

**Rain Garden Reserve - A Cuyahoga Falls Community Conservation Rainscape**



# Comprehensive Annual Financial Report

Don L. Robart, Mayor

for the year ended December 31, 2008

CITY OF CUYAHOGA FALLS, OHIO

**Cover Pictures:**

*The City of Cuyahoga Falls, Ohio was one of the most severely impacted areas in Northeast Ohio from flooding in 2003 and 2004, and was declared a federal disaster zone by the Federal Emergency Management Agency two times in a two-year period.*

*City officials worked for several years with the Federal Emergency Management Agency(FEMA) and the Ohio Emergency Management Agency to find a solution toward a specific neighborhood in our community that experienced severe and repetitive flooding. The City applied and received funding for a Hazard Mitigation Grant Program Project that allowed for the purchase and demolition of several homes in Cuyahoga Falls that rest in one of the lowest spots in the City. In 2008, the City created a beautiful rain garden in the greenspace location. The project stretches far beyond a garden and will carry a “green” theme as well, with solar bollards, recycled plastic lumber used for signage, and permeable pavement as a walkway throughout.*

*Rain Gardens are the up and coming trend for storm water management. Cuyahoga Falls is proud to pilot such a program and our community has garnered attention from the State of Ohio as a municipal pioneer, setting a progressive solution to the common problem of flooding. Rain gardens are an attractive, landscaped area built in depressions, designed to capture and filter storm water runoff from impervious surfaces. They are planted with perennial native, deep-rooted plants that absorb large amounts of water and help alleviate problems associated with flooding and drainage. Cuyahoga Falls embraces the challenge to be a leader in Northeast Ohio for innovative storm water management projects and solutions.*

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***Special thanks to the following  
employees for their assistance  
in the preparation of this report:***

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Scott K. Fitzsimmons

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***Photography Compliments of:  
Service Department  
Engineering Department***

***Cover Layout and Printing Provided by:  
Western Reserve Printing***

# Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2008



City of Cuyahoga Falls, Ohio

Don L. Robart, Mayor

**Issued by the Department of Finance**

Joseph F. Brodzinski, Finance Director



Printed on Recycled Paper

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# City of Cuyahoga Falls, Ohio

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# INTRODUCTORY SECTION



**CITY OF CUYAHOGA FALLS  
DEPARTMENT OF FINANCE**

**2310 SECOND STREET  
CUYAHOGA FALLS, OHIO 44221-2583**

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Joseph F. Brodzinski  
*Finance Director*

Scott K. Fitzsimmons  
*Deputy Finance Director*

June 26, 2009

Honorable Mayor Don L. Robart,  
Members of City Council and the  
Citizens of the City of Cuyahoga Falls, Ohio

**T**he Comprehensive Annual Financial Report (CAFR) for the City of Cuyahoga Falls, Ohio (the “City”) for the year ended December 31, 2008, is hereby submitted. The responsibility for both the accuracy of the data and the completeness and fairness of presentation including all disclosures, rests with the City’s management. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner, which fairly presents the financial position and results of operations of the various funds of the City. All disclosures necessary to gain an understanding of the City's financial activities have been included.

The financial statements, schedules, and statistical tables included herein pertain to those functions, which are under the jurisdiction of the City Council and administered by the Mayor. These functions encompass all activities considered by the City to be a part of (controlled by or dependent on) the financial reporting entity. This is determined on the basis of the City's financial accountability for such operations. Financial accountability includes budget adoption, taxing authority, the existence of outstanding debt secured by the City or the obligation of the City to finance any deficits that might occur and selection of governing authority and influence of operations. The City does have financial accountability for The Community Improvement Corporation of Cuyahoga Falls (CIC) and has chosen to incorporate its data into these financial statements using the discrete method of presentation because CIC provides services to the primary government and the citizens of the City as opposed to only the primary government.

Based on the criteria for determining financial accountability, the financial statements do not include the financial activities of the Cuyahoga Falls or Woodridge School Districts (or any other school districts, which fall within the boundaries of the City). In addition, they do not contain financial information pertaining to the Taylor Memorial Public Library or Cuyahoga Falls General Hospital. The City does not have financial accountability for the aforementioned entities. The City is responsible for establishing and maintaining an internal control system designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuations of costs and benefits require estimates and judgments by management. Management believes the internal control system is effective.



In accordance with Ohio law, each public office is required to have an independent audit at least once every two years unless an annual audit is required pursuant to The Single Audit Act of 1984. These audits are conducted by either the Auditor of the State, or if the Auditor permits, an independent public accounting firm. The current year audit was completed by James G. Zupka, CPA, Inc. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2008, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The Independent Auditor's Report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of the broader, federally mandated "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with an emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report in the financial section of this report.

### **PROFILE OF THE GOVERNMENT**

The City was incorporated as a village in 1868 and organized as a city after the 1920 census. The City is located in Summit County in northeastern Ohio, approximately 30 miles south of the City of Cleveland and lies on the northern border of the City of Akron. The City currently occupies a land area of 27.8 square miles and serves a population of 49,374 based on 2000 census figures. An appeal was granted on July 1, 2002 by the U.S. Census Bureau establishing 50,272 as the population of the City of Cuyahoga Falls. As of 7/1/07, the Census Bureau published a population estimate of 51,002.

The City operates under and is governed by its Charter (first adopted by the voters in 1959). The Charter may be and has been amended by the voters. Every five years a Charter Review Commission is appointed to review the City's Charter and make any recommendations to be voted upon by its residents. The City is also subject to certain general laws applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government, and police powers to an extent that is not in conflict with applicable general laws. The Charter provides for a Mayor-Council form of government. The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term. The Mayor also serves as the Public Safety Director. All elected officials, except the Mayor, Clerk of Courts, and both Judges, serve on a part-time basis. The Mayor may veto any legislation passed by the Council. However, a veto may be overridden by a two-thirds vote of all members of the Council.

Legislative authority is vested in an eleven-member Council. Three members are elected at-large for four-year terms, and eight members are elected from wards for two-year terms. The presiding officer is the President, who is elected by the Council for a one-year term. The Charter establishes certain administrative departments and Council may establish divisions of those departments and additional departments. Subject to the approval of Council, the Mayor appoints the Directors of Finance, Public Service, Law and Community Development. The Superintendent of Parks and Recreation is appointed by the Parks and Recreation Board. This Board consists of City residents, three appointed by the Mayor and two appointed by the Cuyahoga Falls City School District Board of Education. The Mayor also appoints members to a number of other boards and commissions and appoints and removes, in accordance with Civil Service requirements, all appointed officers and employees, except Council officers and employees.

## City of Cuyahoga Falls, Ohio

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The City provides an extensive range of services including police and fire protection, emergency medical service, administration of justice, community planning and development, recreational and cultural activities, street maintenance and environmental services. Outside of the normal governmental services, the City also provides entrepreneurial activities such as sanitation, electric service, sewage disposal and water distribution and leisure time activities, including a wellness center, golf course, and outdoor water park.

The City is home to the Cuyahoga Falls Municipal Court, which serves 16 communities in the northeastern part of Summit County. The Municipal Court employs two Judges and a Clerk of Courts, all of whom are elected for a six-year term by the voters of the 16 communities.

The objective of budgetary controls is to ensure compliance with both the annual appropriated budget approved by City Council and the legal restrictions imposed by state and federal statutes as well. City Council must adopt an annual appropriations ordinance and budget resolution by December 31, of the preceding year. Appropriations may not exceed amounts certified by the County Budget Commission. The Finance Director may transfer appropriated amounts between accounts within funds, but City Council authorization is necessary to make interfund transfers. City Council authorizes appropriation amounts by fund and may amend appropriation levels during the year. As a management tool, budgetary control is maintained in all funds at the department level by the encumbrance of estimated purchase amounts before the release of purchase orders to vendors. The City continually evaluates its accounting and reporting system in an effort to improve internal accounting controls.

### LOCAL ECONOMY

The Cleveland-Akron Consolidated Metropolitan Statistical Area (CMSA) is the 16th most populous CMSA of 19 in the United States with a population of 2,945,813. (Rankings are based on 2000 census figures.)

The 2000 census population of the City placed it as the second largest city in Summit County and the twentieth largest in the State of Ohio. In January 1986, the City merged with Northampton Township. This merger between Northampton Township and the City was the first merger of its type in the State. The merger increased the City's population by more than 16 percent and tripled the City's total land area.

Transportation services are provided by diversified venues through the City. Immediate access is available to one state highway (State Route 8), which also offers access to the Ohio Turnpike (Interstate 80) and Interstate Highways 76 and 77. The City is adjacent to areas served by Conrail and Amtrak, and is served by passenger air services at three airports, Cleveland-Hopkins International Airport, Akron-Canton Regional Airport and Akron Fulton International Airport. Public mass transit for the area is provided by the METRO Regional Transit Authority (a separate political subdivision) and long distance bus travel can be obtained from Greyhound bus lines.

The City is not subject to swift or erratic economic downturns because of its diversified income tax base, in which no single employer dominates the local economy. During 2008, ten major employers in the City collectively accounted for approximately 28 percent of the \$14,016,554 withholding taxes remitted to the City.

The 2000 Census reports that the median income for families who live in Cuyahoga Falls is slightly higher than other nationwide averages. The following is a comparative breakout of those medians.

<u>Census Population</u>	<u>Median Income</u>
City of Cuyahoga Falls	\$52,372
County	\$52,200
State	\$50,037
National	\$49,600

The 1986 merger between the City and Northampton Township (now Ward 8) has become a win-win situation for both parties. Due to increased land availability, the City has realized many new opportunities for industrial, commercial, and residential development. This growth continues to be stimulated by the expansion of water and

sewer lines into Ward 8. At the same time, the residents of Ward 8 are benefiting by receiving city-based services, which should ultimately have had a positive impact on current property values.

The City experienced an accelerated pace of growth and development throughout the community. Much of this successful development can be attributed to the merger. New building and redevelopment permit valuation, a reliable indicator of a community's condition, averaged \$49,528,000 over the last three years.

### **Future Economic Outlook**

The City's vision is to keep Cuyahoga Falls a vibrant, healthy, attractive, and continually growing City. City officials continue in their visions of infrastructure improvements and new tax revenues for the City, as well as its school systems, jobs, shopping, housing, and recreational opportunities for residents and visitors alike.

The City analyzed its dispatch operations and determined that there was some excess capacity, which would allow the City to add dispatching services for Munroe Falls and the Village of Silver Lake. The City formed this regional dispatch center to provide excellent safety service at a reduced rate compared to the cost these two communities paid in prior years. The additional income received by Cuyahoga Falls will be used to help offset the City's costs of providing dispatch services. This resulted in a win-win for the taxpayers of Cuyahoga Falls, as well as, the taxpayers of the other two communities.

In 2008, the City began dispatching for the City of Munroe Falls and the Village of Silver Lake. The City also began providing fire protection and emergency medical services for the Village.

In 2009, those contracts will provide approximately \$248,000 in revenue with minimal incremental costs. The billing for the emergency medical services is predicted to generate an additional \$45,000 to \$50,000 in billings per year. The base contracts for the \$248,000 will increase by three percent per year.

Cuyahoga Falls strongly believes in a regional concept involving dispatching. In conjunction with the City completing a robust fiber ring involving microwave wireless connection points, the City is developing a team to explore dispatching options with other communities.

Falls River Square, a permanent festival site, has become the premiere gathering spot for our community festivals, concerts, and outdoor activities. Falls River Square includes open space for festivals, an interactive water fountain for adolescent summer frolic, and an amphitheater for various activities from the Spring through the Fall. Activities on the site do not stop when the weather gets cold. Falls River Square includes a pavilion and an outdoor ice skating rink. The pavilion is booked throughout the year and its fireplace is a great way to warm up after skating on the rink, which is larger than the rink at Rockefeller Square in New York. Attendance from 2008 into 2009 continues to increase from the Friday night events to the various festivals.

In conjunction with Falls River Square, the City used a U.S. EPA Brownfield Grant on the South Front Street Corridor. The project included public outreach, and Phase I and Phase II environmental assessments, along with corridor planning. This corridor was originally developed for industrial purposes and was once utilized as a major source of power along the Cuyahoga River. The Grant along with other future budgeted monies is allowing the City the unique opportunity to begin an extensive revitalization project along this corridor.

As part of this project the City will complete a new park, the High Glens Bridge Park, overlooking and with access to the river's edge. The Community Development Department is working with several developers on the development of various adjoining parcels along the South Front Street Corridor.

On July 25, 2007 the City of Cuyahoga Falls was a successful recipient of a grant from the State's Clean Ohio Revitalization Funds also known as CORF. The Development Department applied for a grant to further the redevelopment efforts in the South Front Street area. The grant, in the amount of \$ 2,381,440, will be used to conduct environmental assessments, acquisition and demolition of properties, soil and water remediation, and

## City of Cuyahoga Falls, Ohio

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asbestos removal. These actions will lead to the development of new residential and retail projects in association with a master plan completed in 2005 by Farr & Associates of Chicago, Illinois.

As a part of the grant application, additional funds were also committed by a local developer who, in the first phase of redevelopment, will be constructing a mixed-use project consisting of approximately 122 units residential units and 18,000 square feet of new retail space. In order to properly prepare the properties, approximately 9,500 tons of soil will be removed and ground water will be chemically treated. Historical uses in the Front Street corridor area included wire manufacturers, foundries, and milling companies, which resulted in impacted soil and groundwater. Not only will this project correct these negative environmental issues, but it will also provide for new housing that will be located adjacent to the beautiful Gorge and the Cuyahoga River.

In 1996, the City increased its income tax rate from 1.5 percent to 2 percent. The vote to increase the income tax rate has had positive effects for the City's capital infrastructure program since the City has earmarked the proceeds of the increase solely for capital improvements. The City's Administration has exceeded this commitment every year since the passage of the increase. This foresight is due to strong beliefs within the Administration that strong city infrastructure is a cornerstone of a strong community.

The Mayor, his administration, and the City Council are keenly aware of national and local economic conditions. As the national and regional economies started downturns in 2008, the City's administration was prepared. Weekly meetings are held with senior cabinet to discuss all the ways the City can continue to provide value to the residents and businesses of the community without generating a deficit for the community to handle. All personnel vacancies are discussed and in many cases job functions adjusted to eliminate any current need to immediately replace the leaving personnel. It is for this reason that the City ended the 2008 year with its largest General Fund balance in its history.

The Mayor and his staff spend considerable amounts of time maintaining the financial strength of the City. As businesses look to relocate or expand, City officials work overtime with these companies to accommodate their needs. These types of investments only strengthen the City's financial position. The City is also not reliant on one particular business for its main source of income taxes or property taxes. No business represents more than five percent of the City's two main sources of income. The City's administration also places a high emphasis on keeping Cuyahoga Falls a positive place to live and work. This can best be seen in the unemployment rates for the City consistently being two percentage points lower than the Summit County rate coupled with local home sales and the real estate market, which are generally ahead of the national trends. Employment within an area is expected to remain positive with wage increases slightly higher than cost of living trends. The City monitors the economic slowdown being experienced by cities across the nation. The Development Department is in contact with homeowners, various property owners, and developers. This is performed to keep a pulse beat within the community, as well as, to provide businesses and homeowners with a variety of options when purchasing a property.

Pursuant to a change in State Law, which renamed the Cuyahoga Falls Municipal Court to the Stow Municipal Court, court operations moved to the City of Stow effective January 1, 2009.

Several years prior to the move the Court's judges requested that the City of Cuyahoga Falls build a new courthouse for court operations. After careful review and income potential the City Administration decided that the current court location was adequate. The City was involved with other capital projects and could not justify to its taxpayers the building of a new courthouse. The judges decided to discuss the building of a new courthouse with other member cities that it served. The City of Stow agreed to build the new courthouse and plans were laid in place to accomplish the task by the end of 2008.

The City has used this opportunity to create a Mayor's Court to dispense justice at a reasonable rate. The entire City will benefit from the additional revenue generated from this mayor's court as the funds will be used to supplement the police services of the City and provide new services like a K-9 unit. The court operations move to the City of Stow provided this opportunity because when Cuyahoga Falls housed the Court, expenditures exceeded revenue each year.

### MAJOR INITIATIVES

The City of Cuyahoga Falls has, in principal, formed a Joint Economic Development Zone (JEDZ) with the cities of Stow and Hudson. Western Reserve Hospital Partners, a group of about 200 Akron-area doctors took over majority ownership in June 2009 of Cuyahoga Falls General Hospital.

The State of Ohio approved a deal between Summa Health System and the physician partners at Western Reserve Hospital Partners to jointly operate Falls General with the doctors owning 60% and Summa Health Systems retaining 40% ownership.

State approval clears the way for Summa and the physician investors to move forward with their plans to build a new 100-bed facility to be located within the newly formed JEDZ.

The old hospital located in Cuyahoga Falls will be converted by Summa into another purpose within the medical field. Current discussions revolve around services to better accommodate senior citizen care.

With a new interchange being built off of Route 8 and a new hospital planning to be the first big development area, the three communities are working together to develop this area into a medical corridor. The cities will share income tax and property tax revenue equally within the zone. This project is another example of a regional approach in confronting a situation. The old mindset was a city competing with neighboring cities for business with each City offering as much as possible to motivate a business to build. The true winner within this model was the Western Reserve Hospital Partners looking to build a new hospital farther north within Summit County. In the end the business will benefit, as well, as, the residents of all three communities with additional tax dollars being available to continue to provide services.

In 2008 the City purchased 26 acres on State Road that was once a thriving strip shopping plaza. The City sent out requests for proposal nationally with the goal of turning this property into a viable revenue producer for years to come.

The City announced in 2009 that the developer for the project will be Cleveland-based Stark Enterprises. His company has developed Crocker Park in Westlake and several in the Akron-area, including West Market Plaza, and the Shops at Fairlawn. Bob Stark has agreed to design the buildings and associated green space areas after Crocker Park.

The plan is to develop an upscale shopping center and accompanying housing development. It will be a neighborhood marketplace that is walkable and community-focused. The first phase of the project will include approximately \$35 million in developer investments in a retail area. The retail will be anchored by an upscale grocery store, associated retail and restaurants. Phase Two will include additional retail along with townhouses and lofts. The current timetable for Phase One completion is the Spring of 2011.

In 2008 the City entered into an agreement with Johnson Controls to replace all water and electric meters with an automated system. The readings would be received by the City's Utility Billing Department remotely through a wireless and fiber optic system with collection devices located throughout the City.

The new meters will be more accurate and provide additional services for utility customers. The system will allow customers to pick their billing date and also allow regular meter monitoring for leak detection or load management on the electric side.

Additional revenues will be realized with accurate readings and prevention of utility theft by re-routing of services. Savings on personnel costs from meter readers, and meter installers on the water and electric side, as well as, vehicle costs will offset initial capital investment outlay. Analysis over a ten year period shows savings of approximately \$2.8 million.

## City of Cuyahoga Falls, Ohio

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### FINANCIAL INFORMATION

All six of the City's union contracts expired in 2008. The City is in the process of negotiations with the various unions. To date, the City has settled with all six of its unions. All contracts will be in effect through 2010, except AFSME, which runs through 2011.

The City's Capital Project Fund has issued various notes for numerous infrastructure projects over the last several years. The administration, along with the assistance of City Council, created a plan to pay down on the notes each year to save the cost of long-term interest borrowing. In 2009, the City is paying down almost \$950,000 in outstanding balances.

### LONG TERM FINANCIAL PLANNING

The City currently prepares a five-year capital improvement plan. This plan helps the City prepare and adjust for major infrastructure projects and maximize potential State and Federal grant assistance. Various other major operations within the City are also being viewed over two, three, and five-year views. Preparing for the future is a key ingredient to financial stability while maintaining important public services. This five-year approach is being expanded to all major funds within the City.

### AWARDS AND ACKNOWLEDGEMENTS

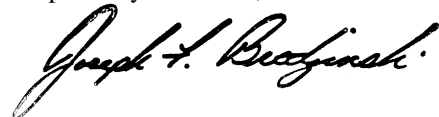
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cuyahoga Falls for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 24 consecutive years (fiscal years ended 1984-2007). We believe our current report continues to conform to the Certificate of Achievement program requirements and are therefore submitting it to the GFOA. Receipt of these awards is an outstanding sign of the City's active effort to anticipate and provide for the needs of its citizens.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. A special thanks goes out to Deputy Finance Director, Scott Fitzsimmons, for all of his hard work and dedication. The preparation of the CAFR requires a major effort from the accounting staff and we express our appreciation to all who assisted and contributed to the presentation of this year's report. We also thank the Mayor, his cabinet and the members of City Council for their thoughtful support and encouragement throughout the year.

Respectfully submitted,



Joseph F. Brodzinski  
Finance Director

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Cuyahoga Falls  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

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

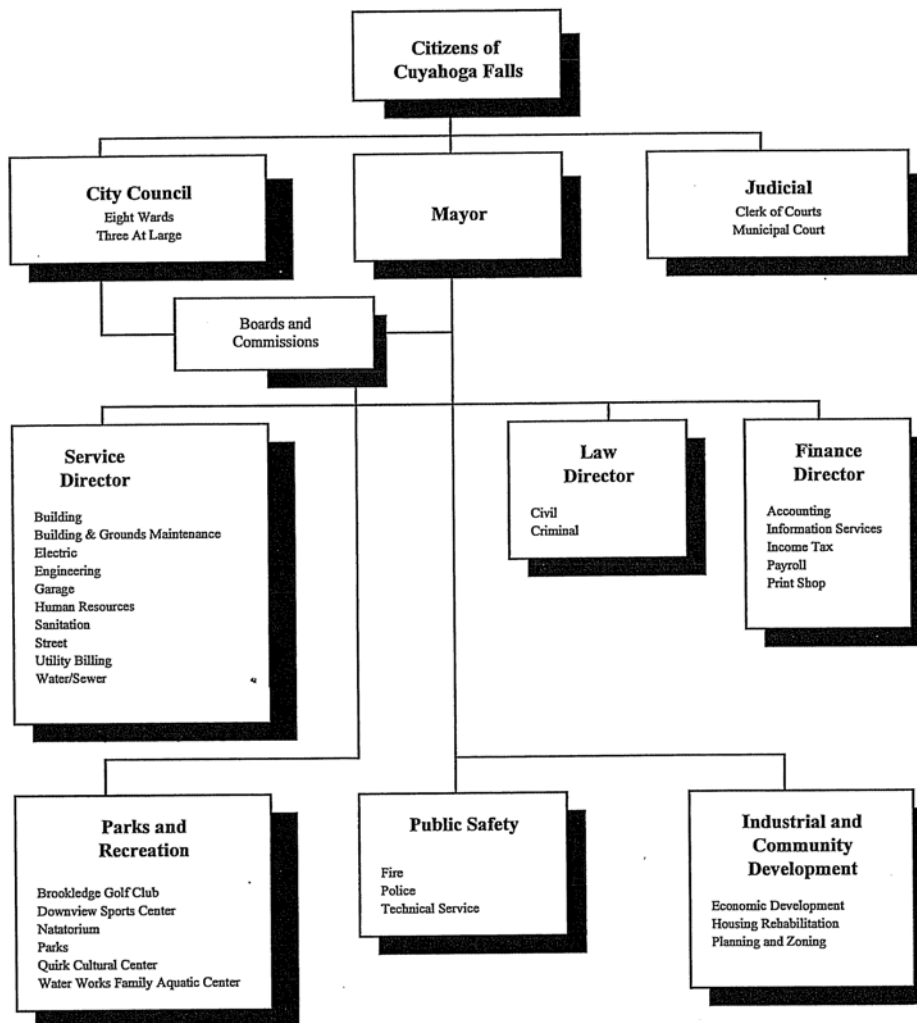


President

Executive Director

# City of Cuyahoga Falls, Ohio

## Organizational Chart





**City Officials**

**Mayor Don L. Robart**

*Cabinet of the Mayor:*

Valerie Wax Carr.....Service Director  
Joseph F. Brodzinski....Finance Director  
Virgil E. Arrington.....Law Director  
Susan L. Truby.....Community Development  
Director

*Municipal Court:*

Kim R. Hoover.....Judge  
Lisa Coates.....Judge  
Lisa Zeno Carano.....Clerk of Courts

*At Large Council:*

Kathy Hummel  
Carol Klinger  
Deborah Ritzinger

*Ward Council:*

Vincent Rubino..... Ward 1  
Mary Ellen Pyke.....Ward 2  
Ken Barnhart.....Ward 3  
Mark Ihasz.....Ward 4  
Diana Colavecchio.....Ward 5  
Don Walters.....Ward 6  
Jerry James.....Ward 7 (Council Pres. at 12/31/08)  
Terry Mader.....Ward 8

**FINANCIAL SECTION**

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To Members of City Council  
City of Cuyahoga Falls, Ohio

The Honorable Mary Taylor  
Auditor of State  
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cuyahoga Falls, Ohio, as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cuyahoga Falls, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cuyahoga Falls, Ohio, as of December 31, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund and the Municipal Income Tax Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 19, during the year ended December 31, 2008, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and GASB Statement No. 50, *Pension Disclosures*.


## City of Cuyahoga Falls, Ohio

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2009, on our consideration of the City of Cuyahoga Falls, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 16 through 30 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cuyahoga Falls, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

  
James G. Zupka, CPA, Inc.  
Certified Public Accountants

June 26, 2009

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# City of Cuyahoga Falls, Ohio

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## Management's Discussion and Analysis

As management of the City of Cuyahoga Falls, Ohio (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which begins on page 2 of this report.

### FINANCIAL HIGHLIGHTS

- This is the City of Cuyahoga Falls sixth publication of a Comprehensive Annual Financial Report (CAFR) under the new GASB 34 reporting model. Comparisons to prior financials are offered for this discussion and analysis.
- Total assets of the City of Cuyahoga Falls were \$288,566,564. Of this amount, \$143,306,907 was attributable to Governmental Activities and \$145,259,657 was from Business-type Activities.
- Total liabilities of the City of Cuyahoga Falls were \$110,881,022. Governmental Activities accounted for \$43,833,495, while Business-type Activities represented \$67,047,527 of the total.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### Government-wide financial statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include security of persons and property, leisure time activities, community environment, street maintenance and general government. The business-type activities of the City include sanitary sewage and disposal, water treatment and distribution, electric distribution, refuse and recycling collection service, storm drainage repair and improvements, and leisure time activities including an outdoor family aquatic center, an indoor natatorium, a municipal golf course, a civic cultural center and a sports center facility which offers batting cages, a driving range, skate park and a miniature golf course.

The government wide financial statements include not only the City itself (known as the primary government) but also a legally separate community improvement corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 33-35 of this report.

### **Fund financial statements**

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

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

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

The City maintains twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Municipal Income Tax Special Revenue Fund, and Capital Projects Fund, which are considered to be major funds. Data from the other twenty-three funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and all Special Revenue, Debt Service, Capital Projects, Enterprise and Internal Service Fund types. A budgetary comparison statement has been provided for the General Fund and the Municipal Income Tax Special Revenue Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 36-41 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewage and disposal, water, electric, sanitation, leisure time operations and storm drainage utility. Internal Service Funds are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City uses Internal Service Funds to account for its vehicle maintenance, office and custodial supplies purchase and distribution, information services (responsible for data processing and computer operations of the City), medical self-insurance, worker's compensation coverage and compensated absences payments to terminated and retired employees. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

While the Utility Billing Fund is considered an Internal Service Fund, it is not reported separately. It has been consolidated in the applicable Enterprise Funds for statement purposes.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewage and Disposal Fund, Water Fund, Electric Fund, Sanitation Fund, Leisure Time Fund, and Storm Drainage Utility Fund, which are considered to be major funds. Conversely, the internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 42-49 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City closed out and eliminated its Treasury Fund whose sole purpose in the past was to hold the

## City of Cuyahoga Falls, Ohio

employers' share of the next quarter's pension payment. Since pension is now remitted monthly, these obligations now run through the Withholding Fund. The basic fiduciary fund financial statements can be found on page 50 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51 – 89 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to financial statements. Combining and individual fund statements and schedules can be found on pages 91-144 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

City of Cuyahoga Falls, Ohio - Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Assets</b>						
Current and other Assets	\$ 56,279,546	\$ 43,724,307	\$ 45,535,806	\$ 35,276,065	\$ 101,815,352	\$ 79,000,372
Capital Assets	87,027,361	86,727,636	99,723,851	94,860,263	186,751,212	181,587,899
<b>Total Assets</b>	<b>143,306,907</b>	<b>130,451,943</b>	<b>145,259,657</b>	<b>130,136,328</b>	<b>288,566,564</b>	<b>260,588,271</b>
<b>Liabilities</b>						
Current and other liabilities	25,781,096	15,525,621	23,411,124	24,804,990	49,192,220	40,330,611
Long term liabilities outstanding	18,052,399	19,412,451	43,636,403	29,350,722	61,688,802	48,763,173
<b>Total Liabilities</b>	<b>43,833,495</b>	<b>34,938,072</b>	<b>67,047,527</b>	<b>54,155,712</b>	<b>110,881,022</b>	<b>89,093,784</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	74,834,451	72,851,175	54,994,967	52,366,850	129,829,418	125,218,025
Restricted	16,104,176	15,570,644	-	-	16,104,176	15,570,644
Permanent Fund Purpose	219,104	211,778	-	-	219,104	211,778
Unrestricted	8,315,681	6,880,274	23,217,163	23,613,766	31,532,844	30,494,040
<b>Total net assets</b>	<b>\$ 99,473,412</b>	<b>\$ 95,513,871</b>	<b>\$ 78,212,130</b>	<b>\$ 75,980,616</b>	<b>\$ 177,685,542</b>	<b>\$ 171,494,487</b>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$177,685,542 at the close of the most recent fiscal year.

The largest portion of the City's net assets (73 percent) reflects its investments in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Additionally, 9 percent of the City's net assets represent resources that have been restricted on how they may be used. Another portion of the City's net assets (less than 1 percent) represents the Cemetery Perpetual Care Permanent Fund, which used to be a non-expendable trust fund. The remaining balance of unrestricted net assets \$31,532,844 may be used to meet the government's on-going obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Cuyahoga Falls is able to report positive balances in the three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Overall, net assets of the City increased by \$6.191 million in 2008. Net assets for governmental activities increased \$3.960 million and net assets for business-type activities increased \$2.232 million.



## City of Cuyahoga Falls, Ohio

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The net assets increase for governmental activities is due to revenue from general sources, such as property and other local taxes, income taxes, and grants and entitlements not restricted to specific programs exceeding net program expense.

For business-type activities, sewage and disposal, water, sanitation and storm drainage utility operations all had net revenue for 2008.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year. This table contains the 2007 fiscal year figures for comparison purposes.

## City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio - Changes in Net Assets						
	Governmental		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 10,532,301	\$ 9,974,851	\$ 56,225,587	\$ 57,816,885	\$ 66,757,888	\$ 67,791,736
Operating grants and contributions	3,028,970	3,179,698	60,304	50,515	3,089,274	3,230,213
Capital grants and contributions	1,788,907	6,296,663	211,234	6,941,515	2,000,141	13,238,178
General revenues:						
Property and other local taxes	11,264,214	11,298,989	-	-	11,264,214	11,298,989
Income taxes	18,773,953	18,644,825	-	-	18,773,953	18,644,825
Grants and entitlements not						
restricted to specific programs	5,020,191	5,324,452	-	-	5,020,191	5,324,452
Other	1,232,188	2,274,815	41,320	-	1,273,508	2,274,815
<b>Total Revenues</b>	<b>51,640,724</b>	<b>56,994,293</b>	<b>56,538,445</b>	<b>64,808,915</b>	<b>108,179,169</b>	<b>121,803,208</b>
<b>Expenses</b>						
Security of persons and property	20,885,650	21,077,044	-	-	20,885,650	21,077,044
Leisure time activities	2,811,353	2,693,863	-	-	2,811,353	2,693,863
Community environment	1,927,929	1,634,740	-	-	1,927,929	1,634,740
Street maintenance	8,417,596	6,786,311	-	-	8,417,596	6,786,311
General government	11,286,008	10,875,233	-	-	11,286,008	10,875,233
Interest and fiscal charges	673,816	562,128	-	-	673,816	562,128
Sewage and disposal	-	-	5,445,620	5,440,729	5,445,620	5,440,729
Water	-	-	4,773,648	4,608,542	4,773,648	4,608,542
Electric	-	-	35,185,035	32,683,194	35,185,035	32,683,194
Sanitation	-	-	3,542,028	3,686,234	3,542,028	3,686,234
Leisure time activities	-	-	6,611,629	6,630,226	6,611,629	6,630,226
Storm Drainage Utility	-	-	427,802	309,254	427,802	309,254
<b>Total Expenses</b>	<b>46,002,352</b>	<b>43,629,319</b>	<b>55,985,762</b>	<b>53,358,179</b>	<b>101,988,114</b>	<b>96,987,498</b>
Increase in net assets before transfers	5,638,372	13,364,974	552,683	11,450,736	6,191,055	24,815,710
Transfers	(1,678,831)	(1,836,301)	1,678,831	1,836,301	-	-
Changes in net assets	3,959,541	11,528,673	2,231,514	13,287,037	6,191,055	24,815,710
<b>Net assets-beginning</b>	<b>95,513,871</b>	<b>83,985,198</b>	<b>75,980,616</b>	<b>62,693,579</b>	<b>171,494,487</b>	<b>146,678,777</b>
<b>Net assets-ending</b>	<b>\$ 99,473,412</b>	<b>\$ 95,513,871</b>	<b>\$ 78,212,130</b>	<b>\$ 75,980,616</b>	<b>\$ 177,685,542</b>	<b>\$ 171,494,487</b>

**Governmental activities.** Governmental activities increased the City's net assets by \$3.960 million. Key elements of the changes in net assets are as follows:

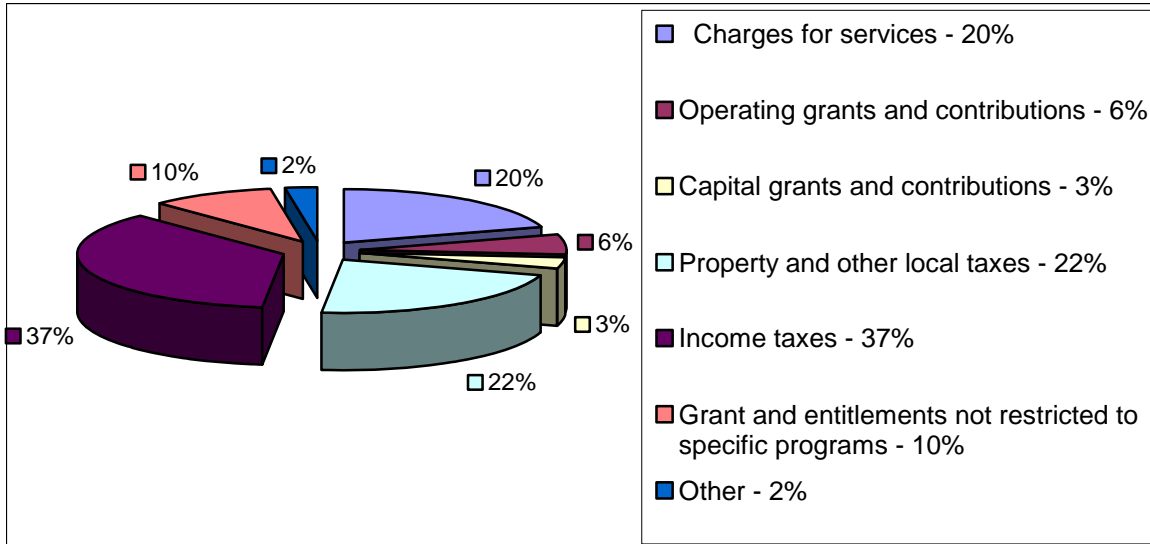
- ❖ Security of Persons and Property expenditures decreased by \$191,394 or 1 percent.
- ❖ Charges for Services revenue increased by \$557,450 or 5.59 percent.
- ❖ Income Tax Revenue increased by \$129,128 or .7 percent.

The decrease in Security of Persons and Property expenses is a direct result of the City recognizing changes in the overall economy and making budgetary reductions wherever possible. Charges for services on a cash basis relating to community environment and street maintenance programs increased \$171,900 and \$203,339, respectively, from 2007 to 2008.

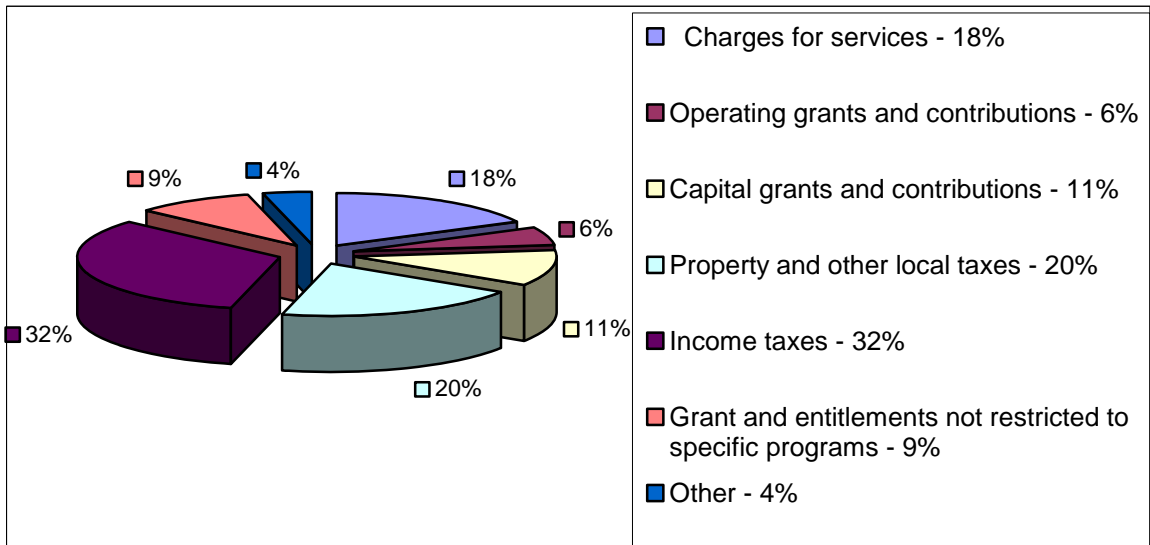
The increase in income tax revenue is due to the effects of accrual accounting with its receivable recognized in the available periods and corresponding reversing entries combined with increases within income tax collections.

# City of Cuyahoga Falls, Ohio

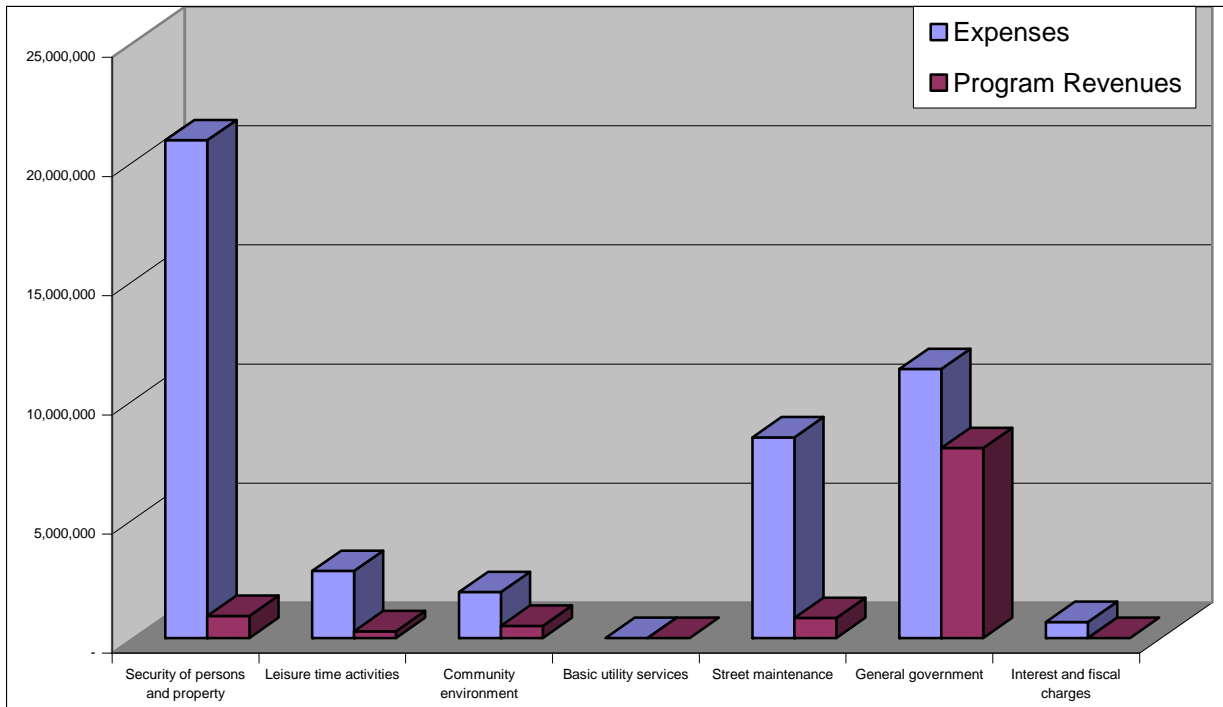
## 2008 Revenues by Source – Governmental Activities



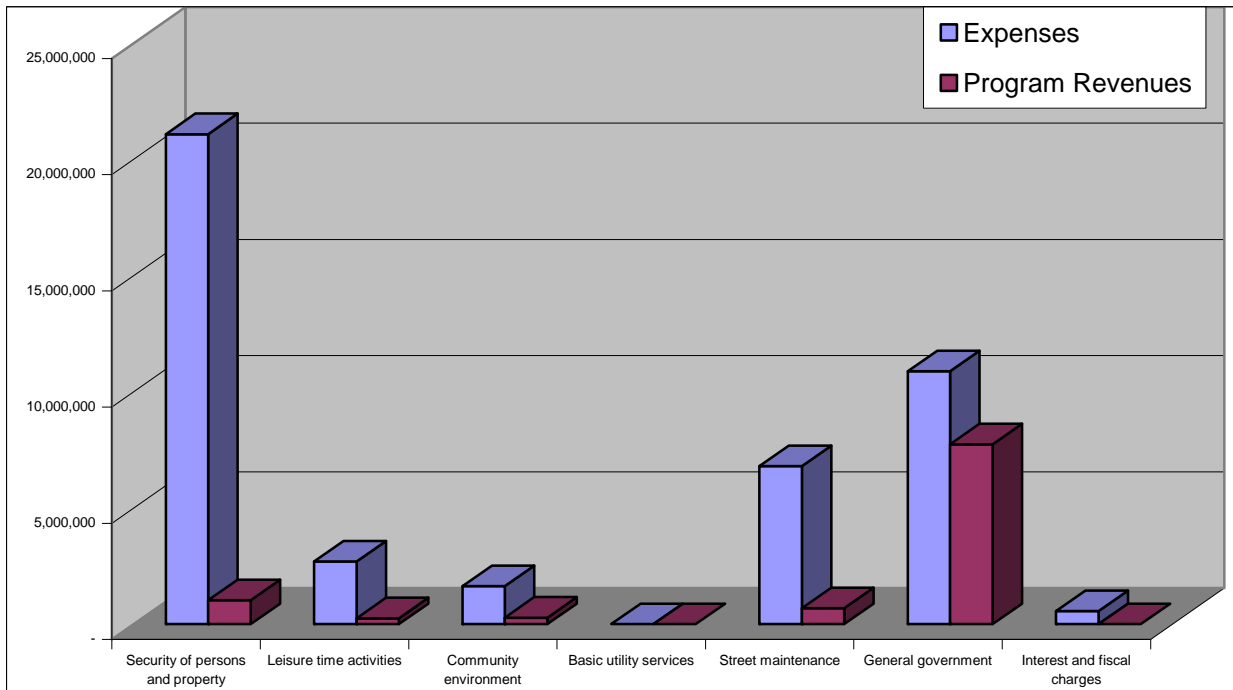
## 2007 Revenues by Source – Governmental Activities



**2008 Expenses and Program Revenues – Governmental Activities**



**2007 Expenses and Program Revenues – Governmental Activities**



## City of Cuyahoga Falls, Ohio

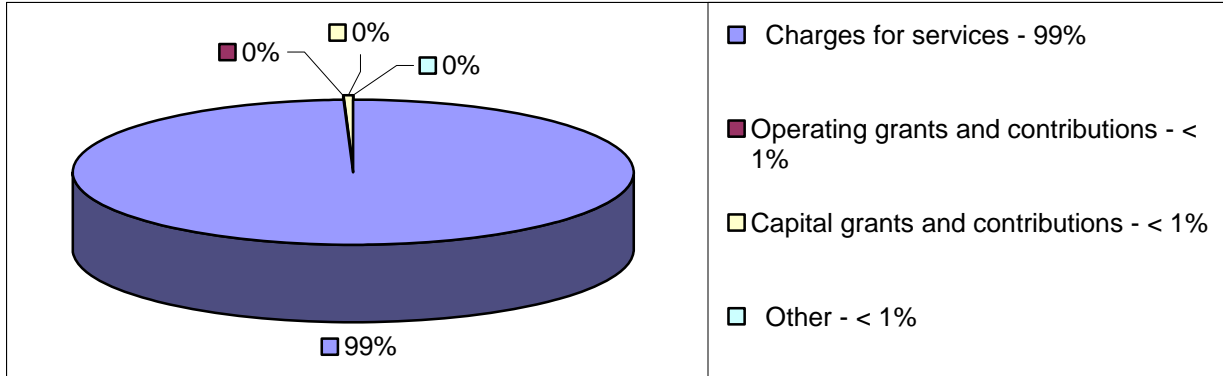
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**Business-type activities:** Business-type activity net assets increased by \$2.232 million. Key elements of changes in net assets are as follows.

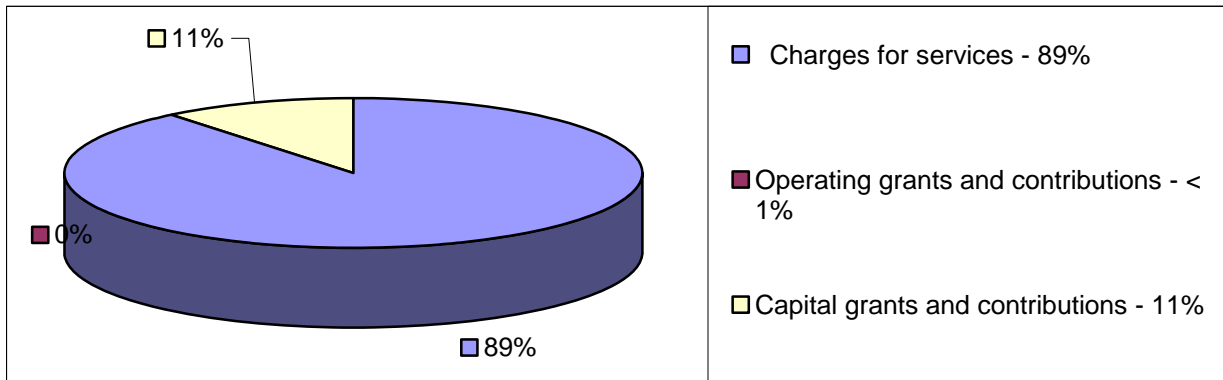
- ❖ Sanitation expenses decreased by \$144,206 or by almost 4 percent.
- ❖ Leisure time activities expense decreased by \$18,597 or .3 percent

Program Revenues exceeded expenses for Sewage and Disposal, Water, Sanitation, and Storm Drainage Utility in the amount of \$822,769, \$352,147, \$292,522, and \$708,972, respectively.

**2008 Revenue by Source – Business-type Activities**

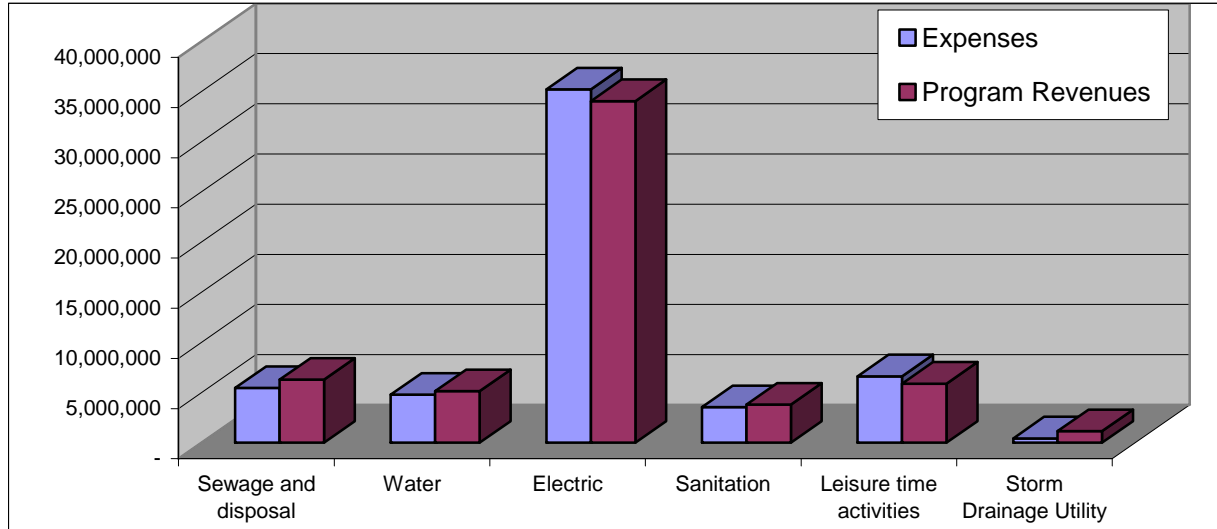


**2007 Revenue by Source – Business-type Activities**

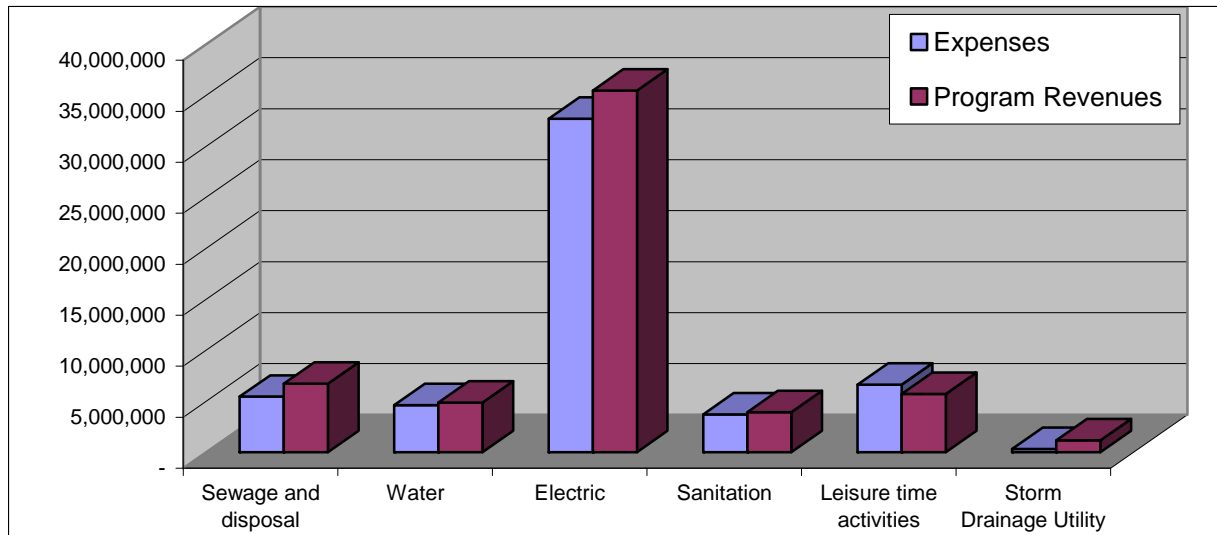


# City of Cuyahoga Falls, Ohio

## 2008 Expenses and Program Revenues – Business-type Activities



## 2007 Expenses and Program Revenues – Business-type Activities





## Financial Analysis of the Government's Funds

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

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

As of December 31, 2008, the City's governmental funds reported combined ending fund balances of \$18.514 million, which represents an increase of \$2.641 million in comparison with the prior year. Approximately \$3.061 million of this amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period and for non-current loans receivable and other various reservations. The largest fund balance reserve is for assets held for resale in the Capital Projects Fund in the amount of \$10.793 million.

The general fund is the chief operating fund of the City. At December 31, 2008, unreserved fund balance of the general fund was \$7.600 million, while total fund balance was \$8.044 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures (including transfers out). Unreserved fund balance represents 22 percent of total general fund expenditures (including transfers out), while total fund balance represents 23 percent of the same amount.

The fund balance of the City's General Fund increased by \$1.136 million during 2008. Key factors contributing to this increase are as follows:

- ❖ Total revenues (including transfers in) increased by \$286,451. This increase is attributed to mainly an increase in other local taxes and charges for services. In 2008, the City began dispatching for the City of Munroe Falls and the Village of Silver Lake. The City also began providing fire protection and emergency medical services for the Village.
- ❖ Expenditures (including transfers out) increased by \$989,415 or 2.95 percent.
- ❖ Security of persons and property increased by \$690,294 in 2008 from 2007. The main reason is a result of the reversing entries from the two years along with the timing differences on payroll for the current year accruals.
- ❖ There was also an increase in general government expenditures in 2008. The reason for the increase can be attributed to increased election fees and county auditor collection fees along with the reversing entries from the two years.

The fund balance of the Capital Projects Fund increased by \$2,490,848 in 2008 from \$934,804 in 2007 to \$3,425,652 in 2008. Revenue increased in 2008 mainly due to the following reasons:

- ❖ The City spent more on capital projects in 2007 than 2008. The main area of additional expenditures in 2007 occurred with the completion of the City's fifth fire station and the purchase of a new fire engine.
- ❖ The other reason is due to the adjusting accrual entries from 2007 compared to 2008.

## City of Cuyahoga Falls, Ohio

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

Unrestricted net assets at the end of the year amounted to \$2.777 million, \$1.359 million, \$19.142 million, \$269,472, (\$241,765), and \$1.037 million for the Sewage and Disposal, Water, Electric, Sanitation, Leisure Time, and Storm Drainage Utility Funds, respectively. The Sanitation Fund has again seen an improvement in unrestricted net assets due to the cost saving measures continue to standardize refuse containers, which has reduced the number of personnel per route with an ultimate goal of full automation in the future.

### General Fund Budgetary Highlights

The final amended General Fund budget had total appropriation of approximately \$21,008 higher than the original budget. The total original appropriations, including those for transfers out, were \$36,219,803 million, while the final appropriations were \$36,240,811 million. Although the final appropriations in 2008 were 2.20 percent higher than in 2007, the City's administration continues to monitor economic factors that affect the City on a daily basis. The variance between the final budget and actual results were not significant enough for analysis.

### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for governmental and business-type activities as of December 31, 2008, amounts to \$186.751 million (net of accumulated depreciation). This investment in capital assets include land, buildings, improvements, machinery and equipment, as well as, infrastructure (from 1980 to current), including roads, sidewalks, bridges, curbs and gutters. The total increase in the City's investment in capital assets for 2008 was 2.84% (a .35 percent increase for governmental activities and a 5.13 percent increase for business-type activities).

City of Cuyahoga Falls Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 8,686,553	\$ 8,670,964	\$ 3,359,319	\$ 3,131,596	\$ 12,045,872	\$ 11,802,560
Construction in Progress	2,154,262	3,383,797	7,177,433	1,332,269	9,331,695	4,716,066
Buildings	18,920,068	19,569,736	32,154,340	32,941,533	51,074,408	52,511,269
Improvements	679,022	713,527	53,323,940	53,898,418	54,002,962	54,611,945
Machinery and Equipment	9,133,364	7,352,284	3,708,819	3,556,447	12,842,183	10,908,731
Infrastructure	47,454,092	47,037,328	-	-	47,454,092	47,037,328
<b>Total</b>	<u>\$87,027,361</u>	<u>\$ 86,727,636</u>	<u>\$ 99,723,851</u>	<u>\$ 94,860,263</u>	<u>\$ 186,751,212</u>	<u>\$ 181,587,899</u>

## City of Cuyahoga Falls, Ohio

Major capital asset events during 2008 were as follows:

- The City has begun water and electric meter replacement and fixed base automated meter reading (AMR) installation, lighting retrofits, and building envelope improvements. This accounts for \$5.654 million of the increase in construction in progress for business-type activities. For more detailed information, see Note 11- Capital Leases.
- The redevelopment of South Front Street began with the purchase of the H&M metal property. Capital expenditures reached \$1.15 million for the year, however the city received a Clean Ohio Revitalization Fund grant to contribute to the project.
- The installation and start up of the city wide radio systems for the dispatch center was completed and therefore a \$2.44 million decrease in construction in progress and an increase in machinery and equipment resulted for governmental activities.

For more detailed information on capital asset activity, refer to Note 6-Capital Assets in the Notes to the Financial Statements section.

**Assets Held for Resale.** During April 2008 land was purchased for the South Front Street Redevelopment project for \$991,302. A portion of the property, \$391,302 is being held for resale to a developer, while the remaining portion will be redeveloped and remain under the City's ownership.

The City also purchased property known as the State Road Shopping Center in August 2008 with the intent to resell the land for development. The property is approximately 25 acres of land with over 350,000 square feet of building. After completion of demolition and remediation, the land will be sold to a developer with the objective to revitalize the area with a retail, commercial, and residential mixed development.

**Long-term debt.** At December 31, 2008, the City had \$46.4 million of long-term bonds and capital leases outstanding. All special assessment bonds issued by the City are also general obligation bonds (\$151,000 in governmental activities) and are included herein.

City of Cuyahoga Falls General Obligation Bonds and Capital Leases Outstanding						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
G. O. bonds	\$ 7,109,319	\$ 8,112,418	\$ 19,896,985	\$ 21,797,196	\$ 27,006,304	\$ 29,909,614
Capital leases	2,945,806	2,936,495	16,477,596	-	19,423,402	2,936,495
<b>Total</b>	<b>\$ 10,055,125</b>	<b>\$ 11,048,913</b>	<b>\$ 36,374,581</b>	<b>\$ 21,797,196</b>	<b>\$ 46,429,706</b>	<b>\$ 32,846,109</b>

The City did not issue any general obligation bonds in 2008. The City entered into lease agreements in 2008 for electric meter replacement and fixed base automated meter reading (AMR) installation, lighting retrofits, and building envelope improvements in the amount of \$17,017,793. Of this amount, \$11,405,634 was being held in escrow at year end for anticipated completion of the project in 2009. Capital leases are more fully described in Note 11 to the Financial Statements.

## **City of Cuyahoga Falls, Ohio**

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### **Economic Factors and Next Year's Budget**

The City of Cuyahoga Falls' elected and appointed officials consider many factors through a lengthy budget process. The economic state of the State and Nation obviously have a direct impact on municipalities. The City prioritizes each department's basic mission. A system was put in place to review each job position when it became vacant through retirement or separation. We started looking at ways to combine departments and functions. A good example would be the combining of the Street Department and the Sanitation Department. Synergy is formed between the work force for more efficiency and monies are saved with only one superintendent instead of two. Other potential combinations included merging the Technical Services Department, Information Services, and Regional Dispatching. Through these efforts and despite the economy, the City of Cuyahoga Falls ended the year with a \$5.93 million cash basis balance in the General Fund, the highest end of the year balance in the City's history, while also maintaining our excellent Aa3 Bond rating!

The theme in Cuyahoga Falls is - Safe, Sound, and Stable. Safe, as our Police and Fire Departments will continue to keep our residents and businesses safe. Sound, as our City services will remain sound. And stable, as our City's finances will remain stable.

The City is also keeping a close eye on healthcare costs and the discussions currently going on at the Federal level. The Administration will continue to monitor those discussions as to the affect it may have on the City's books and procedures, as well as, the affects it may have on our employees' pocketbooks, thus potentially affecting future union negotiations.

The City is also monitoring the discussions in Washington concerning the cap and trade legislation. Ohio is a large coal burning state and through our affiliations with AMP-Ohio the City is a shareholder in various projects.

The City continues to place a high importance on job retention and creation with its current involvement with major developers in retail and residential growth. The goal of City officials is to continue to move the City forward in a positive direction. Capital projects are reviewed prior to implementation and revenue-generating opportunities are always noted. Various positions with the City are also being reviewed and job functions are being consolidated wherever possible.

### **Request for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. This report is also available on the City's website at [www.cityofcf.com](http://www.cityofcf.com). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Cuyahoga Falls Finance Department, 2310 Second Street, Cuyahoga Falls, Ohio, 44221.

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# **BASIC FINANCIAL STATEMENTS**

**Statement of Net Assets**  
**December 31, 2008**

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>CIC of</u>
	<u>Activities</u>	<u>Activities</u>		
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 18,925,261	\$ 16,935,436	\$ 35,860,697	\$ -
Cash and cash equivalents - restricted accounts	155,501	-	155,501	821,672
Cash and cash equivalents - escrow agent	365,759	\$ 11,043,584	11,409,343	
Investments - restricted	41,000	-	41,000	-
Accounts receivable (net of allowance for uncollectibles)	1,842,405	7,089,987	8,932,392	1,304
Loans receivable	1,953,969	-	1,953,969	66,268
Taxes receivable	13,434,159	-	13,434,159	-
Special assessments receivable	1,066,750	152,935	1,219,685	-
Accrued interest receivable	115,005	-	115,005	-
Due from other governments	4,761,453	45,588	4,807,041	-
Inventory of supplies	961,873	4,483,503	5,445,376	-
Prepaid items	144,488	97,871	242,359	-
Internal balances	1,355,049	(1,355,049)	-	-
Deferred charges	363,622	443,610	807,232	-
Unamortized bond discount	-	47,237	47,237	-
Investment in joint venture	-	6,551,104	6,551,104	-
Assets held for resale	10,793,252	-	10,793,252	-
Nondepreciable capital assets	10,840,815	10,536,752	21,377,567	-
Depreciable capital assets	76,186,546	89,187,099	165,373,645	-
<b>Total assets</b>	<u>143,306,907</u>	<u>145,259,657</u>	<u>288,566,564</u>	<u>889,244</u>
<b>Liabilities</b>				
Accounts payable	1,064,483	2,462,888	3,527,371	-
Accrued salaries, wages and benefits	633,613	227,868	861,481	-
Accrued interest payable	193,252	104,450	297,702	-
Due to other governments	562,850	593,642	1,156,492	-
Unearned revenue	10,026,898	8,960	10,035,858	3,000
Deposit held and due to others	-	713,316	713,316	-
Notes payable	13,300,000	19,300,000	32,600,000	-
Current portion of:				
Accrued compensated absences	2,812,783	929,127	3,741,910	-
Claims and judgments payable	607,240	-	607,240	-
Other post-employment benefit obligation	292,985	-	292,985	-
Capital leases	462,467	-	462,467	-
Bonds payable	938,464	1,688,686	2,627,150	-
Long-term portion of:				
Accrued compensated absences	4,079,116	1,355,572	5,434,688	-
Claims and judgments payable	107,129	-	107,129	-
Capital leases	2,483,339	16,477,596	18,960,935	-
Payable to Joint Venture	-	4,429,709	4,429,709	-
Unamortized bond premium	98,021	547,414	645,435	-
Bonds payable	6,170,855	18,208,299	24,379,154	-
<b>Total liabilities</b>	<u>43,833,495</u>	<u>67,047,527</u>	<u>110,881,022</u>	<u>3,000</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	74,834,451	54,994,967	129,829,418	-
Restricted for:				
Capital projects	8,757,570	-	8,757,570	-
Debt service	109,044	-	109,044	-
Special revenue	7,237,562	-	7,237,562	-
Other purposes	-	-	-	635,809
Permanent fund purpose:				
Nonexpendable - Cemetery Perpetual Care	219,104	-	219,104	-
Unrestricted	8,315,681	23,217,163	31,532,844	250,435
<b>Total net assets</b>	<u>\$ 99,473,412</u>	<u>\$ 78,212,130</u>	<u>\$177,685,542</u>	<u>\$ 886,244</u>

See accompanying notes to the basic financial statements

# City of Cuyahoga Falls, Ohio

## Statement of Activities For the Year Ended December 31, 2008

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental activities:</b>				
Security of persons and property	20,885,650	930,710	71,412	73,618
Leisure time activities	2,811,353	279,860	-	-
Community environment	1,927,929	513,776	775,617	989,980
Street maintenance	8,417,596	839,217	2,131,732	695,309
General government	11,286,008	7,968,738	50,209	30,000
Interest and fiscal charges	673,816	-	-	-
<b>Total governmental activities</b>	<b>46,002,352</b>	<b>10,532,301</b>	<b>3,028,970</b>	<b>1,788,907</b>
<b>Business-type activities:</b>				
Sewage and disposal	5,445,620	6,268,389	-	-
Water	4,773,648	5,125,578	217	-
Electric	35,185,035	34,032,741	7,217	-
Sanitation	3,542,028	3,781,680	52,870	-
Leisure time activities	6,611,629	5,881,339	-	210,320
Storm Drainage Utility	427,802	1,135,860	-	914
<b>Total business-type activities</b>	<b>55,985,762</b>	<b>56,225,587</b>	<b>60,304</b>	<b>211,234</b>
<b>Total primary government</b>	<b>101,988,114</b>	<b>66,757,888</b>	<b>3,089,274</b>	<b>2,000,141</b>
<b>Component Unit - CIC of Cuyahoga Falls</b>	<b>153,220</b>	<b>8,500</b>	<b>-</b>	<b>-</b>
<b>General revenues:</b>				
Property and other local taxes levied for:				
General purposes				
Special revenue				
Income tax levied for:				
General purposes				
Special revenue				
Capital projects				
Grants and entitlements not restricted to specific programs				
Gain on sale of capital assets				
Investment earnings				
Transfers				
Total general revenue and transfers				
<b>Change in net assets</b>				
<b>Net assets - beginning</b>				
<b>Net assets - ending</b>				

See accompanying notes to the basic financial statements



## City of Cuyahoga Falls, Ohio

(Continued)

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit CIC of Cuyahoga Falls
Governmental Activities	Business-type Activities	Total	
(19,809,910)	-	(19,809,910)	-
(2,531,493)	-	(2,531,493)	-
351,444	-	351,444	-
(4,751,338)	-	(4,751,338)	-
(3,237,061)	-	(3,237,061)	-
(673,816)	-	(673,816)	-
(30,652,174)	-	(30,652,174)	-
-	822,769	822,769	-
-	352,147	352,147	-
-	(1,145,077)	(1,145,077)	-
-	292,522	292,522	-
-	(519,970)	(519,970)	-
-	708,972	708,972	-
-	511,363	511,363	-
(30,652,174)	511,363	(30,140,811)	-
-	-	-	(144,720)
10,440,198	-	10,440,198	-
824,016	-	824,016	86,673
11,765,637	-	11,765,637	-
1,501,916	-	1,501,916	-
5,506,400	-	5,506,400	-
5,020,191	-	5,020,191	-
54,372	-	54,372	-
1,177,816	41,320	1,219,136	23,175
(1,678,831)	1,678,831	-	-
34,611,715	1,720,151	36,331,866	109,848
3,959,541	2,231,514	6,191,055	(34,872)
95,513,871	75,980,616	171,494,487	921,116
99,473,412	78,212,130	177,685,542	886,244

# City of Cuyahoga Falls, Ohio

## Balance Sheet - Governmental Funds December 31, 2008

	<u>General</u>	<u>Municipal Income Tax</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Equity in pooled cash and cash equivalents	\$ 6,240,232	\$ 238,636	\$ 5,106,730	\$ 3,644,706	\$ 15,230,304
Cash and cash equivalents - restricted	-	-	-	155,501	155,501
Cash and cash equivalents - escrow agent	-	-	365,759	-	365,759
Investments - restricted accounts	-	-	-	41,000	41,000
<b>Receivables</b>					
Taxes	9,743,664	3,128,361	-	562,134	13,434,159
<b>Accounts</b>					
(net of allowance for uncollectibles)	22,739	-	1,616,392	203,274	1,842,405
Loans	-	-	-	1,953,969	1,953,969
Special assessments	-	-	606,805	459,945	1,066,750
Accrued interest	-	-	-	115,005	115,005
Due from other funds	1,583,981	-	632,839	372,611	2,589,431
Due from other governments	2,850,601	53,194	799,793	1,032,252	4,735,840
Inventory of supplies	149,355	350	-	320,623	470,328
Prepaid items	100,450	231	-	19,033	119,714
Assets held for resale	-	-	10,793,252	-	10,793,252
Advances to other funds	-	-	-	214,316	214,316
<b>Total assets</b>	<u>20,691,022</u>	<u>3,420,772</u>	<u>19,921,570</u>	<u>9,094,369</u>	<u>53,127,733</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	237,333	9,535	600,850	148,778	996,496
Accrued salaries, wages and benefits	541,535	5,750	-	60,085	607,370
Accrued interest payable	-	-	167,693	-	167,693
Deferred revenue	11,650,613	1,229,939	2,090,714	1,772,918	16,744,184
Due to other funds	176,805	2,157,647	5,269	13,221	2,352,942
Due to other governments	40,424	888	117,076	72,841	231,229
Advances from other funds	-	-	214,316	-	214,316
General obligation notes payable	-	-	13,300,000	-	13,300,000
<b>Total liabilities</b>	<u>12,646,710</u>	<u>3,403,759</u>	<u>16,495,918</u>	<u>2,067,843</u>	<u>34,614,230</u>
<b>Fund Balances</b>					
Reserved for encumbrances	194,673	16,432	1,303,029	145,764	1,659,898
Reserved for prepaid items	100,450	231	-	19,033	119,714
Reserved for advances	-	-	-	214,316	214,316
Reserved for inventory of supplies	149,355	350	-	320,623	470,328
Reserved for loans receivable	-	-	-	1,953,969	1,953,969
Reserved for debt service	-	-	-	19,804	19,804
Reserved for cemetery perpetual care	-	-	-	218,197	218,197
Reserved for assets held for resale	-	-	10,793,252	-	10,793,252
<b>Unreserved - undesignated</b>					
General fund	7,599,834	-	-	-	7,599,834
Special revenue funds	-	-	-	3,474,129	3,474,129
Capital Projects funds	-	-	(8,670,629)	660,691	(8,009,938)
<b>Total fund balances</b>	<u>8,044,312</u>	<u>17,013</u>	<u>3,425,652</u>	<u>7,026,526</u>	<u>18,513,503</u>
<b>Total liabilities and fund balances</b>	<u>\$ 20,691,022</u>	<u>\$ 3,420,772</u>	<u>\$ 19,921,570</u>	<u>\$ 9,094,369</u>	<u>\$ 53,127,733</u>

See accompanying notes to the basic financial statements

**Reconciliation of Total Governmental Fund Balances to Net Assets of  
Governmental Activities  
December 31, 2008**

**Total Governmental Fund Balances** \$ 18,513,503

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds. Those assets consist of:

Nondepreciable capital assets	10,818,855	
Depreciable capital assets	<u>75,744,425</u>	86,563,280

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

Investment earnings	67,849	
Property taxes	278,900	
Grants and entitlements	2,333,506	
Income tax	1,229,939	
Special assessments	1,066,750	
Charges for services	<u>1,740,342</u>	6,717,286

Internal service funds are used by the City to account for the financing of goods or services provided by one department to other City departments or agencies, generally on a cost reimbursement basis. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:

4,077,780

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable	(25,559)	
Deferred charges related to debt issuance	363,622	
Unamortized bond premium	(98,021)	
Accrued compensated absences	(6,583,354)	
Capital leases	(2,945,806)	
Bonds Payable	<u>(7,109,319)</u>	(16,398,437)

**Total Governmental Activities Net Assets** \$ 99,473,412

# City of Cuyahoga Falls, Ohio

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Year Ended December 31, 2008

	General	Municipal Income Tax	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 10,171,550	\$ -	\$ -	\$ 585,614	\$ 10,757,164
Municipal income taxes	-	18,753,883	-	-	18,753,883
Other local taxes	318,872	-	-	241,338	560,210
State levied shared taxes	4,982,835	-	-	2,372,404	7,355,239
Intergovernmental	64,392	-	1,328,991	821,133	2,214,516
Charges for services	6,170,803	-	1,536,998	129,209	7,837,010
Fees, licenses and permits	419,927	-	-	1,415,505	1,835,432
Interest earnings	-	-	5,064	1,046,094	1,051,158
Fines and forfeitures	238,691	-	-	64,801	303,492
Special assessments	-	-	166,585	198,029	364,614
Other	368,489	8	482,062	86,351	936,910
Total revenues	22,735,559	18,753,891	3,519,700	6,960,478	51,969,628
<b>Expenditures</b>					
Current					
Security of persons and property	18,235,264	-	-	2,535,426	20,770,690
Leisure time activities	2,170,043	-	-	83,930	2,253,973
Community environment	1,385,349	-	-	503,134	1,888,483
Street maintenance	-	-	-	4,128,506	4,128,506
General government	8,664,058	1,019,076	-	1,267,008	10,950,142
Capital outlay	-	-	5,914,721	213,000	6,127,721
Debt Service					
Principal	-	-	530,886	1,003,099	1,533,985
Interest	-	-	324,776	345,413	670,189
Total expenditures	30,454,714	1,019,076	6,770,383	10,079,516	48,323,689
Excess (deficiency) of revenues					
Over (under) expenditures	(7,719,155)	17,734,815	(3,250,683)	(3,119,038)	3,645,939
<b>Other Financing Sources (Uses)</b>					
Capital lease	-	-	540,197	-	540,197
Transfers in	12,880,677	-	5,201,334	4,695,307	22,777,318
Transfers out	(4,043,923)	(17,733,834)	-	(2,445,445)	(24,223,202)
Total other financing sources (uses)	8,836,754	(17,733,834)	5,741,531	2,249,862	(905,687)
Net change in fund balances	1,117,599	981	2,490,848	(869,176)	2,740,252
Fund balance at beginning of year	6,908,662	15,613	934,804	8,013,281	15,872,360
Change in reserve for inventory	21,982	350	-	(116,197)	(93,865)
Change in reserve for prepaid items	(3,931)	69	-	(1,382)	(5,244)
Fund balance at end of year	<u>\$ 8,044,312</u>	<u>\$ 17,013</u>	<u>\$ 3,425,652</u>	<u>\$ 7,026,526</u>	<u>\$ 18,513,503</u>

See accompanying notes to the basic financial statements

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2008**

**Net Change in Fund Balances - Total Governmental Funds** \$ 2,740,252

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital additions	4,985,780	
Current year depreciation	<u>(3,932,935)</u>	
		1,052,845

In the statement of activities, only the loss on the disposal of assets is reported, whereas, in the governmental funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets. (421,978)

Capital contributions of capital assets to business-type activities decrease net assets in the statement of activities, but do not affect the governmental funds because they are not financial uses. (232,947)

Governmental funds report expenditures for inventory of supplies and prepaid items when purchased. However, in the statement of activities, they are reported as an expense when consumed. (99,109)

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

Investment earnings	51,326	
Property taxes	(53,809)	
Grants and entitlements	5,189	
Income tax	20,070	
Special assessments	(100,840)	
Charges for services	<u>177,994</u>	
		99,930

Repayment of bond principal and capital lease payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,533,985

Issuance of capital lease in governmental funds increased long-term liabilities in the statement of net assets. (540,197)

In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds an interest expenditure is reported when due. 9,374

Premiums on bonds issued are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities. (49,151)

Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities. (7,700)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 213,320

Internal service funds are used by the City to account for the financing of goods or services provided by one department to other City departments or agencies, generally on a cost reimbursement basis. The revenues (expenses) of the internal service funds are allocated among the governmental activities. (339,083)

Changes in Net Assets of Governmental Activities \$ 3,959,541

## City of Cuyahoga Falls, Ohio

### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 9,535,901	\$ 9,535,901	\$ 10,171,550	\$ 635,649
Other local taxes	143,850	312,850	312,983	133
State levied shared taxes	5,345,594	5,784,844	5,154,484	(630,360)
Intergovernmental	43,000	33,000	54,892	21,892
Charges for services	6,130,305	5,950,805	6,263,566	312,761
Fees, licenses, and permits	601,950	412,450	421,632	9,182
Fines and forfeitures	337,800	246,050	243,830	(2,220)
Special assessments	-	-	-	-
Other	240,500	278,000	360,069	82,069
Total revenues	22,378,900	22,553,900	22,983,006	429,106
<b>Expenditures</b>				
Current				
Security of persons and property	18,874,190	18,984,590	18,187,394	797,196
Leisure time activities	2,321,127	2,231,127	2,182,968	48,159
Community environment	1,529,514	1,529,522	1,407,793	121,729
General government	9,273,188	9,412,188	8,778,743	633,445
Total expenditures	31,998,019	32,157,427	30,556,898	1,600,529
Excess (deficiency) of revenues over (under) expenditures	(9,619,119)	(9,603,527)	(7,573,892)	2,029,635
<b>Other Financing Sources (Uses)</b>				
Transfers in	12,746,332	12,861,255	12,828,139	(33,116)
Transfers out	(4,221,784)	(4,083,384)	(4,050,923)	32,461
Total other financing sources (uses)	8,524,548	8,777,871	8,777,216	(655)
Net change in fund balances	(1,094,571)	(825,656)	1,203,324	2,028,980
Fund balance at beginning of year	4,422,387	4,422,387	4,422,387	-
Prior year encumbrances appropriated	306,154	306,154	306,154	-
Fund balance at end of year	\$ 3,633,970	\$ 3,902,885	\$ 5,931,865	\$ 2,028,980

See accompanying notes to the basic financial statements

**Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Municipal Income Tax Fund  
For the Year Ended December 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal income taxes	\$ 18,488,200	\$ 18,678,200	\$ 18,746,246	\$ 68,046
Other	-	-	8	8
Total revenues	18,488,200	18,678,200	18,746,254	68,054
<b>Expenditures</b>				
Current				
<b>General government</b>	1,038,975	1,146,975	1,034,115	112,860
Total expenditures	1,038,975	1,146,975	1,034,115	112,860
Excess (deficiency) of revenues over (under) expenditures	17,449,225	17,531,225	17,712,139	180,914
<b>Other Financing Sources (Uses)</b>				
Transfers out	(17,466,622)	(17,650,000)	(17,650,000)	-
Total other financing sources (uses)	(17,466,622)	(17,650,000)	(17,650,000)	-
Net change in fund balances	(17,397)	(118,775)	62,139	180,914
Fund balance at beginning of year	133,183	133,183	133,183	-
Prior year encumbrances appropriated	17,398	17,398	17,398	-
Fund balance at end of year	<u>\$ 133,184</u>	<u>\$ 31,806</u>	<u>\$ 212,720</u>	<u>\$ 180,914</u>

See accompanying notes to the basic financial statements

# City of Cuyahoga Falls, Ohio

## Statement of Net Assets - Proprietary Funds December 31, 2008

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
<b>Assets</b>							
<b>Current Assets</b>							
Equity in pooled cash and cash equivalents	\$ 3,239,169	\$ 1,093,333	\$10,264,914	\$ 738,593	\$ 668,415	\$ 931,012	\$16,935,436
Cash and cash equivalents - escrow agent	3,461,454	2,305,141	5,105,363	171,626	-	-	11,043,584
Receivables							
Accounts							
(net of allowance for uncollectibles)	985,254	630,728	5,209,111	160,240	17,037	87,617	7,089,987
Special assessments	-	29,910	-	-	-	123,025	152,935
Due from other funds	42,856	-	868,422	41,283	-	21,347	973,908
Due from other governments	44,797	356	-	244	191	-	45,588
Inventory of supplies	32,922	377,594	3,931,596	56,763	84,628	-	4,483,503
Prepaid items	8,545	17,185	30,929	7,711	33,278	223	97,871
Deferred charges	8,145	87,275	-	-	348,190	-	443,610
Unamortized bond discount	12,991	34,246	-	-	-	-	47,237
Investment in joint venture	-	-	6,551,104	-	-	-	6,551,104
Advances to other funds	-	-	610,000	-	-	-	610,000
Total current assets	<u>7,836,133</u>	<u>4,575,768</u>	<u>32,571,439</u>	<u>1,176,460</u>	<u>1,151,739</u>	<u>1,163,224</u>	<u>48,474,763</u>
<b>Noncurrent Assets</b>							
<b>Capital Assets</b>							
Land	93,459	135,605	495,890	152,781	1,763,407	718,177	3,359,319
Buildings	501,757	937,048	703,644	119,962	35,437,986	11,700	37,712,097
Improvements other than buildings	22,807,082	24,259,974	29,689,497	-	3,529,772	8,176,231	88,462,556
Equipment	1,473,860	1,508,534	4,725,545	2,797,041	720,172	19,471	11,244,623
CIP	1,842,771	1,337,786	3,767,742	85,091	144,043	-	7,177,433
Less: Accumulated depreciation	<u>(8,223,567)</u>	<u>(9,585,408)</u>	<u>(20,816,662)</u>	<u>(2,176,796)</u>	<u>(6,425,730)</u>	<u>(1,004,014)</u>	<u>(48,232,177)</u>
Total noncurrent assets	<u>18,495,362</u>	<u>18,593,539</u>	<u>18,565,656</u>	<u>978,079</u>	<u>35,169,650</u>	<u>7,921,565</u>	<u>99,723,851</u>
Total assets	<u>26,331,495</u>	<u>23,169,307</u>	<u>51,137,095</u>	<u>2,154,539</u>	<u>36,321,389</u>	<u>9,084,789</u>	<u>148,198,614</u>
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Accounts payable	26,764	30,071	2,125,095	80,705	88,421	111,832	2,462,888
Accrued salaries, wages and benefits	22,783	46,403	83,198	30,977	43,105	1,402	227,868
Accrued compensated absences	124,649	199,791	437,103	101,870	61,669	4,045	929,127
Accrued interest payable	11,648	30,543	3,238	-	59,021	-	104,450
Deferred revenue	-	-	-	-	8,960	-	8,960
Due to other funds	175,570	237,121	4,960	142,981	643,609	-	1,204,241
Due to other governments	562,760	7,004	12,351	4,697	6,613	217	593,642
Deposits held and due to others	-	8,794	704,522	-	-	-	713,316
Other post-employment benefit obligation	-	-	-	-	-	-	-
Claims and judgments payable	-	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	-	-	-
Advances from other funds	85,000	-	-	100,000	-	-	185,000
General obligation notes payable	400,000	-	-	-	18,900,000	-	19,300,000
General obligation bonds payable	237,888	577,633	335,149	-	538,016	-	1,688,686
Total current liabilities	<u>1,647,062</u>	<u>1,137,360</u>	<u>3,705,616</u>	<u>461,230</u>	<u>20,349,414</u>	<u>117,496</u>	<u>27,418,178</u>
<b>Noncurrent Liabilities</b>							
Accrued compensated absences	155,699	239,416	543,334	274,774	133,916	8,433	1,355,572
Claims and judgments payable	-	-	-	-	-	-	-
Capital lease obligations	5,164,668	3,439,389	7,617,464	256,075	-	-	16,477,596
Advances from other funds	425,000	-	-	-	-	-	425,000
Payable to joint venture	-	-	4,429,709	-	-	-	4,429,709
Unamortized bond premium	5,124	-	-	-	542,290	-	547,414
General obligation bonds payable	2,526,888	7,398,955	355,149	-	7,927,307	-	18,208,299
Total noncurrent liabilities	<u>8,277,379</u>	<u>11,077,760</u>	<u>12,945,656</u>	<u>530,849</u>	<u>8,603,513</u>	<u>8,433</u>	<u>41,443,590</u>
Total liabilities	<u>9,924,441</u>	<u>12,215,120</u>	<u>16,651,272</u>	<u>992,079</u>	<u>28,952,927</u>	<u>125,929</u>	<u>68,861,768</u>
<b>Net Assets</b>							
Invested in capital assets, net of related debt	13,630,433	9,595,599	15,344,155	892,988	7,610,227	7,921,565	54,994,967
Unrestricted	2,776,621	1,358,588	19,141,668	269,472	(241,765)	1,037,295	24,341,879
Total net assets	<u>\$ 16,407,054</u>	<u>\$10,954,187</u>	<u>\$34,485,823</u>	<u>\$1,162,460</u>	<u>\$7,368,462</u>	<u>\$8,958,860</u>	<u>\$79,336,846</u>
Adjustment to consolidate the internal service fund activities related to enterprise funds.							(1,124,716)
Total net assets of business-type activities							<u>\$78,212,130</u>

See accompanying notes to the basic financial statements



Statement of Net Assets - Proprietary Funds  
December 31, 2008

(Continued)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets</b>	
<b>Current Assets</b>	
Equity in pooled cash and cash equivalents	\$ 3,694,957
Cash and cash equivalents - escrow agent	-
Receivables	
Accounts	
(net of allowance for uncollectibles)	-
Special assessments	-
Due from other funds	-
Due from other governments	25,613
Inventory of supplies	491,545
Prepaid items	24,774
Deferred charges	-
Unamortized bond discount	-
Investment in joint venture	-
Advances to other funds	-
Total current assets	<u>4,236,889</u>
<b>Noncurrent Assets</b>	
Capital Assets	
Land	21,960
Buildings	238,816
Improvements other than buildings	260,029
Equipment	1,357,314
CIP	-
Less: Accumulated depreciation	<u>(1,414,038)</u>
Total noncurrent assets	<u>464,081</u>
Total assets	<u>4,700,970</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	67,987
Accrued salaries, wages and benefits	26,243
Accrued compensated absences	119,862
Accrued interest payable	-
Deferred revenue	-
Due to other funds	6,156
Due to other governments	331,621
Deposits held and due to others	-
Other post-employment benefit obligation	292,985
Claims and judgments payable	607,240
Capital lease obligations	-
Advances from other funds	-
General obligation notes payable	-
General obligation bonds payable	-
Total current liabilities	<u>1,452,094</u>
<b>Noncurrent Liabilities</b>	
Accrued compensated absences	188,683
Claims and judgments payable	107,129
Capital lease obligations	-
Advances from other funds	-
Payable to joint venture	-
Unamortized bond premium	-
General obligation bonds payable	-
Total noncurrent liabilities	<u>295,812</u>
Total liabilities	<u>1,747,906</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	464,081
Unrestricted	2,488,983
Total net assets	<u>\$ 2,953,064</u>

# City of Cuyahoga Falls, Ohio

## Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds For the Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
<b>Operating Revenues</b>							
Charges for services	\$ 6,164,256	\$ 4,861,326	\$33,757,610	\$ 3,639,485	\$ 5,409,133	\$ 1,107,308	\$54,939,118
Other	179,042	264,252	773,191	176,427	472,206	46,236	1,911,354
Total operating revenues	<u>6,343,298</u>	<u>5,125,578</u>	<u>34,530,801</u>	<u>3,815,912</u>	<u>5,881,339</u>	<u>1,153,544</u>	<u>56,850,472</u>
<b>Operating Expenses</b>							
Personal services	843,250	1,534,924	3,229,857	1,034,247	2,272,483	50,854	8,965,615
Fringe benefits	293,396	512,264	1,063,622	372,053	479,614	22,305	2,743,254
Purchased power	-	-	22,353,131	-	-	-	22,353,131
Materials and supplies	29,548	326,298	4,371,907	286,789	153,223	2,247	5,170,012
Utilities	36,470	321,713	59,748	27,085	407,059	-	852,075
Contractual services	2,567,139	164,103	84,232	790,157	25,066	148,324	3,779,021
Internal charges	736,603	832,188	1,897,670	589,293	626,651	22,030	4,704,435
Other	176,166	282,799	1,062,845	206,437	820,630	33,272	2,582,149
Depreciation	606,581	855,479	970,426	223,060	908,205	148,384	3,712,135
Total Operating Expenses	<u>5,289,153</u>	<u>4,829,768</u>	<u>35,093,438</u>	<u>3,529,121</u>	<u>5,692,931</u>	<u>427,416</u>	<u>54,861,827</u>
Net income (loss) from operations	<u>1,054,145</u>	<u>295,810</u>	<u>(562,637)</u>	<u>286,791</u>	<u>188,408</u>	<u>726,128</u>	<u>1,988,645</u>
<b>Nonoperating Revenues (Expenses)</b>							
Interest revenue	12,951	8,625	19,102	642	-	-	41,320
Interest expense	(171,489)	(390,304)	(54,700)	-	(1,008,436)	-	(1,624,929)
Gain from disposal of capital assets	800	-	(3,238)	2,176	5,000	-	4,738
Grants	-	217	7,217	52,870	-	-	60,304
Total nonoperating revenues (expenses)	<u>(157,738)</u>	<u>(381,462)</u>	<u>(31,619)</u>	<u>55,688</u>	<u>(1,003,436)</u>	<u>-</u>	<u>(1,518,567)</u>
Income (loss) before contributions and transfers	<u>896,407</u>	<u>(85,652)</u>	<u>(594,256)</u>	<u>342,479</u>	<u>(815,028)</u>	<u>726,128</u>	<u>470,078</u>
Capital Contributions	-	100,768	50,356	-	210,320	82,737	444,181
Transfers in	-	-	1,759,139	-	1,423,184	30,445	3,212,768
Transfers out	-	-	(1,766,884)	-	-	-	(1,766,884)
Changes in net assets	<u>896,407</u>	<u>15,116</u>	<u>(551,645)</u>	<u>342,479</u>	<u>818,476</u>	<u>839,310</u>	<u>2,360,143</u>
Total net assets - beginning	15,510,647	10,939,071	35,037,468	819,981	6,549,986	8,119,550	
Total net assets - ending	<u>\$16,407,054</u>	<u>\$10,954,187</u>	<u>\$34,485,823</u>	<u>\$ 1,162,460</u>	<u>\$ 7,368,462</u>	<u>\$ 8,958,860</u>	
Adjustment to consolidate the internal service fund activities related to enterprise funds.							(128,629)
Change in net assets of business-type activities							<u>\$ 2,231,514</u>

See accompanying notes to the basic financial statements

**Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds** (Continued)  
**For the Year Ended December 31, 2008**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 8,708,329
Other	134,319
Total operating revenues	8,842,648
<b>Operating Expenses</b>	
Personal services	1,514,001
Fringe benefits	5,599,382
Purchased power	-
Materials and supplies	1,291,721
Utilities	20,143
Contractual services	137,242
Internal charges	179,965
Other	545,043
Depreciation	98,195
Total Operating Expenses	9,385,692
Net income (loss) from operations	(543,044)
<b>Nonoperating Revenues (Expenses)</b>	
Interest revenue	75,332
Interest expense	-
Gain from disposal of capital assets	-
Grants	-
Total nonoperating revenues (expenses)	75,332
Income (loss) before contributions	(467,712)
Capital Contributions	-
Transfers in	-
Transfers out	-
Changes in net assets	(467,712)
Total net assets - beginning, restated	3,420,776
Total net assets - ending	\$ 2,953,064

# City of Cuyahoga Falls, Ohio

## Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
<b>Cash Flows From Operating Activities</b>							
Cash received from customers	\$ 6,255,221	\$ 5,092,713	\$ 34,640,906	\$ 3,812,311	\$ 5,857,513	\$ 1,131,130	\$ 56,789,794
Cash payments to employees for services	(839,919)	(1,525,748)	(3,219,040)	(1,030,014)	(2,265,821)	(50,508)	(8,931,050)
Cash payments to employees for benefits	(291,207)	(526,362)	(1,084,595)	(353,361)	(473,884)	(20,254)	(2,749,663)
Cash payments to suppliers for goods and services	(3,396,048)	(1,937,788)	(30,163,909)	(1,969,046)	(1,999,697)	(119,200)	(39,585,688)
Net cash provided by operating activities	1,728,047	1,102,815	173,362	459,890	1,118,111	941,168	5,523,393
<b>Cash Flows From Non-Capital Financing Activities</b>							
Grant proceeds	-	217	7,217	52,870	-	-	60,304
Transfers in	-	-	1,759,139	-	1,423,184	30,445	3,212,768
Transfers out	-	-	(1,766,884)	-	-	-	(1,766,884)
Advances in	-	-	185,000	-	-	-	185,000
Advances out	(85,000)	-	-	(100,000)	-	-	(185,000)
Net cash provided by non-capital financing activities	(85,000)	217	184,472	(47,130)	1,423,184	30,445	1,506,188
<b>Cash Flows From Capital and Related Financing Activities</b>							
Acquisition of capital assets	(443,584)	(582,196)	(841,443)	(438,244)	(6,000)	(838,466)	(3,149,933)
Proceeds from the sale of capital assets	800	-	4,855	2,176	-	-	7,831
Bond/note proceeds	405,124	-	-	-	19,142,109	-	19,547,233
Debt service							
Principal	(1,128,903)	(556,324)	(320,000)	-	(20,703,674)	-	(22,708,901)
Interest	(175,788)	(388,926)	(56,140)	-	(1,120,711)	-	(1,741,565)
Net cash used in capital and related financing activities	(1,342,351)	(1,527,446)	(1,212,728)	(436,068)	(2,688,276)	(838,466)	(8,045,335)
<b>Cash Flows from Investing Activities</b>							
Interest revenue	-	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	300,696	(424,414)	(854,894)	(23,308)	(146,981)	133,147	(1,015,754)
Cash and cash equivalents at Beginning of Year	2,938,473	1,517,747	11,119,808	761,901	815,396	797,865	17,951,190
Cash and cash equivalents at end of year	\$ 3,239,169	\$ 1,093,333	\$ 10,264,914	\$ 738,593	\$ 668,415	\$ 931,012	\$ 16,935,436

See accompanying notes to the basic financial statements

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended December 31, 2008**

(Continued)

	<u>Governmental Activities - Internal Service Funds</u>
<b>Cash Flows From Operating Activities</b>	
Cash received from customers	\$ 8,855,609
Cash payments to employees for services	(1,507,139)
Cash payments to employees for benefits	(5,834,150)
Cash payments to suppliers for goods and services	<u>(2,262,838)</u>
Net cash provided by operating activities	(748,518)
<b>Cash Flows From Non-Capital Financing Activities</b>	
Grant proceeds	-
Transfers in	-
Transfers out	-
Advances in	-
Advances out	<u>-</u>
Net cash provided by non-capital financing activities	-
<b>Cash Flows From Capital and Related Financing Activities</b>	
Acquisition of capital assets	(28,201)
Proceeds from the sale of capital assets	-
Bond/note proceeds	-
Debt service	-
Principal	-
Interest	<u>-</u>
Net cash used in capital and related financing activities	(28,201)
<b>Cash Flows from Investing Activities</b>	
Interest revenue	<u>75,332</u>
Net cash provided by investing activities	<u>75,332</u>
Net increase (decrease) in cash and cash equivalents	(701,387)
Cash and cash equivalents at Beginning of Year	<u>4,396,344</u>
Cash and cash equivalents at end of year	<u>\$ 3,694,957</u>

# City of Cuyahoga Falls, Ohio

## Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2008

(Continued)

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
<b>Reconciliation of Operating Income to</b>							
<b>Net Cash Provided By Operating</b>							
<b>Activities</b>							
<b>Operating Income (Loss)</b>	\$ 1,054,145	\$ 295,810	\$ (562,637)	\$ 286,791	\$ 188,408	\$ 726,128	\$ 1,988,645
Adjustments to reconcile operating							
income (loss) to net cash provided by							
operating activities:							
Depreciation	606,581	855,479	970,426	223,060	908,205	148,384	3,712,135
Amortization expense	1,068	7,031	4,851	-	8,708	-	21,658
Capital lease	1,716,165	1,142,873	2,531,203	85,091	-	-	5,475,332
Decrease (increase) in operating assets and							
increase (decrease) in operating liabilities:							
Receivables	(71,213)	(35,144)	(258,461)	(8,674)	(15,778)	(30,272)	(419,542)
Due from other funds	(20,470)	-	28,981	4,570	-	7,858	20,939
Due from other governments	3,589	(356)	25	503	93	-	3,854
Inventory of supplies	(6,791)	22,953	(201,880)	826	(12,959)	-	(197,851)
Prepaid items	3,648	1,296	3,994	2,290	(2,828)	46	8,446
Investment in joint ventures	-	-	(216,109)	-	-	-	(216,109)
Accounts payable							
- net of items affecting capital assets	(1,684,388)	(1,152,754)	(2,392,189)	(156,379)	21,284	86,627	(5,277,799)
Accrued salaries, wages and benefits	5,019	(6,327)	(11,795)	22,288	11,372	2,343	22,900
Due to other funds	5,415	(25,766)	1,997	(1,144)	19,182	-	(316)
Due to other governments	115,279	1,405	1,639	668	1,020	54	120,065
Deposits held and due to others	-	(3,685)	273,317	-	-	-	269,632
Other post-employment benefit obligati	-	-	-	-	-	-	-
Claims and judgments payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	(8,596)	-	(8,596)
<b>Total adjustments</b>	<b>673,902</b>	<b>807,005</b>	<b>735,999</b>	<b>173,099</b>	<b>929,703</b>	<b>215,040</b>	<b>3,534,748</b>
<b>Net cash provided by</b>							
<b>operating activities</b>	<b>\$ 1,728,047</b>	<b>\$ 1,102,815</b>	<b>\$ 173,362</b>	<b>\$ 459,890</b>	<b>\$ 1,118,111</b>	<b>\$ 941,168</b>	<b>\$ 5,523,393</b>

During 2008 the Water, Electric, Leisure Time and Storm Drainage Utility Enterprise Funds received contributions in the form of capital assets in the amounts of \$100,768, \$50,356, \$210,320 and, \$82,737, respectively, from the Community Development Block Grant Special Revenue Fund and the Capital Projects Fund.

See accompanying notes to the basic financial statements

**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended December 31, 2008**

(Continued)

	<u>Governmental Activities - Internal Service Funds</u>
<b>Reconciliation of Operating Income to</b>	
<b>Net Cash Provided By Operating</b>	
<b>Activities</b>	
<b>Operating Income (Loss)</b>	\$ (543,044)
Adjustments to reconcile operating	
income (loss) to net cash provided by	
operating activities:	
Depreciation	98,195
Amortization expense	-
Decrease (increase) in operating assets and	
increase (decrease) in operating liabilities:	
Receivables	-
Due from other funds	-
Due from other governments	1,034
Inventory of supplies	(6,000)
Prepaid items	502
Investment in joint ventures	-
Accounts payable	
- net of items affecting capital assets	(64,424)
Accrued salaries, wages and benefits	43,808
Due to other funds	(6,406)
Due to other governments	(33,142)
Deposits held and due to others	-
Other post-employment benefit obligat	292,985
Claims and judgments payable	(532,026)
Deferred revenue	-
<b>Total adjustments</b>	<u>(205,474)</u>
<b>Net cash provided by</b>	
<b>operating activities</b>	<u>\$ (748,518)</u>

## City of Cuyahoga Falls, Ohio

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### Statement of Assets and Liabilities - Fiduciary Funds December 31, 2008

	<u>Agency Funds</u>
<b>Assets</b>	
<b>Current Assets</b>	
Equity in pooled cash and cash equivalents	\$ 3,430,243
Cash and cash equivalents - restricted accounts	528,882
Due from other governments	<u>152,130</u>
Total assets	4,111,255
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Due to other governments	2,318,101
Deposits held and due to others	<u>1,793,154</u>
Total liabilities	<u><u>4,111,255</u></u>

See accompanying notes to the basic financial statements



**NOTES TO THE FINANCIAL  
STATEMENTS**

## **City of Cuyahoga Falls, Ohio**

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### **Notes to the Financial Statements December 31, 2008**

#### **NOTE 1 – REPORTING ENTITY**

The City of Cuyahoga Falls (the “City”) operates as a political subdivision of the State of Ohio. The community was founded in 1812, became a township in 1851, was incorporated as a village in 1868 and became a city in 1920. The City Charter was first adopted on November 3, 1959, and became effective on January 1, 1960. The Charter establishes a strong Mayor-Council form of government.

The City provides municipal services such as police and fire protection, emergency medical service, administration of justice, community planning and development, recreational and cultural activities, street maintenance, cemetery operations, environmental services and other functions necessary for general government. The City also operates certain enterprise operations such as water and sanitary sewer service, refuse collection, electric distribution, storm drainage utilities, and recreation facilities that include a natatorium, a golf course, driving range/batting cages/miniature golf, an outdoor water park and a community center.

The accompanying financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, and Statement No. 39, Determining Whether Certain Organizations are Component Units, in that the financial statements include those activities and functions in which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and either (1) the City’s ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City. Based on this criteria, the City has one component unit.

Component unit – The Community Improvement Corporation of Cuyahoga Falls (CIC) is a not for profit corporation to advance, encourage, and promote the industrial, commercial, civic, and economic development of Cuyahoga Falls, Ohio, under the applicable sections of the Ohio Revised Code. The City has assumed a financial burden to the component unit through its contribution of tax increment financing received from the Summit County Fiscal Officer to the CIC. Since this funding represents a significant portion of CIC revenue, the organization is fiscally dependent on the City. Also, the majority of the CIC’s board is appointed by the City. The City has chosen the discrete method of presentation of CIC because it provides services to the primary government and the citizens of the City as opposed to only the primary government. The discrete method of presentation requires component unit data to be reported together with, but separately from the data of the primary government in the government-wide financial statements. Complete financial statement for the CIC may be obtained at the entity’s administrative offices, 2310 Second Street, Cuyahoga Falls, Ohio 44221.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Cuyahoga Falls have been prepared in conformity with generally accepted accounting principals (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The City applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected to follow GASB guidance for business-type activities and enterprise funds rather than FASB guidance issued after November 30, 1989. The more significant of the City’s accounting policies are described below.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Basis of Presentation**

The City's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements**

The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component unit. Interfund activity, and related interfund receivables and payables, have been eliminated in the government-wide statements. These eliminations remove the duplicating effect on assets, liabilities, revenues and expenses that would otherwise occur. Internal service fund balances, whether positive or negative, have been eliminated against governmental activity program expenses shown in the statement of activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues which are not classified as program revenues are presented as general revenues of the City with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

**Fund Financial Statements**

Fund financial Statements are designated to present financial information of the City at a more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds, which includes all enterprise funds, are reported as separate columns in the fund financial statements. Nonmajor governmental funds are aggregated and presented in a single column on the governmental fund statements. Governmental activities internal service funds are aggregated and presented in a single column in the proprietary fund statements. The City's only business-type internal service fund, the Utility Billing Fund, which is a billing and collections operation for the City's utility enterprise funds: Sewage and Disposal, Water, Electric and Sanitation, has been directly reported in those funds. Fiduciary funds are reported by type.

**B. Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

# City of Cuyahoga Falls, Ohio

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## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **General Fund**

This fund accounts for all financial resources of the City except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Cuyahoga Falls and/or the general laws of Ohio.

### **Municipal Income Tax Fund**

This fund accounts for income tax revenue and the expenses of the administration of the income tax. After operating expenses are deducted, allocation is made to the General Fund, Recreation Levy Special Revenue Fund and Capital Projects Fund at a rate of 62.67 percent, 8 percent, and 29.33 percent, respectively.

### **Capital Projects Fund**

This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The other governmental funds of the City account for grants and other resources, which are restricted to a particular purpose.

### **Proprietary Fund Types**

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

### **Enterprise Funds**

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

#### **Sewage and Disposal Fund**

This fund accounts for sanitary sewer service provided to residential and commercial users within the City.

#### **Water Fund**

This fund accounts for the provision of water treatment and distribution to residential and commercial users within the City, the Village of Munroe Falls, the Village of Silver Lake and certain other residents within close proximity.

#### **Electric Fund**

This fund accounts for the distribution of electricity to residential and commercial users within the City.

#### **Sanitation Fund**

This fund accounts for the refuse and recycling collection services provided to residential and commercial users within the City.

#### **Leisure Time Fund**

This fund accounts for the revenues and expenses of an outdoor swimming pool, a Community Recreation Center, a municipal golf course/driving range/batting cages/miniature golf facility and a civic cultural center.

#### **Storm Drainage Utility Fund**

This fund accounts for monies received for the storm sewer infrastructure repair and upgrade. These monies will be used to construct, equip, operate, repair, improve, extend and maintain open drainage ways, underground storm drains, equipment and appurtenances necessary. Also, used for improvements and maintenance of the drainage systems.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Internal Service Funds**

Internal Service Funds account for the financing of goods or services provided by one department of the City to other departments or agencies of the City on a cost-reimbursement basis. The City has the following internal service funds, which are described in the combining statements and individual fund statements section: Garage, Office Supply, Information Services, Self Insurance, Workers' Compensation and Compensated Absences. All of the City's internal service funds are nonmajor funds.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City of Cuyahoga Falls has no trust funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results and operations.

The City's agency funds account for money received from the City for employer pension and Medicare payments, employee withholdings, deposits held for contractors and developers and money on deposit with the Cuyahoga Falls Municipal Court.

**C. Measurement Focus**

**Government-wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and liabilities associated with operation of the City are included on the Statement of Net Assets.

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**D. Basis of Accounting**

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

## City of Cuyahoga Falls, Ohio

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 4). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, tuition, grants, fees and rentals.

#### **Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

#### **Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

#### **Budgetary Data**

The budgetary process is prescribed by Charter and by the provisions of the Ohio Revised Code (ORC) and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Alternative Tax Budget Information Form, the Official Certificate of Estimated Resources and the Appropriation Ordinance(s), all of which are prepared on the budgetary basis of accounting.

All funds other than the Agency Funds are legally required to be budgeted. The Cemetery Perpetual Care Permanent Fund is not reported on a budgetary basis, as the fund did not have expenditures on a non-GAAP budgetary basis. However, only governmental funds are reported.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Tax Budget

The Summit County Budget Commission (the “Commission”) has waived the requirement for a taxing authority to officially adopt a tax budget, pursuant to ORC. However, the Commission requires a taxing authority to complete and file an Alternative Tax Budget Form (preliminary financial plan) with the County Fiscal Officer on or before July 20<sup>th</sup> for all subdivisions excluding school districts, which file their form on or before January 20<sup>th</sup>. The form is prepared to assist the Commission in performing their duties, including the division of the tax rates and the creation of the Official Certificate of Estimated Resources. The following schedules are provided in the form:

- Levies inside and outside ten mill limitation, inclusive of debt levies.
- Detailed statement of fund activity for the General Fund and any other fund that receives property tax.
- Aggregate statement of fund activity for all other budgeted funds.
- Unvoted general obligation debt.
- Voted debt outside ten mill limit.
- Tax anticipation notes

Estimated Resources

The Commission certifies its actions regarding the Tax Budget to the City by September 1. As part of this certification, the City receives the Official Certificate of Estimated Resources, which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any balances from the preceding year. The Certificate of Estimated Resources may also be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the annual appropriation measure.

Since the Official Certificate of Estimated Resources is based on the Alternative Tax Budget Information Form, which is preliminary in nature, the amounts reported as the original budgeted amounts on the budgetary statements are based on the first Amended Official Certificate of Estimated Resources to which the original appropriations are based. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final Amended Certificate of Estimated Resources.

Appropriations

A temporary Appropriation Ordinance to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual Appropriation Ordinance must be passed by April 1 of each year for the period January 1 to December 31. The Appropriation Ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources, as certified by the Commission.

The Appropriation Ordinance represents City Council authorization to spend resources and sets annual limits on expenditures of the resources. The initial level of budgetary control is passed by City Council at the fund level, department and object level (Personal Services, Capital Outlay, and Other Operations) with further restrictions prohibiting the transfer of funds between departments of a particular fund and limiting transfers of sums between line items of a department, at any time within the fiscal year which exceed in the aggregate seven percent of the amount originally appropriated in the line item from which the transfer is made, but not to exceed \$10,000. The City Finance Director is authorized by Charter to transfer funds already appropriated between funds and departments; however, any revisions that change the total fund appropriations or exceed the limits restricting transfers of sums between line items must be approved by City Council.

The amounts reported as the original budgeted amounts reflect the original Appropriation Ordinance. The amounts reported as the final budgeted amounts represent the final Appropriation Ordinance, including all amendments and modifications passed by City Council in December 2008.

## City of Cuyahoga Falls, Ohio

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

#### Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances in governmental fund financial statements since they do not constitute expenditures or liabilities.

#### **Equity in Pooled Cash and Cash Equivalents and Investments**

Cash balances of the City's funds are pooled and invested in short-term investments in order to provide improved cash management. The restricted cash and investments from the following funds are not included in the City's pooled cash and investments: Debt Service Fund, Capital Improvement Reserve Capital Projects Fund, Cemetery Perpetual Care Permanent Fund and the Municipal Court Agency Fund. These short-term investments consist of repurchase agreements, U.S. Treasury Notes, money market accounts and other governmental bonds. Investments maturing within three months of purchase and investments of the pool are included in "Equity in Pooled Cash and Cash Equivalents." Investments with maturities of greater than three months are shown as "Investments" on the balance sheet. For purposes of the statements of cash flows, cash and cash equivalents consist of cash and highly liquid short-term investments with original maturities of three months or less.

Invested monies are stated at fair value, with the exception of money market investments and participating interest-earning contracts that have a remaining maturity at time of purchase of one year or less, which are reported at amortized cost. For reporting purposes, interest earned by the cash and investment pool has been reported as interest income by the Capital Improvement Reserve Capital Projects Fund in accordance with local ordinance.

#### **Inventory of Supplies**

On Government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost and inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in governmental funds when purchased and as an expense in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in governmental funds, which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets. Inventory consists of expendable supplies held for consumption or resale.

#### **Prepaid items**

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items. On the government-wide and proprietary fund statements, prepaid items are recorded using the consumption method by recording a current asset for the prepaid amount and reflecting the expense in the year in which services are consumed. On the fund financial statements, the actual payment for these services is recorded as an expenditure when purchased. Reported prepaid items are equally offset by a fund balance reserve, which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.



**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

General capital assets are those specifically associated with general governmental activities. These assets primarily result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in both the business-type activities column of the government-wide statement of net assets and in the respective fund statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City has a capitalization threshold to \$5,000. The City’s infrastructure consists of roads, bridges, culverts, City sidewalks and traffic signalization. Improvements that add to the value of the asset or materially extend the life of an asset are capitalized. The cost of normal maintenance and repairs that does not meet the capitalization criteria is not capitalized. Interest incurred in capital leases or during construction periods is not capitalized.

All capital assets are depreciated with the exception of land and construction in progress. These capital assets are depreciated over the remaining useful lives of the related asset. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Assets	Years
Buildings	10-50
Improvements other than buildings	5-50
Equipment	3-30
Infrastructure	25-50

**Interfund Balances**

On the fund financial statements, unpaid amounts for interfund services are reported as “Due to/from other funds.” Interfund loans, that are determined to be long-term, are classified as “Advances to/from other funds” and are equally offset by a fund balance reserve account, which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Compensated Absences**

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation and compensatory time benefits are accrued as a liability as the benefits are earned, since these amounts are attributable to services already rendered and the probability exists that the City will compensate employees for these benefits through paid time off or compensation. Sick leave benefits are accrued as a liability using the termination method. An accrual is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City’s past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements.

## **City of Cuyahoga Falls, Ohio**

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

For Governmental Funds, the current portion of unpaid compensated absences is the amount of matured compensated absences expected to be paid using expendable available financial resources. These amounts are included in accrued salaries, wages and benefits in the funds from which employees are paid. The noncurrent portion of the liability is not reported. In proprietary fund types, the entire amount of compensated absences is reported as a fund liability.

#### **Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

#### **Fund Balance Reserves**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, prepaid items, advances, inventory of supplies, loans receivable, debt service and cemetery perpetual care are recorded as a reservation of fund balance.

#### **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

#### **Grants and Intergovernmental Revenues**

Federal Grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenue in the period when all applicable eligibility requirements have been met and the resources are available.

#### **Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sanitary sewer service, water, electric distribution, refuse collection, leisure time activities, storm drainage utilities, internal service charges and self-insurance programs.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Extraordinary and special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2008.

**Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts disbursements and encumbrances. The ORC prohibits expenditures plus encumbrances from exceeding appropriations.

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the General Fund and the Municipal Income Tax Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis as provided by law and GAAP basis are as follows:

- A. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- B. Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when the liability is incurred (GAAP).
- C. Encumbrances are treated as expenditures (budget) rather than as a reservation of a fund balance (GAAP).

## City of Cuyahoga Falls, Ohio

### NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

- D. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General and the Municipal Income Tax Funds are as follows:

	Net Change in Fund Balance	
	<u>General Fund</u>	<u>Municipal Income Tax Fund</u>
GAAP Basis	\$ 1,117,599	\$ 981
Increase (decrease) due to:		
Change in receivables and other assets not recognized on a budget basis	424,496	(27,707)
Change in liabilities not recognized on a budget basis	(44,943)	114,781
Encumbrances	<u>(293,828)</u>	<u>(25,916)</u>
Budget Basis	<u>\$ 1,203,324</u>	<u>\$ 62,139</u>

### NOTE 4 - RECEIVABLES

Receivables at December 31, 2008, consisted primarily of municipal income taxes, property taxes and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utilities and EMS Transport services provided). Utility accounts receivable and EMS Transport fees receivable billed to customers prior to year end are recorded net of an allowance for doubtful accounts, based on management's estimate.

#### Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years with a triennial update. If paid annually, payment is due January 20; if paid semiannually, the first payment is due January 20, with the remainder payable by June 20. In certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property taxes (for tangible property other than public utility property) attach as a lien and are levied on January 1 of the current calendar year. Tax collections for the current year are therefore based upon assessed values as of January 1 of the current year. The tangible personal property tax is being phased out. The assessment percentage for all property including inventory for 2008 is 6.25 percent, and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single-county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

**NOTE 4 – RECEIVABLES (CONTINUED)**

Public utility tangible personal property 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, the lien date. Certain public utility tangible personal property currently is assessed at 100 percent of its true value. Public utility property taxes are payable on the same date as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Cuyahoga Falls. The County Auditor periodically remits to the City its portion of the taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively. The amounts of \$9,743,664 and \$562,134 have been recorded in the balance sheet of the governmental funds for the General Fund and other governmental funds (Police and Fire Pension Funds) as taxes receivable to reflect property taxes receivable as of December 31, 2008.

The assessed values of real public utility and tangible personal property upon which 2008 property tax receipts were based are as follows:

<b>Property Types</b>	<b>Valuation</b>
Real Property – 2007 Tax Valuation	\$ 1,001,827,390
Public Utility Property – 2006 Tax Valuation	6,365,790
Tangible Personal Property – 2008 Tax Valuation	24,320,362
<b>Total Valuation</b>	<b>\$ 1,032,513,542</b>

**Income Taxes**

The City levies a tax at the rate of 2 percent on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income earned outside the City; however, a 100 percent credit is allowed for income taxes paid to other municipalities with a limitation of 2 percent. The proceeds of the income tax, after payment of the expenses of collection, are allocated by ordinance as follows: 8 percent to the Recreation Levy Special Revenue Fund, 29.33 percent to the Capital Projects Fund and 62.67 percent to the General Fund. The portion allocated to the Recreation Levy Fund and the Capital Projects Fund may be utilized for the acquisition of capital items or the payment of debt service thereon.

Municipal income tax revenue for 2008 was \$18,753,883. The amount of \$3,128,361 has been recorded in the Municipal Income Tax Special Revenue Fund as taxes receivable (net of refunds) to reflect income taxes receivable recorded as of December 31, 2008.

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

## City of Cuyahoga Falls, Ohio

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### NOTE 4 – RECEIVABLES (CONTINUED)

#### Intergovernmental Receivables

A summary of intergovernmental receivables follows:

<b><u>Governmental Activities</u></b>	<b><u>Amounts</u></b>
Local Government and Local Government Revenue	
Assistance	\$ 1,406,378
Estate Tax	499,662
Municipal Income Tax	53,194
Homestead and Rollback	626,200
Gasoline and Excise Tax	528,821
Motor Vehicle License Fees	166,636
Permissive Motor Vehicle License Tax	30,311
EMS Transport Fees	137,809
In Lieu of Public Site	241,156
Other Court Communities	250,533
Highway Distribution	267,566
Liquor Permits	6,217
Municipal Court	70,070
Off Road Fuel Tax Reimbursement	1,215
Other Agencies	475,685
Total Governmental Activities	<u>\$ 4,761,453</u>
<b><u>Business-type Activities</u></b>	
Utilities Charges	\$ 44,797
Off Road Fuel Tax Reimbursement	791
	<u>\$ 45,588</u>

### NOTE 5 - DEPOSITS AND INVESTMENTS

#### Policies and Practices

The Charter of the City of Cuyahoga Falls specifies that the Finance Director is responsible for the safekeeping and investment of all public funds. It is also the Finance Director's responsibility to deposit and invest the City's idle funds. Periodically, the Finance Director consults with the other members of the Treasury Investment Board (Mayor and Law Director) concerning investment decisions.

The deposit and investment of City monies is governed by the provisions of the Charter and Codified Ordinances of the City and the ORC. In accordance with the provisions of these items, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. These provisions restrict the investment of the City's monies to certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool, obligations of the United States government or certain agencies thereof and certain industrial revenue bonds issued by other governmental entities, and repurchase agreements with any eligible depository for a period not exceeding thirty days. The City's practice is to limit investments to U.S. Treasury Notes and Bills, collateralized certificates of deposit and repurchase agreements, insured and/or collateralized demand deposit accounts or obligations of other U.S. agencies.

**NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation or may pledge a pool of government securities the face value of which is at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the City's name.

During 2008, the City believes it has complied with the revisions of these statutes pertaining to the types of investments held and institutions in which deposits were made. The City was also in compliance with the provisions of the statutes concerning security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposits maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government Agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

## City of Cuyahoga Falls, Ohio

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### NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) and (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Historically, the City has not purchased these types of investments or issued these types of investments or issued these types of notes. An investment must mature in five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

#### Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end the carrying amount of the City's deposits was \$23,950,323 and the bank balance was \$24,014,131. Of the bank balance \$406,236 was covered by Federal depository insurance and \$23,607,895 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institutions' trust department or Federal Reserve, but not in the City's name. As of December 31, 2008, the City had \$11,409,343 of unspent capital lease proceeds held in escrow. See note 11 for further details.

At year-end, the carrying amount of the Community Improvement Corporation of Cuyahoga Falls, a component unit, deposits was \$821,672 and the bank balance was \$821,672. Information regarding the collateralization of the Community Improvement Corporation of Cuyahoga Falls can be obtained from the corporation's independent audit report.



**NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments**

Investments are reported at fair value. As of December 31, 2008 the City had the following investments:

	Fair Value	Credit Rating (* )		
			<1	>2
Repurchase Agreements:				
Federal National Mortgage Association	\$ 16,025,000	AAA	\$ 16,025,000	
US Treasury Bills	10,000		10,000	
US Treasury Notes	25,000		25,000	
Manuscript Bond	6,000			6,000
<b>Total</b>	<b>\$ 16,066,000</b>		<b>\$ 16,060,000</b>	<b>\$ 6,000</b>

\* Current ratings were obtained from Standard and Poor's.

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. To date, no investments have been purchased with a life greater than five years except for the manuscript bonds. The manuscript bond represents an investment in 1991 Street Improvement Special Assessment Projects. This bond matures December 1, 2011

**Credit Risk**

The credit risk of the City's investments are displayed in the table above. The City has no investment policy that would further limit its investment choices.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Mortgage Bond, Federal National Mortgage Association Note, and Federal Home Loan Mortgage Note are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

## City of Cuyahoga Falls, Ohio

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### NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

#### Concentration of Credit Risk

Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent more invested in the securities of a single issuer. The City's investment policy places no limit on the amount it may invest in any one issuer. The following is the City's risk allocation on deposit and investment as of December 31, 2008

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal National Mortgage Association	99.74%
US Treasury Bills	.06%
US Treasury Notes	.16%
Manuscript Bond	.04%

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2008, was as follows:

	<b>Balance 1/1/2008</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2008</b>
<b>Governmental Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 8,670,964	\$ 15,589	\$ -	\$ 8,686,553
Construction In Progress	3,383,797	2,692,209	(3,921,744) *	2,154,262
<i>Total Capital Assets Not Being Depreciated</i>	12,054,761	2,707,798	(3,921,744)	10,840,815
<i>Capital Assets Being Depreciated</i>				
Buildings	27,592,667	77,540	-	27,670,207
Improvements	1,004,277	5,008	-	1,009,285
Machinery and Equipment	23,038,981	4,015,854	(470,967)	26,583,868
Infrastructure				
Roads	51,334,693	1,722,393	-	53,057,086
Traffic Signals	16,530	145,984	-	162,514
Bridges	8,604,879	-	-	8,604,879
<i>Total Capital Assets Being Depreciated</i>	111,592,027	5,966,779	(470,967)	117,087,839
<i>Less Accumulated Depreciation</i>				
Buildings	(8,022,931)	(727,208)	-	(8,750,139)
Improvements	(290,750)	(39,513)	-	(330,263)
Machinery and Equipment	(15,686,697)	(1,812,796)	48,989	(17,450,504)
Infrastructure				
Roads	(12,010,558)	(1,274,145)	-	(13,284,703)
Traffic Signals	(5,986)	(13,976)	-	(19,962)
Bridges	(902,230)	(163,492)	-	(1,065,722)
<i>Total Accumulated Depreciation</i>	(36,919,152)	(4,031,130)	48,989	(40,901,293)
<i>Total Capital Assets Being Depreciated, Net</i>	74,672,875	1,935,649	(421,978)	76,186,546
<i>Governmental Activities Capital Assets, Net</i>	\$ 86,727,636	\$ 4,643,447	\$ (4,343,722)	\$ 87,027,361
*Depreciation expense was charged to governmental functions as follows:				
General Government				\$ 383,322
Security of Persons and Property				1,233,812
Community Environment				209,882
Leisure Time Activities				255,169
Street Maintenance				1,850,750
Garage				8,663
Information Services				89,532
Total				\$ 4,031,130

\*Construction in Progress deletions include \$232,947 (50,356 Electric, 100,768 Water, and 81,823 Storm Water) in capital contributions to Business-type activities.

## City of Cuyahoga Falls, Ohio

### NOTE 6 – CAPITAL ASSETS (CONTINUED)

	<u>Balance 1/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2008</u>
<b>Business -type Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 3,131,596	\$ 227,723	\$ -	\$ 3,359,319
Construction In Progress	1,332,269	6,696,981 *	(851,817)	7,177,433
<i>Total Capital Assets Not Being Depreciated</i>	4,463,865	6,924,704	(851,817)	10,536,752
<i>Capital Assets Being Depreciated</i>				
Buildings	37,680,173	31,924	-	37,712,097
Improvements	87,013,350	1,449,206	-	88,462,556
Machinery and Equipment	10,590,577	1,039,251	(385,205)	11,244,623
<i>Total Capital Assets Being Depreciated</i>	135,284,100	2,520,381	(385,205)	137,419,276
<i>Less Accumulated Depreciation</i>				
Buildings	(4,738,640)	(819,117)	-	(5,557,757)
Improvements	(33,114,932)	(2,023,684)	-	(35,138,616)
Machinery and Equipment	(7,034,130)	(869,334)	367,660	(7,535,804)
<i>Total Accumulated Depreciation</i>	(44,887,702)	(3,712,135)	367,660	(48,232,177)
<i>Total Capital Assets Being Depreciated, Net</i>	90,396,398	(1,191,754)	(17,545)	89,187,099
<i>Total Business-Type Capital Assets, Net</i>	<u>\$ 94,860,263</u>	<u>\$ 5,732,950</u>	<u>\$ (869,362)</u>	<u>\$ 99,723,851</u>
 *Depreciation expense was charged to business-type activities as follows:				
Sewage and Disposal				\$ 606,581
Water				855,479
Electric				970,426
Sanitation				223,060
Leisure Time				908,205
Storm Drainage				148,384
Total				<u>\$ 3,712,135</u>

\*Construction in Progress additions include \$232,947 (50,356 Electric, 100,768 Water, and 81,823 Storm Water) in capital contributions from Governmental Activities.

## NOTE 7 - PENSION PLANS

### Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: the Traditional Pension Plan -a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan-a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan-a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, OPERS invests employer's contributions to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Direct plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. The 2008 member contribution rates were 10.0 percent for members in state, local classifications, and 10.1 percent for public safety classifications. For local government employers, the 2008 employer contribution rate was 14.00 percent of covered payroll.

The City's required contributions for pension obligations to all of the plans for the years ended December 31, 2008, 2007, and 2006 were, \$1,438,966, \$1,703,163, and \$1,831,402, respectively; 92.29 percent has been contributed for 2008, 84.63 percent for 2007 and 100 percent for 2006. Contributions to the Member-Directed Plan for 2008 were \$36,212 made by the City and \$25,866 made by the plan members. In 2007, the City elected to participate in the Deferred Employer Liabilities Program. The deferred payment program begins with the fourth quarter 2007 employer retirement liabilities, and spreads the due date for each month of the quarter over a three-year period. The City paid the October 2007 liabilities on December 31, 2008. The November 2007 liabilities will be due December 31, 2009 and the December 2007 liabilities will be due January 3, 2011.

### Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215- 5164.

## City of Cuyahoga Falls, Ohio

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### NOTE 7 - PENSION PLANS (CONTINUED)

Police and firefighters are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police and 24 percent respectively for firefighters, 12.75 percent and 17.25 percent was the portion that was used to fund pension benefits, respectively. The City's contributions for pension obligations to OP&F for police and firefighters were \$684,149 and \$910,512, respectively for the year ended December 31, 2008, \$701,681 and \$ 918,495 for the year ended December 31, 2007, and \$641,134 and \$876,333 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006; 77.05 percent for police and 74.20 percent for firefighters, respectively, have been contributed for 2008.

### NOTE 8 - POSTEMPLOYMENT BENEFITS

#### Ohio Public Employees Retirement System

**Plan Description:** Ohio Public Employee Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

**Funding Policy:** The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14% of covered payroll, and public safety and law enforcement employers contributed at 17.40%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's annual contributions for 2008 used to fund post-employment benefits were \$1,438,966.

**NOTE 8 - POSTEMPLOYMENT BENEFITS (CONTINUED)**

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**Ohio Police and Fire Pension Fund**

**Plan Description:** The City of Cuyahoga Falls contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing, multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

**Funding Policy:** The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is an authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's annual contributions for December 31, 2008, 2007, and 2006 that were used to fund post-employment benefits were \$362,197 for police and \$356,287 for fire, \$371,478 for police and \$359,411 for fire, and \$422,876 for police and \$417,973 for fire, respectively.

# City of Cuyahoga Falls, Ohio

## NOTE 9 - COMPENSATED ABSENCES

Vacation leave is earned at rates, which vary depending upon length of service and standard workweek. Currently City policy permits vacation leave to be accumulated up to three weeks per year. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned by substantially all full-time employees and a portion of such sick leave may be paid in cash upon termination, retirement, or death, if certain service requirements are met. Specific sick leave cash-outs are based on formulas contained in union contracts and/or ordinances as follows:

Cash-out Limits	Employee Class	Affiliation
100% of accumulated sick leave up to a maximum of 960 hours	Non-bargaining employees Municipal Court employees Patrol Officers  Community Service Officers  Various government employees  Electric employees  Dispatchers	None None Fraternal Order of Police-Blue (FOP-Blue) Fraternal Order of Police-Blue (FOP-Blue) American Federation of State, County, and Municipal Employees (AFSCME) Utility Workers of America Local #399 Fraternal Order of Police-Ohio Labor Council, Inc. (FOP-OLC)
100% of accumulated sick leave up to a maximum of 1,500 hours	Police Sergeants/Lieutenants -  Captains/Chief -	Fraternal Order of Police-(FOP-Gold) None
46.67% of accumulated sick leave up to a maximum of 2,704 hours	Firefighters	International Association of Firefighters Local #494 (IAFF)

Sick leave may be accumulated beyond these cash-out limits, but can only be used when employees are absent from work due to illness. Compensatory time is earned by substantially all regular non-management employees.

Compensatory time that is not used per union contracts and/or City ordinances is paid in cash to the appropriate employees in accordance with the Fair Labor Standards Act.

Employees who have qualified for a service pension (FOP-Gold, FOP-Blue, Dispatchers) or who are within three years of qualifying for a service pension (Non-bargaining, Court, Utility Workers, Firefighters, AFSCME) are permitted to annually sell one-third of their accumulated sick leave hours, up to the maximum hours allowed for their employee class, during their last three years of employment with the City.

In compliance with union contracts, the City has established an Internal Service-Compensated Absence Fund to fund the sick leave and vacation cash out payments.



**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

The City is involved in legal actions arising in the ordinary course of business. The City carries adequate insurance coverage for most risks including property damage, personal liability and estimates for any potential claims not covered by such insurance will not materially affect the City’s results of operations or financial position.

**B. Federal and State Grants**

The City participates in state and federally assisted grant programs. The programs are subject to review and audit by the grantor agency or their representatives. It is not anticipated that any audit of federal or state grant programs, if conducted, would result in a material disallowance of grant expenditures. Therefore, no provision for possible refunds has been recorded.

**C. Insurance Coverage**

The City maintains a variety of liability insurance coverages with varying deductibles. Among these coverages are general liability with limits of \$2 million annually in the aggregate and \$1 million per occurrence, with a \$100,000 self-insurance retention. In addition, the City has umbrella liability coverage with limits of \$10 million in the aggregate and \$10 million per occurrence.

**NOTE 11 - CAPITAL LEASES**

In addition to existing agreements to lease equipment, the City entered into a lease agreement in 2008 for water and electric meter replacement and fixed base automated meter reading (AMR) installation, lighting retrofits and building envelope improvements in the amount of \$17,017,793. This project was not completed by December 31, 2008, therefore, \$11,405,634 was held in escrow, including accrued interest in the amount of \$42,675 and is reflected as such on the City’s Statement of Net Assets. In addition, the amounts of \$179,502 and \$5,475,332 “started and completed” by the year-end were included in construction in progress in the City’s capital assets for governmental activities and business-type activities, respectively. Therefore, this asset value is not shown in the equipment total below. The City’s lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date for governmental activities and business-type activities in the Statement of Net Assets.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Equipment	\$ 3,235,284
Less: Accumulated Depreciation	<u>(388,106)</u>
Total	\$ <u>2,847,178</u>

In 2008, the principal and interest expense related to the City’s Mobile Data Terminals lease with Motorola Inc. in the amount of \$40,656 and \$4,440, respectively, was recorded as capital outlay on the Non-GAAP Budgetary Basis and was reclassified as principal and interest expense for fund financial statement reporting.

## City of Cuyahoga Falls, Ohio

### NOTE 11 - CAPITAL LEASES (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2008, were as follows:

	Governmental Activities	Business-type Activities
2009	\$ 555,459	0
2010	394,084	2,088,510
2011	349,098	2,088,510
2012	349,098	2,088,510
2013	349,098	2,088,510
2014-18	1,464,863	10,442,549
2019	68,469	2,088,510
Total	<u>3,530,169</u>	<u>20,885,099</u>
Less: Amount representing interest	<u>(584,363)</u>	<u>(4,407,503)</u>
Present value of minimum lease payments	<u>\$ 2,945,806</u>	<u>16,477,596</u>

### NOTE 12 - SHORT-TERM OBLIGATIONS

A summary of the changes in the City's short-term obligations for the year ended December 31, 2008, was as follows:

	Balance January 1, 2008	Issued	Retired	Balance December 31, 2008
General Obligation Bond Anticipation Notes				
<u>Governmental Activities:</u>				
Capital Projects Fund Obligations:				
3.75% Various Purpose Notes, due 12/11/08	3,150,000	0	3,150,000	0
2.75% Various Purpose Notes, due 12/09/09	0	2,300,000	0	2,300,000
4.10% Taxable Land Acquisition and Improvement Note, due 8/20/09	0	11,000,000	0	11,000,000
Total Governmental Activities	<u>3,150,000</u>	<u>13,300,000</u>	<u>3,150,000</u>	<u>13,300,000</u>
<u>Business-type Activities:</u>				
Leisure Time Fund Obligations:				
3.75% Various Purpose Notes, due 12/11/08	19,900,000	0	19,900,000	0
2.75% Various Purpose Notes, due 12/09/09	0	18,900,000	0	18,900,000
Sewage and Disposal Fund Obligations				
3.75% Various Purpose Notes, due 12/11/08	900,000	0	900,000	0
2.75% Various Purpose Notes, due 12/09/09	0	400,000	0	400,000
Total Business-Type Activities	<u>20,800,000</u>	<u>19,300,000</u>	<u>20,800,000</u>	<u>19,300,000</u>
Grand Total	<u>\$ 23,950,000</u>	<u>\$ 32,600,000</u>	<u>\$ 23,950,000</u>	<u>\$ 32,600,000</u>

**NOTE 12 - SHORT-TERM OBLIGATIONS (CONTINUED)**

On December 9, 2008, the City issued notes in the amount of \$21,600,000 in anticipation of the issuance of bonds, for the following purposes: improving State Road from the south corporation line to Portage Trail; constructing and equipping a community recreation center, constructing a public festival site to be known as Falls River Square, improving Front Street from State Route 8 to Oakpark Boulevard, constructing sanitary sewer lines in Kellybrook Drive and Antoinette Drive and constructing sanitary sewer lines in Munroe Falls Avenue as part of the Second Street and Vincent Street combined sewer separation project.

On August 20, 2008 the City issued a Taxable Land Acquisition and Improvement Note in the amount of \$11,000,000 for the purpose of revitalizing the State Road Redevelopment Area by acquiring, clearing and improving certain properties in that area.

**NOTE 13 - LONG-TERM OBLIGATIONS**

The original issue date, maturity date, interest rate, and original issuance amount for each of the City's bonds follows:

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b><u>Business-type Activities:</u></b>				
Enterprise Fund Obligations				
<b><u>Bonds Payable</u></b>				
1995 Recreation Refunding Issue	5/15/1995	12/01/2008	4.0%-5.6%	\$ 2,325,000
1995 Electric Refunding Issue	5/15/1995	12/01/2010	4.0%-5.6%	3,225,000
1995 Recreation Facilities**	3/01/1995	12/01/2012	4.4%-6.0%	3,426,217
1997 Sewer Improvement	8/01/1997	12/01/2011	3.8%-5.25%	2,329,412
1997 Water Improvement	8/01/1997	12/01/2011	3.8%-5.25%	2,070,588
1998 Sewer Improvement	12/01/1998	12/01/2018	3.05%-4.70%	2,415,000
1998 Water Improvement	12/01/1998	12/01/2018	3.05%-4.70%	4,925,000
2001 Water Improvement	8/01/2001	12/01/2011	3.25%-4.55%	5,175,000
2004 Recreation Improvement	4/08/2004	12/01/2024	2.00%-5.00%	8,000,000
2004 Various Purpose Refunding (Recreation)	4/08/2004	12/01/2015	2.00%-4.00%	2,407,037
<b><u>Governmental Activities:</u></b>				
<b><u>Bonds Payable</u></b>				
Special Assessment General Obligation Bonds:				
1991 Street Improvement	8/1/1991	12/01/2011	6.50%	\$ 533,451
1995 Street & Sewer Refunding Issue	5/15/1995	12/01/2008	4.00%-5.60%	750,000
2001 Street Improvement	12/28/2001	12/01/2011	3.25%-4.55%	425,000
Other General Obligation Bonds:				
1995 Various Purpose Refunding Issue	5/15/1995	12/01/2010	4.00%-5.60%	\$ 1,915,000
1995 Various Purpose Improvement	3/01/1995	12/01/2012	4.40%-6.00%	6,238,783
1997 Various Purpose Improvement	8/01/1997	12/01/2011	3.8%-5.25%	5,150,000
1998 Various Purpose Improvement	12/01/1998	12/01/2018	3.05%-4.70%	1,025,000
2004 Various Purpose Refunding	4/08/2004	12/01/2015	2.00%-4.00%	4,382,963

\*\*Note: Issue was advanced refunded by the City, (2004 Various Purpose Refunding) and it is being paid by escrow. City Funds are no longer making payment on this issue.

# City of Cuyahoga Falls, Ohio

## NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

A summary of the changes in the City's long-term obligations for the year ended December 31, 2008, was as follows:

	Balance January 1, 2008	Issued	Retired 2008	Balance December 31, 2008	Amount Due Within One Year
<b>Business-type Activities:</b>					
Enterprise Fund Obligations					
<u>Bonds Payable</u>					
1995 Recreation Refunding Issue	\$ 272,141	\$ 0	\$ 272,141	\$ 0	\$ 0
1995 Electric Refunding Issue	1,005,447	0	315,149 <sup>2</sup>	690,298	335,149
1997 Sewer Improvement	1,431,795	0	113,422	1,318,373	119,520
1997 Water Improvement	1,272,706	0	100,819	1,171,887	106,240
1998 Sewer Improvement	1,561,884	0	115,481	1,446,403	118,368
1998 Water Improvement	3,185,206	0	235,505	2,949,701	241,393
2001 Water Improvement	4,075,000	0	220,000	3,855,000	230,000
2004 Various Purpose Refunding (Recreation)	1,893,017	0	212,694	1,680,323	218,016
2004 Recreation Improvement	7,100,000	0	315,000	6,785,000	320,000
Total Business-type Activities Bonds Payable	<u>21,797,196</u>	<u>0</u>	<u>1,900,211</u>	<u>19,896,985</u>	<u>1,688,686</u>
<u>Other Obligations</u>					
Capital Lease Obligations	0	16,477,596	0	16,477,596	0
Compensated absences (Note 9)	2,296,364	894,800	906,465	2,284,699	929,127
Total Business-type Activities	<u>24,093,560</u>	<u>17,372,396</u>	<u>2,806,676</u>	<u>38,659,280</u>	<u>2,617,813</u>
<b>Governmental Activities:</b>					
<u>Bonds Payable</u>					
Special Assessment General Obligation Bonds:					
1991 Street Improvement	\$ 8,000	\$ 0	\$ 2,000	\$ 6,000	\$ 2,000
1995 Street & Sewer Refunding Issue	89,024	0	89,024	0	0
2001 Street Improvement	190,000	0	45,000	145,000	45,000
	<u>287,024</u>	<u>0</u>	<u>136,024</u>	<u>151,000</u>	<u>47,000</u>
Other General Obligation Bonds:					
1995 Various Purpose Refunding Issue	550,000	0	180,000	370,000	180,000
1997 Various Purpose Improvement	3,165,497	0	250,759	2,914,738	264,241
1998 Various Purpose Improvement	662,912	0	49,014	613,898	50,239
2004 Various Purpose Refunding	3,446,985	0	387,302	3,059,683	396,984
	<u>7,825,394</u>	<u>0</u>	<u>867,075</u>	<u>6,958,319</u>	<u>891,464</u>
Total Governmental Activities Bonds Payable	<u>8,112,418</u>	<u>0</u>	<u>1,003,099</u>	<u>7,109,319</u>	<u>938,464</u>
<u>Other Obligations</u>					
Capital Lease Obligations (Note 11)	2,936,495	540,197	530,886	2,945,806	462,467
Compensated absences, (Note 9)	7,068,273	2,567,805	2,744,179	6,891,899	2,812,783
Claims and Judgments Payable	1,246,395	3,685,909	4,217,935	714,369	607,240
Total Governmental Activities Other Obligations	<u>11,251,163</u>	<u>6,793,911</u>	<u>7,493,000</u>	<u>10,552,074</u>	<u>3,882,490</u>
Total Governmental Activities	<u>\$ 19,363,581</u>	<u>\$ 6,793,911</u>	<u>\$ 8,496,099</u>	<u>\$ 17,661,393</u>	<u>\$ 4,820,954</u>

<sup>1</sup>This amount represents principal payment of \$ 275,980 less amortization expense of \$3,839.

<sup>2</sup>This amount represents principal payment of \$320,000 less amortization expense of \$4,851.

**NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)**

As of December 31, 2008, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt without a vote of the electors) was \$49,849,730. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2008 (excluding capital leases) are as follows:

Year	Enterprise Fund Obligations		Special Assessment Bonds		Other General Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	1,688,686	886,968	47,000	6,240	891,464	300,353
2010	1,750,766	820,148	52,000	4,340	924,383	265,652
2011	1,447,389	748,219	52,000	2,195	762,612	228,029
2012	1,507,622	689,987	0	0	797,379	194,503
2013	1,567,856	629,213	0	0	832,145	160,807
2014-2018	7,719,666	2,102,128	0	0	2,750,336	295,610
2019-2023	3,630,000	647,155	0	0	0	0
2024	585,000	29,249	0	0	0	0
<b>Total</b>	<b>\$ 19,896,985</b>	<b>\$ 6,553,067</b>	<b>\$ 151,000</b>	<b>\$ 12,775</b>	<b>\$ 6,958,319</b>	<b>\$ 1,444,954</b>

All general obligation bonds and notes issued by the City are backed by its full faith and credit. This includes the general property taxing power permitted within the tax limitation of the City Charter. In addition, special assessments have been levied to pay the debt service of the special assessment bonds. In the event of a default by a benefited property owner, the City would be responsible for paying the special assessment obligation. The amount of \$99,947 of special assessments receivable recorded in the Debt Service Fund does not represent any delinquent special assessments. Although the obligations of the enterprise funds are general obligations of the City, the practice has been to have the debt serviced by the revenues derived from the operations of the respective funds.

Compensated Absences are paid from the fund in which employees' salaries are paid.

**NOTE 14 - INTERFUND TRANSFERS AND BALANCES**

**A. Transfers**

As of December 31, 2008, interfund transfers were as follows:

Transfers Out	Transfers In						Total
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Electric Fund	Leisure Time Fund	Storm Drainage Utility Fund	
General Fund			\$ 1,611,600	\$ 1,759,139	\$ 673,184		\$ 4,043,923
Municipal Income Tax Fund	\$ 11,113,793	\$ 5,201,334	\$ 1,418,707				\$ 17,733,834
Nonmajor Governmental Funds			\$ 1,665,000		\$ 750,000	\$ 30,445	\$ 2,445,445
Electric Fund	\$ 1,766,884						\$ 1,766,884
<b>Total</b>	<b>\$ 12,880,677</b>	<b>\$ 5,201,334</b>	<b>\$ 4,695,307</b>	<b>\$ 1,759,139</b>	<b>\$ 1,423,184</b>	<b>\$ 30,445</b>	<b>\$ 25,990,086</b>

## **City of Cuyahoga Falls, Ohio**

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### **NOTE 14 - INTERFUND TRANSFERS AND BALANCES (CONTINUED)**

The General Fund transfers to the Nonmajor Governmental Funds and the Leisure Time Fund were made to provide additional resources. The transfer to the Electric Fund represents sales tax for electric sales “inside” the City of Cuyahoga Falls, in which total sales tax is first transferred from the Electric Fund to the General Fund, with the “outside” sales tax being paid to the proper State agency.

The Municipal Income Tax Fund transfers to the General Fund, Capital Projects Fund and the Recreation Levy Nonmajor Special Revenue Fund represents the proceeds after payment of expenses related to the collection of income taxes, per City Council Ordinance.

The Nonmajor Funds transfer to other Nonmajor funds were made to provide additional resources to the Street Construction, Maintenance and Repair Special Revenue Fund and the Debt Service Fund from the Capital Improvement Reserve Fund. The Nonmajor Governmental Funds transfer to the Leisure Time Fund was made to provide additional resources from the Recreation Levy Special Revenue Fund. The Nonmajor Funds transfer to the Storm Drainage Utility Fund from the FEMA Public Assistance Fund was made to reimburse the fund for storm damages. The monies were initially received as a FEMA Hazard Mitigation Program Federal Grant and were recorded in the FEMA Public Assistance Fund.

**NOTE 14 - INTERFUND TRANSFERS AND BALANCES (CONTINUED)**

**B. Balances**

Interfund balances represent net income taxes, utilities, cemetery endowments, and advances owed between funds at year end.

Interfund balances, including advances, at December 31, 2008 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
<u>Governmental Funds</u>				
General Fund	\$ 1,583,981	\$ 176,805	\$ 0	\$ 0
Special Revenue Funds:				
Municipal Income Tax	0	2,157,647	0	0
Street Construction, Maintenance and Repair	0	7,241	0	0
Recreation Levy	372,611	5,980	0	0
CDBG	0	0	0	0
Probation	0	0	0	0
Suspended License Intervention Program	0	0	0	0
	<u>372,611</u>	<u>2,170,868</u>	<u>0</u>	<u>0</u>
Capital Projects Funds:				
Capital Projects	632,839	5,269	0	214,316
Capital Improvement Reserve	<u>0</u>	<u>0</u>	<u>214,316</u>	<u>0</u>
	<u>632,839</u>	<u>5,269</u>	<u>214,316</u>	<u>214,316</u>
Total Governmental Funds	<u>2,589,431</u>	<u>2,352,942</u>	<u>214,316</u>	<u>214,316</u>
<u>Proprietary Funds</u>				
Enterprise Funds:				
Sewage and Disposal	42,856	175,570	0	510,000
Water	0	237,121	0	0
Electric	868,422	4,960	610,000	0
Sanitation	41,283	142,981	0	100,000
Leisure Time	0	643,609	0	0
Storm Drainage Utility	21,347	0	0	0
	<u>973,908</u>	<u>1,204,241</u>	<u>610,000</u>	<u>610,000</u>
Internal Service Funds:				
Garage	0	6,156	0	0
Self-Insurance	0	0	0	0
Information Services	0	0	0	0
	<u>0</u>	<u>6,156</u>	<u>0</u>	<u>0</u>
Total Proprietary Funds	<u>973,908</u>	<u>1,210,397</u>	<u>610,000</u>	<u>610,000</u>
Total All Funds	<u>\$ 3,563,339</u>	<u>\$ 3,563,339</u>	<u>\$ 824,316</u>	<u>\$ 824,316</u>

Advances are considered to be long-term and therefore will be repaid in the following manner:

<u>Year</u>	<u>Enterprise</u>			
	<u>Capital Projects</u>	<u>Sewage and Disposal</u>	<u>Sanitation</u>	<u>Total</u>
2009	\$ 214,316	\$ 85,000	\$ 100,000	\$ 399,316
2010-2014	<u>0</u>	<u>425,000</u>	<u>0</u>	<u>425,000</u>
	<u>\$ 214,316</u>	<u>\$ 510,000</u>	<u>\$ 100,000</u>	<u>\$ 824,316</u>

## City of Cuyahoga Falls, Ohio

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### NOTE 15 - RISK MANAGEMENT

It is the policy of the City to purchase commercial insurance for the risk of losses in the following areas: comprehensive general liability, auto liability, property and boiler, law enforcement professional liability, umbrella excess liability and public officials errors and omissions. The City believes in minimizing its risk through the procurement of the aforementioned coverages. These policies maintain the same level of coverage that was provided in previous years.

Liabilities exceeding the umbrella excess liability amount and deductible amounts are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Management believes that incurred, but not reported claims, if any, are immaterial. Settlements for the past three fiscal years have not exceeded the insurance coverage/policy limits during those years.

#### A. Self -Insurance Internal Service Fund

On April 1, 2007, the City changed healthcare coverage to Medical Mutual of Ohio (MMO). Claims are fully paid by the City for full-time employees through the City's Self-Insurance Internal Service Fund, which provides funding for health-care coverage. MMO reviews all claims in accordance with the Summary Plan Description and claims are then paid by the Self-Insurance Fund. For the fiscal coverage year April 1, 2008 through March 31, 2009, the City has purchased specific stop-loss coverage of \$175,000 per person and aggregate stop-loss coverage of \$3,080,854.

The Self-Insurance Fund generates revenues by charging an actuarially determined premium to each fund based on the number of full-time employees enrolled for health-care coverage. The Self-Insurance Fund pays all claims, stop-loss coverage and administrative fees for health-care coverage. A liability, in the amount of \$381,320 has been recorded to reflect the outstanding claims as of December 31, 2008. Most health insurance claims are presented for payment to the City within several months after occurrence.

#### B. Workers' Compensation Internal Service Fund

As of December 31, 2008, the City completed its sixteenth consecutive year of participation with the Ohio Bureau of Workers' Compensation (BWC) Retrospective Rating Plan. This Plan requires the City to pay to the BWC only 27 to 32 percent of the experience rated premium, in addition to BWC administrative assessments and DWRP costs, as our minimum premium charge. In exchange, the City accepts a maximum individual claim liability between \$300,000 and \$400,000 and an aggregate claims liability of \$2,041,357. In addition, the BWC bills for all claim related medical and other expenses on an annual basis, for a period of ten years. At the tenth year, the BWC actuarially determines the expected future cost (reserve) of all active ten-year old claims and bills the City. The BWC then assumes all future liability for those claims. Active management of each claim, from inception, offers the City the opportunity to reduce the cost of each claim, thereby reducing the City's cost. For 2008, the retrospective rating minimum premium paid by the City was \$313,158 and the total medical and other expenses paid was \$340,323, for a total of \$653,481. The increase of \$143,119 is based primarily on the BWC's revised method of calculating each entities individual experience rate.



**NOTE 15 - RISK MANAGEMENT (CONTINUED)**

The City's Workers' Compensation Internal Service Fund pays for all claims, claim reserves and administrative costs of the program. The Workers' Compensation Internal Service Fund is allocated investment revenue based on City Ordinance. The claims liability is recorded based on an actuarial determination of future claims, review of five years of claim liabilities and claim payment trends including the settlement to the Bureau after the tenth year.

	2006		2007		2008	
	Workers'		Workers'		Workers'	
	Self-Insurance	Compensation	Self-Insurance	Compensation	Self-Insurance	Compensation
Unpaid claims-January 1	\$ 1,070,223	\$ 1,148,336	\$ 1,225,977	\$ 967,227	\$ 420,219	\$ 826,176
Incurred claims (including IBNRs)	5,271,497	201,067	3,241,190	118,773	3,838,713	(152,804)
Claim payments made during the year	(5,115,743)	(382,176)	(4,046,948)	(259,824)	(3,877,612)	(340,323)
Unpaid claims-December 31	\$ 1,225,977	\$ 967,227	\$ 420,219	\$ 826,176	\$ 381,320	\$ 333,049

**NOTE 16 - INVESTMENTS IN JOINT VENTURES**

**A. Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV-1)**

The City's Electric Enterprise Fund participates in a joint venture agreement with 20 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV1) for the purpose of providing electric power and energy to its participants on a cooperative basis. The electric generating facilities of OMEGA JV1, known as the Engle Units, are located in the City. Title to these six diesel-powered generating units was transferred to the 21 municipal electric systems from American Municipal Power-Ohio, Incorporated (AMP-Ohio), a non-profit trade association and wholesale power supplier for most of Ohio's 85 municipal electric systems. Each member has a contract, which provides for AMP-Ohio to purchase the right to each participant's share of power and energy that is made available through the joint venture contract. The City's net investment and its share of the operating results of OMEGA JV-1 are reported in the City's statement of net assets as "investment in joint ventures". The city's equity interest in OMEGA JV-1 was \$100,510 at December 31, 2008. Complete financial statements for OMEGA JV-1 can be obtained from AMP-Ohio or from the City's Finance Director.

**B. Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV-2)**

The City of Cuyahoga Falls is a Financing Participant and an Owner Participant with percentages of liability and ownership of 9.52% and 7.46% respectively and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement (Agreement), the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP-Ohio and to pay or incur the costs of the same in accordance with the Agreement.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating &

## City of Cuyahoga Falls, Ohio

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### NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2008 the City of Cuyahoga Falls has met their debt coverage obligation.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP-Ohio, which acts as the joint venture's agent. During 2001, AMP-Ohio issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. The City's net obligation for these bonds at December 31, 2008 was \$2,796,670 (Including amounts withheld for Debt Service Reserve, amounts held in the Bond Fund, previous billings to members, interest payable and debt service paid and collected). The City's net investment and its share of operating results of OMEGA JV2 are reported in the City's electric fund (an enterprise fund). The City's net investment in OMEGA JV2 was \$2,752,916 at December 31, 2008. Complete financial statements for OMEGA JV2 may be obtained from AMP-Ohio or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us)

#### C. Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV-5)

The City of Cuyahoga Falls is a Financing Participant with an ownership percentage of 16.67%, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP-Ohio.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2008 Cuyahoga Falls has not met their debt coverage obligation. As a result, Cuyahoga Falls will be requesting a waiver of their debt covenant obligation from OMEGA JV5 at the next meeting of the OMEGA JV5 Executive Committee.

**NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)**

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP-Ohio, which acts as the joint venture's agent. During 1993 and 2001 AMP-Ohio issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024.

The City's net investment and its share of operating results of OMEGA JV5 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV5 was \$1,493,452 at December 31, 2008. Complete financial statements for OMEGA JV5 may be obtained from AMP-Ohio or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

**D. Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV-6)**

The City of Cuyahoga Falls is a Financing Participant with an ownership percentage of 25.00% and shares participation with nine other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6). Financing Participants, after consideration of the potential risks and benefits can choose to be Owner Participants or Purchaser Participants. Owner Participants own undivided interests, as tenants in common in the Project in the amount of its Project Share. Purchaser Participants purchase the Project Power associated with its Project Share.

Pursuant to the OMEGA Joint Venture JV6 Agreement (Agreement), the participants agree jointly to plan, acquire, construct, operate and maintain the Project, and hereby agree, to pay jointly for the electric power, energy and other services associated with the Project.

OMEGA JV6 was created to construct four (4) wind turbines near Bowling Green, Ohio. Each turbine has a normal capacity of 1.8 MW and sells electricity from its operations to OMEGA JV6 Participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess funds shall be paid to the participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2008 Cuyahoga Falls has met their debt coverage obligation.

## City of Cuyahoga Falls, Ohio

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### NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

The Agreement provides that the failure of any JV6 participant to make any payment due by the due date constitutes a default. In the event of a default and one in which the defaulting Participant failed to cure its default as provided for in the Agreement, the remaining participants would acquire the defaulting Participant's interest in the project and assume responsibility for the associated payments on a pro rata basis up to a maximum amount equal to 25% of such non-defaulting Participant's Project share ("Step up Power").

OMEGA JV6 is managed by American Municipal Power-Ohio, Inc., which acts as the joint venture's agent. On July 30, 2004 AMP-Ohio issued \$9,861,000 adjustable rate bonds that mature on August 15, 2019. The net proceeds of the bond issues were used to construct the OMEGA JV6 project. The City's net obligation for these bonds at December 31, 2008 was \$1,633,039 (Including amounts withheld for Debt Service Reserve, amounts held in the Bond Fund, previous billings to members, interest payable and debt service paid and collected).

The City's net investment and its share of operating results of OMEGA JV6 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV6 was \$2,204,226 at December 31, 2008. Complete financial statements for OMEGA JV6 may be obtained from AMP-Ohio or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

### NOTE 17 – ACCOUNTABILITY

#### Fund Equity Deficit – Special Revenue Funds

There is a deficit in the Fire Pension Special Revenue Fund of \$33,260 caused by the application of accounting principals generally accepted in the United States of America to this fund. The General Fund is liable for the deficit in this fund and provides operating transfers when cash is required, not when accruals occur.

### NOTE 18 – CONSTRUCTION COMMITMENTS

As of December 31, 2008, the City had the following significant commitments with respect to projects requiring capital expenditures:

<u>Capital Project</u>	2008 Remaining Construction <u>Contract</u>	Expected Date of <u>Completion</u>
Electric Line Expansion into Ward 8	\$ 878,483	2009
Automated Meter Reading System	11,362,959	2010
High Bridge Glens Bridge & Park	1,645,651	2009
23KV Express Feed Construction	822,855	2009
Total Capital Projects	<u>\$ 14,709,948</u>	

**NOTE 19 – CHANGES IN ACCOUNTING PRINCIPLES**

For fiscal year 2008, the City implemented GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and No. 50, *Pension Disclosures*. GASB Statement No. 45 provides guidance on all aspects of other postemployment benefit (OPEB) reporting by employers. GASB Statement No. 49 provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. GASB Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits.

The implementation of GASB Statement No. 45 did affect the presentation of the financial statements of the City. As a result of GASB Statement No. 45, the City has recorded a net OPEB obligation in the amount of \$292,985 on the Statement of Net Assets. See Note 21 for further disclosure on the implementation of the GASB Statement. The implementation of GASB Statements No. 49 and No. 50 did not affect the presentation of the financial statements of the City.

**NOTE 20 – ASSETS HELD FOR RESALE**

Assets held for resale represents two properties purchased by the City, which will be resold for development purposes. During 2008, property known as the State Road Shopping Center and South Front Street properties were acquired for \$10,401,950 and \$391,302, respectively. A fund balance reserve, in the amount of \$10,793,252, was created in the Capital Projects fund and presented in the governmental fund financial statements.

**NOTE 21 – OTHER POST-EMPLOYMENT BENEFITS**

Plan Description

The City provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefit, benefit levels, and employer contributions are governed by the City and can be amended by the City through its union contracts and City Council for non-bargaining personnel. The activity of the plan is reported in the City’s Self Insurance Internal Service Fund.

Benefits Provided

The City provides post-employment health care and life insurance benefits to its retirees. The City has historically funded its retiree health care benefits on a pay-as-you-go basis. For the year ended December 31, 2008, the City contributed \$387,172 to the 128 retirees and/or family members receiving benefits. Eligibility and description of benefits are as follows:

**General Employees.** General employees hired prior to January 1, 2004 are eligible for the City’s explicit subsidy at the earlier of:

1. Age 55 with 25 years of service; or
2. Age 60 with 12 years of service; or
3. 30 years of service

General employees hired on/after January 1, 2004 are not eligible for the City’s explicit subsidy.

**Police Officers.** Police Officers hired prior to April 1, 2006 are eligible for the City’s explicit subsidy at the earlier of:

1. Age 48 with 25 years of service; or
2. Age 62 with 15 years of service

Police Officers hired on/after April 1, 2006 are not eligible for the City’s explicit subsidy.

## City of Cuyahoga Falls, Ohio

### NOTE 21 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

**Firefighters.** Firefighters hired prior to February 1, 2006 are eligible for the City's explicit subsidy at the earlier of:

1. Age 48 with 25 years of service; or
2. Age 62 with 15 years of service

Firefighters hired on/after February 1, 2006 are not eligible for the City's explicit subsidy.

For a select group of employees, the City reimburses:

1. A fixed dollar amount to reimburse retirees for their contributions paid into the State Health Plan (Premium Reimbursement Subsidy).
2. Up to fixed dollar amount for co-payments and deductibles that vary by employee group (Co-pay and Deductible Subsidy).

**General Employees.** Retired general employees receive one reimbursement amount that will cover both reimbursements regardless of coverage level. This benefit is payable until the younger of the retiree or spouse turns 65. This benefit will continue to a surviving spouse of retired or active employee eligible to retire until the date the benefit would have ceased. The annual reimbursement amount effective January 1, 2009 is \$2,469.60 for retirees who have single or family coverage level. The reimbursement is increased 5.0% per year.

**Police Officers.** The 2009 annual subsidy amounts for police officers are as follows:

	<u>Premium Reimbursement</u>		<u>Co-pay and Deductible</u>
	<u>&lt;65</u>	<u>65+</u>	<u>All ages</u>
Retiree	\$1,440.92	\$1,289.12	\$400
Spouse	\$2,172.23	\$2,278.53	N/A*

\*The co-payment and deductible subsidy is the same for retirees with single or family coverage.

**Firefighters.** The 2009 annual subsidy amounts for firefighters are as follows:

	<u>Premium Reimbursement</u>		<u>Co-pay and Deductible</u>
	<u>&lt;65</u>	<u>65+</u>	<u>All ages</u>
<b>Firefighters who retired prior to 2006</b>			
Retiree	\$2,660.28	\$1,573.44	Included in Premium Reimbursement
Spouse	\$5,917.92	\$3,696.12	
<b>Firefighters who retired on/after 2006</b>			
Retiree	\$1,440.92	\$1,440.92	\$700
Spouse	\$2,172.23	\$2,172.23	N/A*

\*The co-payment and deductible subsidy is the same for retirees with single or family coverage.

**NOTE 21 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

Annual OPEB Costs and Net OPEB Obligation

The City had an actuarial valuation performed for the plan as of December 31, 2008 to determine the funded status of the plan as of that date as well as the employer’s annual required contribution (ARC). As of December 31, 2008, the annual required contribution (ARC) was \$ 680,157 and the City’s annual employer contribution for pay-as-you-go cost was \$387,172, leaving a Net OPEB Obligation of \$292,985 as of the end of the year. This liability is recorded in the Self Insurance Internal Service Fund statement as well as within governmental activities in the City’s Statement of Net Assets.

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2008, was as follows:

Actuarial Accrued Liability (AAL)	\$ 9,067,845
Actuarial Value of Plan Assets	\$ 0
Unfunded Actuarial Accrued Liability (UAAL)	\$ 9,067,845
Funded Ratio (Actuarial Value of Plan Assets/AAL)	\$32,238,892
UAAL as a percentage of covered payroll	2.81%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financing reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

In the December 31, 2008 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions include a discount rate of 4.5% unfunded, 8% fully-funded and a healthcare cost trend rate of 5%. The actuarial value of assets was zero. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of pay over thirty years based on an open group.

**NOTE 22 – SUBSEQUENT EVENTS**

Effective January 1, 2009 the Cuyahoga Falls Municipal Court officially became the Stow Municipal Court, whereas, the City of Stow is now the Court’s host city. These changes are reflected in Ohio Revised Code Section 1901.01 “Organization of Municipal Courts.” All Municipal Court Special Revenue Fund ending balances were remitted to the City of Stow on February 24, 2009.

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND STATEMENTS**



## Major Governmental Funds

**General Fund**

To account for all financial resources except those required to be accounted for in another fund.

**Municipal Income Tax**

To account for income tax revenue and the expenses of the administration of the income tax. After operating expenses are deducted, allocation is made to the General Fund, Recreation Levy Fund and Capital Projects Fund at a rate of 62.67 percent, 8 percent, and 29.33 percent, respectively.

**Capital Projects**

To account for income tax revenue which must be used to fund capital projects in accordance with local law.

# City of Cuyahoga Falls, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 9,535,901	\$ 9,535,901	\$ 10,171,550	\$ 635,649
Other local taxes	143,850	312,850	312,983	133
State levied shared taxes	5,345,594	5,784,844	5,154,484	(630,360)
Intergovernmental	43,000	33,000	54,892	21,892
Charges for services	6,130,305	5,950,805	6,263,566	312,761
Fees, licenses, and permits	601,950	412,450	421,632	9,182
Fines and forfeitures	337,800	246,050	243,830	(2,220)
Special assessments	-	-	-	-
Other	240,500	278,000	360,069	82,069
<b>Total Revenues</b>	<b>22,378,900</b>	<b>22,553,900</b>	<b>22,983,006</b>	<b>429,106</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Security of persons and property</b>				
<b>Building</b>				
Personal services	553,201	557,821	546,611	11,210
Other operations	86,031	81,411	75,299	6,112
<b>Total - Building</b>	<b>639,232</b>	<b>639,232</b>	<b>621,910</b>	<b>17,322</b>
<b>Police</b>				
Personal services	8,603,804	8,593,804	8,142,254	451,550
Other operations	1,323,842	1,336,842	1,260,404	76,438
Capital outlay	124,376	121,376	121,195	181
<b>Total - Police</b>	<b>10,052,022</b>	<b>10,052,022</b>	<b>9,523,853</b>	<b>528,169</b>
<b>Fire</b>				
Personal services	6,786,390	6,776,390	6,552,415	223,975
Other operations	768,482	888,882	884,489	4,393
<b>Total - Fire</b>	<b>7,554,872</b>	<b>7,665,272</b>	<b>7,436,904</b>	<b>228,368</b>
<b>Technical services</b>				
Personal services	472,706	472,706	465,256	7,450
Other operations	142,907	142,907	128,409	14,498
<b>Total - Technical services</b>	<b>615,613</b>	<b>615,613</b>	<b>593,665</b>	<b>21,948</b>
<b>Police reserve</b>				
Other operations	9,091	9,091	7,802	1,289
<b>Total - Police reserve</b>	<b>9,091</b>	<b>9,091</b>	<b>7,802</b>	<b>1,289</b>
<b>DARE program</b>				
Other operations	3,360	3,360	3,260	100
<b>Total - DARE program</b>	<b>3,360</b>	<b>3,360</b>	<b>3,260</b>	<b>100</b>
<b>Total - Security of persons and property</b>	<b>18,874,190</b>	<b>18,984,590</b>	<b>18,187,394</b>	<b>797,196</b>
<b>Leisure time activities</b>				
<b>Parks &amp; recreation</b>				
Personal services	1,519,003	1,419,003	1,405,134	13,869
Other operations	802,124	812,124	777,834	34,290
<b>Total - Leisure time activities</b>	<b>2,321,127</b>	<b>2,231,127</b>	<b>2,182,968</b>	<b>48,159</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund  
For the Year Ended December 31, 2008**

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Community environment</b>				
Riverfront Centre District				
Personal services	\$ 287,170	\$ 287,170	\$ 285,325	\$ 1,845
Other operations	322,126	322,126	271,472	50,654
Capital outlay	5,500	5,500	5,372	128
Total - Riverfront Centre District	614,796	614,796	562,169	52,627
Community / economic development				
Personal services	726,689	724,029	698,075	25,954
Other operations	188,029	190,689	147,549	43,140
Capital outlay	-	-	-	-
Total - Community / economic development	914,718	914,718	845,624	69,094
Community gardens				
Other operations	-	8	-	8
Total - Community environment	1,529,514	1,529,522	1,407,793	121,729
<b>General government</b>				
General administration				
Other operations	814,317	919,317	916,928	2,389
Total - General administration	814,317	919,317	916,928	2,389
Council				
Personal services	240,735	240,735	238,473	2,262
Other operations	2,829	2,829	1,019	1,810
Total - Council	243,564	243,564	239,492	4,072
Mayor				
Personal services	210,178	215,778	212,662	3,116
Other operations	19,164	35,564	33,882	1,682
Capital outlay	-	13,000	11,100	1,900
Total - Mayor	229,342	264,342	257,644	6,698
Finance director				
Personal services	742,339	742,339	637,452	104,887
Other operations	198,756	198,756	165,245	33,511
Total - Finance director	941,095	941,095	802,697	138,398
Law director				
Personal services	763,781	763,781	731,682	32,099
Other operations	264,184	264,184	202,792	61,392
Total - Law director	1,027,965	1,027,965	934,474	93,491
Service director				
Personal services	293,563	293,563	276,389	17,174
Other operations	19,194	19,194	17,337	1,857
Total - Service director	312,757	312,757	293,726	19,031
Municipal court				
Personal services	1,510,384	1,458,384	1,260,260	198,124
Other operations	114,394	114,394	74,107	40,287
Total - Municipal court	1,624,778	1,572,778	1,334,367	238,411
Clerk of courts				
Personal services	1,277,299	1,267,137	1,260,928	6,209
Other operations	115,497	125,659	125,659	-
Total - Clerk of courts	1,392,796	1,392,796	1,386,587	6,209

# City of Cuyahoga Falls, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund For the Year Ended December 31, 2008

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>General government (continued)</b>				
Civil service commission				
Personal services	\$ 12,469	\$ 12,469	\$ 12,468	\$ 1
Other operations	21,872	21,872	21,031	841
Total - Civil service commission	34,341	34,341	33,499	842
Engineering				
Personal services	926,218	926,218	903,186	23,032
Other operations	116,022	116,022	95,420	20,602
Total - Engineering	1,042,240	1,042,240	998,606	43,634
Human resources / records				
Personal services	314,117	313,392	264,603	48,789
Other operations	23,875	40,600	37,381	3,219
Total - Human resources / records	337,992	353,992	301,984	52,008
Print shop				
Personal services	14,535	14,535	12,895	1,640
Other operations	74,265	79,265	72,519	6,746
Total - Print shop	88,800	93,800	85,414	8,386
Building and grounds maintenance				
Personal services	758,408	749,408	736,676	12,732
Other operations	424,793	463,793	456,649	7,144
Capital outlay	-	-	-	-
Total - Building and grounds maintenance	1,183,201	1,213,201	1,193,325	19,876
Total - General government	9,273,188	9,412,188	8,778,743	633,445
Total Expenditures	31,998,019	32,157,427	30,556,898	1,600,529
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(9,619,119)	(9,603,527)	(7,573,892)	2,029,635
<b>Other Financing Sources (Uses)</b>				
Transfers in	12,746,332	12,861,255	12,828,139	(33,116)
Transfers out	(4,221,784)	(4,083,384)	(4,050,923)	32,461
Total Other Financing Sources (Uses)	8,524,548	8,777,871	8,777,216	(655)
Net change in fund balances	(1,094,571)	(825,656)	1,203,324	2,028,980
Fund Balance at Beginning of Year	4,422,387	4,422,387	4,422,387	-
Prior year encumbrances appropriated	306,154	306,154	306,154	-
Fund Balance at End of Year	\$ 3,633,970	\$ 3,902,885	\$ 5,931,865	\$ 2,028,980

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Municipal Income Tax Fund  
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Municipal income taxes	\$ 18,488,200	\$ 18,678,200	\$ 18,746,246	\$ 68,046
Other	-	-	8	8
Total revenues	<u>18,488,200</u>	<u>18,678,200</u>	<u>18,746,254</u>	<u>68,054</u>
<b>Expenditures</b>				
Current				
<b>General government</b>				
Personal services	398,095	393,095	302,079	91,016
Other operations	640,880	753,880	732,036	21,844
Total expenditures	<u>1,038,975</u>	<u>1,146,975</u>	<u>1,034,115</u>	<u>112,860</u>
Excess (deficiency) of revenues over (under) expenditures	17,449,225	17,531,225	17,712,139	180,914
<b>Other Financing Sources (Uses)</b>				
Transfers out	(17,466,622)	(17,650,000)	(17,650,000)	-
Total other financing sources (uses)	<u>(17,466,622)</u>	<u>(17,650,000)</u>	<u>(17,650,000)</u>	<u>-</u>
<b>Net change in fund balances</b>	(17,397)	(118,775)	62,139	180,914
Fund balance at beginning of year	133,183	133,183	133,183	-
Prior year encumbrances appropriated	17,398	17,398	17,398	-
Fund balance at end of year	<u>\$ 133,184</u>	<u>\$ 31,806</u>	<u>\$ 212,720</u>	<u>\$ 180,914</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Projects Fund For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$ 202,000	\$ 916,300	\$ 916,290	\$ (10)
Charges for services	1,195,000	1,388,700	1,451,654	62,954
Special assessments	117,091	165,591	166,585	994
Other	18,000	510,380	525,049	14,669
Total revenues	1,532,091	2,980,971	3,059,578	78,607
<b>Expenditures</b>				
Current				
Capital outlay	7,269,825	19,429,625	17,614,107	1,815,518
Debt service				
Principal	4,751,477	3,751,477	3,640,230	111,247
Interest	141,478	183,478	183,027	451
Total expenditures	12,162,780	23,364,580	21,437,364	1,927,216
Excess (deficiency) of revenues over (under) expenditures	(10,630,689)	(20,383,609)	(18,377,786)	2,005,823
<b>Other Financing Sources (Uses)</b>				
Bond/note proceeds	3,450,000	13,366,400	13,366,423	23
Transfers in	5,122,960	5,176,745	5,176,745	-
Transfers out	-	-	-	-
Total other financing sources (uses)	8,572,960	18,543,145	18,543,168	23
<b>Net change in fund balances</b>	(2,057,729)	(1,840,464)	165,382	2,005,846
Fund balance at beginning of year	2,122,010	2,122,010	2,122,010	-
Prior year encumbrances appropriated	1,348,072	1,348,072	1,348,072	-
Fund balance at end of year	\$ 1,412,353	\$ 1,629,618	\$ 3,635,464	\$ 2,005,846

## Nonmajor Governmental Funds

<b>Special Revenue Funds</b>	To account for specific revenues that are legally restricted to expenditure for particular purposes.
<b>State Highway Improvement</b>	Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees for maintenance of state highways within the City.
<b>Street Construction, Maintenance and Repair</b>	Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees for maintenance of streets within the City.
<b>Police Pension</b>	To accumulate property taxes and other monies for the payment of the current and accrued liability for police disability and pension benefits.
<b>Fire Pension</b>	To accumulate property taxes and other monies for the payment of the current and accrued liability for fire disability and pension benefits.
<b>Recreation Levy</b>	To account for income tax collections received from the Municipal Income Tax Fund. The revenue must be used for improvements made by the Parks and Recreation Department.
<b>Permissive Tax</b>	Required by the Ohio Revised Code to account for local vehicle license fees designated for the maintenance of streets within the City. These funds are controlled by the county and limited to non-residential connector streets.
<b>Court Special Projects</b>	To account for fees to acquire and pay for projects to ensure efficient operation of the Municipal Court.
<b>Community and Economic Development</b>	To account for monies received from the sale of City-owned properties in an urban renewal area.
<b>Community Development Block Grant</b>	To account for monies received from the federal government through the Department of Housing and Urban Development as a direct entitlement community. The funding received is to directly benefit low and moderate income persons in the community. Projects funded include housing rehabilitation, economic development activities, infrastructure projects, planning and administrative costs that meet the programs national objectives. Projects are approved via an annual action plan. Fund also accounts for repayments from previous activities related to participation in the Summit County program as a sub-recipient.
<b>Probation</b>	To account for fees received from Municipal Court probationers to offset the cost of probation services.
<b>Enterprise Zone/Community Reinvestment Area</b>	To account for fees collected from enterprises receiving a tax incentive through an enterprise zone agreement for the purpose of administering and monitoring the Enterprise Zone Agreement.

## **Nonmajor Governmental Funds (Continued)**

<b>Suspended License Intervention Program</b>	To account for fees received from individuals who are charged with certain driver's license violations that come before the Municipal Court to offset the cost of services to educate these violators in complying with applicable laws.
<b>Drug Law Enforcement</b>	To account for fines received by the City that are restricted under the Ohio Revised Code to subsidize law enforcement efforts that pertain to drug offenses.
<b>Law Enforcement Trust</b>	To account for proceeds from the sale of contraband that are restricted to subsidizing law enforcement efforts.
<b>Indigent Drivers Alcohol Treatment</b>	To account for proceeds realized from fines to pay the cost of an alcohol and drug addiction treatment program attended by an offender who is ordered to attend such a program by a county or municipal court judge and who is determined by such county or municipal court judge not to have the means to pay for his attendance at such program.
<b>Enforcement and Education</b>	To account for proceeds realized from fines to pay only those costs incurred in enforcing Section 4511.19 of the Ohio Revised Code or a substantially similar municipal ordinance and in educating the public of laws governing the operation of a motor vehicle and the dangers of operation of a motor vehicle while under the influence of alcohol and other information relating to the operation of a motor vehicle and the consumption of alcoholic beverages.
<b>Municipal Motor Vehicle License Tax</b>	Required by the Ohio Revised Code to account for local vehicle license fees designated for the maintenance of certain streets within the City.
<b>Court Computer</b>	To account for the portion of court costs received by the City for the computerization and use of Computerized Legal Research for the operations of the Cuyahoga Falls Municipal Court.
<b>Federal Law Enforcement</b>	To account for the subsidy received by the Police Department for its efforts pertaining to (1) complex investigations/prosecutions by the City's Police/Law Departments; (2) provision of technical training or expertise of a law enforcement nature for Police Department members; (3) provision of matching funds to obtain federal grants; and (4) for such other law enforcement purposes that are deemed appropriate.
<b>FEMA Public Assistance</b>	To account for FEMA Public Assistance Grant Funding relating to storm damage.
<b>Law Enforcement Assistance</b>	To account for the reimbursement of professional training costs for law enforcement officers.



## Nonmajor Governmental Funds (Continued)

**Debt Service Fund**

To account for the accumulation of resources for and payment of general obligation principal, interest, and related expenditures.

**Capital Improvement Reserve**

To account for interest income which must be used to fund capital projects in accordance with local law and to account for interfund charges for the use of City-owned oil and gas wells.

**Cemetery Perpetual Care Permanent Fund**

To account for monies received for the perpetual care of cemetery lots. The amounts received are held as a permanent fund, and the interest received on the invested monies is available for care of the cemetery lots.

# City of Cuyahoga Falls, Ohio

## Combining Balance Sheet - Nonmajor Governmental Funds December 31, 2008

	Nonmajor Special Revenue Funds	Debt Service Fund	Capital Improvement Reserve Fund	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets</b>					
Equity in pooled cash and cash equivalents	\$ 2,963,894	\$ -	\$ 639,320	\$ 41,492	\$ 3,644,706
Cash and cash equivalents - restricted	-	13,804	-	141,697	155,501
Investments - restricted accounts	-	6,000	-	35,000	41,000
<b>Receivables</b>					
Taxes	562,134	-	-	-	562,134
<b>Accounts</b>					
(net of allowance for uncollectibles)	200,184	-	3,090	-	203,274
Loans	1,953,969	-	-	-	1,953,969
Special assessments	-	99,947	359,998	-	459,945
Accrued interest	-	48	114,042	915	115,005
Due from other funds	372,611	-	-	-	372,611
Due from other governments	1,032,252	-	-	-	1,032,252
Inventory of supplies	320,623	-	-	-	320,623
Prepaid items	19,033	-	-	-	19,033
Advances to other funds	-	-	214,316	-	214,316
<b>Total assets</b>	<b>7,424,700</b>	<b>119,799</b>	<b>1,330,766</b>	<b>219,104</b>	<b>9,094,369</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	119,911	-	28,867	-	148,778
Accrued salaries, wages and benefits	60,085	-	-	-	60,085
Deferred revenue	1,245,124	99,995	426,892	907	1,772,918
Due to other funds	13,221	-	-	-	13,221
Due to other governments	72,841	-	-	-	72,841
<b>Total liabilities</b>	<b>1,511,182</b>	<b>99,995</b>	<b>455,759</b>	<b>907</b>	<b>2,067,843</b>
<b>Fund Balances</b>					
Reserved for encumbrances	145,764	-	-	-	145,764
Reserved for prepaid items	19,033	-	-	-	19,033
Reserved for advances	-	-	214,316	-	214,316
Reserved for inventory of supplies	320,623	-	-	-	320,623
Reserved for loans receivable	1,953,969	-	-	-	1,953,969
Reserved for debt service	-	19,804	-	-	19,804
Reserved for cemetery perpetual care	-	-	-	218,197	218,197
Unreserved - undesignated	3,474,129	-	660,691	-	4,134,820
<b>Total fund balances</b>	<b>5,913,518</b>	<b>19,804</b>	<b>875,007</b>	<b>218,197</b>	<b>7,026,526</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,424,700</b>	<b>\$ 119,799</b>	<b>\$ 1,330,766</b>	<b>\$ 219,104</b>	<b>\$ 9,094,369</b>

**City of Cuyahoga Falls, Ohio**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2008**

	<u>Nonmajor Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Improvement Reserve Fund</u>	<u>Cemetery Perpetual Care Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>					
Property taxes	\$ 585,614	\$ -	\$ -	\$ -	\$ 585,614
Other local taxes	241,338	-	-	-	241,338
State levied shared taxes	2,372,404	-	-	-	2,372,404
Intergovernmental	821,133	-	-	-	821,133
Charges for services	121,866	-	-	7,343	129,209
Fees, licenses and permits	1,415,505	-	-	-	1,415,505
Interest earnings	-	5,689	1,035,631	4,774	1,046,094
Fines and forfeitures	64,801	-	-	-	64,801
Special assessments	-	89,538	108,491	-	198,029
Other	35,072	-	51,279	-	86,351
Total revenues	<u>5,657,733</u>	<u>95,227</u>	<u>1,195,401</u>	<u>12,117</u>	<u>6,960,478</u>
<b>Expenditures</b>					
Current					
Security of persons and property	2,535,426	-	-	-	2,535,426
Leisure time activities	83,930	-	-	-	83,930
Community environment	503,134	-	-	-	503,134
Street maintenance	4,128,506	-	-	-	4,128,506
General government	1,225,767	3,462	32,589	5,190	1,267,008
Capital outlay	213,000	-	-	-	213,000
Debt Service					
Principal	299,773	703,326	-	-	1,003,099
Interest	191,392	154,021	-	-	345,413
Total expenditures	<u>9,180,928</u>	<u>860,809</u>	<u>32,589</u>	<u>5,190</u>	<u>10,079,516</u>
Excess (deficiency) of revenues over (under) expenditures	(3,523,195)	(765,582)	1,162,812	6,927	(3,119,038)
<b>Other Financing Sources (Uses)</b>					
Transfers in	3,930,307	765,000	-	-	4,695,307
Transfers out	(780,445)	-	(1,665,000)	-	(2,445,445)
Total other financing sources (uses)	<u>3,149,862</u>	<u>765,000</u>	<u>(1,665,000)</u>	<u>-</u>	<u>2,249,862</u>
Net change in fund balances	(373,333)	(582)	(502,188)	6,927	(869,176)
Fund balance at beginning of year	6,404,430	20,386	1,377,195	211,270	8,013,281
Change in reserve for inventory	(116,197)	-	-	-	(116,197)
Change in reserve for prepaid items	(1,382)	-	-	-	(1,382)
Fund balance at end of year	<u>\$ 5,913,518</u>	<u>\$ 19,804</u>	<u>\$ 875,007</u>	<u>\$ 218,197</u>	<u>\$ 7,026,526</u>

# City of Cuyahoga Falls, Ohio

## Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2008

(Continued)

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension	Recreation Levy	Permissive Tax
<b>Assets</b>						
Equity in pooled cash and cash equivalents	\$ 5,894	\$ 174,237	\$ 43,186	\$ 23	\$ 233,936	\$ 2
Receivables						
Taxes	-	-	281,067	281,067	-	-
Accounts						
(net of allowance for uncollectibles)	-	199,027	-	-	-	-
Loans	-	-	-	-	-	-
Due from other funds	-	-	-	-	372,611	-
Due from other governments	72,227	891,387	17,219	17,219	-	30,311
Inventory of supplies	-	320,623	-	-	-	-
Prepaid items	-	19,033	-	-	-	-
<b>Total assets</b>	<u>78,121</u>	<u>1,604,307</u>	<u>341,472</u>	<u>298,309</u>	<u>606,547</u>	<u>30,313</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	-	43,252	-	-	8,555	-
Accrued salaries, wages and benefits	-	58,668	-	-	-	-
Deferred revenue	48,662	600,172	298,145	298,145	-	-
Due to other funds	-	7,241	-	-	5,980	-
Due to other governments	-	8,881	30,239	33,424	-	-
<b>Total liabilities</b>	<u>48,662</u>	<u>718,214</u>	<u>328,384</u>	<u>331,569</u>	<u>14,535</u>	<u>-</u>
<b>Fund Balances</b>						
Reserved for encumbrances	-	116,980	-	-	6,583	-
Reserved for prepaid items	-	19,033	-	-	-	-
Reserved for inventory of supplies	-	320,623	-	-	-	-
Reserved for loans receivable	-	-	-	-	-	-
Unreserved - undesignated	29,459	429,457	13,088	(33,260)	585,429	30,313
<b>Total fund balances</b>	<u>29,459</u>	<u>886,093</u>	<u>13,088</u>	<u>(33,260)</u>	<u>592,012</u>	<u>30,313</u>
<b>Total liabilities and fund balances</b>	<u>\$ 78,121</u>	<u>\$ 1,604,307</u>	<u>\$ 341,472</u>	<u>\$ 298,309</u>	<u>\$ 606,547</u>	<u>\$ 30,313</u>

**City of Cuyahoga Falls, Ohio**

**Combining Balance Sheet - Nonmajor Special Revenue Funds**  
**December 31, 2008**

(Continued)

	<u>Court Special Projects</u>	<u>Community and Economic Development</u>	<u>Community Development Block Grant</u>	<u>Probation</u>	<u>Enterprise Zone / Community Reinvestment Area</u>
<b>Assets</b>					
Equity in pooled cash and cash equivalents	\$ 531,837	\$ 2,794	\$ 409,693	\$ 223,802	\$ 10,650
Receivables					
Taxes	-	-	-	-	-
Accounts					
(net of allowance for uncollectibles)	-	-	-	-	1,157
Loans	-	-	1,953,969	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	2,497	-	-
Inventory of supplies	-	-	-	-	-
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<u>531,837</u>	<u>2,794</u>	<u>2,366,159</u>	<u>223,802</u>	<u>11,807</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	5,000	-	-	24,762	-
Accrued salaries, wages and benefits	-	-	1,417	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	297	-	-
<b>Total liabilities</b>	<u>5,000</u>	<u>-</u>	<u>1,714</u>	<u>24,762</u>	<u>-</u>
<b>Fund Balances</b>					
Reserved for encumbrances	-	-	12,505	-	1,250
Reserved for prepaid items	-	-	-	-	-
Reserved for inventory of supplies	-	-	-	-	-
Reserved for loans receivable	-	-	1,953,969	-	-
Unreserved - undesignated	526,837	2,794	397,971	199,040	10,557
<b>Total fund balances</b>	<u>526,837</u>	<u>2,794</u>	<u>2,364,445</u>	<u>199,040</u>	<u>11,807</u>
<b>Total liabilities and fund balances</b>	<u>\$ 531,837</u>	<u>\$ 2,794</u>	<u>\$ 2,366,159</u>	<u>\$ 223,802</u>	<u>\$ 11,807</u>

# City of Cuyahoga Falls, Ohio

## Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2008

(Continued)

	Suspended License Intervention Program	Drug Law Enforcement	Law Enforcement Trust	Indigent Drivers Alcohol Treatment	Enforcement and Education
<b>ASSETS</b>					
Equity in pooled cash and cash equivalents	\$ 42,178	\$ 30,378	\$ 85,438	\$ 733,723	\$ 31,921
Receivables					
Taxes	-	-	-	-	-
Accounts (net of allowance for uncollectibles)	-	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	417	-	975	-
Inventory of supplies	-	-	-	-	-
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<b>42,178</b>	<b>30,795</b>	<b>85,438</b>	<b>734,698</b>	<b>31,921</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	-	525	-	-	-
Accrued salaries, wages and benefits	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>525</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Reserved for encumbrances	-	1,104	-	-	-
Reserved for prepaid items	-	-	-	-	-
Reserved for inventory of supplies	-	-	-	-	-
Reserved for loans receivable	-	-	-	-	-
Unreserved - undesignated	42,178	29,166	85,438	734,698	31,921
<b>Total fund balances</b>	<b>42,178</b>	<b>30,270</b>	<b>85,438</b>	<b>734,698</b>	<b>31,921</b>
<b>Total liabilities and fund balances</b>	<b>\$ 42,178</b>	<b>\$ 30,795</b>	<b>\$ 85,438</b>	<b>\$ 734,698</b>	<b>\$ 31,921</b>

**Combining Balance Sheet - Nonmajor Special Revenue Funds**  
**December 31, 2008**

(Continued)

	<u>Municipal Motor Vehicle License Tax</u>	<u>Court Computer</u>	<u>Federal Law Enforcement</u>	<u>FEMA Public Assistance</u>	<u>Law Enforcement Assistance</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>ASSETS</b>						
Equity in pooled cash and cash equivalents	\$ 6,860	\$ 300,551	\$ 66,652	\$ 23,119	\$ 7,020	\$ 2,963,894
Receivables						
Taxes	-	-	-	-	-	562,134
Accounts (net of allowance for uncollectibles)	-	-	-	-	-	200,184
Loans	-	-	-	-	-	1,953,969
Due from other funds	-	-	-	-	-	372,611
Due from other governments	-	-	-	-	-	1,032,252
Inventory of supplies	-	-	-	-	-	320,623
Prepaid items	-	-	-	-	-	19,033
<b>Total assets</b>	<u>6,860</u>	<u>300,551</u>	<u>66,652</u>	<u>23,119</u>	<u>7,020</u>	<u>7,424,700</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	-	37,817	-	-	-	119,911
Accrued salaries, wages and benefits	-	-	-	-	-	60,085
Deferred revenue	-	-	-	-	-	1,245,124
Due to other funds	-	-	-	-	-	13,221
Due to other governments	-	-	-	-	-	72,841
<b>Total liabilities</b>	-	<u>37,817</u>	-	-	-	<u>1,511,182</u>
<b>Fund Balances</b>						
Reserved for encumbrances	-	7,148	194	-	-	145,764
Reserved for prepaid items	-	-	-	-	-	19,033
Reserved for inventory of supplies	-	-	-	-	-	320,623
Reserved for loans receivable	-	-	-	-	-	1,953,969
Unreserved - undesignated	<u>6,860</u>	<u>255,586</u>	<u>66,458</u>	<u>23,119</u>	<u>7,020</u>	<u>3,474,129</u>
<b>Total fund balances</b>	<u>6,860</u>	<u>262,734</u>	<u>66,652</u>	<u>23,119</u>	<u>7,020</u>	<u>5,913,518</u>
<b>Total liabilities and fund balances</b>	<u>\$ 6,860</u>	<u>\$ 300,551</u>	<u>\$ 66,652</u>	<u>\$ 23,119</u>	<u>\$ 7,020</u>	<u>\$ 7,424,700</u>

# City of Cuyahoga Falls, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2008

(Continued)

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension	Recreation Levy	Permissive Tax
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ 292,807	\$ 292,807	\$ -	\$ -
Other local taxes	-	241,058	140	140	-	-
State levied shared taxes	148,282	1,832,867	36,813	36,813	-	207,855
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fees, licenses, and permits	-	585,417	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Other	-	16,235	-	-	-	-
Total revenues	<u>148,282</u>	<u>2,675,577</u>	<u>329,760</u>	<u>329,760</u>	<u>-</u>	<u>207,855</u>
<b>Expenditures</b>						
Current						
Security of persons and property	-	-	1,057,557	1,274,891	-	-
Leisure time activities	-	-	-	-	83,930	-
Community environment	-	-	-	-	-	-
Street maintenance	146,000	3,872,506	-	-	-	-
General government	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	213,000
Debt service						
Principal	-	-	-	-	299,773	-
Interest	-	-	-	-	191,392	-
Total expenditures	<u>146,000</u>	<u>3,872,506</u>	<u>1,057,557</u>	<u>1,274,891</u>	<u>575,095</u>	<u>213,000</u>
Excess (deficiency) of revenues over (under) expenditures	2,282	(1,196,929)	(727,797)	(945,131)	(575,095)	(5,145)
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	900,000	700,000	911,600	1,418,707	-
Transfers out	-	-	-	-	(750,000)	-
Total other financing sources (uses)	<u>-</u>	<u>900,000</u>	<u>700,000</u>	<u>911,600</u>	<u>668,707</u>	<u>-</u>
Net change in fund balances	2,282	(296,929)	(27,797)	(33,531)	93,612	(5,145)
Fund balance at beginning of year	27,177	1,300,569	40,885	271	498,400	35,458
Change in reserve for inventory	-	(116,197)	-	-	-	-
Change in reserve for prepaid items	-	(1,350)	-	-	-	-
Fund balance at end of year	<u>\$ 29,459</u>	<u>\$ 886,093</u>	<u>\$ 13,088</u>	<u>\$ (33,260)</u>	<u>\$ 592,012</u>	<u>\$ 30,313</u>



**Combining Statement of Revenues, Expenditures and Changes in Fund  
Balances - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008**

(Continued)

	Court Special Projects	Community and Economic Development	Community Development Block Grant	Probation	Enterprise Zone / Community Reinvestment Area
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-
State levied shared taxes	-	-	-	-	-
Intergovernmental	-	-	775,617	-	-
Charges for services	-	-	-	-	-
Fees, licenses, and permits	698,637	-	-	127,247	4,204
Fines and forfeitures	-	-	-	-	-
Other	750	389	9,492	-	-
Total revenues	<u>699,387</u>	<u>389</u>	<u>785,109</u>	<u>127,247</u>	<u>4,204</u>
<b>Expenditures</b>					
Current					
Security of persons and property	-	-	-	124,713	-
Leisure time activities	-	-	-	-	-
Community environment	-	-	495,249	-	7,885
Street maintenance	-	-	-	-	-
General government	1,034,158	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>1,034,158</u>	<u>-</u>	<u>495,249</u>	<u>124,713</u>	<u>7,885</u>
Excess (deficiency) of revenues over (under) expenditures	(334,771)	389	289,860	2,534	(3,681)
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(334,771)	389	289,860	2,534	(3,681)
Fund balance at beginning of year	861,608	2,405	2,074,617	196,506	15,488
Change in reserve for inventory	-	-	-	-	-
Change in reserve for prepaid items	-	-	(32)	-	-
Fund balance at end of year	<u>\$ 526,837</u>	<u>\$ 2,794</u>	<u>\$ 2,364,445</u>	<u>\$ 199,040</u>	<u>\$ 11,807</u>

# City of Cuyahoga Falls, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2008

(Continued)

	Suspended License Intervention Program	Drug Law Enforcement	Law Enforcement Trust	Indigent Drivers Alcohol Treatment	Enforcement and Education
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-
State levied shared taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, licenses, and permits	-	-	-	-	-
Fines and forfeitures	-	9,829	-	48,446	6,526
Other	-	-	3,021	580	4,605
Total revenues	<u>-</u>	<u>9,829</u>	<u>3,021</u>	<u>49,026</u>	<u>11,131</u>
<b>Expenditures</b>					
Current					
Security of persons and property	-	34,184	2,444	11,720	27,977
Leisure time activities	-	-	-	-	-
Community environment	-	-	-	-	-
Street maintenance	-	-	-	-	-
General government	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>34,184</u>	<u>2,444</u>	<u>11,720</u>	<u>27,977</u>
Excess (deficiency) of revenues over (under) expenditures	-	(24,355)	577	37,306	(16,846)
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(24,355)	577	37,306	(16,846)
Fund balance at beginning of year	42,178	54,625	84,861	697,392	48,767
Change in reserve for inventory	-	-	-	-	-
Change in reserve for prepaid items	-	-	-	-	-
Fund balance at end of year	<u>\$ 42,178</u>	<u>\$ 30,270</u>	<u>\$ 85,438</u>	<u>\$ 734,698</u>	<u>\$ 31,921</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund  
Balances - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2008**

(Continued)

	<u>Municipal Motor Vehicle License Tax</u>	<u>Court Computer</u>	<u>Federal Law Enforcement</u>	<u>FEMA Public Assistance</u>	<u>Law Enforcement Assistance</u>	<u>Total Nonmajor Special Revenue</u>
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 585,614
Other local taxes	-	-	-	-	-	241,338
State levied shared taxes	109,774	-	-	-	-	2,372,404
Intergovernmental	-	-	-	38,496	7,020	821,133
Charges for services	-	121,866	-	-	-	121,866
Fees, licenses, and permits	-	-	-	-	-	1,415,505
Fines and forfeitures	-	-	-	-	-	64,801
Other	-	-	-	-	-	35,072
Total revenues	<u>109,774</u>	<u>121,866</u>	<u>-</u>	<u>38,496</u>	<u>7,020</u>	<u>5,657,733</u>
<b>Expenditures</b>						
Current						
Security of persons and property	-	-	1,715	225	-	2,535,426
Leisure time activities	-	-	-	-	-	83,930
Community environment	-	-	-	-	-	503,134
Street maintenance	110,000	-	-	-	-	4,128,506
General government	-	191,609	-	-	-	1,225,767
Capital outlay	-	-	-	-	-	213,000
Debt service	-	-	-	-	-	-
Principal	-	-	-	-	-	299,773
Interest	-	-	-	-	-	191,392
Total expenditures	<u>110,000</u>	<u>191,609</u>	<u>1,715</u>	<u>225</u>	<u>-</u>	<u>9,180,928</u>
Excess (deficiency) of revenues over (under) expenditures	(226)	(69,743)	(1,715)	38,271	7,020	(3,523,195)
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	-	3,930,307
Transfers out	-	-	-	(30,445)	-	(780,445)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,445)</u>	<u>-</u>	<u>3,149,862</u>
Net change in fund balances	(226)	(69,743)	(1,715)	7,826	7,020	(373,333)
Fund balance at beginning of year	7,086	332,477	68,367	15,293	-	6,404,430
Change in reserve for inventory	-	-	-	-	-	(116,197)
Change in reserve for prepaid items	-	-	-	-	-	(1,382)
Fund balance at end of year	<u>\$ 6,860</u>	<u>\$ 262,734</u>	<u>\$ 66,652</u>	<u>\$ 23,119</u>	<u>\$ 7,020</u>	<u>\$ 5,913,518</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - State Highway Improvement Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State levied shared taxes	\$ 146,000	\$ 146,000	\$ 148,716	\$ 2,716
Total revenues	146,000	146,000	148,716	2,716
<b>Expenditures</b>				
Current				
<b>Street maintenance</b>				
Other operations	146,000	146,000	146,000	-
Total expenditures	146,000	146,000	146,000	-
<b>Net change in fund balances</b>	-	-	2,716	2,716
Fund balance at beginning of year	3,178	3,178	3,178	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 3,178	\$ 3,178	\$ 5,894	\$ 2,716

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Street Construction, Maintenance and  
Repair Fund  
For the Year Ended December 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other local taxes	215,000	249,500	249,508	8
State levied shared taxes	1,800,800	1,694,700	1,838,239	143,539
Fees, licenses, and permits	548,000	570,500	570,525	25
Other	2,500	17,900	17,865	(35)
Total revenues	2,566,300	2,532,600	2,676,137	143,537
<b>Expenditures</b>				
Current				
<b>Street maintenance</b>				
Personal services	2,343,086	2,343,086	2,265,236	77,850
Other operations	1,735,080	1,767,080	1,765,960	1,120
Capital outlay	-	13,500	13,430	70
Total expenditures	4,078,166	4,123,666	4,044,626	79,040
Excess (deficiency) of revenues				
over (under) expenditures	(1,511,866)	(1,591,066)	(1,368,489)	222,577
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,200,000	1,200,000	900,000	(300,000)
Total other financing sources (uses)	1,200,000	1,200,000	900,000	(300,000)
<b>Net change in fund balances</b>	(311,866)	(391,066)	(468,489)	(77,423)
Fund balance at beginning of year	342,612	342,612	342,612	-
Prior year encumbrances appropriated	144,707	144,707	144,707	-
Fund balance at end of year	\$ 175,453	\$ 96,253	\$ 18,830	\$ (77,423)

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Police Pension Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 263,291	\$ 263,291	\$ 292,807	\$ 29,516
Other local taxes	122	122	112	(10)
State levied shared taxes	64,977	64,977	36,813	(28,164)
Total revenues	328,390	328,390	329,732	1,342
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Personal services	1,137,721	1,136,601	1,046,345	90,256
Other operations	4,300	5,420	5,400	20
Total expenditures	1,142,021	1,142,021	1,051,745	90,276
Excess (deficiency) of revenues over (under) expenditures	(813,631)	(813,631)	(722,013)	91,618
<b>Other Financing Sources (Uses)</b>				
Transfers in	760,000	760,000	700,000	(60,000)
Total other financing sources (uses)	760,000	760,000	700,000	(60,000)
<b>Net change in fund balances</b>	(53,631)	(53,631)	(22,013)	31,618
Fund balance at beginning of year	65,199	65,199	65,199	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 11,568	\$ 11,568	\$ 43,186	\$ 31,618

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Fire Pension Fund  
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 263,291	\$ 263,291	\$ 292,807	\$ 29,516
Other local taxes	122	122	112	(10)
State levied shared taxes	64,977	64,977	36,813	(28,164)
Total revenues	<u>328,390</u>	<u>328,390</u>	<u>329,732</u>	<u>1,342</u>
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Personal services	1,334,388	1,333,268	1,266,749	66,519
Other operations	4,300	5,420	5,399	21
Total expenditures	<u>1,338,688</u>	<u>1,338,688</u>	<u>1,272,148</u>	<u>66,540</u>
Excess (deficiency) of revenues over (under) expenditures	(1,010,298)	(1,010,298)	(942,416)	67,882
<b>Other Financing Sources (Uses)</b>				
Transfers in	990,000	990,000	911,600	(78,400)
Total other financing sources (uses)	<u>990,000</u>	<u>990,000</u>	<u>911,600</u>	<u>(78,400)</u>
<b>Net change in fund balances</b>	(20,298)	(20,298)	(30,816)	(10,518)
Fund balance at beginning of year	30,839	30,839	30,839	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 10,541</u>	<u>\$ 10,541</u>	<u>\$ 23</u>	<u>\$ (10,518)</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Recreation Levy Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other	-	-	-	-
Total revenues	-	-	-	-
<b>Expenditures</b>				
Current				
<b>Leisure time activities</b>				
Other operations	101,440	101,440	99,518	1,922
Total - leisure time activities	101,440	101,440	99,518	1,922
<b>Debt service</b>				
Principal	299,773	299,773	299,773	-
Interest	191,392	191,392	191,392	-
Total expenditures	592,605	592,605	590,683	1,922
Excess (deficiency) of revenues over (under) expenditures	(592,605)	(592,605)	(590,683)	1,922
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,397,330	1,412,000	1,412,000	-
Transfers out	(750,000)	(750,000)	(750,000)	-
Total other financing sources (uses)	647,330	662,000	662,000	-
<b>Net change in fund balances</b>	54,725	69,395	71,317	1,922
Fund balance at beginning of year	143,435	143,435	143,435	-
Prior year encumbrances appropriated	3,735	3,735	3,735	-
Fund balance at end of year	\$ 201,895	\$ 216,565	\$ 218,487	\$ 1,922



**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Permissive Tax Fund  
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
State levied shared taxes	\$ 215,000	\$ 213,000	\$ 213,000	\$ -
Total revenues	215,000	213,000	213,000	-
<b>Expenditures</b>				
Current				
Capital outlay	215,000	213,000	213,000	-
Total expenditures	215,000	213,000	213,000	-
<b>Net change in fund balances</b>	-	-	-	-
Fund balance at beginning of year	2	2	2	-
Prior year encumbrances appropriated	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Court Special Projects Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues</b>				
Fees, licenses, and permits	\$ 804,000	\$ 804,000	\$ 749,171	\$ (54,829)
Other	-	-	750	750
Total revenues	804,000	804,000	749,921	(54,079)
<b>Expenditures</b>				
Current				
<b>General government</b>				
Other operations	1,599,108	1,599,108	1,029,158	569,950
Total expenditures	1,599,108	1,599,108	1,029,158	569,950
<b>Net change in fund balances</b>	(795,108)	(795,108)	(279,237)	515,871
Fund balance at beginning of year	811,074	811,074	811,074	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 15,966	\$ 15,966	\$ 531,837	\$ 515,871

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Community and Economic  
Development Fund  
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other	\$ -	\$ 389	\$ 389	\$ -
Total Revenues	-	389	389	-
<b>Expenditures</b>				
Current				
<b>Community environment</b>				
Other operations	2,405	2,405	-	2,405
Total expenditures	2,405	2,405	-	2,405
<b>Net change in fund balances</b>	(2,405)	(2,016)	389	2,405
Fund balance at beginning of year	2,405	2,405	2,405	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 389</u>	<u>\$ 2,794</u>	<u>\$ 2,405</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Community Development Block Grant Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 1,595,000	\$ 795,000	\$ 773,120	(21,880)
Other	65,550	32,550	33,940	1,390
Total revenues	1,660,550	827,550	807,060	(20,490)
<b>Expenditures</b>				
Current				
<b>Community environment</b>				
Personal services	79,173	79,173	57,811	21,362
Other operations	798,962	648,961	248,554	400,407
Capital outlay	335,905	400,906	400,389	517
Total expenditures	1,214,040	1,129,040	706,754	422,286
Excess (deficiency) of revenues over (under) expenditures	446,510	(301,490)	100,306	401,796
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(15,391)	(15,391)
Total other financing sources (uses)	-	-	(15,391)	(15,391)
<b>Net change in fund balances</b>	446,510	(301,490)	84,915	386,405
Fund balance at beginning of year	71,956	71,956	71,956	-
Prior year encumbrances appropriated	240,317	240,317	240,317	-
Fund balance at end of year	\$ 758,783	\$ 10,783	\$ 397,188	\$ 386,405

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Probation Fund  
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fees, licenses, and permits	\$ 133,000	\$ 126,000	\$ 134,344	\$ 8,344
Total revenues	133,000	126,000	134,344	8,344
<b>Expenditures</b>				
Current				
Security of persons and property				
Other operations	320,599	145,599	110,914	34,685
Total expenditures	320,599	145,599	110,914	34,685
<b>Net change in fund balances</b>	(187,599)	(19,599)	23,430	43,029
Fund balance at beginning of year	186,391	186,391	186,391	-
Prior year encumbrances appropriated	3,018	3,018	3,018	-
Fund balance at end of year	<u>\$ 1,810</u>	<u>\$ 169,810</u>	<u>\$ 212,839</u>	<u>\$ 43,029</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Zone/Community Reinvestment Area Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees, licenses, and permits	\$ 3,400	\$ 3,000	\$ 3,047	\$ 47
Other	-	1,600	1,612	12
Total revenues	3,400	4,600	4,659	59
<b>Expenditures</b>				
Current				
<b>Community environment</b>				
Other operations	9,575	9,575	9,135	440
Total expenditures	9,575	9,575	9,135	440
<b>Net change in fund balances</b>	(6,175)	(4,975)	(4,476)	499
Fund balance at beginning of year	13,776	13,776	13,776	-
Prior year encumbrances appropriated	100	100	100	-
Fund balance at end of year	\$ 7,701	\$ 8,901	\$ 9,400	\$ 499

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget and Actual (Non-GAAP Budgetary Basis) - Suspended License Intervention  
 Program Fund  
 For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fees, licenses, and permits	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures</b>				
Current				
<b>General government</b>				
Other operations	42,178	42,178	-	42,178
Capital outlay	-	-	-	-
Total expenditures	<u>42,178</u>	<u>42,178</u>	<u>-</u>	<u>42,178</u>
<b>Net change in fund balances</b>	(42,178)	(42,178)	-	42,178
Fund balance at beginning of year	42,178	42,178	42,178	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,178</u>	<u>\$ 42,178</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Drug Law Enforcement Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 13,000	\$ 10,800	\$ 10,438	\$ (362)
Other	-	-	-	-
Total revenues	13,000	10,800	10,438	(362)
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Other operations	46,175	46,175	38,301	7,874
Capital outlay	10,000	10,000	-	10,000
Total expenditures	56,175	56,175	38,301	17,874
<b>Net change in fund balances</b>	(43,175)	(45,375)	(27,863)	17,512
Fund balance at beginning of year	52,050	52,050	52,050	-
Prior year encumbrances appropriated	4,725	4,725	4,725	-
Fund balance at end of year	\$ 13,600	\$ 11,400	\$ 28,912	\$ 17,512



**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Law Enforcement Trust Fund  
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 13,000	\$ 5,000	\$ 4,411	\$ (589)
Other	-	3,500	3,021	(479)
Total revenues	13,000	8,500	7,432	(1,068)
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Other operations	13,500	13,500	2,444	11,056
Total expenditures	13,500	13,500	2,444	11,056
<b>Net change in fund balances</b>	(500)	(5,000)	4,988	9,988
Fund balance at beginning of year	80,450	80,450	80,450	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 79,950</u>	<u>\$ 75,450</u>	<u>\$ 85,438</u>	<u>\$ 9,988</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Indigent Drivers Alcohol Treatment Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 54,400	\$ 54,400	\$ 49,286	\$ (5,114)
Total revenues	54,400	54,400	49,286	(5,114)
<b>Expenditures</b>				
Current				
Security of persons and property				
Other operations	753,840	753,840	15,459	738,381
Total expenditures	753,840	753,840	15,459	738,381
<b>Net change in fund balances</b>	(699,440)	(699,440)	33,827	733,267
Fund balance at beginning of year	699,896	699,896	699,896	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 456</u>	<u>\$ 456</u>	<u>\$ 733,723</u>	<u>\$ 733,267</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Enforcement and Education Fund  
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 7,000	\$ 6,700	\$ 7,076	\$ 376
Other	3,000	4,600	4,940	340
Total revenues	<u>10,000</u>	<u>11,300</u>	<u>12,016</u>	<u>716</u>
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Other operations	10,000	10,000	1,487	8,513
Capital outlay	<u>27,285</u>	<u>27,285</u>	<u>26,490</u>	<u>795</u>
Total expenditures	<u>37,285</u>	<u>37,285</u>	<u>27,977</u>	<u>9,308</u>
<b>Net change in fund balances</b>	(27,285)	(25,985)	(15,961)	10,024
Fund balance at beginning of year	47,882	47,882	47,882	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 20,597</u>	<u>\$ 21,897</u>	<u>\$ 31,921</u>	<u>\$ 10,024</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Municipal Motor Vehicle License Tax Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State levied shared taxes	\$ 110,000	\$ 110,000	\$ 109,774	\$ (226)
Total revenues	110,000	110,000	109,774	(226)
<b>Expenditures</b>				
Current				
<b>Street maintenance</b>				
Other operations	110,000	110,000	110,000	-
Total expenditures	110,000	110,000	110,000	-
<b>Net change in fund balances</b>	-	-	(226)	(226)
Fund balance at beginning of year	7,086	7,086	7,086	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 7,086</u>	<u>\$ 7,086</u>	<u>\$ 6,860</u>	<u>\$ (226)</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Court Computer Fund  
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ 151,000	\$ 123,000	\$ 131,787	\$ 8,787
Total revenues	151,000	123,000	131,787	8,787
<b>Expenditures</b>				
Current				
<b>General government</b>				
Other operations	75,719	195,719	195,107	612
Capital outlay	176,611	56,611	20,959	35,652
Total expenditures	252,330	252,330	216,066	36,264
<b>Net change in fund balances</b>	(101,330)	(129,330)	(84,279)	45,051
Fund balance at beginning of year	336,685	336,685	336,685	-
Prior year encumbrances appropriated	3,180	3,180	3,180	-
<b>Fund balance at end of year</b>	<u>\$ 238,535</u>	<u>\$ 210,535</u>	<u>\$ 255,586</u>	<u>\$ 45,051</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Federal Law Enforcement Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest earnings	-	-	-	-
Total revenues	-	-	-	-
<b>Expenditures</b>				
Current				
Security of persons and property				
Other operations	3,500	3,500	1,909	1,591
Total expenditures	3,500	3,500	1,909	1,591
<b>Net change in fund balances</b>	(3,500)	(3,500)	(1,909)	1,591
Fund balance at beginning of year	68,367	68,367	68,367	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 64,867	\$ 64,867	\$ 66,458	\$ 1,591

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - FEMA Public Assistance Fund  
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 70,000	\$ 70,000	\$ 38,496	\$ (31,504)
Total revenues	70,000	70,000	38,496	(31,504)
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Other operations	-	230	225	5
Total expenditures	-	230	225	5
Excess (deficiency) of revenues over (under) expenditures	70,000	69,770	38,271	(31,499)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(70,000)	(69,770)	(30,445)	39,325
Total other financing sources (uses)	(70,000)	(69,770)	(30,445)	39,325
<b>Net change in fund balances</b>	-	-	7,826	7,826
Fund balance at beginning of year	15,293	15,293	15,293	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 15,293</u>	<u>\$ 15,293</u>	<u>\$ 23,119</u>	<u>\$ 7,826</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Law Enforcement Assistance Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 7,000	\$ 7,020	20
Total revenues	-	7,000	7,020	20
<b>Expenditures</b>				
Current				
Security of persons and property				
Other operations	-	-	-	-
Total expenditures	-	-	-	-
<b>Net change in fund balances</b>	-	7,000	7,020	20
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ -	\$ 7,000	\$ 7,020	\$ 20



**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund  
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest earnings	\$ 9,000	\$ 9,000	\$ 5,109	\$ (3,891)
Special Assessments	85,774	85,774	89,538	3,764
Total revenues	94,774	94,774	94,647	(127)
<b>Expenditures</b>				
Current				
<b>General government</b>				
Other operations	500	3,500	3,462	38
Total - general government	500	3,500	3,462	38
<b>Debt service</b>				
Principal	703,326	703,326	701,326	2,000
Interest	154,022	154,022	153,441	581
Total expenditures	857,848	860,848	858,229	2,619
Excess (deficiency) of revenues over (under) expenditures	(763,074)	(766,074)	(763,582)	2,492
<b>Other Financing Sources (Uses)</b>				
Transfers in	765,000	765,000	765,000	-
Total other financing sources (uses)	765,000	765,000	765,000	-
<b>Net change in fund balances</b>	1,926	(1,074)	1,418	2,492
Fund balance at beginning of year	20,386	20,386	20,386	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 22,312	\$ 19,312	\$ 21,804	\$ 2,492

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Improvement Reserve Fund For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest earnings	\$ 1,815,000	\$ 1,077,800	\$ 1,028,610	\$ (49,190)
Special assessments	103,874	108,474	108,491	17
Other	44,000	46,600	48,613	2,013
Total revenues	1,962,874	1,232,874	1,185,714	(47,160)
<b>Expenditures</b>				
Current				
<b>General government</b>				
Other operations	32,000	32,000	30,518	1,482
Total expenditures	32,000	32,000	30,518	1,482
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,930,874	1,200,874	1,155,196	(45,678)
Other Financing Sources (Uses)				
Transfers out	(1,965,000)	(1,965,000)	(1,665,000)	300,000
Total other financing sources (uses)	(1,965,000)	(1,965,000)	(1,665,000)	300,000
<b>Net change in fund balances</b>	(34,126)	(764,126)	(509,804)	254,322
Fund balance at beginning of year	1,149,124	1,149,124	1,149,124	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 1,114,998	\$ 384,998	\$ 639,320	\$ 254,322

## Internal Service Funds

**Internal Service Funds**

To account for the financing of goods or services provided by one department of the City to other departments of the City on a cost reimbursement basis.

**Garage**

To account for the cost of maintenance facility for automotive equipment used by various City departments. The costs of services provided are billed to the various user departments.

**Office Supply**

To account for the cost of central purchasing of office supplies and custodial products used by various City departments.

**Information Services**

To account for the maintenance and support of information technology to various City departments. The actual costs of services are reimbursed to this fund by the user departments.

**Self-Insurance**

To account for the cost of medical benefits and life insurance provided to the City's employees.

**Workers' Compensation**

To account for the cost of workers' compensation claims and administrative costs incurred by City employees.

**Compensated Absences**

To accumulate sums sufficient to defray anticipated employee benefit payments.

# City of Cuyahoga Falls, Ohio

## Combining Statement of Net Assets - Governmental Activities Internal Service Funds December 31, 2008

	<u>Garage</u>	<u>Office Supply</u>	<u>Information Services</u>	<u>Self Insurance</u>
<b>Assets</b>				
<b>Current Assets</b>				
Equity in pooled cash and cash equivalents	\$ 84,791	\$ 15,012	\$ 19,826	\$ 746,693
Due from other governments	-	-	-	25,613
Inventory of supplies	489,869	1,676	-	-
Prepaid items	1,847	-	966	21,961
Total current assets	<u>576,507</u>	<u>16,688</u>	<u>20,792</u>	<u>794,267</u>
<b>Noncurrent Assets</b>				
Capital Assets				
Land	21,960	-	-	-
Buildings	105,958	-	132,858	-
Improvements other than buildings	260,029	-	-	-
Equipment	302,705	-	1,054,609	-
Less: Accumulated depreciation	<u>(625,206)</u>	<u>-</u>	<u>(788,832)</u>	<u>-</u>
Total noncurrent assets	<u>65,446</u>	<u>-</u>	<u>398,635</u>	<u>-</u>
Total assets	<u><u>641,953</u></u>	<u><u>16,688</u></u>	<u><u>419,427</u></u>	<u><u>794,267</u></u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	52,135	3,950	107	9,240
Accrued salaries, wages and benefits	13,042	-	13,201	-
Accrued compensated absences	73,391	-	46,471	-
Due to other funds	6,156	-	-	-
Due to other governments	1,992	-	2,002	-
Other post-employment benefit obligation	-	-	-	292,985
Claims and judgments payable	-	-	-	381,320
Total current liabilities	<u>146,716</u>	<u>3,950</u>	<u>61,781</u>	<u>683,545</u>
<b>Noncurrent Liabilities</b>				
Accrued compensated absences	85,802	-	102,881	-
Claims and judgments payable	-	-	-	-
Total Noncurrent Liabilities	<u>85,802</u>	<u>-</u>	<u>102,881</u>	<u>-</u>
Total liabilities	<u><u>232,518</u></u>	<u><u>3,950</u></u>	<u><u>164,662</u></u>	<u><u>683,545</u></u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	65,446	-	398,635	-
Unrestricted	343,989	12,738	(143,870)	110,722
Total net assets	<u><u>409,435</u></u>	<u><u>12,738</u></u>	<u><u>254,765</u></u>	<u><u>110,722</u></u>

**Combining Statement of Net Assets - Governmental Activities Internal Service Funds**  
**December 31, 2008**

(Continued)

	<u>Workers'</u> <u>Compensation</u>	<u>Compensated</u> <u>Absences</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Equity in pooled cash and cash equivalents	\$ 2,823,318	\$ 5,317	\$ 3,694,957
Due from other governments	-	-	25,613
Inventory of supplies	-	-	491,545
Prepaid items	-	-	24,774
Total current assets	<u>2,823,318</u>	<u>5,317</u>	<u>4,236,889</u>
<b>Noncurrent Assets</b>			
Capital Assets			
Land	-	-	21,960
Buildings	-	-	238,816
Improvements other than buildings	-	-	260,029
Equipment	-	-	1,357,314
Less: Accumulated depreciation	-	-	(1,414,038)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>464,081</u>
Total assets	<u><u>2,823,318</u></u>	<u><u>5,317</u></u>	<u><u>4,700,970</u></u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	2,555	-	67,987
Accrued salaries, wages and benefits	-	-	26,243
Accrued compensated absences	-	-	119,862
Due to other funds	-	-	6,156
Due to other governments	327,627	-	331,621
Other post-employment benefit obligation	-	-	292,985
Claims and judgments payable	225,920	-	607,240
Total current liabilities	<u>556,102</u>	<u>-</u>	<u>1,452,094</u>
<b>Noncurrent Liabilities</b>			
Accrued compensated absences	-	-	188,683
Claims and judgments payable	107,129	-	107,129
Total Noncurrent Liabilities	<u>107,129</u>	<u>-</u>	<u>295,812</u>
Total liabilities	<u><u>663,231</u></u>	<u><u>-</u></u>	<u><u>1,747,906</u></u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	-	-	464,081
Unrestricted	2,160,087	5,317	2,488,983
Total net assets	<u><u>2,160,087</u></u>	<u><u>5,317</u></u>	<u><u>2,953,064</u></u>

## City of Cuyahoga Falls, Ohio

### Combining Statement of Revenues, Expenses and Changes in Net Assets - Governmental Activities Internal Service Funds For the Year Ended December 31, 2008

	<u>Garage</u>	<u>Office Supply</u>	<u>Information Services</u>	<u>Self- Insurance</u>
<b>Operating revenues</b>				
Charges for services	\$ 2,291,314	\$ 77,072	\$ 872,968	\$ 4,906,975
Other	2,141	-	2,574	122,279
Total operating revenues	<u>2,293,455</u>	<u>77,072</u>	<u>875,542</u>	<u>5,029,254</u>
<b>Operating Expenses</b>				
Personal services	472,723	-	481,207	-
Fringe benefits	179,714	-	160,916	5,132,585
Materials and supplies	1,211,944	72,855	6,922	-
Utilities	14,626	-	5,517	-
Contractual services	21,838	-	57,135	37,309
Internal charges	156,139	-	23,826	-
Other	327,932	-	142,993	26,835
Depreciation	8,663	-	89,532	-
Total operating expenses	<u>2,393,579</u>	<u>72,855</u>	<u>968,048</u>	<u>5,196,729</u>
Net income (loss) from operations	<u>(100,124)</u>	<u>4,217</u>	<u>(92,506)</u>	<u>(167,475)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Interest revenue	-	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>(100,124)</u>	<u>4,217</u>	<u>(92,506)</u>	<u>(167,475)</u>
Changes in net assets	<u>(100,124)</u>	<u>4,217</u>	<u>(92,506)</u>	<u>(167,475)</u>
Total net assets - beginning	509,559	8,521	347,271	278,197
Total net assets - ending	<u>\$ 409,435</u>	<u>\$ 12,738</u>	<u>\$ 254,765</u>	<u>\$ 110,722</u>

**Combining Statement of Revenues, Expenses and Changes in Net Assets -  
Governmental Activities Internal Service Funds  
For the Year Ended December 31, 2008**

(Continued)

	<u>Workers' Compensation</u>	<u>Compensated Absences</u>	<u>Total</u>
<b>Operating revenues</b>			
Charges for services	\$ -	\$ 560,000	\$ 8,708,329
Other	7,325	-	134,319
Total operating revenues	<u>7,325</u>	<u>560,000</u>	<u>8,842,648</u>
<b>Operating Expenses</b>			
Personal services	-	560,071	1,514,001
Fringe benefits	126,167	-	5,599,382
Materials and supplies	-	-	1,291,721
Utilities	-	-	20,143
Contractual services	20,960	-	137,242
Internal charges	-	-	179,965
Other	47,283	-	545,043
Depreciation	-	-	98,195
Total operating expenses	<u>194,410</u>	<u>560,071</u>	<u>9,385,692</u>
Net income (loss) from operations	<u>(187,085)</u>	<u>(71)</u>	<u>(543,044)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest revenue	75,332	-	75,332
Total nonoperating revenues (expenses)	<u>75,332</u>	<u>-</u>	<u>75,332</u>
Income (loss) before contributions and transfers	<u>(111,753)</u>	<u>(71)</u>	<u>(467,712)</u>
Changes in net assets	<u>(111,753)</u>	<u>(71)</u>	<u>(467,712)</u>
Total net assets - beginning	2,271,840	5,388	3,420,776
Total net assets - ending	<u>\$ 2,160,087</u>	<u>\$ 5,317</u>	<u>\$ 2,953,064</u>

# City of Cuyahoga Falls, Ohio

## Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2008

	<u>Garage</u>	<u>Office Supply</u>	<u>Information Services</u>	<u>Self- Insurance</u>
<b>Cash Flows From Operating Activities</b>				
Activities				
Cash received from customers	\$ 2,305,383	\$ 77,072	\$ 875,542	\$ 5,030,287
Cash payments to employees for services	(468,814)	-	(478,254)	-
Cash payments to employees for benefits	(155,887)	-	(146,751)	(4,878,030)
Cash payments to suppliers for goods and services	<u>(1,827,879)</u>	<u>(70,307)</u>	<u>(238,367)</u>	<u>(54,904)</u>
Net cash provided by operating activities	(147,197)	6,765	12,170	97,353
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition of capital assets	<u>(28,201)</u>	-	-	-
Net cash used in capital and related financing activities	(28,201)	-	-	-
<b>Cash Flows From Investing Activities</b>				
Interest revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(175,398)	6,765	12,170	97,353
Cash and cash equivalents at beginning of year	<u>260,189</u>	<u>8,247</u>	<u>7,656</u>	<u>649,340</u>
Cash and cash equivalents at end of year	<u>\$ 84,791</u>	<u>\$ 15,012</u>	<u>\$ 19,826</u>	<u>\$ 746,693</u>



**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds  
For the Year Ended December 31, 2008**

(Continued)

	<u>Workers' Compensation</u>	<u>Compensated Absences</u>	<u>Totals</u>
<b>Cash Flows From Operating Activities</b>			
Activities			
Cash received from customers	\$ 7,325	\$ 560,000	\$ 8,855,609
Cash payments to employees for services	-	(560,071)	(1,507,139)
Cash payments to employees for benefits	(653,482)	-	(5,834,150)
Cash payments to suppliers for goods and services	<u>(71,381)</u>	<u>-</u>	<u>(2,262,838)</u>
Net cash provided by operating activities	(717,538)	(71)	(748,518)
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>(28,201)</u>
Net cash used in capital and related financing activities	-	-	(28,201)
<b>Cash Flows From Investing Activities</b>			
Interest revenue	<u>75,332</u>	<u>-</u>	<u>75,332</u>
Net cash provided (used) by investing activities	<u>75,332</u>	<u>-</u>	<u>75,332</u>
Net increase (decrease) in cash and cash equivalents	(642,206)	(71)	(701,387)
Cash and cash equivalents at beginning of year	<u>3,465,524</u>	<u>5,388</u>	<u>4,396,344</u>
Cash and cash equivalents at end of year	<u>\$ 2,823,318</u>	<u>\$ 5,317</u>	<u>\$ 3,694,957</u>

# City of Cuyahoga Falls, Ohio

## Combining Statement of Cash Flows - Governmental Activities Internal Service Fund (Continued) For the Year Ended December 31, 2008

	<u>Garage</u>	<u>Office Supply</u>	<u>Information Services</u>	<u>Self- Insurance</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>				
Operating income (loss)	\$ (100,124)	\$ 4,217	\$ (92,506)	\$ (167,475)
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:				
Depreciation	8,663	-	89,532	-
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:				
Due from other governments	1	-	-	1,033
Inventory of supplies	(5,918)	(82)	-	-
Prepaid items	84	-	(51)	469
Accounts payable				
- net of items affecting capital assets	(71,233)	2,630	(1,923)	9,240
Accrued salaries, wages and benefits	27,137	-	16,671	-
Due to other funds	(6,406)	-	-	-
Due to other governments	599	-	447	-
Other post-employment benefit obligation	-	-	-	292,985
Claims payable	-	-	-	(38,899)
Total adjustments	<u>(47,073)</u>	<u>2,548</u>	<u>104,676</u>	<u>264,828</u>
Net cash provided operating activities	<u>\$ (147,197)</u>	<u>\$ 6,765</u>	<u>\$ 12,170</u>	<u>\$ 97,353</u>

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds** (Continued)  
**For the Year Ended December 31, 2008**

	<u>Workers'</u> <u>Compensation</u>	<u>Compensated</u> <u>Absences</u>	<u>Totals</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>			
Operating income (loss)	\$ (187,085)	\$ (71)	\$ (543,044)
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:			
Depreciation	-	-	98,195
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:			
Due from other governments	-	-	1,034
Inventory of supplies	-	-	(6,000)
Prepaid items	-	-	502
Accounts payable			
- net of items affecting capital assets	(3,138)	-	(64,424)
Accrued salaries, wages and benefits	-	-	43,808
Due to other funds	-	-	(6,406)
Due to other governments	(34,188)	-	(33,142)
Claims payable	(493,127)	-	292,985
	(493,127)	-	(532,026)
Total adjustments	(530,453)	-	(205,474)
Net cash provided operating activities	<u>\$ (717,538)</u>	<u>\$ (71)</u>	<u>\$ (748,518)</u>

## **Fiduciary Funds – Agency Funds**

**Agency Funds**

Trust and agency funds are established to account for assets received and held by the City acting in the capacity of an agent or custodian.

**Treasury**

To account for the employer's portion of costs for pension plans and Medicare.

**Guarantee Deposits**

To account for funds received from a contractor, developer or individual to ensure compliance with the ordinances of the City. Upon satisfactory completion of the project, the deposit is returned to the individual, developer or contractor.

**Unclaimed Monies**

To account for monies held by the City and Municipal Court pending identification of the individual or organization entitled to the money.

**Employee Withholding**

To account for amounts withheld from the payroll of the City's employees.

**State Cases-Fines and Forfeitures**

To account for the portion of Municipal Court fines and forfeitures forwarded to the City, which must be remitted to the County Law Library Association.

**Municipal Court**

To account for fines and fees collected by the Cuyahoga Falls Municipal Court, which are required to be disbursed to various parties.

**Combining Statement of Assets and Liabilities - Fiduciary Funds**  
**December 31, 2008**

	<u>Agency Funds</u>					<u>Totals</u>
	<u>Guarantee Deposits</u>	<u>Unclaimed Monies</u>	<u>Employee Withholding</u>	<u>State Cases Fines and Forfeitures</u>	<u>Municipal Court</u>	
<b>Assets</b>						
<b>Current Assets</b>						
Equity in pooled cash						
and cash equivalents	\$1,103,618	\$ 167,609	\$ 2,154,807	\$ 4,209	\$ -	\$3,430,243
Cash and cash						
equivalents - restricted	-	-	-	-	528,882	528,882
Due from other governments	-	-	152,130	-	-	152,130
<b>Total assets</b>	<b><u>\$1,103,618</u></b>	<b><u>\$ 167,609</u></b>	<b><u>\$ 2,306,937</u></b>	<b><u>\$ 4,209</u></b>	<b><u>\$528,882</u></b>	<b><u>\$4,111,255</u></b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Due to other governments	241,156	-	1,703,518	4,209	369,218	2,318,101
Deposits held and due to others	<u>862,462</u>	<u>167,609</u>	<u>603,419</u>	<u>-</u>	<u>159,664</u>	<u>1,793,154</u>
<b>Total liabilities</b>	<b><u>\$1,103,618</u></b>	<b><u>\$ 167,609</u></b>	<b><u>\$ 2,306,937</u></b>	<b><u>\$ 4,209</u></b>	<b><u>\$528,882</u></b>	<b><u>\$4,111,255</u></b>

# City of Cuyahoga Falls, Ohio

## Combining Statement of Changes in Assets and Liabilities - Fiduciary Funds For the Year Ended December 31, 2008

	Agency Funds						Totals
	Treasury	Guarantee Deposits	Unclaimed Monies	Employee Withholding	State Cases Fines and Forfeitures	Municipal Court	
<b>Assets</b>							
Balance January 1, 2008	\$ 1,346,511	\$ 1,544,568	\$ 163,335	\$ 382,808	\$ 3,249	\$ 511,589	\$ 3,952,060
Additions	-	174,333	7,964	27,151,518	9,463	7,833,496	35,176,774
Deletions	(1,346,511)	(615,283)	(3,690)	(25,227,389)	(8,503)	(7,816,203)	(35,017,579)
Balance December 31, 2008	<u>\$ -</u>	<u>\$ 1,103,618</u>	<u>\$ 167,609</u>	<u>\$ 2,306,937</u>	<u>\$ 4,209</u>	<u>\$ 528,882</u>	<u>\$ 4,111,255</u>
<b>Liabilities</b>							
Balance January 1, 2008	1,346,511	1,544,568	163,335	382,808	3,249	511,589	3,952,060
Additions	-	174,333	7,964	27,151,518	9,463	7,833,496	35,176,774
Deletions	(1,346,511)	(615,283)	(3,690)	(25,227,389)	(8,503)	(7,816,203)	(35,017,579)
Balance December 31, 2008	<u>\$ -</u>	<u>\$ 1,103,618</u>	<u>\$ 167,609</u>	<u>\$ 2,306,937</u>	<u>\$ 4,209</u>	<u>\$ 528,882</u>	<u>\$ 4,111,255</u>

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# **STATISTICAL SECTION**



Statistical Section

This part of the City of Cuyahoga Falls, Ohio’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City’s overall financial health.

Contents	Pages
<b>Financial Trends</b> .....	148-155
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b> .....	156 - 161
These schedules contain information to help the reader assess the City’s most significant local revenue, the property tax and the municipal income tax.	
<b>Debt Capacity</b> .....	162 - 168
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b> .....	169 - 170
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<b>Operating Information</b> .....	171 - 172
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

## City of Cuyahoga Falls, Ohio

### City of Cuyahoga Falls, Ohio Net Assets By Component Last Five Years (Accrual Basis of Accounting)

	2008	2007	2006*	2005	2004
<b>Government activities</b>					
Invested in capital assets,					
net of related debt	\$ 74,834,451	\$ 72,851,175	\$ 63,756,095	\$ 38,207,868	\$ 35,151,575
Restricted:					
Capital projects	8,757,570	7,666,526	7,652,709	4,765,286	5,095,610
Debt service	109,044	187,018	273,777	404,311	482,412
Special revenue	7,237,562	7,717,100	7,701,388	6,374,529	6,379,774
Permanent fund purpose:					
Nonexpendable - Cemetery Perpetual					
Care	219,104	211,778	206,323	206,449	191,864
Unrestricted	8,315,681	6,880,274	4,394,906	5,502,764	6,528,533
<b>Total Governmental activities net assets</b>	<b>99,473,412</b>	<b>95,513,871</b>	<b>83,985,198</b>	<b>55,461,207</b>	<b>53,829,768</b>
<b>Business-type activities</b>					
Invested in capital assets,					
net of related debt	54,994,967	52,366,850	42,747,830	35,582,143	34,362,869
Unrestricted	23,217,163	23,613,766	19,945,749	17,179,978	21,390,836
<b>Total business-type activities net assets</b>	<b>78,212,130</b>	<b>75,980,616</b>	<b>62,693,579</b>	<b>52,762,121</b>	<b>55,753,705</b>
<b>Primary government</b>					
Invested in capital assets,					
net of related debt	129,829,418	125,218,025	106,503,925	73,790,011	69,514,444
Restricted	16,323,280	15,782,422	15,834,197	11,750,575	12,149,660
Unrestricted	31,532,844	30,494,040	24,340,655	22,682,742	27,919,369
<b>Total primary government net assets</b>	<b>\$ 177,685,542</b>	<b>\$ 171,494,487</b>	<b>\$ 146,678,777</b>	<b>\$ 108,223,328</b>	<b>\$ 109,583,473</b>

\* restated

**City of Cuyahoga Falls, Ohio**  
**Change in Net Assets**  
**Last Five Years**  
**(Accrual Basis Accounting)**

	2008	2007	2006*	2005	2004
<b>Program revenue</b>					
<i>Governmental activities:</i>					
Charges for services:					
Security of persons and property	\$ 930,710	\$ 1,023,881	\$ 978,736	\$ 684,768	\$ 645,102
Leisure time activities	279,860	250,371	255,650	239,984	193,635
Community environment	513,776	279,550	130,823	167,069	176,127
Basic utility services		-	-	709,400	347,960
Street maintenance	839,217	687,752	582,229	539,573	520,780
General government	7,968,738	7,733,297	7,596,686	7,560,416	7,520,335
Total charges for services	10,532,301	9,974,851	9,544,124	9,901,210	9,403,939
Operating grants & contributions:					
Security of persons and property	71,412	19,000	25,022	55,525	46,009
Community environment	775,617	703,273	697,364	795,079	34,028
Street maintenance	2,131,732	2,054,855	2,210,818	1,852,241	1,860,521
General government	50,209	402,570	34,564	-	159,891
Total operating grants & contributions	3,028,970	3,179,698	2,967,768	2,702,845	2,100,449
Capital grants & contributions:					
Security of persons and property	73,618	187,906	333,676	85,120	162,000
Basic utility services	989,980	961,320	-	5,346	-
Street maintenance	695,309	5,147,437	614,022	991,656	2,628,907
General government	30,000	-	-	-	-
Total capital grants & contributions	1,788,907	6,296,663	947,698	1,082,122	2,790,907
<i>Total governmental activities program revenue</i>	15,350,178	19,451,212	13,459,590	13,686,177	14,295,295
<i>Business-type activity:</i>					
Charges for service:					
Sewage and disposal	6,268,389	6,717,068	6,571,563	6,403,396	5,330,292
Water	5,125,578	4,850,997	5,165,054	5,091,414	4,689,048
Electric	34,032,741	35,463,844	35,085,559	31,513,528	27,223,637
Sanitation	3,781,680	3,918,962	3,853,452	3,876,815	3,831,498
Leisure time activities	5,881,339	5,700,915	5,427,157	5,054,198	3,675,022
Storm Drainage Utility	1,135,860	1,165,099	715,863	-	-
Total charges for services	56,225,587	57,816,885	56,818,648	51,939,351	44,749,497
Operating Grants & Contributions:					
Water	217				
Electric	7,217	-	-	-	-
Sanitation	52,870	50,515	47,900	106,872	58,329
Total operating grants & contributions	60,304	50,515	47,900	106,872	58,329
Capital grants & contributions:					
Sewage and disposal	-	2,759,859	17,531	-	-
Water	-	1,790,259			
Electric	-	435,852			
Leisure time activities	210,320	45,348	38,245	54,391	541,805
Storm Drainage Utility	914	1,910,197	56,075		
Total capital grants & contributions	211,234	6,941,515	111,851	54,391	541,805
<i>Total business-type activities</i>	56,497,125	64,808,915	56,978,399	52,100,614	45,349,631
<b>Total primary government program revenue</b>	<b>\$ 71,847,303</b>	<b>\$ 84,260,127</b>	<b>\$ 70,437,989</b>	<b>\$ 65,786,791</b>	<b>\$ 59,644,926</b>

\* restated

# City of Cuyahoga Falls, Ohio

## City of Cuyahoga Falls, Ohio Change in Net Assets Last Five Years (Accrual Basis Accounting)

	2008	2007	2006*	2005	2004
<b>Expenses</b>					
<i>Governmental activities:</i>					
Security of persons and property	20,885,650	21,077,044	22,964,331	21,496,125	20,192,572
Leisure time activities	2,811,353	2,693,863	2,582,070	2,760,272	3,314,284
Community environment	1,927,929	1,634,740	1,619,169	1,779,710	1,769,864
Basic utility services	-	-	20,035	234,855	373,625
Street maintenance	8,417,596	6,786,311	6,775,417	6,785,927	5,652,789
General government	11,286,008	10,875,233	10,153,078	10,302,655	9,702,519
Interest and fiscal charges	673,816	562,128	634,318	628,253	610,705
<b>Total governmental activities expenses</b>	<b>46,002,352</b>	<b>43,629,319</b>	<b>44,748,418</b>	<b>43,987,797</b>	<b>41,616,358</b>
<i>Business-type activity:</i>					
Sewage and disposal	5,445,620	5,440,729	5,262,109	5,502,949	5,573,901
Water	4,773,648	4,608,542	4,505,282	4,922,686	4,396,443
Electric	35,185,035	32,683,194	32,211,414	35,265,345	26,996,163
Sanitation	3,542,028	3,686,234	3,835,257	3,876,126	4,239,813
Leisure time activities	6,611,629	6,630,226	6,804,244	6,709,165	5,379,234
Storm Drainage Utility	427,802	309,254	337,388	-	-
<b>Total business-type activities expenses</b>	<b>55,985,762</b>	<b>53,358,179</b>	<b>52,955,694</b>	<b>56,276,271</b>	<b>46,585,554</b>
<b>Total primary government program expenses</b>	<b>101,988,114</b>	<b>96,987,498</b>	<b>97,704,112</b>	<b>100,264,068</b>	<b>88,201,912</b>
<b>Net (expense)/revenue</b>					
Governmental activity	(30,652,174)	(24,178,107)	(31,288,828)	(30,301,620)	(27,321,063)
Business-type activity	511,363	11,450,736	4,022,705	(4,175,657)	(1,235,923)
<b>Total primary government net expense</b>	<b>\$ (30,140,811)</b>	<b>\$ (12,727,371)</b>	<b>\$ (27,266,123)</b>	<b>\$ (34,477,277)</b>	<b>\$ (28,556,986)</b>
<b>General revenues and other changes in net assets</b>					
<i>Governmental activities</i>					
Property and other local taxes Levied for:					
General purposes	10,440,198	\$ 10,465,304	\$ 10,446,887	\$ 9,614,843	\$ 9,598,065
Special revenue	824,016	833,685	595,591	546,928	540,227
Income tax levied for:					
General purposes	11,765,637	11,684,711	11,082,744	10,660,150	11,522,505
Special revenue	1,501,916	1,491,586	1,414,743	1,360,797	1,470,156
Capital projects	5,506,400	5,468,528	5,186,801	4,989,241	5,389,618
Grants and entitlements not restricted to specific programs	5,020,191	5,324,452	4,571,615	4,891,355	4,872,500
Gain or (loss) on sale of capital assets	54,372	116,724	31,310	-	(742,563)
Investment earnings	1,177,816	2,158,091	2,043,801	1,053,818	390,583
Transfers	(1,678,831)	(1,836,301)	(1,399,592)	(1,184,073)	(729,945)
<b>Total governmental activities</b>	<b>34,611,715</b>	<b>35,706,780</b>	<b>33,973,900</b>	<b>31,933,059</b>	<b>32,311,146</b>
<i>Business-type activity</i>					
Gain or (loss) on sale of capital assets	41,320	-	-	-	(2,415,036)
Transfers	1,678,831	1,836,301	1,399,592	1,184,073	729,945
<b>Total Business-type activity</b>	<b>1,720,151</b>	<b>1,836,301</b>	<b>1,399,592</b>	<b>1,184,073</b>	<b>(1,685,091)</b>
<b>Total primary government general revenue and other changes in net assets</b>	<b>36,331,866</b>	<b>37,543,081</b>	<b>35,373,492</b>	<b>33,117,132</b>	<b>30,626,055</b>
<b>Change in net assets</b>					
Governmental Activities	3,959,541	11,528,673	2,685,072	1,631,439	4,990,083
Business Type Activities	2,231,514	13,287,037	5,422,297	(2,991,584)	(2,921,014)
<b>Total primary government change in net assets</b>	<b>\$ 6,191,055</b>	<b>\$ 24,815,710</b>	<b>\$ 8,107,369</b>	<b>\$ (1,360,145)</b>	<b>\$ 2,069,069</b>

\* restated

**City of Cuyahoga Falls, Ohio**  
**Fund Balances, Governmental Funds**  
**Last Ten Years**  
**(Modified Accrual Basis of Accounting)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>General Fund</b>					
Reserved	\$ 444,478	\$ 442,794	\$ 425,783	\$ 490,748	\$ 742,987
Unreserved	7,599,834	6,465,868	4,676,968	5,024,223	5,306,478
<b>Total General Fund</b>	<u>8,044,312</u>	<u>6,908,662</u>	<u>5,102,751</u>	<u>5,514,971</u>	<u>6,049,465</u>
<b>All Other Governmental Funds</b>					
Reserved	15,005,000	3,674,630	4,187,560	6,726,749	5,862,997
Unreserved, Undesignated, Reported In:					
Special Revenue Funds	3,474,129	3,808,651	4,073,889	2,921,274	2,879,045
Capital Projects Funds	(8,009,938)	1,480,417	(220,613)	(1,499,858)	(2,444,092)
Undesignated	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>10,469,191</u>	<u>8,963,698</u>	<u>8,040,836</u>	<u>8,148,165</u>	<u>6,297,950</u>
<b>Total Governmental Funds</b>	<u>\$ 18,513,503</u>	<u>\$ 15,872,360</u>	<u>\$ 13,143,587</u>	<u>\$ 13,663,136</u>	<u>\$ 12,347,415</u>

# City of Cuyahoga Falls, Ohio

## City of Cuyahoga Falls, Ohio Fund Balances, Governmental Funds Last Ten Years (Modified Accrual Basis of Accounting)

(Continued)

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
<b>General Fund</b>					
Reserved	\$493,073	\$ 419,288	\$ 446,273	\$ 416,840	\$ 380,535
Unreserved	5,196,479	4,610,566	5,694,929	4,433,064	4,894,841
<b>Total General Fund</b>	<u>5,689,552</u>	<u>5,029,854</u>	<u>6,141,202</u>	<u>4,849,904</u>	<u>5,275,376</u>
<b>All Other Governmental Funds</b>					
Reserved	7,730,943	7,036,971	8,127,151	7,247,628	6,171,244
Unreserved, Undesignated, Reported In:					
Special Revenue Funds	-	1,697,196	2,053,877	1,653,808	1,757,834
Capital Projects Funds	-	576,786	3,621,741	2,931,300	2,434,966
Undesignated	(1,426,752)	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>6,304,191</u>	<u>9,310,953</u>	<u>13,802,769</u>	<u>11,832,736</u>	<u>10,364,044</u>
<b>Total Governmental Funds</b>	<u>\$ 11,993,743</u>	<u>\$ 14,340,807</u>	<u>\$ 19,943,971</u>	<u>\$ 16,682,640</u>	<u>\$ 15,639,420</u>

**City of Cuyahoga Falls, Ohio**  
**Changes in Fund Balances, Government Funds**  
**Last Ten Years**  
**(Modified Accrual Basis of Accounting)**

	2008	2007	2006*	2005	2004
<b>Revenues</b>					
Property taxes	10,757,164	10,879,771	10,870,777	\$ 10,028,515	\$ 9,936,391
Municipal income taxes	18,753,883	18,484,497	17,672,779	16,908,814	18,454,257
Other local taxes	560,210	390,387	141,586	138,864	239,972
State levied shared taxes	7,355,239	7,225,524	7,034,265	6,983,147	6,850,014
Intergovernmental	2,214,516	2,925,454	1,481,952	1,565,036	2,864,296
Charges for services	7,837,010	7,133,862	7,176,699	7,854,459	6,877,348
Fees, licenses, and permits	1,835,432	2,156,317	1,711,914	1,249,654	1,116,812
Interest earnings	1,051,158	2,054,768	1,762,970	1,547,004	365,308
Fines and forfeitures	303,492	421,121	368,506	441,608	393,252
Special assessments	364,614	289,373	306,689	312,840	358,450
Other	936,910	776,244	686,386	748,311	725,771
<b>Total revenues</b>	<b>\$ 51,969,628</b>	<b>\$ 52,737,318</b>	<b>\$ 49,214,523</b>	<b>\$ 47,778,252</b>	<b>\$ 48,181,871</b>
<b>Expenditures</b>					
<b>Current</b>					
Security of persons and property	20,770,690	19,989,704	21,125,740	\$ 20,017,544	\$ 19,063,751
Leisure time activities	2,253,973	2,204,179	2,360,444	2,745,067	3,055,510
Community environment	1,888,483	2,205,502	1,787,134	1,996,878	1,423,880
Street maintenance	4,128,506	4,110,655	3,779,794	4,478,915	4,374,161
General government	10,950,142	10,504,859	9,533,684	9,392,345	8,957,972
Capital outlay	6,127,721	9,124,330	8,903,056	5,139,395	8,650,586
<b>Debt service</b>					
Principal	1,533,985	1,304,266	970,431	998,006	969,599
Interest	670,189	590,418	704,293	687,090	619,404
<b>Total expenditures</b>	<b>\$ 48,323,689</b>	<b>\$ 50,033,913</b>	<b>\$ 49,164,576</b>	<b>\$ 45,455,240</b>	<b>\$ 47,114,863</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 3,645,939</b>	<b>\$ 2,703,405</b>	<b>\$ 49,947</b>	<b>\$ 2,323,012</b>	<b>\$ 1,067,008</b>
<b>Other financing sources (uses)</b>					
Bond Note proceeds	-	-	-	-	4,382,963
Premium on various purpose refunding bonds	-	-	-	-	49,654
Payment to bond escrow account	-	-	-	-	(4,355,330)
Refunding bond issuance cost	-	-	-	-	(68,002)
Capital lease	540,197	2,466,544	768,740	-	-
Transfers in	22,777,318	23,204,680	22,548,956	22,441,447	24,043,778
Transfers out	(24,223,202)	(25,040,981)	(23,948,548)	(23,625,520)	(24,773,723)
<b>Total other financing sources (uses)</b>	<b>(905,687)</b>	<b>630,243</b>	<b>(630,852)</b>	<b>(1,184,073)</b>	<b>(720,660)</b>
<b>Net change in fund balance</b>	<b>\$ 2,740,252</b>	<b>\$ 3,333,648</b>	<b>\$ (580,905)</b>	<b>\$ 1,138,939</b>	<b>\$ 346,348</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>5.1%</b>	<b>4.5%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>4.1%</b>

\* restated

# City of Cuyahoga Falls, Ohio

## City of Cuyahoga Falls, Ohio Changes in Fund Balances, Government Funds Last Ten Years (Modified Accrual Basis of Accounting)

	2003	2002	2001	2000	1999
<b>Revenues</b>					
Property taxes	\$ 9,568,965	\$ 8,770,443	\$ 9,087,091	\$ 8,567,797	\$ 7,714,820
Municipal income taxes	16,732,040	16,740,777	16,191,625	15,820,981	16,156,494
Other local taxes	245,331	164,012	293,502	199,866	194,272
State levied shared taxes	6,369,187	6,138,255	6,590,819	6,549,177	6,131,671
Intergovernmental	3,189,056	2,381,899	2,821,042	748,440	1,360,746
Charges for services	6,613,544	6,720,028	6,664,641	6,255,286	5,567,613
Fees, licenses, and permits	1,071,256	916,423	1,064,874	871,507	856,187
Interest earnings	656,629	974,023	2,634,886	2,445,416	1,521,632
Fines and forfeitures	353,640	443,491	446,737	455,627	385,094
Special assessments	262,204	261,172	640,975	947,264	219,473
Other	1,415,459	679,249	372,271	313,143	326,587
<b>Total revenues</b>	<b>\$ 46,477,311</b>	<b>\$ 44,189,772</b>	<b>\$ 46,808,463</b>	<b>\$ 43,174,504</b>	<b>\$ 40,434,589</b>
<b>Expenditures</b>					
<b>Current</b>					
Security of persons and property	\$ 18,122,227	\$ 18,269,597	\$ 16,849,176	\$ 16,410,061	\$ 15,251,595
Leisure time activities	2,943,074	2,551,463	2,299,180	2,051,907	1,914,306
Community environment	1,080,107	979,129	1,025,487	954,197	835,905
Street maintenance	4,297,980	3,647,130	3,382,595	3,252,985	3,371,078
General government	8,779,774	8,848,607	8,643,427	7,512,854	7,130,996
Capital outlay	11,477,250	12,785,685	10,212,506	8,603,181	7,453,286
<b>Debt service</b>					
Principal	846,300	881,660	1,203,935	1,720,660	1,488,706
Interest	688,237	691,267	775,513	868,776	830,977
<b>Total expenditures</b>	<b>\$ 48,234,949</b>	<b>\$ 48,654,538</b>	<b>\$ 44,391,819</b>	<b>\$ 41,374,621</b>	<b>\$ 38,276,849</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (1,757,638)</b>	<b>\$ (4,464,766)</b>	<b>\$ 2,416,644</b>	<b>\$ 1,799,883</b>	<b>\$ 2,157,740</b>
<b>Other financing sources (uses)</b>					
Bond/Note proceeds	-	-	425,701	-	-
Premium on various purpose refunding bonds	-	-	-	-	-
Payment to bond escrow account	-	-	-	-	-
Refunding bond issuance cost	-	-	-	-	-
Capital lease	-	227,851	-	-	-
Transfers in	22,035,165	21,441,142	20,285,026	20,743,573	19,026,320
Transfers out	(22,834,189)	(22,215,294)	(21,054,546)	(21,501,883)	(19,713,950)
<b>Total other financing sources (uses)</b>	<b>(799,024)</b>	<b>(546,301)</b>	<b>(343,819)</b>	<b>(758,310)</b>	<b>(687,630)</b>
<b>Net change in fund balance</b>	<b>\$ (2,556,662)</b>	<b>\$ (5,011,067)</b>	<b>\$ 2,072,825</b>	<b>\$ 1,041,573</b>	<b>\$ 1,470,110</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.2%</b>	<b>4.4%</b>	<b>5.8%</b>	<b>7.9%</b>	<b>7.5%</b>



**City of Cuyahoga Falls, Ohio**  
**Assessed Valuations and Estimated Actual Values of Taxable Property**  
**Last Ten Years**

Collection Year	Real Property			Tangible Personal Property			
	Assessed Value		Estimated Actual Value	Public Utility		General Business	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2008	770,666,300	231,161,090	2,862,363,971	6,365,790	7,233,852	24,320,362	97,281,448
2007	755,457,020	229,254,980	2,813,462,857	12,525,300	14,233,295	44,666,313	178,665,252
2006	745,753,380	232,176,180	2,794,084,457	13,559,720	15,408,773	60,925,920	243,703,680
2005	689,316,530	224,896,090	2,612,036,057	16,099,970	18,295,420	82,276,185	329,104,740
2004	681,739,120	224,036,150	2,587,929,343	16,295,660	18,517,795	79,630,460	318,521,840
2003	678,655,350	221,984,610	2,573,257,029	17,072,190	19,400,216	85,154,613	340,618,452
2002	602,296,730	199,471,360	2,290,765,971	16,098,170	18,293,375	85,154,613	340,618,452
2001	593,378,980	191,387,940	2,242,094,943	20,564,700	23,368,977	88,901,960	355,607,840
2000	582,793,210	186,644,910	2,198,270,057	23,881,700	27,138,295	84,544,555	338,178,220
1999	512,712,720	174,556,020	1,963,500,400	23,682,270	26,911,670	82,647,099	330,588,396

Collection Year	Total			Tax Rate (per \$1,000 of Assessed Value)
	Assessed Value	Estimated Actual Value	Ratio	
2008	1,032,513,542	2,966,879,272	34.80%	\$ 11.00
2007	1,041,903,613	3,006,361,405	34.66%	\$ 11.00
2006	1,052,415,200	3,053,196,910	34.47%	\$ 11.00
2005	1,012,588,775	2,959,436,217	34.22%	\$ 11.00
2004	1,001,701,390	2,924,968,978	34.25%	\$ 11.00
2003	1,002,866,763	2,933,275,697	34.19%	\$ 11.00
2002	903,020,873	2,649,677,798	34.08%	\$ 11.00
2001	894,233,580	2,621,071,760	34.12%	\$ 11.00
2000	877,864,375	2,563,586,572	34.24%	\$ 11.00
1999	793,598,109	2,321,000,466	34.19%	\$ 11.00

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Summit County Fiscal Office

# City of Cuyahoga Falls, Ohio

## City of Cuyahoga Falls, Ohio Property Tax Rates - Direct and Overlapping Governments (per \$1,000 of Assessed Value) Last Ten Years

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Unvoted Millage</b>										
Operating	10.400	10.400	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
<b>Total Unvoted Millage</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>
<b>Voted Millage</b>										
1989 Parks & Recreation Operating	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Total Voted Millage</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Total Voted Millage by Type of Property</b>										
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Total Millage</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>
<b>Overlapping Rates by Taxing District</b>										
City School District	69.8700	69.8800	70.0000	62.0000	62.0000	61.9600	57.2300	57.2300	57.6300	57.8700
Residential/Agricultural Real	34.5715	34.0468	34.4061	28.4952	28.4944	28.3896	26.2353	26.2337	26.6148	29.5173
Commercial/Industrial and Public Utility Real	40.5960	41.6074	40.5120	33.5913	33.3647	33.1205	31.1405	31.1083	31.0994	33.5742
General Business and Public Utility Personal	69.8700	69.8800	70.0000	62.0000	62.0000	61.9600	57.2300	57.2300	57.6300	57.8700
Summit County	14.1600	14.5700	13.0700	13.0700	13.0700	13.0700	13.0700	13.0700	12.2700	12.2700
Residential/Agricultural Real	14.0174	12.0570	9.7591	10.3625	10.3883	10.3740	11.3338	11.3552	9.6652	10.4116
Commercial/Industrial and Public Utility Real	13.4948	12.8620	10.7717	11.0857	11.0729	10.9781	11.8607	11.9487	10.8513	11.3362
General Business and Public Utility Personal	14.1600	14.5700	13.0700	13.0700	13.0700	13.0700	13.0700	13.0700	12.2700	12.2700
Special Taxing Districts-Cuyahoga Falls Library	1.3000	1.3000	1.3000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Residential/Agricultural Real	1.3000	1.2955	1.2955	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	1.2467	1.3000	1.3000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	1.3000	1.3000	1.3000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Source: Summit County Fiscal Office and Ohio Department of Taxation

**Note:**

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

**City of Cuyahoga Falls, Ohio**

**City of Cuyahoga Falls, Ohio  
Principal Taxpayers - Real Estate Tax  
2008 and 1999**

<u>Name of Taxpayer</u>	<b>2008</b>	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Newpart Limited Partnership	\$ 6,591,430	0.66%
Yorkshire Woods Apartments LTD	5,512,480	0.55%
Riverside Community Urban Redevelopment	4,915,410	0.49%
Niederst Portage Towers LLC & Wynn	4,374,970	0.44%
Inland Western Cuyahoga Falls LLC	3,954,510	0.39%
Plaza Chapel Hill	3,425,530	0.34%
Dayton Hudson Corporation	2,705,760	0.27%
Sams Real Estate Business Trust	2,632,720	0.26%
Go Jo Industries, Inc.	2,515,780	0.26%
HD Development of Maryland Inc.	1,889,960	0.19%
<b>Totals</b>	<b>\$ 38,518,550</b>	<b>3.84%</b>
<hr/>		
<b>Total Assessed Valuation</b>	<b>\$ 1,001,827,390</b>	
<hr/>		
<u>Name of Taxpayer</u>	<b>1999</b>	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Newpart LP	\$ 7,086,370	1.03%
Yorkshire Woods Apartments	5,783,820	0.84%
State Road Associates	4,697,550	0.68%
Plaza Chapel Hill Co.	3,129,530	0.46%
Heslop, Inc.	3,626,680	0.53%
Portage Towers	3,711,310	0.54%
Dayton Hudson Corp. and Best Buy	2,974,000	0.43%
Chateau Investment Co.	2,325,970	0.34%
Damar Limited Partnership	2,149,640	0.31%
532 Investment Co.	1,796,340	0.26%
<b>Totals</b>	<b>\$ 37,281,210</b>	<b>5.42%</b>
<hr/>		
<b>Total Assessed Valuation</b>	<b>\$ 687,268,740</b>	

**Source:** Summit County Fiscal Office

(1) The amounts presented represent the assessed values upon which 2008 and 1999 collections were based.

# City of Cuyahoga Falls, Ohio

## City of Cuyahoga Falls, Ohio Property Tax Levies and Collections Last Ten Years

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2008	11,115,759	10,783,277	97.0%	339,869	11,123,146	100.1%	441,761	4.0%
2007	10,969,717	10,543,768	96.1%	342,686	10,886,454	99.2%	510,428	4.7%
2006	10,906,413	10,555,764	96.8%	245,597	10,801,361	99.0%	435,846	4.0%
2005	10,236,024	9,912,456	96.8%	288,092	10,200,548	99.7%	427,563	4.2%
2004	10,142,306	9,783,327	96.5%	324,156	10,107,483	99.7%	481,059	4.7%
2003	10,094,685	9,679,219	95.9%	281,225	9,960,444	98.7%	558,517	5.5%
2002	8,996,444	8,702,236	96.7%	263,613	8,965,849	99.7%	420,818	4.7%
2001	8,879,828	8,337,458	93.9%	227,633	8,565,091	96.5%	629,025	7.1%
2000	8,736,019	8,479,687	97.1%	201,625	8,681,312	99.4%	335,465	3.8%
1999	7,762,075	7,552,558	97.3%	204,918	7,757,476	99.9%	281,338	3.6%

Source: Summit County Fiscal Officer

**City of Cuyahoga Falls, Ohio  
Income Tax Revenue Base and Collections  
Last 10 Years (1)**

<b>Tax Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected (2)</b>	<b>Taxes From Withholding</b>	<b>Percentage of Taxes From Withholding</b>	<b>Taxes From Net Profits</b>	<b>Percentage of Taxes From Net Profits</b>	<b>Taxes From Individuals</b>	<b>Percentage of Taxes From Individuals</b>
2008	2.00%	18,720,525	13,990,210	75%	2,197,352	12%	2,532,963	14%
2007	2.00%	18,643,599	14,102,614	76%	2,050,006	11%	2,490,979	13%
2006	2.00%	17,655,291	13,161,626	75%	1,998,464	11%	2,495,201	14%
2005	2.00%	17,811,319	13,697,101	77%	1,666,171	9%	2,448,047	14%
2004	2.00%	17,220,977	13,037,352	76%	1,656,599	10%	2,527,026	15%
2003	2.00%	16,595,417	12,578,908	76%	1,426,314	9%	2,590,195	16%
2002	2.00%	16,812,477	12,211,514	73%	1,538,885	9%	3,062,078	18%
2001	2.00%	16,137,823	11,871,684	74%	1,340,874	8%	2,925,265	18%
2000	2.00%	15,952,003	11,827,038	74%	1,649,986	10%	2,474,979	16%
1999	2.00%	15,990,366	11,378,940	71%	2,075,142	13%	2,536,284	16%

(1) Information prior to 1999 is not available.

(2) Income tax collections are based on cash basis amounts.

Source: The City's Income Tax Department

## City of Cuyahoga Falls, Ohio

### City of Cuyahoga Falls, Ohio Ten Largest Municipal Income Tax Withholding Accounts Tax Years 2008 and 1998

#### Tax Year 2008

<u>Taxpayers</u>	<u>Municipal Income Tax Withholding</u>	<u>Percent Of Income Tax Collections</u>
Summa Health System Hospitals	\$ 680,962	4.86%
City of Cuyahoga Falls	\$ 635,022	4.53%
GoJo Industries Inc.	\$ 629,477	4.49%
Cuyahoga Falls Board of Education	\$ 523,401	3.73%
Associated Materials LLC	\$ 490,148	3.50%
Americhem Inc.	\$ 263,036	1.88%
Woodridge Local School District	\$ 212,798	1.52%
Manufacturers Group	\$ 181,760	1.30%
Schwebel Baking Co.	\$ 164,887	1.18%
Summit County Board of Education	\$ 161,068	1.15%
<b>Total</b>	<b>\$ 3,942,559</b>	<b>28.13%</b>
<b>Total Municipal Income Tax Collection</b>	<b>\$ 14,016,554.00</b>	

#### Tax Year 1998

<u>Taxpayers</u>	<u>Municipal Income Tax Withholding</u>	<u>Percent Of Income Tax Collections</u>
Go Jo Industries	\$ 482,086	4.41%
Cuyahoga Falls General Hospital	478,354	4.38%
City of Cuyahoga Falls	450,261	4.12%
Cuyahoga Falls Board of Education	411,489	3.77%
Alside	286,225	2.62%
Americhem	213,062	1.95%
SGS Tool Co.	205,721	1.88%
JBS Packaging	174,376	1.60%
Prospect-Akromold	128,795	1.18%
Ultra Forge Inc.	112,402	1.04%
<b>Total</b>	<b>2,942,771</b>	<b>26.94%</b>
<b>Total Municipal Income Tax Collection</b>	<b>\$ 10,921,419</b>	

Source: The City's Income Tax Department and Summit County Fiscal Office

**City of Cuyahoga Falls, Ohio**  
**Ratios of Outstanding Debt To**  
**Total Personal Income and Debt Per Capita**  
**Last Ten Years**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Total Personal Income	Percentage of Personal Income	Population (1)	Per Capita	
	General Obligation Bonds	Special Assessment Bonds	Notes Payable	General Obligation Bonds	OPWC Loans	Notes Payable						
2008	6,958,319	151,000	13,300,000	19,896,985	-	19,300,000	59,606,304	1,150,095,100	5.18%	51,002	e	1,169
2007	7,825,394	287,024	3,150,000	21,797,196	-	20,800,000	53,859,614	1,150,230,400	4.68%	51,008	e	1,056
2006	8,657,164	419,390	4,650,000	23,616,369	-	21,300,000	58,642,923	1,141,661,400	5.14%	50,628	d	1,158
2005	9,466,081	541,878	6,700,000	25,373,273	-	21,300,000	63,381,232	1,138,639,700	5.57%	50,494	d	1,255
2004	10,232,398	660,707	7,400,000	27,056,437	-	18,300,000	63,649,542	1,135,956,250	5.60%	50,375	d	1,264
2003	10,551,301	775,878	8,250,000	20,160,676	-	18,300,000	58,037,855	1,135,956,250	5.11%	50,375	d	1,152
2002	11,209,467	886,171	4,300,000	21,400,527	8,134	5,300,000	43,104,299	1,133,633,600	3.80%	50,272	c	857
2001	11,849,796	985,244	750,000	22,534,435	24,042	-	36,143,517	1,113,383,700	3.25%	49,374	b	732
2000	12,473,824	676,439	1,735,000	18,324,521	39,483	4,775,000	38,024,267	1,113,383,700	3.42%	49,374	b	770
1999	13,077,319	789,195	1,735,000	19,242,579	54,471	675,000	35,573,564	1,330,020,450	2.67%	48,950	a	727

Sources:

- (1) U. S. Bureau of Census, Census of Population
- (a) 1990 Federal Census
- (b) 2000 Federal Census
- (c) On July 1, 2002 an appeal was granted by the U.S. Census Bureau making the population of the City 50,272.
- (d) U.S. Census Bureau
- (e) July 1, 2008 U.S. Census Bureau Estimate

## City of Cuyahoga Falls, Ohio

### City of Cuyahoga Falls, Ohio Ratio of General Obligation Bonded Debt to Estimated True Value of Taxable Property and Bonded Debt Per Capita Last Ten Fiscal Years

Fiscal Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt Outstanding (3)	Ratio of Bonded Debt to Estimated True Value of Taxable Property	Bonded Debt per Capita
2008	51,002	d	2,966,879,272	6,958,319	0.23%	\$ 136
2007	51,002	d	3,006,361,405	7,825,394	0.26%	\$ 153
2006	50,628	d	3,053,196,910	8,657,164	0.28%	\$ 171
2005	50,494	d	2,959,436,217	9,466,081	0.32%	187
2004	50,375	d	2,924,968,978	10,232,398	0.35%	203
2003	50,375	d	2,933,275,697	10,551,301	0.36%	209
2002	50,272	c	2,649,677,798	11,209,467	0.42%	223
2001	49,374	b	2,621,071,760	11,849,796	0.45%	240
2000	49,374	b	2,563,586,572	12,473,824	0.49%	253
1999	48,950	a	2,321,000,466	13,077,319	0.56%	267

Sources:

- (1) U. S. Bureau of Census, Census of Population
  - (a) 1990 Federal Census
  - (b) 2000 Federal Census
  - (c) On July 1, 2002 an appeal was granted by the U.S. Census Bureau making the population of the City 50,272.
  - (d) U.S. Census Bureau
- (2) Summit County Auditor's Office
- (3) Includes all general obligation bonded debt with the exception of Special Assessment debt.



**City of Cuyahoga Falls, Ohio  
Legal Debt Margin  
Last Ten Fiscal Years**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 108,413,922	\$ 109,399,879	\$ 110,503,596	\$ 106,321,821	\$ 105,456,447
Net debt within 10.5 % limitations	<u>6,938,515</u>	<u>7,805,008</u>	<u>8,634,075</u>	<u>9,399,996</u>	<u>10,176,113</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 101,475,407</u>	<u>\$ 101,594,871</u>	<u>\$ 101,869,521</u>	<u>\$ 96,921,825</u>	<u>\$ 95,280,334</u>
Total net debt applicable to the limit as a percentage of debt limit	6.40%	7.13%	7.81%	8.84%	9.65%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 56,788,245	\$ 57,304,699	\$ 57,882,836	\$ 55,692,383	\$ 55,239,091
Net debt within 5.5% limitations	<u>6,938,515</u>	<u>7,805,008</u>	<u>8,634,075</u>	<u>9,399,996</u>	<u>10,176,113</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 49,849,730</u>	<u>\$ 49,499,691</u>	<u>\$ 49,248,761</u>	<u>\$ 46,292,387</u>	<u>\$ 45,062,978</u>
Total net debt applicable to the limit as a percentage of debt limit	12.22%	13.62%	14.92%	16.88%	18.42%

**Legal Debt Margin Calculation for Fiscal Year 2008**

	Unvoted Margin <u>Within 5.5%</u>	Overall Margin <u>Within 10.5%</u>
Assessed property value	<u>\$ 1,032,513,542</u>	<u>\$ 1,032,513,542</u>
Overall debt limitation (% of assessed valuation)	\$ 56,788,245	\$ 108,413,922
Gross indebtedness	27,006,304	27,006,304
Less:		
(Self-supporting as defined in O.R.C. 133.05)		
General sewer and sanitary improvements	(2,764,776)	(2,764,776)
Water utility	(7,976,588)	(7,976,588)
Electric utility	(690,298)	(690,298)
Recreation facilities	(8,465,323)	(8,465,323)
Special assessment bonds	(151,000)	(151,000)
Debt Service Fund Balance	(19,804)	(19,804)
Net debt within limitations	<u>\$ 6,938,515</u>	<u>\$ 6,938,515</u>
Legal debt margin within limitations	<u>\$ 49,849,730</u>	<u>\$ 101,475,407</u>

Source: City's Financial Records

## City of Cuyahoga Falls, Ohio

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### City of Cuyahoga Falls, Ohio Legal Debt Margin Last Ten Fiscal Years

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 104,720,974	\$ 94,817,192	\$ 93,436,998	\$ 92,171,181	\$ 83,323,223
Net debt within 10.5 % limitations	<u>18,745,045</u>	<u>15,455,805</u>	<u>12,417,536</u>	<u>12,277,640</u>	<u>12,892,280</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 85,975,929</u>	<u>\$ 79,361,387</u>	<u>\$ 81,019,462</u>	<u>\$ 79,893,541</u>	<u>\$ 70,430,943</u>
Total net debt applicable to the limit as a percentage of debt limit	17.90%	16.30%	13.29%	13.32%	15.47%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 54,853,844	\$ 49,666,148	\$ 48,943,190	\$ 48,280,143	\$ 43,645,498
Net debt within 5.5% limitations	<u>18,745,045</u>	<u>15,455,805</u>	<u>12,417,536</u>	<u>12,277,640</u>	<u>12,892,280</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 36,108,799</u>	<u>\$ 34,210,343</u>	<u>\$ 36,525,654</u>	<u>\$ 36,002,503</u>	<u>\$ 30,753,218</u>
Total net debt applicable to the limit as a percentage of debt limit	34.17%	31.12%	25.37%	25.43%	29.54%

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**City of Cuyahoga Falls, Ohio  
Pledged Revenue Coverage  
Last Ten Years**

SEWAGE AND DISPOSAL FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1999	5,405,172	4,198,092	1,207,080	159,114	209,657	368,771	3.27
2000	4,111,896	4,018,328	93,568	162,997	204,074	367,071	0.25
2001	4,839,820	3,611,191	1,228,629	172,206	197,977	370,183	3.32
2002	4,695,348	4,070,424	624,924	177,532	191,273	368,805	1.69
2003	4,428,348	4,489,359	(61,011)	193,655	184,352	378,007	(0.16)
2004	5,396,730	5,375,636	21,094	191,843	176,734	368,577	0.06
2005	6,513,205	5,287,553	1,225,652	199,833	168,778	368,611	3.33
2006	6,677,822	5,074,626	1,603,196	210,485	160,392	370,877	4.32
2007	6,808,212	5,289,152	1,519,060	216,807	151,455	368,262	4.12
2008	6,084,831	5,289,153	795,678	228,903	142,132	371,035	2.14

WATER FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1999	5,099,136	3,284,575	1,814,561	236,094	301,752	537,846	3.37
2000	3,551,060	3,363,585	187,475	241,206	293,902	535,108	0.35
2001	4,373,731	3,662,806	710,925	254,374	285,208	539,582	1.32
2002	4,436,677	3,513,802	922,875	382,430	575,935	958,365	0.96
2003	4,215,436	3,566,424	649,012	459,514	485,973	945,487	0.69
2004	4,689,048	4,277,133	411,915	471,794	469,242	941,036	0.44
2005	5,091,414	4,831,739	259,675	488,877	450,342	939,219	0.28
2006	5,165,054	4,555,303	609,751	509,989	430,554	940,543	0.65
2007	4,850,997	4,736,833	114,164	527,269	409,756	937,025	0.12
2008	5,099,942	4,829,768	270,174	556,324	388,926	945,250	0.29

ELECTRIC FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1999	27,091,588	22,522,038	4,569,550	205,000	174,190	379,190	12.05
2000	26,699,348	22,378,133	4,321,215	215,000	159,210	374,210	11.55
2001	28,414,021	23,208,864	5,205,157	225,000	149,213	374,213	13.91
2002	28,587,331	23,260,776	5,326,555	240,000	138,525	378,525	14.07
2003	26,724,133	24,056,906	2,667,227	250,000	126,885	376,885	7.08
2004	27,654,847	26,756,251	898,596	265,000	114,510	379,510	2.37
2005	31,988,594	34,824,876	(2,836,282)	275,000	101,128	376,128	(7.54)
2006	35,623,778	32,112,410	3,511,368	290,000	87,240	377,240	9.31
2007	36,012,851	32,629,764	3,383,087	305,000	72,305	377,305	8.97
2008	34,530,801	35,093,438	(562,637)	320,000	56,140	376,140	(1.50)

Notes: Debt Service requirements are reported on a cash basis  
Operating revenues and expenses are reported on a GAAP basis.

# City of Cuyahoga Falls, Ohio

## City of Cuyahoga Falls, Ohio Pledged Revenue Coverage Last Ten Years

(Continued)

LEISURE TIME FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1999	3,127,357	3,282,275	(154,918)	294,667	285,355	580,022	(0.27)
2000	3,094,058	3,649,682	(555,624)	307,545	271,538	579,083	(0.96)
2001	3,148,347	3,717,006	(568,659)	322,196	256,870	579,066	(0.98)
2002	3,273,884	3,957,204	(683,320)	342,636	241,178	583,814	(1.17)
2003	2,953,458	3,918,127	(964,669)	353,506	224,156	577,662	(1.67)
2004	3,675,022	4,839,131	(1,164,109)	437,755	333,646	771,401	(1.51)
2005	5,054,198	5,707,055	(652,857)	724,305	450,488	1,174,793	(0.56)
2006	5,427,157	5,822,693	(395,536)	755,120	423,455	1,178,575	(0.34)
2007	5,700,915	5,628,460	72,455	778,787	400,431	1,179,218	0.06
2008	5,881,339	5,692,931	188,408	803,674	376,184	1,179,858	0.16

Notes:

Debt Service requirements are reported on a cash basis.

Operating revenues and expenses are reported on a GAAP basis.

**City of Cuyahoga Falls, Ohio**

**City of Cuyahoga Falls, Ohio**  
**Computation of Direct and Overlapping Governmental Activities Debt**  
**December 31, 2008**

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Applicable to City</u>
<b>Direct - City of Cuyahoga Falls</b>			
General Obligation Bonds	\$ 6,958,319	100.00%	\$ 6,958,319
Special Assessment Bonds	151,000	100.00%	151,000
Capital Leases	2,945,806	100.00%	2,945,806
General Obligation Notes	13,300,000	100.00%	13,300,000
<b>Total Direct Debt</b>	<b>23,355,125</b>		<b>23,355,125</b>
<b>Overlapping</b>			
<b>School Districts</b>			
Cuyahoga Falls City	4,855,000	89.78%	4,358,819
Woodridge Local	13,190,000	59.07%	7,791,333
Hudson City	9,856,600	1.49%	146,863
Revere Local	8,839,880	0.84%	74,255
<b>County</b>			
Summit County	38,420,000	8.19%	3,146,598
<b>Other Units</b>			
Akron Metro Regional Transit Authority	570,000	8.19%	46,683
Akron-Summit County Library District	50,700,000	3.51%	1,779,570
<b>Total Overlapping Debt</b>	<b>126,431,480</b>		<b>17,344,121</b>
<b>Total</b>	<b>\$ 149,786,605</b>		<b>\$ 40,699,246</b>

Source: Summit County Fiscal Office

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

# City of Cuyahoga Falls, Ohio

## City of Cuyahoga Falls, Ohio Demographic and Economic Statistics Last Ten Years

Fiscal Year	Population (1)	Total Personal Income (5)	Median Family Income (1)	Per Capita Income (1)	Unemployment Rate (3)		City Square Miles (4)	Average Sales Price of Residential Property (2)	Median Age (1)
					Summit County	State of Ohio			
2008	51,002 e	\$ 1,150,095,100	\$ 52,372	\$ 22,550	6.1%	6.5%	27.8	\$ 139,477	37.2
2007	51,002 e	\$ 1,150,095,100	\$ 52,372	\$ 22,550	5.4%	5.6%	27.8	\$ 133,706	37.2
2006	50,628 d	\$ 1,141,661,400	\$ 52,372	\$ 22,550	5.3%	5.5%	27.8	\$ 131,927	37.2
2005	50,494 d	\$ 1,138,639,700	\$ 52,372	\$ 22,550	5.7%	5.9%	27.8	\$ 133,416	37.2
2004	50,375 d	\$ 1,135,956,250	\$ 52,372	\$ 22,550	6.1%	6.2%	27.8	\$ 130,443	37.2
2003	50,375 d	\$ 1,135,956,250	\$ 52,372	\$ 22,550	6.2%	6.2%	27.8	\$ 121,763	37.2
2002	50,272 c	\$ 1,133,633,600	\$ 52,372	\$ 22,550	6.0%	5.7%	27.8	\$ 119,344	37.2
2001	49,374 b	\$ 1,113,383,700	\$ 52,372	\$ 22,550	4.6%	4.1%	27.8	\$ 115,375	37.2
2000	49,374 b	\$ 1,113,383,700	\$ 52,372	\$ 22,550	4.2%	4.0%	27.8	\$ 112,257	37.2
1999	48,950 a	\$ 1,330,020,450	\$ 52,372	\$ 27,171	4.1%	4.3%	27.8	\$ 109,780	37.2

**Sources:**

- (1) U. S. Bureau of Census, Census of Population
  - (a) 1990 Federal Census
  - (b) 2000 Federal Census
  - (c) On July 1, 2002 an appeal was granted by the U.S. Census Bureau making the population of the City 50,272.
  - (d) July 1, 2005 U.S. Census Bureau Estimate
  - (e) July 1, 2008 U.S. Census Bureau Estimate
- (2) Summit County Fiscal Office
- (3) Ohio Bureau of Employment Services; U.S. Department of Labor, Bureau of Labor Statistics
- (4) City Records
- (5) Computation of per capita income multiplied by population

**City of Cuyahoga Falls, Ohio**

**City of Cuyahoga Falls, Ohio  
Principal Employers  
2007 and Seven Years Ago (1) (2)**

**2007**

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
NE Ohio Development Special Co	Employment Services	1,152	4.52%
City of Cuyahoga Falls	Government	1,036	4.07%
Summa Health System Hospitals	Hospital	999	3.92%
Cuyahoga Falls Board of Education	Education	970	3.81%
Go Jo Industries	Manufacturer	968	3.80%
GMRI	Restaurant	586	2.30%
B T L Payroll	Payroll Services	579	2.27%
Adecco USA Inc.	Employment Services	512	2.00%
Associated Materials Inc	Manufacturer	502	1.97%
J & Y Enterprises	Employment Services	492	1.93%
<b>Total</b>		<u>7,796</u>	<u>30.61%</u>
<b>Total Employment Within the City</b>		<u><u>25,467</u></u>	

**1999**

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
City of Cuyahoga Falls	Government	1,120	7.35%
Cuyahoga Falls General Hospital	Hospital	1,085	7.12%
Cuyahoga Falls Board of Education	Education	1,034	6.79%
Go Jo Industries Inc	Manufacturer	927	6.08%
Holland Oil Company	Retail	596	3.91%
HJR Investments	Employment Services	501	3.29%
B T L Payroll	Payroll Services	494	3.24%
Olsten Staffing Services	Employment Services	439	2.88%
Associated Materials	Manufacturer	417	2.74%
Sheraton Suites	Hotel	412	2.69%
<b>Total</b>		<u>7,025</u>	<u>46.10%</u>
<b>Total Employment Within the City</b>		<u><u>15,238</u></u>	

Source: City Financial Records and estimate for Total Employment within the City

(1) 2008 information is not available

(2) Information Prior to 1999 is not available

# City of Cuyahoga Falls, Ohio

## City of Cuyahoga Falls, Ohio Capital Asset Statistics By Function/Program Last Ten Years

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Police</b>										
Vehicles	47	47	44	53	53	52	32	50	49	55
Stations	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Vehicles	28	27	31	28	31	27	28	27	26	26
Stations	5	5	5	4	4	4	4	4	4	4
<b>Highways and Streets</b>										
Streets(miles)	232.19*	232.19*	231.28*	282	281	279	278	278	285	285
Streetslights	5587	5595	5,683	5,647	5,550	5,361	5,057	5,046	5,045	5,203
Traffic Signals	78	76	76	77	77	77	76	77	77	87
Vehicles	53	47	58	54	62	59	67	59	59	65
<b>Recreation</b>										
Number of Parks	24	24	24	24	24	24	24	24	24	24
Vehicles	40	38	39	41	43	41	42	39	40	37
Number of Tennis Courts	17	16	16	16	16	16	16	16	16	16
Number of Baseball Diamonds	35	35	35	35	35	35	32	32	30	26
Recreation Center	1	1	1	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1
Acres of City Parks	507	507	507	507	507	507	507	507	510	510
Swimming Pools	12	5	5	5	5	3	3	3	2	2
<b>Water</b>										
Water Mains (miles)	200	200	200	207	200	200	200	20	197	192
Fire Hydrants	2325	2257	2,257	2,207	2,207	2,208	2,207	2,138	2,146	2,107
Vehicles	21	20	18	21	19	20	21	20	21	26
<b>Sewer</b>										
Sanitary Sewer Lines (miles)	152	160	160	160	152	152	152	152	152	136
Storm Sewer Lines (miles)	151	157	157	157	150	86	86	85	85	83
Vehicles	11	11	13	11	12	12	11	13	12	21
<b>Electric</b>										
Substations	13	13	13	12	12	12	12	12	12	12
Miles of Service Lines	306.73	305.72	256	256	249	244	244	244	252	250
Vehicles	27	27	27	29	28	27	26	29	26	36
<b>Sanitation</b>										
Vehicles	26	24	26	27	30	28	31	29	26	30
Number of Routes	6	8	9	9	9**	10	10	10	10	10
<b>Parking Facilities</b>										
City Lots and Decks	16	16	17	16	16	16	16	12	11	11
Square Feet	360,686	360,686	389,236	387,236	387,236	377,636	377,636	314,536	296,536	296,536
Spaces	1,998	1,998	2,054	2,048	2,048	1,706	1,706	1,507	1,468	1,468
Recreation Lots	22	22	22	22	22	21	20	20	22	22
Square Feet	361,980	361,980	361,980	361,980	361,980	331,680	292,080	292,080	337,080	337,080
Spaces	1,886	1,886	1,886	1,886	1,886	1,468	1,317	1,317	1,412	1,412

\* With new GIS advances more accurate statistics can be recorded.

\*\* Decrease in routes due to automated collections and increased efficiency

Source: City Departments



**City of Cuyahoga Falls  
Full-Time Equivalent City Government Employees by Function/Program  
Last Ten Years**

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Government										
Council	6	6	6	6	6	6	6	6	6	6
Mayor	2	3	3	3	2	2	2.5	2	2	2
Finance	8.5	9	8.5	9.5	9	8	8	7.5	8	8
Law Director	9.5	8	8	9.5	9.5	9.5	8	9	8	8.5
Service Director	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Municipal Court	24	25	25	19.5	21.5	18	20.5	19	16	15.5
Clerk of Courts	23	23.5	22.5	22.5	21.5	20	20	20.5	20	19.5
Civil Service	1.5	1.5	2	2	2	2	1.5	2	2	2
Engineering	12	11	11	11	12	12	12	11	12	12.5
HR	3	4	4	4	4	4.5	5	4.5	4.5	5
Print Shop	1	0.5	1	1	1	1	1	0.5	0.5	1
Building & Grounds	12	11	11	12	14	16	14.5	16	15	15
Income Tax	5	5	6	6	6.5	6.5	8	7.5	6	7
Security of Persons & Property										
Building	7	8	8	8	6	6	5	5	5	5
Police	109.5	112.5	118	123	120.5	115	125.5	119	120	112
Crossing Guards	5.5	7	10.5	15.5	16	17.5	18	18.5	20.5	18
Fire	84.5	85	85	87	88	85	88	86	86	88
Technical Services	5	5	6	6	6.5	6.5	6.5	6.5	4.5	7
Community Environment										
Community Development	14	14	15.5	17	15.5	10.5	10.5	9.5	10.5	10.5
Leisure Time										
Parks & Recreation	137	128.5	124.5	132.5	133.5	112.5	107	106	94.5	88.5
Transportation										
Streets	33	34	35	35	35.5	41.5	38.5	36.5	35.5	34
Sewage and Disposal	15	15	13	16.5	15	19	13.5	15.5	16.5	16
Water	27	26	29.5	26.5	27	28	26.5	26	27.5	26
Electric	51	54	57.5	58.5	58	60	54.5	57.5	57.5	55.5
Sanitation	18.5	20	24.5	25.5	28	27.5	32	31.5	29.5	31
Garage	9	8	9.5	9.5	10	10	10	9.5	9	9.5

Note: All part-time employees and City Council Members were counted as .05 FTE's for the purposes of this table.

Source: Sick Leave accrual Hours register from last pay of each year indicated.

# City of Cuyahoga Falls, Ohio

## City of Cuyahoga Falls Operating Indicators by Function/Program Last Ten Years

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Police</b>										
Policepersons and Officers	84	89	93	96	94	91	97	98	92	85
Total Calls	44,836	36,343	38,872	39,497	38,442	39,762	41,907	40,643	39,727	37,944
Criminal Charges	309	433	723	771	644	689	503	468	515	575
Traffic Citations	5,555	9,350	6,321	8,257	7,030	6,890	9,453	8,544	6,916	6,989
<b>Fire</b>										
Firefighters and Officers	81	79	81	82	84	80	83	84	82	84
Total Calls	7,883	7,604	7,713	7,551	7,177	7,147	7,190	6,948	6,391	6,382
Inspections	1,770	1,793	1,560	1,637	1,621	1,471	1,535	1,534	1,604	N/A
Smoke Detectors Installed	534	671	439	611	4,197	1,008	869	866	1,348	N/A
<b>Highways and Streets</b>										
Potholes repaired	9,773	4,692	4,559	14,306	8,624	N/A	N/A	N/A	N/A	N/A
Rock Salt Used(Tons)	13,315	12,142	11,012	8,310	22,500	21,000	24,000	11,300	16,233	13,300
Senior Snow Watch Participants	1,337	1,284	1,411	1,370	1,342	1,242	1,195	1,250	382	191
Leaf Program(Cubic Yards)	13,360	15,360	12,130	12,400	12,720	12,660	12,720	13,310	12,040	13,040
<b>Recreation</b>										
Brookledge-Number of Rounds	36,725	37,054	38,919	39,013	N/A	N/A	N/A	N/A	N/A	N/A
Waterworks-Daily Admissions	76,212	67,665	69,377	75,277	71,039	N/A	N/A	N/A	N/A	N/A
Natorium-Daily Admissions	777,588	771,184	789,237	783,086	N/A	N/A	N/A	N/A	N/A	N/A
<b>Water</b>										
Average Daily Pumped (Gallons)	6,972,000	6,400,000	5,739,000	6,362,000	5,893,000	6,256,000	6,203,000	6,203,022	6,190,000	6,395,518
Water Main Breaks	84	116	62	100	103	102	72	79	79	89
New Water Taps	104	174	199	262	232	138	168	142	142	188
<b>Sewer</b>										
Average Daily Sewage Transportation (Gallons)	4,898,000	5,600,000	5,246,679	5,546,725	5,831,514	4,648,749	4,593,238	4,319,082	4,320,000	4,372,240
Sanitary Sewers Cleaned (Feet)	76,961	73,650	84,601	65,943	89,958	89,307	146,588	71,660	71,660	67,818
Storm Sewers Cleaned (Feet)	4,497	2,299	4,915	3,160	2,008	2,484	-	2,900	2,900	1,330
<b>Electric</b>										
Average Daily Consumption (in KWH)	1,277,561	1,179,000	1,248,528	1,274,495	1,202,878	1,163,259	1,188,107	1,117,879	1,120,868	1,119,273
Light Bulbs Issued	6,050	6,249	6,082	6,645	6,678	9,651	8,084	8,216	10,780	10,216
Green Energy Participants	263	287	180	192	202	N/A	N/A	N/A	N/A	N/A
<b>Sanitation</b>										
Refuse Collected (tons/year)	16,254	19,018	19,361	19,624	20,522	21,727	20,973	21,427	21,969	20,866
Recyclables collected (tons/year)	3,362	3,966	3,293	3,136	3,005	3,302	3,224	3,160	3,799	3,752
Yardwaste Collected (tons/year)	767	1,451	2,235	1,769	2,416	2,042	2,206	2,188	2,061	1,865
<b>Building</b>										
Residential Building Permits Issued	1,433	1,235	1,410	1,554	1,624	1,776	1,669	1,649	1,729	1,860
Commercial Building Permits Issued	303	652	353	259	187	205	164	163	186	245
Miscellaneous Building Permits Issued	2,071	2,230	3,200	2,939	5,069	3,702	3,096	2,858	3,201	3,540

Note: N/A indicates that data is not available

Source: City records.