tax Collections by Annual Collection Amount (Withholding and Direct Accounts)
Fiscal Years 2017 and 2018

Schedule 9

Fiscal Year 2017				
Collection Level	Number of Accounts	Percentage of Total	Total Income Tax Collections	Percentage of Total
\$1,000 and under	28,087	80.34 %	\$ 5,084,054	3.54 %
\$1,001 - \$2,500	3,155	9.03	4,991,634	3.47
\$2,501 - \$5,000	1,484	4.24	5,216,988	3.63
\$5,001 - \$10,000	910	2.60	6,346,788	4.42
\$10,001 - \$50,000	1,005	2.88	21,317,623	14.83
\$50,001- \$100,000	155	0.44	10,851,817	7.55
\$100,001 - \$250,000	112	0.32	17,381,981	12.09
\$250,001 - \$1,000,000	38	0.11	16,628,582	11.57
Over \$1,000,001	14	0.04	55,901,556	38.90
	<u>34,960</u>	<u>100.00 %</u>	<u>\$ 143,721,023</u>	<u>100.00 %</u>
Fiscal Year 2018				
Collection Level	Number of Accounts	Percentage of Total	Total Income Tax Collections	Percentage of Total
\$1,000 and under	27,059	78.55 %	\$ 5,031,320	3.54 %
\$1,001 - \$2,500	3,394	9.85	5,369,563	3.47
\$2,501 - \$5,000	1,547	4.49	5,394,562	3.63
\$5,001 - \$10,000	998	2.90	6,983,567	4.42
\$10,001 - \$50,000	1,106	3.21	23,772,916	14.83
\$50,001- \$100,000	161	0.47	11,236,675	7.55
\$100,001 - \$250,000	112	0.33	17,209,077	12.09
\$250,001 - \$1,000,000	48	0.14	19,747,817	11.57
Over \$1,000,001	19	0.06	66,798,793	38.90
	<u>34,444</u>	<u>100.00 %</u>	<u>\$ 161,544,290</u>	<u>100.00 %</u>

Source: City of Akron, Ohio Finance Department

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

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

Schedule 10

Governmental Activities

Fiscal Year	General Obligation	OPWC Loan	Ohio Development Services Agency Loan	Non-Tax Revenue	Income Tax Revenue	Special Revenue	Special Assessment	Capital Leases	SIB Loans	Internal Service General Obligation
2009	\$ 202,648,923	\$ 11,654,067	\$ 995,219	\$ 58,145,000	\$ 200,655,000	\$ 37,535,000	\$ 8,780,422	\$ 75,051,348	\$ 6,756,297	\$ 123,488
2010	248,558,640	10,750,755	845,086	55,795,000	240,105,000	35,115,000	8,382,097	68,759,067	5,782,826	-
2011	240,483,180	10,706,454	5,689,471	50,835,000	234,095,000	27,165,000	11,240,502	62,314,778	4,475,878	-
2012	228,843,318	9,845,763	5,582,645	50,080,000	248,230,000	27,165,000	8,591,829	55,605,348	3,129,427	-
2013	215,139,753	9,241,963	5,482,636	48,475,000	244,487,135	27,165,000	6,220,758	75,510,213	1,742,279	-
2014	201,378,834	9,084,164	5,378,553	53,565,000	318,681,087	25,245,000	4,079,527	67,106,099	313,205	-
2015	186,840,707	7,640,794	5,270,229	48,035,000	339,110,565	22,030,000	2,860,321	30,735,417	-	-
2016	174,601,391	7,006,306	5,156,492	43,745,000	353,714,654	18,705,000	1,897,997	47,643,975	-	-
2017	156,929,261	6,371,819	4,610,162	39,170,000	339,080,250	15,220,000	5,013,087	43,441,695	-	-
2018	138,368,631	5,737,340	4,265,000	33,435,000	324,617,059	11,555,000	6,722,319	64,162,866	-	-

Governmental Activities

Fiscal Year	Internal Service Income Tax Revenue	Special Assessment Notes Payable	Capital Projects Notes Payable	Internal Service General Health Notes Payable
2009	\$ -	\$ 13,232,200	\$ 54,665,000	\$ -
2010	-	13,618,200	19,865,000	14,000,000
2011	-	10,618,700	39,650,000	13,000,000
2012	2,000,000	11,796,000	10,115,000	11,000,000
2013	1,615,000	13,000,000	24,730,000	9,000,000
2014	1,230,000	13,000,000	-	6,500,000
2015	830,000	13,000,000	10,000,000	4,500,000
2016	420,000	13,000,000	20,000,000	3,500,000
2017	-	13,000,000	30,000,000	3,500,000
2018	-	13,000,000	41,300,000	2,500,000

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

Schedule 10

Fiscal Year	Business-Type Activities						Total Government	Per Capita ^a	Percentage Personal Income ^a
	General Obligation	Mortgage Revenue	Revenue	OWDA	OPWC	Capital Leases			
2009	\$ 638,680	\$ 47,375,000	\$ 30,910,000	\$ 34,769,136	\$ 2,348,817	\$ 426,430	\$ 786,710,027	\$ 3,624	20.60 %
2010	632,925	43,925,000	27,260,000	34,216,816	2,147,303	515,999	830,274,714	4,170	21.21
2011	637,827	40,365,000	23,470,000	28,255,744	1,945,789	453,909	805,402,232	4,045	20.57
2012	634,450	37,175,000	19,515,000	51,142,305	1,744,275	387,152	782,582,512	3,930	19.99
2013	631,556	33,835,000	15,385,000	73,495,595	1,542,762	321,250	807,020,900	4,053	20.61
2014	616,599	30,360,000	11,075,000	95,300,583	1,341,248	240,130	820,743,297	4,122	20.96
2015	544,229	26,970,000	6,550,000	161,974,294	1,139,734	157,320	868,188,610	4,360	22.17
2016	468,481	23,100,000	1,800,000	293,170,614	938,220	72,820	1,008,940,950	5,067	25.77
2017	389,355	19,040,000	-	438,423,233	736,707	-	1,114,925,569	5,600	28.48
2018	306,369	14,785,000	-	521,794,733	535,193	-	1,183,084,510	5,942	30.22

Source: City of Akron, Ohio Finance Department

^aSee Schedule 16 for population and personal income data

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

Schedule 11

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 165,270,819	\$ 165,899,335	\$ 146,966,147	\$ 146,436,165	\$ 144,094,717
Total net debt applicable to limit	<u>145,155,121</u>	<u>122,132,898</u>	<u>156,428,662</u>	<u>125,904,916</u>	<u>115,903,682</u>
Legal debt margin	<u>\$ 20,115,698</u>	<u>\$ 43,766,437</u>	<u>\$ (9,462,515)</u>	<u>\$ 20,531,249</u>	<u>\$ 28,191,035</u>
Total net debt applicable to limit as a percentage of debt limit	87.83%	73.62%	106.44%	85.98%	80.44%
Total unvoted net debt as a percentage of total assessed value of all property	4.83%	4.05%	5.85%	4.73%	4.42%
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 142,058,748	\$ 141,628,588	\$ 144,978,947	\$ 144,341,287	\$ 148,268,842
Total net debt applicable to limit	<u>137,009,121</u>	<u>131,654,324</u>	<u>118,799,745</u>	<u>105,721,985</u>	<u>93,148,655</u>
Legal debt margin	<u>\$ 5,049,627</u>	<u>\$ 9,974,264</u>	<u>\$ 26,179,202</u>	<u>\$ 38,619,302</u>	<u>\$ 55,120,187</u>
Total net debt applicable to limit as a percentage of debt limit	96.45%	92.96%	81.94%	73.24%	62.82%
Total unvoted net debt as a percentage of total assessed value of all property	5.30%	5.11%	4.51%	3.92%	3.46%

Source: City of Akron, Ohio Finance Department

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

Schedule 12

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 315,517,018	\$ 316,716,912	\$ 280,571,736	\$ 279,559,951	\$ 275,089,915
Total net debt applicable to limit	<u>145,155,119</u>	<u>122,132,898</u>	<u>156,428,662</u>	<u>125,904,916</u>	<u>115,903,682</u>
Legal debt margin	<u>\$ 170,361,899</u>	<u>\$ 194,584,014</u>	<u>\$ 124,143,074</u>	<u>\$ 153,655,035</u>	<u>\$ 159,186,233</u>
Total net debt applicable to limit as a percentage of debt limit	46.01%	38.56%	55.75%	45.04%	42.13%
Total net debt as a percentage of total assessed value of all property	4.83%	4.05%	5.85%	4.73%	4.42%
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 271,203,065	\$ 270,381,850	\$ 276,777,990	\$ 275,560,639	\$ 283,058,699
Total net debt applicable to limit	<u>137,009,121</u>	<u>131,654,324</u>	<u>118,799,745</u>	<u>105,721,985</u>	<u>93,148,655</u>
Legal debt margin	<u>\$ 134,193,944</u>	<u>\$ 138,727,526</u>	<u>\$ 157,978,245</u>	<u>\$ 169,838,654</u>	<u>\$ 189,910,044</u>
Total net debt applicable to limit as a percentage of debt limit	50.52%	48.69%	42.92%	38.37%	32.91%
Total net debt as a percentage of total assessed value of all property	5.30%	5.11%	4.51%	3.92%	3.46%

Source: City of Akron, Ohio Finance Department

City of Akron, Ohio
 Computation of Direct and Overlapping Debt
 As of December 31, 2018

Schedule 13

Political Subdivision	Amount of Debt	Percent Applicable to City	City's Share
Direct			
City of Akron	\$ 645,663,215	100.00 %	\$ 645,663,215
Total direct debt	\$ 645,663,215		\$ 645,663,215
Overlapping			
Summit County	\$ 47,696,532	21.76 %	\$ 10,378,765
Coventry Local School District	28,188,425	8.86	2,497,494
Revere Local School District	62,818,742	3.20	2,010,200
Springfield Local School District	28,780,000	7.60	2,187,280
Woodridge Local School District	33,485,000	30.30	10,145,955
Summit County Library District	10,025,000	32.61	3,269,153
Total overlapping debt	\$ 210,993,699		\$ 30,488,847
Total direct and overlapping debt	\$ 856,656,914		\$ 676,152,062

Sources: Debt outstanding for overlapping governments, taken from Ohio Municipal Advisory Council (OMAC) as of 1/1/2019 and City of Akron, Ohio Finance Department

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

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

Schedule 14

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property ¹	Per Capita ²
2009	\$ 212,192	\$ 2,790	\$ 209,402	2.44 %	\$ 965
2010	257,574	2,367	255,207	2.96	1,281
2011	252,362	2,823	249,539	3.27	1,253
2012	238,070	2,301	235,769	3.09	1,184
2013	221,992	955	221,037	2.95	1,110
2014	206,075	951	205,124	2.78	1,030
2015	195,245	554	194,691	2.64	978
2016	176,968	852	176,116	2.39	885
2017	175,548	514	175,034	2.39	879
2018	145,397	526	144,871	1.86	728

Source: City of Akron, Ohio Finance Department

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

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

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

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

Schedule 15

Fiscal Year	Sewer Revenue Bonds and OWDA Loans						JEDD Bonds				
	Sewer Gross Revenue	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage	JEDD Gross Revenue	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
2009	\$ 35,831	\$ 24,671	\$ 11,160	\$ 3,515	\$ 1,565	2.20 %	\$ 15,477	\$ 2,320	\$ 1,985	3.60 %	
2010	45,948	28,956	16,992	8,397	2,521	1.56	15,462	2,420	1,884	3.59	
2011	49,674	36,169	13,505	8,423	2,250	1.27	16,578	2,535	1,774	3.85	
2012	57,229	47,571	9,658	8,983	2,016	0.88	20,812	-	1,085	19.18	
2013	63,288	44,947	18,341	11,352	2,133	1.36	18,090	-	1,149	15.74	
2014	73,527	61,118	12,409	18,201	2,773	0.59	17,396	1,920	1,149	5.67	
2015	89,800	62,139	27,661	37,080	3,356	0.68	18,724	3,215	1,072	4.37	
2016	89,839	72,182	17,657	12,677	2,849	1.14	14,389	3,325	944	3.37	
2017	94,716	71,787	22,929	16,483	4,359	1.10	14,800	3,485	778	3.47	
2018	85,575	47,231	38,345	14,352	5,210	1.96	14,905	3,665	603	3.49	

Fiscal Year	Water Revenue Bonds and OWDA Loans						Non-Tax Revenue Bonds			
	Water Gross Revenue	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage	Non-Tax Collections	Debt Service		Coverage
				Principal ²	Interest			Principal	Interest	
2009	\$ 33,890	\$ 18,493	\$ 15,397	\$ 6,220	\$ 1,916	1.89 %	\$ 115,375	\$ 2,205	\$ 3,644	19.73 %
2010	35,496	26,745	8,751	4,707	2,398	1.23	111,323	2,350	3,521	18.96
2011	35,249	27,933	7,316	4,931	2,282	1.01	112,710	2,610	3,385	18.80
2012	33,448	21,681	11,767	4,126	2,050	1.91	103,202	755	2,677	30.07
2013	35,633	25,323	10,310	4,369	1,924	1.64	137,684	1,605	2,648	32.37
2014	35,076	25,598	9,478	4,491	1,808	1.50	93,851	23,140	1,857	3.75
2015	36,839	30,720	6,119	13,122	2,009	0.40	85,349	18,780	1,547	4.20
2016	37,817	28,016	9,801	5,365	1,612	1.40	151,217	4,290	1,473	26.24
2017	34,579	27,762	6,817	5,729	1,663	0.92	103,790	4,575	1,380	17.43
2018	32,246	28,608	3,637	5,970	1,473	0.49	105,986	5,735	1,296	15.07

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

Schedule 15

Fiscal Year	CLC Bonds					Income Tax Revenue Bonds				
	CLC Collections	Debt Service		Coverage		Income Tax Collections	Debt Service		Coverage	
		Principal	Interest				Principal	Interest		
2009	\$ 12,425	\$ 4,660	\$ 9,697	0.87	%	\$ 108,181	\$ 4,954	\$ 2,508	14.50	%
2010	12,806	5,190	10,401	0.82		106,632	4,930	2,865	13.68	
2011	16,822	5,750	11,845	0.96		118,523	2,939	5,988	13.28	
2012	18,064	5,225	6,057	1.60		113,026	-	155	729.20	
2013	14,880	5,570	10,568	0.92		125,081	1,407	1,274	46.65	
2014	12,937	7,455	11,390	0.69		127,375	1,914	1,296	39.68	
2015	17,254	7,545	12,042	0.88		126,035	3,296	2,815	20.62	
2016	15,935	7,870	11,797	0.81		135,322	19,591	3,999	5.74	
2017	15,231	44,980	39,263	0.18		122,418	6,689	3,752	11.72	
2018	16,917	10,130	12,000	0.76		146,679	6,333	3,483	14.94	

Source: City of Akron, Ohio Finance Department

¹ Net of Depreciation

² The 2018 amounts for debt service include the final principal payment of \$2,770,000 and interest payment of \$62,325 for a bond that was retired during the year and not reflected on Note 19. Additionally, the final principal payment of \$80,566 and interest payment of \$1,478 for a loan that was retired during the year, the final principal payment of \$636,710 and interest payment of \$7,768 for a loan that was retired during the year, the final principal payment of \$64,930 and interest payment adjustment of \$2,860 for a loan that was retired during the year, the final principal payment of \$118,185 and interest payment of \$2,878 for a loan that was retired during the year are not reflected on Note 19.

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

Schedule 16

Year	Population ¹	Personal Income ¹	Per Capita Personal Income ¹	Median Household Income ¹	Median Age ¹	Education - Bachelor's Degree or Higher ¹	School Enrollment ¹	Unemployment Rate ²
2018	199,110	\$ 3,915,299,040	\$ 19,664	\$ 34,359	35.5	20 %	56,760	5.3 %
2017	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	5.8
2016	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	5.8
2015	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	5.7
2014	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	6.6
2013	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	7.6
2012	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	7.6
2011	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	9.4
2010	199,110	3,915,299,040	19,664	34,359	35.5	20	56,760	9.5
2009	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	11.4
2008	217,074	3,819,634,104	17,596	31,835	34.2	18	59,258	6.7

Source: ¹ U.S. Census Bureau

² Ohio Department of Job and Family Services

City of Akron, Ohio
Principal Employers
12/31/2018 and 6/1/2009

Schedule 17

December 31, 2018				June 1, 2009			
Employer	Full-Time Employees	Rank	Percentage of Total City Employment	Employer	Full-Time Employees	Rank	Percentage of Total City Employment
Summa Health System	5,524	1	6.10 %	Summa Health System	5,669	1	5.93 %
Akron Children's Hospital	4,019	2	4.44	Akron General Health System	4,532	2	4.74
Cleveland Clinic- Akron General	3,840	3	4.24	The University of Akron	4,427	3	4.63
Akron Public Schools	3,576	4	3.95	County of Summit	3,388	4	3.54
Goodyear Tire & Rubber	3,000	5	3.31	Akron City School District	3,131	5	3.28
Summit County	2,816	6	3.11	Goodyear Tire & Rubber Company	3,000	6	3.14
First Energy Corporation	2,566	7	2.84	Children's Hospital Medical Center	2,680	7	2.80
Signet Jewelers	2,120	8	2.34	Time Warner Cable	2,440	8	2.55
The University of Akron	1,873	9	2.07	FirstEnergy Corporate Headquarters	2,316	9	2.42
City of Akron	1,811	10	2.00	Sterling	2,045	10	2.14
	<u>31,145</u>		<u>34.40 %</u>		<u>33,628</u>		<u>35.18 %</u>

Source: City of Akron, Ohio Finance Department

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

Schedule 18

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government:										
City Council	3	3	3	3	3	3	3	3	3	3
Courts	89	88	87	89	90	92	89	93	99	96
Elected and Appointed Officials	45	45	44	43	44	45	44	51	53	52
Economic Development	4	5	5	4	4	3	4	5	5	6
Finance Department	80	78	75	101	100	99	98	92	77	76
Information Technology	-	-	-	-	-	-	-	-	6	9
Lock 3	-	-	-	-	-	-	-	-	3	3
Civil/Criminal	8	8	8	8	8	7	8	8	8	7
Personnel Department	11	10	8	9	9	8	10	-	-	-
Human Resources Department	-	-	-	-	-	-	-	14	16	15
Engineering Bureau	-	1	1	-	-	-	-	-	-	-
Public Safety:										
Elected and Appointed Officials	-	-	-	-	1	1	2	1	-	-
Health Department	1	1	-	-	-	-	-	-	-	-
Communications	17	17	15	15	16	16	14	15	-	-
Information Technology	-	-	-	-	-	-	-	-	15	13
Safety Communications	55	54	57	58	57	55	59	55	58	63
Fire Department	331	363	348	345	381	368	372	350	374	375
Police Department	503	488	445	454	453	493	485	489	470	473
Traffic Engineering	23	22	20	18	21	19	-	-	-	-
Public Health:										
Health Department*	137	110	-	-	-	-	-	-	-	-

*The City of Akron Public Health services consolidated with the Summit County Health District on January 1, 2011.

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

Schedule 18

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Service:										
Elected and Appointed Officials	3	4	4	4	4	3	4	3	3	3
Fire Department	11	10	-	-	-	-	-	-	-	-
Public Service Administration	2	2	2	1	3	5	4	4	1	2
Customer Service	8	19	10	12	12	11	11	12	-	-
Housing	-	-	9	9	12	12	11	11	-	-
Information Technology	-	-	-	-	-	-	-	-	7	5
Plans and Permits Center	2	2	2	1	2	2	2	2	3	2
Customer Service Response	9	9	7	8	8	8	8	8	-	-
Engineering Bureau	53	46	43	54	55	39	44	49	47	44
Airport	4	2	1	-	-	-	-	-	-	-
Building Maintenance	28	28	26	24	26	25	24	27	27	25
Motor Equipment	31	31	31	30	28	29	29	30	31	30
Golf Course	4	3	3	3	3	4	4	4	5	5
Public Utilities Administration	2	1	1	-	-	-	-	-	-	-
Utilities Services	52	50	48	56	61	59	56	52	51	50
Water Department	198	200	200	148	154	167	162	156	164	163
Public Works Administration	8	6	6	8	7	7	7	5	6	7
Highway Maintenance	62	59	55	50	56	60	59	61	61	57
Sanitation Services	38	38	38	39	42	41	41	38	40	40
Street Cleaning	37	37	35	32	37	41	41	37	41	41
Parks Maintenance	26	25	24	24	33	32	32	31	32	31
Engineering Services	6	6	4	-	-	-	-	-	-	-
Traffic Engineering	-	-	-	-	-	-	19	18	19	19
Community Environment:										
Elected and Appointed Officials	1	1	1	-	1	2	2	2	2	2
3-1-1 Call Center	-	-	-	-	-	-	-	-	7	8
Housing Compliance	-	-	-	-	-	-	-	-	11	12
Housing & Community Services	-	-	-	-	-	-	-	-	9	9
Nuisance Compliance	-	-	-	-	-	-	-	-	12	12
Planning Department	54	58	53	52	52	49	48	44	34	32
Recreation Bureau	20	21	21	23	19	19	22	21	21	21
Totals:	1,966	1,951	1,740	1,725	1,802	1,824	1,818	1,791	1,821	1,811

Source: City of Akron, Ohio Finance Department

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

Schedule 19

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Total Number of Permits Issued	1,130	1,100	1,073	522	1,156	1,237	1,294	1,447	1,171	1,183
City Council Ordinances Passed	549	414	395	414	385	382	418	415	342	388
Fire										
Emergency Responses	32,044	32,754	34,246	34,294	34,059	35,789	37,806	40,013	40,387	41,597
Fire/Rescue	6,912	6,346	6,812	7,283	7,236	7,833	8,428	9,546	9,786	9,088
Police										
Calls for Service*	231,191	210,615	202,443	199,125	201,475	205,276	213,020	220,479	210,278	199,961
Civil Division Cases Filed	12,474	11,742	11,525	12,052	10,229	10,145	9,372	9,698	10,347	10,775
Criminal/Traffic Division Cases Filed	40,170	36,227	32,453	32,298	33,417	34,823	35,103	33,187	33,614	33,913
Parking Division Cases Filed	21,878	34,402	23,571	29,126	24,199	24,140	25,087	25,231	21,009	21,873
Parks and Recreation										
Good Park Golf Course Attendance	32,561	36,690	30,061	33,691	37,324	31,231	37,511	38,912	37,244	32,515
Mud Run Golf Course Attendance	11,282	12,332	10,806	13,494	12,884	10,660	15,262	14,986	13,726	14,297
Business Services										
Curb Service Accounts	62,556	61,692	61,411	61,270	61,039	60,931	61,099	61,498	62,024	62,267
Sewer										
Sewer Accounts	78,745	78,985	78,653	78,653	77,012	76,706	76,570	75,507	75,557	75,690
Sewer Amounts Billed (in thousands)	36,303	\$ 37,723	\$ 39,011	\$ 53,756	\$ 55,538	\$ 75,485	\$ 91,575	\$ 92,116	\$ 75,830	\$ 75,287
Water										
Water Accounts	82,516	84,348	83,794	83,550	83,643	82,621	80,684	80,806	80,834	80,926
Water Amounts Billed (in thousands)	27,077	\$ 31,579	\$ 30,033	\$ 33,125	\$ 31,951	\$ 31,312	\$ 30,056	\$ 29,615	\$ 30,485	\$ 30,362

* The Police Calls for Service represents all calls less station calls, meal breaks and out of service calls.

Source: City of Akron, Ohio Finance Department

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

Schedule 20

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Number of Uniformed Police Officers	457	443	406	412	412	450	445	453	435	441
Number of Districts	12	12	12	12	12	12	12	12	12	12
Fire										
Number of Firefighters and Officers	317	350	329	325	360	349	349	328	353	352
Number of Stations	13	13	13	13	13	13	13	13	13	13 *
Parks and Recreation										
City Park System (in acres)	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
City Owned/Operated Golf Courses	2	2	2	2	2	2	2	2	2	2
Water										
Miles of Pipe	1,223	1,223	1,225	1,225	1,226	1,226	1,228	1,230	1,231	1,237
Average Daily Pumpage (in millions of gallons)	34	34	35	35	34	34	34	34	34	34
Distribution-Storage Reservoirs	15	15	15	15	15	15	15	15	15	15
Sewer										
Sanitary Sewers (miles)	680	680	681	681	685	672	678	678	686	683
Storm Sewers (miles)	382	382	382	382	382	374	361	361	369	365
Storm and Combined Sewer Inlets (miles)	309	309	309	309	309	303	309	309	298	295
Pump Stations	33	33	33	33	33	33	33	33	37	37
Other Public Works										
Oil Wells	13	13	13	13	13	13	13	13	13	13
Parking Decks	10	10	10	10	10	10	10	10	10	10

Source: City of Akron, Ohio Finance Department

*During 2018, one fire station was razed and new construction began. The count includes this station.

City of Akron, Ohio

**Federal Awards Supplemental Information
December 31, 2018**

**CITY OF AKRON, OHIO
SUMMIT COUNTY**

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Honorable Daniel Horrigan, Mayor,
and Diane Miller-Dawson, Director of Finance
City of Akron, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Ohio (the "City") as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 28, 2019, which contained an unmodified opinion on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to June 28, 2019.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

June 28, 2019

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Honorable Daniel Horrigan, Mayor,
and Diane Miller-Dawson, Director of Finance
City of Akron, Ohio

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Akron, Ohio (the "City") as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 2018-002 and 2018-003 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2018-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Honorable Daniel Horrigan, Mayor,
and Diane Miller-Dawson, Director of Finance
City of Akron, Ohio

The City's Responses to the Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

June 28, 2019

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

Independent Auditor's Report

To the Honorable Daniel Horrigan, Mayor,
and Diane Miller-Dawson, Director of Finance
City of Akron, Ohio

Report on Compliance for Each Major Federal Program

We have audited the City of Akron, Ohio's (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the major federal program for the year ended December 31, 2018. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

To the Honorable Daniel Horrigan, Mayor,
and Diane Miller-Dawson, Director of Finance
City of Akron, Ohio

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

June 28, 2019

CITY OF AKRON, OHIO

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Passed Through the Ohio Department of Health:				
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.599	079111	-	379,619
Total Department of Agriculture			-	379,619
DEPARTMENT OF EDUCATION				
Passed Through the Ohio Department of Education:				
Twenty-First Century Community Learning Centers	84.287	FY2018-079111	-	397,198
Total Department of Education			-	397,198
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-39-0001	941,590	4,363,626
Neighborhood Stabilization Program	14.218	B-08-MN-39-0001	-	237,047
Neighborhood Stabilization Program	14.218	B-11-MN-39-0001	140,000	142,319
Total CDBG - Entitlement Grants Cluster			1,081,590	4,742,992
Emergency Shelter Grants Program	14.231	E-15-MC-39-0001	624,183	624,183
HOME Investment Partnership Program	14.239	M-15-MC-39-0206	703,896	703,896
Continuum of Care Program	14.267	OH0449L5E061300	12,120	73,153
Lead-Based Paint:				
Lead Hazard Control and Healthy Homes Program	14.905	OHLHD0282-15	495,408	1,555,978
Total Department of Housing and Urban Development			2,917,197	7,700,202
DEPARTMENT OF JUSTICE				
Direct Programs:				
Violence Against Women	16.588	2017-WF-VA2-8503	-	44,989
Equitable Sharing Program	16.922	OH0770100	-	132,287
Passed Through the Governor's Office of Criminal Justice Services:				
Edward Byrne Memorial Justice Assistance - Formula Grants	16.609	2016-JG-C01-6947	-	3,063
Edward Byrne Memorial Justice Assistance - Formula Grants	16.738	2014-JG-B01-V6095	-	15,255
Edward Byrne Memorial Justice Assistance - Formula Grants	16.738	2015-DJ-BX-0127	21,305	57,383
Edward Byrne Memorial Justice Assistance - Formula Grants	16.738	2015-DE-BX-K019	-	101,435
Edward Byrne Memorial Justice Assistance - Formula Grants	16.738	2016-DG-BX-0210	4,307	38,770
Total Department of Justice			25,612	393,182
ENVIRONMENTAL PROTECTION AGENCY				
Passed Through the Ohio Environmental Protection Agency:				
Clean Water State Revolving Fund Cluster:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	OWDA 7154	-	63,366,926
Total for Clean Water State Revolving Fund Cluster			-	63,366,926
Total Environmental Protection Agency			-	63,366,926
DEPARTMENT OF TRANSPORTATION				
Passed Through the Ohio Department of Public Safety:				
Repeat Offenders for Driving While Intoxicated (DWI)	20.608	IDEP/STEP-2018-APD-00035	-	16,037
Repeat Offenders for Driving While Intoxicated (DWI)	20.608	IDEP/STEP-2019-APD-00040	-	10,861
			-	26,898
Passed Through the Ohio Department of Highway Safety:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	IDEP/STEP-2018-APD-00035	-	18,765
State and Community Highway Safety	20.600	IDEP/STEP-2019-APD-00040	-	5,866

Alcohol Traffic Safety and Drunk Driving Prevention Program	20.601	OVITF-2015-77-00-00-450	-	21,621
National Priority Safety Programs - Impaired Driving Enforcement Program	20.616	DDEP-2019-00016	-	837
Total Highway Safety Cluster			-	47,089
Passed Through the Ohio Department of Transportation:				
Highway Planning and Construction Cluster:				
ODOT - Akron Metropolitan Area Transportation Study	20.205	PID-97833	-	22,520
ODOT - Akron Metropolitan Area Transportation Study	20.205	PID-104295	-	932,015
ODOT - Akron Metropolitan Area Transportation Study	20.205	PID-107010	-	252,856
ODOT - Akron Metropolitan Area Transportation Study	20.205	PID-99722	-	5,598
ODOT - Akron Metropolitan Area Transportation Study	20.205	PID-95259	-	29,703
ODOT - Akron Metropolitan Area Transportation Study - Rideshare	20.205	PID-95256	-	821
ODOT - Akron Metropolitan Area Transportation Study - Rideshare	20.205	PID-97829	-	49,551
ODOT - Akron Metropolitan Area Transportation Study - Rideshare	20.205	PID-97830	-	11,543
Total Akron Metropolitan Area Transportation Study			-	1,304,607
ODOT - Akron Innerbelt	20.205	PID-75436	-	2,985,322
ODOT - Akron Safe Routes to School	20.205	PID-101253	-	177,689
ODOT - Brittain Road Sidewalks	20.205	PID-102625	-	76,969
ODOT - Brittain Road Signals	20.205	PID-93432	-	422,932
ODOT -Buchholzer Blvd Pedestrian Sidewalk	20.205	PID-97635	-	12,932
ODOT -Canton Road Market Street Intersection	20.205	PID-93433	-	180,784
ODOT -Cedar/Exchange	20.205	PID-88990	-	3,772,288
ODOT -Copley Road Signals	20.205	PID-88968	-	921,268
ODOT - Englewood Street	20.205	PID-84396	-	41,997
ODOT - Evans Avenue	20.205	PID-80684	-	73,816
ODOT - Main Street Corridor	20.205	PID-104042	-	1,142,640
ODOT - Summit Signals, SR 18 Portage Path to Summit	20.205	PID-93435	-	1,094,793
ODOT - SR 18 Signals Portage Path to Hawkins	20.205	PID-93436	-	1,265,030
ODOT - Tallmadge Avenue Signals	20.205	PID-93439	-	378,953
ODOT - Whitepond Phase 3	20.205	PID-90890	-	13,625
ODOT - Seiberling Way Demolition	20.205	PID-95566	-	265,621
ODOT - Seiberling Way Phase 1	20.205	PID-84397	-	1,668
Total Highway Planning & Construction Cluster			-	14,132,934
Total Department of Transportation			-	14,206,921
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through the Ohio Department of Health:				
Administration for Children and Families				
Passed Through the County of Summit:				
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	FY2015 PRC-TANF	-	200,000
Total Department of Health and Human Services			-	200,000
EXECUTIVE OFFICE OF THE PRESIDENT				
Office of National Drug Control Policy				
Passed Through the City of Shaker Heights, Ohio:				
High Intensity Drug Trafficking Area	95.001	95.001	-	50,288
Total Executive Office of the President			-	50,288
DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
Staffing for Adequate Fire and Emergency Response 2015	97.083	EMW-2015-FH-00736	-	2,319,999
From the Federal Emergency Management Agency				
Assistance to Firefighters Grant	97.044	EMW-2014-FO-05458	-	9,317
Assistance to Firefighters Grant	97.044	EMW-2016-FP-00615	-	63,408
Total Department of Homeland Security			-	2,392,724
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,942,809	\$ 89,087,060

See notes to supplemental schedule of expenditures of federal awards.

**CITY OF AKRON, OHIO
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
YEAR ENDED DECEMBER 31, 2018**

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Akron, Ohio, (the Government's) under programs of the federal government for the year ended December 31, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the Government, it is not intended to and does not present the financial position, changes in assets, or cash flows of the Government.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting, except expenditures for the Ohio Environmental Protection Agency loans which are presented on a modified accrual basis. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Government has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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Schedule of Findings and Questioned Costs

Year Ended December 31, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? X Yes None reported

Noncompliance material to financial statements noted? Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? Yes X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
66.458	Clean Water State Revolving Fund Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$2,672,612

Auditee qualified as low-risk auditee? Yes X No

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2018

Section II - Financial Statement Audit Findings

Reference Number	Finding
2018-001	<p>Finding Type - Significant deficiency</p> <p>Criteria - To maintain a secure information technology (IT) environment, procedures for granting, modifying, and terminating user access and change-management processes should be documented, and supporting documentation should be retained to log any changes.</p> <p>Condition - The City does not have formal change-management procedures documented, nor does it retain a log of any master file changes. In addition, the City did not retain documentation showing user access changes for the City's network.</p> <p>Context - The City could not provide documentation supporting the changes that were made for new user access, changes in access privileges, and terminated users in all instances tested. In addition, the City does not have formal change-management procedures.</p> <p>Cause - The City did not retain adequate documentation to support changes in user access rights. The City also does not have written change-management procedures, and it did not provide support showing that no master file database changes were made during 2018.</p> <p>Effect - Without documentation of user accounts and their access privileges, there is an increased risk that employees may have privileges in excess of those required for their job function. Furthermore, without formal change-management procedures, there is a risk that erroneous master file changes will be made and not be detected or corrected in a timely manner. Excessive access rights and a lack of change-management procedures may result in accidental or intentional loss or damage of data.</p> <p>Recommendation - The City should document and retain all user access changes authorized and approved during the year and should implement a formal and periodic process to review user access. The City should also create a formal change-management policy that includes retaining and reviewing a log of all master file changes.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Division of Information Technology (IT) is working with the departments to obtain security forms where necessary. The IT Division is reviewing the procedures regarding master-file database changes.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2018

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2018-002	<p data-bbox="362 531 769 556">Finding Type - Material weakness</p> <p data-bbox="362 581 1479 667">Criteria - To ensure there is adequate segregation of duties over cash, internal controls should be in place to ensure individuals do not have the ability to both initiate and approve wire transfers and electronic payments.</p> <p data-bbox="362 693 1479 810">Condition - Certain individuals who have the ability to transfer funds and make electronic payments also have the ability to add or modify online user access without secondary approval. As a result, those individuals would have the capability to create users or modify access to allow them to initiate and approve their own transactions.</p> <p data-bbox="362 835 1479 892">Context - The majority of the vendor payments processed by the City are in check format. Electronic (ACH) payments are primarily used for bond payments.</p> <p data-bbox="362 917 1479 1003">Cause - There is a limited number of individuals who have the ability to make electronic transactions. As a result, it is difficult to ensure there are separate individuals initiating and approving transactions and others with appropriate authority to control changes to user access.</p> <p data-bbox="362 1029 1479 1115">Effect - Individuals with the ability to add or modify user access have the ability to perform an unauthorized transaction. As a result, the unauthorized activity would not be detected until after the fact.</p> <p data-bbox="362 1140 1479 1226">Recommendation - The City should work with its banking institution to put procedures in place to ensure individuals with the ability to add or modify user access do not have the ability to post transactions without secondary review.</p> <p data-bbox="362 1251 1479 1304">Views of Responsible Officials and Planned Corrective Actions - Dual approvals are now in place for the administrative functions for banking online.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2018

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2018-003	<p>Finding Type - Material weakness</p> <p>Criteria - The City should have a process in place to identify and record all year-end closing entries in accordance with generally accepted accounting principles (GAAP). In addition, the City should ensure that its required filing in the Hinkle System is complete and in accordance with Ohio Revised Code 117.38.</p> <p>Condition - Auditor-proposed journal entries were identified during the audit and posted by the City in order to ensure the financial statements were not misstated. These journal entries also required the original Hinkle System filing to be adjusted after the 150-day submission guideline.</p> <p>Context - Auditor-proposed journal entries included recording additional capital outlay and accounts payable on the fund-based statements, as well as additional capital assets and long-term liabilities on the government-wide statements, to recognize construction in progress that was incurred as of year end.</p> <p>Auditor-proposed journal entries included reducing accounts receivable and revenue for delinquent water bills that were inadvertently double counted when they were certified to the county for collection with property taxes.</p> <p>Auditor-proposed journal entries included reallocating income tax revenue and receivables to the new Police, Fire, and Road Activity Fund from the General Fund and Property Tax Capital Improvement Fund.</p> <p>Cause - Invoices for construction in progress for some long-term projects were received after the City's normal cutoff period for recording accruals. As a result, the activity was not initially identified during the year-end closing process.</p> <p>Delinquent water bills are turned over to the county for collection in conjunction with property taxes. The City inadvertently recorded new receivables for those existing delinquent water bills when they were certified to the county.</p> <p>The voter-approved income tax for Police, Fire, and Road Activity Fund was new in the current year. The City records a manual journal entry at year end to recognize income tax receivables and did not initially allocate receivables to the new fund.</p> <p>Effect - Capital outlay and accounts payable were originally understated prior to adjustment in the fund-based statements. Capital assets and long-term liabilities were also understated prior to adjustment in the government-wide statements.</p> <p>Accounts receivable and revenue for delinquent water bills were overstated prior to adjustment.</p> <p>Income tax revenue and receivables were overstated in the General Fund and Income Tax Capital Improvement Fund and understated in the new Police, Fire, and Road Activity Fund prior to adjustment.</p> <p>Recommendation - The City should implement procedures to extend its cutoff period for significant items to ensure that all material accruals are identified. A procedure should be put in place to ensure that delinquent water receivables are reclassified from current to delinquent when they are certified to the County to avoid double counting them. Finally, a process should be put in place to review the year-end accruals for income tax to ensure the receivables and associated revenue are correctly allocated.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2018

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2018-003 (Continued)	Views of Responsible Officials and Planned Corrective Actions - All journal entries were promptly posted and are properly reflected in the financial statements. The journal entries do not relate to grant funds and the City will continue to implement additional review procedures to minimize auditor proposed journal entries.

Section III - Federal Program Audit Findings

None

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OHIO AUDITOR OF STATE
KEITH FABER



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
AUGUST 20, 2019**