

**COUNTY OF SUMMIT, OHIO**

**2005**

**ANNUAL INFORMATIONAL STATEMENT**

**IN CONNECTION WITH BONDS AND NOTES OF THE COUNTY**

In addition to providing information on an annual basis, the County of Summit intends that this Annual Informational Statement will be used, together with information to be specifically provided by the County for that purpose, in connection with the original offering and issuance by the County of its bonds and notes.

Questions regarding information contained in this Annual Informational Statement should be directed to the County Executive, 8th Floor, Ohio Building, 175 South Main Street, Akron, Ohio 44308.

The date of this Annual Informational Statement is September 30, 2005.

## **REGARDING THIS ANNUAL INFORMATIONAL STATEMENT**

The information and expressions of opinion in this Annual Informational Statement are subject to change without notice. Neither the delivery of this Annual Informational Statement nor any sale made under this Annual Informational Statement will, under any circumstances, give rise to any implication that there has been no change in the affairs of the County since its date.

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## **INTRODUCTORY STATEMENT**

This “Annual Informational Statement in Connection with Bonds and Notes of the County” (the “Annual Statement”) has been prepared by the County of Summit, Ohio (the “County”), to provide financial, operating, and other information relating to the County. The County intends that this Annual Statement be used in conjunction with specific offering information to be provided by the County for its original offering and issuance of specific issues of bonds or notes. That specific offering information, taken together with this Annual Statement, would serve as the Official Statement for each of those issues. Following the distribution of this Annual Statement and concurrently with its original offering of each particular issue of its bonds or notes, the County will distribute or make available the specific offering information relating to that issue along with information updating or revising information contained in this Annual Statement.

The County acknowledges various disclosure rules, proposals, and interpretations relating to public securities, including those of the Securities and Exchange Commission, and certain continuing disclosure agreements entered into by the County requiring provision and dissemination of annual financial and statistical information and of timely notification of material events. The County has prepared and circulated to interested persons an annual informational statement such as this in each year since 1982 and intends to continue that practice. The County will take any further steps required to comply or to permit compliance with applicable lawful disclosure requirements relating to its bonds and notes, including those required to permit municipal securities dealers purchasing bonds or notes of the County in primary offerings to comply with applicable Securities and Exchange Commission rules and regulations.

All financial and other information in this Annual Statement has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as is shown by that financial and other information, will continue or be repeated in the future.

This Annual Statement should be considered in its entirety and no one subject considered less important than another by reason of location in the text. For more information about a law, report, or document referred to in this statement, please see the original source cited.

References to provisions of Ohio law or of the Ohio Constitution or the County Charter (the “Charter”) are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Annual Statement, “debt service” means principal of and interest on the obligations referred to, “City” means the City of Akron, and “State” or “Ohio” means the State of Ohio. “Fiscal Year” means the 12-month period ending on December 31, and reference to a particular Fiscal Year (such as “Fiscal Year 2005”) means the Fiscal Year ending on December 31 in that year.

## THE COUNTY

### General Information

The County, formed in 1840, is located in northeastern Ohio, approximately 25 miles south of Cleveland, and covers an area of 416 square miles. Twenty-one cities and villages as well as ten townships are located in the County. The largest city in the County, the City of Akron, is the county seat. According to the 2000 census, the County has a population of 542,899, making it the fifth most populous of the 88 counties in Ohio.

The County is in the Akron Primary Metropolitan Statistical Area (“PMSA”), comprised of Summit and Portage Counties, with a population of 694,960 according to the 2000 census. It is also in the Cleveland-Akron-Elyria Consolidated Metropolitan Statistical Area (“CMSA”)... According to the 2000 Census, the CMSA was home to a population of 2,945,831, making it the 14th most populous CMSA of 113 in the country. For a more detailed discussion of the economic and demographic characteristics of the County, see **County Economic and Demographic Information**.

Services to County residents are provided through the combined efforts of the County and the cities, villages, townships, and special districts and governmental entities located in the County. The County has significant responsibilities in the areas of general government, administration of justice, road and bridge maintenance, health care, sanitation, and public assistance and social services.

Cities and villages in the County provide various services under statutory authorizations and the constitutional “home rule” grant of “all powers of local self government.” Among the services provided and powers generally exercised by cities and villages are the following: public safety, including police and fire functions; construction, maintenance, and repair of streets and sidewalks; certain sanitation and health activities; recreation, including parks, playgrounds, and swimming pools; certain public service enterprises such as collection, recycling, and disposal of solid wastes and operation of sewer and water systems, airports, and hospitals; and certain planning and zoning functions. Some of these services and powers may also be provided and exercised by counties, other political subdivisions, and special districts.

In addition to the services provided by municipalities—and to some extent—townships; educational services provided by school districts within the County; and services provided by State agencies, other special districts and governmental entities currently perform various functions in the County. These include the Metro Parks, Serving Summit County (park and recreational facilities and programs); the METRO Regional Transit Authority (mass transit); the Akron-Summit County Library District (public library); and the Summit-Akron Solid Waste Management Authority (solid waste management).

### Organization and Major Offices

In 1979 the voters of the County adopted a Charter, establishing the first charter form of county government in Ohio. The Charter became effective January 1, 1981. It replaced a statutory form of county government. The Charter currently provides for a County Executive and an 11-member County Council (the “Council”), comprised of three members elected at-large and eight

members elected from the districts they represent. The general responsibilities of the County Executive are administrative, and the general responsibilities of the Council are legislative. See also **County Services and Responsibilities**.

In addition to the County Executive and the Council, there are five elected administrative officials of the County: the Fiscal Officer, the Clerk of Courts, the County Engineer, the Sheriff, and the Prosecuting Attorney. Each of these officers is elected on a county-wide basis to a four-year term of office, and each officer exercises independent authority within the limits of the Ohio law. . Judges of the Summit County Common Pleas Court, including those from the Domestic Relations, Juvenile Court, and Probate Court Divisions, as well as those from the Court of Appeals, are also elected on a county-wide basis for six-year terms

***Financial Management.*** The Council and County Executive are responsible for providing and managing the funds used to support various County activities. The Council exercises its legislative powers in budgeting, appropriating money, levying taxes, issuing bonds and notes, and letting contracts for public works and services. The Charter provides for both a Department of Purchasing and a Department of Human Resources. The Department of Purchasing is responsible for purchasing all goods and services required by all offices, officers, agencies, departments, boards, commissions, or other public bodies of the County. The Human Resources Department is responsible for an efficient and economical system of employment for all County personnel. The County's Office of Finance and Budget performs financial analysis and administrative functions for the County Executive. The Office of Finance and Budget staff assists the County Executive in the budget process and monitors the operations of County departments and independent boards and agencies. Its responsibilities include revenue forecasting, budget development and review, capital budgeting, debt management, systems analysis, federal programs review, cost effectiveness studies, and financial consultation services.

***Management of County Facilities.*** The County Executive and Council are responsible for the management of most County facilities, including various courts; public assistance and social services facilities; correctional and administrative facilities; and other general County government facilities.

***Administration.*** There are a number of independent boards and commissions that administer a wide variety of services within the County, such as the Veterans Service Commission, the Board of Mental Retardation and Developmental Disabilities, the Alcohol, Drug Addiction and Mental Health Services Board, the Children's Services Board, and the Board of County Hospital Trustees. Some of these boards and commissions are subject to complete fiscal control by the Council, with all members appointed by the County Executive subject to confirmation by Council. Others have some or no members appointed by the County Executive and Council and may, to varying degrees, be independent of fiscal control by the Council. There are others for which the County Executive and Council do not have appointment powers but for which the Council does have extensive fiscal responsibilities. For example, the Council has extensive financing, funding, budgeting, and accounting responsibilities for the Board of Elections and for various courts, but no appointing authority.

The County Executive also appoints, subject to confirmation by Council, three of the 12 members of the board of trustees of the METRO Regional Transit Authority ("RTA") and all

seven members of the board of directors of the Summit County Port Authority (the “Port Authority”). RTA is a separate political subdivision, for which the County has no fiscal or administrative responsibilities. The Port Authority is also a separate political subdivision. The County Fiscal Officer acts as fiscal officer and fiscal agent for the Port Authority.

On November 7, 2000, the voters of the County approved an amendment to the Charter which created a County Audit Committee and a Department of Internal Auditing for the purpose of providing internal auditing to County offices. The County Audit Committee consists of the County Fiscal Officer, the County Executive, the President of County Council, and two residents of the County appointed by the County Executive and approved by a majority of Council. The Audit Committee, which meets on at least a quarterly basis, oversees internal and external audits, and submits recommendations for the appointment by the County Executive of a director of the Internal Auditing Department, who must be certified by the Institute of Internal Auditing. The Audit Committee also approves the hiring of internal auditing personnel. The Internal Auditor was named in June 2002.

***Certain County Officials.*** Certain current elected County officials and appointed County officials are shown below:

<b>Elected Officials</b>	<b>Name of Incumbent</b>	<b>Date of Assumption of Office</b>	<b>Expiration Date of Present Term</b>
County Executive Council	James B. McCarthy (a)	January 1, 2001	December 31, 2008
	Michael T. Callahan	January 27, 2001	December 31, 2006
	Daniel A. Congrove	January 1, 1993	December 31, 2008
	Tim Crawford (c)	January 1, 1993	December 31, 2008
	Pete Crossland (b)	January 1, 1989	December 31, 2008
	Clair E. Dickinson (d)	January 1, 2003	December 31, 2006
	Paul J. Gallagher	January 1, 1985	December 31, 2006
	Louise L. Heydorn	January 1, 1993	December 31, 2008
	Nick Kostandaras	January 1, 2005	December 31, 2008
	Paula Prentice	January 1, 2005	December 31, 2008
	Cazzell M. Smith, Sr.	March 27, 1991	December 31, 2008
Thomas Teodosio	January 1, 2001	December 31, 2008	
County Fiscal Officer	John A. Donofrio (e)(f)	January 16, 1979	December 31, 2008
Prosecuting Attorney	Sherri Bevan Walsh	January 1, 2001	January 4, 2009
County Engineer	Greg Bachman	July 28, 2003	January 4, 2009
Sheriff	Drew Alexander	January 1, 2001	January 4, 2009
Clerk of Court of Common Pleas	Diana Zaleski	January 24, 1989	January 4, 2009

- (a) Served as County Auditor from 1989 until elected to this office.
- (b) President Pro Tem.
- (c) Vice President of Council.
- (d) President of Council.
- (e) Served as County Treasurer until the creation of this office by combination of the office of County Auditor and County Treasurer.
- (f) See **Fiscal Officer** for a discussion of this position.

<b>Appointed Officials (a)</b>	<b>Name</b>	<b>Date of Appointment</b>
Director, Department of Law	Karen M. Doty (b)	February 1999
Director, Department of Finance	Linda Sowa Phelps (c)	June 10 1999
Medical Examiner	Lisa Kohler, M.D.	June 2000
Director of Environmental Services	Dave Marquard	September 2003
Director of Job and Family Services	Sarah Kisner	June 2004
Director, Internal Audit Department	Bernard Zaucha	June 2002
Clerk of Council	David E. Hannan, Jr.	October 2000

- (a) The appointed officials, except the Clerk of Council, are appointed by and serve at the pleasure of the County Executive. The Clerk of Council is appointed by and serves at the pleasure of the Council.
- (b) Ms. Doty first served as Chief of Staff beginning February 8, 1999 and became Director of Department of Law March 2001.
- (c) Ms. Sowa Phelps became Director of Department of Finance February 5, 2001. Ms. Sowa Phelps served in this position in a loaned capacity from June 10, 1999.

***Fiscal Officer.*** In addition to the County Executive and Council, the County Fiscal Officer is of particular pertinence to the financial affairs of the County. The County Fiscal Officer is elected to a four-year term. One of his most important functions is assessing real property for ad valorem taxation purposes. Under State law, a complete reappraisal must be conducted every six years and updated after three years. No County contract or obligation may be made without his certification that funds for payment are available or in the process of collection, and no account may be paid except by his warrant. The Fiscal Officer is responsible for preparing and disbursing of the County payroll.

The Fiscal Officer collects certain taxes and distributes them to various governmental units. He prepares and mails tax bills to real property owners. He is the disbursing agent for expenditures authorized by the Council. The Fiscal Officer is also responsible for investing County funds. See **Financial Matters—Introduction, Investment of County Funds and Other Major County General Operating Fund Revenue Sources—Investment Earnings**. The Fiscal Officer is a member and the Secretary of the County Board of Revision and the County Budget Commission, the Administrator and Supervisor of the County Data Processing Center, and an ex-officio officer of, and in charge of the funds of, the Board of Park Commissioners of the Metro Parks, Serving Summit County. The Fiscal Officer, the County Prosecuting Attorney, and the County Executive form the County Budget Commission. For a discussion of the role and function of the County Budget Commission, see **Financial Matters—Budgeting, Tax Levy, and Appropriations Procedures**. The Fiscal Officer is the fiscal officer and fiscal agent of the Summit County Port Authority. Under the Charter, the duties of preparing and maintaining tax maps (performed by the County Engineer under State law) and the statutory duties of a county recorder have all been transferred to the Fiscal Officer.

The office of County Fiscal Officer was created by Charter amendment approved by the voters in November 2001. The office is a combination of the statutory offices of County Treasurer and County Auditor becoming effective June 17, 2002 with the resignation of the County Auditor on June 15, 2002. There were two Charter amendments on the November 2001 ballot, both of which proposed the creation of a County Fiscal Officer. The only difference between the proposals was that one required the Fiscal Officer to be a Certified Public Accountant. Both issues passed, although the one requiring the Fiscal Officer to be a CPA received fewer votes. The County Prosecutor's office issued an opinion that only the charter amendment with the most votes was effective. Proponents of the charter amendment requiring CPA status sued and were successful in the trial and appellate courts. The Ohio Supreme Court ruled on June 25, 2003 that no conflict existed and the two charter amendments should be adopted. However, in the November 2003 election, the County voters approved a charter amendment, which, in effect, repealed the two charter amendments previously approved in 2001, and instead requires that the Fiscal Officer possesses the same qualifications as set forth under Ohio law for the county offices of Auditor, Recorder, and Treasurer. Ohio law does not require the offices of the Auditor, Recorder, and Treasurer to be a certified public accountant.

## Employees

As of March 31, 2005, the County had approximately 3,977 full-time and 366 permanent part-time employees in various job classifications employed by the County Executive, the Council, other elected County officials, and County-funded boards and commissions. In addition, the County's Edwin Shaw Hospital had approximately 457 full-time employees in various job classifications as of March 31, 2005. See **County Services and Responsibilities—Edwin Shaw Hospital**. The County also employs a number of temporary part-time employees, ranging from seven to 300 due to seasonal requirements.

A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

As of June 30, 2005, 1,246 County employees were represented by bargaining units. The following table lists the bargaining units representing the indicated County employees and the expiration dates of the respective labor agreements:

<b>Employees</b>	<b>Bargaining Unit</b>	<b>Number of Members of Bargaining Unit</b>	<b>Labor Agreement Expiration Date</b>
Medical Examiner	American Federation of State, County and Municipal Employees (AFSCME), Local 1229	14	March 31, 2008
County Engineer	AFSCME, Local 1032, Clerical and Technical Unit	16	March 31, 2006
	Operating Engineers, Local 18	4	March 31, 2006
	AFSCME, Local 1032	70	March 31, 2006

<b>Employees</b>	<b>Bargaining Unit</b>	<b>Number of Members of Bargaining Unit</b>	<b>Labor Agreement Expiration Date</b>
Fiscal Office	AFSCME, Local 1229	92	August 31, 2007
County Executive	AFSCME, Local 1229	180	March 31, 2007
Department of Job & Family Services	AFSCME, Local 2696	285	September 30, 2005 (a)
Prosecuting Attorney	AFSCME, Local 3885, Child Support Enforcement Agency Chapter	126	September 30, 2005 (b)
Sheriff	Summit County Sheriff's Supervisory Association	55	December 31, 2007
	Fraternal Order of Police, Lodge 139-Deputies	332	December 31, 2004 (b)
	AFSCME, Local 1229-Office and Clerical	50	March 31, 2008
	AFSCME, Local 1229-Dispatchers	22	March 31, 2008

- (a) The County anticipates that these contracts will be renewed and have an expiration date of September 31, 2007.  
(b) A contract is now being negotiated, and the County anticipates that a new contract with an expiration date of December 31, 2007 will be successfully negotiated.

As of June 30, 2005, there are 905 bargaining unit employees of County affiliated agencies:

<b>Affiliated Agency</b>	<b>Bargaining Unit</b>	<b>Number of Bargaining Unit Employees</b>	<b>Expiration Date of Labor Agreements</b>
Children's Services Board	AFL/CIO, Children's Services Board Local	352	March 31, 2006
Edwin Shaw Hospital (a)	AFSCME, Local 1229	105	March 31, 2005
Board of Mental Retardation and Developmental Disabilities	Ohio Education Association/Weaver Workshop and Support Association	256	December 31, 2006
	AFSCME, Local 1229	144	December 31, 2006
	Ohio Education Association/Weaver Education Association	86	December 31, 2006
	Ohio Education Association/Case Managers	67	December 31, 2006

- (a) See discussion under **County Services & Responsibilities – Edwin Shaw Hospital**.

The remaining County employees are not members of a bargaining unit.

During the last five years, the County has experienced on work stoppage with the Summit County Children’s Services Board. The communications Workers of America, Local #4546 engaged in a five month strike—from July 14, 2004 to December 31, 2004—after reaching an impasse during negotiation sessions. Ultimately, a contract was reached and the striking employees returned to their jobs. To date, County labor relations have been good.

Overall, appropriations for personnel costs for County employees have increased by an average of approximately 4.10% per year over the past five Fiscal Years. County employees who are not elected officials have received a 3.0% cost of living increase for 2005.

A Human Resources Commission and a Department of Human Resources administers a merit employment system for County employees. The Commission supervises and directs the Department, has the responsibility to resolve and dispose of personnel matters, and administers County-wide compliance with federal and state laws regarding employment and other personnel matters for which the County is responsible. The Commission has authority to ensure pay equity for like positions, standardized benefits, approved qualifications, and coordinated recruitment and training of employees.

## **County Services and Responsibilities**

***Summit County Department of Job & Family Services.*** The Summit County Department of Job & Family Services (the “Department”) administers certain public assistance and social service functions within the County. The Department is headed by a Director who is appointed by the County Executive. The Department is one of the largest departments in the County government with 417 full-time employees as of July 1, 2005. The Department administers certain federal-assisted and State-assisted programs for County residents, including the Medicaid, Food Stamp, Ohio Works First (“OWF”), Workforce Investment Act (“WIA”), Child Care, Adult Protective Services, and Prevention, Retention & Contingency Programs. The County contribution to those programs is generally 5% or less of the total administrative expenditures of the programs. The Department supplements these income maintenance programs by providing a variety of direct social services to eligible persons in the County. Some of these social services are provided directly by the Department and others by community agencies under contracts with the Department. Federal and State funds are generally used to support these contracted services.

Most of the funding for programs administered by the Department flows directly from the State and federal governments to welfare recipients in programs for which the County performs various administrative tasks such as eligibility determination. Expenditures of the County’s own funds for the activities and programs of the Department are made from the County’s general operating funds. The County’s 2005 budget includes a General Fund appropriation of \$5,000,000 for the Department.

The State Department of Job & Family Services certifies the expenditures of the various federal-assisted and State-assisted programs administered by the County Department. The State Department establishes the minimum County contribution toward administrative expenses of those

programs when it determines the County's "mandated share" of total costs. County costs (in addition to the "mandated share") that cannot be reimbursed from federal or State funds include: (a) expenditures for benefits in excess of certain standards established by the State (for example, fringe benefit levels for Department employees) and costs of optional public assistance programs ("ineligible program costs"); and (b) various public assistance expenditures that exceed administrative cost ceilings established by the State ("excess ceiling costs"). The County has exceeded its State funding only once—by approximately \$87,000—in the last five Fiscal Years.

The largest source of funds under the control of the Department is the federally funded Temporary Assistance for Needy Families ("TANF"). Much of these funds are used to pay for costs incurred by the Department to administer TANF eligible programs. The TANF funds also are used for the PRC and OWF service contracts, which offer education, counseling, training, and placement services to OWF and food stamp recipients with the expectation that they return to school or seek training that will enable them to find meaningful employment and financial independence. The Department assists clients in developing skills to improve employability and work ethic and coordinates this training with a Marketing/Placement Division that has involved over 400 local employers.

The WIA program provides employment and training programs to adults, dislocated workers, and youth through a State allocation from the Department of Labor. Services for Adults and Dislocated Workers. The WIA program includes assessment of skill levels, aptitude, support service needs, career planning, counseling, job readiness training, job search, and other case management activities as well as one-additional year of review for those successfully placed in the workforce to ensure success. Youth services include assistance with academics, GED preparation, occupational learning, development of leadership skills, job shadowing, mentoring opportunities, and paid work experience.

The following table shows the total cost of the major public assistance programs in the County, the County's mandated share of those costs, and other public assistance expenses that in recent years have been, and in 2005 are projected to be, incurred by the County.

**Public Assistance Costs 2000 through 2005**

<b>Programs</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005 (a)</b>
ADC/TANF/OWF ( b)	\$ 26,824,535	\$ 21,203,734	\$20,531,676	\$ 20,433,952	\$ 20,013,090	\$ 20,100,000
Disability Medical	3,616,710	4,215,160	6,130,655	7,473,486	5,810,025	6,000,000
Disability Assistance	751,965	819,325	1,005,504	1,156,942	1,074,239	1,100,000
Medicaid	432,306,042	477,792,488	550,436,552	617,462,762	667,225,907	707,259,461
Food stamps	29,872,450	33,821,620	40,754,615	47,726,996	53,037,315	58,341,047
<b>Total Program</b>	<b>493,371,702</b>	<b>537,852,327</b>	<b>618,859,002</b>	<b>694,254,138</b>	<b>747,160,576</b>	<b>792,800,508</b>
Mandated Share	4,102,788	4,163,928	4,236,073	4,346,449	4,631,697	5,094,867
Percent of Total	0.83%	0.77%	0.68%	0.63%	0.62%	0.64%
Total County Expenses						
Mandated Share	4,102,788	4,163,928	4,236,073	4,346,449	4,631,697	5,094,867
Ineligible Program Costs	246,202	92,056	165,383	148,079	53,926	117,000
Assessed Audit Findings (c)	-	-	849,289(d)			
Total County	\$ 4,348,990	\$ 4,255,984	\$ 4,401,456	\$ 4,494,528	\$ 4,685,623	\$ 5,211,867

(a) The information shown for 2005 is projected.

(b) ADC denotes Aid for Dependent Children; TANF denotes Temporary Assistance for Needy Families; and OWF denotes Ohio Works First.

(c) The State Department of Job and Family Services and the U.S. Department of Agriculture's Office of Inspector General have made audit findings concerning the County's Department of Human Services for Fiscal Years 1992 through 1997, which have not been assessed. See **Financial Matters—Financial Reports and Examination of Accounts** for a discussion of those findings. The County General Fund has an encumbrance of \$4,736,697 to fund those outstanding audit findings. The final audit for calendar year 2001-2002 has been issued with Questioned costs totaling \$132,200. However, the State Audit Review Committee has not requested repayment of those funds.

(d) See **Financial Matters—Financial Reports and Examination of Accounts**.

In addition to the services provided and administered by the Department, the Veterans Service Commission, the Board of Mental Retardation and Developmental Disabilities; the Alcohol, Drug Addiction, and Mental Health Services Board; the Children's Services Board; and Edwin Shaw Hospital provide certain public assistance, social services, and health programs within the County.

**Veterans Service Commission.** The County Veterans Service Commission assists veterans and their dependents by providing emergency assistance and securing the materials and information needed to apply for and receive assistance under the various programs administered by the United States Department of Veterans Affairs. The five members of the Commission are appointed by the Common Pleas Court and serve five-year terms. The activities of the Commission are financed from County general operating fund money in an amount requested by the Commission. State law provides that the amount may not exceed the estimated proceeds of a property tax levy of one-half of one mill—approximately \$6,065,152 based on the County's current assessed valuation. The County is not required to appropriate the entire amount unless requested by the Commission. The Commission received \$2,897,000 from the General Fund in 2004 and spent 94.5% of the entire amount. The County's 2005 budget includes a General Fund appropriation of \$2,952,800 for the Commission.

***Board of Mental Retardation and Developmental Disabilities.*** The County's program for the mentally retarded and developmentally disabled is operated through the Board of Mental Retardation and Developmental Disabilities ("MRDD"). The MRDD Board provides various services to mentally retarded and developmentally disabled children and adults, including training classes, workshops, and home services. Of the seven members of the MRDD Board, five are appointed by the County Executive, subject to confirmation by Council, and two are appointed by the County Probate Judge. In addition to receiving State reimbursement and tuition reimbursement from school boards in the County, the MRDD Board's operations are funded by a six-year 3.61 mill voted property tax levy. That levy was approved by the voters on March 7, 2000, and the last collection year is 2006. The County expects that levy to be sufficient, together with the existing cash balance of the MRDD Board, to pay for the Board's operations through the year 2006. The County's 2005 budget does not include a General Fund appropriation for the MRDD Board. The County expects to submit a ballot issue to the voters in November 2005 with respect to replacement of that levy for collection commencing in 2007.

***Alcohol, Drug Addiction and Mental Health Services Board.*** The Alcohol, Drug Addiction and Mental Health Services Board ("ADM") plans and administers mental health and alcohol and drug rehabilitation programs in the County. This Board consists of 18 members, of whom ten are appointed by the County Executive, subject to confirmation by Council; four are appointed by the State Director of Alcohol and Drug Addiction Services; and four are appointed by the State Director of Mental Health. The operations of the ADM Board are funded by a six-year 3.05 mill voted property tax levy. That levy was approved by the voters on November 6, 2001, and the last collection year will be 2008. The County expects that levy to be sufficient, together with the existing cash balance of the ADM Board, to pay for the Board's operations through the year 2008. The County's 2005 budget does not include a General Fund appropriation for the ADM Board.

***Children's Services Board.*** The Children's Services Board ("CSB") administers various programs designed to ensure the proper physical and emotional well-being of children in the County. CSB investigates charges of child neglect, counsels troubled families, certifies and supervises foster homes, and provides adoption services. The nine members of CSB are appointed by the County Executive, subject to confirmation by Council. CSB's operations are funded by a three-year 2.56 mill voted property tax levy. That levy was approved by the voters on November 2, 2004. The last collection year for the levy is 2007. The County expects that levy to be sufficient, together with the cash balance of the CSB, to fund CSB's operations through the year 2007. The County's 2005 budget does not include a General Fund appropriation for CSB.

***Edwin Shaw Hospital.*** The sale of Edwin Shaw Hospital ("ESH"), a 231-bed acute care facility for extended long-term care, rehabilitation, and the treatment of alcoholism to Akron General Medical Center ("AGMC") was completed on May 13, 2005. The purchase price for ESH was \$1,218,532.94. The seven-member board of trustees of ESH are in the process of winding down the business and anticipate being in existence until May 2006. The County entered into a two-year lease agreement whereby the County is leasing part of the real property previously occupied by ESH to AGMC. There are two additional two-year renewals available to AGMC. The real property lease is for \$1.00 per year for two years, with AGMC being responsible for up to \$500,000 in costs associated with the operation of the building including capital needs.

**Justice System.** As part of the administration of the justice system in the County, the County maintains facilities for the Common Pleas Court (the court of general jurisdiction), including the General, Domestic Relations, Probate, and Juvenile Divisions, and the Court of Appeals (collectively referred to as the “County Courts”). The County also maintains the County Prosecuting Attorney’s office, the Medical Examiner’s office, the Juvenile Detention Center, and the County Jail. In addition to her responsibilities as a prosecutor of criminal cases, the Prosecuting Attorney generally represents all County officers, boards, and agencies, including the Council, the County Fiscal Officer, and all townships and local school districts. She is also a member of the County Budget Commission.

The Clerk of Courts keeps all official records of the Common Pleas Court and serves as Clerk of Courts of the Court of Appeals. The office of the Clerk of Courts operates on a system of fees charged for services and is essentially self-supporting.

The County Sheriff is the chief law enforcement officer of the County. He provides certain specialized services, including the maintenance of a special staff of deputies whose duties are to assist, upon request, local law enforcement officers and to enforce the law in unincorporated areas of the County. The Sheriff also operates and maintains the County Jail and is responsible for its inmates, including persons detained for trial or transfer to other institutions. As an officer of the County Courts, the Sheriff is in charge of the service of court documents.

The County’s 2005 budget includes a General Fund appropriation of \$72,226,015 for the Justice System.

**Sanitary Sewer and Water Systems.** The County operates and maintains wastewater collection, transportation, and treatment systems and water distribution systems in the unincorporated areas of the County and in certain incorporated areas. Those areas comprise a district known as the Summit County Metropolitan Sewer District (the “Sewer District”). The sewer and water systems in the Sewer District are managed by the County’s Department of Environmental Services (“DOES”), which consists of a Sewer Division and a Water Division. DOES is under the supervision of a Director of Environmental Services, appointed by the County Executive. DOES prepares the sewer and water bills and collects the user fees and other charges for deposit into the County treasury. The funds managed by DOES are enterprise funds and are not dependent upon the County’s general operating funds.

The County Council has the authority and the duty to establish the rates and charges imposed on users of the sanitary sewer and water systems. The County administration typically makes recommendations to the Council concerning those rates and charges based on independent consultants’ studies and its policy that the systems be self-supporting.

**Sewer Division.** The Sewer Division is responsible for 11 wastewater treatment facilities, over 110 wastewater pumping stations and approximately 930 miles of sanitary sewers transporting wastewater both to the County-owned treatment plants and to those of the cities of Akron, Barberton, and Twinsburg, the Northeast Ohio Regional Sewer District, and Stark and Portage Counties.

The County-owned wastewater treatment facilities include the Fishcreek and Springfield wastewater treatment plants, with operating capacities of 8.0 and 4.0 million gallons per day (“mgd”), respectively. The Fishcreek plant currently operates at an average of 4.4 mgd while the Springfield plant processed an average of 2.9 mgd during 2004. In 2004, the County spent approximately \$1,651,612 to design or construct various new sanitary sewer improvements. In addition to these projects, DOES inspected and accepted ownership of privately developed sewer lines totaling \$5,554,023. These additions increased the total value of sewer infrastructure, after depreciation, to nearly \$327,000,000.

The County’s capital improvement plan for 2005-2006 anticipates expenditures of \$7,320,000 to construct various sanitary sewer improvements which include the replacement or upgrade of several pump stations, rehabilitation of sewer manholes and lines, the abandonment of several small treatment plants, and improvements to the Springfield plant. The majority of these expenditures will be funded from loans from the State’s Water Pollution Control Loan Fund and local community sewer revenues.

The following table shows the County’s Sewer Fund revenues, expenditures, and cash balances (excluding advances and repayments of advances) for operating purposes for each of the years from 2001 through 2004, and budgeted amounts for 2005. The presentation differs from the Sewer Fund revenues, expenditures and balances shown in Appendices B-1 through B-5 and in the County’s CAFR in that the following table does not include revenues from borrowings, expenditures for capital assets from those revenues, and bond retirement fund balances.

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005(a)</u>
January 1 Balance	\$ 9,003,675	\$ 8,770,688	\$ 7,472,569	\$ 5,810,850	\$ 1,894,109
Revenues	27,647,013	27,728,176	29,756,950	29,391,633	32,021,900
Expenditures					
Personnel	8,069,488	7,950,782	8,173,427	8,557,248	8,619,415
Other Operating (b)	11,718,237	11,656,185	12,052,890	13,246,525	13,067,380
Capital Replacement (c)	433,377	901,478	1,731,929	1,959,069	1,402,347
Debt Service	7,327,899	8,150,435	9,060,423	9,222,125	9,669,666
County General Fund (d)	331,000	367,415	400,000	323,407	407,201
Total Expenditures	27,880,000	29,026,295	31,418,669	33,308,374	33,166,009
Excess (Deficit) of Revenues over Expenditures	(232,987)	(1,298,119)	(1,661,719)	(3,916,741)	(1,144,109)
December 31 Balance	\$ 8,770,688	\$ 7,472,569	\$ 5,810,850	\$ 1,894,109	\$ 750,000

(a) Budgeted, based on existing rates.

(b) Consistent with prior years’ budgets; amount reflects the County’s conservative approach in budgeting for operating expenditures for costs of disposal, utilities, supplies, materials, and contract repairs.

(c) The County paid most capital replacement costs in 2001 through 2004 from the proceeds of borrowings and expects to pay most capital replacement costs in 2005 from operating revenues.

(d) Payment to the General Fund for the Sewer Division’s share of general administrative costs.

The County administration is committed, as a policy matter, to having the sanitary sewer system be supported completely by the rates and charges generated from the users and is prepared to recommend to the Council, as and when necessary, rate adjustments to carry out that policy.

User fees increased 2.5% in 2005 and will increase by 2.5% 2006 per County ordinance. Other sewer user fees, for example, connection or “tap-in” fees and permit fees, change annually based on the Engineer News Record (the “ENR”) index. The County administration projects that the rates as currently established will be sufficient, together with the existing cash balance, for Sewer Division expenditures through 2006, including debt service requirements on both existing and planned borrowings. New rate schedules will be established and adopted by Council during 2006 and become effective January 1, 2007.

The Springfield wastewater treatment plant is located on property which has been identified as a possible hazardous waste disposal site in a statutorily required filing made by the U.S. EPA. After a preliminary assessment in 1984, the Ohio Environmental Protection Agency (the “Ohio EPA”) assigned the site a “medium priority” for inspection. In March 1988, the U.S. EPA conducted a screening site inspection and concluded that the site did not present an immediate threat to human health. Subsequent tests in 1992 and 1993 by the U.S. EPA, Ohio EPA, and the County, including soil samples at the plant site, groundwater monitoring at five wells installed by the County on the plant site, and tests of wells on residential properties adjacent to the plant site, appear to confirm that any contamination is limited to the plant site.

Any hazardous waste disposal occurred before the County’s acquisition of the property. Based solely on the fact that the County currently owns the property, the County might initially be held liable, along with the parties responsible for the disposal of such wastes, for resulting costs and damages in any litigation that might eventually be instituted with respect to such disposal, including litigation under the Federal Superfund Act. The County intends to recover any costs and damages for which it might be liable, and costs of remedial activities that it might be required to undertake, from the parties responsible for the disposal of such wastes and does not believe that the County will ultimately bear the entire financial burden for any such costs, damages, and remedial activities. The County has entered into an agreement with The Goodyear Tire & Rubber Company, which allegedly was a major generator of the hazardous waste, under which Goodyear has agreed to assume responsibility for the monitoring, inspection, and planning of remedial clean-up activities on the site in accordance with EPA requirements. Once the estimated costs of remediation are established, the County anticipates further negotiations with Goodyear and other parties believed to have generated hazardous waste now on the site concerning allocation of the costs of remediation.

**Water Division.** The Water Division operates and maintains one independent water system serving a portion of the City of Hudson. The County relies on water purchased from the City of Akron to provide water to its water customers. The County administration has been committed, as a policy matter, to divesting itself of the water systems in the County.

The County prevailed in litigation with the City of Hudson concerning the right of the County to sell the water system located in Hudson to entities other than the City of Hudson. The City of Akron has a right of first refusal upon the sale of the County water system located in Hudson. The County expects to fully divest itself of its water systems during 2005 or 2006. Negotiations are currently underway with the City of Akron for the sale of this system.

The following table shows the Water Fund revenues, expenditures and cash balances for operating purposes for each of the years from 2001 through 2004, and budgeted amounts for 2005.

The presentation differs from the Water Fund revenues, expenditures, and balances shown in Exhibit B-5 and in the County's CAFR in that the following table does not include revenues from borrowings, expenditures for capital assets from those revenues, and bond retirement fund balances.

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005(a)</u>
January 1 Balance	\$4,234,282	\$4,336,076	\$4,193,796	\$3,647,703	\$3,001,239
Revenues	4,844,558	1,786,371	722,685	635,950	625,000
Expenditures					
Personnel	1,300,020	727,782	637,910	680,290	627,005
Other Operating	3,323,883	1,100,869	513,372	494,322	741,231
Capital Replacement	2,286	0	0	0	0
Debt Service	23,955	0	0	0	0
County General Fund (b)	100,575	110,000	105,496	107,802	109,200
Total Expenditures	4,750,719	1,938,651	1,258,788	1,282,414	1,477,436
Excess (Deficit) of Revenues over Expenditures	93,839	(152,280)	(536,093)	(646,464)	(852,436)
December 31 Balance	\$4,336,076	\$4,183,796	\$3,647,703	\$3,001,239	\$2,148,803

(a) Budgeted, based on existing rates.

(b) Payment to the General Fund for the Water Division's share of general administrative costs.

The County administration is committed, as a policy matter, to having the water system be supported completely by the rates and charges generated from users and is prepared to recommend to the Council, as and when necessary, rate adjustments to carry out that policy. The most recent water rate increase was effective September 1, 1994. The County projects that the rates as currently established will be sufficient, together with the existing cash balance, for Water Division expenditures through 2005.

## COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

### General

The County is the location of the corporate headquarters of five corporations with 2002 annual revenues of more than \$1 billion each. These are The Goodyear Tire & Rubber Company (1.1 billion), FirstEnergy Corp. (3.9 billion), Yellow/Roadway Express, Inc. (2.7 billion), Jo-Ann Stores, Inc., and Diebold, Inc. (2.3 billion). See also **Corporate Headquarters** and **Employment** for further discussions concerning these corporations.

The County is served by diversified transportation facilities, including 13 State highways, two U.S. highways and Interstate Routes 76, 77, 80 (the Ohio Turnpike), 271, and 277. The County is a major trucking center with approximately 162 freight carriers having offices or

terminals in the County. CSX, Amtrak, and the Wheeling & Lake Erie Railway provide rail service to the region.

Three airports, Cleveland Hopkins International, Akron-Canton Regional, and Akron-Fulton International serve the air travel needs of the region.

The Akron-Canton Regional Airport's Master Plan, establishing a schedule of financial and construction priorities based on projected demand, provides for \$17 million of capital improvements to be made from 1997 to 2004. Since 1989, over \$13 million of improvements have been constructed and acquired under the Master Plan including terminal, tower, runway, and taxiway improvements and acquisition of real estate for runway extensions. USAir Express established a maintenance base at the airport. A foreign trade zone exists at the airport. Airtran, USAirways, United Express, and Northwest Air Link, Delta, and Frontier Airlines provide passenger service at the airport. In 2004, the airport set an all time record of 1,358,079 passengers, breaking its old record. For the first half of 2005, the airport has had 675,000 passengers, which is an increase of 5% compared to the first half of 2004. The number of jet departures from the airport is higher than ever, and Northwest Airlines added an additional jet frequency in April 2001. On April 9, 2002, the airport began providing flights to Orlando and New York City. Recently, the Akron-Canton Airport added non-stop flights to Las Vegas. The airport currently projects that over the next five years additional capital improvements at a cost of \$50 million will be constructed. Some of these improvements include runway extensions; redesigning and expanding departure gates; adding a new food court; extending baggage claim; and designing and engineering a road interchange. The airport has received \$4.6 million in federal funding to begin work on the runway extensions. Work on those runway improvements began in January 2002 and was completed in December 2002. The building expansion and improvements project began in Spring 2002. The Akron-Canton Airport has had an increase in passenger of 60% during the past three years.

The Akron-Canton Airport recently unveiled \$7 million worth of improvements to the terminal building. A new food-court, baggage claim wing, improved entrances, parking lots and wireless internet access are now part of the airports offerings to the flying public.

The METRO Regional Transit Authority, a separate political subdivision, provides public transportation throughout the County. RTA's revenues include the proceeds of a 0.25% sales tax approved by the County voters in 1990 for a continuing period of time. The County is also served by the Greyhound Bus line.

Ohio Edison Company, an operating subsidiary of FirstEnergy Corp., headquartered in the County, is the largest electric utility in Ohio. It serves the entire County and major portions of the central and northeastern parts of the State. See **Utility and Energy Resources**.

Six acute care hospitals are located in the County: Akron City Hospital, St. Thomas Medical Center, and Cuyahoga Falls General Hospital, which comprise the Summa Health System (989 beds in the City and 313 beds in the City of Cuyahoga Falls); Akron General Medical Center (537 beds) in the City; Children's Hospital Medical Center of Akron (253 beds) in the City; and The Barberton Citizens Hospital in the City of Barberton (327 beds). Edwin Shaw Hospital, a 231-bed chronic-care facility, that the County recently sold to Akron General Medical Center, is

also located within the County. See **The County—County Services and Responsibilities—Edwin Shaw Hospital**. Recently, construction began on the Ann and David Brennan Critical Care Center at Akron City Hospital. The center will house cutting edge technology and provide 96 critical care beds for the community's sickest patients. Approximately, 14 percent of construction was completed in January of 2005.

One daily newspaper and seven radio stations are located in the County. Ten television stations located in the greater Cleveland area serve the region. In June 2001, WKYC (Channel 3) in Cleveland began producing a half-hour Akron newscast on WVPX (Channel 23) each weekday evening.

The County has 68 hotels or motels with approximately 5,000 rooms available.

Thirty-two private and public colleges and universities are located within 50 miles of the County with an aggregate enrollment of over 160,000 students. The University of Akron ("UA") is the largest public research university in Northern Ohio. It was founded in 1870. UA had a total enrollment of 23,682 in 2003 and 23,283 in 2004, making it the fourth largest of Ohio's 12 state universities. It is the only public university in Ohio with a science and engineering program ranked in the top five nationally by *U.S. News & World Report*. The University of Akron excels in areas such as polymer science, global business, marketing, and intellectual property law. In 2001, *Newsweek* magazine cited UA and its Goodyear Polymer Center among the reasons for naming Akron one of the nation's top new "Tech Cities." The March 2002 issue of *National Jurist* magazine identified UA's School of Law as the best value of any juris doctor program in the country. The University of Akron offers more than 350 associate, bachelor's, master's, doctoral, and law degree programs and 100 certificate programs. A \$200 million campaign has begun to create a "New Landscape for Learning", through various capital improvements.

The County is served by various recreational and cultural facilities. The Metro Parks, Serving Summit County (a separate political subdivision that includes all of the territory of the County, except for Twinsburg Township, the City of Twinsburg, and the Village of Reminderville), operates a park system of approximately 6,600 acres in the County and in neighboring Medina County. In addition, the City operates 139 parks covering 2,114 acres.

The 30-acre Akron Zoological Park is also located within the City. The County voters approved a 0.8 mill property tax levy in March 2000 to fund a major expansion at the Zoo. The tax levy is expected to generate approximately \$8.2 million annually and will be used for capital improvements and operating expenses. In January 2001, the County issued \$18 million in tax anticipation notes for the purpose of the zoo improvements and expansion. During the past four years, the Akron Zoological Park has unveiled five new areas of interest: Barnhardt Family Welcome Center, Wild Prairie, Farmland Contact Area, additional parking, Lehner Family Zoo Gardens, and Penguin Point.

The Cuyahoga Valley National Park, covering approximately 33,000 acres, is located primarily in the County. The National Park Service has estimated that each year approximately seven million people use this national park and the numerous non-federal facilities within its boundaries. The park preserves rural, natural land and open space along 22 miles of the Cuyahoga River.

The Ohio and Erie Canal National Corridor, running from Cleveland south through Akron, Canton, and Soar, was established to preserve the region's heritage and open the door to tourism, recreation, and the jobs that support such activities. Today, 70 of the 101 miles through Summit, Stark, Tuscarawas, and Cuyahoga Counties are complete.

Seventy-five miles of shoreline in the Portage Lakes chain located in the southern part of the County are available for swimming, fishing, and boating. Over 40 private and public golf courses are located within the County.

The 3,000 seat E.J. Thomas Performing Arts Hall offers ballet, opera, and symphony and band concerts, as well as musicals, traveling theater productions, and entertainment programs. The Hall is home to the 90-member Akron Symphony Orchestra. The Ohio Ballet, a 20-member professional dance company in residence at The University of Akron, performs for audiences locally and internationally.

The 2,700-seat Akron Civic Theatre is one of the few remaining atmospheric theaters in the United States. Designed by famed theater architect John Eberson, it opened in 1929 as the Akron Loew's. The Civic has one of the few existing Wurlitzer Organs still operating in its original installation, after a complete restoration in March 2000. The theater is host to a variety of popular concerts and cultural events and is home to community-based performance groups such as the Cuyahoga Valley Youth Ballet and Children's Ballet Theatre. The Civic has recently completed a \$20 million renovation project. See **Akron Downtown Development**.

Blossom Music Center, an outdoor amphitheater, located in the northern part of the County in the City of Cuyahoga Falls, is the summer home of the internationally renowned Cleveland Orchestra and hosts a variety of musical programs throughout the summer. The pavilion seats approximately 5,000 and the lawn accommodates an additional 15,000. Located near major highways, it attracts audiences from a 60-mile radius. Blossom Music Center has recently completed a \$15 million renovation to install new pavilion seating and a new roof, a new sound system, new amenities, and improved handicap accessibility.

Theaters within the County include Weathervane Community Playhouse, Coach House Theater, and the Porthouse Theater at Blossom Music Center. The Carousel Dinner Theater draws nationally renowned performers for its year-round schedule. The University of Akron regularly stages plays and musicals.

The Akron Art Museum is one of a few in the country specializing in American art of the 19th and 20th centuries. The Museum presents works by nationally prominent artists, in addition to its permanent collection, and it offers concerts and lectures. The museum is planning an expansion within the next two years. See **Akron Downtown Development**.

The National Inventors Hall of Fame honors inventors' contributions to society and includes an extensive hands-on science center. Approximately 60,000 visitors visited The National Inventors Hall of Fame in 2004.

A number of facilities of historic significance are located in the County, including Hower House, a 125-year-old restored High Victorian mansion on the campus of The University of Akron, and Stan Hywet Hall, a 65-room manor house in the City furnished with antiques and

works of art dating from the 14th century and considered the finest example of Tudor Revival architecture in the United States. Hale Farm and Village, a working farm and community recreated from the early 19th century, features a homestead, restored buildings, and live demonstrations of American crafts. The history of the rubber industry, from Charles Goodyear's home laboratory through the growth of a major corporation, is displayed in the Goodyear World of Rubber Museum. The Summit County Historical Society has restored the Simon Perkins Mansion, constructed in 1830 by the City's founder, and the John Brown Home, residence of the famous abolitionist.

Canal Park, a \$31 million stadium in the City's downtown area serves as the home of the Akron Aeros, a minor league professional baseball franchise in the Eastern League and the AA affiliate of the Cleveland Indians. In 2001, this AA franchise drew the second largest crowd of any AA franchise in the country. The franchise finished second in both total and average attendance in all of AA baseball and ended the season twelfth in all of minor league baseball in average and total attendance. In 2004, the franchise had total attendance of 478,611.

The Firestone Country Club has hosted professional golf tournaments annually since 1954, including the World Series of Golf, the PGA Championship, the Senior PGA Championship, the American Golf Classic, the CBS Golf Classic, and the World Golf Championship's NEC Invitational. In June 2002, Firestone County Club hosted the Senior PGA Championship, one of the senior professional golf's four "major" championships. Firestone County Club hosted the NEC Invitational in 2003 and 2005. It will also host the event in 2006, and a contract is being discussed for the next three years. The All-American Soap Box Derby is held annually at Derby Downs in the City. On July 30, 2005; 500 qualifiers from 43 states—including 20 individuals from Alaska—and four foreign countries competed at Derby Downs. A record total of 502 contestants crossed the finished line.

### **Corporate Headquarters**

The County is the location of headquarters of the following corporations which are ranked by *Fortune Magazine's* 2004 directories among the 1,000 largest industrial and non-industrial corporations in the United States.

## Worldwide 1,000 Largest Industrial and Service Corporations (a)

2004 Rank U.S.	Company	Location	Sales (millions)	Nature of Business
167	The Goodyear Tire & Rubber Company	Akron	\$12,252	Rubber Products
212	FirstEnergy Corp.	Akron	7,496	Electric Utility
628	Diebold, Inc.	Green	2,166	Electronics
889	Jo-Ann Stores	Hudson	1,163	Specialty Retailers

### Largest Trucking Companies Ranked by Operating Revenues

3(b)	Yellow/Roadway Express, Inc.	Akron	3,018	Freight
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### Largest Utilities Ranked by Assets

12	FirstEnergy Corp.	Akron	7,496	Electric Utility
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(a) Source: Fortune 500 Directory of the largest US Corporations, fortune.com.

(b) Among 12 trucking companies.

The County was headquarters for the following companies with fiscal year 2003 (the most recent information available from the Greater Akron Chamber of Commerce) revenues of over \$100 million.

## Company Headquarters With Revenues Over \$100,000,000

<u>Company</u>	<u>City</u>	<u>Revenue (\$ in millions)</u>	<u>Product</u>
Goodyear Tire & Rubber Co.	Akron	12,252	Rubber products
FirstEnergy Corp.	Akron	7,496	Electric utility
Yellow/Roadway Express Inc.	Akron	3,018	Trucking services
Diebold, Inc.	Green	2,166	Electronics
Jo-Ann Stores, Inc.	Hudson	1,163	Fabric and craft retailers
A. Schulman Inc.	Akron	1,245	High performance plastic compounds
FirstMerit Corporation	Akron	8,923	Bank holding company
OMNOVA Solutions, Inc.	Fairlawn	6,857	Decorative, building & polymer products
Myers Industries, Inc.	Akron	5,963	Polymer and metal products
Associated Materials Inc	Cuyahoga Falls	2,392	Construction Supplies
Central Federal Corp.	Fairlawn	1,245	Banking Services
Country Pure Foods Inc.	Akron	2,541	Juice Producers
Holland Oil	Akron	3,896	Gasoline and Grocery Chain
International Steel Group	Richfield	2,547	Steel Producer
National Interstate Corp.	Richfield	1,883	Property/Casualty Insurance
Republic Engineered Products	Akron	2,879	Steel Producer
Sterling Jewelers Inc.	Fairlawn	3,476	Retail Jewelry Manufacturer

Source: Greater Akron Chamber of Commerce.

The following private and public employers had the largest work forces within the County in 2004.

**MANUFACTURING COMPANIES**

<b><u>Company</u></b>	<b><u>City</u></b>	<b><u>Product</u></b>	<b><u>Employees</u></b>
Goodyear Tire & Rubber Co.	Akron	Rubber products	3,000
Daimler-Chrysler Twinsburg Stamping Plant	Twinsburg	Automotive stampings & assemblies	2,100
Diebold	Green	ATM's, Security Products	1,500
Little Tikes Company	Hudson	Toys	1,200
Babcock & Wilcox, A McDermott Co.	Barberton	Power generating equipment	1,645
Bridgestone/Firestone, Inc.	Akron	Rubber	1,016
Weaver Industries Inc.	Akron	Packaging & assembly, contract labor	925
Aircraft Braking Systems Corp.	Akron	Aircraft brakes, wheels, brake controls	680
Telxon Corp.	Akron	Portable tele-transaction computers	889
Akron Beacon Journal	Akron	Newspaper	524
Lockheed Martin Tactical Defense Systems- Akron	Akron	Electronic defense systems	600
Mactac/Morgan Adhesives	Stow	Paper coatings	404
Myers Industries, Inc.	Akron	Plastic products	394
Rockwell Automation/ Allen-Bradley Co.	Twinsburg	Programmable controls	393
Saint-Gobain Performance Products	Akron	Flexible plastic tubing	475
BFGoodrich Company	Akron	Aircraft parts & auxiliary equipment	464
Edgepark Surgical, Inc.	Twinsburg	Distributor of Medical supplies	462
S.A. Comunale Co., Inc.	Norton	Mechanical & fire protection	452
SGS Tool Co.	Munroe Falls	Solid carbide rotary cutting tools	321
Saint-Gobain NorPro Corp.	Akron	Chemical process equipment	401
OMNOVA Solutions, Inc.	Fairlawn	Decorative, building & polymer products	180
Pepsi Cola Bottlers	Twinsburg	Soft drinks	380
Alside Inc.	Cuyahoga Falls	Plastic Products	350
Quality Synthetic Rubber	Twinsburg	Precision elastomer molding	325
S.D. Myers, Inc.	Tallmadge	Oil purifying & equipment	305

**NON-MANUFACTURING COMPANIES**

<b><u>Company</u></b>	<b><u>City</u></b>	<b><u>Product</u></b>	<b><u>Employees</u></b>
SUMMA Health System	Akron	Medical	4,628
Akron General Medical Center	Akron	Medical	3,605
Summit County	Akron	Government	3,907
Akron City School District	Akron	Elementary and secondary schools	4,135
City of Akron	Akron	Government	2,376
FirstEnergy Corp.	Akron	Utilities	2,087
University of Akron	Akron	Education	2,309
Children's Hospital Medical Center	Akron	Medical	2,032
InfoCision Management Corp.	Akron	Telemarketing	609
Sterling Jewelers Inc.	Akron	Jewelry Stores	1,709
Allstate Insurance Co.	Hudson	Insurance	1,599
FirstMerit Corporation	Akron	Banking	1,462
Acme Stores	Akron	Chain grocery & discount stores	1,455
Yellow/Roadway Express Inc.	Akron	Trucking, local & long distance	1,493
JoAnn Stores Inc.	Hudson	Fabric/ craft stores	1,345
ALLTEL	Hudson	Utilities	1,098
Barberton Citizens Hospital	Barberton	Medical	946
Northcoast Behavior Health Care	Northfield	Psychiatric hospital	910
Yellow Freight System Inc.	Richfield	Freight transportation arrangement	1,100
Bank One, NA	Akron	Banking	675
Consolidated Freightways	Richfield	Trucking	700
Summit Co. Board of Mental Retardation	Tallmadge	Individual & family social services	700
Bolognue Management Company, Inc.	Akron	Grocery Stores (Apples)	700
Stow-Munroe Falls City School District	Stow	Elementary and secondary schools	707
Cuyahoga Falls General Hospital	Cuyahoga Falls	Medical	620
Hudson Local School District	Hudson	Elementary and secondary schools	636
Heidman, Inc.	Akron	McDonalds restaurants	600
FedEx Custom Critical	Akron	Local trucking	420
Ameritech Ohio	Akron	Telephone communication	538
Barberton City School District	Barberton	Elementary and secondary education	617
Twinsburg City School District	Twinsburg	Elementary and secondary education	587
Edwin Shaw Hospital for Rehabilitation	Akron	Medical	523
Pinkerton Security	Akron	Security	500
City of Cuyahoga Falls	Cuyahoga Falls	Government	504
Visiting Nurse Service	Akron	Home health care services	475
Green Local School District	Green	Elementary and secondary education	450
Child Abuse Neglect Hotline	Akron	Individual and family social services	417
American Medical Response	Akron	Personal transport	389
Sears, Roebuck and Company	Akron	Department stores	354

**NON-MANUFACTURING COMPANIES**

<b><u>Company</u></b>	<b><u>City</u></b>	<b><u>Product</u></b>	<b><u>Employees</u></b>
Akron/Summit County Public Library	Akron	Library	299
Antares Group, Inc.	Akron	Security guard service	360
Springfield Local School District	Springfield	Elementary and secondary education	360
Kaufmann's	Fairlawn	Department stores	342
Interstate Brands Corp.	Akron	Banking	335
Reiter Dairy, Inc.	Akron	Milk and dairy products	350
National City Bank, Northeast Region	Akron	Banking	377
Tallmadge City School District	Tallmadge	Elementary and secondary education	350
State of Ohio	Akron	State government	1,209
JC Penney	Akron	Department stores	325
Revere Local School District	Bath	Elementary and secondary education	315
U.S. Postal Service	Akron	Postal service	1,499
Giant Eagle	Akron	Grocery store chain	1,335
Tops Market	Akron	Grocery store chain	782
Dominion East Ohio	Akron	Natural gas distribution	307
UPS	Akron	Parcel delivery	247
U.S. Office of Personnel Management	Akron	Federal government	522
Oriana House	Akron	Community corrections agency	442
MBNA	Akron	Banking	400

Source: Crain's Cleveland Business Book of Lists 2005

The following are employers outside the County but within the PMSA that had the largest average work forces in 2004:

<b><u>Employer</u></b>	<b><u>City</u></b>	<b><u>Type</u></b>	<b><u>Employees</u></b>
Kent State University	Kent	Education	3,151
Portage County	Ravenna	Government	1,089
Robinson Memorial Hospital	Kent	Medical	1,520
Kent City School District	Kent	Elementary and secondary education	606
General Electric/Ravenna Lamp Plant	Ravenna	High Intensity lamp manufacturer	600
Step2 Company	Streetsboro	Children's & home garden products	459
Parker Hannifin Corp., Parflex Div.	Ravenna	Plastic hoses and tubing	405
Ravenna City School District	Ravenna	Elementary and secondary education	499
Hattie Larlham Foundation	Mantua	Residential care	359
Press of Ohio	Brimfield	Printing	380
Davey Tree Expert Co.	Kent	Tree and lawn care	350
East Manufacturing Corp.	Randolph	Aluminum dump trailers	450
Amteck Inc.	Kent	Electric motors	200
Cardinal Packaging, Inc.	Streetsboro	Injection molded plastic containers	260
St. Gobain Performance Plastics	Ravenna	Building materials	495
McMaster Carr	Aurora	Plumbing supplies	483

<u>Employer</u>	<u>City</u>	<u>Type</u>	<u>Employees</u>
NEOUCOM	Rootstown	Education	414
Foundry Systems International	Rootstown	Aluminum foundry	400
Hiram College	Hiram	Education	350
Commercial Turf Products	Streetsboro	Lawn equipment	343
Delta Systems	Streetsboro	Electronics	300
L'Oreal USA	Streetsboro	Beauty supplies	246
USA Instruments	Aurora	MRI manufacturers	233
Automated Packaging	Streetsboro	Packaging systems	209
Deluxe Business Systems	Streetsboro	Check printing	299

Source: Greater Akron Chamber of Commerce.

### Population

<u>Year</u>	<u>City</u>	<u>County</u>	<u>PMSA</u>
1960	290,351	513,569	605,367
1970	275,425	553,371	679,239
1980	237,177	524,472	660,328
1990	223,019	514,990	657,575
2000	217,074	542,899	694,960
2004	212,215	547,314	702,078

Source: U.S. Census Bureau.

### Employment

The following table shows comparative average annual employment and unemployment statistics in the County, PMSA, and Ohio.

#### Numbers (in thousands)

<u>Year</u>	<u>Labor Force</u>		<u>Unemployed</u>		<u>Unemployment Rate (%)</u>			<u>U.S.</u>
	<u>County</u>	<u>PMSA</u>	<u>County</u>	<u>PMSA</u>	<u>County</u>	<u>PMSA</u>	<u>Ohio</u>	
1998	276.2	358.4	11.1	14.2	4.0	3.7	4.3	4.4
1999	281.4	364.6	11.9	15.2	4.2	4.2	4.3	4.1
2000	282.1	365.7	11.4	14.6	4.0	4.0	4.1	4.1
2001	282.9	366.6	12.2	15.6	4.3	4.3	4.3	4.7
2002	286.0	370.4	15.6	19.8	5.4	5.3	4.5	5.8
2003	286.1	372.8	15.5	19.9	5.0	4.9	4.7	5.5
2004	287.3	374.9	16.3	20.9	5.7	5.5	6.1	5.6

Source: 2004 Ohio Bureau of Employment Services (Labor Market Information Division)

## INDUSTRY AND COMMERCE

### General

Historically, the County's economy has been associated with the rubber and plastics industry. Although the rubber industry's contributions to the economy remain substantial, the focus of that industry in the region has changed from manufacturing to research and development and administration. See **Economic Development Programs** below. In addition, the County's economy has become much more diverse.

An analysis of 2004 Harris Ohio Industrial Directory data shows there were 1,152 manufacturing firms in the County, employing 92,812 persons with emphasis not only in the rubber and plastics fields, but also in diverse fields such as metal fabrication, food processing, and the manufacturing and distribution of electrical and electronic machinery, equipment and supplies. Economic diversification in the County is evidenced by the increase in the non-manufacturing sector and the introduction of new industry and by the abundance of small, diverse manufacturing operations. Canal Place in downtown Akron, a refurbished B. F. Goodrich Plant, now houses 126 local, regional, national, and global firms with a combined workforce of approximately 2,100 people. It houses national operations for Bank One and many Internet/telecommunications companies. Firms within the County manufacture a wide variety of products including toys, books, soft drinks, bakery goods, auto rims, clay products, salt, industrial machinery, dies, molds, chemicals, wood products, and plastics.

Service industry activity has increased, and the production of goods has decreased in the County. According to the Census Bureau, manufacturing jobs in the County represented 23.4% of the total in 2000, as compared to 25.9% of the total in 1990, 30.0% in 1985, 32.0% in 1980 and 51.0% in 1970. Contributing to this trend is employment at regional shopping malls in the County, the continuing redevelopment in the City, the increase in employment of persons in the hotel, convention, and retained business facilities, and the increase in governmental, educational, and health care services and facilities employment.

The County grew at a 5.4% rate from 1990 through 2000, and the Akron PMSA grew 5.7% over those years. Summit and Franklin Counties (Columbus) are the only two urban counties within the State that have a positive growth rate for those years. The County ranks third in the State of Ohio for the number of new building permits.

### Akron Downtown Development

In addition to development noted under **General** above, the following economic development initiatives have taken place in the downtown area of the City.

The University of Akron. The University of Akron is in the midst of a multi-year, \$200 million New Landscape for Learning campus improvement program that will add six new buildings, renovate 14 existing structures and add 30 acres of green space to the campus. In June 2001, the University completed the first major project of the program. The Polymer Engineering Academic Center provides classrooms and office space for the Institute and the Department of Polymer Engineering. It also houses a high-tech, distance-learning classroom for the Akron Global Polymer Academy, and supplies office space for the American Chemical Society's Rubber

Division. In 2001, the University also completed renovations to five residence halls, opened a new 1,100-unit East Campus Parking Deck, finished upgrades to three other parking decks, and planted the first of what will become 30,000 trees on its campus.

The University completed the following projects in 2002: Arts and Sciences classroom office building renovations, Auburn Science Center Science and Technology Library, Broadway Building renovations, E.J. Thomas Performing Arts Hall Parking Deck Repairs, Ellis property acquisition and renovations, Hower House Carriage House and Exterior renovations, JAR arena floor replacement and new scoreboards, Korean War Memorial, Student Union Phase I, and several other smaller projects.

In 2004, The University of Akron Completed a new student recreation and wellness center, an athletic field house, an indoor varsity golf practice facility, a new student union, and an honors complex with 300 beds. Currently, the university is beginning to construct a gas turbine resting facility through the Engineering Department.

In January 2003, the UA Science and Technology Library addition was dedicated at the Auburn Science and Engineering Center. In February 2003, the first phase of the new Student Union was opened for students. In September 2003, Simmons Hall began breaking ground along with a dedication ceremony for the North Campus parking deck. In November 2003, construction began on the honors complex.

Convention Center. The John S. Knight Center, a 122,300 square-foot facility, including an exhibit hall, a ballroom/exhibition space, a conference center, a full service kitchen and a large lobby area, is located in downtown Akron. This multi-purpose facility is owned by the City and leased to the Akron/Summit Convention and Visitors Bureau.

Akron Civic Theatre. In 2002, the Civic Theatre completed a \$20 million renovation and restoration project. This renovation project restored the theatre's historic interior, expanded the stage and dressing areas and increased patron amenities. \$14.6 million of revenue bonds were issued by the Summit County Port Authority to fund this renovation. Those bonds are supported by proceeds derived from a 1.5% "bed tax" collection. The Port Authority managed the construction and leases the facility to the Civic Theatre. The Civic Theatre also raised approximately \$5.4 million for the project through fundraising activities.

## **Economic Development Programs**

The County has undertaken and supported numerous programs to further area economic development including the following:

Polymer Research and Development. There are more than 400 polymer-related companies employing over 30,000 people in the region. The University of Akron's College of Polymer Science and Polymer Engineering, the nation's largest academic polymer program, is at the heart of the area's polymer research activity. It is currently rated as the second best program in Polymer Science in the nation (according to the ranking made in the *U.S. News & World Report* ranking of top graduate schools). The University's Polymer Science Building is a \$17 million twin-towered structure containing 146,000 square feet. An addition to the building costing approximately \$5 million was completed in 2002.

The rapidly growing polymer industry, comprised of over 1,100 firms, is furthering the County's and surrounding area's regional reputation as the "Polymer Valley." Advanced Elastomer Systems, the world's largest manufacturer of thermoplastic elastomers, has its headquarters in the City. Hankook Tire of South Korea has a research facility in the County, providing that company a needed link to the region's world-class polymer research. PolySort, a company based in the City of Fairlawn, provides internet services to the polymer industry and receives approximately 35,000 visitors per month to its website.

Akron-Summit Industrial Incubator Project. The City, the County, The University of Akron, and the State have jointly developed an industrial incubator to encourage the development and growth of new small businesses. Management assistance is available to these firms from The University of Akron Small Business Institute, the local SBA Senior Corps of Retired Executives ("SCORE") and the Small Business Enterprise Center at the Greater Akron Chamber of Commerce. Since 1983, the incubator has housed approximately 53 tenants, creating over 550 jobs. The incubator currently holds 21 companies throughout the 146,000 square foot facility.

Summit County Port Authority. In 2001, the Summit County Port Authority provided \$12 million in financing to projects costing over \$22 million.

In 2000, the County provided the Port Authority with \$3 million to establish the Port Authority Bond Reserve Fund Program. This grant was further supplemented with a \$2 million matching commitment from the State of Ohio Department of Development. The Summit County Port Authority later obtained a letter of credit for \$5 million bringing their total to \$10 million available to back the issuance of bonds. This program will allow the Port Authority to provide economic development financing to creditworthy companies. The Bond Reserve Fund Program has a prospective investment-grade credit rating from Fitch Ratings. Currently, the Port Authority has a BBB+ bond rating by Fitch. The Port Authority also administers the Foreign Trade Zones ("FTZ") within the County.

The Port Authority partnered with the County, City of Green and ASW Properties, Ltd. to develop the infrastructure for Phase II of the CAK International Business Park adjacent to the Akron-Canton Airport (see **New Summit County Industrial Parks** below) and also initiated a partnership with the Civic Theatre (see **Akron Downtown Development - Akron Civic Theatre**).

Summit County Industrial Parks. The Cuyahoga Falls Industrial Park ("CFIP") is a 70 acre industrial park with 30 acres designated as an FTZ. Between 2000 and, 2004 the following companies began operations in the CFIP; A&C Welding, Serex Vending, Decker Fasteners, Pilot Plastics, Eagles Elastomers, and AnSCO Machine.

Phase II at the CAK International Business Park at Akron-Canton Regional Airport in the City of Green completed an infrastructure project in June 2000. This project was a partnership of the Port Authority, the City of Green, the County and ASW Properties, Ltd. The Port Authority will aggressively market the park and will have the capability of assisting companies in relocating at the park. A total of 100 acres is available for development and is designated as a FTZ. The CAK International Business Park had a stellar year in 2004—with five new tenants, four new facilities under construction, over \$30 million in new investment, 48 new jobs, and 394 jobs retained in Summit County. New tenants at the park include a Global Repair Depot for Diebold

Inc., a new headquarters facility for J&K Subway Inc., a manufacturing plant for Wacker Chemical and a Sam's Club crossdock facility for ASW Services. O'Brien Packaging purchased an existing building to house its headquarters and manufacturing operations.

As a result of the Phase II infrastructure project, ASW Green Logistics, LLC, a third party logistics warehouse/distribution service company, built a 350,000 square foot new facility on site. The facility will be used by a local company to expand its international distribution capabilities. As co-developer, the Port Authority will derive a stream of rental income from the 25 acre site. This revenue will be used to pay the bond debt service for the Phase II infrastructure. The \$12 million dollar project is a significant investment in the local economy, expanding industrial development and creating jobs. Expected job creation is approximately 50 new positions within the next two years. Fleming Foods occupies a 100,000 square foot portion of an existing building. Approximately 275 individuals are employed within the CAK International Business Park.

Six new Foreign Trade Zone Sites were added in 2004 for a total of 12 sites within Summit County. These sites are located throughout the county totaling 665 acres within nine communities. The following areas have FTZ designations: Akron/Canton Regional Airport, ASW-Mogadore, Cuyahoga Industrial Park, Kobelco Stewart Boling-Hudson, Terminal Warehouse-Akron, Ascot Industrial Park-Akron, Akron/Fulton Municipal Airport, Prosper Development-Stow, Streetsboro Road Industrial Park-Hudson, Freeway Drive Industrial Park-Macedonia, Hy-Ko Business Park-Northfield.

Cascade Capital Corporation and CAPP. Cascade Capital Corporation ("Cascade"), is a certified development corporation of the Small Business Administration. It provides SBA Section 504 and State of Ohio Chapter 166 fixed asset loans. Key incentives include fixed interest rates below prime, term loans up to 20 years, and borrower down payment requirements of only 10%. Loan approvals are completed in two to three weeks.

Over the past two-years, Cascade Capital Corporation has approved funding for 52 capital expansion projects totaling over \$76 million. These projects will result in the creation of nearly 700 jobs for the local region.

Since 1985, SBA Section 504 loans approved by Cascade have assisted in financing over \$180 million of projects intended to create or retain more than 3,000 jobs.

Industrial Development and Hospital Revenue Bonds. The County has endeavored to encourage expansion of its economic base through its issuance of industrial development revenue bonds. As noted under **County Debt and Other Long-Term Obligations**, since 1967, the County has issued over 359 industrial development revenue and health care facility revenue bond issues, with an aggregate original principal amount of more than \$417 million.

In addition, the Akron, Bath and Copley Joint Township Hospital District has issued approximately \$461 million of hospital revenue bonds since 1989 for improvements to hospitals, nursing homes, and other health care facilities.

Enterprise Zones. The State of Ohio Enterprise Zone Program was established to encourage new business investment in communities throughout the State of Ohio. The program

provides communities involved in the program with an economic development tool that can assist a community that is attempting to retain and/or expand its economic tax base.

The Enterprise Zone Program allows County communities to attract new investment which increases the local tax revenues and creates new employment opportunities.

There are currently eight designated Enterprise Zone areas with in Summit County. The program began in 1982 and remains an effective economic development tool. Since the programs inception, the county/city has entered into 171 agreements, retained 20,741 jobs and created an additional 7,067 jobs. The table below indicates the investments made in our community.

**1982-2004  
Summit County Enterprise Zone Program**

<u>Enterprise Zone</u>	<u>Number of Agreements</u>	<u>Jobs Retained</u>	<u>Jobs Created</u>	<u>New Payroll</u>	<u>Real Property</u>	<u>Personal Property</u>
Western Reserve	77	6,393	4,043	\$186,272,000	\$174,612,000	\$691,863,159
City of Barberton	7	374	129	3,229,000	6,310,000	8,678,000
Village of Mogadore	8	1,206	281	8,508,000	1,600,000	54,156,000
Southern Summit	19	3,342	1,622	64,634,642	91,375,000	77,922,000
City of Stow	7	535	76	1,717,000	946,000	10,836,000
City of Cuyahoga Falls	13	564	234	5,818,715	34,230,500	41,232,000
City of Tallmadge	3	227	62	1,197,000	2,782,000	1,753,000
Subtotal	134	12,641	6,447	271,373,397	311,855,500	866,440,159
City of Akron	37	8,100	620	24,438,521	0	116,697,192
Total	171	20,741	7,067	\$295,811,918	\$ 345,016,500	\$1,003,137,351

The agreements provide for abatements of real or personal property taxes, or both, ranging from 25% to 100% of new valuations, and continuing for periods up to 15 years.

Local Linked Deposits Program. A small business loan "linked deposit" program supports competitive interest rate loans from \$25,000 to \$150,000 for both fixed assets and working capital to companies with fewer than 150 employees located in the County. The County Fiscal Officer's office deposits County funds with local lending institutions at 3% below the current borrowing rate. Since 1988, 172 businesses have borrowed over \$16,760,000 under the program, with the expectation of creating or retaining more than 1,680 jobs. Summit County recently announced a new Residential Linked Deposit Program which will loan funds to property owners to make needed property upgrades, alterations, repairs, and improvements. \$5 million has been set aside to fund this program.

Technology Training Grant. In 2000 a partnership between the County and the University of Akron created a program to be used towards the training of technology-based companies to further educate new employees. Each qualified and approved company is allotted a grant of not more than \$10,000.

To date, two Summit County companies have participated in this program. Each company received a grant for \$10,000 to provide needed training for their employees. Infocision

Management Corporation and Accelent Systems have both successfully completed the training program.

So far, eight companies have expressed interest in this program. Accelent Systems has completed the training. InfoCision Management Corporation began the training program in 2002 and is in the process of completion.

Regional Programs and Resources. The Northeast Ohio Trade & Economic Consortium ("NEOTEC"), is a joint office of economic development for the County and six adjacent or nearby counties.

Through NEOTEC, the County is working cooperatively with Ashtabula, Stark, Portage, Columbiana, Mahoning, and Trumbull counties to develop Northeast Ohio's air, rail, highway, and water transportation resources into a coordinated intermodal system and to address additional infrastructure issues that may be best addressed with a cooperative, regional approach.

NEOTEC oversees the grant of authority for the FTZ designated areas in the County. There are four general purpose FTZ sites in the County. This FTZ grant, including areas designated in the County and in five other counties, is one of the largest foreign-trade zones in the United States and is intermodal - providing all modes of transportation by land, rail, water, and air.

**Personal Income**

According to HUD statistics, the 2004 median income for County families was \$59,000, compared to State and national medians of \$58,800 and \$57,200.

According to the Ohio Department of Taxation, the average federal adjusted gross income for residents within all school districts in the County filing Ohio personal income tax returns for 2002 (for tax year 2001) was \$51,294 compared to the average of \$48,912 for all Ohio school districts.

**Housing**

The following compares census information concerning housing in the County, with City and State statistics:

	<b>2000 Median Value of Owner-Occupied Homes</b>	<b>% Constructed Prior to 1940</b>	<b>Number 1990</b>	<b>Number 2000</b>	<b>% Change</b>
County	\$109,100	25.0	211,477	230,880	9.2%
City	76,500	36.8	96,372	111,184	15.4%
State	103,700	25.8	4,371,945	4,783,051	9.4%

Source: 2000 Census.

**Building Permits**

The table below shows the value of all building permits (including commercial, industrial, residential, and public, and both remodeling and new construction) issued in the County in recent years.

Year	Entire County (a)	Within the City
1996	\$646,155,931	\$136,592,847
1997	706,832,588	143,784,870
1998	751,857,823	120,946,985
1999	799,751,166	159,937,988
2000 (b)	676,248,054	115,924,605
2001	712,458,911	119,987,621
2002	734,694,766	122,561,012
2003	749,833,119	127,330,891
2004	778,234,545	134,477,299

- (a) Amounts include certain capital improvements in enterprise zones that are subject to tax abatement. See the discussion under **Economic Development Programs** above.
- (b) The County Building Department experienced a 3% decrease in value of building permits. The remaining decrease from 1999 figures is attributable to municipal corporations outside the jurisdiction of the County Building Department.

Sources: County and the building departments of the municipal corporations within the County.

## Utility and Energy Resources

The County's energy needs are well served with adequate and reliable sources of energy from two major companies, FirstEnergy Corporation and Dominion East Ohio, and from additional suppliers that have entered the County's market since the State's deregulation of electric and natural gas utilities discussed below. Since deregulation, small commercial and residential customers have more choices available to achieve lower energy costs. FirstEnergy Corporation is the fifth largest, investor-owned, electric utility company in the U.S. Its corporate headquarters are located in the County. Its Ohio subsidiaries are Ohio Edison Company, Toledo Edison, and The Illuminating Company. Dominion East Ohio is a supplier of natural gas. The Dominion East Ohio corporate headquarters are located in Virginia, with a local office in the County.

The Ohio General Assembly enacted legislation, effective in January 2001 and June 2001, allowing choice for electric generation and natural gas purchases. Electric transmission and distribution and natural gas distribution remain regulated by the Public Utilities Commission ("PUCO"). In connection with this utility deregulation, the legislature reduced assessment percentages for public utility property and imposed a utility excise tax. See **Ad Valorem Property Taxes—Assessed Valuation**.

Summit County's electric distribution services are provided by the Ohio Edison Company. The principal supplier of electricity is the FirstEnergy Corporation, which has a rate plan freeze through 2005, with interim rate decreases for residential customers that will average 15% by January 1, 2006.

The County's residential natural gas services are provided by Dominion East Ohio. There are approximately seven suppliers competing for the supply purchase business. The utility deregulation laws permit governmental entities to register as aggregators for electric generation

purchases and natural gas purchases for small businesses and local residents. In November 2001 voters in eight townships and one village authorized the County to implement a natural gas aggregation program for customers in those communities. Nine townships and one village authorized the County to implement an electric purchase aggregation program for customers in those communities. The County selected Shell Energy Services Co., L.L.C. as the natural gas supplier and FirstEnergy Solutions, Inc. as the electricity supplier. Customers in those communities were enrolled in the programs unless they opted out, beginning in the 2002-03 winter heating season. In addition, seven cities and village in the County have become PUCO certified as governmental aggregators for electricity purchases.

Local telephone service is provided primarily by SBC, GTE North, Inc., and Alltel.

Water service in the County is provided primarily by various municipalities, the County, and the North Hills Water District from various sources including the City's Lake Rockwell, Lake Erie, and wells and reservoirs owned by other providers.

Wastewater collection and treatment service in the County is provided primarily by the County, various municipalities in the County, and the Northeast Ohio Regional Sewer District.

Solid waste management planning for the County is the responsibility of The Summit-Akron Solid Waste Management Authority. Collection, recycling, and disposal of solid waste in the County is currently handled by municipalities and private haulers.

## FINANCIAL MATTERS

### Introduction

The County's fiscal year corresponds with the calendar year.

The main sources of County revenue have been property taxes, sales and use taxes, motor vehicle license taxes, real property transfer taxes and fees, federal and state distributions, charges for services, and investment earnings, as described under **Ad Valorem Property Taxes** and **Other Major County General Operating Fund Revenue Sources** and in **Appendices A** and **C**.

The responsibility for the major financial functions of the County is divided among the County Fiscal Officer, the County Executive and the Council.

The Fiscal Officer is the County's fiscal and chief accounting officer. Most financial functions of the County are performed by or under the supervision of the Fiscal Officer, including the keeping and supervision of all the accounts of the County. The Fiscal Officer maintains a separate computerized system of accounts for County receipts and expenditures from which the County Data Processing Center prepares monthly, quarterly, and annual financial reports of County operations, including an annual report filed with the Ohio Auditor of State (the "State Auditor"). The Fiscal Officer must not allow the amount set aside for any appropriation to be overdrawn, or the amount appropriated for any one item of expense to be drawn upon for any other purpose.

The Fiscal Officer acts as the custodian and disbursing agent for County funds . The Fiscal Officer must not allow a voucher to be paid unless sufficient funds are in the County treasury to the credit of the fund upon which the voucher is drawn. The Fiscal Officer is also responsible for the management and investment of County funds. An Investment Advisory Board consisting of the County Executive, the President of Council and the Fiscal Officer, or their designees, meets at least every quarter to review the investments in the County's portfolio and advise the Fiscal Officer. See also the discussions under **Investment of County Funds** and **Other Major County General Operating Fund Revenue Sources - Investment Earnings**.

The County Executive is responsible for establishing County-wide policy and is part of the County's legislative process. The County Executive is also responsible for the County's general financial recommendations and planning. Through the Office of Finance and Budget, he prepares the general operating budgets, coordinates all service agency budgets, and coordinates and administers debt management activities for all County departments and agencies. Through that Office he also monitors all budgets during the course of the year and, together with the Fiscal Officer, recommends to Council necessary transfers and additional appropriations. The County Executive is required by the Charter to update and submit annually to the Council a five-year financial plan for general operating funds, capital improvements, and debt management.

The Council is responsible for approving the budget for each year and authorizing all appropriations of money for most County activities.

For property taxation purposes, assessment of real property is performed by the Fiscal Officer, subject to supervision by the State Tax Commissioner. assessment of public utility property and tangible personal property is performed by the State Tax Commissioner. Property taxes and assessments are billed and collected by the Fiscal Officer.

### **Budgeting, Tax Levy, and Appropriations Procedures**

Detailed provisions for County budgeting, tax levies, and appropriations are made in the Revised Code, including a requirement that the County levy a property tax in an amount that, together with any other moneys available for the purpose, is sufficient to pay the debt service on its general obligation securities. The procedures involve collective review by County officials at several steps.

The law generally requires that the County (and other subdivisions) prepare, and then adopt after a public hearing, a tax budget approximately six months before the start of its next fiscal year. However, the County Budget Commission may either waive the requirement for a tax budget or permit an alternative form of tax budget with more limited information. The County Budget Commission has not waived the requirement or permitted an alternative form of a tax budget from the County or any other subdivision.

The County Budget Commission then determines and approves levies outside and inside the ten-mill limitation. The Revised Code requires the County Budget Commission to include any debt charge that was omitted from the tax budget.

Upon its approval of the tax budget, the County Budget Commission certifies its action to the Council together with the estimate by the Fiscal Officer of the tax rates outside and inside the

ten-mill limitation. Thereafter and before the end of the then current Fiscal Year, the Council approves the tax levies and certifies them to the proper County officials. The approved and certified tax rates are then reflected in the tax bills sent to property owners. Real property taxes are payable in two installments, the first usually in January and the second in June. Tangible personal property taxes for taxpayers owning property in more than one county are payable in September and for taxpayers owning property in one county are payable in two installments, in April and September.

Under State law, the Council must adopt a permanent appropriation measure for a Fiscal Year by April 1, and may adopt a temporary appropriation measure for the Fiscal Year to provide for expenditures from January 1 until the permanent appropriation measure is adopted. The Council adopted a permanent appropriation measure for Fiscal Year 2005 in March 2005. Although called “permanent,” the annual appropriations may be, and occasionally are, amended during the Fiscal Year. An additional appropriations measure for capital improvements in Fiscal Year 2005 was submitted to Council and has been approved. The County Budget Commission provides an official estimate of resources. Annual appropriations may not exceed the County Budget Commission’s official estimate of resources, and the County Auditor must certify that the County’s appropriation measures do not appropriate moneys in excess of the amounts set forth in those estimates.

Under Ohio law, a court of general jurisdiction, through an action in mandamus, may compel the appropriation of money that the court, in its discretion, deems appropriate for the orderly and efficient exercise of the court’s jurisdiction. The Ohio Supreme Court has held that laws that empower any other branch of government to determine the level of funding necessary to administer the courts constitute an impermissible legislative encroachment upon the inherent powers of the judiciary and are, therefore, unconstitutional. Over the last five years, the County Courts have not compelled appropriations in excess of the administration’s budgeted amounts.

### **Financial Reports And Examinations Of Accounts**

The County maintains its accounts, appropriations, and other fiscal records in accordance with the procedures established and prescribed by the State Auditor. The State Auditor is charged by law with inspecting and supervising the accounts and records of each taxing subdivision (including the County) and most public agencies and institutions.

County receipts and expenditures are compiled on a cash basis, in accordance with accounting procedures prescribed by the State Auditor. Those accounting procedures are generally applicable to all Ohio political subdivisions. The records of the County’s cash receipts and expenditures are converted annually for audit purposes to a modified accrual basis of accounting to conform to generally accepted accounting principles as recommended by the Governmental Accounting Standards Board (“GASB”) and the American Institute of Certified Public Accountants. Those recommendations, among other criteria, provide for a modified accrual basis of accounting for the general fund, all special revenue funds, all debt service (bond retirement) funds and all capital projects funds, for a full accrual basis of accounting for all other funds, and for the preparation for each fund of a balance sheet and a statement of revenues, expenditures, and changes in fund balances, and for the proprietary funds a statement of cash flows. The County

revised its financial reporting system to comply with GASB 34 requirements beginning in Fiscal Year 2002.

Beginning with the audit of Fiscal Year 2000, the State Auditor authorized the County to contract with an independent public accounting firm for an audit of the County's finances. The most recent independent audit of the County's general purpose financial statements was completed by Rea & Association, for the Fiscal Year 2004. The report of that audit was received by the County in July 2005. No material findings, citations, or items for adjustment were made. The report noted no material instances of non-compliance and no matters considered to be material weaknesses.

The County has issued a Comprehensive Annual Financial Report ("CAFR") for each of the Fiscal Years from 1986 through 2004, and each of those CAFRs, with the exception of 2004, has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for compliance with GFOA reporting standards. The Fiscal Office intends to submit the 2004 CAFR to the GFOA to determine its eligibility for the Certificate. The County will again be preparing a CAFR for Fiscal Year 2005 and the Fiscal Officer intends to submit it to GFOA to determine its eligibility for the Certificate.

Periodic examinations of the County Department of Job and Family Services ("DJFS") are made by the Ohio Department of Job and Family Services. The County received a combined audit of the DJFS for Fiscal Years 1995-1996, which included findings for recovery of \$4,076,394. These findings relate primarily to the federally funded Food Stamp Employment and Training ("FSET") Program (\$2.2 million). Other issues included the Job Opportunities and Basic Skills ("JOBS") Program (\$0.7 million), certain lease payments for the DJFS administrative offices (\$0.7 million), and the County's treatment of certain direct costs (\$0.19 million). In 2002, the County and State reached an agreement with the U.S. Department of Agriculture ("USDA") to settle the FSET finding. Under that agreement, the County paid \$606,572 to the USDA and will invest \$606,572 over two years in FSET eligible programs in the County. In addition, the County paid \$242,716 to settle an FSET audit finding related to unsupported costs paid to primary providers. The County is negotiating with the State to resolve the remaining issues.

The County received a draft of the audit for Fiscal Year 1997. The draft audit includes a finding for recovery of \$4,492,991. This finding is exclusively for the JOBS Program and involves the same issue of the treatment of the subcontractors' matching contribution involved in the 1995-1996 audit. The County intends to challenge the finding.

The County has not yet received the final audit for 1997. The Ohio Department of Job and Family Services is currently auditing the Department's records for calendar year 2002. The County does not expect audits of the interim years.

The following table describes the status of the outstanding Human Services audit findings.

<b>Audit Year</b>	<b>Audit Findings</b>	<b>Current Status</b>
1992-93	\$ 404,456	(a)(b)(c)
1994	1,384,491	(a)(b)(c)
1995-96	1,868,850	(a)(b)(c)
1997	4,492,991	(a)(b)(c)(d)

- (a) The findings for audit years 1992 through 1997 have not yet been assessed.
- (b) The County is negotiating with the Ohio Department of Human Services for a reduction in the portions of these assessments relating to the County’s allocation of certain administrative costs to human services programs. The County believes that it has reached an agreement to eliminate \$1,418,618 of the initial findings.
- (c) At December 31, 2002, the County General Fund had an encumbrance of \$4,736,697 to partially fund any assessment related to these findings.
- (d) The County intends to contest this finding.

See **Appendix A** for an unaudited comparative cash basis summary of general operating fund receipts and expenditures for the last five Fiscal Years and for 2005 (budgeted). **Appendices B-1** through **B-5** set forth unaudited summaries of receipts, expenditures, and encumbrances for all funds on a cash basis for each of the last five Fiscal Years. **Appendix C** includes a copy of the audited general purpose financial statements from the County’s CAFR for Fiscal Year 2004.

### **Investment of County Funds**

Investments and deposits of County money are governed by the State’s Uniform Depository Act (the “UDA”), which is applicable to all counties. The Fiscal Officer is responsible for making investments and deposits of County moneys. The UDA requires the Fiscal Officer to comply with continuing education requirements established by the State Treasurer. The Fiscal Officer has completed all of those requirements. Under the UDA, the County has created an Investment Advisory Board, composed of the County Executive, the President of Council and the Fiscal Officer. The Investment Advisory Board has adopted an investment policy and has filed a copy of that investment policy with the State Auditor, as required by the UDA. The Investment Advisory Board meets quarterly to review or revise its policies and to advise the Fiscal Officer on the investment of County money.

County money is deposited with public depositories as active and inactive money. Active money is that needed to satisfy current demands on the County Treasury and is deposited in demand deposit accounts or money market deposit accounts. Inactive money is that in excess of active money and is deposited or invested in accordance with the UDA and the County’s investment policy. The following institutions are eligible to be designated as public depositories (“Eligible Financial Institutions”): national banks located in Ohio, banks subject to supervision by the Ohio superintendent of financial institutions, federal savings & loan associations with their home offices in Ohio, Ohio savings & loan associations, and Ohio savings banks. Depositories are designated every four years.

The County’s investment policy establishes the following investment objectives:

- Compliance with all federal and State laws.

- Safety of principal. The investment policy describes safety of principal as the most important objective of the County. The investment policy establishes guidelines to preserve capital by minimizing credit risk and market risk.
- Liquidity. The portfolio is to remain sufficiently liquid to meet all current obligations.
- Yield. The portfolio is to be managed to consistently attain a market rate of return throughout budgetary and economic cycles.

The investment policy permits the investment of inactive money of the County in the following types of investments:

- U.S. Treasury Bills, Notes, and Bonds (“Governments”).
- Obligations directly issued by a U.S. agency or instrumentality (“Agencies”).
- Commercial paper issues of U.S. companies rated at the time of purchase in the highest classification established by at least two nationally-recognized standard rating services. The maximum maturity of commercial paper is 270 days from purchase date. The total amount invested in commercial paper may not exceed 25% of the County’s total average portfolio.
- Bankers acceptances issued by any Ohio domiciled bank or by any domestic bank rated in the highest category by one of two nationally recognized rating agencies. The acceptance must be eligible for purchase by the Federal Reserve System and the acceptance must mature no later than 180 days after the purchase date. The total amount invested in bankers acceptances may not exceed 25% of the County’s total average portfolio.
- Certificates of deposit from any Eligible Financial Institution.
- No-load money market mutual funds. These must consist solely of Governments and Agencies and repurchase agreements secured by Governments or Agencies. Investments in those funds may be made only through Eligible Financial Institutions.
- Repurchase agreements. The repurchase agreement must be with an Eligible Financial Institution or with a primary government securities dealer. The underlying securities must be Governments or Agencies. The market value of the securities must exceed the principal amount of the repurchase agreement by at least two percent. A term repurchase agreement must not be longer than 30 days and the underlying securities must be marked to market daily. The underlying securities must be held on the County’s behalf by a qualified custodian or agent designated by the Fiscal Officer.
- Securities lending agreements. These must be with an Eligible Financial Institution that is a member of the Federal Reserve System or the Federal Home Loan Bank. The securities subject to the lending agreements must be Governments or Agencies.
- STAR Ohio. The State Treasury Asset Reserve is an investment pool managed by the State Treasurer.
- Notes issued by corporations that are incorporated under the laws of the United States and operating in the United States must be rated in the second highest or higher category by at least two nationally recognized standard rating services.

Notes mature no later than two years after purchase and up to 15% of the County's total average portfolio in notes issued by corporations.

- Debt interest issued by foreign nations only if debt interest is backed by the full faith and credit of foreign nations and debt interest matures not later than five years after purchase. Must be rated in the three highest categories by two nationally-recognized standard rating services and issued by foreign nations diplomatically recognized by the United States. Shall not exceed in the aggregate one percent.

Any investment must mature within five years, unless it is matched to a specific obligation or debt of the County and specifically approved by the Investment Advisory Board.

The County may not invest in or do any of the following:

- Reverse repurchase agreements
- An investment that the Fiscal Officer does not reasonably expect can be held until maturity
- A derivative
- A short sale
- Leverage, in which the current investment assets are used as collateral for purchasing other assets
- Issue taxable notes for the purpose of arbitrage
- Invest in an investment pool maintained by another political subdivision

The County's investment policy requires the Fiscal Officer to maintain an inventory of all investments including type, cost, par value, maturity date, settlement date, and any coupon rate. The Fiscal Officer must maintain a monthly portfolio report and issue a quarterly portfolio report to the Investment Advisory Board, describing the current inventory of securities, all monthly transactions, any income received, and any expenses paid.

Under recent and current practices, the Fiscal Officer invests inactive money in Governments, Agencies, commercial paper, certificates of deposit, and money market funds. As of December 31, 2004, the weighted average maturity of the County's portfolio was 620 days. The County's portfolio had 21% of investments with maturities of one year or less, 74% with maturities of one to three years, and 5% with maturities of three to five years.

While the weighted average maturity and allocation will necessarily change from time to time, the County does not expect that they will be altered materially in 2004.

See **Financial Matters—Introduction** and **Other Major County General Operating Fund Revenue Sources—Investment Earnings** for further information concerning investments of County funds and County investment policies.

## Financial Outlook

The County had an aggregate unencumbered cash balance of approximately \$54.1 million in its general operating funds at the end of 2004 (compared to \$50.1 million at the end of 2002 and \$56.6 million at the end of 2003). See **Appendix A**. Of that \$54.1 million balance, \$25,325,501 was in its Budget Stabilization Fund. The Budget Stabilization Fund is used only in the event of a fiscal emergency.

In March 2005, the Council adopted the 2005 general operating budget proposed by the County Executive. That \$107.5 million budget reflects the County's continuing conservative approach to budgeting.

The County Administration anticipates that \$2.6 million of capital improvements to be acquired or constructed by the County in 2005 pursuant to its Capital Improvement Plan will be paid for from the unencumbered cash balance of \$10 million in its Capital Improvement Fund, and that the remainder of the capital improvements to be acquired or constructed by the County in 2005 will be paid for in cash from other County funds or from proceeds of loans from the State of Ohio Water Pollution Control Loan Fund for environmental improvements and a State Infrastructure Bank for transportation improvements expected to be repaid from other County funds. See **The County—County Services and Responsibilities—Sanitary Sewer and Water Systems—Sewer Division and County Debt and Other Long-Term Obligations—Future Financings**.

Based on current projections of revenues and expenditures, the County now estimates that its general operating funds will have an unencumbered cash balance, including the Budget Stabilization Fund balance, of \$53.5 million at December 31, 2005.

## AD VALOREM PROPERTY TAXES

### Assessed Valuation

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the County.

<b>Tax Collection Year</b>	<b>Real (a)</b>	<b>Tangible Personal (b)</b>	<b>Public Utility (c)</b>	<b>Total Assessed Valuation</b>
2000	8,646,161,590	1,163,684,757	448,367,950	10,258,214,297
2001	8,841,505,380	1,252,884,299	411,626,170	10,506,015,849
2002	9,113,552,440	1,195,406,627	319,617,440	10,686,576,507
2003 (d)	10,396,893,480	1,055,966,788	329,828,700	11,922,128,807
2004	10,496,564,950	1,057,763,907	323,879,530	11,876,411,268
2005	10,745,803,130	1,057,763,907(e)	326,736,920	12,130,303,957

(a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the Fiscal Officer. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.

(b) Tangible personal property of all public utilities and real property of railroads. See footnote (a).

- (c) Decrease primarily due to effect of State legislation which, beginning with collection year 2002, reduced to 25% of true value the assessed valuation of electric utility production equipment from 100% and of natural gas utility property from 88%.
- (d) Reflects sexennial reappraisal.
- (e) Estimated, based on 2004 actual.

Taxes collected on "Real" property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. . Taxes collected on "Tangible Personal" in one calendar year are levied in the same calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before December 31 of the preceding calendar year, and at the tax rates determined in the preceding year. "Public Utility" (real and tangible personal) taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

Based on Fiscal Officer records of assessed valuations for the 2004 tax collection year (2003 tax collection year with respect to tangible personal property), the largest County ad valorem property tax payers are:

<b><u>Real Property</u></b>	
<b><u>Name of Taxpayer</u></b>	<b><u>Assessed Valuation</u></b>
Albrecht Inc	24,205,610
Goodyear Tire & Rubber Co.	17,603,450
DeBartolo Capital Partnership	13,787,930
C H of Akron LLC (a)	12,435,420
Sumner on Ridgewood Inc.	12,428,200
E & A Northeast Limited	12,353,470
MS at Montrose, LLC	12,321,640
Barberton Health System LLC	11,008,930
Loral Corp. (b)	10,907,550
Daimler Chrysler Corporation	10,675,660
Yorkshire Woods Apartments LTD	9,594,960
DDR Ohio Opportunity II, LLC	9,340,080
Ohio Edison Tower Limited Liability	9,127,660
Busson Bernard B	8,880,220
Heron Springs Associates LLC	8,776,140

**Tangible Personal**  
(Other than Public Utility)

<u>Name of Taxpayer</u>	<u>Assessed Valuation</u>
Daimler Chrysler Corp	67,229,180
Diebold Incorporated	17,351,050
Aircraft Breaking Systems	17,104,470
Bridgestone Firestone Inc	14,913,160
Goodyear Tire & Rubber Co.	13,839,862
FirstEnergy Service Corp	13,333,070
Time Warner Entertainment Co.	11,387,740
Gojo Industries	10,195,340
Rubbermaid Incorporated	9,980,140
Coca Cola Enterprises, Inc.	9,546,810
Jo Ann Stores, Inc.	9,475,340
IBM Credit Corp	9,217,090
Little Tikes Company	8,516,900
P P G Industries Inc.	8,243,520
McDermott Incorporated	7,797,770

**Tangible Personal**  
(Public Utility)

<u>Name of Taxpayer</u>	<u>Assessed Valuation</u>
Ohio Edison Co	112,739,030
Ohio Bell Telephone	62,613,550
American Transmission	36,092,160
East Ohio Gas Co	29,370,490
Western Reserve Telephone	17,772,200
New Par	10,722,800
MCI Telecommunications Corp	6,757,500
Alltell Ohio Ltd. Partnership	6,270,960
Verizon North	5,335,190
Cleveland Electric	4,281,980
A T & T Wireless	3,629,640
Aqua Ohio Inc	2,734,510
Ohio T & T	2,461,430
Sprint	2,436,200
Consumers Ohio Water	2,334,060

- (a) Includes Chapel Hill Properties Co. (53,030), Chapel Hill Mall (12,481,529), Chapel Hill Suburban Stores (1,121,690), and Chapel Hill Properties LLC (42,390) in an aggregate billed to Forest City Enterprises.
- (b) Billed to Lockheed Martin Tactical Defense Systems.

According to statutory requirements for sexennial reappraisals, in 2002 the County Fiscal Officer adjusted the true value of taxable real property to reflect then current fair market values. These adjustments were first reflected in the 2002 duplicate (collection year 2003) and are reflected in the ad valorem taxes to be distributed to the County beginning in 2003. The Fiscal Officer is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values.

The assessed valuation of real property is fixed at 35% of true value and the value is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

In June 2005, the Ohio General Assembly revised the laws relating to assessment of tangible personal property used in business. Generally, tangible personal property used in business is assessed for ad valorem property taxation purposes based on a percentage of its true value (in general, the same as net book value). For merchandise held for sale in the ordinary course of business and manufacturing inventory the assessment percentage is 23% for tax year 2005. For manufacturing equipment the percentage is 25% for tax year 2005. The assessment percentage for all three classes—merchandise held for sale, manufacturing inventory, and manufacturing equipment—is reduced over a four-year period until it is assessed at zero percentage for tax year 2009. The assessment percentages are as follows: 18-1/4% for tax year 2006, 12-1/2% for 2007, 6-1/4% for 2008, and 0% for 2009. Manufacturing equipment not used by the owner before January 1, 2005 is assessed at 0%.

Public utility tangible personal property is assessed at varying measures from 25% to 100% depending on the nature of the property as transmission, distribution, production, or other property; the type of public utility; when the property was first used subject to taxation in Ohio; and, for electric generation equipment, whether or not electricity generated by the company is used by the generator. The law provides for reductions in those public utility assessment percentages similar to the reductions for tangible personal property used in business as described above. Those assessment percentages also phase out to zero in tax year 2009, except that the assessment rates for tangible personal property used by telephone, telegraph, and interexchange telecommunications companies phase out over a six-year period to zero in 2011.

Tangible personal property is assessed at 88% of true value for pipeline, waterworks, or heating companies, for electric transmission and distribution assets, and for telephone or telegraph company assets first taxed before 1995. Rural electric transmission and distribution personal property is assessed at 50% of true value. All other public utility tangible personal property is assessed at 25% of true value.

The utility deregulation laws established a kilowatt-hour excise tax on electric distribution companies and a natural gas volumes excise tax on gas distribution companies. A portion of the annual receipts from the excise taxes will be used to replace revenue lost by local government units as a result of the assessed valuation reduction. A portion of the annual receipts will be distributed as part of the local government funds described under **Other Major County Operating Fund Revenue Sources-Local Government Assistance Funds**. Another portion will

be deposited in a State fund and distributed to units of local government, including the County, to replace revenue losses from property tax levies. Those payments began in 2002 and will replace 100% of the property tax levy revenue loss through 2006. After 2006, the percentage of the property tax revenue loss that is made up by the payments declines until it reaches zero in 2017. See the further discussion of utility deregulation under **Industry and Commerce—Utility and Energy Resources**.

The first \$10,000 of taxable value of tangible personal property is exempted from taxation. The State reimburses local governments for the reduced local collections as a result of this exemption. The Ohio legislature recently amended this law also, to phase out this reimbursement over a period of ten years. The reimbursement in collection year 2003 was 90% of the 2002 reimbursement. The reimbursement will be reduced in 10% increments, based on the 2002 reimbursement, without regard to actual assessment exemptions. Because this reimbursement is no longer based on assessed valuation—but rather on the 2002 actual reimbursement level—Summit County has reduced the tangible personal property assessed valuation, and the money received from the state will be reported as intergovernmental revenue, rather than as taxes. See **Collections** below.

The General Assembly has from time to time exercised its power to revise the laws governing assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property, and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class to implement the credits.

These tax credits apply only to certain voted levies on real property, and do not apply to unvoted levies or to voted levies to pay debt service on general obligation debt. These credits are discussed further below.

## **Tax Rates**

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

Property taxes are levied by Ohio political subdivisions on all non-exempt property within the subdivision. Certain political subdivisions, including the County, may levy those taxes without a vote of the people, subject to the ten-mill limitation described below. Those political subdivisions, and other political subdivisions, may also levy property taxes in accordance with a vote of the people.

Voted taxes are levied at the millage rate stated on the ballot or, in certain ballot issues—at the millage rate required to produce the dollar amount stated on the ballot or annual debt service on that dollar amount. Voted taxes levied at a millage rate stated on the ballot are subject to the reduction factors described under **Reduction Factors** below.

Voted taxes must be used for the purpose stated on the ballot, and they are limited to the time period authorized by the voters. Some voted taxes are authorized for a continuing period of time and so do not expire. Taxes voted for a limited period of time may be renewed or replaced by the voters when they expire. If renewed, the taxes continue to be subject to the reduction factors. If replaced, they are treated as a new levy for purposes of the reduction factors.

Unvoted taxes are subject to the ten-mill limitation. This provides that the aggregate unvoted taxes for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions may not exceed ten mills. The taxes levied without a vote within the ten-mill limitation are sometimes referred to as inside millage and voted taxes outside the ten-mill limitation are sometimes referred to as outside millage.

The unvoted ten mills is allocated according to a statutory formula among certain overlapping subdivisions—including the County. The current allocation of the inside millage in the City of Tallmadge, the largest municipality in the County without a charter tax limitation, is as follows: 2.20 mills for the County, 2.40 mills for the City of Tallmadge, and 5.40 mills for the area of the City of Tallmadge within the Tallmadge City School District and 2.40 mills for the area of the City of Tallmadge within the Stow City School District. That allocation has remained constant for at least the last five years.

Attached is Tax Table A that sets out the rates at which the County and the overlapping taxing subdivisions levy ad valorem property taxes for collection year 2005.

### **Reduction Factors**

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- The proceeds of any new taxes (other than renewals) approved by the voters, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year.
- Amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

The tax credit provisions do not apply to amounts realized from taxes levied at a rate required to produce a specified amount or an amount to pay debt service on voted general obligations or emergency school levies, or from taxes levied inside the ten-mill limitation or any applicable charter tax rate limitation. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting "effective tax rate" reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2004 tax collection year of 100.350 mills for Coventry Township within the Coventry Local and the Portage Lakes Joint Vocational school districts is reduced by a reduction factor of 43.6059% for residential and agricultural property (which results in an "effective tax rate" of 56.591443 mills for that property)

and by a reduction factor of 37.3694% for all other property (which results in an "effective tax rate" of 62.849847 mills for such property). See **Tax Table A**.

Real property tax amounts are further reduced by an additional 10% (12.5% in the case of certain owner-occupied residential property). See **Collections** for a discussion of reimbursement by the State for this reduction.

The following are the rates at which property taxes were levied County-wide in recent years, both inside and outside the ten-mill limitation.

**TAX TABLE B**  
**COUNTY-WIDE PROPERTY TAX LEVIES - VOTED AND UNVOTED**

Collection <u>Year</u>	Unvoted Levies Within 10-Mill Limitation		Voted Levies Outside 10-Mill Limitation				Voted and Unvoted <u>Total</u>
	General <u>Fund</u>	Unvoted Bond <u>Retirement</u>	Children's <u>Services</u>	Alcohol, Drug & <u>Mental Health</u>	<u>MRDD</u>	<u>Zoo</u>	
2000	1.84	.36	2.56	3.05	3.61	.00	11.42
2001	1.84	.36	2.56	3.05	3.61	.80	12.22
2002	1.84	.36	2.56	3.05	3.61	.80	12.22
2003	1.68	.52	2.56	3.05	3.61	.80	12.22
2004	1.68	.52	2.56	3.05	3.61	.80	12.22
2005	1.53	.67	2.56	3.05	3.61	.80	12.22

The following table presents certain information concerning the County's voted ad valorem property tax levies:

**TAX TABLE C**  
**VOTED AD VALOREM PROPERTY TAXES**

Voter Authorized	Millage Rate Levied for Current Collection Year (a)		Purpose	Last Collection Year (b)
	Res/Agr	All Other		
3.05	1.479384	1.919829	Mental Health-Operating	2008
3.61	3.182536	3.273010	Mental Retardation-Operating	2006
2.56	2.043543	2.193162	Children's Services-Operating	2007
0.80	.705271	.725321	Zoo-Operating and Capital	2007

- (a) Rates listed are effective tax rates reflecting reductions based on tax credits; the County levies the entire millage authorized by the voters.
- (b) The levies have been renewed or replaced at varying intervals since the first collection year.

## Collections

The following are the amounts billed and collected for County ad valorem property taxes and special assessments for recent collection years.

Collection Year	Current Billed	Current Collected	% Collected	Delinquent Current	Delinquent Accumulated
<b>Real Property and Public Utility(a)</b>					
2000	90,500,701	87,020,296	96.1	3,480,405	4,657,576
2001	106,852,424	105,631,646	98.9	1,220,778	2,936,659
2002	108,141,560	103,603,372	95.8	4,538,188	6,498,929
2003	113,117,219	107,121,232	94.7	5,995,987	7,934,949
2004	114,483,186	109,793,378	95.9	4,689,808	6,344,920
<b>Tangible Personal Property</b>					
2000	14,148,239	13,489,540	95.3	658,699	1,540,310
2001	16,229,211	15,435,935	95.1	793,276	2,734,934
2002	15,294,475	14,480,337	94.7	814,138	2,752,040
2003	14,363,218	13,917,341	96.9	445,877	2,442,184
2004	14,505,067	13,631,018	93.97	874,049	2,622,483
<b>Special Assessments</b>					
2000	4,083,619	3,898,522	95.5	185,097	276,133(c)
2001	3,825,647	3,631,530	94.9	194,117	271,922
2002	3,294,098	3,065,954	93.1	228,144	311,078
2003	3,547,565	3,361,739	94.8	185,826	496,713
2004	3,748,277	3,367,077	89.8	381,200	597,760

(a) See **Assessed Valuation** for a discussion of expected reduced collections as a result of electric utility deregulation.

(b) Accumulated delinquent amount for special assessments is due, in part, to the nonpayment of special assessments by several residential developers. The special assessments are expected to be paid upon sale of the developed property.

(c) The decrease in accumulated special assessment delinquencies is due to an agreement with a property owner to reduce the special assessment, interest, and penalties against the property owner in exchange for a waiver of priority to capacity at the local wastewater treatment plant and an increase in tap-in and overuse fees.

Current and delinquent property taxes and special assessments are billed and collected by County officials for all taxing subdivisions in the County.

Included in the "Current Billed," "Current Collected" and the "% Collected" figures above are payments made from State revenue sources under two state-wide real property tax relief programs (which do not apply to special assessments). Homestead exemptions are available for persons over 65 and the handicapped. Rollback payments to taxing subdivisions are made in amounts equal to approximately 10% (12.5% with respect to owner-occupied residential property) of all ad valorem real property taxes levied, thereby reducing the tax obligations of real property

owners in any given year by the applicable 10% or 12.5%. This State assistance reflected in the County's tax collections for 2004 was \$867,136 for the elderly/handicapped homestead payment and \$12,712,157 for the rollback payment. Also \$623,511 was received in January 2005 from the State as a reimbursement of reduced collections resulting from the \$10,000 partial exemption of tangible personal property used in business described under **Assessed Valuation** above.

## **Delinquencies**

Of the 260,133 non-exempt parcels in the County for collection year 2004, the number of delinquent parcels was 22,909 against approximately 318 of which foreclosure proceedings have been commenced.

Real estate taxes and special assessments not paid in the due year are to be certified by the Fiscal Officer's office as delinquent. A list of delinquent properties is then published. If the delinquent taxes and special assessments are not paid within one year after such certification, the properties are then to be certified as delinquent to the County Prosecuting Attorney. As described below, the property owner may arrange a payment plan (over a maximum of five years) with the Fiscal Officer. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the County. Mass foreclosure proceedings and sales are permitted after three years' delinquency. The Fiscal Officer employs a notification procedure and judicial proceedings to collect delinquent tangible personal property taxes. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

The County has adopted an extended delinquent real estate tax payment plan under which a taxpayer may undertake to pay delinquent taxes in equal monthly amounts over a period usually less than five years. If payments are made when due under the plan, no further penalty or interest charges will be assessed against delinquent balances covered by the plan. However, a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan.

Pursuant to Ohio law, the County deposits 5% of all certified delinquent taxes and assessments collected by the Fiscal Officer on any tax bid in the delinquent real estate tax and assessment collection fund. These moneys, which are divided equally between the Fiscal Officer and the County Prosecuting Attorney, are used solely in connection with the collection of delinquent real property taxes and assessments.

Ohio law permits the 12 largest counties in the State (which includes the County) to sell certificates evidencing the right to collect overdue property taxes. Certificates are sold at 100% of the tax owed, plus costs. The price includes the back taxes on all the properties, penalties accrued, and a per parcel surcharge to cover the cost of the sale. The purchaser will charge the property owners interest and may foreclose on the delinquent parcels. If the taxes haven't been paid and the lienholder hasn't foreclosed within three years, the lien expires. The money received from the sale is distributed to the taxing subdivisions in the County in the same manner as the regular collection of taxes.

The Fiscal Officer conducted a bulk lien tax certificate auction in 2004 for approximately \$3,864,896 and a subsequent tax lien sale for approximately \$1,846,379. The County's share of the distribution of proceeds of the sales was approximately \$139,341. The Fiscal Officer expects to conduct another tax lien auction and subsequent tax sale in 2005.

## OTHER MAJOR COUNTY GENERAL OPERATING FUND REVENUE SOURCES

Major sources of revenue to the County's general operating funds in addition to ad valorem taxes are discussed under this caption. The Appendices provide further information regarding other revenue sources for those funds and others.

### Permissive Taxes

State law authorizes counties to levy certain permissive taxes (sales and use, real property transfer, motor vehicle license, and utilities services) without a vote of the people, subject to repeal by referendum (if the resolution levying the tax is not enacted as an emergency measure) or subject to repeal by initiative (if the resolution is adopted as an emergency measure). Any referendum or initiative requires a petition signed by a specified percentage of voters to be filed in appropriate form. These taxes may also be submitted by the County to a vote of the people and, if approved at an election, are not subject to repeal by voter-initiated action.

The County's sales and use tax and real property transfer tax and fee provide revenues for the County's general operating funds. The County also has in effect a motor vehicle license tax, the proceeds of which must be used for construction, maintenance, and repair of streets and highways, including bridges. The County has not yet exercised its authority to levy a utility service tax.

**Sales and Use Tax.** The County currently levies a 0.5% sales and use tax (the "sales tax"). The receipts from this 0.5% sales tax have been and are expected to be appropriated annually by the Council for current operating expenditures.

The sales tax is collected by the State and distributed monthly to the County. The following table shows the County's sales tax receipts for the past five years and budgeted receipts for 2005.

Year	Amount (in dollars)
2000	\$33,373,133
2001	31,676,329
2002	33,481,657
2003	33,282,530
2004	35,238,791
2005	36,250,000 (a)

(a) Based on receipts through June 2005 of \$17,750,991

Under State law, the Council has authority, which it has not yet exercised, to adopt resolutions increasing the County sales tax to an aggregate maximum of 1.5% to provide additional revenue for the County's general operating funds. Under County Charter provisions, however,

Council cannot increase the sales tax above 0.5% unless the increase is approved by a majority of the voters of the County at a primary or general election.

Unless adopted as an emergency measure or with voter approval, any Council resolution levying a sales tax is subject to referendum by the voters. If adopted as an emergency measure, a Council resolution levying the sales tax is subject to repeal at a voter-initiated election. The County's 0.5% sales tax was adopted as an emergency measure. If repealed by electors, the sales tax could not be reimposed as an emergency measure for one year from the date of the election. No attempts have been made in the past to repeal the County's sales tax.

In 1990, County voters approved an additional 0.25% sales and use tax for the METRO Regional Transit Authority for a continuing period of time. The proceeds of that tax are distributed by the State to RTA, a separate political subdivision. That tax does not affect the County's authority to levy or increase its sales tax.

***Real Property Transfer Tax and Fee.*** The County currently levies a 3.0 mill unvoted, real property transfer tax. That tax is in addition to the 1.0 mill real property transfer fee imposed by the Revised Code. The following table shows real property transfer tax and fee receipts for the past five years and budgeted receipts for 2005.

<b>Year</b>	<b>Amount Collected</b> (in dollars)
2000	\$7,414,620
2001	7,152,633
2002	7,366,560
2003	8,445,824
2004	9,438,280
2005	9,100,000 (a)

(a) Amount shown on the 2005 Certificate of Estimated Resources. The County has received \$4,708,296 through June 2005.

### **Local Government Assistance Funds**

Statutory State-level local government assistance funds are comprised of designated State revenues which are distributed to each county and then allocated among the county and cities, villages, townships, and, in some cases, park districts in the county. The allocation of these revenues among the County subdivisions is in accordance with an agreed formula.

The following table shows County receipts from these funds for the past five years and budgeted receipts for 2005.

<b>Year</b>	<b>Amount (in dollars)</b>
2000	\$12,501,833
2001	12,970,586
2002	12,310,623
2003	12,235,941
2004	12,102,281
2005	12,645,500 (a)

(a) Amount on the 2005 Certificate of Estimated Resources. The County has received \$6,636,029 through June 2005.

There can be no assurance as to the future levels of State local government assistance funding to counties. The General Assembly reduced the total local government assistance distribution from the State effective July 2003. The General Assembly could determine to change the level of that funding again in the future. The utility deregulation laws provide for increases in local government fund distributions, beginning in 2002, from a share of receipts of excise taxes on utility distribution companies. See **Ad Valorem Property Taxes—Assessed Valuation**.

### **Charges for Services**

The County receives operating revenues for its General Fund from charges and fees for various services provided to the public and to other political subdivisions and for various services provided to County departments and agencies that are paid from moneys in restricted funds of the County. Such charges include, among others, fees for recordings and filings, Fiscal Officer's fees for tax collection services, Clerk of Court's fees, election fees, and fees for the board and care of prisoners. The following table shows receipts from charges for services for the past five years and budgeted receipts for 2005.

<b>Year</b>	<b>Amount Received (in dollars)</b>
2000	\$15,347,789
2001	16,436,592
2002	17,163,000
2003	19,514,655
2004	17,899,325
2005	17,633,500 (a)

(a) Amount on the 2005 Certificate of Estimated Resources. The County has received \$7,476,452 through June 2005.

### **Investment Earnings**

The following table shows the investment earnings credited to the County's General Fund for the past five years and budgeted receipts for 2005.

<b>Year</b>	<b>Amount Received (in dollars)</b>	<b>Average Yield (%)</b>
2000	\$14,147,374	5.98
2001	12,859,256	5.10
2002	8,981,792	3.83
2003	5,771,974	2.564
2004	4,721,151	2.509
2005	5,086,500(a)	

(a) Amount on the 2005 Certificate of Estimated Resources. The County has received \$2,654,617 through June 2005.

See, also, the discussion under **Financial Matters-Investment of County Funds**.

## **COUNTY DEBT AND OTHER LONG-TERM OBLIGATIONS**

The following describes the security for general obligation debt, applicable debt and ad valorem property tax limitations, outstanding and projected bond and note indebtedness, and certain other long-term financial obligations of the County.

From 1967 through 2004, the County issued over 360 industrial development revenue bond issues for facilities used by private corporations or other entities and health care facility revenue bonds for facilities used by private health care corporations. Certain of those bonds remain outstanding. The County is not obligated in any way to pay debt service on those bonds from any of its funds, and therefore those bonds have been excluded entirely from the debt discussion and the tables that follow.

### **Security for General Obligation Debt**

#### ***Bonds and Bond Anticipation Notes***

**Voted Debt.** The basic security for voted County general obligation debt is the authorization by the voters for the County to levy ad valorem property taxes—without limit as to the amount or rate—to pay debt charges on that debt. The tax is outside of the ten-mill limitation and is levied on all real and tangible personal property subject to taxation by the Council. The tax must be sufficient to pay the voted bond debt charges—to the extent they are not paid from other sources—as they come due. The levy of the tax, however, is subject to bankruptcy laws and other laws affecting creditors’ rights and to the exercise of judicial discretion.

**Unvoted Debt.** The basic security for unvoted general obligation County debt is the County’s ability to levy an unvoted ad valorem property tax within the ten-mill limitation. The tax is levied on all real and tangible personal property subject to taxation by the County. That unvoted tax must be sufficient to pay the debt charges on that debt—to the extent they are not paid from other sources—as they come due. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within the ten-mill limitation; however, that priority may be subject to the provisions of bankruptcy laws and other laws affecting creditors’ rights and to the exercise of judicial discretion. See the discussion below, under **Indirect Debt and Unvoted Property Tax Limitations**, of the ten-mill limitation, and the priority of claim on it for debt

charges on unvoted general obligation debt of the School District and all overlapping taxing subdivisions.

**Bond Anticipation Notes.** While bond anticipation notes (“BANs”) are outstanding, Ohio law requires the levy of an ad valorem property tax in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time, up to a maximum period of 240 months from the date of issuance of the original BANs. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

The County has outstanding BANs of \$2,804,194.

### **Statutory Direct Debt Limitations**

The Ohio Revised Code provides that:

- The net principal amount of both voted and unvoted debt of the County, excluding “exempt debt” (discussed below), may not exceed a sum of \$6 million plus 2.5% of the tax valuation of all property in the County—as listed and assessed for taxation—in excess of \$300 million.
- The net principal amount of the unvoted general obligation debt of the County, excluding exempt debt may not exceed 1% of that tax valuation.

These two limitations, which are referred to as the direct debt limitations, may be amended from time to time by the General Assembly. Further, the County’s unvoted general obligation debt for the County’s share of state highway improvements may not exceed 0.5% of the tax valuation.

The County’s ability to incur unvoted debt whether or not exempt from the direct debt limitations—also is restricted by the indirect debt limitation discussed below under **Indirect Debt and Unvoted Property Tax Limitations**.

Certain debt a county may issue is exempt from the direct debt limitations (“exempt debt”). Exempt debt now includes, but is not limited to:

- Revenue debt
- General obligation debt
  - For county, multicounty, or multicounty-municipal jail, workhouse, juvenile detention, or correctional facilities; or county or joint county solid or hazardous waste collection, transfer, or disposal facilities or resource recovery or recycling facilities

- That is “self-supporting”, non-tax revenues from this category of facilities are sufficient to pay operating and maintenance expenses and related debt service and other requirements issued for county utility systems or facilities; parking facilities; health care facilities; recreation, sports, convention, museum, and other public attraction facilities; facilities for natural resource exploration, development, recovery, use, or sale; and correctional and other related rehabilitation facilities
- For buildings to house county or municipal agencies, departments, boards, and commissions, to the extent that revenues other than revenues from unvoted county property taxes derived from leases or other agreements between the county and the agencies, departments, boards, commissions, or municipal corporations are sufficient to cover all operating expenses paid by the county and debt service
- For highway improvements, if the county has covenanted to pay debt service and financing costs from motor vehicle fuel and license taxes
- Issued in anticipation of the levy or collection or special assessments
- For certain permanent improvements, if the county has covenanted to pay debt service from certain dedicated voted sales tax revenues
- For water or sanitary, surface, or storm water sewerage facilities to the extent that another subdivision has agreed to pay amounts equal to debt service to the county
- Voted for water or sanitary sewerage facilities, to the extent that the outstanding debt for that purpose does not exceed 2% of the county’s tax valuation
- To pay final judgments or court-approved settlements
- Debt issued in anticipation of the receipt of federal or state grants for permanent improvements
- Debt issued to evidence loans from the State capital improvements fund
- Delinquent tax bonds
- Voted debt for subways not in excess of 1% of the county’s assessed valuation
- Notes issued in anticipation of the collection of current revenues or in anticipation of the proceeds of a specific tax levy
- Notes issued to acquire voting machines and vote tabulation equipment for certain emergency purposes
- Debt issued for a port authority educational and cultural facility
- Debt issued for county energy conservation measures
- Debt payable from payments in lieu of taxes under certain tax abatement programs

- Debt in an amount not in excess of the amount of payments made under the program to replace property tax revenue losses from the change in assessed valuation methods for electric public utilities (See **Ad Valorem Property Taxes—Assessed Valuation**)

BANs issued in anticipation of exempt bonds also are exempt debt.

In the calculation of debt subject to the direct debt limitations, the amount of money in a county’s bond retirement fund allocable to the principal amount of non-exempt debt is deducted from gross non-exempt debt.

Without consideration of money in the County’s Bond Retirement Fund (\$2,889,015), and based on outstanding debt as of August 1, 2005 and current total assessed valuation, the County’s voted and unvoted non-exempt debt capacities are:

Limitation	Non-Exempt Debt	Additional Borrowing Capacity Within Limitation
\$6,000,000 + 2.5%=\$301,757,598	\$71,280,555	\$230,477,043
1%=121,303,039	71,280,555	50,022,485

Further details are provided in **Debt Table A**.

### **Indirect Debt and Unvoted Property Tax Limitations**

Voted general obligation debt may be issued by the County if authorized by a vote of the electors, but subject to the limitations described above.

The indirect debt limitation (discussed under **Tax Rates** above) provides that unvoted bonds may not be issued unless the ad valorem property tax for the payment of debt service on:

- those bonds (or the bonds in anticipation of which BANs are issued), and
- all outstanding unvoted general obligation bonds—including bonds in anticipation of which BANs are issued—of the combination of overlapping taxing subdivisions including the County resulting in the highest tax required for such debt charges,

in any year is ten mills or less per \$1.00 of assessed valuation.

Because the County is restricted in the amount of unvoted debt it can issue, the major impact of the indirect debt limitation results from the ability of overlapping political subdivisions to issue unvoted general obligation debt in an amount which requires unvoted taxes for the payment of debt service on that debt to be levied at a rate in excess of the rate within the ten-mill limitation allocated by statutory formula to that subdivision (See **Tax Rates** above). The result of a subdivision having to draw on millage to pay debt service in an amount exceeding its allocated rate within the ten-mill limitation would be to reduce the millage within the ten-mill limitation available to the overlapping subdivisions, including the inside millage currently levied by the

County for operating purposes. No such reduction in inside millage for the County has occurred since the ten-mill limitation has been in effect.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt service on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. To the extent this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Since the inside millage that may be actually required to pay debt charges on a subdivision's unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. In the case of municipalities, however, a law applicable to all Ohio cities and villages requires that any lawfully-available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt charges on the municipality's unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be invaded for that purpose.

In the case of BANs, the highest annual debt charges estimated for the anticipated bonds is used to calculate the millage required.

Revenue bonds and current revenue and tax anticipation notes are not included in debt subject to the indirect debt limitation since they are not general obligations of the issuing subdivision and the full faith and credit of the issuer is not pledged for their payment.

The indirect limitation applies to all unvoted general obligation debt even if debt service on some of it is expected to be paid in fact from other sources, such as special assessments or utility earnings.

If the County were to convert its \$2,804,194 unvoted general obligation BANs to the anticipated bonds at the annual interest rates assumed in the resolutions authorizing the BANs, the highest debt service requirement in any year for all County debt subject to the ten-mill limitation is estimated to be \$16,776,322 in the year 2005. The payment of that annual debt service would require a levy of 1.3830 mills based on current assessed valuation. The County expects to pay approximately \$8,642,100 of this maximum annual debt service requirement from sources other than ad valorem taxes, such as special assessments, State reimbursements, payments under agreements with other local governments and non-profit corporations, utility revenues, and other sources. If those other sources for any reason are not available, the debt service could be met from the amounts produced by the millage (2.20 mills) currently allocated to the County within the ten-mill limitation.

In calculating whether or not unvoted debt to be issued by the County is within the ten-mill limitation, it is necessary to determine which combination of overlapping political subdivisions (including the County) has the highest outstanding debt service requirements within the ten-mill limitation.

There are all or portions of 21 municipal corporations, 10 townships and 21 school districts in the County. Thus to determine the highest overlapping debt service requirements for unvoted

debt, it is necessary to examine the requirements for combinations of such overlapping subdivisions, including municipal corporations, townships and school districts.

The City of Cuyahoga Falls is the taxing subdivision in the County that, with its combination of overlapping subdivisions, has the highest potential millage requirements within the ten-mill limitation for debt service on unvoted general obligation debt. In 2005, the total millage theoretically required for that city (6.2823 mills), the Stow-Munroe Falls City School District (0.4591 mills), RTA (0.0604 mills) and the County (1.3830 mills) for their unvoted general obligation debt is estimated to be 8.1839 mills for the year of the highest potential debt service. There thus remains 1.8161 mills within the ten-mill limitation which has yet to be allocated to debt service and which is available to any of the County, the City of Cuyahoga Falls, the Stow City School District, or the METRO Regional Transit Authority in connection with the issuance of additional unvoted general obligation debt. For illustrative purposes, this 1.8161 mills would support the issuance of approximately \$200,271,318 of additional 20-year bonds of the County with substantially equal annual principal payments and at an estimated interest rate of 6.0%, assuming the bonds could be issued within the direct debt limitations described above. The ten-mill limitation is such that a relatively small issue by some other overlapping taxing subdivision with a small assessed valuation can encumber a significant amount of millage, greatly reducing the amount of unvoted general obligation debt that the County could issue.

### **Debt Outstanding**

The attached **Debt Tables A** through **D** list the County's outstanding debt represented by bonds and notes, information with respect to County and overlapping general obligation debt allocations, and debt service information.

The following shows the principal amount of County general obligation debt outstanding as of January 1 in the years indicated, all of which is unvoted debt:

<b>Year</b>	<b>Exempt</b>	<b>Total</b>
2000	\$106,340,348	\$137,078,186
2001	112,119,606	141,353,184
2002	108,595,898	139,800,183
2003	100,277,445	153,930,715
2004	96,976,773	174,332,848
2005	89,946,974	161,226,928

The knowledge of County officials, the County is not and has not been in default in the payment of debt service on any of its general obligation bonds or notes for at least the last 60 years.

### **Bond Anticipation Notes**

\$2,804,194 of the debt of the County is in the form of BANs (listed in **Debt Table D**) as of August 1, 2005. BANs may be retired at maturity from the proceeds of the sale of renewal BANs or of the bonds anticipated by the BANs, or available funds of the County, or a combination of these sources. The County's BANs mature serially over terms of years ranging from three to fifteen. \$1.1 million of those BANs were issued for improvements to facilities of the County's

MRDD Board, \$1.0 million were issued to acquire road equipment for the City Engineer, and \$1.75 million were issued for infrastructure improvements to an industrial park. The County expects to pay debt service on the BANs from the following sources: (a) for the MRDD BANs, from payments made by the MRDD Board under an agreement, (b) for the Engineer BANs, from the Motor Vehicle Fuel Tax receipts, and (c) for the industrial park infrastructure BANs, from payments made by the Port Authority under an agreement. The County purchased the MRDD BANs and the County Engineer BANs as investments.

### **Future Financings**

In April 2004, the County issued refunding bonds in the amount of \$40.33 million of limited tax general obligation bonds to advance refund various purpose general obligation bonds issued in 1994, 1995, 1996, 1997, 2001, and 2002. The County currently has no plans to borrow additional funds during Fiscal Year 2005.

## **LONG-TERM FINANCIAL OBLIGATIONS OTHER THAN BONDS AND NOTES**

As of December 31, 2004, the County has 30 outstanding loan agreements with the Ohio Water Development Authority (“OWDA”) under which OWDA has provided funds to the County to pay costs of constructing certain improvements to sewer systems. The aggregate principal amount of the County’s loan obligations under the loan agreements was \$24,184,590 as of December 31, 2004, with interest rates ranging from 5.88% to 8.97%, requiring combined annual payments of \$3,629,069 in 2004 and slightly declining amounts thereafter. The final payments on the loans are in 2005, 2006, 2008, 2009, 2010, 2011, 2012, 2014, 2015, 2019 and 2020. OWDA loans are not subject to prepayment by the County before the final due date.

The County has one outstanding loan from the Ohio Public Works Commission (“OPWC”). The OPWC made the loan from its Water Pollution Control Fund for costs of the abandonment of two wastewater treatment plants in the County’s Sewer District. The outstanding amount of the OPWC loan is \$1,187,500. The loan requires annual payments of \$62,500, the final payment is due in 2023, and the effective interest rate is 0.2%.

Payments on the OWDA and OPWC loans must be made from County sanitary sewer system and water system revenues after payment of operation and maintenance expenses of each system. Those payments have been made from the collection of special assessments and revenues from user fees and tap-in charges. The loan agreements grant no security or property interest to OWDA or OPWC in any property of the County, and do not pledge the general credit of the County, create a debt subject to the direct or indirect debt limitations, or require the application of the general resources of the County for repayment.

The County has rent obligations to the Ohio Building Authority through 2015 for space for the Court of Appeals. The annual rental is approximately \$220,000.

The County has no other long-term financial obligations, other than the bonds and notes described elsewhere in this Annual Statement.

## PENSION AND HEALTH INSURANCE OBLIGATIONS

Current and retired employees of the County, other than the teachers for the Board of Mental Retardation and Development Disabilities, are covered under the Public Employees Retirement System ("PERS") a statewide public retirement (including disability retirement) system.

Employees covered by PERS contribute at a statutory rate of 8.5% of earnable salary or compensation, and the County contributes 13.55% (actuarially established for PERS) of the same base, except for uniformed employees of the Sheriff's Department who contribute 10.1% and for whom the County contributes at a rate of 16.7% (actuarially established for PERS) of the same base. PERS reports that as of December 31, 2002 (the most recent date to which information is available) its total accrued liability (State and local government employees, but excluding health care) allocable to local government employees, The unfunded accrued liability and the unfunded actuarial liability, based on the actuarial cost method used, were \$16.4 and 4.8 billion, respectively.

Teachers for the Board of Mental Retardation and Development Disabilities are covered under The State Teachers Retirement System ("STRS"), a statewide public retirement system (including disability retirement). STRS covers all teachers, principals, supervisors, and administrators who are required to hold a certificate issued by the State Department of Education.

Employees covered by STRS contribute at a statutory rate of 9.3% of earned compensation, and the County contributes 14% (the current statutory maximum) of the same base. The employee rate will increase to 10% in June 2005. STRS reports that as of July 1, 2002, its total unfunded accrued liability allocable to local government employees, which is currently being funded by a portion of the contributions, was approximately \$14.3 billion. STRS projects that the unfunded accrued liability would be fully funded, at present rates of contribution, in approximately 39 years.

Federal law requires County employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, County employees are not covered under the federal Social Security Act.

The County's current employer contributions to PERS and STRS have been treated as current expenses and included in the County's operating expenditures.

PERS and STRS are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

PERS and STRS are created by and operate under Ohio law. The state legislature could determine to amend the format of the systems and could revise rates of contributions to be made by the County into the systems and revise benefits or benefit levels.

The County offers its employees a form of health insurance coverage, for which the County is partially self-insured. Claims in excess of \$150,000 per employee and 125% of the projected medical and pharmacy claims in the aggregate per year are covered under an excess insurance policy with a commercial insurance company. Claims under those amounts are paid from monthly

self-insurance “premiums” which are determined based upon actuarial recommendations of the commercial insurance carrier. Those premiums and the insurance policy premium are funded approximately as follows: (a) 44% from the General Fund, (b) 46% from other County funds for employees whose wages and benefits are paid from those funds, and (c) 10% from employee contributions. Claim expenditures and liabilities are recognized when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated and include an estimate of claims that have been incurred but not paid or not reported. As of December 31, 2004, the amount of liability on an accrual basis was approximately \$1,051,456 consisting of \$866,000 for medical claims incurred but not reported and \$165,456 for pharmacy claims incurred but not reported to the County. Sufficient funds were on deposit in the General Fund for this purpose as of December 31, 2004.

The County funds its workers compensation insurance through a retrospective rating program offered by the Ohio Bureau of Workers’ Compensation. Under that program, the County initially paid the Bureau a fraction of the premium it would otherwise pay, and is partially self-insured. Under the Bureau’s retrospective rating program, the County assumes the risk for each individual claim with an overall limit of 200% of the experience-rated premium that would be paid by the County under the Bureau’s experience-rated program. As of December 31, 2004, the Bureau’s actuarial estimate of claims costs not yet awarded was approximately \$6,872,045, which estimate fluctuates based upon actual payment activity for settled claims. \$10,830,336 was on deposit in the County’s Workers’ Compensation Self-Insurance Fund for this purpose as of December 31, 2004.

## LEGAL MATTERS

The County is a party to various legal proceedings seeking damages or injunctive or other relief and generally incidental to its operations. These proceedings are unrelated to any outstanding County debt or the security for that debt. The ultimate disposition of these proceedings is not now determinable, but will not, in the opinion of the Law Director or the County Prosecuting Attorney, have a material adverse effect on any outstanding County debt or the security for that debt, including the operating revenues of the County.

Under current Ohio law, County money, accounts, and investments are not subject to attachment to satisfy tort judgments in State courts against the County. The County maintains a variety of insurance coverages with varying deductibles. Among these coverages are general liability and law enforcement liability with a \$1,000,000 limit per occurrence and a \$5,000,000 umbrella limit per occurrence. The County's liability insurance has a self-insured retention of \$75,000 per occurrence. The County is currently self-insured for public officials’ liability. The County also has statutory authority to issue, without voter approval, general or special obligation securities that mature over a period of not more than 25 years to pay final judgments and court-approved settlements. General obligation securities issued for that purpose would be exempt from the direct debt limitations, but subject to the indirect debt limitation. See **County Debt and Other Long-Term Obligations-Statutory Direct Debt Limitations-Indirect Debt and Unvoted Property Tax Limitations**.

## **RATINGS**

The County's outstanding uninsured general obligation bonds are currently rated "AA-" by Standard & Poor's Ratings Services, "Aa2" by Moody's Investors Service, and "AA" by Fitch Ratings. Certain of the County's general obligation bonds are insured by AMBAC Indemnity Corporation, MBIA Insurance Corporation, and Financial Guaranty Insurance Company ("FGIC"). All of those insured general obligation bonds are rated "Aaa" by Moody's and "AAA" by Standard & Poor's. The bonds insured by FGIC are also rated "AAA" by Fitch.

The ratings reflect only the views of the respective rating services, and any explanation of the meaning or significance of a rating may be obtained from the respective rating service. The County furnishes to each rating service certain information and materials relating to the County and its outstanding obligations, some of which may not have been included in this Annual Statement. Generally, rating services base their ratings on such information and materials and on their own investigation, studies, and assumptions. There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating service if, in its judgment, circumstances warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market price of the outstanding obligations.

The County expects to furnish the rating services with information and materials that they request. However, the County assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on outstanding obligations.

## **CONCLUDING STATEMENT**

To the extent that any statements made in this Annual Statement involve matters of opinion or estimates, whether or not expressly stated, they are made as opinions or estimates and not as representations of fact or certainty and no representation is made that any of those statements have been or will be realized. Information in this Annual Statement has been derived by the County from official and other sources and is believed by the County to be accurate and reliable.

Information other than that obtained from official records of the County has not been independently confirmed or verified by the County and its accuracy is not guaranteed.

This Annual Statement has been prepared and delivered by the County and signed for and on behalf of the County by its officials identified below.

**COUNTY OF SUMMIT, OHIO**

By: James B. McCarthy  
County Executive

John A. Donofrio  
County Fiscal Officer

«AK3:775487\_v5»

**DEBT TABLE A**  
**PRINCIPAL AMOUNTS OF OUTSTANDING DEBT**  
**LEEWAY FOR ADDITIONAL DEBT WITHIN DIRECT DEBT LIMITATIONS**

A. Total Debt as of August 1, 2005 \$ 161,226,928

B. Exempt debt:

Unvoted general obligation bonds:

County Jail facilities	\$	4,470,590
Human Services facilities		4,877,102
Road and bridge improvements		6,023,965
ADM facilities		3,388,492
Sewer system improvements (100%) (a)		62,325,894
Water system improvements (100% )(b)		163,766
Special assessment projects		296,564
	<u>\$</u>	<u>81,546,374</u>

Tax anticipation notes	\$	8,400,000
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Total exempt debt \$ 89,946,374

C. Non-exempt debt (all unvoted general obligation) :

Bonds:

Various County buildings		9,350,072
Justice facility improvements		1,728,013
Resource recovery facility		1,208,480
County Jail and correctional facilities		370,705
County fairgrounds improvements		1,741,298
Health Department improvements		136,245
Embassy Parkway		2,000,000
County Auditor's mapping system		175,000
Parking deck facility		6,795,361
Communication system		6,760,670
Juvenile Court facility		13,990,515
Summit Center project		770,000
Ohio Building improvements		965,000
Juvenile Court improvements		3,850,000
Courthouse Annex project		18,635,000
	<u>\$</u>	<u>68,476,360</u>

Bond anticipation notes:

MRDD Vehicle Purchase		635,556
Engineering Equipment		555,556
Infrastructure Improvements		1,613,083
	<u>\$</u>	<u>2,804,194</u>

Total non-exempt debt \$ 71,280,555

D. Direct debt limitation on total non-exempt debt	\$	295,410,282
E. Total voted and unvoted non-exempt debt	\$	71,280,555
F. Debt leeway within total direct debt limit (c)	\$	224,129,727
G. Direct debt limitation on unvoted non-exempt debt (1% of assessed valuation)	\$	118,764,113
H. Total unvoted non-exempt debt	\$	71,280,555
I. Debt leeway within unvoted direct debt limitation (G minus H)(c)	\$	47,483,558

- (a) Receipts in 2004 from the County sewer systems were sufficient to exempt the debt issued for sewer system improvements from the statutory debt limitations.
- (b) Receipts in 2003 from the County water systems were sufficient to exempt the debt issued for water system improvements from the statutory debt limitations.
- (c) Leeway determined without reference to applicable moneys in the County's Bond Retirement Fund.

**DEBT TABLE B**

**VARIOUS COUNTY AND OVERLAPPING GENERAL OBLIGATION ("GO")  
DEBT ALLOCATIONS (PRINCIPAL AMOUNTS)**

<b>Political Subdivision</b>	<b>Outstanding Indebtedness(a)(b)</b>	<b>Allocable to County(c)</b>	<b>Portion of Debt Borne by Properties Within County</b>
The County	\$ 152,826,928	100.00%	\$ 152,826,928
All townships wholly within County	3,064,958	100.00%	3,064,958
All cities wholly within County	444,365,935	100.00%	444,365,935
All villages wholly within County	8,781,616	100.00%	8,781,616
All school districts (S.D.) wholly within County	166,538,810	100.00%	166,538,810
METRO Regional Transit Authority	1,680,000	100.00%	1,680,000
Akron-Summit County Library	60,469,243	100.00%	60,469,243
City of Norton	5,259,000	99.95%	5,256,145
Stow-Munroe Falls City S.D.	4,930,000	99.64%	4,912,252
Springfield Local S.D.	736,866	98.26%	724,062
City of Tallmadge	11,350,000	96.89%	10,997,458
Mogadore Local S.D.	170,000	73.23%	124,491
Northwest Local S.D.	22,009,986	19.17%	4,220,401
Jackson Local S.D.	82,128,288	1.86%	1,527,093
Aurora City S.D.(d)	19,279,992	1.22%	235,955
Highland Local S.D.	38,340,000	0.95%	364,803

- (a) General obligation debt as of August 1, 2005 for the County. The debt of overlapping subdivisions is determined as of July 1, 2005. It is assumed that any principal of debt outstanding and due before that date will have been retired.
- (b) Includes all outstanding general obligation debt whether or not exempt from statutory debt limitations.
- (c) Determined, on a percentage basis, by dividing the amount of the assessed valuation of the territory of the political subdivision that is the boundaries of the County by the total assessed valuation of the political subdivision.
- (d) Total debt includes Certificate of Participation issued on November 1, 1999, which is not general obligation debt.

	<b>Amount</b>	<b>Per Capita(a)</b>	<b>% of County's 2004 Assessed Valuation</b>
County Debt	\$ 152,826,928	\$ 282	1.26%
Other Debt Borne by Properties within County	712,898,418	1,313	5.88%
Total Debt Borne by Properties within County	865,725,347	1,595	7.14%

(a) Based on 2000 population of 542,899.

**DEBT TABLE C**  
**PROJECTED DEBT SERVICE REQUIREMENTS ON GENERAL OBLIGATION BONDS 2004 TO 2023**

	Debt Service On:			Portion of Total Debt Service Anticipated To Be Paid From:				
	Bonds	Bonds in Anticipation of Which Notes are Outstanding(a)	Total Debt Service	Limited Ad Valorem Taxes	Special Assessments	Water Receipts	Sewer Receipts	Other(b)
2005	16,364,824	411,498	16,776,322	8,134,222	47,895	59,074	5,872,840	2,662,291
2006	16,145,197	425,490	16,570,687	7,939,408	48,219	58,879	5,860,123	2,664,058
2007	16,150,179	329,482	16,479,661	7,955,362	47,877	59,321	5,863,999	2,553,102
2008	13,721,865	240,000	13,961,865	5,355,564	43,128	-	5,741,048	2,822,125
2009	13,690,304	245,000	13,935,304	5,360,777	42,833	-	5,740,849	2,790,846
2010	14,070,848	245,000	14,315,848	5,357,503	43,303	-	6,184,823	2,730,219
2011	13,225,538	245,000	13,470,538	4,644,744	42,220	-	6,144,363	2,639,210
2012	12,953,436	245,000	13,198,436	4,484,739	39,627	-	6,072,851	2,601,219
2013	12,712,958	250,000	12,962,958	4,472,065	-	-	6,054,737	2,436,156
2014	12,554,732	250,000	12,804,732	4,475,707	-	-	5,885,855	2,443,171
2015	10,815,450	250,000	11,065,450	4,468,053	-	-	5,641,133	956,263
2016	10,319,500	250,000	10,569,500	4,482,472	-	-	5,644,740	442,288
2017	10,297,200	250,000	10,547,200	4,478,477	-	-	5,629,198	439,525
2018	9,310,163	250,000	9,560,163	3,794,670	-	-	5,324,068	441,425
2019	9,307,063	245,000	9,552,063	3,792,073	-	-	5,327,340	432,650
2020	9,309,163	-	9,309,163	3,792,157	-	-	5,328,468	188,538
2021	9,255,075	-	9,255,075	3,785,888	-	-	5,280,438	188,750
2022	3,967,325	-	3,967,325	3,779,038	-	-	-	188,288
2023	1,870,888	-	1,870,888	1,678,738	-	-	-	192,150

(a) For this purpose the \$1,613,083 Infrastructure Improvement Notes, Series 1999 (the "Infrastructure Notes") are shown at their actual debt service.

(b) Includes debt service on (1) \$4,877,102 of bonds issued to finance County Human Services Department facilities, being paid from State reimbursements and sources other than local taxes, (2) \$ 370,705 of bonds issued to finance correctional facilities, being paid from payments made to the County by Oriana House, Inc., (3) \$136,245 Building Bonds, being paid by the County Health Department, (4) \$6,579,521 of bonds and BANs, to be paid from motor vehicle license taxes and fees and motor vehicle fuel excise taxes, (5) \$3,388,492 Alcohol, Drug Addiction, and Mental Health (ADM) Facilities Bonds, to be paid from voted property tax levies and state and federal moneys received by the ADM Board, (6) \$1,741,298 County Fairgrounds Bonds, to be paid from amounts received from the Summit County Agricultural Society, (7) \$2,000,000 of bonds issued to pay costs of road, sewer and water improvements to be paid from certain payments to be made by a developer under an agreement with the County, (8) \$1,613,083 of the Infrastructure Notes for the construction of water and sewer improvements for the Canton-Akron Regional Airport Business Park, to be paid from certain payments to be made by the Summit County Port Authority under an agreement with the County, and (9) \$635,556 of BANs notes for the purchase of MRDD motor vehicles, to be paid by MRDD under an agreement with the County.

**DEBT TABLE D**

**OUTSTANDING GENERAL OBLIGATION  
BOND ANTICIPATION NOTES**

<b>General Purpose</b>	<b>Principal Amount</b>	<b>Estimated Bond Terms</b>		<b>Date of Original Note(s)</b>	<b>Principal Amount of Original Note(s)</b>
		<b>Years</b>	<b>Interest</b>		
<b>Bond Anticipation Notes, Series 2002</b>	\$ 635,556	4.5	4.65%	December 1, 2002	\$1,100,000
<b>Bond Anticipation Notes, Series 2003</b>	555,556	4.5	4.85%	January 1, 2003	1,000,000
<b>Infrastructure Improvements</b>	1,613,083	10	5.50%	November 4, 1999	1,753,627

**TAX TABLE A**

	<b>TOTAL</b>	<b>COUNTY</b>	<b>METRO</b>		<b>SCHOOL</b>	<b>JVSD</b>	<b>TWP</b>	<b>VLLY FIRE</b>		<b>RES/AG</b>	<b>OTHER</b>
			<b>PARKS</b>	<b>LIBRARY</b>				<b>N.H.W.D.</b>	<b>CORP</b>	<b>C.R.F.</b>	<b>C.R.F.</b>
<b>AKRON CITY</b>											
AKRON CSD	87.510	12.220	0.850	1.590	63.760	-	-	-	9.090	0.383	0.282
COPLEY-FAIRLAWN CSD	81.240	12.220	0.850	1.590	57.490	-	-	-	9.090	0.360	0.318
COVENTRY LSD-PORTAGE LKS JVSD	86.580	12.220	0.850	1.590	58.480	4.350	-	-	9.090	0.460	0.413
REVERE LSD-CUYA VLLY JVSD	83.910	12.220	0.850	1.590	58.160	2.000	-	-	9.090	0.377	0.312
SPRINGFIELD LSD-PORTAGE LKS JVSD	76.640	12.220	0.850	1.590	48.540	4.350	-	-	9.090	0.301	0.241
WOODRIDGE LSD	71.440	12.220	0.850	1.590	47.690	-	-	-	9.090	0.280	0.269
<b>BARBERTON CITY</b>											
BARBERTON CSD	73.300	12.220	0.850	-	56.730	-	-	-	3.500	0.468	0.295
COVENTRY LSD-PORTAGE LKS JVSD	80.990	12.220	0.850	1.590	58.480	4.350	-	-	3.500	0.492	0.442
NORTHWEST LSD-STARK AREA JVSD	79.770	12.220	0.850	-	61.200	2.000	-	-	3.500	0.369	0.359
NORTON CSD	73.160	12.220	0.850	1.590	55.000	-	-	-	3.500	0.431	0.338
<b>BATH TWP</b>											
COPLEY-FAIRLAWN CSD	89.050	12.220	0.850	1.590	57.490	-	16.900	-	-	0.376	0.344
REVERE LSD-CUYA VLLY JVSD	91.720	12.220	0.850	1.590	58.160	2.000	16.900	-	-	0.392	0.337
<b>BOSTON HEIGHTS VILLAGE</b>											
HUDSON LSD	95.070	12.220	0.850	-	75.150	-	-	-	6.850	0.432	0.312
NORDONIA HILLS CSD-CUYA VLLY JVSD	81.180	12.220	0.850	1.590	57.670	2.000	-	-	6.850	0.443	0.398
NORDONIA HILLS CSD-CUYA VLLY JVSD	81.580	12.220	0.850	1.590	57.670	2.000	-	0.400	6.850	0.443	0.399
WOODRIDGE LSD	69.200	12.220	0.850	1.590	47.690	-	-	-	6.850	0.302	0.286

	TOTAL	COUNTY	METRO		SCHOOL	JVSD	TWP	VLLY FIRE		RES/AG	OTHER
			PARKS	LIBRARY				N.H.W.D.	CORP	C.R.F.	C.R.F.
<b>BOSTON TWP</b>											
HUDSON CSD	105.500	12.220	0.850	-	75.150	-	8.480	8.800	-	0.403	0.293
REVERE LSD-CUYA VLLY JVSD	92.100	12.220	0.850	1.590	58.160	2.000	8.480	8.800	-	0.370	0.304
WOODRIDGE LSD	79.630	12.220	0.850	1.590	47.690	-	8.480	8.800	-	0.281	0.264
<b>CLINTON VILLAGE</b>											
NORTHWEST LSD-STARK AREA JVSD	88.860	12.220	0.850	-	61.200	2.000	-	-	12.590	0.375	0.367
<b>COPLEY TWP</b>											
AKRON CSD	96.120	12.220	0.850	1.590	63.760	-	17.700	-	-	0.376	0.274
COPLEY-FAIRLAWN CSD	89.850	12.220	0.850	1.590	57.490	-	17.700	-	-	0.354	0.306
HIGHLAND LSD-MEDINA JVSD	106.730	12.220	0.850	1.590	71.320	3.050	17.700	-	-	0.407	0.433
REVERE LSD-CUYA VLLY JVSD	92.520	12.220	0.850	1.590	58.160	2.000	17.700	-	-	0.371	0.300
<b>COVENTRY TWP</b>											
BARBERTON CSD	83.550	12.220	0.850	-	56.730	-	13.750	-	-	0.463	0.289
COVENTRY LSD-PORTAGE LKS JVSD	91.240	12.220	0.850	1.590	58.480	4.350	13.750	-	-	0.484	0.420
GREEN LSD-PORTAGE LKS JVSD	72.710	12.220	0.850	1.590	39.950	4.350	13.750	-	-	0.211	0.175
SPRINGFIELD LSD-PORTAGE LKS JVSD	81.300	12.220	0.850	1.590	48.540	4.350	13.750	-	-	0.338	0.258
<b>CUYAHOGA FALLS CITY</b>											
CUYAHOGA FALLS CSD	86.030	12.220	0.850	-	61.960	-	-	-	11.000	0.422	0.360
HUDSON LSD	99.220	12.220	0.850	-	75.150	-	-	-	11.000	0.404	0.294
REVERE LSD-CUYA VALLY JVSD	85.820	12.220	0.850	1.590	58.160	2.000	-	-	11.000	0.369	0.305
STOW MUNROE FALLS CSD	72.390	12.220	0.850	-	48.320	-	-	-	11.000	0.216	0.208
WOODRIDGE LSD	73.350	12.220	0.850	1.590	47.690	-	-	-	11.000	0.272	0.262

	TOTAL	COUNTY	METRO			JVSD	TWP	VLLY FIRE		RES/AG	OTHER
			PARKS	LIBRARY	SCHOOL		N.H.W.D.	CORP	C.R.F.	C.R.F.	
<b>FAIRLAWN CITY</b>											
AKRON CSD	81.120	12.220	0.850	1.590	63.760	0.000	0.000	0.000	2.700	0.413	0.304
COPLEY-FAIRLAWN CSD	74.850	12.220	0.850	1.590	57.490	0.000	0.000	0.000	2.700	0.390	0.346
REVERE LSD-CUYA VLLY JVSD	76.920	12.220	0.850	1.590	58.160	2.000	0.000	0.000	2.100	0.412	0.340
<b>FRANKLIN TWP</b>											
COVENTRY LSD-PORTAGE LKS JVSD	92.140	12.220	0.850	1.590	58.480	4.350	14.650	0.000	0.000	0.496	0.441
MANCHESTER LSD-PORTAGE LKS JVSD	89.170	12.220	0.850	1.590	55.510	4.350	14.650	0.000	0.000	0.445	0.364
NORTON CSD	84.310	12.220	0.850	1.590	55.000	0.000	14.650	0.000	0.000	0.444	0.351
NORTHWEST LSD-STARK AREA JVSD	90.920	12.220	0.850	0.000	61.200	2.000	14.650	0.000	0.000	0.388	0.369
<b>GREEN LSD</b>											
GREEN LSD-PORTAGE LKS JVSD	66.360	12.220	0.850	1.590	39.950	4.350	0.000	0.000	7.400	0.179	0.167
JACKSON LSD	68.370	12.220	0.850	0.000	47.900	0.000	0.000	0.000	7.400	0.280	0.261
<b>HUDSON CITY</b>											
HUDSON CSD	97.505	12.220	0.850	0.000	75.150	0.000	0.000	0.000	9.285	0.418	0.303
STOW MUNROE FALLS CSD	69.505	12.220	0.850	0.000	48.320	0.000	0.000	0.000	8.115	0.233	0.222
<b>LAKEMORE VILLAGE</b>											
SPRINGFIELD LSD-PORTAGE LKS JVSD	72.850	12.220	0.850	1.590	48.540	4.350	0.000	0.000	5.300	0.347	0.278
<b>MACEDONIA CITY</b>											
NORDONIA HILLS CSD-CUYA VLLY JVSD	83.030	12.220	0.850	1.590	57.670	2.000	0.000	0.000	8.700	0.475	0.435
NORDONIA HILLS CSD-CUYA VLLY JVSD	83.430	12.220	0.850	1.590	57.670	2.000	0.000	0.400	8.700	0.476	0.435
TWINSBURG CSD-CUYA VLLY JVSD	82.790	12.220	0.850	1.000	58.020	2.000	0.000	0.000	8.700	0.399	0.322

	TOTAL	COUNTY	METRO PARKS	LIBRARY	SCHOOL	JVSD	TWP	VLLY FIRE N.H.W.D.	CORP	RES/AG C.R.F.	OTHER C.R.F.
<b>MOGADORE VILLAGE</b>											
MOGADORE LSD-MAPLEWOOD JVSD	88.310	12.220	0.850	1.590	67.500	4.000	0.000	0.000	2.150	0.471	0.365
<b>MUNROE FALLS CITY</b>											
STOW MUNROE FALLS CSD	69.270	12.220	0.850	0.000	48.320	0.000	0.000	0.000	7.880	0.226	0.217
TALLMADGE CSD	82.270	12.220	0.850	1.590	59.730	0.000	0.000	0.000	7.880	0.367	0.300
<b>NORTHFIELD CENTER TWP</b>											
NORDONIA HILLS CSD-CUYA VLLY JVSD	87.880	12.220	0.850	1.590	57.670	2.000	13.150	0.400	0.000	0.463	0.426
NORDONIA HILLS CSD-CUYA VLLY JVSD	80.310	12.220	0.850	1.590	57.670	2.000	0.000	0.000	5.980	0.441	0.398
<b>NORTON CITY</b>											
BARBERTON CSD	76.300	12.220	0.850	0.000	56.730	0.000	0.000	0.000	6.500	0.477	0.305
NORTON CSD	76.160	12.220	0.850	1.590	55.000	0.000	0.000	0.000	6.500	0.442	0.346
<b>PENINSULA VILLAGE</b>											
WOODRIDGE LSD	79.250	12.220	0.850	1.590	47.690	0.000	0.980	8.800	7.120	0.284	0.264
		12.220	0.850								
<b>REMINDERVILLE VILLAGE</b>											
AURORA CSD	86.380	12.220	0.850	0.000	68.960	0.000	0.000	0.000	5.200	0.439	0.415
TWINSBURG CSD-CUYA VLLY JVSD	78.440	12.220	0.850	1.000	58.020	2.000	0.000	0.000	5.200	0.377	0.290
<b>RICHFIELD TWP</b>											
REVERE LSD-CUYA VLLY JVSD	85.840	12.220	0.850	1.590	58.160	2.000	11.020	0.000	0.000	0.413	0.341
WOODRIDGE LSD	73.370	12.220	0.850	1.590	47.690	0.000	11.020	0.000	0.000	0.324	0.304
<b>RICHFIELD VILLAGE</b>											
REVERE LSD-CUYA VLLY JVSD	76.920	12.220	0.850	1.590	58.160	2.000	0.000	0.000	2.100	0.412	0.340

	TOTAL	COUNTY	METRO		SCHOOL	JVSD	TWP	VLLY FIRE		RES/AG	OTHER
			PARKS	LIBRARY				N.H.W.D.	CORP	C.R.F.	C.R.F.
<b>SAGAMORE HILLS TWP</b>											
NORDONIA HILLS CSD-CUYA VLLY JVSD	84.760	12.220	0.850	1.590	57.670	2.000	10.430	0.000	0.000	0.424	0.391
NORDONIA HILLS CSD-CUYA VLLY JVSD	85.160	12.220	0.850	1.590	57.670	2.000	10.430	0.400	0.000	0.425	0.392
WOODRIDGE LSD	73.180	12.220	0.850	1.590	47.690	0.000	10.430	0.400	0.000	0.289	0.284
<b>SILVER LAKE VILLAGE</b>											
CUYAHOGA FALLS CSD	88.780	12.220	0.850	0.000	61.960	0.000	0.000	0.000	13.750	0.408	0.348
<b>SPRINGFIELD TWP</b>											
GREEN LSD-PORTAGE LKS JVSD	76.860	12.220	0.850	1.590	39.950	4.350	17.900	0.000	0.000	0.220	0.173
MOGADORE LSD-MAPLEWOOD JVSD	104.060	12.220	0.850	1.590	67.500	4.000	17.900	0.000	0.000	0.458	0.340
SPRINGFIELD LSD-PORTAGE LKS JVSD	85.450	12.220	0.850	1.590	48.540	4.350	17.900	0.000	0.000	0.340	0.252
<b>STOW CITY</b>											
STOW MUNROE FALLS CSD	70.890	12.220	0.850	0.000	48.320	0.000	0.000	0.000	9.500	0.221	0.212
<b>TALLMADGE CITY</b>											
STOW MUNROE FALLS CSD	67.540	12.220	0.850	0.000	48.320	0.000	0.000	0.000	6.150	0.248	0.232
TALLMADGE CSD	80.540	12.220	0.850	1.590	59.730	0.000	0.000	0.000	6.150	0.389	0.315
<b>TWINSBURG CITY</b>											
TWINSBURG CSD-CUYA VLLY JVSD	75.050	12.220	0.850	1.000	58.020	2.000	0.000	0.000	1.810	0.379	0.296
<b>TWINSBURG TWP</b>											
NORDONIA HILLS CSD-CUYA VLLY JVSD	87.090	12.220	0.850	1.590	57.670	2.000	13.610	0.000	0.000	0.453	0.399
TWINSBURG CSD-CUYA VLLY JVSD	86.850	12.220	0.850	1.000	58.020	2.000	13.610	0.000	0.000	0.380	0.291

APPENDIX A  
 COMPARATIVE CASH BASIS SUMMARY OF GENERAL OPERATING FUNDS,  
 RECEIPTS, AND EXPENDITURES (COMBINED FUNDS) 2000 THROUGH 2004 (UNAUDITED) AND BUDGETED 2005

	2000	(a)	2001	(a)	2002	(a)	2003	(a)	2004	(a)	BUDGETED 2005
Cash Balance January 1	\$52,462,689		\$58,975,239		\$48,724,877		\$56,581,984		\$66,089,334		\$62,809,289
Receipts											
Sales Tax	33,318,133		31,676,329		33,481,657		33,282,530		35,238,791		36,250,000
Real Estate and Public Utility Tax	16,293,396		16,713,556		17,116,473		17,588,521		16,197,756		16,200,000
Tangible Personal Property Tax	2,059,352		2,311,275		2,104,033		1,930,666		1,567,794		1,900,000
Property Transfer Tax	7,414,820		7,152,633		7,366,560		8,445,824		9,438,280		9,100,000
Local Government Fund	12,501,833		12,970,586		12,310,623		12,235,941		12,102,281		12,645,500
Fees of County Offices	15,347,789		16,436,592		17,163,029		19,514,655		17,889,325		17,513,500
Depository and Investment Income	14,147,374		12,859,256		8,981,792		5,771,974		4,721,151		5,086,500
Refunds and Reimbursements	4,657,178		4,865,165		5,398,562		6,014,131		5,432,458		5,465,000
Miscellaneous	5,065,595		3,673,355		3,121,869		3,423,587		3,823,657		3,415,000
	-		-		-		-		-		-
Total Receipts	110,805,470		108,658,747		107,044,598		108,207,829		106,411,493		\$1,07,575,500 (b)
General Government Expenditures											
Legislative and Executive	15,668,075		16,590,994		17,770,060		20,076,828		21,644,016		20,776,510
Judicial	18,797,415		20,691,994		22,042,245		23,450,765		25,602,881		25,403,725
Public Safety	40,117,372		42,865,566		43,338,630		45,614,104		48,758,579		47,819,400
Public Works	200,000		200,000		200,000		200,000		137,199		0
Human Services	7,943,491		8,451,855		9,329,482		7,575,091		8,426,497		8,852,800
Rents, Leases, Utilities	3,835,217		2,981,027		3,717,460		3,009,415		2,832,888		2,992,600
Insurance, Pension, Taxes	188,351	(e)	616,342	(e)	570,026	(e)	737,926	(e)	845,912		845,900
Transfers	14,658,400		24,670,000		0		0		365,159		365,000
Other	2,884,599		1,841,331		2,219,678		1,036,260		1,078,407		1,276,400
Total Expenditures(c)(g)	104,292,920		118,909,109		99,187,581		101,700,389		\$109,691,538		\$108,332,335
Cash Balance at December 31	58,975,239		48,724,877		56,581,894		\$ 63,089,424		\$62,809,289		\$62,052,454(d)
Outstanding Encumbrances at December 31	\$8,734,407		\$9,775,419		\$9,478,414		\$9,525,784		\$8,723,419		
	-		-		-						
Unencumbered Balance at December 31	50,240,832	(d)	38,949,458	(d)	47,103,480	(d)	\$ 53,563,640	(d)	\$54,085,870	(d)	
	=		=		=						

(a) Amount shown does not reflect encumbrances. For unencumbered balance, see the foot of the prior column.

(b) The total shown is based on the County Budget Commission's official estimate of resources for 2004.

(c) Expenditures for each year include outstanding encumbrances from the prior year carried forward for payment.

(d) Includes funds set aside in the County's Budget Stabilization Fund.

(e) Totals for 2004 include amounts for a 27th pay which occurs every 9 or 10 years

(f) Receipts and expenditures do not include transfers between the General Fund and the Budget Stabilization Fund and, therefore, may not reflect the same totals for these funds in Appendix B in this Official Statement and Appendices B-1 through B-5 in the Annual Statement which include these transfers.

APPENDIX B-1  
SUMMARY OF CASH BALANCES, RECEIPTS, EXPENDITURES AND ENCUMBRANCES (ALL-FUND SUMMARY) 2000 (UNAUDITED)

Funds	Cash Balance January 1	Total Receipts	Total Receipts and Balances	Expenditures	Cash Balance December 31	Outstanding Encumbrances December 31	Unencumbered Cash Balance December 31
General Fund	\$ 52,803,905	\$ 112,722,114	\$ 165,526,019	\$ 106,555,600	\$ 58,970,419	\$ 8,795,835	\$ 50,174,584
Special Revenue Funds							
Dog and Kennel Fund	61,708	513,078	574,786	523,311	51,475	17,397	34,078
Human Services Fund	7,451,157	39,629,302	47,080,459	44,343,852	2,736,607	9,012,444 (a)	(6,275,837)
Motor Vehicle and Gas Tax Fund	5,485,436	14,402,360	19,887,796	13,976,134	5,911,662	3,180,770	2,730,892
Real Estate Assessment Fund	3,596,624	4,133,945	7,730,569	3,819,810	3,910,759	808,752	3,102,007
Delinquent Tax Assessment Collection Fu	1,196,748	1,251,537	2,448,285	1,057,605	1,390,680	39,882	1,350,798
Children Services Fund	30,840,887	40,041,565	70,882,452	32,357,559	38,524,893	3,306,326	35,218,567
ADAM Services Fund	10,823,651	49,269,541	60,093,192	49,732,807	10,360,385	3,587,706	6,772,679
MRDD Fund	16,780,201	44,310,895	61,091,096	53,614,261	7,476,835	3,007,149	4,469,686
Juvenile Court Grant Fund	1,727,390	3,085,330	4,812,720	3,302,534	1,510,186	620,831	889,355
Community Development Block Grant Fu	108,128	2,496,575	2,604,703	2,496,161	108,542	2,899,138 (a)	(2,790,596)
Other Grants Fund	(272,406)	9,268,964	8,996,558	9,118,647	(122,089) (b)	326,255 (a)	(448,344)
Marriage License Fund	80,606	146,794	227,400	80,606	146,794	-	146,794
Title XX Fund	152,871	429,793	582,664	582,664	-	-	-
Child Support Enforcement Agency Fund	2,144,286	9,250,678	11,394,964	10,532,681	862,283	1,671,546 (a)	(809,263)
Law Enforcement Fund	708	-	708	-	708	-	708
Computer Acquisition Fund	750,024	535,271	1,285,295	371,689	913,606	53,856	859,750
Title Administration Fund	924,935	1,958,380	2,883,315	1,731,965	1,151,350	113,414	1,037,936
Enterprise Zone Fund	35,889	24,196	60,085	20,771	39,314	3,278	36,036
Coroner's Lab Fund	52,980	43,952	96,932	34,477	62,455	3,551	58,904
Debt Service Funds							
General Obligation Debt Service Fund	2,551,983	6,152,355	8,704,338	6,849,256	1,855,082	-	1,855,082
Special Assessment Debt Service Fund	1,410,287	148,749	1,559,036	1,559,036	-	-	-
Capital Projects Funds							
Permanent Improvement Fund	24,593	-	24,593	9,551	15,042	1	15,041
Building Projects Fund	28,374,780	13,971,901	42,346,681	16,453,759	25,892,922	123,249	25,769,673
Jail Construction and Renovation Fund	35,553	-	35,553	35,553	-	-	-
Motor Vehicle Acquisition Fund	474,359	-	474,359	474,359	-	-	-
Enterprise Funds							
Water Fund	7,490,247	10,530,290	18,020,537	9,949,475	8,071,062	1,551,704	6,519,358
Sewer Fund	29,880,946	79,949,924	109,830,870	91,927,741	17,903,129	3,983,089	13,920,040
Internal Service Funds							
Office Services Fund	-	1,335,364	1,335,364	1,335,374	(10) (d)	85,700 (a)	(85,710)
Workers Compensation Fund	7,816,468	2,384,350	10,200,818	614,204	9,586,614	6,473	9,580,141
Hospitalization Fund	1,809,128	14,918,869	16,727,997	14,429,451	2,298,546	1,230,255	1,068,291
Totals - Excluding Agency Funds	214,614,072	462,906,072	677,520,144	477,890,893	199,629,251	44,428,601	155,200,650
Agency Funds - (c)	47,442,392	674,297,553	721,739,945	671,665,766	50,074,179	1,753,850	48,320,329
Totals	\$262,056,464	\$ 1,137,203,625	\$ 1,399,260,089	\$ 1,149,556,659	\$ 249,703,430	\$ 46,182,451	\$ 203,520,979

(a) Includes primarily encumbrances for 2001 expenditures under contracts signed in 2000.

(b) Various grant funds are reimbursement type grants where the County expends moneys first and then is reimbursed by the granting agency.

(c) These funds include property and other taxes, as well as other intergovernmental resources, which have been collected and which will be distributed to other subdivisions in the County.

(d) Expenditures exceeded reimbursements.

APPENDIX B-2  
SUMMARY OF CASH BALANCES, RECEIPTS, EXPENDITURES AND ENCUMBRANCES (ALL-FUND SUMMARY) 2001 (UNAUDITED)

Funds	Cash Balance January 1	Total Receipts	Total Total Receipts and Balances	Expenditures	Cash Balance December 31	Outstanding Encumbrances December 31	Unencumbered Cash Balance December 31
General Fund	\$ 58,970,419	\$ 112,202,060	\$ 171,172,479	\$ 119,516,142	\$ 51,656,337	\$ 9,859,827	\$ 41,796,510
Special Revenue Funds							
Dog and Kennel Fund	51,475	495,148	546,623	557,345	(10,722) (d)	5,945 (a)	(16,667)
Human Services Fund	2,736,607	49,015,010	51,751,617	53,027,356	(1,275,739) (e)	11,831,543 (a)	(13,107,282)
Motor Vehicle and Gas Tax Fund	5,911,662	15,620,747	21,532,409	17,200,477	4,331,932	2,783,922	1,548,010
Real Estate Assessment Fund	3,910,759	4,352,350	8,263,109	4,346,985	3,916,124	398,811	3,517,313
Delinquent Tax Assessment Collection Fund	1,390,680	2,072,517	3,463,197	1,221,129	2,242,068	266,037	1,976,031
Children Services Fund	38,524,893	43,746,327	82,271,220	38,033,696	44,237,524	3,144,408	41,093,116
ADAM Services Fund	10,360,385	52,306,956	62,667,341	52,567,481	10,099,860	1,237,482	8,862,378
MRDD Fund	7,476,835	54,651,327	3,959,484	56,531,646	(52,572,162)	1,087,691	(53,659,853)
Juvenile Court Grant Fund	1,510,186	2,449,298	3,199,046	3,909,513	(710,467)	592,425 (a)	(1,302,892)
Community Development Block Grant Fund	108,542	3,090,504	9,269,207	3,199,046	6,070,161	1,767,121 (a)	4,303,040
Other Grants Fund	(122,089)	9,391,296	284,844	9,269,612	(8,984,768) (b)	499,022 (a)	(9,483,790)
Marriage License Fund	146,794	138,050	838,393	210,144	628,249	-	628,249
Title XX Fund	-	838,393	11,439,087	899,455	10,539,632 (b)	-	10,539,632
Child Support Enforcement Agency Fund	862,283	10,576,804	708	10,113,590	(10,112,882)	1,309,941 (a)	(11,422,823)
Law Enforcement Fund	708	-	1,482,299	708	1,481,591	-	1,481,591
Computer Acquisition Fund	913,606	568,693	2,979,257	308,308	2,670,949	70,361	2,600,588
Title Administration Fund	1,151,350	1,827,907	87,241	1,935,054	(1,847,813)	30,049	(1,877,862)
Enterprise Zone Fund	39,314	47,927	108,790	21,882	86,908	280	86,628
Coroner's Lab Fund	62,455	46,335	18,056,613	21,688	18,034,925	20,170	18,014,755
Akron Zoological Park Project Fund	-	18,056,613	-	18,056,613	(18,056,613)	-	(18,056,613)
Debt Service Funds							
General Obligation Debt Service Fund	1,855,082	10,130,558	-	9,443,483	(9,443,483)	-	(9,443,483)
Capital Projects Funds							
Permanent Improvement Fund	15,042	443,683	56,253,227	110,083	56,143,144	333,600	55,809,544
Building Projects Fund	25,892,922	30,360,305	-	15,559,461	(15,559,461)	11,948,226	(27,507,687)
Enterprise Funds							
Water Fund	8,071,062	10,595,125	66,834,132	9,117,871	57,716,261	81,701	57,634,560
Sewer Fund	17,903,129	48,931,003	-	53,058,389	(53,058,389)	3,376,552	(56,434,941)
Internal Service Funds							
Office Services Fund	(10)	1,156,321	14,029,532	1,156,311	12,873,221	248,724 (a)	12,624,497
Workers Compensation Fund	9,586,614	4,442,918	22,100,504	2,340,063	19,760,441	5,900	19,754,541
Hospitalization Benefits Fund	2,298,546	19,801,958	1,062,814	19,890,316	(18,827,502)	231,233	(19,058,735)
Telephone Services Fund	-	1,062,814	708,048,198	1,062,814	706,985,384	458,136 (a)	706,527,248
Totals - Excluding Agency Funds	199,629,251	508,418,947	1,321,701,371	502,686,661	819,014,710	51,589,107	767,425,603
Agency Funds - (c)	50,074,179	723,199,490	1,481,321,867	723,858,012	757,463,855	253,176	757,210,679
Totals	\$ 249,703,430	\$ 1,231,618,437	\$ 2,803,023,238	\$ 1,226,544,673	\$ 1,576,478,565	\$ 51,842,283	\$ 1,524,636,282

(a) Includes primarily encumbrances for 2002 expenditures under contracts signed in 2001.

(b) Various grant funds are reimbursement type grants where the County expends moneys first and then is reimbursed by the granting agency.

(c) These funds include property and other taxes, as well as other intergovernmental resources, which have been collected and which will be distributed to other subdivisions in the County.

(d) Expenditures exceeded reimbursements.

(e) Under advanced from the State Dept of Human Services at December 31, 2001.

APPENDIX B-3

SUMMARY OF CASH BALANCES, RECEIPTS, EXPENDITURES AND ENCUMBRANCES (ALL-FUND SUMMARY) 2002 (UNAUDITED)

Funds	Cash Balance January 1	Total Receipts	Total Receipts and Balances	Expenditures	Cash Balance December 31	Outstanding Encumbrances December 31	Unencumbered Cash Balance December 31
General Fund	\$51,656,337	\$111,505,497	\$163,161,834	\$102,954,338	\$60,207,496	\$9,568,128	\$50,639,368
Special Revenue Funds							
Dog and Kennel Fund	(10,722)	475,530	464,808	553,786	(88,978) (d)	6,884 (a)	(95,862)
Human Services Fund	(1,275,739)	65,070,599	63,794,860	63,074,738	720,122	10,042,829 (a)	(9,322,707)
Motor Vehicle and Gas Tax Fund	4,331,932	15,687,047	20,018,979	17,784,770	2,234,209	2,719,615	(485,406)
Real Estate Assessment Fund	3,916,124	4,598,256	8,514,380	3,793,254	4,721,126	2,304,456	2,416,670
Delinquent Tax Assessment Collection Fund	2,242,068	2,323,652	4,565,720	1,522,091	3,043,629	255,568	2,788,061
Children Services Fund	44,237,524	46,244,824	90,482,348	43,925,731	46,556,617	4,544,416	42,012,201
ADAM Fund	10,099,860	55,148,218	65,248,078	56,002,633	9,245,445	2,102,272	7,143,173
MRDD Fund	5,596,516	56,645,669	62,242,185	53,546,070	8,696,115	2,023,862	6,672,253
Juvenile Court Grant Fund	49,971	3,214,894	3,264,865	4,153,291	(888,426) (b)	905,909 (a)	(1,794,335)
Community Development Block Grant Fund	-	2,867,992	2,867,992	2,373,109	494,883	1,802,428 (a)	(1,307,545)
Other Grants Fund	(405)	9,805,428	9,805,023	9,699,876	105,147	581,333 (a)	(476,186)
Marriage License Fund	74,700	133,178	207,878	136,977	70,901	-	70,901
Title XX Fund	(61,062)	437,022	375,960	375,960	-	-	-
Child Support Enforcement Agency Fund	1,325,497	10,501,091	11,826,588	10,472,621	1,353,967	978,899 (a)	375,068
Computer Acquisition Fund	1,173,991	759,550	1,933,541	673,383	1,260,158	114,673	1,145,485
Title Administration Fund	1,044,203	1,968,559	3,012,762	1,935,200	1,077,562	19,800	1,057,762
Enterprise Zone Fund	65,359	40,252	105,611	38,615	66,996	4,870	62,126
Coroner's Lab Fund	87,102	33,730	120,832	36,282	84,550	1,442	83,108
Debt Service Funds							
General Obligation Debt Service Fund	2,542,157	16,337,702	18,879,859	16,556,344	2,323,515	-	2,323,515
Capital Projects Funds							
Permanent Improvement Fund	348,642	56,165	404,807	265,000	139,807	68,600	71,207
Building Projects Fund	40,693,766	23,802,844	64,496,610	18,703,182	45,793,428	26,333,845	19,459,583
Enterprise Funds							
Water Fund	9,548,316	1,094,955	10,643,271	4,689,509	5,953,762	72,769	5,880,993
Sewer Fund	13,775,743	29,363,708	43,139,451	33,459,372	9,680,079	1,137,434	8,542,645
Internal Service Funds							
Office Services Fund	-	1,595,432	1,595,432	1,595,432	-	127,300 (a)	(127,300)
Workers Compensation Fund	11,689,469	531,112	12,220,581	680,080	11,540,501	7,596	11,532,905
Hospitalization Benefits Fund	2,210,188	24,608,900	26,819,088	21,278,467	5,540,621	450,692	5,089,929
Telephone Services Fund	-	1,179,050	1,179,050	1,179,050	-	795,660 (a)	(795,660)
Totals - Excluding Agency Funds	205,361,537	486,030,856	691,392,393	471,459,161	219,933,232	66,971,280	152,961,952
Agency Funds - (c)	49,415,657	757,252,941	806,668,598	751,302,635	55,365,963	243,213	55,122,750
Totals	\$254,777,194	\$1,243,283,797	\$1,498,060,991	\$1,222,761,796	\$275,299,195	\$67,214,493	\$208,084,702

(a) Includes primarily encumbrances for 2003 expenditures under contracts signed in 2002.

(b) Various grant funds are reimbursement type grants where the County expends moneys first and then is reimbursed by the granting agency.

(c) These funds include property and other taxes, as well as other intergovernmental resources, which have been collected and which will be distributed to other subdivisions in the County.

(d) Expenditures exceeded reimbursements.

APPENDIX B-4  
SUMMARY OF CASH BALANCES, RECEIPTS, EXPENDITURES AND ENCUMBRANCES (ALL-FUND SUMMARY) 2003 (UNAUDITED)

Funds	Cash Balance January 1	Total Receipts	Total Receipts and Balances	Expenditures	Cash Balance December 31	Outstanding Encumbrances December 31	Unencumbered Cash Balance December 31
General Fund	\$ 60,207,496	\$ 112,738,603	\$ 172,946,099	\$ 106,377,258	\$ 66,568,841	\$ 9,790,333	\$ 56,778,508
Special Revenue Funds							
Dog and Kennel Fund	(88,978)	501,199	412,221	589,205	(176,984) (d)	2,442 (a)	(179,426)
Human Services Fund	720,122	59,724,343	60,444,465	59,748,467	695,998	11,125,793 (a)	(10,429,795)
Motor Vehicle and Gas Tax Fund	2,234,209	15,096,426	17,330,635	15,885,758	1,444,877	1,763,424 (a)	(318,547)
Real Estate Assessment Fund	4,721,126	4,790,960	9,512,086	5,693,528	3,818,558	923,247	2,895,311
Delinquent Tax Assessment Collection Fund	3,043,629	2,311,462	5,355,091	1,718,872	3,636,219	271,037	3,365,182
Children Services Fund	46,556,617	42,449,617	89,006,234	43,930,437	45,075,797	4,340,512	40,735,285
ADAM Fund	9,245,445	56,299,504	65,544,949	52,324,739	13,220,210	6,812,938	6,407,272
MRDD Fund	8,696,115	54,734,239	63,430,354	54,346,845	9,083,509	2,011,873	7,071,636
Juvenile Court Grant Fund	(888,426)	3,273,205	2,384,779	2,606,770	(221,991) (b)	124,748 (a)	(346,739)
Community Development Block Grant Fund	494,883	2,634,416	3,129,299	2,641,453	487,846	1,789,832 (a)	(1,301,986)
Other Grants Fund	105,147	10,067,217	10,172,364	9,686,065	486,299	382,975	103,324
Marriage License Fund	70,901	125,680	196,581	128,391	68,190	-	68,190
Title XX Fund	-	211,612	211,612	211,612	-	-	-
Child Support Enforcement Agency Fund	1,353,967	9,548,525	10,902,492	10,863,604	38,888	60,592 (a)	(21,704)
Computer Acquisition Fund	1,260,158	615,634	1,875,792	666,352	1,209,440	77,922	1,131,518
Title Administration Fund	1,077,562	2,114,735	3,192,297	2,219,243	973,054	19,993	953,061
Enterprise Zone Fund	66,996	-	66,996	50,294	16,702	11,847	4,855
Coroner's Lab Fund	84,550	93,586	178,136	-	178,136	1,442	176,694
Debt Service Funds							
General Obligation Debt Service Fund	2,323,515	14,374,866	16,698,381	14,684,889	2,013,492	-	2,013,492
Capital Projects Funds							
Permanent Improvement Fund	139,807	135,447	275,254	-	275,254	68,600	206,654
Building Projects Fund	45,793,428	27,664,973	73,458,401	28,687,402	44,770,999	24,540,795	20,230,204
Enterprise Funds							
Water Fund	5,953,762	757,512	6,711,274	1,619,338	5,091,936	38,369	5,053,567
Sewer Fund	9,680,079	31,210,007	40,890,086	33,648,364	7,241,722	2,139,828	5,101,894
Internal Service Funds							
Office Services Fund	-	1,633,252	1,633,252	1,633,252	-	138,718 (a)	(138,718)
Workers Compensation Fund	11,540,501	1,601,081	13,141,582	1,817,938	11,323,644	25,034	11,298,610
Hospitalization Benefits Fund	5,540,621	24,119,180	29,659,801	23,069,005	6,590,796	1,235,015	5,355,781
Telephone Services Fund	-	1,188,312	1,188,312	1,188,312	-	568,195 (a)	(568,195)
Totals - Excluding Agency Funds	219,933,232	480,015,593	699,948,825	476,037,393	223,911,432	68,265,504	155,645,928
Agency Funds - (c)	55,365,963	785,920,261	841,286,224	790,788,525	50,497,699	2,702,012	47,795,687
Totals	\$ 275,299,195	\$ 1,265,935,854	\$ 1,541,235,049	\$ 1,266,825,918	\$ 274,409,131	\$ 70,967,516	\$ 203,441,615

(a) Includes primarily encumbrances for 2004 expenditures under contracts signed in 2003.

(b) Various grant funds are reimbursement type grants where the County expends moneys first and then is reimbursed by the granting agency.

(c) These funds include property and other taxes, as well as other intergovernmental resources, which have been collected and which will be distributed to other subdivisions in the County.

(d) Expenditures exceeded reimbursements.

APPENDIX B-5  
SUMMARY OF CASH BALANCES, RECEIPTS, EXPENDITURES AND ENCUMBRANCES (ALL-FUND SUMMARY) 2004 (UNAUDITED)

Funds	Cash Balance January 1	Total Receipts	Total Receipts and Balances	Expenditures	Cash Balance December 31	Outstanding Encumbrances December 31	Unencumbered Cash Balance December 31
General Fund	\$ 66,568,841	\$ 110,715,875	\$ 177,284,716	\$ 114,010,407	\$ 63,274,309	\$ 9,064,280	\$ 54,210,029
Special Revenue Funds							
Dog and Kennel Fund	(176,984)	518,030	341,046	582,658	(241,612) (d)	22,542 (a)	(264,154)
Concealed Weapons Administration	-	35,760	35,760	50,163	(14,403) (d)	-	(14,403)
Human Services Fund	695,998	49,258,410	49,954,408	51,181,721	(1,227,313) (b)	13,754,782 (a)	(14,982,095)
Motor Vehicle and Gas Tax Fund	1,444,877	16,488,875	17,933,752	15,446,088	2,487,664	1,427,432	1,060,232
Real Estate Assessment Fund	3,818,558	4,868,911	8,687,469	6,235,429	2,452,040	719,930	1,732,110
Delinquent Tax Assessment Collection Fund	3,636,219	2,251,757	5,887,976	2,005,066	3,882,910	130,562	3,752,348
Children Services Fund	45,075,797	47,499,649	92,575,446	52,333,946	40,241,500	3,978,471	36,263,029
ADAM Fund	13,220,210	58,320,193	71,540,403	60,220,937	11,319,466	6,034,317	5,285,149
MRDD Fund	9,083,509	54,490,970	63,574,479	57,304,349	6,270,130	1,903,167	4,366,963
Juvenile Court Grant Fund	(221,991)	3,631,385	3,409,394	3,387,008	22,386	272,319 (a)	(249,933)
Community Development Block Grant Fund	487,846	1,389,241	1,877,087	1,560,853	316,234	1,733,000 (a)	(1,416,766)
Other Grants Fund	486,299	11,083,294	11,569,593	11,045,043	524,550	335,021	189,529
Marriage License Fund	68,190	127,480	195,670	126,898	68,772	-	68,772
Child Support Enforcement Agency Fund	38,888	12,070,865	12,109,753	11,733,950	375,803	413,493 (a)	(37,690)
Computer Acquisition Fund	1,209,440	584,981	1,794,421	741,983	1,052,438	78,925	973,513
Title Administration Fund	973,054	2,123,709	3,096,763	2,088,039	1,008,724	28,998	979,726
Enterprise Zone Fund	16,702	56,092	72,794	31,131	41,663	5,206	36,457
Coroner's Lab Fund	178,136	113,765	291,901	105,618	186,283	-	186,283
Other Special Revenue	-	2,985	2,985	-	2,985	-	2,985
Debt Service Funds							
General Obligation Debt Service Fund	2,013,492	14,237,970	16,251,462	14,127,616	2,123,846	-	2,123,846
Capital Projects Funds							
Permanent Improvement Fund	275,254	568,992	844,246	-	844,246	68,600	775,646
Building Projects Fund	44,770,999	5,354,375	50,125,374	26,484,243	23,641,131	12,742,266	10,898,865
Enterprise Funds							
Water Fund	5,091,936	685,852	5,777,788	1,570,723	4,207,065	53,662	4,153,403
Sewer Fund	7,241,722	32,819,318	40,061,040	35,769,108	4,291,932	1,554,375	2,737,557
Internal Service Funds							
Office Services Fund	-	1,570,931	1,570,931	1,570,931	-	138,718 (a)	(138,718)
Workers Compensation Fund	11,323,644	2,340,146	13,663,790	2,833,453	10,830,337	29,349	10,800,988
Hospitalization Benefits Fund	6,590,796	25,381,181	31,971,977	24,877,141	7,094,836	2,068,846	5,025,990
Telephone Services Fund	-	1,299,874	1,299,874	1,299,874	-	568,195 (a)	(568,195)
Internal Auditing	-	491,439	491,439	491,439	-	28,188 (a)	(28,188)
Totals - Excluding Agency Funds	223,911,432	460,382,305	684,293,737	499,215,815	185,077,922	57,154,644	127,923,278
Agency Funds - (c)	50,497,699	797,989,824	848,487,523	798,888,269	49,599,254	1,325,631	48,273,623
Totals	\$ 274,409,131	\$ 1,258,372,129	\$ 1,532,781,260	\$ 1,298,104,084	\$ 234,677,176	\$ 58,480,275	\$ 176,196,901

(a) Includes primarily encumbrances for 2005 expenditures under contracts signed in 2004.

(b) Various grant funds are reimbursement type grants where the County expends moneys first and then is reimbursed by the granting agency.

(c) These funds include property and other taxes, as well as other intergovernmental resources, which have been collected and which will be distributed to other subdivisions in the County.

(d) Expenditures exceeded reimbursements.

**APPENDIX C**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND NOTES (AUDITED) FROM  
THE COUNTY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR 2004.**