

CITY OF CUYAHOGA FALLS, OHIO

SINGLE AUDIT REPORT

DECEMBER 31, 1999

CITY OF CUYAHOGA FALLS, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 1999

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

*Certified Public Accountants
5240 East 98th Street
Garfield Heights, Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475-6136

Ohio Society of Certified Public Accountants

**REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor, Finance Director,
and Members of City Council
City of Cuyahoga Falls, Ohio

We have audited the general purpose financial statements of the City of Cuyahoga Falls, Ohio (the City), as of and for the year ended December 31, 1999, and have issued our report thereon dated June 26, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

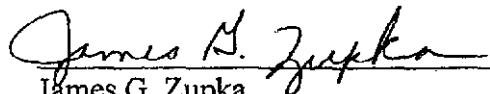
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

We noted other matters involving the internal control and noncompliance over financial reporting that we have reported to the management of the City in a separate letter dated June 26, 2000.

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


James G. Zupka
Certified Public Accountant

June 26, 2000

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

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5240 East 98th Street
Garfield Heights, Ohio 44125*

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor, Finance Director,
and Members of City Council
City of Cuyahoga Falls, Ohio

Compliance

We have audited the compliance of the City of Cuyahoga Falls, Ohio, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The City of Cuyahoga Falls, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Cuyahoga Falls, Ohio's management. Our responsibility is to express an opinion on the City of Cuyahoga Falls, Ohio's compliance based on our audit.

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

In our opinion, the City of Cuyahoga Falls, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

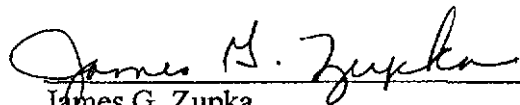
The management of the City of Cuyahoga Falls, Ohio, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report that we have reported to the management of the City in a separate letter dated June 26, 2000.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the City of Cuyahoga Falls, Ohio, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 26, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the City of Cuyahoga Falls, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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


James G. Zupka
Certified Public Accountant

June 26, 2000

CITY OF CUYAHOGA FALLS, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Number	Revenues/ Receipts	Expenditures/ Disbursements
<u>United States Department of Justice</u>				
<i>Direct Payment to the City</i>				
COPS Universal Hiring Program	16.710	98ULWX0066	\$ 189,169	\$ 189,169
Law Enforcement Block Grant	16.592	98LBVX2296	35,559	78,165
Total			224,728	267,334
<i>Passed through the Summit County</i>				
<i>Juvenile Court</i>				
Juvenile Accountability Incentive Block Grant	16.523	98-JB013-A014	13,504	16,059
Total U.S. Department of Justice			238,232	283,393
<u>U.S. Department of Housing and Urban Development</u>				
<i>Passed through the Summit County Department Of Community Development</i>				
Community Development Block Grant	14.218	B99UC390006	157,216	138,679
Total U.S. Department of Housing and Urban Development			157,216	138,679
<u>U. S. Department of Interior</u>				
<i>Direct Payment to the City</i>				
1998 National Park Road Project Assistance	15.XX	1443CA616098004	150,000	150,000
Total U.S. Department of Interior			150,000	150,000
<u>U. S. Department of Transportation</u>				
<i>Passed through the State of Ohio</i>				
Surface Transportation Program	20.205	TE-21-G990-000-322	184,500	184,500
Total U.S. Department of Transportation			184,500	184,500
Total Expenditures of Federal Awards			\$ 729,948	\$ 756,572

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF CUYAHOGA FALLS, OHIO
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 1: **GENERAL**

The accompanying Schedule of Expenditures of Federal Awards of the City of Cuyahoga Falls, Ohio, presents the activity of all federal financial assistance programs of the City. The City's reporting entity is defined in Note 1 to the City's general purpose financial statements. Federal financial assistance received directly from federal agencies as well as financial assistance passed through other government agencies are included on this schedule.

NOTE 2: **BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting and has been reconciled to the program's federal financial reports. The following is a reconciliation by grant from the cash basis to the accrual basis at December 31, 1999.

	<u>Receipt Recognized</u>	<u>Direct Program Expenditures</u>
<u>Department of Justice</u>		
Cash Basis	\$ 238,232	\$ 283,393
Accrual Adjustment	0	0
Department of Justice - Accrual Basis	<u>\$ 238,232</u>	<u>\$ 283,393</u>
<u>Department of Housing and Urban Development</u>		
Cash Basis	\$ 157,216	\$ 254,436
Accrual Adjustment	0	(115,757)
Community Development Accrual Basis	<u>\$ 157,216</u>	<u>\$ 138,679</u>
<u>Department of Interior</u>		
Cash Basis	\$ 150,000	\$ 150,000
Accrual Adjustment	0	0
Department of Interior - Accrual Basis	<u>\$ 150,000</u>	<u>\$ 150,000</u>
<u>Department of Transportation</u>		
Cash Basis	\$ 184,500	\$ 184,500
Accrual Adjustment	0	0
Department of Justice - Accrual Basis	<u>\$ 184,500</u>	<u>\$ 184,500</u>

CITY OF CUYAHOGA FALLS, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 & .505
 DECEMBER 31, 1999

1. SUMMARY OF AUDITOR'S RESULTS

1999(i)	Type of Financial Statement Opinion	Unqualified
1999(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
1999(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
1999(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
1999(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
1999(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
1999(v)	Type of Major Programs' Compliance Opinions	Unqualified
1999(vi)	Are there any reportable findings under .510?	No
1999(vii)	Major Programs (list):	1. COPS Universal Hiring Program 2. Surface Transportation Program
1999(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
1999(ix)	Low Risk Auditee?	No

CITY OF CUYAHOGA FALLS, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
DECEMBER 31, 1999

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

CITY OF CUYAHOGA FALLS, OHIO
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 1999

The prior audit report, as of December 31, 1998, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

RETURN TO: Single Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

PART I GENERAL INFORMATION (To be completed by auditee, except for item 7)

1. Fiscal year ending date for this submission Month Day Year 12 / 31 / 99		2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit	
3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 2 <input type="checkbox"/> Biennial 3 <input type="checkbox"/> Other - Months		FEDERAL GOVERNMENT USE ONLY	4. Date received by Federal clearinghouse
5. Employer Identification Number (EIN) a. Auditee EIN 346000818 b. Are multiple EINs covered in this report? 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			

6. AUDITEE INFORMATION

a. Auditee name
City of Cuyahoga Falls

b. Auditee address (Number and street)
2310 Second Street
City
Cuyahoga Falls
State Ohio ZIP Code 44221-2583

c. Auditee contact
Name Joseph E. Brodzinski
Title Finance Director

d. Auditee contact telephone
(330) 971-8230

e. Auditee contact FAX (Optional)
(330) 971-8168

f. Auditee contact E-mail (Optional)

7. AUDITOR INFORMATION (To be completed by auditor)

a. Auditor name
James G. Zupka, CPA, Inc.

b. Auditor address (Number and street)
5240 E. 98th Street
City Garfield Heights
State Ohio ZIP Code 44125

c. Auditor contact
Name James Zupka
Title President

d. Auditor contact telephone
(216) 475-6136

e. Auditor contact FAX (Optional)
(216) 475-1006

f. Auditor contact E-mail (Optional)

g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

g. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of certifying official
Joseph E. Brodzinski
Date Month Day Year 6 128 100
Name/Title of certifying official
Joseph E. Brodzinski, Finance Director

Signature of auditor
James G. Zupka
Date Month Day Year 6 128 100

PART I GENERAL INFORMATION - Continued

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)
1 Cognizant agency 2 Oversight agency

9. Name of Federal cognizant or oversight agency for audit (Mark (X) one box)

- | | | | |
|--|--|---|--|
| 01 <input type="checkbox"/> African Development Foundation | 83 <input type="checkbox"/> Federal Emergency Management Agency | 16 <input checked="" type="checkbox"/> Justice | 08 <input type="checkbox"/> Peace Corps |
| 02 <input type="checkbox"/> Agency for International Development | 34 <input type="checkbox"/> Federal Mediation and Conciliation Service | 17 <input type="checkbox"/> Labor | 59 <input type="checkbox"/> Small Business Administration |
| 10 <input type="checkbox"/> Agriculture | 39 <input type="checkbox"/> General Services Administration | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 11 <input type="checkbox"/> Commerce | 93 <input type="checkbox"/> Health and Human Services | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> State |
| 84 <input type="checkbox"/> Corporation for National and Community Service | 14 <input type="checkbox"/> Housing and Urban Development | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 12 <input type="checkbox"/> Defense | 03 <input type="checkbox"/> Institute for Museum Services | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 84 <input type="checkbox"/> Education | 04 <input type="checkbox"/> Inter-American Foundation | 47 <input type="checkbox"/> National Science Foundation | 82 <input type="checkbox"/> United States Information Agency |
| 81 <input type="checkbox"/> Energy | 15 <input type="checkbox"/> Interior | 07 <input type="checkbox"/> Office of National Drug Control Policy | 64 <input type="checkbox"/> Veterans Affairs |
| 66 <input type="checkbox"/> Environmental Protection Agency | | | <input type="checkbox"/> Other - Specify: |

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)
1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a reportable condition disclosed? 1 Yes 2 No - SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Type of audit report on major program compliance
1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs § .520(b)?
\$ 300,000

3. Did the auditee qualify as a low-risk auditee (§ .530)?
1 Yes 2 No

4. Are there any audit findings required to be reported under § .510(a)?
1 Yes 2 No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)

- | | | | |
|--|--|---|--|
| 01 <input type="checkbox"/> African Development Foundation | 83 <input type="checkbox"/> Federal Emergency Management Agency | 16 <input type="checkbox"/> Justice | 08 <input type="checkbox"/> Peace Corps |
| 02 <input type="checkbox"/> Agency for International Development | 34 <input type="checkbox"/> Federal Mediation and Conciliation Service | 17 <input type="checkbox"/> Labor | 59 <input type="checkbox"/> Small Business Administration |
| 10 <input type="checkbox"/> Agriculture | 39 <input type="checkbox"/> General Services Administration | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 11 <input type="checkbox"/> Commerce | 93 <input type="checkbox"/> Health and Human Services | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> State |
| 84 <input type="checkbox"/> Corporation for National and Community Service | 14 <input type="checkbox"/> Housing and Urban Development | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 12 <input type="checkbox"/> Defense | 03 <input type="checkbox"/> Institute for Museum Services | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 84 <input type="checkbox"/> Education | 04 <input type="checkbox"/> Inter-American Foundation | 47 <input type="checkbox"/> National Science Foundation | 82 <input type="checkbox"/> United States Information Agency |
| 81 <input type="checkbox"/> Energy | 15 <input type="checkbox"/> Interior | 07 <input type="checkbox"/> Office of National Drug Control Policy | 64 <input type="checkbox"/> Veterans Affairs |
| 66 <input type="checkbox"/> Environmental Protection Agency | | | 00 <input checked="" type="checkbox"/> None |
| | | | <input type="checkbox"/> Other - Specify: |

PART III FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR							7. AUDIT FINDINGS AND QUESTIONED COSTS				
CFDA number (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement ² (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)				
16.710	COPS Universal Hiring Program	\$ 189,169	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	N/A	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A				
16.592	Law Enforcement Block Grant	\$ 78,165	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A				
16.523	Juvenile Accountability Incentive Block Grant	\$ 16,059	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A				
14.218	Community Development Block Grant	\$ 138,679	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A				
15.XX	1998 Road Project Assistance	\$ 150,000	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A				
20.205	Surface Transportation Program	\$ 184,500	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	N/A	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B					
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B					
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B					
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B					
TOTAL FEDERAL AWARDS EXPENDED →		\$ 756,572									

IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS

¹ Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.

² Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of funds
- I. Procurement
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None

³ Type of internal control findings (Mark (X) all that apply)

- A. Material weaknesses
- B. Reportable conditions
- C. None reported

Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 1999



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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June 26, 2000

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

The Finance Department of the City of Cuyahoga Falls (the "City") has prepared this Comprehensive Annual Financial Report (CAFR) which includes all of the City's funds and financial transactions during the current year as well as selected comparative financial information from previous years. The responsibility for both the accuracy of the data and adequacy of disclosure rests with the City. 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 and account groups. All disclosures necessary to gain an understanding of the City's financial activities have been included.

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, an organization chart and a list of principal City officials. The financial section includes the general purpose financial statements and related combining statements and schedules, as well as the related Report of Independent Accountants. The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

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.

In accordance with these criteria, the financial statements do not include the financial activities of the Cuyahoga Falls and 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, Cuyahoga Falls General Hospital, and the Community Improvement Corporation. The City does not have financial accountability for any of the aforementioned entities.

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.

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. 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.

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.

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.

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.

ECONOMIC CONDITION AND OUTLOOK

Summary of Local Economy

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 was incorporated as a village in 1868 and organized as a city after the 1920 census.

The City is in the Akron Primary Metropolitan Statistical Area (PMSA), which is comprised of Summit and Portage counties and is the thirty-second largest PMSA of 71 in the United States. It is also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area (CMSA), which is the eleventh most populous CMSA of 21 in the United States. (Rankings are based on 1990 census figures.)

The City's 1990 population of 48,950 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 to 27.8 square miles.

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.

Major Influences Affecting the Local Economy

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 1999, the ten major employers in the City collectively accounted for under 28 percent of the \$11,385,973 withholding taxes remitted to the City.

City of Cuyahoga Falls

The 1990 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	\$36,740
County	\$35,060
State	\$34,351
National	\$35,225

An analysis of the 2000 Harris Ohio Industrial Directory reveals that 99 firms in the City employ 4,050 people in fields ranging from rubber and plastics to skin care products. Of these manufacturing facilities, 20 employ 50 or more employees. The Directory further reveals that the remaining 79 facilities manufacture various products such as lift trucks, electronic assemblies, surgical garments, tire molds, offset printing, draperies, pressure sensitive tape, screen printing, as well as many machine shop applications.

While the Harris Ohio Industrial Directory showed a decrease in the number of jobs in 1999 compared to 1998, companies in the process of moving into Cuyahoga Falls in 2000 will generate over 200 new jobs within the City.

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 a positive impact on current property values.

The City is experiencing 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, totaled \$59,986,000 in 1999.

In September 1994, Ohio's 20 largest cities were rated on their local government policies by The Buckeye Center for Public Policy Solutions, a Dayton-based public policy think tank. The study ranked each of the cities and gave them letter grades based on a comparison of their levels of taxes, crime and government overhead and bureaucracy. The City was one of only four cities that received the highest rating of "A".

Future Economic Outlook

The City continues its controlled growth pattern under the leadership of City officials. The administration has followed an aggressive approach for the revitalization of the entire downtown district including the replacement of the mall surface, new outdoor furniture and extensive landscaping throughout the area. In Spring 2000, the City hired the International Waterfront Group out of San Antonio, Texas to conduct a waterfront planning revitalization plan that will extend from the Metro Gorge Park at the southern end to the Water Works Family Aquatic Center. Major redevelopment efforts will be placed on the two remaining vacant urban renewal parcels in the central business district.

The City is optimistic regarding economic growth due to the continued decreasing trend in the unemployment rate in Summit County. The City consistently tracks two percentage points below the Summit County rate. Employment within the area is expected to be marginally higher in 2000 with wage increases slightly higher than inflation levels. The stability of general economic conditions for 2000 will have a positive effect on taxpayer income resulting in increased tax collections. The local real estate market, in particular, is running ahead of national trends. This positive tone in the general outlook is expected to continue in the City with new residential, commercial and industrial construction.

Since 1982, the City lost significant income tax revenues from non-resident employees to surrounding communities that had a 2 percent income tax rate while the City of Cuyahoga Falls maintained a 1.5 percent rate. On March 19, 1996, 70 percent of the City voters approved increasing the municipal income tax rate from 1.5 percent to 2 percent effective July 1, 1996. Taxpayers who work in Cuyahoga Falls but reside outside the city limits pay no additional income tax to their communities due to the 100 percent credit allowed by most northeast Ohio communities. During 1999, the City recognized over \$2.2 million in additional withholding income tax from non-residents working in the City. Most of the \$2.2 million would have been lost to neighboring communities if the City tax had remained at 1.5 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 tax increase solely for capital improvements. This foresight is due to strong beliefs within the administration that strong city infrastructure is a cornerstone of a strong community.

MAJOR INITIATIVES

Current Year

Income tax revenue in 1999 afforded the City the opportunity to purchase a tract of land which used to be a gun club and now will be turned into a park.

The City added a turning lane at its six-legged "Barney's Busy Corners" to increase flow capacity of the intersection.

The City received approximately \$800,000 through a state grant to resurface State Route 8 within the City's limits. The City's portion for this work was \$175,000. The City spent approximately \$2 million for street resurfacing in 1999.

The City also completed Phase I of the State Road Revitalization Project. When complete, the State Road Project will cost approximately \$4.2 million with the City's portion around \$1 million. The project will widen lanes, provide underground wiring and improve streetscapes over an approximate one-mile commercial stretch of State Road.

Phase One at Keyser Park, completed in 1999, provided the basis for three baseball fields, two soccer fields and a large parking lot. The work consisted of earth work and seeding for the new fields.

The lower leg restoration of the Cuyahoga River, finished in 1999, completes a four-year plan of improvements to Water Works Park. During these four years, the park has received new roads, additional parking, two new picnic shelters, refurbished restroom, eroding riverbank restoration and Kelsey Creek restoration, a huge new playground, a fitness trail, a walking path, fishing docks, boat launch and ramp, boat dock and new signage.

A new maintenance building was constructed at Brookledge Golf Club. There are overhead doors on each side of the building which permit drive through capabilities, a special section for the sharpening tools, a mechanical lift for the larger mowing machines, equipment storage, and office and restrooms.

A new parking lot was installed at Ross Park. This was necessary because of the growth of the pee-wee football program and the lack of on-street parking for the park use. An unused part of the acreage surrounding the football field was graded and paved to provide a 116-space parking lot for not only the football program but also the regular park use.

The lower ball field of Trails End Park was reconstructed with new grades, backstops, drainage and fencing which has made a great difference in the playability of this field. This task was successfully completed by park maintenance staff and consequently saved the City money by not bidding the project to a private contractor.

The Electric Department completed the outside portion of Substation No. 3 continuing its plans of replacing all substations within the City. The Department also completed a project involving the AMP/Ohio JV1 Generation totaling nine megawatts

that can now be used in the event of an emergency to feed critical loads including the water plant, City services and areas identified as shelters during emergency situations.

Future Projects

Phase II of Keyser Park which will be done in 2000 will include safety fencing, grading of the infields, backstops and a final surface on the parking lot. There also will be a restroom, play equipment and a pavilion constructed at the complex.

Projects planned for the year 2000 include a complete rebuilding of two wading pools. These pools will be rebuilt, along with four others that were completed in 1998, per specifications of the State of Ohio Health Department and will be complete swimming pools except for their shallow water. Each pool will be 12 to 16 inches deep and will have automated chlorine feeders, sand and gravel filtration, and pumps and motors to provide the proper circulation of the pool water on an hourly basis.

Another important improvement in the park system will be the construction of a skate park. This project was stimulated by the number of skate boarders in the community who wanted to have a central location to practice their sport. The Park Board has contracted with a skate park architect and drawings should be bid on by late summer.

Another project that has taken off because of user interest is the future of the Donald C. Hulick Natatorium Health and Fitness Center. The department recognized the leisure/recreational pool needed to be replaced within the next year or two. Since that construction was imminent, the staff circulated surveys to determine if the patrons using the Natatorium had other ideas that they would like to see implemented. The response was astounding. This directed the staff and board to research other recreation/community centers in several states and make a recommendation.

This project has grown from a minimal expansion of less than a million dollars to a possible rebuild of the entire structure which could become a 100,000 square foot center that could cost \$10 to \$15 million. Included in the facility would be a new leisure/recreational pool, larger fitness area, babysitting section, gymnasium, track, community room, and the most unique feature, a hospital-operated wellness center. The partnering with the local hospital to make the wellness center a reality appears to be the future of the health care and health club industry. This project will move forward with additional planning during 2000.

The City and its Electric Department will complete a second delivery point substation for its electric system. This \$3 million project will allow for added capacity and provide a service backup for the City's original delivery point substation. The new substation strengthens the City's objective to provide the best, least expensive and most reliable electric service within the region.

Department Focus

The City of Cuyahoga Falls Division of Recycling and Litter Prevention serves the community through a variety of education and awareness programs concerning municipal solid waste issues. Education and awareness programming have translated into comparatively high rates of community participation in recycling, yard waste collection, and events such as the Great American River Day (Litter) Cleanup and the Adopt-A-Spot for Beautification Project.

In 1999, educational programming targeted school children and educators at every grade level. Classroom programs are planned based upon teacher and student needs and provide natural resource conservation activities focusing on recycling, energy efficiency and water conservation. Through curriculum development and strong communication with the local school administration, Division staff has provided age/grade appropriate, hands-on activities which have continued to grow in demand every year since the inception of the Division in 1989.

The annual Second Grade Reduce, Reuse, Recycle-Make Every Day Earth Day program, alone, reached nearly 600 students in 1999. The Third Grade Arbor Day Program targets a specific elementary school each year with Price Elementary School staff and students participating in 1999. The National Arbor Day "Trees are Terrific" curriculum is one of the great benefits the Division and local Tree Board are pleased to provide to the classes participating each year in the special Arbor Day program. It is conservatively estimated that 2,500 students within Cuyahoga Falls schools, public and private, received direct classroom instruction by a member of the Division staff and that several hundred more were impacted by curriculum materials provided to teachers.

Awareness programming in 1999 included such events as the River Day Cleanup, the Eighth Annual Trash Olympics, Clean Your Files Office Paper Recycling and Adopt-A-Spot for Beautification. Awareness programs target residents of all ages, encouraging them to make a difference in the beauty and quality of life in the community and the natural environment. These programs reflect a cooperative effort among City departments in insuring the success of each effort. Awareness programs in 1999 are conservatively estimated to have included approximately 1,000 participants of all ages, though the impact of the programs has extended to many more through the shared civic identity of environmental stewardship.

The Adopt-A-Spot for Beautification Project has significantly grown in scope and membership. 1999 was the Eleventh year of the Adopt-A-Spot program, however, several civic groups who plant and maintain public property flowerscapes have been volunteering for many more years. 1999 was also the second year of inviting local businesses to sponsor a flowerscape through a donation. Over \$8,000 was raised in 1999 for the Adopt-A-Spot flowerscape fund. The donation is used to purchase flowers, plants or other flowerscape supplies. In 1999, there were 36 Adopt-A-Spot sites actually planted and maintained by a growing pool of volunteers which includes individuals, families, civic groups and businesses. On the average, the project grows by three new sites per year. The City of Cuyahoga Falls, as an affiliate of Keep America Beautiful, Inc. since 1989, receives data concerning the impact of municipal environmental and beautification programs. One piece of data reveals that community areas with flowerscapes are far less likely to be littered. The Recycling and Litter Prevention Advisory Board will conduct a new and improved behavioral measure of municipal programs developed by Keep America Beautiful called the Litter Index in September 2000.

The Cuyahoga Falls Division of Recycling & Litter Prevention had primarily been funded through a grant by the Ohio Department of Natural Resources-Division of Recycling & Litter Prevention from 1989 through 1994. In 1995, a new population requirement moved the City of Cuyahoga Falls into an agreement with the Summit County grant project providing the City about one third of the funding received in previous years. However, population estimates in 1999 for Cuyahoga Falls have placed the City once again on the eligibility list for direct state funding for 2000. As a result, staff may now increase to include an additional part-time position to assist with communications.

In 1999, the City of Cuyahoga Falls was awarded more than \$11,000 in additional funds through the Summit/Akron Solid Waste Management Authority to assist with educational resources and promotional material expenses. The Summit/Akron Solid Waste Management Authority has also funded a variety of support grants over the past few years to assist with recycling collection projects in the schools and the community.

Future Division goals for education and awareness programming include encouraging growth of voluntary recycling rates, as well as gaining community involvement in environmental stewardship through increased participation in the various conservation programs offered.

FINANCIAL INFORMATION

Internal Control Structure

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.

Budgeting Controls

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.

General Governmental Functions

Revenues for all Governmental Fund Type operations amounted to \$40,434,589 for 1999. The amount of revenues from various sources, percentages of the total amount and the amounts of increases and decreases in relation to prior year revenues are shown in the following table:

	1999 Amount	Percent of Total	1998 Amount	Increase (Decrease) From 1998	Percent of Increase (Decrease)
Revenues:					
Property taxes	\$ 7,714,820	19.08%	\$ 8,031,254	\$ (316,434)	(3.94)%
Municipal income tax	16,156,494	39.96	14,500,651	1,655,843	11.42
Other local tax	194,272	.48	298,904	(104,632)	(35.01)
State levied shared taxes	6,131,671	15.16	6,060,321	71,350	1.18
Intergovernmental	1,360,746	3.37	268,258	1,092,488	407.25
Charges for services	5,567,613	13.77	4,486,240	1,081,373	24.10
Fees, licenses and permits	856,187	2.12	806,471	49,716	6.16
Interest earning	1,521,632	3.76	1,694,422	(172,790)	(10.20)
Fines and forfeitures	385,094	.95	462,875	(77,781)	(16.80)
Special assessments	219,473	.54	230,496	(11,023)	(4.78)
Other	326,587	.81	701,315	(374,728)	(53.43)
Total Revenues	<u>\$40,434,589</u>	<u>100.00%</u>	<u>\$37,541,207</u>	<u>\$ 2,893,382</u>	<u>7.71%</u>

The rise in income tax is due to a change in income tax software which enables the City to process payments more efficiently allowing more time for auditing and researching the City's taxpayer base. The decrease in other taxes is due to a decrease in admission taxes and in lieu of tax payments received by the City. The increase in intergovernmental revenue is due to increased grants and increased "on-behalf-of" payments from the Ohio Public Works Commission.

The rise in revenue in charges for services is due to transporting of EMS patients coupled with the billing for those services of which the revenue is recorded in the Capital Projects Fund for future capital needs. The increase in fees, licenses and

permits is due to increased permits in the Building Department and increased licenses in Human Resources. The decrease in interest revenue is due to fair valuation of the City's Industrial Development Revenue Bond being less in 1999 than in 1998.

Fines and forfeitures decreased in 1999 due to reduced collections through the City's Municipal Court. Other Revenue decreased in 1999 due to the fact that in 1998 various communities reimbursed the City for their share of the multi-jurisdictional mobile data terminals project.

Expenditures for all Governmental Fund Type operations amounted to \$38,276,849 for 1999. The amount of expenditures by function, percentages of the total amount and the amounts of increases and decreases in relation to prior year expenditures are shown in the following table:

	<u>1999 Amount</u>	<u>Percent of Total</u>	<u>1998 Amount</u>	<u>Increase (Decrease) From 1998</u>	<u>Percent of Increase (Decrease)</u>
Expenditures:					
Current					
Security of persons and property	\$15,251,595	39.85%	\$14,117,870	\$1,133,725	8.03%
Leisure time activities	1,914,306	5.00	1,861,194	53,112	2.85
Community development	835,905	2.18	834,583	1,322	.16
Street maintenance	3,371,078	8.81	2,762,226	608,852	22.04
General government	7,130,996	18.63	6,918,540	212,456	3.07
Capital outlay	7,453,286	19.47	11,100,828	(3,647,542)	(32.86)
Debt Service					
Principal	1,488,706	3.89	1,127,845	360,861	32.00
Interest	830,977	2.17	928,229	(97,252)	(10.48)
Total Expenditures	<u>\$38,276,849</u>	<u>100.00%</u>	<u>\$39,651,315</u>	<u>\$ (1,374,466)</u>	<u>3.47%</u>

The increase in security of persons and property is due to the hiring of four patrolmen, four firefighters and the filling of vacancies within Police and Fire coupled with merit and cost of living increases. Another reason for some of the increase is due to replacement of equipment and furniture. The increase in street maintenance is due to various components of wages. These components include merit increases, cost of living, increased part-time wages in 1999 and increased overtime wages due to the severity of the winter season. The severe winter also increased rock salt costs by \$280,000.

Capital expenditures decreased in 1999 due to decreased "grant-funded" projects in 1999 within the Capital Projects Fund and reduced capital outlay in the Recreation Levy Fund since the new aquatic center was completed in 1998. Principal increased in 1999 due to 1999 being the first year of a three-year capital lease for a technical rescue vehicle and a ladder truck. Interest expenditures decreased due to principal payments.

Enterprise Operations

The City's enterprise operations consist of five separate and distinct funds: Sewage and Disposal, Water, Electric, Sanitation and Leisure Time. The philosophy of the City with regard to enterprise operations is to provide the best service to the user at a low cost without utilizing general governmental resources. The collective retained earnings of the enterprise funds reduce the potential of utilizing General Fund resources to subsidize user fee operations.

Sewage and Disposal

The City's Sewage and Disposal Department is responsible for the network of sanitary sewers which collect industrial, commercial and residential wastewater and transports it to the Akron Water Pollution Control Facility. The City has three outlets directly connected to the City of Akron and three outlets connected to the Summit County Mud Brook System. This Department maintains, cleans, repairs, and improves the entire sanitary sewer system and is also responsible for the maintenance of catch basins and storm sewers, which redirect precipitation to the nearest water course.

Water

The City's Water Department is responsible for treating, pumping and distributing potable water to residents in the City, the Village of Silver Lake, the City of Munroe Falls and the City of Stow. The City obtains its water from 18 drilled wells located in Water Works Park on the south bank of the Cuyahoga River. Water is furnished free of charge to the Taylor Memorial Public Library and to all public, parochial, sectarian and all other private nonprofit schools within the territorial limits of the City. Water line expansion continues into Ward 8. Approximately 95 percent of the City population had access to City water.

Electric

The City owns and operates its own electric utility that provides electric service to residential, commercial and industrial customers within the service area. Being the third largest municipal electric system in the State of Ohio, the City is able to offer low rates due to its affiliation with 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. Electricity is purchased by the City through AMP-Ohio which in turn purchases inexpensive electricity on short and intermediate term contracts with privately owned electric utilities such as Ohio Edison and the New York Power Authority.

Ohio Edison, the nearest private electric utility, charges its customers up to 65 percent more than what the City charges. The average monthly residential electric bill (based on 500 kilowatt hours) shows that the City's charge for electrical service was \$36.52 monthly, compared to the \$60.25 charged by Ohio Edison for the same service.

Sanitation

The primary function of the City's Sanitation Department is to provide weekly collection and disposal of residential solid waste, co-mingled recyclables and yard waste. Although there is competition from rivals Waste Management and R.C. Miller, the Sanitation Department claims over 92 percent of potential customers in the City. The City also provides weekly collection and disposal services of commercial and industrial solid waste and recyclables. In a competitive market consisting of six major commercial waste competitors, the City manages to contract over half of the potential accounts. All solid waste collected by the City is hauled directly to several transfer stations within the County where it is then deposited in the Countywide Landfill in Stark County. Recyclables, which are collected from both residents of the City and surrounding communities, are processed and marketed at the Materials Recovery Facility.

Leisure Time

The City's Leisure Time Fund, operated by the Parks and Recreation Department, includes five facilities, which are actively supported by its citizens and the citizens of surrounding communities. These five facilities are:

- Water Works Family Aquatic Center, an outdoor pool and recreation area (officially opened May 23, 1998);
- Brookledge Golf Club, an 18-hole municipal golf course complemented by a golf academy and practice facility;
- The Natatorium, an indoor swimming and fitness facility;
- Quirk Cultural Center, a community civic center; and
- Downview Sports Center, a driving range, miniature golf course, and batting cages.

Debt Administration

The City's debt is currently assigned a rating of A1 by Moody's Investors Service. Within Summit County, no city, village, township, school district nor the County itself is rated higher than the City of Cuyahoga Falls. The A1 rating indicates that there is adequate security to principal and interest, and that investment in the City is considered "favorable" to investors (mostly individuals and mutual funds) who purchase the City's notes and bonds. The A1 rating history of the City is as follows:

Rating History	
December 1939	B
December 1944	Ba
December 1949	Baa
February 1956	A
August 1976	A1
July 1997	A1
December 1998	A1

The City can issue an unlimited amount of debt, which is to be paid from user fees and special assessments. There is, however, limitations on debt that is issued without the support of user fees (enterprise operations) or special assessments (property owners). Ohio law permits that such debt has a limitation of 10.5 percent of a municipality's valuation. The City is well within these limitations.

In 1999, the City issued bond anticipation notes in the amount of \$2,410,000. Of this amount, \$1,735,000 was used for various special assessment projects within the City. The remaining \$675,000 was used for improving the municipal water works system in the City's High Pressure Water District.

Municipal management, citizens and investors consider the ratio of net general bonded debt to assessed valuation and the amount of bonded debt per capita to be valuable indicators of the City's debt position. Net general bonded debt is defined as total general bonded debt supported by taxes less amounts available in the Debt Service Fund. The City's modest amount of debt results in debt ratios well below Moody's medians. An illustration of key statistics concerning the City's debt as of December 31, 1999 is as follows:

<u>Net General Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Assessed Valuation</u>	<u>Net General Bonded Debt Per Capita</u>
\$15,16,475	1.94%	\$314.94

Cash Management

Recognizing its responsibility to the public for sound fiscal management, the City administers a prudent cash management and investment program. The primary goals of the program are to minimize the amount of idle cash on hand to meet daily cash requirements and simultaneously maximize the funds available for investment. Our investment policy strives for the maximum return available through secure investments, while providing for the preservation of capital. Accordingly, deposits are either insured by federal depository insurance or collateralized. Collateral is held by the City or by its agent in the City's name.

To ensure the most competitive rates on investments, the cash resources of the individual funds (excluding the Debt Service, Municipal Court, Workers' Compensation and Cemetery Perpetual Care funds) are combined to form a pool of cash and investments. The average investment portfolio in 1999 was approximately \$36.4 million. During 1999, the City earned interest income on its pooled funds at an average rate of return of 5.30 percent. Focusing on safety and liquidity, the City continues to invest only in the highest quality investments.

Risk Management

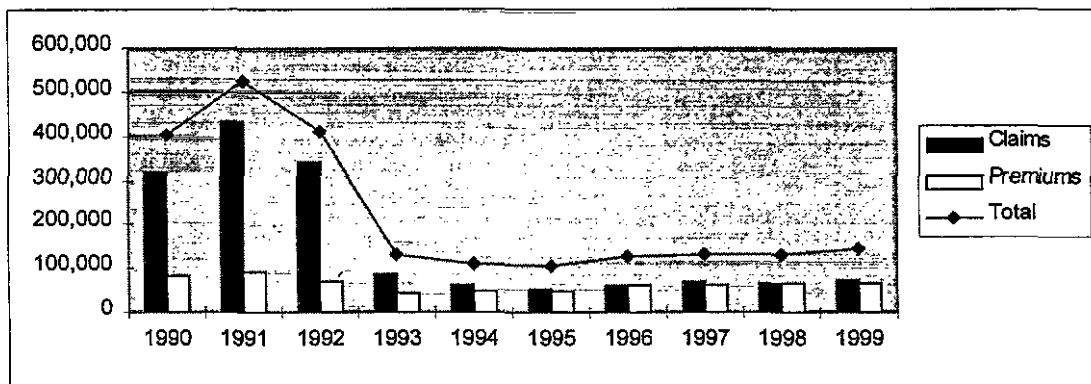
The City maintains a variety of liability insurance coverages with varying deductibles. Among these coverages are general liability with limits of \$2 million annually in the aggregate and \$1 million per occurrence, with a \$100,000 self-insurance retention. In addition, the City has umbrella liability coverage with limits of \$10 million in the aggregate and \$10 million per occurrence. The City added public officials liability coverage in 1998 with limits of \$1 million in the aggregate and \$1 million per occurrence.

The City completed its eighth consecutive year of the Retrospective Rating Plan with regard to insuring itself for all workers' compensation claims and liabilities. The Ohio Bureau of Workers' Compensation permits governmental entities to pay only a fraction of the annual premium and to assume the responsibility for paying all claims incurred during the policy period for the next ten years. Under this plan the City carries both individual and aggregate stop-loss coverage.

The City also maintains a self-insured hospitalization program. Prevention of catastrophic losses on the City's part is maintained through both individual and aggregate stop-loss coverage. The City's cost during the year for this program is for the payment of claims, third party claims administration and stop-loss coverage.

The City has saved well over \$2 million since shifting the primary responsibility for retiree hospitalization from the City to the two public employees retirement systems. Prior to 1993, the City provided primary medical coverage for all retirees who had a minimum of 12 continuous, permanent, full-time service years with the City. The enabling legislation which passed in December 1991 relieved the City of primary medical reimbursement and only required the City to reimburse the retirees for all out-of-pocket medical expenses, which approximate \$100,000 annually. Since 1993, the elimination of double spending has been conservatively estimated at approximately \$350,000 to \$400,000 annually in savings as indicated by the following chart:

**RETIREE HOSPITALIZATION COSTS
1990 - 1999**



OTHER INFORMATION

Independent Audit

In accordance with Ohio law, annual independent audits must be performed on all financial operations of the City. These audits are conducted by either the Auditor of the State, or if the Auditor permits, an independent public accounting firm. This year's audit was completed by the Auditor of the State. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's remaining reports related to the compliance and internal control are presented in a separate document.

Awards

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, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

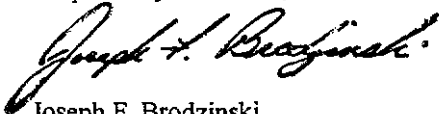
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable 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 15 consecutive years (fiscal years ended 1984-1998). 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.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. 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 Cuyahoga Falls,
Ohio

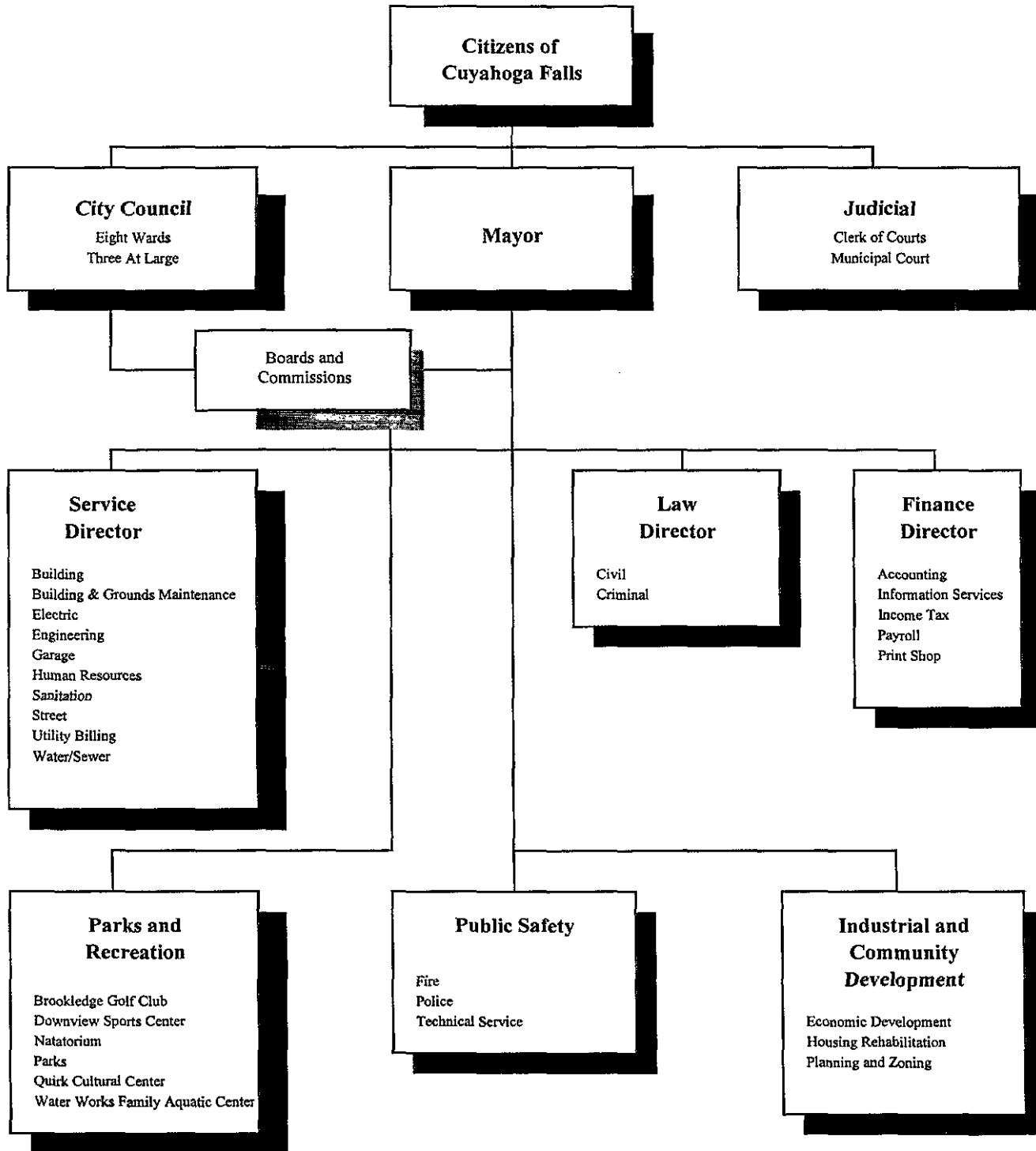
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1998

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.



Cary Brueck
President
Jeffrey L. Esser
Executive Director

City of Cuyahoga Falls



Cabinet of the Mayor:

Mayor Don L. Robart

Barbara L. Sculley Service Director
Joseph F. Brodzinski Finance Director
Geoffrey W. Kennedy Law Director
Susan L. Truby Community Development Director

Municipal Court:

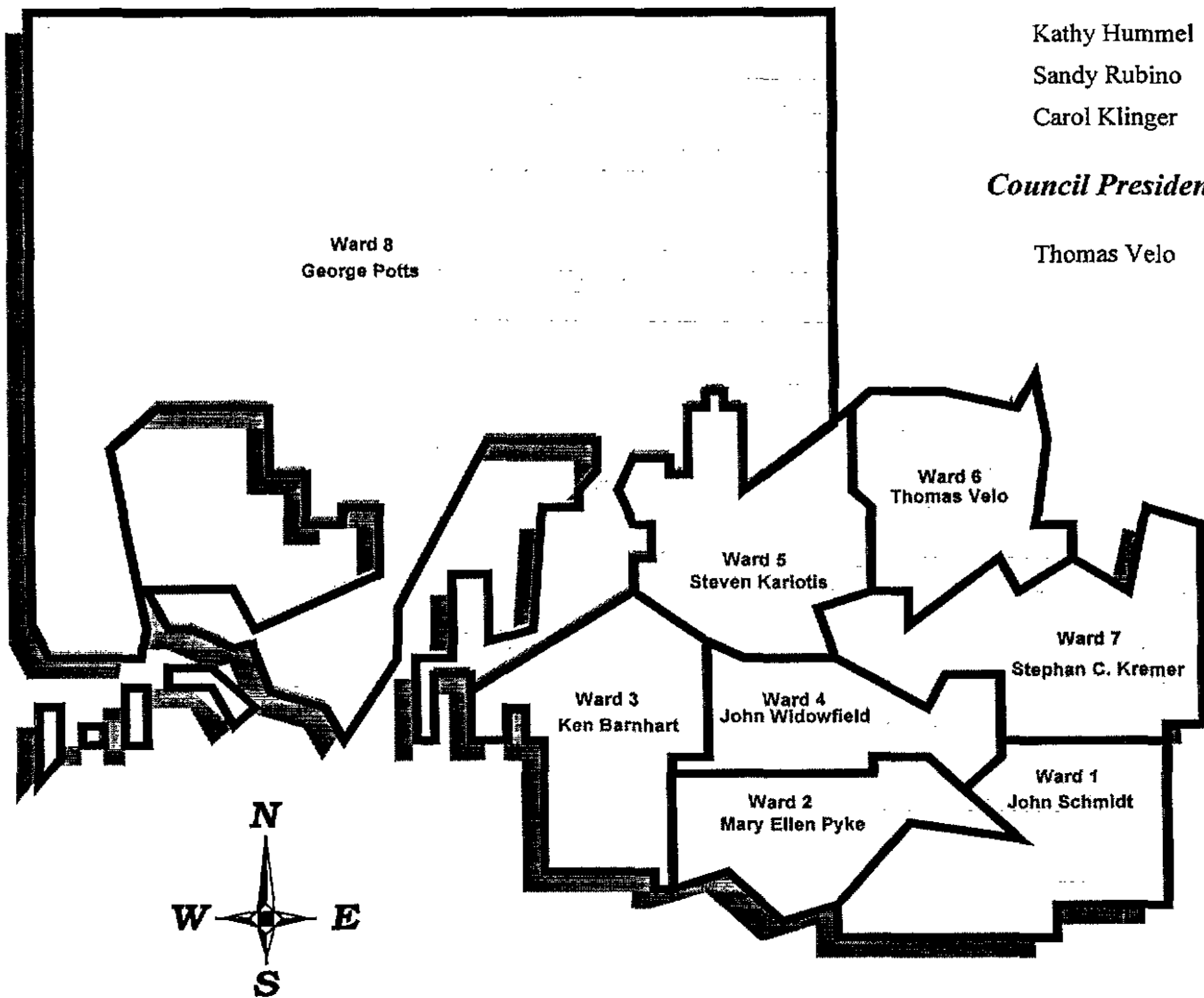
Kim R. Hoover Judge
Linda Tucci Teodosio Judge
Eric Czetli Clerk of Courts

At Large Council:

Kathy Hummel
Sandy Rubino
Carol Klinger

Council President:

Thomas Velo



FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398

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

We have reviewed the Independent Auditor's Report of the City of Cuyahoga Falls, Summit County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 1999 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written over a large, stylized flourish.

JIM PETRO
Auditor of State

July 7, 2000

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

*Certified Public Accountants
5240 East 98th Street
Garfield Heights, Ohio 44125*

American Institute of Certified Public Accountants

(216) 475-6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Jim Petro
Auditor of State
State of Ohio

We have audited the accompanying general purpose financial statements of the City of Cuyahoga Falls, Ohio, as of and for the year ended December 31, 1999, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the City of Cuyahoga Falls, Ohio's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Cuyahoga Falls, Ohio's of a December 31, 1999, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 26, 2000 on our consideration of the City of Cuyahoga Falls, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Cuyahoga Falls, Ohio, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Cuyahoga Falls, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the statistical data included in the statistical section of this report, and therefore, express no opinion thereon.


James G. Zupka
Certified Public Accountant

June 26, 2000

City of Cuyahoga Falls, Ohio
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1999

(With Comparative Totals for the Year Ended December 31, 1998)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets				
Equity in pooled cash and cash equivalents	\$ 4,416,944	\$ 2,062,767	\$ 0	\$ 4,699,077
Investments	256,858	119,956	0	258,472
Cash and cash equivalents - restricted accounts	0	0	57,935	0
Investments - restricted accounts	0	0	127,000	2,248,950
Receivables				
Taxes	8,375,529	2,207,934	0	0
Accounts (net, where applicable, of allowance for doubtful accounts)	18,581	93,681	0	71,490
Loans	0	1,344,871	0	0
Special assessments	94,233	0	999,575	322,022
Accrued interest	534	0	806	1,017,843
Due from other funds	1,702,039	264,886	0	703,368
Due from other governments	535,224	102,658	0	91,168
Inventory of supplies	136,597	170,133	0	0
Prepaid items	33,039	10,350	0	0
Advances to other funds	0	0	0	624,383
Deferred charges	0	0	0	0
Unamortized bond discount	0	0	0	0
Investment in joint venture	0	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	0
Other Debits				
Amount available in Debt Service Fund	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 15,589,578	\$ 6,377,236	\$ 1,185,316	\$ 10,036,773
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable	\$ 75,873	\$ 113,014	\$ 0	\$ 404,382
Accrued salaries, wages and benefits	852,381	143,394	0	0
Accrued interest payable	0	0	0	0
Deferred revenue	8,550,191	483,202	1,000,277	1,129,660
Due to other funds	596,847	2,175,969	0	0
Due to other governments	910	0	0	0
Claims and judgments payable	0	0	0	0
Deposits held and due to others	0	0	0	0
Capital lease obligations	0	0	0	0
Advances from other funds	238,000	0	0	50,383
Unamortized bond premium	0	0	0	0
Construction Loan Payable	0	0	0	0
General obligation notes payable	0	0	0	1,735,000
General obligation bonds payable	0	0	0	0
Special assessment debt with government commitment	0	0	0	0
Total Liabilities	10,314,202	2,915,579	1,000,277	3,319,425
Fund Equity and Other Credits				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings - Unreserved	0	0	0	0
Fund Balance				
Reserved for encumbrances	190,899	178,469	0	1,409,049
Reserved for prepaid items	33,039	10,350	0	0
Reserved for advances	0	0	0	624,383
Reserved for investments	0	0	0	2,248,950
Reserved for inventory of supplies	136,597	170,133	0	0
Reserved for loans receivable	0	1,344,871	0	0
Reserved for debt service	0	0	185,039	0
Reserved for cemetery perpetual care	0	0	0	0
Unreserved - undesignated	4,894,841	1,757,834	0	2,434,966
Total Fund Equity and other credits	5,275,376	3,461,657	185,039	6,717,348
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 15,589,578	\$ 6,377,236	\$ 1,185,316	\$ 10,036,773

See accompanying notes to the combined financial statements

Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligation	1999	1998	
\$ 14,698,803	\$ 6,490,756	\$ 1,848,233	\$ 0	\$ 0	\$ 34,216,580	\$ 29,381,940	
854,778	377,456	107,480	0	0	1,975,000	0	
0	0	446,671	0	0	504,606	543,530	
0	0	95,000	0	0	2,470,950	3,528,799	
0	0	0	0	0	10,583,463	9,598,946	
6,401,212	11,422	0	0	0	6,596,386	5,788,668	
0	0	0	0	0	1,344,871	1,242,320	
88,820	0	0	0	0	1,504,650	1,691,959	
0	0	0	0	0	1,019,183	960,967	
916,420	352,739	161,543	0	0	4,100,995	3,645,183	
9,146	5	0	0	0	738,201	859,719	
2,603,769	397,707	0	0	0	3,308,206	3,306,719	
54,307	6,597	0	0	0	124,293	122,020	
0	0	238,000	0	0	862,383	936,883	
40,191	0	0	0	0	40,191	40,977	
75,018	0	0	0	0	75,018	78,966	
12,352,003	0	0	0	0	12,352,003	10,169,863	
47,364,379	745,801	0	34,276,951	0	82,387,131	78,835,051	
0	0	0	0	185,039	185,039	290,686	
0	0	0	0	20,141,416	20,141,416	21,083,696	
\$ 85,458,846	\$ 8,382,483	\$ 2,896,927	\$ 34,276,951	\$ 20,326,455	\$ 184,530,565	\$ 172,106,892	
\$ 1,953,442	\$ 135,613	\$ 0	\$ 0	\$ 0	\$ 2,682,324	\$ 3,602,491	
2,047,900	420,983	0	0	4,849,563	8,314,221	7,681,659	
78,151	0	0	0	0	78,151	82,147	
88,820	0	0	0	0	11,252,150	11,907,081	
994,306	29,375	304,498	0	0	4,100,995	3,645,183	
480,404	79,803	1,392,452	0	0	1,953,569	1,858,144	
0	1,939,064	0	0	0	1,939,064	2,188,470	
193,284	0	1,046,946	0	0	1,240,230	1,178,655	
47,215	4,292	0	0	1,610,378	1,661,885	2,516,289	
574,000	0	0	0	0	862,383	936,883	
1,775	0	0	0	0	1,775	0	
54,471	0	0	0	0	54,471	69,020	
675,000	0	0	0	0	2,410,000	0	
19,242,579	0	0	0	13,077,319	32,319,898	33,728,414	
0	0	0	0	789,195	789,195	899,512	
26,431,347	2,609,130	2,743,896	0	20,326,455	69,660,311	70,293,948	
0	0	0	34,276,951	0	34,276,951	31,778,267	
9,553,383	224,939	0	0	0	9,778,322	9,434,009	
49,474,116	5,548,414	0	0	0	55,022,530	46,259,922	
0	0	0	0	0	1,778,417	1,387,596	
0	0	0	0	0	63,389	61,424	
0	0	0	0	0	624,383	639,383	
0	0	0	0	0	2,248,950	3,253,799	
0	0	0	0	0	306,730	339,605	
0	0	0	0	0	1,344,871	1,223,060	
0	0	0	0	0	185,039	290,686	
0	0	153,031	0	0	153,031	140,526	
0	0	0	0	0	9,087,641	7,004,667	
59,027,499	5,773,353	153,031	34,276,951	0	114,870,254	101,812,944	
\$ 85,458,846	\$ 8,382,483	\$ 2,896,927	\$ 34,276,951	\$ 20,326,455	\$ 184,530,565	\$ 172,106,892	

City of Cuyahoga Falls, Ohio
Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types
Year Ended December 31, 1999

(With Comparative Totals Year Ended December 31, 1998)

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special	Debt Service	Capital	1999	1998
		Revenue		Projects		
Revenues						
Property taxes	\$ 7,294,012	\$ 420,808	\$ 0	\$ 0	\$ 7,714,820	\$ 8,031,254
Municipal income taxes	0	16,156,494	0	0	16,156,494	14,500,651
Other local taxes	193,821	451	0	0	194,272	298,904
State levied shared taxes	4,494,401	1,637,270	0	0	6,131,671	6,060,321
Intergovernmental	278,473	313,956	0	768,317	1,360,746	268,258
Charges for services	4,410,160	47,123	0	1,110,330	5,567,613	4,486,240
Fees, licenses and permits	484,553	371,634	0	0	856,187	806,471
Interest earnings	8,725	2,027	26,992	1,483,888	1,521,632	1,694,422
Fines and forfeitures	328,257	56,837	0	0	385,094	462,875
Special assessments	17,970	0	161,660	39,843	219,473	230,496
Other	212,408	44,901	0	69,278	326,587	701,315
Total Revenues	17,722,780	19,051,501	188,652	3,471,656	40,434,589	37,541,207
Expenditures						
Current						
Security of persons and property	13,403,509	1,848,086	0	0	15,251,595	14,117,870
Leisure time activities	1,768,928	145,378	0	0	1,914,306	1,861,194
Community environment	826,506	9,399	0	0	835,905	834,583
Street maintenance	81,360	3,289,718	0	0	3,371,078	2,762,226
General government	6,371,886	732,544	123	26,443	7,130,996	6,918,540
Capital outlay	605,508	1,505,901	0	5,341,877	7,453,286	11,100,828
Debt Service						
Principal	155,423	336,535	478,333	518,415	1,488,706	1,127,845
Interest	17,569	299,456	467,843	46,109	830,977	928,229
Total Expenditures	23,230,689	8,167,017	946,299	5,932,844	38,276,849	39,651,315
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(5,507,909)	10,884,484	(757,647)	(2,461,188)	2,157,740	(2,110,108)
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	1,010,024
Inception of capital leases	0	0	0	0	0	981,007
Operating transfers in	9,705,751	4,126,210	652,000	4,542,359	19,026,320	19,960,882
Operating transfers out	(2,474,873)	(15,487,077)	0	(1,752,000)	(19,713,950)	(20,590,582)
Total Other Financing Sources (Uses)	7,230,878	(11,360,867)	652,000	2,790,359	(687,630)	1,361,331
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses						
	1,722,969	(476,383)	(105,647)	329,171	1,470,110	(748,777)
Fund Balance at Beginning of Year	3,575,971	3,945,386	290,686	6,388,177	14,200,220	14,920,280
Change in reserve for inventory	(25,360)	(7,515)	0	0	(32,875)	37,760
Change in reserve for prepaid items	1,796	169	0	0	1,965	(9,043)
Fund Balance at End of Year	\$ 5,275,376	\$ 3,461,657	\$ 185,039	\$ 6,717,348	\$ 15,639,420	\$ 14,200,220

See accompanying notes to the combined financial statements

City of Cuyahoga Falls, Ohio
Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) -
All Governmental Fund Types
Year Ended December 31, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 7,329,391	\$ 7,294,012	\$ (35,379)	\$ 422,852	\$ 420,808	\$ (2,044)
Municipal income taxes	0	0	0	16,000,000	16,016,257	16,257
Other local taxes	190,500	190,628	128	360	1,077	717
State levied shared taxes	4,525,251	4,547,448	22,197	1,831,144	1,706,813	(124,331)
Intergovernmental	296,200	289,310	(6,890)	209,900	313,956	104,056
Charges for services	4,382,872	4,419,965	37,093	48,000	48,005	5
Fees, licenses, and permits	417,050	484,991	67,941	336,500	367,174	30,674
Interest earnings	7,000	8,594	1,594	0	2,027	2,027
Fines and forfeitures	394,000	330,855	(63,145)	60,500	57,814	(2,686)
Special assessments	13,450	17,970	4,520	0	0	0
Other	209,365	211,305	1,940	161,040	169,797	8,757
Total Revenues	17,765,079	17,795,078	29,999	19,070,296	19,103,728	33,432
Expenditures						
Current						
Security of persons and property	13,532,880	13,393,495	139,385	2,118,223	1,852,606	265,617
Leisure time activities	1,816,960	1,779,787	37,173	173,469	163,486	9,983
Community environment	859,038	819,815	39,223	387,237	276,313	110,924
Street maintenance	83,120	81,352	1,768	3,289,838	3,210,965	78,873
General government	6,936,215	6,402,114	534,101	745,895	745,399	496
Capital outlay	685,415	639,327	46,088	1,385,601	1,283,855	101,746
Debt Service						
Principal	155,422	155,423	(1)	330,932	336,535	(5,603)
Interest	17,567	17,569	(2)	316,067	299,456	16,611
Total Expenditures	24,086,617	23,288,882	797,735	8,747,262	8,168,615	578,647
Excess (Deficiency) of Revenues Over (Under) Expenditures						
	(6,321,538)	(5,493,804)	827,734	10,323,034	10,935,113	612,079
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	0
Operating transfers in	8,837,680	9,438,820	601,140	4,042,902	4,042,902	0
Operating transfers out	(2,425,640)	(2,425,640)	0	(15,061,146)	(15,061,146)	0
Advances in	0	0	0	0	0	0
Advances out	(59,500)	(59,500)	0	0	0	0
Total Other Financing Sources (Uses)	6,352,540	6,953,680	601,140	(11,018,244)	(11,018,244)	0
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses						
	31,002	1,459,876	1,428,874	(695,210)	(83,131)	612,079
Fund Balance at Beginning of Year						
	2,920,429	2,920,429	0	1,962,865	1,962,865	0
Decertification of prior year encumbrances						
	46,625	46,625	0	66,426	66,426	0
Fund Balance at End of Year	\$ 2,998,056	\$ 4,426,930	\$ 1,428,874	\$ 1,334,081	\$ 1,946,160	\$ 612,079

See accompanying notes to the combined financial statements

(continued)

(continued)

City of Cuyahoga Falls, Ohio
Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) -
All Governmental Fund Types
Year Ended December 31, 1999

	Debt Service Fund			Capital Projects Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	53,000	0	(53,000)
State levied shared taxes	0	0	0	5,800	0	(5,800)
Intergovernmental	0	0	0	375,000	424,299	49,299
Charges for services	0	0	0	909,130	914,297	5,167
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	11,880	26,902	15,022	1,571,028	1,684,370	113,342
Fines and forfeitures	0	0	0	0	0	0
Special assessments	158,223	161,660	3,437	28,433	29,027	594
Other	0	0	0	42,600	77,830	35,230
Total Revenues	170,103	188,562	18,459	2,984,991	3,129,823	144,832
Expenditures						
Current						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	5,000	123	4,877	40,000	29,336	10,664
Capital outlay	0	0	0	6,434,110	6,321,671	112,439
Debt Service						
Principal	495,212	478,333	16,879	553,221	518,415	34,806
Interest	496,417	467,843	28,574	114,829	46,557	68,272
Total Expenditures	996,629	946,299	50,330	7,142,160	6,915,979	226,181
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(826,526)	(757,737)	68,789	(4,157,169)	(3,786,156)	371,013
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	1,740,000	1,739,563	(437)
Operating transfers in	652,000	652,000	0	4,417,295	4,417,434	139
Operating transfers out	0	0	0	(1,752,000)	(1,752,000)	0
Advances in	0	0	0	15,000	15,000	0
Advances out	0	0	0	(15,000)	(15,000)	0
Total Other Financing Sources (Uses)	652,000	652,000	0	4,405,295	4,404,997	(298)
Excess (Deficiency) of Revenues and						
Other Sources Over (Under) Expenditures						
and Other Uses	(174,526)	(105,737)	68,789	248,126	618,841	370,715
Fund Balance at Beginning of Year	290,672	290,672	0	4,077,796	4,077,796	0
Decertification of prior year						
encumbrances	0	0	0	523,580	523,580	0
Fund Balance at End of Year	\$ 116,146	\$ 184,935	\$ 68,789	\$ 4,849,502	\$ 5,220,217	\$ 370,715

See accompanying notes to the combined financial statements

Totals (Memorandum Only)

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Property taxes	\$ 7,752,243	\$ 7,714,820	\$ (37,423)
Municipal income taxes	16,000,000	16,016,257	16,257
Other local taxes	243,860	191,705	(52,155)
State levied shared taxes	6,362,195	6,254,261	(107,934)
Intergovernmental	881,100	1,027,565	146,465
Charges for services	5,340,002	5,382,267	42,265
Fees, licenses, and permits	753,550	832,165	98,615
Interest earnings	1,589,908	1,721,893	131,985
Fines and forfeitures	454,500	388,669	(65,831)
Special assessments	200,106	208,657	8,551
Other	413,005	458,932	45,927
Total Revenues	39,990,469	40,217,191	226,722
Expenditures			
Current			
Security of persons and property	15,651,103	15,246,101	405,002
Leisure time activities	1,990,429	1,943,273	47,156
Community environment	1,246,275	1,096,128	150,147
Street maintenance	3,372,958	3,292,317	80,641
General government	7,727,110	7,176,972	550,138
Capital outlay	8,505,126	8,244,853	260,273
Debt Service			
Principal	1,534,787	1,488,706	46,081
Interest	944,880	831,425	113,455
Total Expenditures	40,972,668	39,319,775	1,652,893
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(982,199)	897,416	1,879,615
Other Financing Sources (Uses)			
Bond/note proceeds	1,740,000	1,739,563	(437)
Operating transfers in	17,949,877	18,551,156	601,279
Operating transfers out	(19,238,786)	(19,238,786)	0
Advances in	15,000	15,000	0
Advances out	(74,500)	(74,500)	0
Total Other Financing Sources (Uses)	391,591	992,433	600,842
Excess (Deficiency) of Revenues and			
Other Sources Over (Under) Expenditures			
and Other Uses	(590,608)	1,889,849	2,480,457
Fund Balance at Beginning of Year	9,251,762	9,251,762	0
Decertification of prior year			
encumbrances	636,631	636,631	0
Fund Balance at End of Year	\$ 9,297,785	\$ 11,778,242	\$ 2,480,457

See accompanying notes to the combined financial statements

City of Cuyahoga Falls, Ohio
**Combined Statement of Revenues, Expenses and Changes in Retained Earnings/
Fund Balance - All Proprietary Fund Types and Non-expendable Trust Fund**
Year Ended December 31, 1999

(With Comparative Totals for Year Ended December 31, 1998)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non- expendable Trust	1999	1998
Operating Revenues					
Charges for services	\$ 43,424,901	\$ 8,109,046	\$ 0	\$ 51,533,947	\$ 46,818,816
Other	653,437	277,744	0	931,181	1,146,130
Total Operating Revenues	44,078,338	8,386,790	0	52,465,128	47,964,946
Operating Expenses					
Personal services	6,081,158	1,660,876	0	7,742,034	7,403,112
Fringe benefits	1,884,661	3,573,304	0	5,457,965	6,126,277
Purchased power	14,068,303	0	0	14,068,303	13,477,316
Materials and supplies	2,958,388	591,169	0	3,549,557	4,965,978
Utilities	540,447	25,399	0	565,846	470,244
Contractual services	3,620,580	199,179	0	3,819,759	3,731,484
Internal charges	3,340,572	424,949	0	3,765,521	1,819,011
Other	1,791,921	388,169	0	2,180,090	1,746,053
Depreciation	2,310,148	224,319	0	2,534,467	2,317,288
Total Operating Expenses	36,596,178	7,087,364	0	43,683,542	42,056,763
Operating Income	7,482,160	1,299,426	0	8,781,586	5,908,183
Nonoperating Revenues (Expenses)					
Interest revenue	0	259,016	0	259,016	228,645
Interest expense	(977,925)	(461)	0	(978,386)	(950,711)
Gain (loss) from sale of fixed assets	12,707	(2,201)	0	10,506	(10,886)
Grants	14,761	0	0	14,761	48,468
Net Nonoperating Revenues (Expenses)	(950,457)	256,354	0	(694,103)	(684,484)
Income Before Operating Transfers	6,531,703	1,555,780	0	8,087,483	5,223,699
Operating Transfers In	675,125	0	12,505	687,630	629,700
Net Income	7,206,828	1,555,780	12,505	8,775,113	5,853,399
Retained Earnings at Beginning of Year	42,267,288	3,992,634	0	46,259,922	40,418,223
Retained Earnings at End of Year	\$ 49,474,116	\$ 5,548,414	0	55,022,530	46,259,922
Fund Balance at Beginning of Year			140,526	140,526	128,826
Fund Balance at End of Year			\$ 153,031	\$ 153,031	\$ 140,526

See accompanying notes to the combined financial statements

City of Cuyahoga Falls, Ohio
Combined Statement of Cash Flows
All Proprietary Fund Types and Non-expendable Trust Fund
Year Ended December 31, 1999

(With Comparative Totals for Year Ended December 31, 1998)

	Proprietary Fund Types		Fiduciary	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-expendable Trust	1999	1998
Cash Flows From Operating Activities					
Cash received from customers and users	\$ 42,147,456	\$ 8,455,145	\$ 0	\$ 50,602,601	\$ 47,909,620
Cash payments to employees for services	(6,058,462)	(1,662,412)	0	(7,720,874)	(7,351,590)
Cash payments for employee benefits	(1,804,708)	(4,113,026)	0	(5,917,734)	(5,381,269)
Cash payments to suppliers for goods and services	(28,247,319)	(1,666,008)	0	(29,913,327)	(28,626,213)
Net Cash Provided By Operating Activities	6,036,967	1,013,699	0	7,050,666	6,350,548
Cash Flows From Non-Capital Financing Activities					
Grant proceeds	14,761	0	0	14,761	48,468
Transfers in	675,125	0	12,505	687,630	629,700
Net Cash Provided By Non-Capital Financing Activities	689,886	0	12,505	702,391	678,168
Cash Flows From Capital and Related Financing Activities					
Activities					
Acquisition of capital assets	(3,442,111)	(205,776)	0	(3,647,887)	(3,135,154)
Bond/note proceeds	676,775	0	0	676,775	7,273,736
Bond/note issuance costs	0	0	0	0	(40,977)
Proceeds from the sale of capital assets	0	0	0	0	18,063
Debt service					
Principal	(954,178)	(4,068)	0	(958,246)	(4,672,710)
Interest	(977,974)	(460)	0	(978,434)	(946,895)
Net Cash Used In Capital and Related Financing Activities	(4,697,488)	(210,304)	0	(4,907,792)	(1,503,937)
Cash Flows From Investing Activities					
Interest revenue	0	259,016	0	259,016	228,645
Sale of investments	(854,778)	(377,456)	95,000	(1,137,234)	1,457,261
Purchase of investments	0	0	(95,000)	(95,000)	(95,000)
Net Cash Provided By Investing Activities	(854,778)	(118,440)	0	(973,218)	1,590,906
Net Increase in Cash and Cash Equivalents	1,174,587	684,955	12,505	1,872,047	7,315,685
Cash and Cash Equivalents at Beginning of Year	13,524,216	5,805,801	45,526	19,375,543	12,059,858
Cash and Cash Equivalents at End of Year	\$ 14,698,803	\$ 6,490,756	\$ 58,031	\$ 21,247,590	\$ 19,375,543

(continued)

City of Cuyahoga Falls
Combined Statement of Cash Flows -
All Proprietary Fund Types and Non-expendable Trust Fund
Year Ended December 31, 1999

(With Comparative Totals for Year Ended December 31, 1998)

	Proprietary Fund Types		Fiduciary	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-expendable Trust	1999	1998
Reconciliation of Operating Income to Net Cash					
Provided By Operating Activities:					
Operating Income	\$ 7,482,160	\$ 1,299,426	\$ 0	\$ 8,781,586	\$ 5,908,183
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:					
Depreciation	2,310,148	224,319	0	2,534,467	2,317,288
Amortization Expense	59,953	0	0	59,953	104,329
Change in assets and liabilities					
Decrease (increase) in receivables	(722,740)	(10,060)	0	(732,800)	105,071
Decrease (increase) in due from other funds	(13,961)	78,420	0	64,459	(172,532)
Decrease (increase) in due from other governments	7,100	(3)	0	7,097	(10,914)
Decrease (increase) in inventory of supplies	38,687	(73,049)	0	(34,362)	62,180
Decrease (increase) in prepaids	(729)	421	0	(308)	(9,818)
(Increase) in investment in joint ventures	(2,182,140)	0	0	(2,182,140)	(2,650,624)
Increase (decrease) in accounts payable					
- net of items affecting fixed assets	92,093	34,791	0	126,884	216,007
Increase (decrease) in accrued salaries, wages and benefits	117,275	(60,041)	0	57,234	155,610
Increase (decrease) in due to other funds	1,664	(6,771)	0	(5,107)	56,067
Increase (decrease) in due to other governments	191,312	(224,346)	0	(33,034)	259,800
Increase (decrease) in deposits held and due to others	23,408	0	0	23,408	(16,525)
Increase in claims and judgements payable	0	(249,406)	0	(249,406)	351,205
Increase in deferred revenue	(1,367,263)	(2)	0	(1,367,265)	(124,779)
Total Adjustments	(1,445,193)	(285,727)	0	(1,730,920)	642,365
Net Cash Provided By Operating Activities	\$ 6,036,967	\$ 1,013,699	\$ 0	\$ 7,050,666	\$ 6,550,548

Cash and Cash Equivalents

	Pooled		Restricted	Total
Reconciliation of Cash and Cash Equivalents at End of Year -				
Non-expendable Trust Fund:				
Trust and Agency Funds	\$ 1,848,233	\$ 446,671	\$ 2,294,904	
Less Agency Funds:				
Treasury	(671,219)	0	(671,219)	
State Cases Fines and Forfeitures	(2,869)	0	(2,869)	
Employee Withholding	(208,755)	0	(208,755)	
Guarantee Deposits	(935,631)	0	(935,631)	
Unclaimed Monies	(29,759)	0	(29,759)	
Municipal Court	0	(388,640)	(388,640)	
Non-expendable Trust Fund	\$ 0	\$ 58,031	\$ 58,031	

See accompanying notes to the combined financial statements

City of Cuyahoga Falls, Ohio
**Combined Statement of Revenues, Expenses and Changes in Retained Earnings/
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) -
All Proprietary Fund Types and Non-expendable Trust Fund
Year Ended December 31, 1999**

	Enterprise Funds			Internal Service Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 40,884,920	\$ 41,408,349	\$ 523,429	\$ 8,964,915	\$ 8,188,076	\$ (776,839)
Other	702,650	739,107	36,457	0	267,069	267,069
Total Operating Revenues	41,587,570	42,147,456	559,886	8,964,915	8,455,145	(509,770)
Operating Expenses						
Personal services	6,064,863	6,058,462	6,401	1,699,635	1,662,412	37,223
Fringe benefits	1,831,340	1,804,708	26,632	4,254,684	4,113,026	141,658
Purchased power	13,494,650	14,242,102	(747,452)	0	0	0
Materials and supplies	5,674,759	4,941,543	733,216	691,979	605,050	86,929
Utilities	461,243	525,063	(63,820)	33,500	26,132	7,368
Contractual services	4,302,787	3,755,768	547,019	246,416	234,272	12,144
Internal charges	3,374,028	3,344,193	29,835	551,420	423,589	127,831
Other	1,776,327	1,887,068	(110,741)	529,420	513,706	15,714
Capital outlay	6,667,225	4,504,933	2,162,292	255,702	251,434	4,268
Total Operating Expenses	43,647,222	41,063,840	2,583,382	8,262,756	7,829,621	433,135
Operating Income (Loss)	(2,059,652)	1,083,616	3,143,268	702,159	625,524	(76,635)
Nonoperating Revenues (Expenses)						
Bond/note proceeds	675,000	676,775	1,775	0	0	0
Grants	22,142	14,761	(7,381)	0	0	0
Interest earnings	0	0	0	0	259,016	259,016
Debt Service						
Principal	(953,710)	(954,178)	(468)	(4,068)	(4,068)	0
Interest	(1,094,125)	(977,974)	116,151	(460)	(460)	0
Total Nonoperating Revenues/ Expenses	(1,350,693)	(1,240,616)	110,077	(4,528)	254,488	259,016
Income (loss) before operating transfers	(3,410,345)	(157,000)	3,253,345	697,631	880,012	182,381
Operating Transfers In	736,500	675,125	(61,375)	0	0	0
Net Income (Loss)	(2,673,845)	518,125	3,191,970	697,631	880,012	182,381
Retained Earnings at Beginning of Year	9,505,431	9,505,431	0	5,602,324	5,602,324	0
Decertification of prior year encumbrances	778,512	778,512	0	72,937	72,937	0
Retained Earnings at End of Year	\$ 7,610,098	\$ 10,802,068	\$ 3,191,970	\$ 6,372,892	\$ 6,555,273	\$ 182,381
Fund Balance at Beginning of Year						
Fund Balance at End of Year						

(continued)

City of Cuyahoga Falls, Ohio
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) -
All Proprietary Fund Types and Non-expendable Trust Fund
Year Ended December 31, 1999

	Non-expendable Trust Fund			Totals (Memorandum Only)		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 0	\$ 0	\$ 0	\$ 49,849,835	\$ 49,596,425	\$ (253,410)
Other	0	0	0	702,650	1,006,176	303,526
Total Operating Revenues	0	0	0	50,552,485	50,602,601	50,116
Operating Expenses						
Personal services	0	0	0	7,764,498	7,720,874	43,624
Fringe benefits	0	0	0	6,086,024	5,917,734	168,290
Purchased power	0	0	0	13,494,650	14,242,102	(747,452)
Materials and supplies	0	0	0	6,366,738	5,546,593	820,145
Utilities	0	0	0	494,743	551,195	(56,452)
Contractual services	0	0	0	4,549,203	3,990,040	559,163
Internal charges	0	0	0	3,925,448	3,767,782	157,666
Other	0	0	0	2,305,747	2,400,774	(95,027)
Capital outlay	0	0	0	6,922,927	4,756,367	2,166,560
Total Operating Expenses	0	0	0	51,909,978	48,893,461	3,016,517
Operating Income (Loss)	0	0	0	(1,357,493)	1,709,140	3,066,633
Nonoperating Revenue/Expenses						
Bond/note proceeds	0	0	0	675,000	676,775	1,775
Grants	0	0	0	22,142	14,761	(7,381)
Interest earnings	0	0	0	0	259,016	259,016
Debt Service						
Principal	0	0	0	(957,778)	(958,246)	(468)
Interest	0	0	0	(1,094,585)	(978,434)	116,151
Total Nonoperating Revenues/						
Expenses	0	0	0	(1,355,221)	(986,128)	369,093
Income (loss) before operating						
transfers	0	0	0	(2,712,714)	723,012	3,435,726
Operating Transfers In	12,240	12,505	265	748,740	687,630	(61,110)
Net Income (Loss)	12,240	12,505	265	(1,963,974)	1,410,642	3,374,616
Retained Earnings at Beginning of Year	0	0	0	15,107,755	15,107,755	0
Decertification of prior year						
encumbrances	0	0	0	851,449	851,449	0
Retained Earnings at End of Year	\$ 0	\$ 0	\$ 0	\$ 13,982,990	\$ 17,357,341	\$ 3,374,351
Fund Balance at Beginning of Year	131,761	140,526	8,765	131,761	140,526	8,765
Fund Balance at End of Year	\$ 144,001	\$ 153,031	\$ 9,030	\$ 144,001	\$ 153,031	\$ 9,030

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 sewer service, refuse collection, electric distribution and recreation facilities that include a natatorium, a golf course, driving range/batting cages, an outdoor water park and a community center.

A. Reporting Entity

The accompanying general purpose financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14 in that the financial statements include those activities and functions in which the City (the primary government) 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 does not have any component units.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities and attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following fund types and account groups are used for financial statement presentation purposes:

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of financial position and changes in financial position. The following are the City's governmental fund types:

General Fund

This fund accounts for the financial resources of the City that are not 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.

Special Revenue Funds

These funds are limited by City ordinances, state and/or federal law for the financing of certain governmental functions (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 1999

Debt Service Fund

This fund accounts for the accumulation of resources for, and the payment of, bond anticipation notes and general long-term debt principal and interest.

Capital Projects Funds

These funds account 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).

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to achieve sound financial administration. The measurement focus is based upon determination of net income, financial position and changes in cash flows. The City has elected to apply only Financial Accounting Standards Board Statements, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989 to the proprietary funds so long as they do not conflict with or contradict GASB pronouncements. This treatment is in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. The following are the City's proprietary fund types.

Enterprise Funds

These funds account for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis (water, sewer, etc.) be financed or recovered primarily through user charges or (b) where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds

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

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These funds include a Non-expendable Trust Fund and Agency Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The Non-expendable Trust Fund's measurement focus is based upon determination of net income, financial position and changes in cash flows.

Account Groups

The following account groups are used to establish accountability for the City's general fixed assets and long-term obligations:

General Fixed Assets Account Group

This account group is established to account for fixed assets other than those accounted for in any proprietary fund or non-expendable trust fund.

General Long-Term Debt Account Group

This account group is established to account for all unmatured long-term indebtedness of the City that is not a specific liability of any proprietary fund or non-expendable trust fund.

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 1999

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The City uses the following basis of accounting by generic fund type:

Governmental Fund Types and Agency Funds

All governmental fund types and agency funds are accounted for using a modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available to finance current City operations. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for interest on general long-term debt which is recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, income taxes, and state-levied locally shared taxes including motor vehicle license fees and gasoline taxes. Reimbursements due for federally funded community development projects are accrued as revenue at the time qualified expenditures are made.

Property taxes, though measurable and in some cases collectible within 60 days after year-end, are not intended to finance current period obligations; therefore, property taxes receivable are recorded and deferred. The revenue will be recognized in the year for which it was levied.

Levied special assessments are measurable and have therefore been recorded as a receivable. Since the amounts recognized as a receivable will not be available to be used to pay obligations of the current period, equal amounts are recorded as deferred revenue.

Other revenues, including licenses and permits, fines and forfeitures, park and recreation facility rental and program activity fees and charges for services at Oakwood Cemetery are recorded as revenue when received in cash because they are generally not measurable or available until received.

Proprietary Fund Types and Non-Expendable Trust Fund

All proprietary fund types and the non-expendable trust fund are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled utility service receivables are recorded at each year end.

D. Budget Requirements and Budgetary Accounting

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 Tax Budget, the Certificate of Estimated Resources and the Appropriation Ordinances, all of which are prepared using the cash basis of accounting. Under the cash basis of accounting, revenues and expenditures are recognized when actually received or disbursed. These budgetary documents are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources as certified by the County Budget Commission (the "Commission"). The initial level of budgetary control is passed by Council at the fund level for all the City's funds. The City Finance Director is authorized by Charter to transfer funds already appropriated between departments or categories within any fund; however, any revisions that alter the total fund appropriation must be approved by Council.

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 1999

Tax Budget

The City shall adopt a Tax Budget (preliminary financial plan) for the next succeeding fiscal year on or before July 15. The City's Tax Budget is based on estimates prepared by and submitted to the Mayor by the Finance Director. The adopted budget is submitted to the County Auditor by July 20 for presentation to the Commission. The Commission ascertains that specific levies have been properly authorized and are within legal limitations. This tax budget, which includes all funds, is based on:

1. The necessary current operating expenditures and the expenditures necessary for permanent improvements (capital projects) by fund.
2. An estimate of receipts by fund from sources other than the general property tax during the ensuing fiscal year, along with an estimate of unencumbered balances at the end of the current fiscal year and the amount each fund will derive from the general property tax.
3. The amount required for current debt retirement from sources other than a tax levy and the amount, if any, required from tax levies.
4. An estimate of amounts to be received from property taxes authorized under voted levies, and the fund to which such amounts will be credited.

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. 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.

Appropriations

A temporary Appropriation Ordinance to control cash disbursements must 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 may be amended during the year as new information becomes available provided that total appropriations do not exceed estimated resources, as certified by the Commission. The budget amounts which appear in the accompanying financial statements represent the final appropriations, including the final amendment incorporated in December 1999. Unencumbered appropriations lapse at year end.

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 types since they do not constitute expenditures or liabilities.

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 1999

Budgetary Basis of Accounting

While 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 transactions on a basis of cash receipts and disbursements. The ORC prohibits expenditures plus encumbrances from exceeding appropriations.

The Combined Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual (Non-GAAP Budgetary Basis)-All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Retained Earnings-Budget and Actual (Non-GAAP Budgetary Basis)-All Proprietary Fund Types and Nonexpendable Trust Fund are presented on the budgetary basis to provide a meaningful comparison of actual results within the budget. The major differences between the budget basis as provided by law and the GAAP (generally accepted accounting principles) basis are as follows:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash or encumbered (budget basis) as opposed to when the liability is incurred (GAAP basis).
- C. Encumbrances are recorded as expenditures (budget basis) as opposed to a reservation of a fund balance (GAAP basis), for governmental fund types, and as a note disclosure for proprietary fund types.

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the governmental fund types are as follows:

	Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
GAAP basis	\$ 1,722,969	\$ (476,383)	\$ (105,647)	\$ 329,171	\$ 1,470,110
Increase (decrease) due to:					
Change in receivables and other assets not recognized on a budget basis - January 1 to December 31	(990,482)	(225,374)	162,004	(136,193)	(1,190,045)
Change in liabilities not recognized on a budget basis - January 1 to December 31	709,945	259,885	(162,094)	1,503,819	2,311,555
Encumbrances recognized as expenditures on a budget basis	17,444	358,741	0	(1,077,956)	(701,771)
Budget Basis	\$ 1,459,876	\$ (83,131)	\$ (105,737)	\$ 618,841	\$ 1,889,849

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 1999

The adjustments necessary to convert the results of operations for the year from the GAAP basis to the budget basis for the proprietary fund types and non-expendable trust funds are as follows:

	Net Income			Total (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
GAAP basis	\$ 7,206,828	\$ 1,555,780	\$ 12,505	\$ 8,775,113
Increase (decrease) due to:				
Change in receivables and other assets not recognized on a budget basis January 1 to December 31	(3,933,267)	6,551	0	(3,926,716)
Change in liabilities and equity not recognized on a budget basis – January 1 to December 31,	(1,244,196)	(499,920)	0	(1,744,116)
Encumbrances recognized as expenses on a budget basis	(1,511,240)	(182,399)	0	(1,693,639)
Budget Basis	\$ 518,125	\$ 880,012	\$ 12,505	\$ 1,410,642

E. Equity in Pooled Cash and Cash Equivalents and Investments

Cash balances of the City's funds, except for the Municipal Court Agency Fund, Capital Improvement Reserve Capital Projects Fund, the Debt Service Fund and the Cemetery Perpetual Care Non-expendable Trust Fund which have restricted cash and investments, are pooled and invested in short-term investments in order to provide improved cash management. Interest earned on the cash balance of the Cemetery Perpetual Care Non-expendable Trust Fund is directly deposited in the General 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.

All invested monies are stated at fair value. 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.

F. Inventory of Supplies

Inventories are stated at cost on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types 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 the governmental funds which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 1999

G. Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute available financial resources and therefore are not available for appropriation. City management believes that all advances are collectible.

H. Fixed Assets and Depreciation

Fixed assets are recorded at historical cost or, if donated, at fair market value at the date received. When purchased, such assets are recorded as expenditures in the governmental fund types and capitalized (recorded and accounted for) in the General Fixed Assets Account Group. Infrastructure pertaining to Governmental Fund Type activities, including streets, bridges, storm sewers and drains, and traffic signals and signs, are not capitalized by the City and are not reported as part of the General Fixed Assets Account Group. Fixed assets used in proprietary fund type operations are capitalized in the fund in which they are utilized.

The City has elected not to record depreciation in the General Fixed Assets Account Group. Depreciation for the proprietary funds is determined by allocating the cost of the fixed assets over their estimated useful lives on a straight-line basis. Interest incurred in capital leases or during construction periods is not capitalized. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements other than buildings	5-50
Equipment	3-30

I. Interfund Transactions

During the course of its operations, the City has numerous transactions between funds, most of which are in the form of *transfers of resources to provide services, construct assets and service debt*. *Transfers for current operations are recorded as operating transfers*. The classification of amounts recorded as operating transfers, advances or equity contributions is determined by City management.

The Internal Service Fund departments and various departments of the General Fund provide support and/or administrative services. Because the services provided by these departments are also available from organizations external to the City, the interfund billings for the services provided are accounted for as quasi-external transactions. As such, the amounts are recorded as revenues in the fund/department providing the service and as expenditures or expenses in the funds receiving the services.

J. Fund Balances (Governmental Funds)

Fund balances are reserved for encumbrances, prepaid items, advances, certain investments, inventories of supplies, loans receivable and cemetery perpetual care. The fund balance in the debt service fund is restricted to retirement of general obligation and special assessment long-term debt.

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 1999

K. Receivables

Receivables consist primarily of taxes, accounts (billings for utility services including a provision for unbilled amounts), special assessments and accrued interest on investments. Utility accounts receivable billed to customers prior to year end are recorded net of an allowance for doubtful accounts, based on management's estimate.

L. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 1999, are recorded as prepaid items. The actual payment for these services is recorded as an expenditure in the governmental fund types when purchased and as an expense in the proprietary fund types when used. Reported prepaid items are equally offset by a fund balance reserve in the governmental fund types which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

M. Use of Estimates

The preparation of general purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

N. Reclassification

Certain amounts shown for 1998 have been reclassified to conform to the current year presentation.

O. Total Columns on General Purpose Financial Statements

The total columns on the accompanying General Purpose Financial Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. No consolidating entries or other eliminations were made in arriving at totals; thus, they do not represent consolidated information.

NOTE 2 - COMPENSATED ABSENCES

The City has implemented the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, relating to 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.

For Governmental Funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are included in accrued salaries, wages and benefits in the funds from which employees are paid. The remainder is reported in the general long-term debt account group. In proprietary fund types, the entire amount of compensated absences is reported as a fund liability.

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 1999

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	None
	Municipal Court employees	None
	Patrol Officers	Fraternal Order of Police-Blue (FOP-Blue)
	Community Service Officers	American Federation of State, County, and Municipal Employees (AFSCME)
	Various government employees	Utility Workers of America Local #399
	Electric employees	Fraternal Order of Police-Ohio Labor Council, Inc. (FOP-OLC)
	Dispatchers	
100% of accumulated sick leave up to a maximum of 1,500 hours	Police Sergeants/Lieutenants	Fraternal Order of Police-(FOP-Gold)
30% of accumulated sick leave up to a maximum of 36, 24-hour days	Firefighters	International Association of Firefighters Local #494 (IAFF)

As of January 1, 2000, cash-out limits for firefighters became 46.67 percent of accumulated sick leave up to a maximum of 56, 24-hour days.

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.

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 3 - 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. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. 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.

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 1999

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 \$8,375,529 and \$483,202 have been recorded in the General Fund and Special Revenue Fund, respectively, as taxes receivable to reflect property taxes receivable as of December 31, 1999

The assessed values of real public utility and tangible personal property upon which 1999 property tax receipts were based are as follows:

Property Types	Valuation
Real Property - 1998 Tax Valuation	\$ 687,268,740
Public Utility Property - 1997 Tax Valuation	23,638,670
Tangible Personal Property - 1999 Tax Valuation	82,647,099
Total Valuation	\$ 793,554,509

NOTE 4 - 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 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 1999 was \$16,156,494. The amount of \$1,724,732 has been recorded in the Special Revenue Fund as taxes receivable (net of refunds) to reflect income taxes receivable recorded as of December 31, 1999.

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. Withheld income taxes and other various income tax collections for 1999 received within 60 days after year end, net of estimated refunds, have been recognized as revenue in 1999.

NOTE 5 - DEPOSITS AND INVESTMENTS

A. 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 investment and deposit 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

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 1999

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.

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 110 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 1999 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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

B. Deposits

At year end, the carrying amount of the City's deposits was \$31,496,186 and the bank balance was \$32,161,825. Of the bank balance, \$158,089 was covered by federal depository insurance, \$31,749,346 was covered by collateral held by the counterparty's trust department or agent in the City's name and \$254,390 was held in a public fund collateral pool by third party trustees pursuant to Section 135.181, Ohio Revised Code. The equity in pooled cash and cash equivalents and the cash and cash equivalents-restricted accounts include repurchase agreements of \$3,065,000 and \$160,000, respectively.

C. Investments

The City's investments are categorized below to give an indication of the level of custodial credit risk assumed at year-end.

Category 1	Investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.
Category 2	Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.
Category 3	Uninsured and unregistered investments for which the securities are held by the counterparty, or by their trust department or agent but not in the City's name. The City currently does not hold any investments in this category.

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 1999

A summary of the total City investments as of December 31, 1999 is as follows:

	Category		Carrying Amount	Fair Value
	1	2		
Repurchase agreements	\$ 0	\$ 3,225,000	\$ 3,225,000	\$ 3,225,000
U. S. government securities	2,087,365	0	2,087,365	2,070,000
Other government bonds	2,217,102	0	2,217,102	2,375,950
Total City investments	\$ 4,304,467	\$ 3,225,000	7,529,467	7,670,950

The City has an investment in an Industrial Development Revenue Bond (IDRB) issued by the County of Summit, Ohio on behalf of an urban redevelopment corporation. The bond is held by the City and has been classified as Category 1, Other Government Bonds, in the table. As of December 31, 1999, \$2,248,950 has been reserved in the fund balance of the Capital Improvement Reserve Capital Projects Fund. This amount represents the market value of the IDRB at \$2,248,950.

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classification of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$34,721,186	\$4,445,950
Investments of the cash management pool:		
Repurchase agreements	(3,225,000)	3,225,000
GASB Statement No. 3	<u>\$31,496,186</u>	<u>\$7,670,950</u>

NOTE 6 - FIXED ASSETS AND DEPRECIATION

A. Changes in General Fixed Assets

The changes in general fixed assets during 1999 were as follows:

	January 1, 1999	Additions	Deductions	December 31, 1999
Land	\$ 4,311,696	\$ 866,939	\$ 12,912	\$ 5,165,723
Buildings	12,960,433	759,062	2,928	13,716,567
Equipment	14,506,138	1,111,657	223,134	15,394,661
Total	\$ 31,778,267	\$ 2,737,658	\$ 238,974	\$ 34,276,951

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 1999

B. Proprietary Fund Type Fixed Assets

Proprietary fund fixed assets and accumulated depreciation at December 31, 1999, were as follows:

	Enterprise	Internal Service	Total
Land	\$ 2,219,631	\$ 0	\$ 2,219,631
Buildings	13,132,124	304,418	13,436,542
Improvements other than buildings	50,926,697	258,357	51,185,054
Equipment	7,435,929	1,786,582	9,222,511
Construction in progress	1,993,120	0	1,993,120
	<u>75,707,501</u>	<u>2,349,357</u>	<u>78,056,858</u>
Less: Accumulated depreciation	28,343,122	1,603,556	29,946,678
Net	<u>\$ 47,364,379</u>	<u>\$ 745,801</u>	<u>\$ 48,110,180</u>

NOTE 7 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System of Ohio (PERS)

All City employees except non-administrative full-time uniformed police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system operated by the State of Ohio. The payroll for employees covered by PERS was \$15,700,864 for the period January 1 to December 31, 1999. The City's total payroll for the year was \$24,319,335.

Employer and employees' required contributions to PERS are established by the ORC and are based on percentages of covered employees' gross salaries, as defined.

PERS has provided the following information to the City.

- A. PERS is a cost-sharing multiple-employer defined benefit pension plan.
- B. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.
- C. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the ORC.
- D. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to PERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.
- E. The ORC provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5 percent for employees other than law enforcement. The 1999 employer contribution rate for local government employer units was 13.55 percent of covered payroll.

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 1999

- F. Required employer contributions are equal to 100 percent of the dollar amount billed to each employer. Those required amounts for the past five years have been:

<u>Year</u>	<u>Employee Share</u>	<u>Employer Share</u>
1999	\$1,334,573	\$2,127,467
1998	1,254,665	2,000,084
1997	1,201,393	1,915,161
1996	1,151,427	1,835,511
1995	1,094,996	1,745,552

Benefits fully vest upon reaching five years of service and are established by state statute. Employees may retire at any age with 30 years of service credit, or at age 60 with a minimum of five years of credited service, or at age 55 with a minimum of 25 years of service credit. Those individuals retiring with less than 30 years of service or less than age 65 receive reduced retirement benefits. Eligible employees are entitled to a retirement benefit, payable monthly for life, equal to 2.1 percent of their final average salary for each year of credited service up to 30 years. Employees are entitled to 2.5 percent of their final average salary for each year of service in excess of 30 years. Final average salary is the employee's average salary over the highest three years of earnings. PERS also provides death and disability benefits. Benefits are established by ORC.

B. Ohio Police and Fire Pension Fund (the "OP&F Fund")

All City non-administrative full-time uniformed police officers and firefighters are required to participate in the OP&F Fund, a cost-sharing multiple-employer public employee retirement system operated by the State of Ohio. This is a single retirement system with one administration that provides retirement benefits to two classes of employees. The payroll for employees covered by the OP&F Fund for the year ended December 31, 1999 was \$3,965,788 for police officers and \$4,144,238 for firefighters. The City's total payroll for the year was \$24,319,335.

The following information obtained from the OP&F Fund is presented below in the manner prescribed by GASB Statement No. 27.

- A. The Fund is a cost-sharing multiple-employer defined benefit pension plan.
- B. The Fund provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.
- C. Authority to establish and amend benefits is provided by state statute per Chapter 742 of the ORC.
- D. The OP&F Fund issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to the OP&F Fund at 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975. The ORC provides statutory authority for employee and employer contributions. The required contributions are:

	<u>Employees</u>	<u>Employer</u>
Police	10.0%	19.5%
Firefighters	10.0%	24.0%

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 1999

- E. Required employer contributions are equal to 100 percent of the dollar amount billed to each employer. The required amounts for the past five years have been:

	<u>Year</u>	<u>Employee Share</u>	<u>Employer Share</u>
Police:	1999	\$396,579	\$773,329
	1998	373,572	728,465
	1997	352,106	686,607
	1996	330,630	644,729
	1995	329,504	642,533
Firefighters:	1999	\$414,424	\$994,617
	1998	369,991	887,979
	1997	360,011	864,027
	1996	340,076	816,183
	1995	333,683	800,839

Members may retire at age 48 with at least 25 years of credited service or at age 62 with at least 15 years of credited service and are entitled to an annual retirement benefit, payable in monthly installments for life, equal to 2.5 percent of annual earnings for each of the first 20 years of credited service, 2.0 percent for each of the new five years of credited service, and 1.5 percent for each year of service thereafter. However, this normal retirement benefit is not to exceed 72 percent of the member's average annual salary of the three years during which the total earnings were greatest. Members become vested in certain benefits after 15 years of service and become vested in full normal retirement benefits after 25 years of service. The Fund also provides a \$1,000 lump sum death benefits payment in addition to survivor and disability benefits. Benefits are established by the ORC.

NOTE 8 - HEALTH CARE AND LIFE INSURANCE BENEFITS PROVIDED TO RETIREES

Post-retirement health care benefits are established by City ordinance. The City reimburses all hospitalization insurance premiums necessary to allow retirees who have had a minimum of 12 years continuous permanent, full-time service with the City and who retire under the Public Employees Retirement System or the Police and Firemen's Disability and Pension System and the spouses and eligible dependents of retirees to be covered by the hospitalization program provided by either retirement system. The City reimburses premiums necessary to allow the surviving spouse and eligible dependents of eligible retirees to continue to be covered by the hospitalization program provided through the retirement systems until the surviving spouse reaches age 65. The City's total premiums paid during 1999 for retiree health insurance coverage through the two retirement systems totaled \$67,820.

The City also reimburses deductible and co-payments, including those attributable to prescription drugs, so that between the coverage provided by the retirement system and the City payment, the retiree receives 100 percent reimbursement up to the UCR (usual, customary, reasonable) established by the hospitalization carrier of each of the retirement systems. The City's total deductible and co-payments, including prescription drugs, paid during 1999 totaled \$75,076. The number and class of retirees eligible to receive health care benefits as of December 31, 1999 were 33 police officers, 26 firefighters, and 48 PERS employees.

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 1999

A. Public Employees Retirement System of Ohio (PERS)

PERS provides post-retirement health care coverage to age and service retirants with 10 years or more of qualifying Ohio service credit and to primary survivor recipients of such retirants. As described in Note 7, the ORC provides statutory authority for employer contributions. Post-retirement health care coverage is funded by a portion of the City's contribution. During 1999, the City's portion that was used to fund health care was \$659,436 representing 4.2 percent of covered payroll.

Other Postemployment Benefits (OPEB) are financed through employer contributions and investment earnings there on. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible statewide for OPEB at December 31, 1999 was 118,062. During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

B. Ohio Police and Fire Pension Fund (the "OP&F Fund")

The OP&F Fund provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis. Post-retirement health care coverage is funded by a portion of the City's contribution (7 percent) and is determined on a pay-as-you-go basis. During 1999, the City's portion that was used to fund health care was \$277,605 for police officers and \$290,097 for firefighters. The number of participants statewide eligible to receive health care benefits as of December 31, 1998 (the latest information available) was 11,424 and 9,186 for police and firefighters, respectively. Post-retirement health care benefits are established by ORC. The Fund's total health care cost for the year ended December 31, 1999 was \$78,596,790, which was net of member contributions of \$5,331,515.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

A. Litigation

The City is involved in legal actions arising in the ordinary course of business. In the opinion of management, the ultimate outcome of such litigation 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.

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 1999

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 10 - CAPITAL LEASES

The City has entered into agreements to lease equipment. These 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 in the General Fixed Assets Account Group, Enterprise Funds and the Internal Service Funds. The assets acquired through capital leases are as follows:

Asset	General Fixed Assets	Enterprise	Internal Service	Total
Equipment	\$ 4,125,161	\$ 298,650	\$ 27,145	\$ 4,450,956
Less: Accumulated Depreciation	0	(255,984)	(23,268)	(279,252)
Total	<u>\$ 4,125,161</u>	<u>\$ 42,666</u>	<u>\$ 3,877</u>	<u>\$ 4,171,704</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 1999, were as follows:

	General Long-Term Debt	Enterprise	Internal Service	Total
2000	\$ 884,819	\$ 49,812	\$ 4,528	\$ 939,159
2001	564,972	0	0	564,972
2002	222,680	0	0	222,680
2003	73,568	0	0	73,568
Total	1,746,039	49,812	4,528	1,800,379
Less: Amount representing interest	(135,661)	(2,597)	(236)	(138,494)
Present value of minimum lease payments	<u>\$ 1,610,378</u>	<u>\$ 47,215</u>	<u>\$ 4,292</u>	<u>\$ 1,661,885</u>

NOTE 11 - SHORT-TERM OBLIGATIONS

A summary of the changes in the City's short-term obligations for the year ended December 31, 1999 are as follows:

General Obligation Bond Anticipation Notes	Balance January 1, 1999	Issued	Retired	Balance December 31, 1999
<u>Proprietary Funds:</u>				
Enterprise Fund Obligations:				
4.375% Water Improvement Notes due 12/20/00	\$ 0	\$ 675,000	\$ 0	\$ 675,000
<u>Governmental Funds:</u>				
Capital Projects Funds Obligations:				
4.375% Various Purpose Notes due 12/20/00	\$ 0	\$ 1,735,000	\$ 0	\$ 1,735,000
Total	<u>\$ 0</u>	<u>\$ 2,410,000</u>	<u>\$ 0</u>	<u>\$ 2,410,000</u>

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 1999

NOTE 12 - LONG-TERM OBLIGATIONS

A summary of the changes in the City's long-term obligations for the year ended December 31, 1999, is as follows:

	Balance January 1, 1999	Issued	Retired	Balance December 31, 1999
Proprietary Funds:				
Enterprise Fund Obligations:				
6.05%-7.875% 1989 Electric Utility	\$ 170,000	\$ 0	\$ 170,000	\$ 0
3.00% 1992 OPWC Construction Loan Storm Sewer	69,020	0	14,549	54,471
4.0% - 5.6% Recreation Refunding Issue	2,192,102	0	173,844 ²	2,018,258
4.0% - 5.6% Electric Refunding Issue	3,011,311	0	-20,328 ³	3,031,639
4.4% - 6.0% 1995 Recreation Facilities	3,105,398	0	116,984	2,988,414
3.8% - 5.25% 1997 Sewer Improvement	2,255,017	0	76,834	2,178,183
3.8% - 5.25% 1997 Water Improvement	2,004,459	0	68,297	1,936,162
3.05% - 4.70% 1998 Sewer Improvement	2,415,000	0	82,280	2,332,720
3.05% - 4.70% 1998 Water Improvement	4,925,000	0	167,797	4,757,203
Capital lease obligations (Note 10)	91,970	0	44,755	47,215
	<u>20,239,277</u>	<u>0</u>	<u>895,012</u>	<u>19,344,265</u>
Internal Service Fund Obligations:				
Capital lease obligations (Note 10)	8,359	0	4,067	4,292
	<u>8,359</u>	<u>0</u>	<u>4,067</u>	<u>4,292</u>
Total	<u>\$ 20,247,636</u>	<u>\$ 0</u>	<u>\$ 899,079</u>	<u>\$ 19,348,557</u>
General Long-Term Obligation Account Group:				
Special Assessment General Obligation Bonds:				
7.25% 1991 Street Improvement	\$ 24,000	\$ 0	\$ 1,000	\$ 23,000
6.50% 1991 Street Improvement	156,000	0	52,000	104,000
4.00% - 5.60% 1995 Street & Sewer Refunding Issue	719,512	0	57,317	662,195
	<u>899,512</u>	<u>0</u>	<u>110,317</u>	<u>789,195</u>
Other General Obligations:				
6.05%-7.20% 1989 Various Purpose Improvement Bonds				
	135,000	0	135,000	0
4.00% - 5.60% 1995 Various Purpose Refunding Issue	1,850,000	0	20,000	1,830,000
4.40% - 6.00% 1995 Various Purpose Improvement	5,654,604	0	213,017	5,441,587
3.80% - 5.25% 1997 Various Purpose Improvement	4,985,523	0	169,869	4,815,654
3.05% - 4.70% 1998 Various Purpose Improvement	1,025,000	0	34,922	990,078
	<u>13,650,127</u>	<u>0</u>	<u>572,807</u>	<u>13,077,319</u>
Other Obligations:				
Capital lease obligations (Note 10)	2,415,960	0	805,582	1,610,378
Compensated absences (Note 2)	4,408,783	440,780 ¹	0	4,849,563
	<u>6,824,743</u>	<u>440,780</u>	<u>805,582</u>	<u>6,459,941</u>
Total	<u>\$ 21,374,382</u>	<u>\$ 440,780</u>	<u>\$ 1,488,706</u>	<u>\$ 20,326,455</u>

¹Amount issued represents net additions.

²This amount represents principal payment of \$177,683 less amortization expense of \$3,839.

³This amount represents principal payment of \$35,000 less amortization expense of \$55,328.

Notes to the General Purpose Financial Statements

**City of Cuyahoga Falls
December 31, 1999**

During 1995, the City advance refunded both general obligation and enterprise bonds by placing \$8,023,157 of government obligations in an irrevocable escrow account to be used together with interest thereon to provide amounts sufficient for payment of all principal and interest on the defeased bonds on each scheduled due date. Accordingly, the escrow account and the defeased bonds are not included in the financial statements. The principal outstanding on the defeased bonds is zero at December 31, 1999.

As of December 31, 1999, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt without a vote of the electors) was \$30,753,218. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 1999 (excluding capital leases), are as follows:

Year	Enterprise Fund Obligations		Special Assessment Bonds		Other General Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 933,048	\$ 930,247	\$ 112,756	\$ 41,846	\$ 603,495	\$ 676,093
2001	980,528	890,337	116,195	35,615	624,029	648,770
2002	1,029,816	847,180	69,073	29,135	640,329	619,875
2003	1,062,985	800,915	70,293	25,737	658,166	589,599
2004	1,105,685	752,280	75,171	22,212	667,474	557,848
2005-2009	6,096,843	2,915,844	341,707	48,598	3,871,840	2,257,286
2010-2014	4,860,952	1,514,090	4,000	435	4,109,197	1,194,290
2015-2018	3,227,213	355,805	0	0	1,902,789	183,120
Total	\$ 19,297,050	\$ 9,006,698	\$ 789,195	\$ 203,578	\$ 13,077,319	\$ 6,726,881

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 benefitted property owner, the City would be responsible for paying the special assessment obligation. The amount of \$999,575 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.

On December 21, 1999, the City issued notes in the amount of \$2,410,000. Of this amount \$675,000 was issued in anticipation of the issuance of bonds for the purpose of improving the municipal waterworks system in the High Pressure Water District. The remaining \$1,735,000 was issued in anticipation of the issuance of bonds for the purpose of paying, in anticipation of the levy and collection of special assessments for the improvement of Falls Avenue, construction of the Cuyahoga Falls Industrial Parkway, reconstruction of a portion of Steels Corners Road and construction of a portion of Buckingham Gate Boulevard.

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

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 1999

NOTE 13 - ENTERPRISE FUNDS - SEGMENT INFORMATION

The City maintains enterprise funds for City operations which provide services for sewage and disposal (water pollution control), water, electric, sanitation and leisure time. Segment information for the enterprise funds for the year ended December 31, 1999 is summarized as follows:

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
Operating Revenues	\$ 5,405,172	\$ 5,099,136	\$ 27,091,588	\$ 3,355,085	\$ 3,127,357	\$ 44,078,338
Depreciation Expense	383,249	426,277	783,303	267,156	450,163	2,310,148
Amortization Expense	674	112	55,328	0	3,839	59,953
Operating Income (Loss)	1,207,080	1,814,561	4,569,550	45,887	(154,918)	7,482,160
Grants	0	0	0	14,761	0	14,761
Operating Transfers In	0	0	0	0	675,125	675,125
Net Income (Loss)	994,021	1,509,917	4,394,961	59,361	248,568	7,206,828
Current Capital Contributions	0	0	0	0	344,313	344,313
Property, Plant, and Equipment Additions-net	516,219	475,778	1,652,262	89,675	692,986	3,426,920
Property, Plant, and Equipment Deductions-net	15,857	9,710	13,157	118,981	61,175	218,880
Net Working Capital	2,440,965	4,415,452	23,666,907	(6,915)	(45,285)	30,471,124
Total Assets	13,541,602	17,211,948	38,361,273	1,215,055	15,128,968	85,458,846
Bonds and Other Long-Term Liabilities Outstanding	4,387,389	6,452,159	2,821,490	444,000	4,702,966	18,808,004
Total Fund Equity						
December 31, 1999	8,021,622	8,949,022	32,509,335	110,908	9,436,612	59,027,499
Outstanding Encumbrances	764,053	435,998	3,263,382	85,543	202,537	4,751,513

Notes to the General Purpose Financial Statements

**City of Cuyahoga Falls
December 31, 1999**

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances, including advances, at December 31, 1999 are as follows:

Fund	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Advances to <u>Other Funds</u>	Advances from <u>Other Funds</u>
General Fund	<u>\$1,702,039</u>	<u>\$ 596,847</u>	<u>\$ 0</u>	<u>\$ 238,000</u>
Special Revenue Funds:				
Municipal Income Tax	39,110	2,086,135	0	0
Street Construction, Maintenance and Repair	0	30,280	0	0
Police Pension	23,178	27,504	0	0
Fire Pension	30,185	32,050	0	0
Recreation Levy	166,555	0	0	0
Probation	794	0	0	0
Indigent Drivers Alcohol Treatment	1,060	0	0	0
Enforcement and Education	180	0	0	0
Court Computer	3,824	0	0	0
	<u>264,886</u>	<u>2,175,969</u>	<u>0</u>	<u>0</u>
Capital Projects Funds:				
Capital Projects	702,487	0	0	50,383
Capital Improvement Reserve	881	0	624,383	0
	<u>703,368</u>	<u>0</u>	<u>624,383</u>	<u>50,383</u>
Enterprise Funds:				
Sewage and Disposal	2,695	184,072	0	0
Water	0	165,397	0	0
Electric	904,692	67,030	0	0
Sanitation	9,033	166,426	0	574,000
Leisure Time	0	411,381	0	0
	<u>916,420</u>	<u>994,306</u>	<u>0</u>	<u>574,000</u>
Internal Service Funds:				
Garage	0	8,900	0	0
Utility Billing	50,105	14,103	0	0
Self-Insurance	289,850	0	0	0
Information Services	0	6,372	0	0
Workers' Compensation	12,784	0	0	0
	<u>352,739</u>	<u>29,375</u>	<u>0</u>	<u>0</u>
Agency Funds:				
Treasury	160,257	0	238,000	0
State Cases - Fines and Forfeitures	1,286	0	0	0
Employee Withholding	0	39,110	0	0
Guarantee Deposits	0	91,856	0	0
Municipal Court	0	173,532	0	0
	<u>161,543</u>	<u>304,498</u>	<u>238,000</u>	<u>0</u>
Total All Funds	<u>\$4,100,995</u>	<u>\$4,100,995</u>	<u>\$ 862,383</u>	<u>\$ 862,383</u>

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

Year	General Fund	Capital Projects	Enterprise	Total
2000	\$ 59,500	\$ 15,000	\$ 70,000	\$ 144,500
2001	59,500	15,000	100,800	175,300
2002	59,500	15,000	100,800	175,300
2003	59,500	5,383	100,800	165,683
2004			100,800	100,800
2005			100,800	100,800
Total	<u>\$ 238,000</u>	<u>\$ 50,383</u>	<u>\$ 574,000</u>	<u>\$ 862,383</u>

(continued)

Notes to the General Purpose Financial Statements

(continued)



City of Cuyahoga Falls December 31, 1999

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 with the exception of the public officials errors and omissions coverage which was newly acquired in 1999.

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, 1999, the City entered its sixth year of major health insurance coverage with Professional Claims Management. Premiums 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. Professional Claims Management reviews all claims which are then paid by the Self-Insurance Fund. For the fiscal coverage year April 1, 1999 through March 31, 2000, the City has purchased annual stop-loss coverage of \$135,000 per person, and aggregate stop-loss coverage of \$3,697,230.

The Self-Insurance Fund generates revenues by charging an actuarially determined premium to each fund based on the number of full-time employees opting for health-care coverage. The Self-Insurance Fund pays for all claims, stop-loss coverages and retention fees for health-care coverage. A liability in the amount of \$497,171 has been recorded to reflect the outstanding claims as of December 31, 1999. 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, 1999, the City completed its seventh consecutive year of participating with the Ohio Bureau of Workers' Compensation (Bureau) Retrospective Rating Plan. The self insurance program requires the City to pay only administrative charges to the Bureau, and in turn the City assumes the responsibility of paying all claims incurred during the policy period for up to ten years. After the tenth year, the Bureau will assume any existing claim for its duration. The City will be charged an actuarial amount for the claims transferred to the Bureau. The City's stop-loss coverage through the plan is limited to \$300,000 per claim and aggregate stop-loss coverage of \$1,422,336 for the 1999 policy year.

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 generates revenues by charging each fund a percentage rate determined by the management for the payroll during the reporting period. 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.

Notes to the General Purpose Financial Statements

**City of Cuyahoga Falls
December 31, 1999**

Changes in the balances of claims liabilities during the past two years for the Self Insurance and Workers' Compensation Internal Funds are as follows:

	1998		1999	
	Self Insurance	Workers' Compensation	Self Insurance	Workers' Compensation
Unpaid claims-January 1	\$ 276,318	\$ 1,560,947	\$ 488,242	\$ 1,700,228
Incurred claims (including IBNRs)	3,068,249	264,887	3,053,450	49,499
Claim payments made during the year	(2,856,325)	(125,601)	(3,044,521)	(307,834)
Unpaid claims-December 31	<u>\$ 488,242</u>	<u>\$ 1,700,228</u>	<u>\$ 497,171</u>	<u>\$1,441,893</u>

NOTE 16 - INVESTMENTS IN JOINT VENTURES

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 currently 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 units performed at an excellent availability during 1999 to complete a successful year of operation for OMEGA JV1.

The City's Electric Enterprise Fund also participates in a joint venture agreement with 41 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5), a 42 megawatt run-of-the-river hydroelectric generating facility located at the Bellville Locks and Dam on the Ohio River. The first of the two 21MW units was declared commercially available in May 1999, with the second unit online later in the year. The units performed at an excellent availability rate once becoming commercially available. Back-up generation is distributed throughout the state that can be used when the hydroelectric facility is not able to generate, or to provide additional generation during peak periods of need.

The OMEGA JV5 is managed by AMP-Ohio and acts as the joint venture's agent. The participants are obligated by the joint venture agreement to remit monthly for those costs incurred by using electricity generated by the joint venture and a portion of the \$153,415,000 certificates of beneficial interest debt that was issued to construct the facility. In accordance with the joint venture agreement, the City remitted \$2,302,576 to the joint venture for 1999. With a 50-year license, the project is expected to be a source of clean, reliable power well into the 21st century.

The following is a summary of audited financial information of OMEGA JV1 and OMEGA JV5 as of and for the year ended December 31, 1999:

	<u>OMEGA JV1</u>	<u>OMEGA JV5</u>
Total Assets	\$462,392	\$202,889,385
Total Liabilities	68,268	200,490,609
Members Equity	394,124	2,398,776
Total Revenues	229,480	20,684,393
Total Expenses	273,422	19,975,191
Excess Income over (under) Expenses	(43,942)	709,202

The City's undivided ownership of OMEGA JV1 and OMEGA JV5 is 21.05 and 16.67 percent, respectively. OMEGA JV1 does not have any debt outstanding. In the event of a shortfall, the JV participants would be billed for their respective shares

(continued)

Notes to the General Purpose Financial Statements

(continued)

**City of Cuyahoga Falls
December 31, 1999**

of the estimated shortfall. Separate financial statements for both joint ventures are available through either the City or AMP-Ohio.

The following tables show the major participants and percentage of ownership for the JV1 and JV5 projects:

<u>OMEGA JV1</u>		<u>OMEGA JV5</u>	
<u>Participants</u>	<u>Percentage of Ownership</u>	<u>Participants</u>	<u>Percentage of Ownership</u>
Cuyahoga Falls	21.05%	Cuyahoga Falls	16.67%
Niles	17.71	Bowling Green	15.73
Wadsworth	11.24	Niles	10.63
Hudson	10.37	Napoleon	7.35
Galion	6.53	Jackson	7.14
Oberlin	5.52	Hudson	5.69
Amherst	5.42	Wadsworth	5.62
Hubbard	3.79	Oberlin	3.02
Columbiana	3.03	New Bremen	2.38
Wellington	2.95	Bryan	2.19
Other	<u>12.39</u>	Other	<u>23.58</u>
Total	<u>100.00%</u>	Total	<u>100.00%</u>

NOTE 17 - FUND EQUITY/RETAINED EARNINGS DEFICIT

At December 31, 1999, the following funds had deficit retained earnings:

<u>Fund Type/Fund</u>	<u>Amount</u>
Enterprise/Sanitation	\$112,758
Internal Service/Office Supply Fund	\$ 569

The deficit in the above funds is mainly due to the accrual accounting methods the City incorporates. Proper rates with adjustable factors have been enacted for the Sanitation Fund to offset the increased cost of operations. Accrued expenses in the Office Supply Fund will be charged out to the appropriate funds in January of 2000.

**COMBINING FINANCIAL
SECTION**

CITY OF CUYAHOGA FALLS, OHIO

Special Revenue Funds

Special revenue funds are used to account for types of resources (other than expendable trusts or for major capital projects) for which specific uses are mandated by City ordinances or Federal and State statutes. The title of each special revenue fund is descriptive of the activities accounted for therein.

The special revenue funds are:

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 and the Capital Projects Fund at 85 percent and 15 percent, respectively.
State Highway Improvement	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.
Street Construction, Maintenance and Repair	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.
Municipal Motor Vehicle License Tax	Required by the Ohio Revised Code to account for local vehicle license fees designated for the maintenance of certain streets within the City.
Police Pension	To accumulate property taxes and other monies for the payment of the current and accrued liability for police disability and pension benefits.
Fire Pension	To accumulate property taxes and other monies for the payment of the current and accrued liability for fire disability and pension benefits.
Permissive Tax	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.
Recreation Levy	To account for property tax and income tax collections received through a recreation levy. The revenue must be used for the Parks and Recreation Department.
Community and Economic Development	To account for monies received from the sale of City-owned properties in an urban renewal area.

Community Development Block Grant

To account for monies passed through Summit County from the federal government under the Community Development Block Grant Program which are restricted for City-wide development projects such as the Housing Rehabilitation Program and Economic Development Revolving Loan Program.

Probation

To account for fees received from Municipal Court probationers to offset the cost of probation services.

Drug Law Enforcement

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.

Law Enforcement Trust

To account for proceeds from the sale of contraband that are restricted to subsidizing law enforcement efforts.

Indigent Drivers Alcohol Treatment

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.

Enforcement and Education

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.

Court Computer

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.

Federal Law Enforcement

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.

City of Cuyahoga Falls, Ohio
Combining Balance Sheet
All Special Revenue Funds
December 31, 1999

	Municipal Income Tax	State Highway Improvement	Street Construction, Maintenance and Repair	Municipal Motor Vehicle License Tax	Police Pension
ASSETS					
Equity in pooled cash and cash equivalents	\$ 334,505	\$ 10,875	\$ 747,728	\$ 6,379	\$ 3,425
Investments	19,452	633	43,482	371	199
Receivables					
Taxes	1,724,732	0	0	0	241,601
Accounts	0	0	92,161	0	520
Loans	0	0	0	0	0
Due from other funds	39,110	0	0	0	23,178
Due from other governments	0	3,078	50,138	8,026	182
Inventory of supplies	1,430	0	168,703	0	0
Prepaid items	112	0	10,238	0	0
TOTAL ASSETS	\$ 2,119,341	\$ 14,586	\$ 1,112,450	\$ 14,776	\$ 269,105
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 23,638	\$ 0	\$ 45,862	\$ 0	\$ 0
Accrued salaries, wages and benefits	9,568	0	133,826	0	0
Deferred revenue	0	0	0	0	241,601
Due to other funds	2,086,135	0	30,280	0	27,504
Total Liabilities	2,119,341	0	209,968	0	269,105
Fund Balance					
Reserved for encumbrances	20,807	0	68,923	0	0
Reserved for prepaid items	112	0	10,238	0	0
Reserved for inventory of supplies	1,430	0	168,703	0	0
Reserved for loans receivable	0	0	0	0	0
Unreserved - undesignated	(22,349)	14,586	654,618	14,776	0
Total Fund Balance	0	14,586	902,482	14,776	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,119,341	\$ 14,586	\$ 1,112,450	\$ 14,776	\$ 269,105

Fire Pension	Permissive Tax	Recreation Levy	Community and Economic Development	Community Development Block Grant	Probation	Drug Law Enforcement	Law Enforcement Trust
\$ 1,590	\$ 2	\$ 292,158	\$ 3,484	\$ 85,451	\$ 3,668	\$ 110,387	\$ 11,391
93	0	16,990	203	4,969	213	6,420	662
241,601	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	1,344,871	0	0	0
30,185	0	166,555	0	0	794	0	0
182	40,127	0	0	0	0	283	642
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>\$ 273,651</u>	<u>\$ 40,129</u>	<u>\$ 475,703</u>	<u>\$ 3,687</u>	<u>\$ 1,435,291</u>	<u>\$ 4,675</u>	<u>\$ 117,090</u>	<u>\$ 12,695</u>
\$ 0	\$ 0	\$ 15,607	\$ 0	\$ 18,884	\$ 0	\$ 2,118	\$ 0
0	0	0	0	0	0	0	0
241,601	0	0	0	0	0	0	0
32,050	0	0	0	0	0	0	0
273,651	0	15,607	0	18,884	0	2,118	0
0	0	48,343	0	30,535	0	6,196	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	1,344,871	0	0	0
0	40,129	411,753	3,687	41,001	4,675	108,776	12,695
0	40,129	460,096	3,687	1,416,407	4,675	114,972	12,695
<u>\$ 273,651</u>	<u>\$ 40,129</u>	<u>\$ 475,703</u>	<u>\$ 3,687</u>	<u>\$ 1,435,291</u>	<u>\$ 4,675</u>	<u>\$ 117,090</u>	<u>\$ 12,695</u>

(continued)

City of Cuyahoga Falls, Ohio
Combining Balance Sheet
All Special Revenue Funds
December 31, 1999

	Indigent Drivers Alcohol Treatment	Enforcement and Education	Court Computer	Federal Law Enforcement	Total
ASSETS					
Equity in pooled cash and cash equivalents	\$ 283,840	\$ 6,241	\$ 123,746	\$ 37,897	\$ 2,062,767
Investments	16,506	363	7,196	2,204	119,956
Receivables					
Taxes	0	0	0	0	2,207,934
Accounts	0	1,000	0	0	93,681
Loans	0	0	0	0	1,344,871
Due from other funds	1,060	180	3,824	0	264,886
Due from other governments	0	0	0	0	102,658
Inventory of supplies	0	0	0	0	170,133
Prepaid items	0	0	0	0	10,350
TOTAL ASSETS	\$ 301,406	\$ 7,784	\$ 134,766	\$ 40,101	\$ 6,377,236
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 0	\$ 0	\$ 6,905	\$ 0	\$ 113,014
Accrued salaries, wages and benefits	0	0	0	0	143,394
Deferred revenue	0	0	0	0	483,202
Due to other funds	0	0	0	0	2,175,969
Total Liabilities	0	0	6,905	0	2,915,579
Fund Balance					
Reserved for encumbrances	0	0	3,863	0	178,489
Reserved for prepaid items	0	0	0	0	10,350
Reserved for inventory of supplies	0	0	0	0	170,133
Reserved for loans receivable	0	0	0	0	1,344,871
Unreserved - undesignated	301,406	7,784	124,196	40,101	1,757,834
Total Fund Balance	301,406	7,784	127,861	40,101	3,461,657
TOTAL LIABILITIES AND FUND BALANCE	\$ 301,406	\$ 7,784	\$ 134,766	\$ 40,101	\$ 6,377,236

City of Cuyahoga Falls, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
All Special Revenue Funds
Year Ended December 31, 1999

	Municipal Income Tax	State Highway Improvement	Street Construction, Maintenance and Repair	Municipal Motor Vehicle License Tax	Police Pension
Revenues					
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,404
Municipal income taxes	16,156,494	0	0	0	0
Other local taxes	0	0	0	0	225
State levied shared taxes	0	94,094	1,178,997	109,971	25,183
Intergovernmental	0	0	0	0	0
Charges for services	0	0	0	0	0
Fees, licenses, and permits	0	0	366,959	0	0
Interest earnings	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0
Other	478	0	7,484	0	520
Total Revenues	16,156,972	94,094	1,553,440	109,971	236,332
Expenditures					
Current					
Security of persons and property	0	0	0	0	776,244
Leisure time activities	0	0	0	0	0
Community environment	0	0	0	0	0
Street maintenance	0	107,612	3,056,592	125,514	0
General government	644,162	0	0	0	0
Capital outlay	27,200	0	115,337	0	0
Debt service					
Principal	0	0	131,744	0	0
Interest	0	0	15,114	0	0
Total Expenditures	671,362	107,612	3,318,787	125,514	776,244
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	15,485,610	(13,518)	(1,765,347)	(15,543)	(539,912)
Other Financing Sources (Uses)					
Operating transfers in	0	0	1,600,000	0	523,613
Operating transfers out	(15,487,077)	0	0	0	0
Total Other Financing Sources (Uses)	(15,487,077)	0	1,600,000	0	523,613
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,467)	(13,518)	(165,347)	(15,543)	(16,299)
Fund Balance at Beginning of Year	0	28,104	1,076,642	30,319	16,299
Increase (decrease) in:					
Reserve for inventory	1,430	0	(8,945)	0	0
Reserve for prepaid items	37	0	132	0	0
Fund Balance at End of Year	\$ 0	\$ 14,586	\$ 902,482	\$ 14,776	\$ 0

(continued)

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City of Cuyahoga Falls, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
All Special Revenue Funds
Year Ended December 31, 1999

	Fire Pension	Permissive Tax	Recreation Levy	Community and Economic Development	Community Development Block Grant	Probation
Revenues						
Property taxes	\$ 210,404	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	225	0	1	0	0	0
State levied shared taxes	25,183	203,842	0	0	0	0
Intergovernmental	0	0	156,740	0	157,216	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	0	0	4,675
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	0	0	757	0	29,543	0
Total Revenues	235,812	203,842	157,498	0	186,759	4,675
Expenditures						
Current						
Security of persons and property	999,442	0	0	0	0	0
Leisure time activities	0	0	145,378	0	0	0
Community environment	0	0	0	0	9,399	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	0	225,000	1,124,744	0	0	0
Debt service						
Principal	0	0	204,791	0	0	0
Interest	0	0	284,342	0	0	0
Total Expenditures	999,442	225,000	1,759,255	0	9,399	0
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(763,630)	(21,158)	(1,601,757)	0	177,360	4,675
Other Financing Sources (Uses)						
Operating transfers in	763,630	0	1,238,967	0	0	0
Operating transfers out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	763,630	0	1,238,967	0	0	0
Excess (Deficiency) of Revenues						
Expenditures and Other (Under) Uses	0	(21,158)	(362,790)	0	177,360	4,675
Fund Balance at Beginning of Year	0	61,287	822,886	3,687	1,239,047	0
Increase (decrease) in:						
Reserve for inventory	0	0	0	0	0	0
Reserve for prepaid items	0	0	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 40,129	\$ 460,096	\$ 3,687	\$ 1,416,407	\$ 4,675

Drug Law Enforcement	Law Enforcement Trust	Indigent Drivers Alcohol Treatment	Enforcement and Education	Court Computer	Federal Law Enforcement	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 420,808
0	0	0	0	0	0	16,156,494
0	0	0	0	0	0	451
0	0	0	0	0	0	1,637,270
0	0	0	0	0	0	313,956
0	0	0	0	47,123	0	47,123
0	0	0	0	0	0	371,634
0	0	0	0	0	2,027	2,027
11,994	1,628	39,671	3,544	0	0	56,837
296	1,617	0	3,900	0	306	44,901
12,290	3,245	39,671	7,444	47,123	2,333	19,051,501
40,631	4,999	993	8,160	0	17,617	1,848,086
0	0	0	0	0	0	145,378
0	0	0	0	0	0	9,399
0	0	0	0	0	0	3,289,718
0	0	0	0	88,382	0	732,544
0	0	0	0	13,620	0	1,505,901
0	0	0	0	0	0	336,535
0	0	0	0	0	0	299,456
40,631	4,999	993	8,160	102,002	17,617	8,167,017
(28,341)	(1,754)	38,678	(716)	(54,879)	(15,284)	10,884,484
0	0	0	0	0	0	4,126,210
0	0	0	0	0	0	(15,487,077)
0	0	0	0	0	0	(11,360,867)
(28,341)	(1,754)	38,678	(716)	(54,879)	(15,284)	(476,383)
143,313	14,449	262,728	8,500	182,740	55,385	3,945,386
0	0	0	0	0	0	(7,515)
0	0	0	0	0	0	169
\$ 114,972	\$ 12,695	\$ 301,406	\$ 7,784	\$ 127,861	\$ 40,101	\$ 3,461,657

City of Cuyahoga Falls, Ohio
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds
Year Ended December 31, 1999

	Municipal Income Tax			State Highway Improvement		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	16,000,000	16,016,257	16,257	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	95,000	98,617	3,617
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	0	478	478	0	0	0
Total Revenues	16,000,000	16,016,735	16,735	95,000	98,617	3,617
Expenditures						
Current						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	95,000	95,000	0
General government	695,895	656,910	38,985	0	0	0
Capital outlay	35,761	35,736	25	0	0	0
Debt service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	731,656	692,646	39,010	95,000	95,000	0
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	15,268,344	15,324,089	55,745	0	3,617	3,617
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	(15,061,146)	(15,061,146)	0	0	0	0
Total Other Financing						
Sources (Uses)	(15,061,146)	(15,061,146)	0	0	0	0
Excess (Deficiency) of Revenues and						
Other Sources Over (Under) Expenditures						
and Other Uses	207,198	262,943	55,745	0	3,617	3,617
Fund Balance at Beginning of Year	68,133	68,133	0	7,891	7,891	0
Decertification of prior year						
encumbrances	19	19	0	0	0	0
Fund Balance at End of Year	\$ 275,350	\$ 331,095	\$ 55,745	\$ 7,891	\$ 11,508	\$ 3,617

	Street Construction, Maintenance and Repair			Municipal Motor Vehicle License Tax		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	1,191,900	1,222,606	30,706	112,000	110,224	(1,776)
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	333,000	363,293	30,293	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
All other revenues	2,000	7,510	5,510	0	0	0
Total Revenues	1,526,900	1,593,409	66,509	112,000	110,224	(1,776)
Expenditures						
Current						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	3,081,578	3,004,022	77,556	113,260	111,943	1,317
General government	0	0	0	0	0	0
Capital outlay	95,000	91,748	3,252	0	0	0
Debt service						
Principal	126,137	131,744	(5,607)	0	0	0
Interest	20,721	15,114	5,607	0	0	0
Total Expenditures	3,323,436	3,242,628	80,808	113,260	111,943	1,317
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(1,796,536)	(1,649,219)	147,317	(1,260)	(1,719)	(459)
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	0
Operating transfers in	1,600,000	1,600,000	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	1,600,000	1,600,000	0	0	0	0
Excess (Deficiency) of Revenues and						
Other Sources Over (Under) Expenditures and Other Uses	(196,536)	(49,219)	147,317	(1,260)	(1,719)	(459)
Fund Balance at Beginning of Year	719,776	719,776	0	7,210	7,210	0
Decertification of prior year						
encumbrances	20,786	20,786	0	1,259	1,259	0
Fund Balance at End of Year	\$ 544,026	\$ 691,343	\$ 147,317	\$ 7,209	\$ 6,750	\$ (459)

City of Cuyahoga Falls, Ohio
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds
Year Ended December 31, 1999

	Police Pension			Fire Pension		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 211,426	\$ 210,404	\$ (1,022)	\$ 211,426	\$ 210,404	\$ (1,022)
Municipal income taxes	0	0	0	0	0	0
Other local taxes	180	229	49	180	229	49
State levied shared taxes	25,252	25,183	(69)	25,252	25,183	(69)
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Revenues	236,858	235,816	(1,042)	236,858	235,816	(1,042)
Expenditures						
Current						
Security of persons and property	778,570	776,398	2,172	997,810	997,681	129
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
Debt service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	778,570	776,398	2,172	997,810	997,681	129
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(541,712)	(540,582)	1,130	(760,952)	(761,865)	(913)
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	0
Operating transfers in	500,435	500,435	0	737,575	737,575	0
Operating transfers out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	500,435	500,435	0	737,575	737,575	0
Excess (Deficiency) of Revenues and						
Other Sources Over (Under) Expenditures and Other Uses	(41,277)	(40,147)	1,130	(23,377)	(24,290)	(913)
Fund Balance at Beginning of Year	43,771	43,771	0	25,973	25,973	0
Decertification of prior year						
encumbrances	0	0	0	0	0	0
Fund Balance at End of Year	\$ 2,494	\$ 3,624	\$ 1,130	\$ 2,596	\$ 1,683	\$ (913)

	Permissive Tax			Recreation Levy		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	619	619
State levied shared taxes	225,000	225,000	0	156,740	0	(156,740)
Intergovernmental	0	0	0	0	156,740	156,740
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	0	0	0	0	757	757
Total Revenues	225,000	225,000	0	156,740	158,116	1,376
Expenditures						
Current						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	173,469	163,486	9,983
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	225,000	225,000	0	914,992	914,931	61
Debt service						
Principal	0	0	0	204,795	204,791	4
Interest	0	0	0	295,346	284,342	11,004
Total Expenditures	225,000	225,000	0	1,588,602	1,567,550	21,052
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	0	0	0	(1,431,862)	(1,409,434)	22,428
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	0
Operating transfers in	0	0	0	1,204,892	1,204,892	0
Operating transfers out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	1,204,892	1,204,892	0
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses						
	0	0	0	(226,970)	(204,542)	22,428
Fund Balance at Beginning of Year						
	2	2	0	418,186	418,186	0
Decertification of prior year encumbrances						
	0	0	0	32,261	32,261	0
Fund Balance at End of Year	\$ 2	\$ 2	\$ 0	\$ 223,477	\$ 245,905	\$ 22,428

City of Cuyahoga Falls, Ohio
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds
Year Ended December 31, 1999

	Community and Economic Development			Community Development Block Grant		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	209,900	157,216	(52,684)
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	0	0	0	155,540	155,533	(7)
Total Revenues	0	0	0	365,440	312,749	(52,691)
Expenditures						
Current						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	3,687	0	3,687	383,550	276,313	107,237
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
Debt service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	3,687	0	3,687	383,550	276,313	107,237
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(3,687)	0	3,687	(18,110)	36,436	54,546
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	0
Excess (Deficiency) of Revenues and						
Other Sources Over (Under) Expenditures	(3,687)	0	3,687	(18,110)	36,436	54,546
Fund Balance at Beginning of Year	3,687	3,687	0	17,659	17,659	0
Decertification of prior year encumbrances	0	0	0	4,550	4,550	0
Fund Balance at End of Year	\$ 0	\$ 3,687	\$ 3,687	\$ 4,099	\$ 58,645	\$ 54,546

	Probation			Drug Law Enforcement		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	3,500	3,881	381	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	15,000	13,590	(1,410)
Other	0	0	0	0	296	296
Total Revenues	3,500	3,881	381	15,000	13,886	(1,114)
Expenditures						
Current						
Security of persons and property	0	0	0	62,739	46,759	15,980
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	0	0	0	7,325	0	7,325
Debt service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	0	0	0	70,064	46,759	23,305
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	3,500	3,881	381	(55,064)	(32,873)	22,191
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	0
Excess (Deficiency) of Revenues and						
Other Sources Over (Under) Expenditures and Other Uses	3,500	3,881	381	(55,064)	(32,873)	22,191
Fund Balance at Beginning of Year	0	0	0	141,434	141,434	0
Decertification of prior year encumbrances	0	0	0	0	0	0
Fund Balance at End of Year	\$ 3,500	\$ 3,881	\$ 381	\$ 86,370	\$ 108,561	\$ 22,191

City of Cuyahoga Falls, Ohio
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds
Year Ended December 31, 1999

	Law Enforcement Trust			Indigent Drivers Alcohol Treatment		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	1,000	986	(14)	39,500	39,646	146
Other	1,500	1,617	117	0	0	0
Total Revenues	2,500	2,603	103	39,500	39,646	146
Expenditures						
Current						
Security of persons and property	5,000	4,999	1	248,000	993	247,007
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
Debt service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	5,000	4,999	1	248,000	993	247,007
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(2,500)	(2,396)	104	(208,500)	38,653	247,153
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	0
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,500)	(2,396)	104	(208,500)	38,653	247,153
Fund Balance at Beginning of Year	14,449	14,449	0	261,693	261,693	0
Decertification of prior year encumbrances	0	0	0	0	0	0
Fund Balance at End of Year	\$ 11,949	\$ 12,053	\$ 104	\$ 53,193	\$ 300,346	\$ 247,153

	Enforcement and Education			Court Computer		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	48,000	48,005	5
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	5,000	3,592	(1,408)	0	0	0
Other	2,000	3,300	1,300	0	0	0
Total Revenues	7,000	6,892	(108)	48,000	48,005	5
Expenditures						
Current						
Security of persons and property	8,160	8,160	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	50,000	88,489	(38,489)
Capital outlay	0	0	0	107,523	16,440	91,083
Debt service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	8,160	8,160	0	157,523	104,929	52,594
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(1,160)	(1,268)	(108)	(109,523)	(56,924)	52,599
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	0
Excess (Deficiency) of Revenues and						
Other Sources Over (Under) Expenditures and Other Uses	(1,160)	(1,268)	(108)	(109,523)	(56,924)	52,599
Fund Balance at Beginning of Year	7,872	7,872	0	169,773	169,773	0
Decertification of prior year						
encumbrances	0	0	0	1,523	7,523	0
Fund Balance at End of Year	\$ 6,712	\$ 6,604	\$ (108)	\$ 67,773	\$ 120,372	\$ 52,599

City of Cuyahoga Falls, Ohio
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds
Year Ended December 31, 1999

	Federal Law Enforcement			Total - All Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 422,852	\$ 420,808	\$ (2,044)
Municipal income taxes	0	0	0	16,000,000	16,016,257	16,257
Other local taxes	0	0	0	360	1,077	717
State levied shared taxes	0	0	0	1,831,144	1,706,813	(124,331)
Intergovernmental	0	0	0	209,900	313,956	104,056
Charges for services	0	0	0	48,000	48,005	5
Fees, licenses, and permits	0	0	0	336,500	367,174	30,674
Interest earnings	0	2,027	2,027	0	2,027	2,027
Fines and forfeitures	0	0	0	60,500	57,814	(2,686)
Other	0	306	306	161,040	169,797	8,757
Total Revenues	0	2,333	2,333	19,070,296	19,103,728	33,432
Expenditures						
Current						
Security of persons and property	17,944	17,616	328	2,118,223	1,852,606	265,617
Leisure time activities	0	0	0	173,469	163,486	9,983
Community environment	0	0	0	387,237	276,313	110,924
Street maintenance	0	0	0	3,289,838	3,210,965	78,873
General government	0	0	0	745,895	745,399	496
Capital outlay	0	0	0	1,385,601	1,283,855	101,746
Debt service						
Principal	0	0	0	330,932	336,535	(5,603)
Interest	0	0	0	316,067	299,456	16,611
Total Expenditures	17,944	17,616	328	8,747,262	8,168,615	578,647
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(17,944)	(15,283)	2,661	10,323,034	10,935,113	612,079
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	0
Operating transfers in	0	0	0	4,042,902	4,042,902	0
Operating transfers out	0	0	0	(15,061,146)	(15,061,146)	0
Total Other Financing Sources (Uses)	0	0	0	(11,018,244)	(11,018,244)	0
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(17,944)	(15,283)	2,661	(695,210)	(83,131)	612,079
Fund Balance at Beginning of Year	55,356	55,356	0	1,962,865	1,962,865	0
Decertification of prior year encumbrances	28	28	0	66,426	66,426	0
Fund Balance at End of Year	\$ 37,440	\$ 40,101	\$ 2,661	\$ 1,334,081	\$ 1,946,160	\$ 612,079

CITY OF CUYAHOGA FALLS, OHIO

Capital Projects Funds

Capital projects funds are established to account 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 capital projects funds are:

Capital Projects

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

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.

**City of Cuyahoga Falls, Ohio
Combining Balance Sheet
All Capital Projects Funds
December 31, 1999**

	Capital Projects	Capital Improvement Reserve	Totals
ASSETS			
Equity in pooled cash and cash equivalents	\$ 2,256,303	\$ 2,442,774	\$ 4,699,077
Investments	131,210	127,262	258,472
Investments - Restricted accounts	0	2,248,950	2,248,950
Receivables			
Accounts	70,060	1,430	71,490
Special assessments	322,022	0	322,022
Accrued interest	0	1,017,843	1,017,843
Due from other funds	702,487	881	703,368
Due from other governments	91,168	0	91,168
Advances to other funds	0	624,383	624,383
TOTAL ASSETS	\$ 3,573,250	\$ 6,463,523	\$ 10,036,773
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 404,382	\$ 0	\$ 404,382
Deferred revenue	294,150	835,510	1,129,660
Advances from other funds	50,383	0	50,383
General obligation notes payable	635,000	1,100,000	1,735,000
Total Liabilities	1,383,915	1,935,510	3,319,425
Fund Balance			
Reserved for encumbrances	1,409,049	0	1,409,049
Reserved for advances	0	624,383	624,383
Reserved for investments	0	2,248,950	2,248,950
Unreserved - undesignated	780,286	1,654,680	2,434,966
Total Fund Balance	2,189,335	4,528,013	6,717,348
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,573,250	\$ 6,463,523	\$ 10,036,773

City of Cuyahoga Falls, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
All Capital Projects Funds
Year Ended December 31, 1999

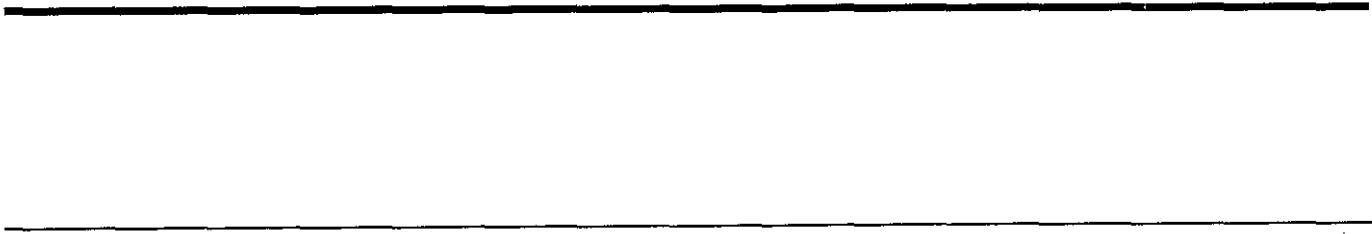
	Capital Projects	Capital Improvement Reserve	Total
Revenues			
Intergovernmental Revenue	\$ 768,317	\$ 0	\$ 768,317
Charges for Services	1,110,330	0	1,110,330
Interest earnings	0	1,483,888	1,483,888
Special assessments	39,843	0	39,843
Other	16,054	53,224	69,278
Total Revenues	1,934,544	1,537,112	3,471,656
Expenditures			
General government	0	26,443	26,443
Capital Outlay	5,341,877	0	5,341,877
Debt Service:			
Principal	518,415	0	518,415
Interest	46,109	0	46,109
Total Expenditures	5,906,401	26,443	5,932,844
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,971,857)	1,510,669	(2,461,188)
Other Financing Sources (Uses)			
Operating transfers in	4,542,359	0	4,542,359
Operating transfers out	0	(1,752,000)	(1,752,000)
Total Other Financing Sources (Uses)	4,542,359	(1,752,000)	2,790,359
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	570,502	(241,331)	329,171
Fund Balance at Beginning of Year	1,618,833	4,769,344	6,388,177
Fund Balance at End of Year	\$ 2,189,335	\$ 4,528,013	\$ 6,717,348

City of Cuyahoga Falls, Ohio
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - All Capital Projects Funds
Year Ended December 31, 1999

	Capital Projects			Capital Improvement Reserve		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Other local taxes	\$ 0	\$ 0	\$ 0	\$ 53,000	\$ 0	\$ (53,000)
State levied shared taxes	0	0	0	5,800	0	(5,800)
Intergovernmental	375,000	424,299	49,299	0	0	0
Charges for services	909,130	914,297	5,167	0	0	0
Interest earnings	0	0	0	1,571,028	1,684,370	113,342
Special assessments	28,433	29,027	594	0	0	0
Other	15,000	19,132	4,132	27,600	58,698	31,098
Total Revenues	1,327,563	1,386,755	59,192	1,657,428	1,743,068	85,640
Expenditures						
General government	0	0	0	40,000	29,336	10,664
Capital outlay	6,434,110	6,321,671	112,439	0	0	0
Debt Service						
Principal	553,221	518,415	34,806	0	0	0
Interest	114,829	46,557	68,272	0	0	0
Total Expenditures	7,102,160	6,886,643	215,517	40,000	29,336	10,664
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(5,774,597)	(5,499,888)	274,709	1,617,428	1,713,732	96,304
Other Financing Sources (Uses)						
Bond/note proceeds	640,000	636,670	(3,330)	1,100,000	1,102,893	2,893
Operating transfers in	4,417,295	4,417,434	139	0	0	0
Operating transfers out	0	0	0	(1,752,000)	(1,752,000)	0
Advances in	0	0	0	15,000	15,000	0
Advances out	(15,000)	(15,000)	0	0	0	0
Total Other Financing Sources (Uses)	5,042,295	5,039,104	(3,191)	(637,000)	(634,107)	2,893
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses						
	(732,302)	(460,784)	271,518	980,428	1,079,625	99,197
Fund Balance at Beginning of Year	482,490	482,490	0	3,595,306	3,595,306	0
Decertification of prior year encumbrances						
	523,580	523,580	0	0	0	0
Fund Balance at End of Year	\$ 273,768	\$ 545,286	\$ 271,518	\$ 4,575,734	\$ 4,674,931	\$ 99,197

City of Cuyahoga Falls, Ohio
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - All Capital Projects Funds
Year Ended December 31, 1999

Total - All Capital Projects Funds			
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Other local taxes	\$ 53,000	\$ 0	\$ (53,000)
State levied shared taxes	5,800	0	(5,800)
Intergovernmental	375,000	424,299	49,299
Charges for services	909,130	914,297	5,167
Interest earnings	1,571,028	1,684,370	113,342
Special assessments	28,433	29,027	594
Other	42,600	77,830	35,230
Total Revenues	2,984,991	3,129,823	144,832
Expenditures			
General government	40,000	29,336	10,664
Capital outlay	6,434,110	6,321,671	112,439
Debt Service			
Principal	553,221	518,415	34,806
Interest	114,829	46,557	68,272
Total Expenditures	7,142,160	6,915,979	226,181
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(4,157,169)	(3,786,156)	371,013
Other Financing Sources (Uses)			
Bond/note proceeds	1,740,000	1,739,563	(437)
Operating transfers in	4,417,295	4,417,434	139
Operating transfers out	(1,752,000)	(1,752,000)	0
Advances in	15,000	15,000	0
Advances out	(15,000)	(15,000)	0
Total Other Financing Sources (Uses)	4,405,295	4,404,997	(298)
Excess (Deficiency) of Revenues and			
Other Sources Over (Under) Expenditures			
and Other Uses	248,126	618,841	370,715
Fund Balance at Beginning of Year	4,077,796	4,077,796	0
Decertification of prior year			
encumbrances	523,580	523,580	0
Fund Balance at End of Year	\$ 4,849,502	\$ 5,220,217	\$ 370,715



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CITY OF CUYAHOGA FALLS, OHIO

Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges or (b) where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for either capital maintenance, public policy, management control, accountability or other purposes.

The enterprise funds are:

Sewage and Disposal	To account for sanitary sewer service provided to residential and commercial users within the County.
Water	To account 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 the County.
Electric	To account for the distribution of electricity to residential and commercial users within the County.
Sanitation	To account for refuse and recycling collection services provided to residential and commercial users within the County.
Leisure Time	To account for the revenues and expenses of an outdoor swimming pool, an indoor natatorium, a municipal golf course and a civic cultural center.

City of Cuyahoga Falls, Ohio
Combining Balance Sheet
All Enterprise Funds
December 31, 1999

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
ASSETS						
Current Assets						
Equity in pooled cash and						
Cash equivalents	\$ 2,159,503	\$ 4,072,225	\$ 7,122,705	\$ 502,914	\$ 841,456	\$ 14,698,803
Investments	125,581	236,812	414,206	29,246	48,933	854,778
Receivables						
Accounts	1,185,882	1,390,076	3,770,616	54,522	116	6,401,212
Special assessments	0	88,820	0	0	0	88,820
Due from other funds	2,695	0	904,692	9,033	0	916,420
Due from other governments	263	78	15	8,399	393	9,146
Inventory of supplies	55,984	350,648	2,115,339	43,865	37,933	2,603,769
Prepaid items	6,158	9,841	17,781	5,253	15,274	54,307
Deferred charges	12,808	27,383	0	0	0	40,191
Unamortized bond discount	24,682	50,356	0	0	0	75,038
Investment in joint venture	0	0	12,352,003	0	0	12,352,003
Total Current Assets	3,573,356	6,226,219	26,697,355	653,232	944,105	38,094,467
Fixed Assets						
Land	54,008	85,971	373,189	103,959	1,602,504	2,219,631
Buildings	129,068	400,138	676,093	108,691	11,818,134	13,132,124
Improvements other than buildings	13,758,708	13,123,847	21,077,538	60,700	2,905,904	50,926,697
Equipment	1,010,282	1,297,656	2,480,677	1,985,483	661,831	7,435,929
CIP	22,705	464,341	1,433,984	0	72,090	1,993,120
Total Fixed Assets	14,974,771	15,371,953	28,041,481	2,258,833	17,060,463	75,707,501
Less-Accumulated depreciation	(5,006,725)	(4,386,224)	(14,377,563)	(1,697,010)	(2,875,600)	(28,343,122)
Net	9,968,046	10,985,729	11,663,918	561,823	14,184,863	47,364,379
TOTAL ASSETS	\$ 13,541,602	\$ 17,211,948	\$ 38,361,273	\$ 1,215,055	\$ 15,128,968	\$ 85,458,846
LIABILITIES AND FUND EQUITY						
Current Liabilities						
Account payable	\$ 44,988	\$ 125,490	\$ 1,397,209	\$ 70,333	\$ 115,420	\$ 1,953,442
Accrued salaries, wages, & benefits	218,710	468,476	944,435	281,362	134,917	2,047,900
Accrued interest payable	17,763	24,492	13,268	0	22,628	78,151
Deferred revenue	0	88,820	0	0	0	88,820
Due to other funds	184,072	165,397	67,030	166,426	411,381	994,306
Due to other governments	479,835	569	0	0	0	480,404
Deposits held and due to others	0	10,304	182,980	0	0	193,284
Capital lease obligations	9,238	9,238	15,377	12,024	1,338	47,215
Advances from other funds	0	0	0	130,000	0	130,000
Unamortized bond premium	0	1,775	0	0	0	1,775
Construction loan payable	14,988	0	0	0	0	14,988
General obligation notes payable	0	675,000	0	0	0	675,000
General obligation bonds payable	162,997	241,206	210,149	0	303,706	918,058
Long Term Liabilities						
Advances from other funds	0	0	0	444,000	0	444,000
Construction loan payable	39,483	0	0	0	0	39,483
General obligation bonds payable	4,347,906	6,452,159	2,821,490	0	4,702,966	18,324,521
Total Liabilities	3,519,980	8,262,926	5,851,938	1,104,147	5,692,356	26,431,347
Fund Equity						
Contributed capital	1,119,983	427,231	5,994	223,666	7,776,509	9,553,383
Retained earnings (deficit) - unreserved	6,901,639	8,521,791	32,503,341	(112,758)	1,660,103	49,474,116
Total Fund Equity	8,021,622	8,949,022	32,509,335	110,908	9,436,612	59,027,499
TOTAL LIABILITIES AND FUND EQUITY	\$ 13,541,602	\$ 17,211,948	\$ 38,361,273	\$ 1,215,055	\$ 15,128,968	\$ 85,458,846

City of Cuyahoga Falls, Ohio
Combining Statement of Revenues, Expenses and Changes in Retained Earnings -
All Enterprise Funds
Year Ended December 31, 1999

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
Operating Revenues						
Charges for services	\$ 3,401,539	\$ 5,040,846	\$ 26,978,763	\$ 3,162,460	\$ 2,841,293	\$ 43,424,901
Other	3,633	58,290	112,825	192,625	286,064	653,437
Total Operating Revenues	5,405,172	5,099,136	27,091,588	3,355,085	3,127,357	44,078,338
Operating Expenses						
Personal services	486,795	978,245	2,190,159	1,112,016	1,313,943	6,081,158
Fringe benefits	168,668	339,771	750,353	325,810	300,059	1,884,661
Purchased power	0	0	14,068,303	0	0	14,068,303
Materials and supplies	58,170	265,226	2,369,446	80,717	184,829	2,958,388
Utilities	23,565	312,004	43,455	12,854	148,569	540,447
Contractual services	2,429,063	244,106	34,804	798,912	113,695	3,620,580
Internal charges	505,961	532,487	1,541,943	530,605	229,576	3,340,572
Other	142,621	186,459	740,272	181,128	541,441	1,791,921
Depreciation	383,249	426,277	783,303	267,156	450,163	2,310,148
Total Operating Expenses	4,198,092	3,284,575	22,522,038	3,309,198	3,282,275	36,596,178
Operating Income (Loss)	1,207,080	1,814,561	4,569,550	45,887	(154,918)	7,482,160
Nonoperating Revenues (Expenses)						
Interest expense	(213,059)	(304,644)	(174,589)	(1,287)	(284,346)	(977,925)
Gain (loss) from sale of fixed assets	0	0	0	0	12,707	12,707
Grants	0	0	0	14,761	0	14,761
Net nonoperating Revenues (Expenses)	(213,059)	(304,644)	(174,589)	13,474	(271,639)	(950,457)
Income (Loss) before Operating Transfers						
Transfers	994,021	1,509,917	4,394,961	59,361	(426,557)	6,531,703
Operating transfers in	0	0	0	0	675,125	675,125
Net Income (Loss)	994,021	1,509,917	4,394,961	59,361	248,568	7,206,828
Retained Earnings (Deficit) at Beginning of Year						
Beginning of Year	5,907,618	7,011,874	28,108,380	(172,119)	1,411,535	42,267,288
Retained Earnings (Deficit) at End of Year	\$ 6,901,639	\$ 8,521,791	\$ 32,503,341	\$ (112,758)	\$ 1,660,103	\$ 49,474,116

City of Cuyahoga Falls, Ohio
Combining Statement of Cash Flows -
All Enterprise Funds
Year Ended December 31, 1999

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
Cash Flows From Operating Activities						
Cash received from customers	\$ 4,798,951	\$ 4,160,194	\$ 26,710,302	\$ 3,348,522	\$ 3,129,487	\$ 42,147,456
Cash payments to employees for services	(484,994)	(975,329)	(2,171,460)	(1,118,152)	(1,308,527)	(6,058,462)
Cash payments to employees for benefits	(156,260)	(312,107)	(690,286)	(348,142)	(297,913)	(1,804,708)
Cash payments to suppliers for goods and services	(2,917,646)	(1,548,046)	(20,974,377)	(1,672,645)	(1,134,605)	(28,247,319)
Net Cash Provided By Operating Activities	1,240,051	1,324,712	2,874,179	209,583	388,442	6,036,967
Cash Flows From Non-Capital Financing Activities						
Grant proceeds	0	0	0	14,761	0	14,761
Transfers in	0	0	0	0	675,125	675,125
Net Cash Provided By Non-Capital Financing Activities	0	0	0	14,761	675,125	689,886
Cash Flows From Capital and Related Financing Activities						
Acquisition of capital assets	(554,681)	(502,212)	(1,986,703)	(57,990)	(340,525)	(3,442,111)
Bond/note proceeds	0	676,775	0	0	0	676,775
Debt service						
Principal	(182,420)	(244,851)	(219,375)	(11,397)	(295,935)	(954,178)
Interest	(212,609)	(302,742)	(175,837)	(1,288)	(285,498)	(977,974)
Net Cash Used In Capital and Related Financing Activities	(949,710)	(373,030)	(2,382,115)	(70,675)	(921,958)	(4,697,488)
Cash Flows from Investing Activities						
Purchase of investments	(125,581)	(236,812)	(414,206)	(29,246)	(48,933)	(854,778)
Net Cash Provided By Investing Activities	(125,581)	(236,812)	(414,206)	(29,246)	(48,933)	(854,778)
Net Increase (Decrease) in Cash and Cash Equivalents	164,760	714,870	77,858	124,423	92,676	1,174,587
Cash and Cash Equivalents At Beginning of Year	1,994,743	3,357,355	7,044,847	378,491	748,780	13,524,216
Cash and Cash Equivalents at End of Year	\$ 2,159,503	\$ 4,072,225	\$ 7,122,705	\$ 502,914	\$ 841,456	\$ 14,698,803

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
Reconciliation of Operating						
Income (Loss) to Net Cash						
Provided By						
Operating Activities:						
Operating Income (Loss)	\$ 1,207,080	\$ 1,814,561	\$ 4,569,550	\$ 45,887	\$ (154,918)	\$ 7,482,160
Adjustments to Reconcile Operating						
Income (loss) to Net Cash Provided By						
Operating Activities:						
Depreciation	383,249	426,277	783,303	267,156	450,163	2,310,148
Amortization Expense	674	112	55,328	0	3,839	59,953
Change in assets and liabilities:						
Decrease (increase) in receivables	16,036	(215,438)	(527,947)	2,086	2,523	(722,740)
Decrease (increase) in due from other funds	(1,923)	0	(11,788)	(250)	0	(13,961)
(Increase) decrease in due from other governments	14,500	(9)	1	(7,327)	(65)	7,100
(Increase) decrease in inventory of supplies	(8,715)	(12,185)	53,060	(2,808)	9,355	38,687
(Increase) decrease in prepaids	(131)	(96)	(468)	(174)	140	(729)
(Increase) in joint ventures	0	0	(2,182,140)	0	0	(2,182,140)
Increase (decrease) in accounts payable						
net of items affecting fixed assets	57,756	(997)	33,009	(65,954)	68,279	92,093
Increase (decrease) in accrued salaries, wages and benefits	15,519	32,734	83,649	(21,698)	7,071	117,275
Increase in due to other funds	97	9,019	(3,592)	(6,263)	2,403	1,664
Increase (decrease) in due to other governments	190,743	569	0	0	0	191,312
(Decrease) in deposits held and due to others	0	1,180	22,228	0	0	23,408
(Decrease) increase in deferred revenue	(634,834)	(731,015)	(14)	(1,072)	(328)	(1,367,263)
Total Adjustments	32,971	(489,849)	(1,695,371)	163,696	543,360	(1,445,193)
Net Cash Provided By						
Operating Activities	\$ 1,240,051	\$ 1,324,712	\$ 2,874,179	\$ 209,583	\$ 388,442	\$ 6,036,967

City of Cuyahoga Falls, Ohio
Combining Schedule of Revenues, Expenses and Changes in Retained Earnings -
Budget and Actual (Non-GAAP Budgetary Basis) - All Enterprise Funds
Year Ended December 31, 1999

	Sewage and Disposal			Water		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 4,543,000	\$ 4,795,581	\$ 252,581	\$ 3,874,314	\$ 4,094,462	\$ 220,148
Other	2,000	3,370	1,370	42,200	65,732	23,532
Total Operating Revenues	4,545,000	4,798,951	253,951	3,916,514	4,160,194	243,680
Operating Expenses						
Personal services	484,887	484,994	(107)	976,644	975,329	1,315
Fringe benefits	156,425	156,260	165	311,051	312,107	(1,056)
Purchased power	0	0	0	0	0	0
Materials and supplies	29,530	25,445	4,085	501,324	277,278	24,046
Utilities	23,237	22,204	1,033	227,392	300,573	(73,181)
Contractual services	2,786,581	2,529,900	256,681	342,227	230,389	111,838
Internal charges	530,824	506,136	24,688	578,496	537,313	41,183
Other	110,858	140,339	(29,681)	189,719	186,027	3,692
Capital outlay	809,838	720,837	89,001	1,242,660	514,520	728,140
Total Operating Expenses	4,932,180	4,586,315	345,865	4,169,513	3,333,536	835,977
Operating Income (Loss)	(387,180)	212,636	599,816	(252,999)	826,658	1,079,657
Nonoperating Revenues (Expenses)						
Bond/note proceeds	0	0	0	675,000	676,775	1,775
Grants	0	0	0	0	0	0
Debt Service						
Principal	(182,465)	(182,420)	45	(244,929)	(244,851)	78
Interest	(246,760)	(212,609)	34,151	(384,145)	(302,742)	81,403
Total Nonoperating Revenues (Expenses)	(429,225)	(395,029)	34,196	45,926	129,182	83,256
Income (loss) before operating transfers	(816,405)	(182,393)	634,012	(207,073)	955,840	1,162,913
Operating Transfers In	0	0	0	0	0	0
Net Income (Loss)	(816,405)	(182,393)	634,012	(207,073)	955,840	1,162,913
Retained Earnings at Beginning of Year	1,666,750	1,666,750	0	2,887,388	2,887,388	0
Decertification of prior year encumbrances	36,674	36,674	0	29,811	29,811	0
Retained Earnings at End of Year	\$ 887,019	\$ 1,521,031	\$ 634,012	\$ 2,710,126	\$ 3,873,039	\$ 1,162,913

	Electric			Sanitation		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 26,467,370	\$ 26,512,307	\$ 44,937	\$ 3,195,336	\$ 3,164,706	\$ (30,630)
Other	178,700	197,995	19,295	231,900	183,816	(48,084)
Total Operating Revenues	26,646,070	26,710,302	64,232	3,427,236	3,348,522	(78,714)
Operating Expenses						
Personal services	2,188,888	2,171,460	17,428	1,104,684	1,118,152	(13,468)
Fringe benefits	679,156	690,286	(11,130)	380,613	348,142	32,471
Purchased power	13,494,650	14,242,102	(747,452)	0	0	0
Materials and supplies	4,509,482	4,395,144	114,338	607,955	83,511	524,444
Utilities	49,189	44,344	4,845	19,275	12,702	6,573
Contractual services	297,807	10,940	286,867	755,751	872,177	(116,426)
Internal charges	1,622,197	1,540,768	81,429	170,102	530,400	(360,298)
Other	773,850	859,410	(85,560)	135,476	186,110	(50,634)
Capital outlay	4,054,517	2,764,801	1,289,716	103,180	62,625	40,555
Total Operating Expenses	27,669,736	26,719,255	950,481	3,277,036	3,213,819	63,217
Operating Income (Loss)	(1,023,666)	(8,953)	1,014,713	150,200	134,703	(15,497)
Nonoperating Revenues (Expenses)						
Bond/note proceeds	0	0	0	0	0	0
Grants	0	0	0	22,142	14,761	(7,381)
Debt Service						
Principal	(219,575)	(219,575)	0	(10,804)	(11,397)	(593)
Interest	(175,837)	(175,837)	0	(1,883)	(1,288)	595
Total Nonoperating Revenues (Expenses)	(395,412)	(395,412)	0	9,455	2,076	(7,379)
Income (loss) before operating transfers	(1,419,078)	(404,365)	1,014,713	159,655	136,779	(22,876)
Operating Transfers In	0	0	0	0	0	0
Net Income (Loss)	(1,419,078)	(404,365)	1,014,713	159,655	136,779	(22,876)
Retained Earnings at Beginning of Year	3,991,542	3,991,542	0	306,132	306,132	0
Decertification of prior year encumbrances						
	686,352	686,352	0	3,706	3,706	0
Retained Earnings at End of Year	\$ 3,258,816	\$ 4,273,529	\$ 1,014,713	\$ 469,493	\$ 446,617	\$ (22,876)

City of Cuyahoga Falls, Ohio
Combining Schedule of Revenues, Expenses and Changes in Retained Earnings -
Budget and Actual (Non-GAAP Budgetary Basis) - All Enterprise Funds
Year Ended December 31, 1999

	Leisure Time			Total - All Enterprise Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 2,804,900	\$ 2,841,293	\$ 36,393	\$ 40,884,920	\$ 41,408,349	\$ 523,429
Other	247,850	288,194	40,344	702,650	739,107	36,457
Total Operating Revenues	3,052,750	3,129,487	76,737	41,587,570	42,147,456	559,886
Operating Expenses						
Personal services	1,309,760	1,308,527	1,233	6,064,863	6,058,462	6,401
Fringe benefits	304,095	297,913	6,182	1,831,340	1,804,708	26,632
Purchased power	0	0	0	13,494,650	14,242,102	(747,452)
Materials and supplies	226,468	160,165	66,303	5,674,759	4,941,543	733,216
Utilities	142,150	145,240	(3,090)	461,243	525,063	(63,820)
Contractual services	120,421	112,362	8,059	4,302,787	3,755,768	547,019
Internal charges	472,409	229,576	242,833	3,374,028	3,344,193	29,835
Other	566,424	514,982	51,442	1,776,327	1,887,068	(110,741)
Capital outlay	457,030	442,150	14,880	6,667,225	4,504,933	2,162,292
Total Operating Expenses	3,598,757	3,210,915	387,842	43,647,222	41,063,840	2,583,382
Operating Income (Loss)	(546,007)	(81,428)	464,579	(2,059,652)	1,083,616	3,143,268
Nonoperating Revenues (Expenses)						
Bond/note proceeds	0	0	0	675,000	676,775	1,775
Grants	0	0	0	22,142	14,761	(7,381)
Debt Service						
Principal	(295,937)	(295,935)	2	(953,710)	(954,178)	(468)
Interest	(285,500)	(285,498)	2	(1,094,125)	(977,974)	116,151
Total Nonoperating Revenues (Expenses)	(581,437)	(581,433)	4	(1,350,693)	(1,240,616)	110,077
Income (loss) before operating transfers	(1,127,444)	(662,861)	464,583	(3,410,345)	(157,000)	3,253,345
Operating Transfers In	736,500	675,125	(61,375)	736,500	675,125	(61,375)
Net Income (Loss)	(390,944)	12,264	403,208	(2,673,845)	518,125	3,191,970
Retained Earnings at Beginning of Year	653,619	653,619	0	9,505,431	9,505,431	0
Decertification of prior year encumbrances	21,969	21,969	0	778,512	778,512	0
Retained Earnings at End of Year	\$ 284,644	\$ 687,852	\$ 403,208	\$ 7,610,098	\$ 10,802,068	\$ 3,191,970

CITY OF CUYAHOGA FALLS, OHIO

Internal Service Funds

Internal service funds are used 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. The title of the funds indicates the type of service provided.

The internal service funds are:

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 operating a central store facility used by various City departments. The goods are purchased and held in inventory until used.
Utility Billing	To account for the cost of operating a billing and collection service for the water, sewer, electric and sanitation departments. The funds using the utility billing service are charged for the cost of the operation.
Self-Insurance	To account for the cost of medical benefits and life insurance provided to the City's employees.
Information Services	Formerly known as Data Processing, this fund provides, maintains and supports information technology to various City departments. The actual costs of services are reimbursed to this fund by the user departments.
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 Balance Sheet
All Internal Service Funds
December 31, 1999

	Garage	Office Supply	Utility Billing	Self- Insurance	Information Services
ASSETS					
Current Assets					
Equity in pooled cash and cash equivalents	\$ 129,285	\$ 5,031	\$ 48,654	\$ 186,585	\$ 150,064
Investments	7,518	292	2,830	10,850	8,727
Receivables					
Accounts	0	0	1,622	9,800	0
Due from other funds	0	0	50,105	289,850	0
Due from other governments	0	0	0	0	0
Inventory of supplies	379,632	764	4,007	0	13,304
Prepaid items	900	0	633	4,952	112
Total Current Assets	517,340	6,087	107,851	502,037	172,207
Fixed Assets					
Buildings	109,209	0	59,974	0	135,235
Improvements other than buildings	258,357	0	0	0	0
Equipment	190,396	0	259,941	0	1,336,245
Total Fixed Assets	557,962	0	319,915	0	1,471,480
Less-Accumulated Depreciation	(349,054)	0	(162,869)	0	(1,091,633)
Net	208,908	0	157,046	0	379,847
TOTAL ASSETS	\$ 726,248	\$ 6,087	\$ 264,897	\$ 502,037	\$ 552,054
LIABILITIES AND FUND EQUITY					
Current Liabilities					
Accounts payable	\$ 54,262	\$ 6,656	\$ 32,073	\$ 4,866	\$ 35,883
Accrued salaries, wages and benefits	135,139	0	202,438	0	83,406
Deferred Revenue	0	0	0	0	0
Due to other funds	8,900	0	14,103	0	6,372
Due to other governments	0	0	0	0	0
Claims and judgments payable	0	0	0	497,171	0
Capital lease obligations	2,369	0	1,923	0	0
Total Liabilities	200,670	6,656	250,537	502,037	125,661
Fund Equity					
Contributed capital	16,455	0	14,360	0	194,124
Retained earnings -unreserved	509,123	(569)	0	0	232,269
Total Fund Equity (Deficit)	525,578	(569)	14,360	0	426,393
TOTAL LIABILITIES AND FUND EQUITY	\$ 726,248	\$ 6,087	\$ 264,897	\$ 502,037	\$ 552,054

Workers' Compensation	Compensated Absences	Total
\$ 5,583,458	\$ 387,679	\$ 6,490,756
324,694	22,545	377,456
0	0	11,422
12,784	0	352,739
0	0	5
0	0	397,707
0	0	6,597
5,920,936	410,224	7,636,682
0	0	304,418
0	0	258,357
0	0	1,786,582
0	0	2,349,357
0	0	(1,603,556)
0	0	745,801
\$ 5,920,936	\$ 410,224	\$ 8,382,483
\$ 1,873	\$ 0	\$ 135,613
0	0	420,983
0	0	0
0	0	29,375
79,803	0	79,803
1,441,893	0	1,939,064
0	0	4,292
1,523,569	0	2,609,130
0	0	224,939
4,397,367	410,224	5,548,414
4,397,367	410,224	5,773,353
\$ 5,920,936	\$ 410,224	\$ 8,382,483

City of Cuyahoga Falls, Ohio
Combining Statement of Revenues, Expenses and Changes in Retained Earnings -
All Internal Service Funds
Year Ended December 31, 1999

	Garage	Office Supply	Utility Billing	Self- Insurance	Information Services
Operating Revenues					
Charges for services	\$ 1,307,499	\$ 55,975	\$ 1,364,425	\$ 3,096,269	\$ 813,053
Other	23	0	10,561	9,800	1,315
Total Operating Revenues	1,307,522	55,975	1,374,986	3,106,069	814,368
Operating Expenses					
Personal services	356,537	0	642,040	0	294,592
Fringe benefits	130,198	0	239,011	3,053,790	19,434
Materials and supplies	459,315	60,552	12,768	0	58,534
Utilities	16,735	0	5,134	0	3,530
Contractual services	12,065	0	10,624	51,765	110,157
Internal charges	56,829	1,267	361,432	0	5,421
Other	184,982	66	59,162	514	101,862
Depreciation	30,957	0	42,407	0	130,955
Total Operating Expenses	1,267,618	61,885	1,372,578	3,106,069	724,485
Operating Income (Loss)	39,904	(5,910)	2,408	0	89,883
Nonoperating Revenues (Expenses)					
Interest revenue	0	0	0	0	0
Interest expense	(254)	0	(207)	0	0
Gain (loss) from sale of fixed assets	0	0	(2,201)	0	0
Total Nonoperating Revenues (Expenses)	(254)	0	(2,408)	0	0
Net Income (Loss)	39,650	(5,910)	0	0	89,883
Retained Earnings at Beginning of Year	469,473	5,341	0	0	142,386
Retained Earnings (Deficit) at End of Year	\$ 509,123	\$ (569)	\$ 0	\$ 0	\$ 232,269

Workers' Compensation	Compensated Absences	Totals
\$ 715,764	\$ 756,061	\$ 8,109,046
256,045	0	277,744
971,809	756,061	8,386,790
0	367,707	1,660,876
130,871	0	3,573,304
0	0	591,169
0	0	25,399
14,568	0	199,179
0	0	424,949
41,583	0	388,169
0	0	224,319
187,022	367,707	7,087,364
784,787	388,354	1,299,426
259,016	0	259,016
0	0	(461)
0	0	(2,201)
259,016	0	256,354
1,043,803	388,354	1,555,780
3,353,564	21,870	3,992,634
\$ 4,397,367	\$ 410,224	\$ 5,548,414

City of Cuyahoga Falls, Ohio
Combining Statement of Cash Flows -
All Internal Service Funds
Year Ended December 31, 1999

	Garage	Office Supply	Utility Billing	Self- Insurance	Information Services
Cash Flows From Operating Activities					
Activities					
Cash received from users	\$ 1,307,517	\$ 55,975	\$ 1,372,204	\$ 3,163,707	\$ 814,368
Cash payments to employees for services	(355,583)	0	(640,170)	0	(298,952)
Cash payments to employees for benefits	(118,163)	0	(232,394)	(3,044,521)	(104,396)
Cash payments to suppliers for goods and services	(791,279)	(55,274)	(463,403)	(48,408)	(251,296)
Net Cash Provided By Operating Activities	42,492	701	36,237	70,778	159,724
Cash Flows From Capital and Related Financing Activities					
Acquisition of capital assets	(53,667)	0	(16,952)	0	(135,157)
Debt Service					
Principal	(2,245)	0	(1,823)	0	0
Interest	(254)	0	(206)	0	0
Net Cash Used In Capital and Related Financing Activities	(56,166)	0	(18,981)	0	(135,157)
Cash Flows From Investing Activities					
Interest revenue	0	0	0	0	0
Purchase of investments	(7,518)	(292)	(2,830)	(10,850)	(8,727)
Net Cash Provided (Used) By Investing Activities	(7,518)	(292)	(2,830)	(10,850)	(8,727)
Net Increase (Decrease) in Cash and Cash Equivalents	(21,192)	409	14,426	59,928	15,840
Cash and Cash Equivalents At Beginning of Year	150,477	4,622	34,228	126,657	134,224
Cash and Cash Equivalents at End of Year	\$ 129,285	\$ 5,031	\$ 48,654	\$ 186,585	\$ 150,064

Workers' Compensation	Compensated Absences	Totals
985,313	\$ 756,061	\$ 8,455,145
0	(367,707)	(1,662,412)
(613,552)	0	(4,113,026)
(56,348)	0	(1,666,008)
315,413	388,354	1,013,699
0	0	(205,776)
0	0	(4,068)
0	0	(460)
0	0	(210,304)
259,016	0	259,016
(324,694)	(22,545)	(377,456)
(65,678)	(22,545)	(118,440)
249,735	365,809	684,955
5,333,723	21,870	5,805,801
\$ 5,583,458	\$ 387,679	\$ 6,490,756

(Continued)

City of Cuyahoga Falls, Ohio
Combining Statement of Cash Flows -
All Internal Service Funds
Year Ended December 31, 1999

	Garage	Office Supply	Utility Billing	Self - Insurance	Information Services
Reconciliation of Operating					
Income (Loss) to Net Cash					
Provided (Used) By Operating					
Activities:					
Operating Income (Loss)	\$ 39,904	\$ (5,910)	\$ 2,408	\$ 0	\$ 89,883
Adjustments to Reconcile Operating					
Income (Loss) to Net Cash					
Provided By Operating Activities:					
Depreciation	50,957	0	42,407	0	130,955
Change in assets and liabilities:					
(Increase) in accounts receivable	0	0	(260)	(9,800)	0
Decrease (increase) in due from other funds	0	0	(2,522)	67,438	0
Decrease in due from other governments	(9)	0	0	0	0
(Increase) decrease in inventory of supplies	(77,157)	1,627	796	0	1,685
(Increase) decrease in prepaids	50	0	(8)	340	39
(Decrease) increase in accounts payable					
net of items affecting fixed assets	14,720	4,984	(15,071)	3,871	26,484
(Decrease) increase in accrued salaries, wages					
and benefits	14,070	0	12,140	0	(86,251)
Increase in due to other funds	(47)	0	(3,653)	0	(3,071)
Increase in due to other governments	0	0	0	0	0
Increase in claims payable	0	0	0	8,929	0
(Decrease) in deferred revenue	(2)	0	0	0	0
Total Adjustments	2,588	6,611	33,829	70,778	69,841
Net Cash Provided Operating Activities	\$ 42,492	\$ 701	\$ 36,237	\$ 70,778	\$ 159,724

Workers' Compensation	Compensated Absences	Totals
784,787	388,354	\$ 1,299,426
0	0	224,319
0	0	(10,060)
13,504	0	78,420
0	0	(3)
0	0	(73,049)
0	0	421
(197)	0	34,791
0	0	(60,041)
0	0	(6,771)
(224,346)	0	(224,346)
(258,335)	0	(249,406)
0	0	(2)
(469,374)	0	(285,727)
<u>315,413</u>	<u>\$ 388,354</u>	<u>\$ 1,013,699</u>

City of Cuyahoga Falls, Ohio
Combining Schedule of Revenues, Expenses and Changes in Retained Earnings -
Budget and Actual (Non-GAAP Budgetary Basis) - All Internal Service Funds
Year Ended December 31, 1999

	Garage			Office Supply		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 1,561,601	\$ 1,307,499	\$ (254,102)	\$ 56,150	\$ 55,975	\$ (175)
Other	0	18	18	0	0	0
Total Operating Revenues	1,561,601	1,307,517	(254,084)	56,150	55,975	(175)
Operating Expenses						
Personal services	355,121	355,583	(462)	0	0	0
Fringe benefits	118,626	118,163	463	0	0	0
Materials and supplies	581,637	500,273	81,364	58,151	58,227	(76)
Utilities	21,850	15,441	6,409	0	0	0
Contractual services	16,776	15,975	801	0	0	0
Internal charges	170,246	56,829	113,417	809	587	222
Other	245,055	272,523	(27,468)	0	66	(66)
Capital outlay	16,213	14,959	1,254	0	0	0
Total Operating Expenses	1,525,524	1,349,746	175,778	58,960	58,880	80
Operating Income (Loss)	36,077	(42,229)	(78,306)	(2,810)	(2,905)	(95)
Nonoperating Revenues (Expenses)						
Interest earnings	0	0	0	0	0	0
Debt Service						
Principal	(2,245)	(2,245)	0	0	0	0
Interest	(254)	(254)	0	0	0	0
Total Nonoperating Revenues (Expenses)	(2,499)	(2,499)	0	0	0	0
Net Income (Loss)	33,578	(44,728)	(78,306)	(2,810)	(2,905)	(95)
Retained Earnings at Beginning of Year	17,025	17,025	0	96	96	0
Decertification of prior year encumbrances	53,422	53,422	0	2,810	2,810	0
Retained Earnings at End of Year	\$ 104,025	\$ 25,719	\$ (78,306)	\$ 96	\$ 1	\$ (95)

	Utility Billing			Self Insurance		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 1,475,847	\$ 1,362,513	\$ (113,334)	\$ 3,164,441	\$ 3,163,707	\$ (734)
Other	0	9,691	9,691	0	0	0
Total Operating Revenues	1,475,847	1,372,204	(103,643)	3,164,441	3,163,707	(734)
Operating Expenses						
Personal services	639,784	640,170	(386)	0	0	0
Fringe benefits	242,618	232,394	10,224	3,090,000	3,044,521	45,479
Materials and supplies	18,000	16,838	1,162	0	0	0
Utilities	6,550	6,128	422	0	0	0
Contractual services	11,382	24,335	(12,953)	70,192	58,300	11,892
Internal charges	373,463	361,432	12,033	0	0	0
Other	86,175	75,892	10,283	5,755	514	5,241
Capital outlay	45,989	45,927	62	0	0	0
Total Operating Expenses	1,423,963	1,403,116	20,847	3,165,947	3,103,335	62,612
Operating Income (Loss)	51,884	(30,912)	(82,796)	(1,506)	60,372	61,878
Nonoperating Revenues (Expenses)						
Interest earnings	0	0	0	0	0	0
Debt Service				0		
Principal	(1,823)	(1,823)	0	0	0	0
Interest	(206)	(206)	0	0	0	0
Total Nonoperating Revenues (Expenses)	(2,029)	(2,029)	0	0	0	0
Net Income (Loss)	49,855	(32,941)	(82,796)	(1,506)	60,372	61,878
Retained Earnings at Beginning of Year	32,867	32,867	0	120,455	120,455	0
Decertification of prior year encumbrances	145	145	0	5,947	5,947	0
Retained Earnings at End of Year	\$ 82,867	\$ 71	\$ (82,796)	\$ 124,896	\$ 186,774	\$ 61,878

City of Cuyahoga Falls, Ohio
Combining Schedule of Revenues, Expenses and Changes in Retained Earnings -
Budget and Actual (Non-GAAP Budgetary Basis) - All Internal Service Funds
Year Ended December 31, 1999

	Information Services			Workers' Compensation		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 975,699	\$ 813,053	\$ (162,646)	\$ 975,116	\$ 729,268	\$ (245,848)
Other	0	1,315	1,315	0	256,045	256,045
Total Operating Revenues	975,699	814,368	(161,331)	975,116	985,315	10,197
Operating Expenses						
Personal services	304,730	298,952	5,778	0	0	0
Fringe benefits	113,440	104,396	9,044	690,000	613,552	76,448
Materials and supplies	34,191	29,712	4,479	0	0	0
Utilities	5,100	4,563	537	0	0	0
Contractual services	115,366	101,902	13,464	32,700	33,760	(1,060)
Internal charges	6,900	4,741	2,159	0	0	0
Other	115,433	105,251	10,182	77,002	59,460	17,542
Capital outlay	193,500	190,548	2,952	0	0	0
Total Operating Expenses	888,660	840,065	48,595	799,702	706,772	92,930
Operating Income (Loss)	87,039	(25,697)	(112,736)	175,414	278,541	103,127
Nonoperating Revenues (Expenses)						
Interest earnings	0	0	0	0	259,016	259,016
Debt Service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Nonoperating Revenues (Expenses)	0	0	0	0	259,016	259,016
Net Income (Loss)	87,039	(25,697)	(112,736)	175,414	537,557	362,143
Retained Earnings at Beginning of Year	85,097	85,097	0	5,324,914	5,324,914	0
Decertification of prior year encumbrances	3,720	3,720	0	6,893	6,893	0
Retained Earnings at End of Year	\$ 175,856	\$ 63,120	\$ (112,736)	\$ 5,507,221	\$ 5,869,364	\$ 362,143

	Compensated Absences			Totals - All Internal Service Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 756,061	\$ 756,061	\$ 0	\$ 8,964,915	\$ 8,188,076	\$ (776,839)
Other	0	0	0	0	267,069	267,069
Total Operating Revenues	756,061	756,061	0	8,964,915	8,455,145	(509,770)
Operating Expenses						
Personal services	400,000	367,707	32,293	1,699,635	1,662,412	37,223
Fringe benefits	0	0	0	4,254,684	4,113,026	141,658
Materials and supplies	0	0	0	691,979	605,050	86,929
Utilities	0	0	0	33,500	26,132	7,368
Contractual services	0	0	0	246,416	234,272	12,144
Internal charges	0	0	0	551,420	423,589	127,831
Other	0	0	0	529,420	513,706	15,714
Capital outlay	0	0	0	255,702	251,434	4,268
Total Operating Expenses	400,000	367,707	32,293	8,262,756	7,829,621	433,135
Operating Income (Loss)	356,061	388,354	32,293	702,159	625,524	(76,635)
Nonoperating Revenues (Expenses)						
Interest earnings	0	0	0	0	259,016	259,016
Debt Service						
Principal	0	0	0	(4,068)	(4,068)	0
Interest	0	0	0	(460)	(460)	0
Total Nonoperating Revenues (Expenses)	0	0	0	(4,528)	254,488	259,016
Net Income (Loss)	356,061	388,354	32,293	697,631	880,012	182,381
Retained Earnings at Beginning of Year	21,870	21,870	0	5,602,324	5,602,324	0
Decertification of prior year encumbrances	0	0	0	72,937	72,937	0
Retained Earnings at End of Year	\$ 377,931	\$ 410,224	\$ 32,293	\$ 6,372,892	\$ 6,555,273	\$ 182,381

CITY OF CUYAHOGA FALLS, OHIO

Trust and Agency Funds

Trust and agency funds are established to account for assets received and held by the City acting in a trustee capacity and/or in the capacity of an agent or custodian. These include a non-expendable trust fund and agency funds.

The trust and agency funds are:

NON-EXPENDABLE TRUST FUND

Cemetery Perpetual Care

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.

AGENCY FUNDS

Treasury

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

Employee Withholding

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

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.

Municipal Court

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

City of Cuyahoga Falls, Ohio
Combining Balance Sheet
Trust and Agency Funds
December 31, 1999

	Non- expendable Trust Fund	Agency Funds						Totals
	Cemetery Perpetual Care	Treasury	State Cases Fines and Forfeitures	Employee Withholding	Guarantee Deposits	Unclaimed Monies	Municipal Court	
ASSETS								
Equity in pooled cash and cash equivalents	\$ 0	671,219	2,869	208,755	935,631	29,759		\$ 1,848,233
Investments		39,033	167	12,140	54,410	1,730		107,480
Cash and cash equivalents - restricted accounts	58,031						388,640	446,671
Investments - restricted accounts	95,000							95,000
Due from other funds		160,257	1,286					161,543
Advances to other funds		238,000						238,000
TOTAL ASSETS	\$ 153,031	\$ 1,108,509	\$ 4,322	\$ 220,895	\$ 990,041	\$ 31,489	\$ 388,640	\$ 2,896,927
LIABILITIES AND FUND EQUITY								
Liabilities								
Due to other funds	\$			39,110	91,856		173,532	\$ 304,498
Due to other governments		1,108,509	4,322	181,785			97,836	1,392,452
Deposits held and due to others					898,185	31,489	117,272	1,046,946
Total Liabilities	0	1,108,509	4,322	220,895	990,041	31,489	388,640	2,743,896
Fund Equity								
Fund Balance:								
Reserved for cemetery perpetual care	153,031							153,031
Total Fund Equity	153,031	0	0	0	0	0	0	153,031
TOTAL LIABILITIES AND FUND EQUITY	\$ 153,031	\$ 1,108,509	\$ 4,322	\$ 220,895	\$ 990,041	\$ 31,489	\$ 388,640	\$ 2,896,927

City of Cuyahoga Falls, Ohio
Combining Statement of Changes in Assets and Liabilities -
All Agency Funds
for the Year Ended December 31, 1999

	January 1, 1999	Additions	Deductions	December 31, 1999
Treasury				
Assets				
Equity in pooled cash and cash equivalents	\$ 562,505	\$ 671,219	\$ (562,505)	\$ 671,219
Investments	0	39,033	0	39,033
Due from other funds	140,598	4,113,738	(4,094,079)	160,257
Advances to other funds	297,500	0	(59,500)	238,000
Total Assets	\$ 1,000,603	\$ 4,823,990	\$ (4,716,084)	\$ 1,108,509
Liabilities				
Due to other governments	\$ 989,019	\$ 4,127,320	\$ (4,007,830)	\$ 1,108,509
Deposits held and due to others	11,584	0	(11,584)	0
Total Liabilities	\$ 1,000,603	\$ 4,127,320	\$ (4,019,414)	\$ 1,108,509
State Cases Fines and Forfeitures:				
Assets				
Equity in pooled cash and cash equivalents	\$ 5,696	\$ 2,869	\$ (5,696)	\$ 2,869
Investments	0	167	0	167
Due from other funds	2,078	15,457	(16,249)	1,286
Total Assets	\$ 7,774	\$ 18,493	\$ (21,945)	\$ 4,322
Liabilities				
Due to other governments	\$ 7,774	\$ 15,457	\$ (18,909)	\$ 4,322
Total Liabilities	\$ 7,774	\$ 15,457	\$ (18,909)	\$ 4,322
Employee Withholding:				
Assets				
Equity in pooled cash and cash equivalents	\$ 200,962	\$ 208,755	\$ (200,962)	\$ 208,755
Investments	0	12,140	0	12,140
Due from other funds	0	0	0	0
Total Assets	\$ 200,962	\$ 220,895	\$ (200,962)	\$ 220,895
Liabilities				
Due to other funds	\$ 36,737	\$ 497,006	\$ (494,633)	\$ 39,110
Due to other governments	164,149	7,096,222	(7,078,586)	181,785
Deposits held and due to others	76	16,713,614	(16,713,690)	0
Total Liabilities	\$ 200,962	\$ 24,306,842	\$ (24,286,909)	\$ 220,895
Guarantee Deposits				
Assets				
Equity in pooled cash and cash equivalents	\$ 920,718	\$ 935,631	\$ (920,718)	\$ 935,631
Investments	0	0	54,410	54,410
Due from other funds	0	0	0	0
Total Assets	\$ 920,718	\$ 935,631	\$ (866,308)	\$ 990,041
Liabilities				
Due to other funds	\$ 56,856	35,000	0	\$ 91,856
Deposits held and due to others	863,862	659,603	(625,280)	898,185
Total Liabilities	\$ 920,718	\$ 694,603	\$ (625,280)	\$ 990,041

(Continued)

City of Cuyahoga Falls, Ohio
Combining Statement of Changes in Assets and Liabilities -
All Agency Funds
for the Year Ended December 31, 1999

	January 1, 1999	Additions	Deductions	December 31, 1999
Unclaimed Monies:				
Assets				
Equity in pooled cash and cash equivalents	\$ 23,817	\$ 29,759	\$ (23,817)	\$ 29,759
Investments	0	1,730	0	1,730
Due from other funds	0	0	0	0
Total Assets	\$ 23,817	\$ 31,489	\$ (23,817)	\$ 31,489
Liabilities				
Deposits held and due to others	\$ 23,817	\$ 17,444	\$ (9,772)	\$ 31,489
Total Liabilities	\$ 23,817	\$ 17,444	\$ (9,772)	\$ 31,489
Municipal Court:				
Assets				
Cash and cash equivalents - restricted accounts	\$ 398,858	\$ 388,640	\$ (398,858)	\$ 388,640
Investments - restricted accounts	0	0	0	0
Accrued interest	0	0	0	0
Total Assets	\$ 398,858	\$ 388,640	\$ (398,858)	\$ 388,640
Liabilities				
Due to other funds	\$ 185,457	\$ 2,113,961	\$ (2,125,931)	\$ 173,487
Due to other governments	103,961	1,119,991	(1,126,116)	97,836
Deposits held and due to others	109,440	1,128,696	(1,120,819)	117,317
Total Liabilities	\$ 398,858	\$ 4,362,648	\$ (4,372,866)	\$ 388,640
Total - All Agency Funds:				
Assets				
Equity in pooled cash and cash equivalents	\$ 1,713,698	\$ 1,848,233	\$ (1,713,698)	\$ 1,848,233
Investments	0	53,070	54,410	107,480
Cash and cash equivalents - restricted accounts	398,858	388,640	(398,858)	388,640
Due from other funds	142,676	4,129,195	(4,110,328)	161,543
Advances to other funds	297,500	0	(59,500)	238,000
Total Assets	\$ 2,552,732	\$ 6,419,138	\$ (6,227,974)	\$ 2,743,896
Liabilities				
Due to other funds	\$ 279,050	\$ 2,645,967	\$ (2,620,564)	\$ 304,453
Due to other governments	1,264,903	12,358,990	(12,231,441)	1,392,452
Deposits held and due to others	1,008,779	18,519,357	(18,481,145)	1,046,991
Total Liabilities	\$ 2,552,732	\$ 33,524,314	\$ (33,333,150)	\$ 2,743,896

CITY OF CUYAHOGA FALLS, OHIO

General Fixed Assets Account Group

To account for the general fixed assets of the City other than those accounted for in the proprietary funds.

City of Cuyahoga Falls, Ohio
Schedule of General Fixed Assets by Source
December 31, 1999

General Fixed Assets:	1999
Land	\$ 5,165,723
Buildings	13,716,567
Equipment	15,394,661
Total General Fixed Assets	\$ 34,276,951
Investment in General Fixed Assets from:	
Capital Projects Funds:	
General Obligation Bonds/Notes	\$ 9,528,027
Federal Grants	1,711,692
Capital Project Levy	9,737,125
General Fund Revenues	7,825,194
Special Revenue Fund Revenues	4,505,569
Gifts	968,144
Other	1,200
Total Investment in General Fixed Assets	\$ 34,276,951

City of Cuyahoga Falls, Ohio
Schedule of General Fixed Assets by Function and Activity
December 31, 1999

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Security of Persons and Property				
Fire safety	\$ 20,222	\$ 2,155,295	\$ 3,973,549	\$ 6,149,066
Police protection	0	2,749,606	3,341,590	6,091,196
Safety communications and traffic control	0	27,498	210,413	237,911
Building security	0	1,315	91,515	92,830
Total Security of Persons and Property	20,222	4,933,714	7,617,067	12,571,003
Leisure Time Activities				
Parks and recreation	2,500,312	825,399	1,948,791	5,274,502
Community Development				
Mall	378,591	139,447	12,295	530,333
Community and economic development	0	0	56,248	56,248
Total Community Development	378,591	139,447	68,543	586,581
Transportation				
Street construction, maintenance and repair	75,000	484,985	3,996,057	4,556,042
General Government				
Mayor's office	0	3,200	26,260	29,460
Finance administration	0	0	49,096	49,096
Legal administration	0	0	60,712	60,712
Service administration	0	0	22,588	22,588
Court administration	0	152,836	347,765	500,601
Engineering	0	0	225,209	225,209
Other administration	2,191,598	7,176,986	1,032,573	10,401,157
Total General Government	2,191,598	7,333,022	1,764,203	11,288,823
Total General Fixed Assets	\$ 5,165,723	\$ 13,716,567	\$ 15,394,661	\$ 34,276,951

City of Cuyahoga Falls, Ohio
Schedule of Changes in General Fixed Assets by Function and Activity
for the Year Ended December 31, 1999

	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
<i>Security of Persons and Property</i>				
Fire safety	\$ 5,240,870	\$ 908,214	\$ 18	\$ 6,149,066
Police protection	5,997,099	180,510	86,412	6,091,197
Safety communications and traffic control	214,553	23,357	0	237,910
Building security	91,922	29,418	28,510	92,830
Total Security of Persons and Property	11,544,443	1,141,499	114,940	12,571,003
<i>Leisure Time Activities</i>				
Parks and recreation	4,301,115	978,434	5,047	5,274,502
<i>Community Development</i>				
Mall	532,546	0	2,213	530,333
Community and economic development	43,785	23,525	11,062	56,248
Total Community Development	576,331	23,525	13,275	586,581
<i>Transportation</i>				
Street construction, maintenance and repair	4,281,749	366,328	92,034	4,556,043
<i>General Government</i>				
Mayor's office	8,884	20,576	0	29,460
Finance administration	47,005	4,422	2,331	49,096
Legal administration	54,016	7,450	754	60,712
Service administration	22,588	0	0	22,588
Court administration	390,465	110,776	640	500,601
Engineering	190,593	34,902	285	225,210
Other administration	10,361,079	49,746	9,668	10,401,157
Total General Government	11,074,629	227,872	13,678	11,288,824
Total General Fixed Assets	\$ 31,778,267	\$ 2,737,658	\$ 238,974	\$ 34,276,951

STATISTICAL SECTION

City of Cuyahoga Falls, Ohio
Governmental and Expendable Trust Fund Revenues
by Source and Expenditures by Function
Last Ten Years

	1990	1991	1992	1993
Revenues:				
Property taxes	\$ 5,123,957	\$ 5,578,759	\$ 5,688,189	\$ 5,755,357
Municipal income taxes	7,166,205	7,609,758	7,780,597	8,759,066
Other local taxes	162,942	157,280	161,842	212,524
State levied shared taxes	3,754,946	3,571,109	3,853,217	3,986,054
Intergovernmental	910,193	487,603	611,464	503,524
Charges for services	1,654,363	1,858,606	2,926,144	4,165,026
Fees, licenses, and permits	472,783	449,811	480,697	503,498
Interest earnings	1,630,807	939,352	1,175,280	858,876
Fines and forfeitures	1,064,940	1,180,753	730,592	468,581
Special assessments	228,178	361,308	245,637	289,355
Reimbursement from library	196,394	135,375	123,335	161,790
All other revenues	225,299	397,741	440,720	516,949
Total Revenues	\$ 22,591,007	\$ 22,727,455	\$ 24,217,714	\$ 26,180,600
Expenditures:				
Current				
Security of persons and property	\$ 9,832,120	\$ 10,259,850	\$ 11,077,786	\$ 11,942,600
Leisure time activities	1,318,353	1,393,371	1,254,749	1,410,708
Community environment	1,230,255	1,043,810	1,013,633	929,217
Street maintenance	2,218,217	2,707,661	2,655,718	2,691,178
General government	5,038,051	4,838,514	5,566,771	5,253,420
Capital outlay	4,223,340	7,238,572	2,179,525	4,066,920
Debt service				
Principal	819,944	201,995	6,934,869	6,980,055
Interest	346,133	493,519	573,311	542,048
Total Expenditures	\$ 25,026,413	\$ 28,177,292	\$ 31,256,362	\$ 33,816,146

Table 1

	1994	1995	1996	1997	1998	1999
\$	6,344,680	\$ 6,567,339	\$ 6,536,994	\$ 7,857,144	\$ 8,031,254	\$ 7,714,820
	8,933,714	9,339,556	11,120,550	13,446,137	14,500,651	16,156,494
	425,597	226,938	240,381	198,924	298,904	194,272
	4,057,787	5,329,327	5,291,384	5,237,468	6,060,321	6,131,671
	458,929	532,700	320,618	2,281,223	268,258	1,360,746
	3,910,632	3,940,334	4,087,755	4,035,989	4,486,240	5,567,613
	650,455	689,178	737,115	799,855	806,471	856,187
	724,634	2,072,120	1,536,728	1,789,252	1,694,422	1,521,632
	486,152	493,416	546,949	499,955	462,875	383,094
	302,309	367,271	260,868	252,243	230,496	219,473
	156,625	104,150	0	0	0	0
	191,441	216,670	285,059	279,666	782,317	326,587
\$	26,642,955	\$ 29,878,999	\$ 30,964,401	\$ 36,677,856	\$ 37,622,209	\$ 40,434,589
\$	11,985,570	\$ 12,141,098	\$ 12,488,478	\$ 13,715,574	\$ 14,117,870	\$ 15,251,595
	1,254,404	1,436,819	1,530,117	1,708,791	1,861,194	1,914,306
	892,479	1,181,449	872,339	839,459	983,711	835,905
	2,607,416	2,836,136	2,985,201	3,109,479	2,762,226	3,371,078
	5,858,561	5,705,428	6,187,188	6,579,934	6,918,540	7,130,996
	2,241,450	2,682,565	4,052,839	13,222,482	11,100,828	7,453,286
	7,002,360	12,882,962	818,698	892,396	1,127,844	1,488,706
	454,153	859,774	613,098	603,696	928,230	830,977
\$	32,296,393	\$ 39,726,231	\$ 29,547,958	\$ 40,671,811	\$ 39,800,443	\$ 38,276,849

Table 2

**City of Cuyahoga Falls, Ohio
Property Tax Levies and Collections
Real and Public Utility Property
Last Ten Years**

Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collections	Current Collections to Current Levy	Delinquent Collections	Total Collections	Total Collections to Total Levy
1990	\$ 4,989,267	\$ 516,947	\$ 5,506,214	\$ 4,716,344	94.53 %	\$ 168,818	\$ 4,885,162	88.72 %
1991	5,568,299	381,762	5,950,061	5,303,685	95.25	139,296	5,442,981	91.48
1992	5,623,208	437,388	6,060,596	5,425,186	96.48	182,536	5,607,722	92.53
1993	5,685,058	421,917	6,106,975	5,535,347	97.37	179,404	5,714,751	93.58
1994	6,323,587	387,073	6,710,660	6,151,819	97.28	206,501	6,358,320	94.75
1995	6,437,786	276,844	6,714,630	6,280,729	97.56	183,838	6,464,567	96.28
1996	6,485,885	280,842	6,766,727	6,308,563	97.27	143,001	6,451,564	95.34
1997	7,960,459	303,852	8,264,311	7,745,412	97.30	210,340	7,955,752	96.27
1998	8,054,733	305,165	8,359,898	7,826,491	97.17	184,898	8,011,389	95.83
1999	7,762,075	276,739	8,038,814	7,552,558	97.30	205,177	7,757,735	96.50

Source: Summit County Auditor's Office

Table 3

**City of Cuyahoga Falls, Ohio
Property Tax Levies and Collections
Tangible Personal Property
Last Ten Years**

Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collections	Current Collections to Current Levy	Delinquent Collections	Total Collections	Total Collections to Total Levy
1990	\$ 803,331	\$ 155,559	\$ 958,890	\$ 781,896	97.33 %	\$ 32,762	\$ 814,658	84.96 %
1991	718,030	207,545	925,575	692,855	96.49	45,824	738,679	79.81
1992	686,594	241,782	928,376	671,270	97.77	65,608	736,878	79.37
1993	686,577	180,849	867,426	633,803	92.31	65,265	699,068	80.59
1994	707,434	128,285	835,719	694,385	98.16	24,939	719,324	86.07
1995	824,652	131,793	956,445	810,753	98.31	33,982	844,735	88.32
1996	836,101	96,838	932,939	828,075	99.04	36,464	864,539	92.67
1997	858,325	68,027	926,352	843,364	98.26	24,502	867,866	93.69
1998	937,970	103,057	1,041,027	928,229	98.96	50,300	978,529	94.00
1999	906,831	80,556	987,387	891,560	98.32	35,722	927,282	93.91

Source: Summit County Auditor's Office

Table 4

City of Cuyahoga Falls, Ohio
Special Assessments Levied and Collected
Last Ten Years

Year	Assessments Levied	Current Assessments Collected	Current		Total Assessments Collected
			Collections to Assessments Levied	Delinquent Assessments Collected	
1990	\$ 188,851	\$ 179,299	94.94 %	\$ 3,935	\$ 183,234
1991	185,832	174,901	94.12	9,647	184,548
1992	400,432	244,005	60.94	3,118	247,123
1993	229,590	225,484	98.21	63,578	289,062
1994	225,589	220,315	97.66	75,068	295,383
1995	228,805	225,042	98.36	71,204	296,246
1996	240,583	233,162	96.92	15,948	249,110
1997	266,684	261,422	98.03	7,884	269,306
1998	226,096	223,606	98.90	5,548	229,154
1999	216,396	213,152	98.50	4,603	217,755

Note: Assessment of \$157,554 in 1992 was amended to a payment plan.
This schedule reflects only those assessments levied/collected through Summit County.

Table 5

City of Cuyahoga Falls, Ohio
Assessed and Estimated Actual
Value of Taxable Property
Last Ten Years

Collection Year	Real Property		Public Utility Property	Tangible Personal Property	Total Assessed
	Estimated Value	Assessed Value	Assessed Value	Assessed Value	Value
1990	\$ 1,077,288,743	\$ 377,051,060	\$ 26,765,360	\$ 62,216,711	\$ 466,033,131
1991	1,282,361,286	448,826,450	25,477,660	59,367,973	533,672,083
1992	1,308,878,600	458,107,510	26,870,410	57,046,477	542,024,397
1993	1,298,825,286	454,388,850	26,944,080	57,073,666	538,606,596
1994	1,459,496,686	510,823,840	27,417,670	58,811,798	597,053,308
1995	1,479,535,000	517,837,250	30,573,390	68,584,628	616,995,268
1996	1,499,319,914	524,761,970	25,298,060	69,549,946	619,609,976
1997	1,883,647,943	659,276,780	24,102,670	71,362,159	754,741,609
1998	1,915,310,686	670,358,740	23,803,960	78,015,398	772,178,098
1999	1,963,624,971	687,268,740	23,638,670	82,647,099	793,554,509

Notes: The current assessed valuation is computed at approximately the following percentages of estimated true value;
real property - 35 percent; public utilities - 100 percent; tangible personal property - 25 percent.

Source: Summit County Auditor's Office

Table 6

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

SCHOOL DISTRICT	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
CUYAHOGA FALLS CITY										
City of Cuyahoga Falls										
General Fund	\$ 10.40	\$ 10.40	\$ 10.40	\$ 10.40	\$ 10.40	\$ 10.40	\$ 10.40	\$ 10.40	\$ 10.40	\$ 10.40
Police Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Parks and Recreation	1.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Total City of Cuyahoga Falls	12.80	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	11.00
Cuyahoga Falls City School District	48.69	48.34	54.16	54.18	54.10	53.98	53.98	53.83	53.83	57.63
Summit County	12.34	12.59	12.59	12.59	12.31	14.16	13.99	11.65	11.65	12.27
Akron Metro Regional Transit Authority	1.90	0.00	0.00	0.00	0.00	0.00	0	0	0	0
Total	\$ 75.73	\$ 72.93	\$ 78.75	\$ 78.77	\$ 78.41	\$ 80.14	\$ 79.97	\$ 77.48	\$ 77.48	\$ 80.90
WOODRIDGE LOCAL										
City of Cuyahoga Falls										
General Fund	\$ 10.40	\$ 10.40	\$ 10.40	\$ 10.40	\$ 10.40	\$ 10.40	10.40	10.40	10.40	10.40
Police Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Parks and Recreation	1.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Total City of Cuyahoga Falls	12.80	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	11.00
Woodridge Local School District	39.91	39.91	39.91	43.56	43.46	48.96	46.81	46.41	46.41	50.46
Summit County	12.34	12.59	12.59	12.59	12.31	14.16	13.99	11.65	11.65	12.27
Akron Metro Regional Transit Authority	1.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Akron Summit County Library District	0.89	0.89	0.89	0.89	0.89	0.89	0.89	1.87	1.87	1.39
Total	\$ 55.04	\$ 65.39	\$ 65.39	\$ 69.04	\$ 68.66	\$ 76.01	\$ 73.69	\$ 71.93	\$ 71.93	\$ 75.12

Notes: The City's Parks and Recreation levies are listed at the maximum rate, subject to Ohio House Bill 920.
Akron Metropolitan Regional Transit Authority no longer levies a property tax.
Levies for other school districts (1999); Hudson LSD-99.40; Stow CSD-69.71; Revere LSD-80.67.
The Cuyahoga Valley Joint Vocational School District levies an additional 2.00 for Revere LSD.

Source: Summit County Auditor's Office

Table 7

City of Cuyahoga Falls, Ohio
Ratio of General Bonded Debt to Assessed
Value and Net Bonded Debt Per Capita
Last Ten Years

Year	Population *	Assessed Value	Gross General Bonded Debt **	Less Balance In Debt Service Fund	Less Debt Payable from Enterprise Revenue	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1990	48,950	\$ 466,033,131	\$ 18,483,726	\$ 2,417,702	\$ 9,722,805	\$ 6,343,219	1.36 %	129.59
1991	48,950	533,672,083	21,175,314	1,085,291	9,505,854	10,584,169	1.98	216.22
1992	48,950	542,024,197	21,894,000	548,170	10,636,341	10,709,489	1.98	218.78
1993	48,950	538,606,596	20,940,000	448,995	10,279,268	10,211,737	1.90	208.62
1994	48,950	597,053,308	19,985,000	431,896	9,888,415	9,664,689	1.62	197.44
1995	48,950	616,995,268	20,045,000	437,439	10,079,266	9,528,295	1.54	194.65
1996	48,950	619,609,976	22,953,267	387,090	13,443,290	9,122,887	1.47	186.37
1997	48,950	754,741,609	31,430,597	297,333	17,246,270	13,886,994	1.84	283.70
1998	48,950	772,178,098	34,627,926	290,686	20,078,287	14,258,953	1.85	291.30
1999	48,950	793,554,509	35,519,093	185,039	19,917,579	15,416,475	1.94	314.94

Notes: * All figures estimated by the City's Planning Department, except for U.S. Census in 1990.

** Includes bond anticipation notes.

Table 8

City of Cuyahoga Falls, Ohio
Computation of Direct and Overlapping Debt
December 31, 1999

Political Subdivision	Assessed Valuation	Values Within City Boundary	Percent Overlapping	Net Debt Outstanding	Applicable Amount to City
Municipal Corporation:					
City of Cuyahoga Falls	\$ 793,554,509	\$ 793,554,509	100.00 %	\$ 33,197,000	\$ 33,197,000
School Districts:					
Cuyahoga Falls City School District	643,121,824	573,874,104	89.23	1,200,000	1,070,791
Woodridge Local School District	352,616,851	207,089,489	58.73	452,205	265,577
Stow City School District	689,131,984	1,295,786	0.19	2,542,000	4,780
Hudson Local School District	723,322,043	3,607,640	0.50	1,464,034	7,302
Revere Local School District	614,420,128	7,687,490	1.25	0	0
Cuyahoga Valley Joint Vocational School District	1,887,209,125	7,687,490	0.41	0	0
County Unit:					
Summit County	9,412,700,474	793,554,509	8.43	137,850,000	11,621,690
Other Units:					
Akron Metro Regional Transit Authority	9,412,700,474	793,554,509	8.43	2,225,000	187,583
Akron-Summit County Library District	6,323,991,889	214,776,979	3.40	0	0
Metro Parks	8,773,865,113	8,770,865,113	99.97	0	0
Total Direct and Overlapping Debt					\$ 46,354,722

Note: The percentage of debt outstanding applicable to the City was determined by dividing each jurisdiction's assessed valuation with the City by the jurisdiction's total assessed valuation.

Source: Summit County Auditor's Office

Table 9

**City of Cuyahoga Falls, Ohio
Computation of Legal Debt Margin
December 31, 1999**

Total of all City Debt Outstanding*	\$ 35,573,564
Debt exempt from calculation:	
Self-supporting as defined in R.C. 133.05	
General Sewer and Sanitary Sewer Improvements	\$ 4,565,374
Water Utility	7,368,365
Electric Utility	3,031,639
Recreation Facilities	5,006,672
Special Assessment bonds and notes issued in anticipation of the levy or collection of special assessments	2,524,195
Total exempt Debt	22,496,245
Net indebtedness (voted and unvoted) subject to 10.5% debt limitation	13,077,319
Less applicable Debt Service Fund	185,039
Net indebtedness subject to 10.5% debt limitation	\$ 12,892,280
Net indebtedness (unvoted) subject to 5.5% debt limitation	13,077,319
Less applicable Debt Service Fund	185,039
Net indebtedness subject to 5.5% debt limitation	\$ 12,892,280
Assessed valuation of City (based on 1998 collections)	\$ 793,554,509
Legal 10.5% Debt Margin	
10.5% of valuation (maximum voted and unvoted general obligation debt limitation)	\$ 83,323,223
Net indebtedness outstanding subject to 10.5% debt limitation	(12,892,280)
Legal 10.5% Margin	\$ 70,430,943
Legal 5.5% Debt Margin	
5.5% of valuation (maximum unvoted general obligation debt allowed)	\$ 43,645,498
Net indebtedness outstanding subject to 5.5% debt limitation	(12,892,280)
Legal 5.5% Margin	\$ 30,753,218

*Includes OPWC Loan of \$54,471.

Note: Compensation of Legal Debt Margin is based on Section 133, the Uniform Public Securities Law of the Ohio Revised Code.

Table 10

City of Cuyahoga Falls, Ohio
Ratio of Annual Debt Service Expenditures for General Bonded Debt to
Total Governmental and Expendable Trust Fund Type Expenditures
Last Ten Years

Year	Principal	Interest	Debt Service on General Bonded Debt	Total Governmental and Expendable Trust Fund Type Expenditures	Ratio
1990	\$ 184,619	\$ 333,457	\$ 518,076	\$ 25,026,413	2.07
1991	1,269,912	495,656	1,765,568	28,177,292	6.27
1992	411,802	576,962	988,764	31,256,362	3.16
1993	596,927	539,838	1,136,765	33,816,146	3.36
1994	564,146	414,950	979,096	32,296,393	3.03
1995	615,244	943,236	1,558,480	39,726,231	3.92
1996	455,757	548,736	1,004,493	29,547,958	3.40
1997	475,650	523,421	999,072	40,670,566	2.46
1998	659,688	830,292	1,489,980	39,800,443	3.74
1999	683,124	752,184	1,435,308	38,505,390	3.73

Notes: Includes all general obligation bonds except for bonds intended to be paid from enterprise revenues.
Debt service amounts were determined on a cash basis.

Table 11

City of Cuyahoga Falls, Ohio
Property Values and Construction Activity
Last Ten Years

Year	Estimated Property Value	Value of Building Permits Issued
1990	\$ 1,077,288,743	\$ 29,030,939
1991	1,282,361,286	25,006,923
1992	1,308,878,600	25,307,671
1993	1,298,825,286	31,583,968
1994	1,459,496,686	38,578,165
1995	1,479,535,000	39,370,553
1996	1,499,319,914	40,328,297
1997	1,883,647,943	66,395,696
1998	1,915,310,686	45,248,360
1999	1,963,624,971	59,986,495

Sources: Building Permits-City of Cuyahoga Falls, Building Department.
Estimated Property Value - Summit County Auditor's Office.

Table 12

City of Cuyahoga Falls, Ohio
Enterprise Fund Bond 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	
1990	\$ 3,266,981	\$ 3,266,365	\$ 616	\$ 135,000	\$ 70,688	\$ 205,688	0.00
1991	3,481,219	2,754,400	726,819	130,000	59,775	189,775	3.83
1992	3,053,632	3,256,540	(202,908)	130,000	49,100	179,100	(1.13)
1993	3,676,340	3,839,470	(163,130)	130,000	38,425	168,425	(0.97)
1994	3,795,395	3,864,878	(69,483)	100,000	27,750	127,750	(0.54)
1995	3,885,171	3,926,643	(41,472)	100,000	18,500	118,500	(0.35)
1996	4,403,640	3,818,349	585,291	100,000	9,250	109,250	5.36
1997	4,195,043	4,121,156	73,887	0	59,500	59,500	1.24
1998	4,275,018	3,812,478	462,540	74,395	149,578	223,973	2.07
1999	5,405,172	4,198,092	1,207,080	159,114	209,657	368,771	3.27

ELECTRIC FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1990	\$ 18,407,769	\$ 17,308,929	\$ 1,098,840	\$ 0	\$ 284,193	\$ 284,193	3.87
1991	19,099,877	17,347,488	1,752,389	100,000	284,192	384,192	4.56
1992	17,282,537	16,875,725	406,812	110,000	278,142	388,142	1.05
1993	18,262,029	17,831,668	430,361	115,000	271,378	386,378	1.11
1994	19,456,039	17,294,790	2,161,249	120,000	264,190	384,190	5.63
1995	20,207,042	19,001,535	1,205,507	145,000	245,719	390,719	3.09
1996	22,269,656	19,199,774	3,069,882	170,000	211,260	381,260	8.05
1997	22,604,783	19,087,733	3,517,050	180,000	201,055	381,055	9.23
1998	25,026,429	21,152,014	3,874,415	190,000	188,125	378,125	10.25
1999	27,091,588	22,522,038	4,569,550	205,000	174,190	379,190	12.05

LEISURE TIME FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1990	\$ 1,719,489	\$ 1,793,599	\$ (74,110)	\$ 103,171	\$ 288,672	\$ 391,843	(0.23)
1991	1,735,172	1,674,291	60,881	96,951	320,898	417,849	0.19
1992	2,237,315	2,299,647	(62,332)	104,512	283,974	388,486	(0.16)
1993	2,391,938	2,405,415	(13,477)	112,073	318,799	430,872	0.00
1994	2,500,552	2,378,623	121,929	170,854	283,678	454,532	0.27
1995	2,257,133	2,322,281	(65,148)	134,756	318,527	453,283	(0.14)
1996	2,283,626	2,353,667	(70,041)	260,243	332,335	592,578	(0.12)
1997	2,457,632	2,537,248	(79,616)	271,349	317,691	589,040	(0.14)
1998	3,007,942	3,208,048	(200,106)	281,788	301,922	583,710	(0.34)
1999	3,127,357	3,282,275	(154,918)	294,667	285,355	580,022	(0.27)

WATER							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1993	\$ 2,929,633	\$ 2,280,972	\$ 648,661	\$ 0	\$ 0	\$ 0	N/A
1994	3,018,444	2,684,285	334,159	0	0	0	N/A
1995	2,955,553	2,764,267	191,286	0	0	0	N/A
1996	3,086,075	2,487,104	598,971	0	0	0	N/A
1997	3,473,579	2,731,122	742,457	0	52,889	52,889	14.04
1998	3,573,260	3,042,858	530,402	66,129	132,957	199,086	2.66
1999	5,099,136	3,284,575	1,814,561	236,094	301,752	537,846	3.37

Notes:

The Water Fund did not incur debt service for the years 1990 through 1996.

Debt Service requirements are reported on a cash basis.

Operating revenues and expenses are reported on a GAAP basis.

Table 13

**City of Cuyahoga Falls, Ohio
Principal Property Taxpayers
December 31, 1999**

Name of Taxpayer	Nature of Business	Assessed Valuation	Percentage of Assessed Valuation by Category
Real Property:			
Newpart LP	Residential real estate holdings	7,086,370	1.03
Yorkshire Woods Apartments	Real estate holdings	5,783,820	0.84
State Road Associates	Real estate holdings	4,697,550	0.68
Plaza Chapel Hill Co.	Shopping Plaza	3,129,530	0.46
Heslop, Inc.	Real estate holdings	3,626,680	0.53
Portage Towers	Real estate holdings	3,711,310	0.54
Dayton Hudson Corp. and Best Buy	Retail	2,974,000	0.43
Chateau Investment Co.	Real estate holdings	2,325,970	0.34
Damar Limited Partnership	Retail Shopping Center	2,149,640	0.31
532 Investment Co.	Real estate investment	1,796,340	0.26
Total		<u>\$ 37,281,210</u>	<u>5.42 %</u>
Total Assessed Valuation - Real		<u>\$ 687,268,740</u>	<u>86.61 %</u>
Tangible Personal Property (other than Public Utilities):			
Go Jo Industries	Chemical specialists	\$ 7,467,390	9.04 %
Associated Building Supplies	Aluminum products	3,619,520	4.38
Americhem	Chemical specialists	3,330,880	4.03
Prospect Mold & Die Co.	Manufacturer	2,979,780	3.61
JPS Packaging	Food packaging products	2,892,970	3.50
SGS Tool Co.	Carbide cutting tools	2,602,180	3.15
AKWLP	Manufacturer of aluminum wheels	1,969,020	2.38
Home Depot	Retail/Home Improvement	1,903,670	2.30
Lambert Buick	Car Dealer	1,767,750	2.14
Struktol Co. Of America	Specialty chemicals	1,673,830	2.03
Total		<u>\$ 30,206,990</u>	<u>36.55 %</u>
Total Assessed Valuation - Tangible Personal		<u>\$ 82,647,099</u>	<u>10.41 %</u>
Public Utilities (tangible personal property):			
Ohio Bell Telephone	Telephone utility	\$ 9,755,530	41.27 %
Ohio Edison	Electric utility	5,614,920	23.75
East Ohio Gas	Natural gas utility	4,719,090	19.96
Total		<u>\$ 20,089,540</u>	<u>84.99 %</u>
Total Assessed Valuation - Public Utilities		<u>\$ 23,638,670</u>	<u>2.98 %</u>
Total Assessed Valuation - All Categories		<u>\$ 793,554,509</u>	<u>100.00 %</u>

Source: Summit County Auditor's Office

Table 14

City of Cuyahoga Falls, Ohio
Income Tax Collections
Last Ten Years

Year	City Wage Tax Collected	City Personal Tax Collected	Total Tax Collected	Percent Increase (Decrease)
1990	\$ 5,450,570	\$ 1,893,543	\$ 7,344,113	4.65 %
1991	5,655,644	2,035,034	7,690,678	4.72
1992	6,028,567	1,892,831	7,921,398	3.00
1993	6,551,121	2,022,579	8,573,700	8.23
1994	7,009,546	2,095,322	9,104,868	6.20
1995	7,104,465	2,307,153	9,411,618	3.37
1996	8,358,245	2,612,035	10,970,280	16.56
1997	10,256,890	2,943,964	13,200,854	20.33
1998	10,845,293	3,603,877	14,449,170	9.46
1999	11,385,973	4,631,198	16,017,171	10.85

Source: Cuyahoga Falls Income Tax Department

Notes: All amounts were determined on a cash basis and represent gross collections.
 1990 through 1995 tax collections were reflective of 1.5% municipal tax rate.
 The municipal tax rate increased to 2.0 percent effective July 1, 1996.

Table 15

City of Cuyahoga Falls, Ohio
Income Tax Collections
Largest Employers for 1999

Employer	Type of Business	1999 City Wage Tax Collected	Percent of Total Wage Collections
GoJo Industries	Manufacturer	\$ 519,213	4.56 %
Cuyahoga Falls General Hospital	Hospital	488,270	4.29
City of Cuyahoga Falls	Government	483,031	4.24
Cuyahoga Falls Board of Education	Education	423,929	3.72
Alside	Manufacturer	341,240	3.00
Americhem	Chemical specialists	232,361	2.04
SGS Tool Co.	Tool manufacturer	193,197	1.70
Jaffe Packaging	Manufacturer	187,307	1.65
Air-Maze Corporation	Industrial filters	152,354	1.34
Ultra Forge	Manufacturer	137,024	1.20
Top Ten Withholding		\$ 3,157,926	27.74 %
Total Withholding		\$ 11,385,973	100.00 %

Note: All numbers were determined on a cash basis and represent gross collections.

Source: Cuyahoga Falls Income Tax Department

**City of Cuyahoga Falls, Ohio
Salaries of Principal Officials
and Union Agreements
December 31, 1999**

SALARIES OF PRINCIPAL OFFICIALS

Title	Annual Salary
Mayor	\$ 81,893
President of Council	13,103
Council Members (11)	12,284
Director of Law	73,774
Director of Finance	73,774
Director of Public Service	73,774
Director of Industrial & Community Development	73,774
Municipal Judge (\$91,650) (\$29,900 paid by State) (Remainder 40% paid by County) (Remainder 60% paid by City)	37,050
Presiding Judge (\$93,150) (\$29,900 paid by State) (Remainder 40% paid by County) (Remainder 60% paid by City)	37,950
Clerk of Courts (\$77,903) (40% paid by County) (60% paid by City)	46,741

UNION AGREEMENTS

Union	Members	Representing
American Federation of State, County and Municipal Employees (AFSCME) Effective: January 1, 1997 Expiration: December 31, 1999 Agreement Signed: May 13, 1997	172 Members	Cleaning/Maintenance Personnel Clerical Personnel Equipment Operators Inspectors/Aides Laborers
		Mechanics Meter Readers Refuse Collectors Technicians Water Utility Workers
Fraternal Order of Police - Ohio Labor Council, Inc. Effective: July 1, 1999 Expiration: June 30, 2002 Agreement Signed: September 29, 1999	11 Members	Dispatchers
International Association of Firefighters Local #494 Effective: July 1, 1999 Expiration: June 30, 2002 Agreement Signed: September 17, 1999	75 Members	Captains Firefighters Lieutenants
Fraternal Order of Police - Ohio Labor Council, Inc. Effective: July 1, 1999 Expiration: June 30, 2002 Agreement Signed: September 29, 1999	15 Members	Lieutenants Sergeants
Fraternal Order of Police - Ohio Labor Council, Inc. Effective: July 1, 1999 Expiration: June 30, 2002 Agreement Signed: September 29, 1999	70 Members	Community Service Officers Patrol Officers
Utility Workers of America Local #399 Effective: July 1, 1999 Expiration: June 30, 2002 Agreement Signed: November 10, 1999	35 Members	Draftsmen Electricians Equipment Operator Groundmen Linemen
		Metermen Stockkeeper Technician Utility Men

Table 17

**City of Cuyahoga Falls, Ohio
Summary of Building Permits
Last Ten Years**

Year	Residential		Commercial		Miscellaneous		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
1990	1,717	\$ 14,791,109	177	\$ 13,670,672	3,048	\$ 569,158	4,942	\$ 29,030,939
1991	1,490	9,391,134	195	14,831,421	2,974	784,368	4,659	25,006,923
1992	1,705	15,966,885	173	8,479,054	3,094	861,732	4,972	25,307,671
1993	1,592	15,776,283	196	15,083,884	3,154	723,801	4,942	31,583,968
1994	1,752	23,928,880	172	13,960,827	3,541	688,458	5,465	38,578,165
1995	1,572	16,569,711	181	21,745,059	3,044	1,055,783	4,797	39,370,553
1996	1,815	26,765,077	221	12,626,965	3,200	936,255	5,236	40,328,297
1997	1,722	30,450,552	203	33,775,487	3,121	2,169,657	5,046	66,395,696
1998	1,821	25,295,632	205	19,126,178	3,415	826,550	5,441	45,248,360
1999	1,860	34,649,869	245	24,038,050	3,540	1,298,576	5,645	59,986,495

Source: City of Cuyahoga Falls, Building Department

Table 18

**City of Cuyahoga Falls, Ohio
Schedule of Insurance Coverage
December 31, 1999**

Name of Carrier	Type of Coverage	Policy Period		Liability Limit	Annual Premium	Deductible
		From	To			
CNA Insurance Co.	Auto Liability and Comprehensive-	10/22/99	10/21/00	\$ 1,000,000	\$ 39,015	\$ 500
				combined single limit		
CNA Insurance Co.	Property-all locations	10/22/99	10/21/00	\$ 68,321,474	\$ 21,171	\$ 5,000
Selective Insurance Co.	Comprehensive General Liability	10/22/99	10/21/00	\$ 1,000,000	\$ 27,545	\$ 100,000
						self-insured retention
General Star National	Law Enforcement Liability-wrongful acts with regard to law enforcement	10/22/99	10/21/00	\$ 1,000,000	\$ 22,779	\$ 10,000
Selective Insurance Co.	Umbrella Excess Liability-bodily injury and property damage (follows general and auto liability)	10/22/99	10/21/00	\$ 10,000,000	\$ 19,424	
CNA Insurance	Boiler and Machinery-all locations	10/22/99	10/21/00	\$ 20,000,000	\$ 5,105	\$ 1,000
Continental Casualty Co.	Public Officials Liability	10/22/99	10/21/00	\$ 1,000,000	\$ 12,620	\$ 50,000

Table 19

City of Cuyahoga Falls, Ohio
Demographic Statistics
1950 - 1990

Year	Population	Dwelling Units	Occupied Dwelling Units/ Households	Persons Per Households	Owner occupied Housing Units Percentages	Median Family Income
1950	29,195	8,985	8,693	3.40	81.80%	\$ N/A
1960	47,922	14,192	13,732	3.37	83.18	7,738
1970	49,678	15,686	15,379	3.23	75.14	13,002
1980	43,890	17,371	16,749	2.62	69.80	22,466
1990	48,950	21,269	20,383	2.38	66.60	36,740

Notes: Population figures for 1950, 1960, 1970, 1980, and 1990 were provided by the U.S. Census Bureau.
 Median family income is not available for 1950.

Table 20

City of Cuyahoga Falls, Ohio
Age Distribution and Population
1970, 1980 and 1990

Age Bracket	1970		1980		1990	
	Population	Percent	Population	Percent	Population	Percent
0 - 4	4,316	8.70 %	2,812	6.40 %	3,525	7.20 %
5 - 9	5,065	10.20	2,873	6.60	3,377	6.90
10 - 14	5,280	10.60	3,213	7.30	3,230	6.60
15 - 19	4,683	9.40	3,713	8.50	3,329	6.80
20 - 24	3,695	7.40	4,145	9.40	4,015	8.20
25 - 34	6,289	12.70	7,757	17.70	4,503	9.20
35 - 44	5,990	12.10	4,347	9.90	8,566	17.50
45 - 54	6,161	12.40	4,687	10.70	4,650	9.50
55 - 64	4,072	8.20	5,013	11.40	4,944	10.10
65 - 74	2,716	5.50	3,130	7.10	5,433	11.10
75 and over	1,411	2.80	2,200	5.00	3,378	6.90
Total	49,678	100.00 %	43,890	100.00 %	48,950	100.00 %

Source: U.S. Census Bureau

Table 21

**City of Cuyahoga Falls, Ohio
Miscellaneous Statistics
December 31, 1999**

GENERAL INFORMATION

Date of incorporation.....	1920
Form of Government	Strong Mayor-Council
Council Members	11
Area (<i>square miles</i>)	27.8
Highest Elevation (<i>feet above sea level</i>)	1,180
Streets (miles)	285
Street Lights.....	5,203
Traffic Lights.....	87

FIRE PROTECTION

Fire Stations.....	4
Firefighters and Officers.....	84
Fire Hydrants	2,107

POLICE PROTECTION

Police Stations	1
Policepersons and Officers	85

INFRASTRUCTURE (*in miles*)

Sanitary Sewers	136
Storm Sewers.....	83
Water Mains	192
Electric Lines.....	250

RECREATION AND CULTURE

Parks	24
Acres of City Parks.....	510.2
Swimming Pools.....	2
Tennis Courts.....	16
Baseball Diamonds	26

PARKING FACILITIES

City Lots and Decks	11
Square Feet	296,536
Spaces	1,468
Recreation Lots.....	22
Square Feet	337,080
Spaces	1,412
Parking Meters.....	24

Source: The following City departments: Community Development, Electric, Engineering, Finance, Parks and Recreation, Technical Services and Water/Sewer.



STATE OF OHIO
OFFICE OF THE AUDITOR

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CITY OF CUYAHOGA FALLS

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: JUL 27 2000