

CITY OF CUYAHOGA FALLS, OHIO

SINGLE AUDIT REPORT

DECEMBER 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Mayor, Finance Director,
and Members of City Council
City of Cuyahoga Falls
2310 Second Street
Cuyahoga Falls, Ohio 44221

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, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

JIM PETRO
Auditor of State

July 10, 2002

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CITY OF CUYAHOGA FALLS, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001

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**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, 2001, and have issued our report thereon dated June 21, 2002. The City adopted Governmental Accounting Standards Board Statements Number 33 and 36 for they year ended December 31, 2001, as described in the notes to the general purpose financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

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 21, 2002.

This report is intended for the information and use of the 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.

June 21, 2002

James G. Zupka
Certified Public Accountant

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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, 2001. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above 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, 2001.

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

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, 2001, and have issued our report thereon dated June 21, 2002. 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 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.

June 21, 2002

James G. Zupka
Certified Public Accountant

CITY OF CUYAHOGA FALLS, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

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	98ULWX066	\$ 150,707	\$ 150,707
Law Enforcement Block Grant	16.592	00LBVX142	0	19,476
Law Enforcement Block Grant	16.592	01LBBX3368	23,450	0
Bullet Proof Vests Reimbursement	16.607	01006037	8,111	8,111
Subtotal Direct Programs			182,268	178,294
<i>Passed through the State of Ohio</i>				
Juvenile Accountability Incentive Block Grant	16.523	99-JB002-A096	50,938	50,938
Total U.S. Department of Justice			233,206	229,232
<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	B01UC390006	231,837	287,944
Total U.S. Department of Housing and Urban Development			231,837	287,944
<u>U. S. Department of Transportation</u>				
<i>Passed through the State of Ohio</i>				
Highway Planning and Constructions	20.205		988,507	988,507
Bus Shelter Construction	20.507	OH-03-0184	481,202	481,202
Total U.S. Department of Transportation			1,469,709	1,469,709
Total Expenditures of Federal Awards			\$1,934,752	\$1,986,885

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, 2001

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, 2001.

	<u>Receipt Recognized</u>	<u>Direct Program Expenditures</u>
<u>Department of Justice</u>		
Cash Basis	\$ 191,708	\$ 187,734
Accrual Adjustment	41,498	41,498
Department of Justice - Accrual Basis	<u>\$ 233,206</u>	<u>\$ 229,232</u>
<u>Department of Housing and Urban Development</u>		
Cash Basis	\$ 231,837	\$ 324,236
Accrual Adjustment	0	(36,292)
Community Development Accrual Basis	<u>\$ 231,837</u>	<u>\$ 287,944</u>
<u>Department of Transportation</u>		
Cash Basis	\$1,165,216	\$1,469,709
Accrual Adjustment	304,493	0
Department of Transportation - Accrual Basis	<u>\$1,469,709</u>	<u>\$1,469,709</u>

CITY OF CUYAHOGA FALLS, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 & .505
 DECEMBER 31, 2001

1. **SUMMARY OF AUDITOR'S RESULTS**

2001(i)	Type of Financial Statement Opinion	Unqualified
2001(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2001(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
2001(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
2001(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2001(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2001(v)	Type of Major Programs' Compliance Opinions	Unqualified
2001(vi)	Are there any reportable findings under .510?	No
2001(vii)	Major Programs (list):	<ol style="list-style-type: none"> 1. Highway Planning and Construction 2. Bus Shelter Construction
2001(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
2001(ix)	Low Risk Auditee?	Yes

CITY OF CUYAHOGA FALLS, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
DECEMBER 31, 2001

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

None.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

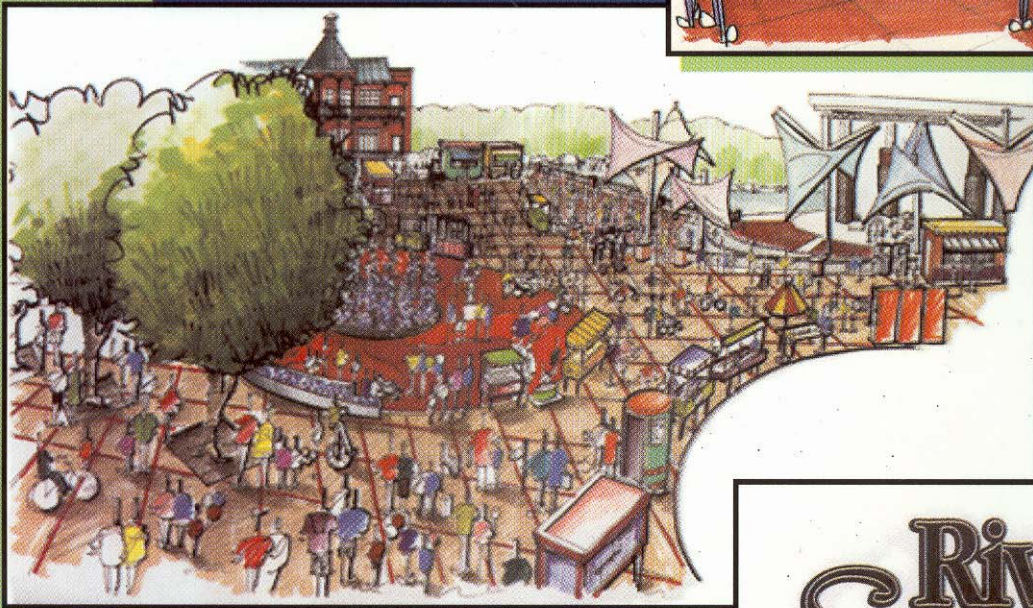
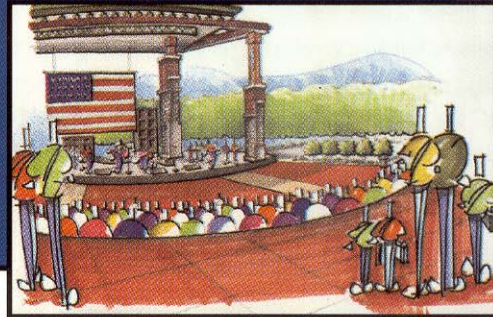
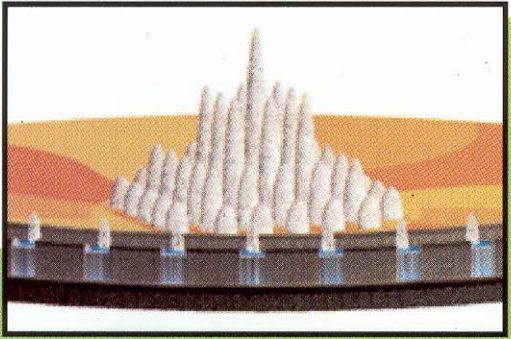
None.

CITY OF CUYAHOGA FALLS, OHIO
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2001

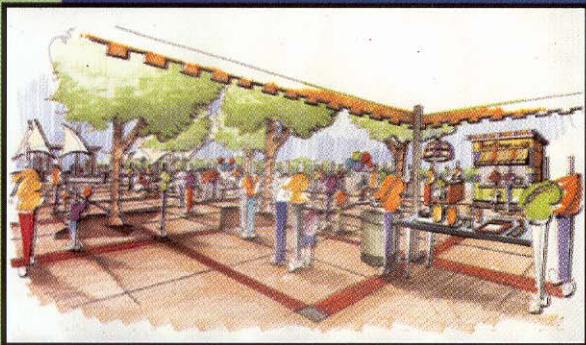
The prior audit report, as of December 31, 2000, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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City of Cuyahoga Falls, Ohio



River Square
Cuyahoga Falls



Don L. Robart, Mayor

Comprehensive

Annual Financial Report for the year ended December 31, 2001

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Cover Picture:

Pictured on the cover are renderings depicting Cuyahoga Falls' newest public improvement project which will be constructed in the heart of the City's downtown district. Complemented with the presence of a national heritage river running next to it, Falls River Square will feature an interactive water fountain for children of all ages to enjoy; a stage and amphitheater; a 4,500 square foot year-round pavilion complete with a fireplace, kitchen facilities and public restrooms; and an ice-skating rink for winter months. Residents and visitors alike will utilize the "Square" for concerts, festivals, reunions and other public gatherings. Groundbreaking for this \$4.7 million project is scheduled for July 2002 with completion estimated to be in June 2003.

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

Sue A. Abrusci

Scott K. Fitzsimmons

Tracy Reimbold Foster

Laura K. Jarvis

Leo Saccone

Kimberly S. Shingleton

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Illustrations by:
GGC Engineers

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Western Reserve Printing

Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2001



City of Cuyahoga Falls, Ohio

Don L. Robart, Mayor

Issued by the Department of Finance

Joseph F. Brodzinski, Finance Director



Printed on Recycled Paper

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City of Cuyahoga Falls
FINANCE DEPARTMENT
2310 Second Street
Cuyahoga Falls, Ohio 44221-2583

Joseph F. Brodzinski
Finance Director

Telephone (330) 971-8230
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June 21, 2002

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. The City does have financial accountability for the Community Improvement Corporation and it has been incorporated into these financial statements.

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

The City's 2000 population of 49,374 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 2001, the ten major employers in the City collectively accounted for approximately 26 percent of the \$11,871,684 withholding taxes remitted to the City.

City of Cuyahoga Falls

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

<u>Census Population</u>	<u>Median Income</u>
City of Cuyahoga Falls	\$42,263
County	\$42,304
State	\$40,956
National	\$41,994

An analysis of the 2002 Harris Ohio Industrial Directory reveals that 107 firms in the City employ 4,336 people in fields ranging from rubber and plastics to skin care products. Of these manufacturing facilities, 25 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.

The Harris Ohio Industrial Directory showed a 10% increase in the number of jobs in 2002 compared to 2001, with an increase of four companies employing fifty employees or more. The City is working with a current company, which will add an additional 173 jobs to the City starting in 2003.

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 \$49,842,859 in 2001.

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's vision is to keep Cuyahoga Falls a vibrant, healthy, attractive, and always growing City. City officials continue in their visions of physical improvements and new tax revenues for the City as well as its school systems, jobs, shopping, and recreational opportunities for residents and visitors alike. In March of 2000, the City contracted with the International Waterfront Group from San Antonio, Texas to create a comprehensive development implementation plan for the entire riverfront area. The study involved approximately three miles of riverfront and, after numerous meetings to formulate a general consensus of opinion, was completed in October 2000. The completed report defined goals, objectives and gave an overall vision intended to guide in the redevelopment of the Cuyahoga River corridor and its cultural and entertainment district. The plan provided a framework that will guide the City's efforts over the next several years. The results of these efforts and creativity have started to take shape with the birth of Falls River Square. This permanent festival site will become the premiere gathering spot for our community festivals, concerts, and outdoor activities. Falls River Square will attract people and new businesses to the downtown area. A new restaurant has recently opened in the downtown area while another restaurant has renovated their building.

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 2001, the City recognized over \$2 million in additional withholding income tax from non-residents working in the City. Most of the \$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.

The Mayor, his administration, and the City Council are keenly aware of national and local economic conditions. The Mayor and his staff spend considerable amounts of time towards maintaining the financial strength of the City. The City has entered into discussions with one of its larger companies with plans of a \$32 million expansion and the creation of 137 new jobs. These types of investments will only strengthen the City's financial position. The City's administration also places a high emphasis on keeping Cuyahoga Falls a positive place to live and work. This can best be seen in the unemployment rates for the City consistently being two percentage points lower than the Summit County rate coupled with local home sales and the real estate market, which are generally ahead of the national trends. Employment within an area is expected to remain positive with wage increases slightly higher than cost of living trends. New development and business opportunities started in 2001 will have a positive effect on income tax collections for current and future years.

MAJOR INITIATIVES

Current Year

The City received a bond upgrade from Moody's Investors Service from A1 to Aa3. Moody's stated "The rating upgrade is due to the City's expanding tax base which continues to diversify, sound financial operations with increasing reserves and manageable debt burden." The bond rating upgrade was the City's first upgrade in 25 years, placing the City in the top 13% of all counties, cities, and school districts rated by Moody's in Ohio.

A massive \$5.3 million Water Treatment Plant rehabilitation project was completed in 2001. It includes an upgrade to the existing 40-year old iron filters, installation of three new filters and installing bulk feed chemical facilities to the plant. These upgrades will continue to allow the City to provide its residents and businesses good quality, low cost water.

The year 2001 allowed the City to spend in excess of \$1.8 million on the paving of 46 streets consisting of 13.5 miles of roads. The Administration's commitment to the taxpayers was to triple the Street Program with the passage of the increased income tax. Through 2001, the amount spent on street work exceeded the promise by over \$7.5 million.

Three years ago, the City implemented a "Senior Snow Program" to plow the driveways of senior citizens within the community. The program started with fewer than 200 participants and in 2001 has grown to 1,196 seniors who enjoyed the benefit of having their driveways plowed.

The City completed a renovation to Oak Park in 2001. Renovation started in 2000 with the completion of a new wading pool. In 2001, the City installed a \$40,000 multi-station piece of play equipment, benches, individual pieces of play equipment, 400 yards of "fall zone" material and coordinated the installation of a picnic shelter, sidewalks, and decorative spheres. The parking lot was completely rebuilt giving the neighborhood a completely new look.

The Park and Recreation Department opened a new 12,000 square foot skateboard park complete with rails, benches, and ramps. Attendance has averaged between 50 and 75 skaters per day. Next to the skate park a new 18-hole miniature golf

course replaced an old course. Time and effort was spent on landscaping and the various options a player has on each hole. This was done to attract as much repeat play as possible. These two additions are located at the Downview Sports Complex. A driving range and batting cages have seen increased play due to the increased volume of people at the complex.

Future Projects

The planning for the new Community Recreation Center began in the fall of 1998 with input gathered through user and non-user surveys and the results were quite progressive. It turned out that the patrons and “would be “ patrons were interested in much more than a renovation of the existing building. With the requests they put forward an entirely new building was in order. Studies on the feasibility of razing the existing building and offering a totally new structure with new programming and new facilities were conducted by several professional firms with solid results. An architectural team was formed and much research was performed on what was feasible to include in this new \$26 million Community Recreation Center.

The existing building was very strong on fitness, so an extensive fitness center became a major component of the new facility. Aerobics continues to be a strong function in the present facility, so aerobics was expanded and included. A new leisure pool with interactive water features and a six-lane lap pool to serve both high school swim teams and the patron lap swimmers were included. An instructional pool was added and it will also serve the local hospital with which the project is partnering to provide therapy as part of the hospital’s wellness program. The partnership with the hospital to provide a community wellness program has drawn great reviews from residents as well as corporations alike.

The six-basket gymnasium, and an auxiliary gym are included for court sports and special events. A four-lane running/jogging track that will be 1/8th of a mile long will have wonderful views from every aspect of the track. There are locker rooms, a childcare room, offices and a major portion of the facility is the community room. This part of the facility will be a 4500 square foot banquet style room that can be divided into three smaller rooms for gatherings of about 100 in each space. A kitchen will be attached for catering as well as cooking classes offered by the recreation department.

In the spring of 2001, the Parks and Recreation Department was notified that a \$267,000 matching grant was approved from the Ohio Department of Natural Resources for the construction of a lighted three-field softball complex. This development will be a three-year project with the field grading, utility installation, and seeding taking place in 2002. The following year the safety fencing, backstops, restroom, pavilion, and parking lot will be constructed. The fields will be over-seeded in the spring and fall of 2003 and leagues will be scheduled to play on the fields in the spring of 2004.

The City’s Parcel 108 will become the centerpiece of the Cuyahoga Falls River Corridor and Cultural Entertainment District. Parcel 108 will be called Falls River Square and provide a large pavilion to be used for enclosed festival activities, small weddings, and other gatherings; an interactive water feature with surround seating to be used by children of all ages; an amphitheater and stage will feature concerts, plays, and other community activities requiring an outside venue; and last but not least, an ice skating rink which will be in use from November through March of each year.

The City’s State Road Revitalization Project will be completed in 2002. This project on one of the City’s main corridors will include buried power lines, new traffic signalization, new light poles, expansion of selected intersections and the addition of landscaping. Improvements to State Road will stimulate commerce in the area. The estimated cost of this project is expected to be around \$4.2 million.

Another main corridor within the City is the “Front Street Corridor”. This corridor will receive a very similar renaissance but will also include the rebuild of the Hudson Drive Bridge. The \$4.7 million project will greatly enhance the area and also improve the traffic flow of 20,000 vehicles per day.

A fire station relocation study was completed in 1999 under the premise of increasing response times within the City to provide residents with the best possible coverage. One recommendation was to add a fifth fire station within the City’s

limits. This new station would provide extraordinary coverage to the northeast quadrant of the City along with quicker response time within some of the older sections of the City. Ideally, enough land would be available to construct a training complex on-site to be used by the City's police and fire departments.

Department Focus

The Community Development Department provides critical direction for all planning efforts of the City. The Department's multi-faceted roles include five major areas: economic development, planning, zoning, housing rehabilitation and housing inspection.

The Community Development Department constantly strives to attract and direct new, quality development to the City, including opportunities for expansions and business enhancements. All of these activities aim at providing the community with projects that will have a positive impact and most importantly, stand the test of time- a hallmark of good planning and development.

Any City's ability to sustain itself and grow is directly related to the strength of its economic base. In the last three years, on average, the department has managed over \$55,000,000 in new and redevelopment permits for twenty-seven square miles of the municipality. The City strives to maintain a good balance of residential and commercial/industrial growth and last year was no exception. In 2001, the residential growth represented 50.7% of the City's total development activity with the balance of 49.3% falling to the commercial and industrial areas.

The highlight of this year's planning efforts is the City's newest project – Falls River Square. This \$4.7 million project, located in the heart of our downtown, will become the premiere gathering spot for community festivals, concerts and other public venues. The "Square" will consist of a 4,500 square foot pavilion, stage and amphitheater, an interactive water fountain and an ice skating rink, which will be activated for use November through March.

New projects, new investment, job retention and creation – all the attributes that keep Cuyahoga Falls a great place to work, live, and do business.

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

City of Cuyahoga Falls

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 \$46,808,463 for 2001. 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:

	2001 <u>Amount</u>	Percent of Total	2000 <u>Amount</u>	Increase (Decrease) <u>From 2000</u>	Percent of Increase (Decrease)
Revenues:					
Property taxes	\$ 9,087,091	19.41%	\$ 8,567,797	519,294	6.06%
Municipal income tax	16,191,625	34.59	15,820,981	370,644	2.34
Other local tax	293,502	.63	199,866	93,636	46.85
State levied shared taxes	6,590,819	14.08	7,196,990	(606,171)	(8.42)
Intergovernmental	2,821,042	6.03	748,440	2,072,602	276.92
Charges for services	6,664,641	14.24	6,255,286	409,355	6.54
Fees, licenses and permits	1,064,874	2.27	871,507	193,367	22.19
Interest earning	2,634,886	5.63	2,445,416	189,470	7.75
Fines and forfeitures	446,737	.95	455,627	(8,890)	(1.95)
Special assessments	640,975	1.37	947,264	(306,289)	(32.33)
Other	372,271	.80	313,143	59,128	18.89
Total Revenues	<u>\$46,808,463</u>	<u>100.00%</u>	<u>\$43,822,317</u>	<u>\$ 2,986,146</u>	<u>6.81%</u>

The increase in other local taxes is due to the Community Improvement Corporation, (CIC), being incorporated into the reporting entity as a component unit. This activity was included in the Community and Economic Development Fund. Increases in intergovernmental revenues were due to increased grant monies received in 2001. The two grants were from the U.S. Department of Transportation for the Hudson Drive Bridge and for bus shelters on State Road. Fees, licenses, and permits increased in 2001 because of a transfer of \$180,000 from the guaranteed Deposit Agency Fund. This money was from monies received in lieu of public land and used by the Capital Projects Fund to construct sidewalks at a city park. It was not recorded as a transfer because transfers would not balance.

Special assessment revenue decreased in 2001 because of the reversal of accrued revenue from 2000. Other revenue increased in 2001 due to increased revenue in the Capital Projects Fund from refunds received from escrow proceeds of the re-purchase of Falls Theater and insurance proceeds from damage to the Portage Trail Bridge from an auto accident.

Expenditures for all Governmental Fund Type operations amounted to \$44,391,819 for 2001. 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:

	2001 <u>Amount</u>	Percent of Total	2000 <u>Amount</u>	Increase (Decrease) <u>From 2000</u>	Percent of Increase (Decrease)
Expenditures:					
Current					
Security of persons and property	\$16,849,176	37.96%	\$16,410,061	\$ 439,115	2.68%
Leisure time activities	2,299,180	5.18	2,051,907	247,273	12.05
Community development	1,025,487	2.31	954,197	71,290	7.47
Street maintenance	3,382,595	7.62	3,252,985	129,610	3.98
General government	8,643,427	19.47	7,512,854	1,130,573	15.05
Capital outlay	10,212,506	23.00	8,603,181	1,609,325	18.71
Debt Service					
Principal	1,203,935	2.71	1,720,660	(516,725)	(30.03)
Interest	775,513	1.75	868,776	(93,263)	(6.73)
Total Expenditures	<u>\$44,391,819</u>	<u>100.00%</u>	<u>\$41,374,621</u>	<u>\$ 3,017,198</u>	<u>7.29%</u>

Leisure time activities increased in 2001 due to increased payroll and other operational expenditures within the Parks and Recreation Department. The increase in general government expenditures in 2001 was due to increased income tax refunds within the Income Tax Department, contractual legal fees in the Law Department to protect the City's environmental interests related to the closure of the Hardy Road Landfill and increased municipal court expenditures.

The increase in Capital Outlay is due to the recognition of in-kind contributions made on the City's behalf in 2001 from the Ohio Public Works Commission coupled with increased expenditures in the Recreation Levy. Principal and interest decreased in 2001 due to the pay offs of capital leases for mobile radios and fire equipment in 2000.

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. 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 First Energy and the New York Power Authority.

First Energy, the nearest private electric utility, charges its customers up to 35% 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 \$39.94 monthly, compared to the \$53.92 charged by First Energy 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 rival Waste Management, the Sanitation Department claims over 90 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 2001, all solid waste collected by the City was hauled directly to the Hardy Road Landfill and the Akron Central Transfer Station. Effective July 9, 2001, all solid waste will be

disposed of at the Akron Central Transfer Station. Recyclables, which are collected from residents of the City, are processed at the Oakwood, Ohio Material 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, batting cages and skateboard park (opened Summer 2001).

Debt Administration

The City's debt is currently assigned a rating of Aa3 by Moody's Investors Service. The Aa3 rating indicates that there is exceptional security to principal and interest, and that investment in the City is considered a high-grade entity to investors (mostly individuals and mutual funds) who purchase the City's notes and bonds. The 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
August 2001.....	Aa3

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.

On August 1, 2001, the City issued bonds in the amount of \$5,600,000. Of this amount \$5,175,000 was issued for the purpose of improving the municipal waterworks system in the High Pressure Water District and installing new iron filters and improving the City's water plant. The remaining \$425,000 was issued for the purpose of paying, in anticipation of the levy and collection of special assessments for the construction of a portion of Buckingham Gate Boulevard.

On December 28, 2001, The City issued notes in the amount of \$750,000 in anticipation of the issuance of bonds for the purpose of improving State Road from the south corporation line to Portage Trail. The improvement includes constructing or installing concrete curbs, catch basins, storm sewers where required, roadway asphalt, concrete driveway aprons and concrete sidewalks, traffic signals, control and signage where required, together with necessary appurtenances thereto.

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, 2001 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>
\$13,402,780	1.51%	\$271.45

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 and Cemetery Perpetual Care funds) are combined to form a pool of cash and investments. The average investment portfolio in 2001 was approximately \$45 million. During 2001, the City earned interest income on its pooled funds at an average rate of return of 6.10 percent. Focusing on safety and liquidity, the City continues to invest only in the highest quality investments.

Risk Management

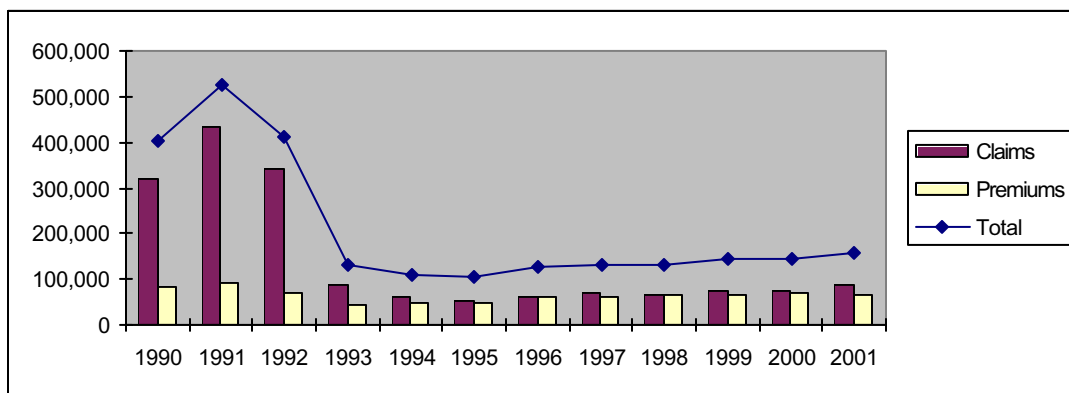
The City maintains a variety of liability insurance coverages with varying deductibles. Among these coverages are general liability with limits of \$2 million annually in the aggregate and \$1 million per occurrence, with a \$100,000 self-insurance retention. In addition, the City has umbrella liability 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 tenth 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 – 2001



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 James G. Zupka, CPA, Inc. 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, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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 17 consecutive years (fiscal years ended 1984-2000). 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 of Cuyahoga Falls,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

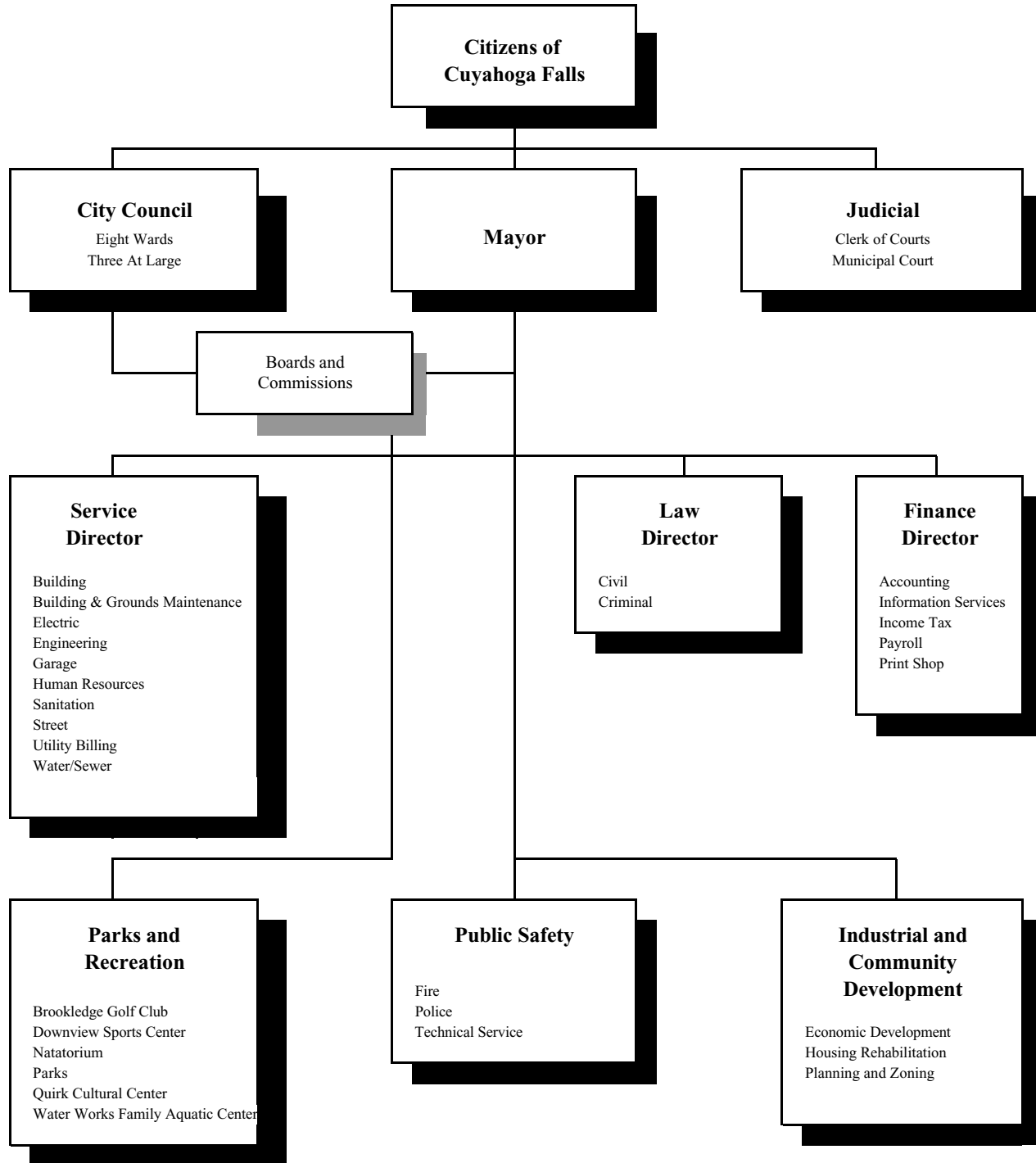
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Timothy D. Drew
President

Jeffrey L. Esler
Executive Director

City of Cuyahoga Falls



City Officials

Mayor Don L. Robart

Cabinet of the Mayor:

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

Municipal Court:

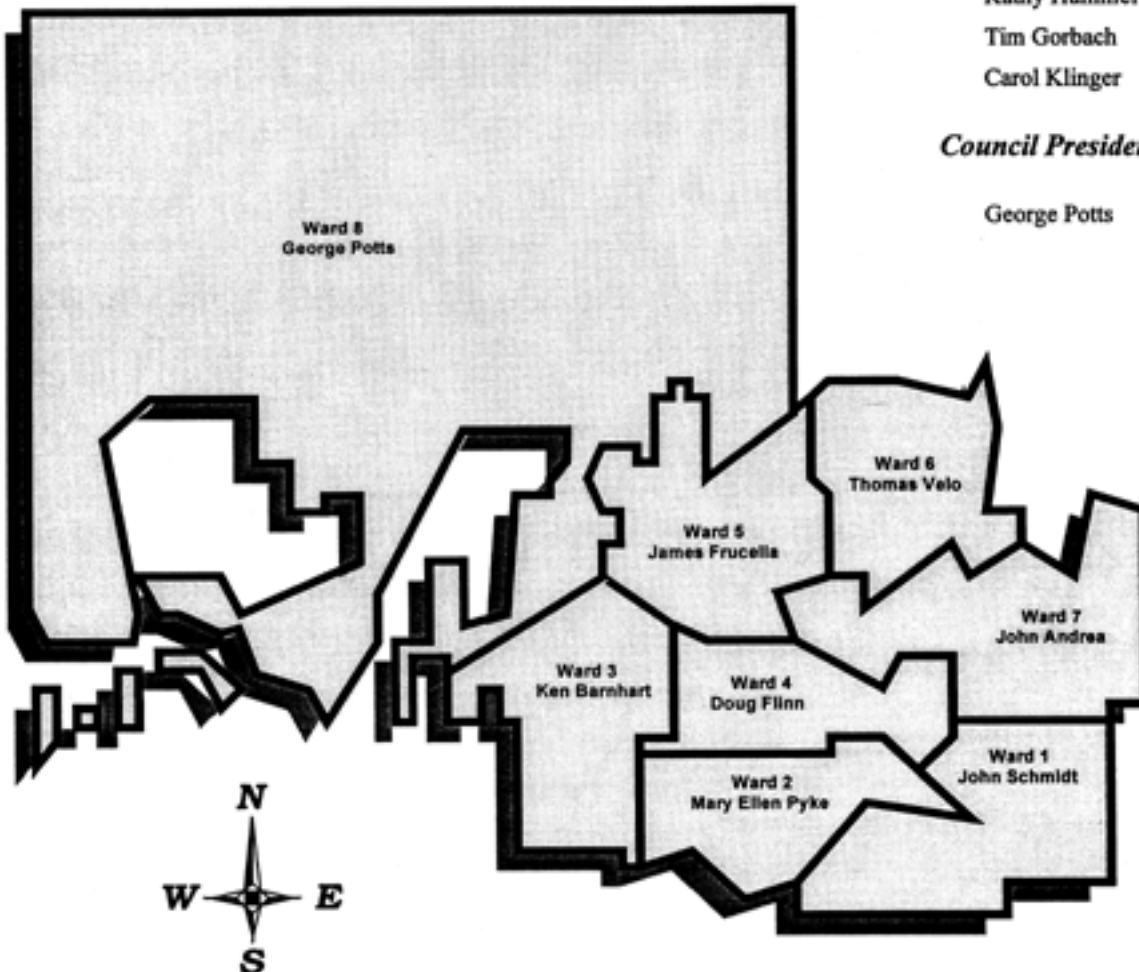
Kim R. Hoover. Judge
Linda Tucci Teodosio. Judge
Eric Czetli. Clerk of Courts

At Large Council:

Kathy Hummel
Tim Gorbach
Carol Klinger

Council President:

George Potts



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FINANCIAL SECTION



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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

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, 2001, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 as of December 31, 2001, 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.

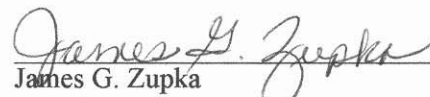
As described in Note 18, during the year ended December 31, 2001, the City of Cuyahoga Falls adopted Governmental Accounting Standards Board Statements 33 and 36.

In accordance with Government Auditing Standards, we have also issued a report dated June 21, 2002 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. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general purpose financial statements of the City of Cuyahoga Falls, Ohio taken as a whole. The combining and individual fund statements and schedules listed in the Table of Contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information 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 basic 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.

June 21, 2002


James G. Zupka
Certified Public Accountant

City of Cuyahoga Falls, Ohio
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 2001

(With Comparative Totals for the Year Ended December 31, 2000)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets				
Equity in pooled cash and cash equivalents	\$ 3,777,160	\$ 1,419,881	\$ 0	\$ 4,811,576
Investments	1,198,174	450,407	20,000	1,405,743
Cash and cash equivalents - restricted accounts	0	451,001	162,701	0
Investments - restricted accounts	0	0	0	2,548,474
Receivables				
Taxes	8,742,572	3,033,606	0	0
Accounts (net, where applicable, of allowance for doubtful accounts)	13,085	110,662	0	111,899
Loans	0	1,902,541	0	0
Special assessments	65,652	0	691,746	1,156,330
Accrued interest	549	0	128	837,944
Due from other funds	1,478,460	591,935	0	580,944
Due from other governments	2,424,765	747,916	0	362,270
Inventory of supplies	157,815	201,547	0	0
Prepaid items	70,468	15,124	0	0
Advances to other funds	0	0	0	1,413,583
Deferred charges	0	0	0	10,797
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	\$ 17,928,700	\$ 8,924,620	\$ 874,575	\$ 13,239,560
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable	\$ 317,923	\$ 315,594	\$ 224	\$ 772,996
Accrued salaries, wages and benefits	937,633	96,498	0	0
Accrued interest payable	0	0	0	0
Deferred revenue	9,909,005	1,874,064	691,867	1,857,146
Due to other funds	493,672	1,862,079	0	0
Due to other governments	265	565	0	1,000
Claims and judgments payable	10,000	0	0	0
Deposits held and due to others	0	0	0	0
Capital lease obligations	0	0	0	0
Advances from other funds	119,000	400,000	0	610,383
Unamortized bond premium	0	0	0	3,570
Construction Loan Payable	0	0	0	0
General obligation notes payable	0	0	0	750,000
General obligation bonds payable	0	0	0	0
Special assessment debt with government commitment	0	0	0	0
Total Liabilities	11,787,498	4,548,800	692,091	3,995,095
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	217,990	202,731	224	1,660,667
Reserved for prepaid items	70,468	15,124	0	0
Reserved for advances	0	0	0	1,413,583
Reserved for investments	0	0	0	2,548,474
Reserved for inventory of supplies	157,815	201,547	0	0
Reserved for loans receivable	0	1,902,541	0	0
Reserved for debt service	0	0	182,260	0
Reserved for cemetery perpetual care	0	0	0	0
Unreserved - undesignated	5,694,929	2,053,877	0	3,621,741
Total Fund Equity and other credits	6,141,202	4,375,820	182,484	9,244,465
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 17,928,700	\$ 8,924,620	\$ 874,575	\$ 13,239,560

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	2001	2000	
\$ 13,745,101	\$ 5,815,748	\$ 1,645,323	\$ 0	\$ 0	\$ 31,214,789	\$ 38,363,083	
4,360,158	1,844,846	521,922	0	0	9,801,250	1,994,375	
0	0	477,383	0	0	1,091,085	523,786	
0	0	95,000	0	0	2,643,474	2,467,176	
0	0	0	0	0	11,776,178	10,491,867	
5,751,002	33,422	0	0	0	6,020,070	6,249,467	
0	0	0	0	0	1,902,541	1,602,267	
75,156	0	0	0	0	1,988,884	1,954,222	
0	0	0	0	0	838,621	1,178,932	
919,228	563,719	185,240	0	0	4,319,526	4,058,176	
12,544	0	0	0	0	3,547,495	1,853,089	
3,267,431	473,846	0	0	0	4,100,639	3,774,068	
75,273	8,029	0	0	0	168,894	146,523	
0	0	119,000	0	0	1,532,583	1,367,883	
147,952	0	0	0	0	158,749	44,319	
79,052	0	0	0	0	79,052	71,070	
17,982,407	0	0	0	0	17,982,407	15,123,241	
54,030,593	515,408	0	38,513,077	0	93,059,078	90,068,901	
0	0	0	0	182,260	182,260	196,184	
0	0	0	0	18,109,936	18,109,936	18,653,586	
<u>\$ 100,445,897</u>	<u>\$ 9,255,018</u>	<u>\$ 3,043,868</u>	<u>\$ 38,513,077</u>	<u>\$ 18,292,196</u>	<u>\$ 210,517,511</u>	<u>\$ 200,182,215</u>	
\$ 2,114,119	\$ 135,183	\$ 0	\$ 0	\$ 0	\$ 3,656,039	\$ 4,773,479	
2,136,694	526,436	0	0	5,314,897	9,012,158	8,843,842	
102,165	0	0	0	0	102,165	91,981	
1,208,848	0	0	0	0	15,540,930	12,452,589	
1,640,632	39,875	283,268	0	0	4,319,526	4,058,176	
362,997	77,459	1,525,935	0	0	1,968,221	1,803,087	
0	1,271,645	0	0	0	1,281,645	1,939,154	
210,213	0	1,066,619	0	0	1,276,832	1,439,218	
204,015	0	0	0	142,259	346,274	918,559	
403,200	0	0	0	0	1,532,583	1,367,883	
0	0	0	0	0	3,570	12,804	
24,042	0	0	0	0	24,042	39,483	
0	0	0	0	0	750,000	6,510,000	
22,534,435	0	0	0	11,849,796	34,384,231	30,798,345	
0	0	0	0	985,244	985,244	676,439	
30,941,360	2,050,598	2,875,822	0	18,292,196	75,183,460	75,725,039	
0	0	0	38,513,077	0	38,513,077	37,069,065	
9,760,587	253,742	0	0	0	10,014,329	9,789,763	
59,743,950	6,950,678	0	0	0	66,694,628	60,107,784	
0	0	0	0	0	2,081,612	2,006,692	
0	0	0	0	0	85,592	77,290	
0	0	0	0	0	1,413,583	1,189,383	
0	0	0	0	0	2,548,474	2,298,176	
0	0	0	0	0	359,362	294,476	
0	0	0	0	0	1,902,541	1,602,267	
0	0	0	0	0	182,260	196,184	
0	0	168,046	0	0	168,046	160,111	
0	0	0	0	0	11,370,547	9,665,985	
<u>69,504,537</u>	<u>7,204,420</u>	<u>168,046</u>	<u>38,513,077</u>	<u>0</u>	<u>135,334,051</u>	<u>124,457,176</u>	
<u>\$ 100,445,897</u>	<u>\$ 9,255,018</u>	<u>\$ 3,043,868</u>	<u>\$ 38,513,077</u>	<u>\$ 18,292,196</u>	<u>\$ 210,517,511</u>	<u>\$ 200,182,215</u>	

City of Cuyahoga Falls, Ohio
Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types
Year Ended December 31, 2001

(With Comparative Totals Year Ended December 31, 2000)

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	2001	2000
Revenues						
Property taxes	\$ 8,591,431	\$ 495,660	\$ 0	\$ 0	\$ 9,087,091	\$ 8,567,797
Municipal income taxes	0	16,191,625	0	0	16,191,625	15,820,981
Other local taxes	205,782	87,720	0	0	293,502	199,866
State levied shared taxes	4,853,535	1,737,284	0	0	6,590,819	7,196,990
Intergovernmental	468,479	231,837	0	2,120,726	2,821,042	748,440
Charges for services	5,340,670	61,044	0	1,262,927	6,664,641	6,255,286
Fees, licenses and permits	425,867	459,007	0	180,000	1,064,874	871,507
Interest earnings	9,972	28,297	14,592	2,582,025	2,634,886	2,445,416
Fines and forfeitures	369,099	77,638	0	0	446,737	455,627
Special assessments	12,655	0	155,137	473,183	640,975	947,264
Other	194,491	39,861	0	137,919	372,271	313,143
Total Revenues	20,471,981	19,409,973	169,729	6,756,780	46,808,463	43,822,317
Expenditures						
Current						
Security of persons and property	14,839,070	2,010,106	0	0	16,849,176	16,410,061
Leisure time activities	2,173,090	126,090	0	0	2,299,180	2,051,907
Community environment	955,812	69,675	0	0	1,025,487	954,197
Street maintenance	0	3,382,595	0	0	3,382,595	3,252,985
General government	7,542,350	1,080,916	328	19,833	8,643,427	7,512,854
Capital outlay	626,384	1,308,286	0	8,277,836	10,212,506	8,603,181
Debt Service						
Principal	0	223,420	516,804	463,711	1,203,935	1,720,660
Interest	0	268,088	416,297	91,128	775,513	868,776
Total Expenditures	26,136,706	8,469,176	933,429	8,852,508	44,391,819	41,374,621
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(5,664,725)	10,940,797	(763,700)	(2,095,728)	2,416,644	2,447,696
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	425,701	425,701	0
Operating transfers in	10,615,423	4,279,102	750,000	4,640,501	20,285,026	20,743,573
Operating transfers out	(4,164,754)	(15,139,792)	0	(1,750,000)	(21,054,546)	(21,501,883)
Total Other Financing Sources	6,450,669	(10,860,690)	750,000	3,316,202	(343,819)	(758,310)
Excess (Deficiency) of Revenues and						
Other Sources Over (Under)						
Expenditures and Other Uses	785,944	80,107	(13,700)	1,220,474	2,072,825	1,689,386
Fund Balance at Beginning of Year,						
Restated	5,341,477	4,236,306	196,184	8,023,991	17,797,958	15,639,420
Change in reserve for inventory	8,491	56,395	0	0	64,886	(12,254)
Change in reserve for prepaid items	5,290	3,012	0	0	8,302	13,901
Fund Balance at End of Year	\$ 6,141,202	\$ 4,375,820	\$ 182,484	\$ 9,244,465	\$ 19,943,971	\$ 17,330,453

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, 2001

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 8,262,916	\$ 8,255,363	\$ (7,553)	\$ 476,704	\$ 476,272	\$ (432)
Municipal income taxes	0	0	0	16,055,000	16,137,867	82,867
Other local taxes	185,500	209,155	23,655	430	412	(18)
State levied shared taxes	4,642,730	5,025,332	382,602	1,716,220	1,752,064	35,844
Intergovernmental	282,761	307,297	24,536	397,833	231,837	(165,996)
Charges for services	4,745,231	5,175,381	430,150	47,000	51,585	4,585
Fees, licenses, and permits	430,600	430,537	(63)	421,450	444,629	23,179
Interest earnings	7,000	9,879	2,879	0	740	740
Fines and forfeitures	337,500	366,506	29,006	87,800	91,774	3,974
Special assessments	13,462	12,655	(807)	0	0	0
Other	115,700	185,286	69,586	125,700	135,761	10,061
Total Revenues	19,023,400	19,977,391	953,991	19,328,137	19,322,941	(5,196)
Expenditures						
Current						
Security of persons and property	15,310,559	14,919,995	390,564	2,093,479	2,005,101	88,378
Leisure time activities	2,190,121	2,169,063	21,058	178,894	128,104	50,790
Community environment	993,869	957,494	36,375	327,500	322,282	5,218
Street maintenance	0	0	0	3,626,786	3,455,944	170,842
General government	7,820,854	7,440,386	380,468	1,078,986	1,066,282	12,704
Capital outlay	640,539	590,176	50,363	1,652,521	1,550,671	101,850
Debt Service						
Principal	0	0	0	223,421	223,420	1
Interest	0	0	0	268,088	268,088	0
Total Expenditures	26,955,942	26,077,114	878,828	9,449,675	9,019,892	429,783
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(7,932,542)	(6,099,723)	1,832,819	9,878,462	10,303,049	424,587
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	0	0	0
Operating transfers in	10,646,041	10,668,371	22,330	4,320,815	4,320,815	0
Operating transfers out	(4,186,613)	(4,199,708)	(13,095)	(15,224,279)	(15,224,279)	0
Advances in	0	0	0	400,000	400,000	0
Advances out	(59,500)	(59,500)	0	(175,000)	(175,000)	0
Total Other Financing Sources (Uses)	6,399,928	6,409,163	9,235	(10,678,464)	(10,678,464)	0
Excess (Deficiency) of Revenues and						
Other Sources Over (Under) Expenditures and Other Uses	(1,532,614)	309,440	1,842,054	(800,002)	(375,415)	424,587
Fund Balance at Beginning of Year	4,277,910	4,277,910	0	1,844,219	1,844,219	0
Decertification of prior year						
encumbrances	53,315	53,315	0	118,375	118,375	0
Fund Balance at End of Year	\$ 2,798,611	\$ 4,640,665	\$ 1,842,054	\$ 1,162,592	\$ 1,587,179	\$ 424,587

(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, 2001

	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	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	1,200,000	1,170,037	(29,963)
Charges for services	0	0	0	1,360,000	1,378,093	18,093
Fees, licenses, and permits	0	0	0	0	180,000	180,000
Interest earnings	15,000	14,648	(352)	1,522,430	2,521,600	999,170
Fines and forfeitures	0	0	0	0	0	0
Special assessments	153,915	155,137	1,222	710,814	1,126,244	415,430
Other	0	0	0	125,400	140,691	15,291
Total Revenues	168,915	169,785	870	4,918,644	6,516,665	1,598,021
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	500	328	172	40,000	23,907	16,093
Capital outlay	0	0	0	8,845,608	7,360,561	1,485,047
Debt Service						
Principal	516,804	516,804	0	2,107,270	2,198,711	(91,441)
Interest	416,298	416,297	1	88,769	91,128	(2,359)
Total Expenditures	933,602	933,429	173	11,081,647	9,674,307	1,407,340
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(764,687)	(763,644)	1,043	(6,163,003)	(3,157,642)	3,005,361
Other Financing Sources (Uses)						
Bond/note proceeds	0	0	0	1,885,000	1,172,257	(712,743)
Operating transfers in	750,000	750,000	0	4,665,281	4,665,281	0
Operating transfers out	0	0	0	(1,750,000)	(1,750,000)	0
Advances in	0	0	0	405,800	405,800	0
Advances out	0	0	0	(530,000)	(530,000)	0
Total Other Financing Sources (Uses)	750,000	750,000	0	4,676,081	3,963,338	(712,743)
Excess (Deficiency) of Revenues and						
Other Sources Over (Under) Expenditures						
and Other Uses	(14,687)	(13,644)	1,043	(1,486,922)	805,696	2,292,618
Fund Balance at Beginning of Year	196,121	196,121	0	5,401,882	5,401,882	0
Decertification of prior year						
encumbrances	0	0	0	135,388	135,388	0
Fund Balance at End of Year	\$ 181,434	\$ 182,477	\$ 1,043	\$ 4,050,348	\$ 6,342,966	\$ 2,292,618

See accompanying notes to the combined financial statements

	Totals (Memorandum Only)		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Property taxes	\$ 8,739,620	\$ 8,731,635	\$ (7,985)
Municipal income taxes	16,055,000	16,137,867	82,867
Other local taxes	185,930	209,567	23,637
State levied shared taxes	6,358,950	6,777,396	418,446
Intergovernmental	1,880,594	1,709,171	(171,423)
Charges for services	6,152,231	6,605,059	452,828
Fees, licenses, and permits	852,050	1,055,166	203,116
Interest earnings	1,544,430	2,546,867	1,002,437
Fines and forfeitures	425,300	458,280	32,980
Special assessments	878,191	1,294,036	415,845
Other	366,800	461,738	94,938
Total Revenues	43,439,096	45,986,782	2,547,686
Expenditures			
Current			
Security of persons and property	17,404,038	16,925,096	478,942
Leisure time activities	2,369,015	2,297,167	71,848
Community environment	1,321,369	1,279,776	41,593
Street maintenance	3,626,786	3,455,944	170,842
General government	8,940,340	8,530,903	409,437
Capital outlay	11,138,668	9,501,408	1,637,260
Debt Service			
Principal	2,847,495	2,938,935	(91,440)
Interest	773,155	775,513	(2,358)
Total Expenditures	48,420,866	45,704,742	2,716,124
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(4,981,770)	282,040	5,263,810
Other Financing Sources (Uses)			
Bond/note proceeds	1,885,000	1,172,257	(712,743)
Operating transfers in	20,382,137	20,404,467	22,330
Operating transfers out	(21,160,892)	(21,173,987)	(13,095)
Advances in	805,800	805,800	0
Advances out	(764,500)	(764,500)	0
Total Other Financing Sources (Uses)	1,147,545	444,037	(703,508)
Excess (Deficiency) of Revenues and			
Other Sources Over (Under) Expenditures			
and Other Uses	(3,834,225)	726,077	4,560,302
Fund Balance at Beginning of Year	11,720,132	11,720,132	0
Decertification of prior year			
encumbrances	307,078	307,078	0
Fund Balance at End of Year	\$ 8,192,985	\$ 12,753,287	\$ 4,560,302

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, 2001

(With Comparative Totals for Year Ended December 31, 2000)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non- expendable Trust	2001	2000
Operating Revenues					
Charges for services	\$ 43,623,432	\$ 8,761,507	\$ 0	\$ 52,384,939	\$ 48,413,667
Other	603,588	43,743	0	647,331	1,074,835
Total Operating Revenues	44,227,020	8,805,250	0	53,032,270	49,488,502
Operating Expenses					
Personal services	6,488,271	2,041,803	0	8,530,074	7,970,289
Fringe benefits	1,910,822	4,555,819	0	6,466,641	5,680,904
Purchased power	14,740,874	0	0	14,740,874	15,071,641
Materials and supplies	2,297,206	674,564	0	2,971,770	2,222,645
Utilities	701,531	29,491	0	731,022	514,690
Contractual services	2,825,829	223,406	0	3,049,235	3,759,773
Internal charges	4,111,214	448,252	0	4,559,466	4,367,213
Other	2,215,732	404,844	0	2,620,576	2,467,877
Depreciation	2,306,462	200,134	0	2,506,596	2,534,606
Total Operating Expenses	37,597,941	8,578,313	0	46,176,254	44,589,638
Operating Income	6,629,079	226,937	0	6,856,016	4,898,864
Nonoperating Revenues (Expenses)					
Interest revenue	0	234,078	0	234,078	356,129
Interest expense	(1,047,223)	0	0	(1,047,223)	(976,630)
Loss from disposal of fixed assets	(248,857)	(45,272)	0	(294,129)	0
Grants	68,406	8,111	0	76,517	55,661
Net Nonoperating Revenues (Expenses)	(1,227,674)	196,917	0	(1,030,757)	(564,840)
Income Before Operating Transfers	5,401,405	423,854	0	5,825,259	4,334,024
Operating Transfers In	1,888,900	0	0	1,888,900	0
Operating Transfers Out	(1,127,315)	0	7,935	(1,119,380)	758,310
Net Income	6,162,990	423,854	7,935	6,594,779	5,092,334
Retained Earnings at Beginning of Year	53,580,960	6,526,824	0	60,107,784	55,022,530
Retained Earnings at End of Year	\$ 59,743,950	\$ 6,950,678	0	66,694,628	60,107,784
Fund Balance at Beginning of Year			160,111	160,111	153,031
Fund Balance at End of Year			\$ 168,046	\$ 168,046	\$ 160,111

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, 2001

(With Comparative Totals for Year Ended December 31, 2000)

	Proprietary Fund Types		Fiduciary	Totals (Memorandum Only)	
	Enterprise	Internal	Non-expendable	2001	2000
		Service	Trust		
Cash Flows From Operating Activities					
Cash received from customers and users	\$ 44,494,980	\$ 9,054,402	\$ 0	\$ 53,549,382	\$ 50,762,348
Cash payments to employees for services	(6,499,317)	(2,047,301)	0	(8,546,618)	(7,965,607)
Cash payments for employee benefits	(1,890,016)	(5,236,446)	0	(7,126,462)	(5,440,148)
Cash payments to suppliers for goods and services	(31,054,236)	(1,817,232)	0	(32,871,468)	(30,558,178)
Net Cash Provided By Operating Activities	5,051,411	(46,577)	0	5,004,834	6,798,415
Cash Flows From Non-Capital Financing Activities					
Grant proceeds	57,099	8,111	0	65,210	55,661
Transfers in	1,888,900	0	7,935	1,896,835	758,310
Transfers out	(1,127,315)	0	0	(1,127,315)	0
Advance repayment	(100,800)	0	0	(100,800)	(70,000)
Net Cash Provided By Non-Capital Financing Activities	717,884	8,111	7,935	733,930	743,971
Cash Flows From Capital and Related Financing Activities					
Activities					
Acquisition of capital assets	(4,379,709)	(105,786)	0	(4,485,495)	(6,671,059)
Capital lease proceeds	0	0	0	0	312,589
Proceeds from the sale of capital assets	4,000	0	0	4,000	0
Bond/note proceeds	5,116,452	0	0	5,116,452	4,781,161
Debt service					
Principal	(5,872,791)	0	0	(5,872,791)	(1,668,243)
Interest	(1,066,366)	0	0	(1,066,366)	(962,530)
Net Cash Used In Capital and Related Financing Activities	(6,198,414)	(105,786)	0	(6,304,200)	(4,208,082)
Cash Flows From Investing Activities					
Interest revenue	0	234,078	0	234,078	356,129
Sale of investments	913,927	373,313	95,000	1,382,240	39,994
Purchase of investments	(4,360,158)	(1,844,846)	(95,000)	(6,300,004)	(95,000)
Net Cash Provided By Investing Activities	(3,446,231)	(1,237,455)	0	(4,683,686)	301,123
Net Increase in Cash and Cash Equivalents	(3,875,350)	(1,381,707)	7,935	(5,249,122)	3,635,427
Cash and Cash Equivalents at Beginning of Year	17,620,451	7,197,455	65,111	24,883,017	21,247,590
Cash and Cash Equivalents at End of Year	\$ 13,745,101	\$ 5,815,748	\$ 73,046	\$ 19,633,895	\$ 24,883,017

(continued)

City of Cuyahoga Falls
Combined Statement of Cash Flows -
All Proprietary Fund Types and Non-expendable Trust Fund
Year Ended December 31, 2001

(With Comparative Totals for Year Ended December 31, 2000)

	Proprietary Fund Types		Fiduciary	Totals (Memorandum Only)	
	Enterprise	Internal	Non-expendable	2001	2000
		Service	Trust		
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:					
Operating Income	\$ 6,629,079	\$ 226,937	\$ 0	\$ 6,856,016	\$ 4,898,864
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:					
Depreciation	2,306,462	200,134	0	2,506,596	2,534,606
Amortization Expense	15,628	0	0	15,628	13,108
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:					
Decrease (increase) in receivables	267,065	(27,810)	0	239,255	402,619
Decrease (increase) in due from other funds	44,244	(96,580)	0	(52,336)	(161,452)
Decrease (increase) in due from other governments	479	358,489	0	358,968	(351,054)
(Increase) decrease in inventory of supplies	(224,261)	(37,424)	0	(261,685)	(478,116)
(Increase) decrease in prepaids	(13,267)	(802)	0	(14,069)	(8,329)
(Increase) in investment in joint ventures	(2,859,166)	0	0	(2,859,166)	(2,771,238)
(Decrease) increase in accounts payable - net of items affecting fixed assets	(1,131,225)	24,587	0	(1,106,638)	1,240,812
(Decrease) increase in accrued salaries, wages and benefits	(150)	24,873	0	24,723	169,524
Increase (decrease) in due to other funds	180,526	(1,231)	0	179,295	77,531
(Decrease) increase in due to other governments	(63,313)	(50,241)	0	(113,554)	(6,197)
(Decrease) increase in deposits held and due to others	(37,207)	0	0	(37,207)	54,136
(Decrease) in claims and judgements payable	0	(667,509)	0	(667,509)	90
(Decrease) in deferred revenue	(63,483)	0	0	(63,483)	1,183,511
Total Adjustments	(1,577,668)	(273,514)	0	(1,851,182)	1,899,551
Net Cash Provided By Operating Activities	\$ 5,051,411	\$ (46,577)	\$ 0	\$ 5,004,834	\$ 6,798,415

	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	\$ 1,645,323	\$ 477,383	\$ 2,122,706
Less Agency Funds:			
Treasury	(707,985)	0	(707,985)
State Cases Fines and Forfeitures	(1,958)	0	(1,958)
Employee Withholding	(182,768)	0	(182,768)
Guarantee Deposits	(704,093)	0	(704,093)
Unclaimed Monies	(48,519)	0	(48,519)
Municipal Court	0	(404,337)	(404,337)
Non-expendable Trust Fund	\$ 0	\$ 73,046	\$ 73,046

During 2001 the Leisure Time Enterprise Fund received capital assets from the Recreation Levy Special Revenue Fund and the Capital Projects Fund in the amount of \$70,165 and 125,598, respectively.

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, 2001

	Enterprise Funds			Internal Service Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 43,361,525	\$ 43,718,815	\$ 357,290	\$ 9,275,898	\$ 8,664,948	\$ (610,950)
Other	651,505	776,165	124,660	0	389,454	389,454
Total Operating Revenues	44,013,030	44,494,980	481,950	9,275,898	9,054,402	(221,496)
Operating Expenses						
Personal services	6,811,008	6,499,317	311,691	2,070,540	2,047,301	23,239
Fringe benefits	1,982,602	1,890,016	92,586	5,293,836	5,236,446	57,390
Purchased power	18,745,000	15,132,496	3,612,504	0	0	0
Materials and supplies	1,765,805	5,187,971	(3,422,166)	777,644	760,071	17,573
Utilities	665,325	593,739	71,586	34,550	29,661	4,889
Contractual services	4,132,510	2,943,871	1,188,639	291,813	238,682	53,131
Internal charges	3,734,292	3,933,813	(199,521)	504,341	448,252	56,089
Other	2,301,635	2,295,814	5,821	476,553	438,155	38,398
Capital outlay	4,471,545	3,281,944	1,189,601	92,400	90,847	1,553
Total Operating Expenses	44,609,722	41,758,981	2,850,741	9,541,677	9,289,415	252,262
Operating Income (Loss)	(596,692)	2,735,999	3,332,691	(265,779)	(235,013)	30,766
Nonoperating Revenues (Expenses)						
Bond/note proceeds	5,115,000	5,116,452	1,452	0	0	0
Capital lease proceeds	0	0	0	0	0	0
Grants	55,428	57,099	1,671	12,000	8,111	(3,889)
Proceeds from sale of equipment	0	4,000	4,000	0	0	0
Interest earnings	0	0	0	275,000	234,078	(40,922)
Advances out	(100,800)	(100,800)	0	0	0	0
Debt Service						
Principal	(5,872,795)	(5,872,791)	4	0	0	0
Interest	(1,070,845)	(1,066,366)	4,479	0	0	0
Total Nonoperating Revenues/ Expenses	(1,874,012)	(1,862,406)	11,606	287,000	242,189	(44,811)
Income (loss) before operating transfers	(2,470,704)	873,593	3,344,297	21,221	7,176	(14,045)
Operating Transfers In	1,871,240	1,888,900	17,660	0	0	0
Operating Transfers Out	(1,104,985)	(1,127,315)	(22,330)	0	0	0
Net Income (Loss)	(1,704,449)	1,635,178	3,339,627	21,221	7,176	(14,045)
Retained Earnings at Beginning of Year	12,689,327	12,689,327	0	7,357,734	7,357,734	0
Decertification of prior year encumbrances						
	198,006	198,006	0	65,976	65,976	0
Retained Earnings at End of Year	\$ 11,182,884	\$ 14,522,511	\$ 3,339,627	\$ 7,444,931	\$ 7,430,886	\$ (14,045)
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, 2001

	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	\$ 52,637,423	\$ 52,383,763	\$ (253,660)
Other	0	0	0	651,505	1,165,619	514,114
Total Operating Revenues	0	0	0	53,288,928	53,549,382	260,454
Operating Expenses						
Personal services	0	0	0	8,881,548	8,546,618	334,930
Fringe benefits	0	0	0	7,276,438	7,126,462	149,976
Purchased power	0	0	0	18,745,000	15,132,496	3,612,504
Materials and supplies	0	0	0	2,543,449	5,948,042	(3,404,593)
Utilities	0	0	0	699,875	623,400	76,475
Contractual services	0	0	0	4,424,323	3,182,553	1,241,770
Internal charges	0	0	0	4,238,633	4,382,065	(143,432)
Other	0	0	0	2,778,188	2,733,969	44,219
Capital outlay	0	0	0	4,563,945	3,372,791	1,191,154
Total Operating Expenses	0	0	0	54,151,399	51,048,396	3,103,003
Operating Income (Loss)	0	0	0	(862,471)	2,500,986	3,363,457
Nonoperating Revenue/Expenses						
Bond/note proceeds	0	0	0	5,115,000	5,116,452	1,452
Capital lease proceeds	0	0	0	0	0	0
Grants	0	0	0	67,428	65,210	(2,218)
Proceeds from sale of equipment	0	0	0	0	4,000	4,000
Interest earnings	0	0	0	275,000	234,078	(40,922)
Advances out				(100,800)	(100,800)	0
Debt Service						
Principal	0	0	0	(5,872,795)	(5,872,791)	4
Interest	0	0	0	(1,070,845)	(1,066,366)	4,479
Total Nonoperating Revenues/						
Expenses	0	0	0	(1,587,012)	(1,620,217)	(33,205)
Income (loss) before operating						
transfers	0	0	0	(2,449,483)	880,769	3,330,252
Operating Transfers In	0	7,935	7,935	1,871,240	1,896,835	25,595
Operating Transfers Out	0	0	0	(1,104,985)	(1,127,315)	(22,330)
Net Income (Loss)	0	7,935	7,935	(1,683,228)	1,650,289	3,333,517
Retained Earnings at Beginning of Year	0	0	0	20,047,061	20,047,061	0
Decertification of prior year						
encumbrances	0	0	0	263,982	263,982	0
Retained Earnings at End of Year	\$ 0	\$ 0	\$ 0	\$ 18,627,815	\$ 21,953,397	\$ 3,325,582
Fund Balance at Beginning of Year	160,111	160,111	0	160,111	160,111	0
Fund Balance at End of Year	\$ 160,111	\$ 168,046	\$ 7,935	\$ 160,111	\$ 168,046	\$ 7,935

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 2001

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/miniature golf, 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 has one component unit.

Component unit – The Community Improvement Corporation of Cuyahoga Falls (CIC) is a not for profit corporation to advance, encourage, and promote the industrial, commercial, civic, and economic development of Cuyahoga Falls, Ohio under the applicable sections of the Ohio Revised Code. The City has assumed a financial burden to the component unit through tax increment financing. The City has chosen the blended method of presentation of CIC because it provides services that solely benefit the primary government. The CIC is reported in the Community and Economic Development Special Revenue Fund.

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.

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 2001

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.

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:

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 2001

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.

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 recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year-end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year-end include income taxes withheld by employers, interest on investments, special assessments, and state levied locally shared taxes (including motor vehicle license fees, and local government assistance). Other revenues, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are not measurable until actually received.

Special assessment installments, which are measurable, but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2001, but which are not intended to finance 2001 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 3.

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.

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 2001

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.

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 2001. Unencumbered appropriations lapse at year end.

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 2001

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.

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 (Under) Expenditures and Other Uses				
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
GAAP basis	\$ 785,944	\$ 80,107	\$ (13,700)	\$ 1,220,474	\$ 2,072,825
Increase (decrease) due to:					
Change in receivables and other assets not recognized on a budget basis	(1,562,986)	(2,103,599)	154,552	(454,265)	(3,966,298)
Change in liabilities not recognized on a budget basis	1,125,533	1,604,942	(154,272)	270,533	2,846,736
Encumbrances	(39,051)	43,135	(224)	(231,046)	(227,186)
Budget Basis	\$ 309,440	\$ (375,415)	\$ (13,644)	\$ 805,696	\$ 726,077

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 2001

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			
	Enterprise Fund	Internal Service Funds	Non-Expendable Trust Fund	Total
GAAP basis	\$ 6,162,990	\$ 423,854	\$ 7,935	\$ 6,594,779
Increase (decrease) due to:				
Change in receivables and other assets not recognized on a budget basis	(4,590,830)	332,710	0	(4,258,120)
Change in liabilities and equity not recognized on a budget basis	(2,001,279)	(666,738)	0	(2,668,017)
Encumbrances recognized as expenses on a budget basis	2,064,297	(82,650)	0	1,981,647
Budget Basis	\$ 1,635,178	\$ 7,176	\$ 7,935	\$ 1,650,289

E. Equity in Pooled Cash and Cash Equivalents and Investments

Cash balances of the City's funds are pooled and invested in short-term investments in order to provide improved cash management. The restricted cash and investments from the following funds are not included in the City's pooled cash and investments: Community and Economic Development Special Revenue Fund, Debt Service Fund, Capital Improvement Reserve Capital Projects Fund, Cemetery Perpetual Care Non-expendable Trust Fund and the Municipal Court Agency Fund. 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.

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

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, 2001

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:

Assets	Years
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, debt service 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, 2001

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, 2001 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 2000 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, 2001

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	
	Various government employees	American Federation of State, County, and Municipal Employees (AFSCME)
		Utility Workers of America Local #399
100% of accumulated sick leave up to a maximum of 1,500 hours	Electric employees	Fraternal Order of Police-Ohio Labor Council, Inc. (FOP-OLC)
	Dispatchers	
	Police Sergeants/Lieutenants	Fraternal Order of Police-(FOP-Gold)
46.67% of accumulated sick leave up to a maximum of 56, 24-hour days	Firefighters	International Association of Firefighters Local #494 (IAFF)

Sick leave may be accumulated beyond these cash-out limits, but can only be used when employees are absent from work due to illness. Compensatory time is earned by substantially all regular non-management employees. Compensatory time that is not used per union contracts and/or City ordinances is paid in cash to the appropriate employees in accordance with the Fair Labor Standards Act.

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.

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.

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 2001

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 \$8,742,572 and \$504,378 have been recorded in the General Fund and Special Revenue Fund, respectively, as taxes receivable to reflect property taxes receivable as of December 31, 2001.

The assessed values of real public utility and tangible personal property upon which 2001 property tax receipts were based are as follows:

Property Types	Valuation
Real Property – 2000 Tax Valuation	\$ 784,766,920
Public Utility Property – 1999 Tax Valuation	20,564,700
Tangible Personal Property – 2001 Tax Valuation	84,544,555
Total Valuation	<u>\$ 889,876,175</u>

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 2001 was \$16,191,625. The amount of \$2,529,228 has been recorded in the Special Revenue Fund as taxes receivable (net of refunds) to reflect income taxes receivable recorded as of December 31, 2001.

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.

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 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.

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 2001

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 2001 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 \$20,273,905 and the bank balance was \$22,479,459. Of the bank balance, \$129,058 was covered by federal depository insurance, \$21,498,880 was covered by collateral held by the counterparty's trust department or agent in the City's name and \$400,520 was held in a public fund collateral pool by third party trustees pursuant to section 135.181, Ohio Revised Code. Information regarding the collateralization of the Community Improvement Corporation of Cuyahoga Falls, a component unit, can be obtained from the corporation's independent audit report. The equity in pooled cash and cash equivalents and the cash and cash equivalents-restricted accounts include repurchase agreements of \$4,395,000 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, 2001

A summary of the total City investments as of December 31, 2001 is as follows:

	Category		Carrying Amount	Fair Value
	1	2		
Repurchase agreements	\$ 0	\$ 4,555,000	\$ 4,555,000	\$ 4,555,000
U. S. government securities	17,246,172	0	17,246,172	17,353,219
Other government bonds	1,984,702	0	1,984,702	2,568,474
Total City investments	<u>\$ 19,230,874</u>	<u>\$ 4,555,000</u>	<u>23,785,874</u>	<u>24,476,693</u>

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, 2001, \$2,548,474 has been reserved in the fund balance of the Capital Improvement Reserve Capital Projects Fund. This amount represents the fair value of the IDRB at \$2,548,474.

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	\$32,305,874	\$12,444,724
Investments of the cash management pool:		
Repurchase agreements	(4,555,000)	4,555,000
U.S. government securities	(7,476,969)	7,476,969
GASB Statement No. 3	<u>\$20,273,905</u>	<u>\$24,476,693</u>

NOTE 6 - FIXED ASSETS AND DEPRECIATION

A. Changes in General Fixed Assets

The changes in general fixed assets during 2001 were as follows:

	January 1, 2001	Additions	Deductions	December 31, 2001
Land	\$ 6,734,619	\$ 722,518	\$ 28,106	\$ 7,429,031
Buildings	13,824,296	378,832	38,413	14,164,715
Equipment	16,510,150	1,532,588	1,123,407	16,919,331
Total	<u>\$ 37,069,065</u>	<u>\$ 2,633,938</u>	<u>\$ 1,189,926</u>	<u>\$ 38,513,077</u>

In 2001, the City raised the capitalization limit of fixed assets from a minimum value of \$1,000 to a minimum value of \$2,500. Thus, in the year 2001, assets were eliminated from the fixed asset schedules that were below the threshold limit of \$2,500. Due to this policy change, \$ 919,235 is included in the deductions total of \$1,189,929.

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 2001

B. Proprietary Fund Type Fixed Assets

Proprietary fund fixed assets and accumulated depreciation at December 31, 2001, were as follows:

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Land	\$ 2,334,988	\$ 21,960	\$ 2,356,948
Buildings	13,325,141	299,867	13,625,008
Improvements other than buildings	61,684,993	262,637	61,947,630
Equipment	7,609,604	1,884,657	9,494,261
Construction in progress	<u>617,046</u>	<u>0</u>	<u>617,046</u>
	85,571,772	2,469,121	88,040,893
Less: Accumulated depreciation	<u>31,541,179</u>	<u>1,953,713</u>	<u>33,494,892</u>
Net	<u>\$ 54,030,593</u>	<u>\$ 515,408</u>	<u>\$ 54,546,001</u>

As previously stated, the City has raised its capitalization limits from \$1,000 to \$2,500. Due to the elimination of assets that no longer met this standard, the fixed asset schedules of the Proprietary Funds showed disposals of \$969,492. In addition, accumulated depreciation was reduced by \$671,363 due to this change.

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 \$17,350,812 for the period January 1 to December 31, 2001. The City's total payroll for the year was \$27,061,646.

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 Ohio Revised Code.
- 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 or 1-800-222-PERS (7377).
- E. The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement. In January 2001, House Bill 416 divided the PERS law enforcement program into separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. All other members of the PERS law enforcement program were placed in a newly named public safety division and continued to contribute at 9%.

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 2001

- F. The 2001 employer contribution rate for state employers was 13.31% of covered payroll. For local government employer units the rate was 13.55% of covered payroll. The 2001 employer contribution rate for both the law enforcement and public safety divisions was 16.70% of covered payroll. Law enforcement officer benefits permit age and service retirement at an earlier age with a different formula than for PERS members not covered under this division.
- G. 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>
2001	\$1,474,819	\$ 2,351,035
2000	1,401,618	1,826,922
1999	1,334,573	2,127,467
1998	1,254,665	2,000,084
1997	1,201,393	1,915,161

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, 2001 was \$4,414,651 for police officers and \$4,586,779 for firefighters. The City's total payroll for the year was \$27,061,646.

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 publicly available financial report that includes financial information and requires supplementary information for the plan. This report may be obtained by writing to OP&F 140 East Town Street, Columbus, Ohio 43215-5164. 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%

- 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:

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 2001

	<u>Year</u>	<u>Employee Share</u>	<u>Employer Share</u>
Police:	2001	\$441,465	\$860,857
	2000	427,026	827,277
	1999	396,579	773,329
	1998	373,572	728,465
	1997	352,106	686,607
Firefighters:	2001	\$ 458,678	\$1,100,827
	2000	438,763	1,059,858
	1999	414,424	994,617
	1998	369,991	887,979
	1997	360,011	864,027

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 2001 for retiree health insurance coverage through the two retirement systems totaled \$66,429.

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 2001 totaled \$89,688. The number and class of retirees eligible to receive health care benefits as of December 31, 2001 were 35 police officers, 26 firefighters, and 51 PERS employees.

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. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. During 2001, the City's portion that was used to fund health care was 4.3 percent of covered payroll. This rate is an actuarially determined contribution requirement for PERS. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

Other Postemployment Benefits (OPEB) are advance-funded on actuarially determined contribution requirements for PERS. The number of active contributing participants was 411,076. During 2001, the City's portion that was used to fund post-employment benefits was \$745,983. \$11,735.9 million represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2000. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 2001

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. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. Post-retirement health care coverage is funded by a portion of the City's contribution (7.5 percent) and is determined on a pay-as-you-go basis. The number of participants eligible to receive health care benefits as of December 31, 2000 (the date of the last actuarial valuation available) are 12,853 and 10,037 for police and firefighters, respectively. Post-retirement health care benefits are established by ORC. During 2001, the City's portion that was used to fund post-employment benefits was \$331,430 and \$344,559 for police and firefighters, respectively. The Fund's total health care expense for the year ended December 31, 2000, the date of the last actuarial valuation available, was \$106,160,054, which was net of member contributions of \$5,657,431.

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.

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:

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 2001

Asset	General Fixed Assets	Enterprise	Internal Service	Total
Equipment	\$ 1,629,852	\$ 312,589	\$ 0	\$ 1,942,441
Less: Accumulated Depreciation	0	(104,196)	0	(104,196)
Total	\$ 1,629,852	\$ 208,393	\$ 0	\$ 1,838,245

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2001, were as follows:

	General Long-Term Debt	Enterprise	Total
2002	149,112	110,016	259,128
2003	0	110,016	110,016
Total	149,112	220,032	369,144
Less: Amount representing interest	(6,853)	(16,017)	(22,870)
Present value of minimum lease payments	\$ 142,259	\$ 204,015	\$ 346,274

NOTE 11 - SHORT-TERM OBLIGATIONS

A summary of the changes in the City's short-term obligations for the year ended December 31, 2001 are as follows:

	Balance January 1, 2001	Issued	Retired	Balance December 31, 2001
<u>General Obligation Bond Anticipation Notes</u>				
<u>Proprietary Funds:</u>				
Enterprise Fund Obligations:				
4.875% Water Improvement Notes due 9/5/01	4,775,000	0	4,775,000	0
<u>Governmental Funds:</u>				
Capital Projects Funds Obligations:				
4.875% Various Purpose Notes due 9/5/01	1,735,000	0	1,735,000	0
2.5% Street Improvement Note due 12/18/02	0	750,000	0	750,000
Total	\$ 6,510,000	\$ 750,000	\$ 6,510,000	\$ 750,000

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 2001

NOTE 12 - LONG-TERM OBLIGATIONS

A summary of the changes in the City's long-term obligations for the year ended December 31, 2001, is as follows:

	Balance January 1, 2001	Issued	Retired	Balance December 31, 2001
Proprietary Funds:				
Enterprise Fund Obligations:				
3.00% 1992 OPWC Construction Loan Storm Sewer	\$ 39,483	\$ 0	\$ 15,441	\$ 24,042
4.0% - 5.6% Recreation Refunding Issue	1,836,853	0	188,966 ²	1,647,887
4.0% - 5.6% Electric Refunding Issue	2,821,490	0	220,149 ³	2,601,341
4.4% - 6.0% 1995 Recreation Facilities	2,866,113	0	129,391	2,736,722
3.8% - 5.25% 1997 Sewer Improvement	2,098,910	0	84,152	2,014,758
3.8% - 5.25% 1997 Water Improvement	1,865,697	0	74,801	1,790,896
3.05% - 4.70% 1998 Sewer Improvement	2,248,996	0	88,054	2,160,942
3.05% - 4.70% 1998 Water Improvement	4,586,462	0	179,573	4,406,889
3.25% - 4.55% 2001 Water Improvement	0	5,175,000	0	5,175,000
Capital lease obligations (Note 10)	312,589	0	108,574	204,015
Total	18,676,593	5,175,000	1,089,101	22,762,492
General Long-Term Obligation Account Group:				
Special Assessment General Obligation Bonds:				
7.25% 1991 Street Improvement	\$ 22,000	\$ 0	\$ 2,000	\$ 20,000
6.50% 1991 Street Improvement	52,000	0	52,000	0
4.00% - 5.60% 1995 Street & Sewer Refunding Issue	602,439	0	62,195	540,244
3.25% -4.55% 2001 Street Improvement	0	425,000	0	425,000
	676,439	425,000	116,195	985,244
Other General Obligations:				
4.00% - 5.60% 1995 Various Purpose Refunding Issue	1,660,000	0	165,000	1,495,000
4.40% - 6.00% 1995 Various Purpose Improvement	5,218,889	0	235,608	4,983,281
3.80% - 5.25% 1997 Various Purpose Improvement	4,640,392	0	186,047	4,454,345
3.05% - 4.70% 1998 Various Purpose Improvement	954,543	0	37,373	917,170
	12,473,824	0	624,028	11,849,796
Other Obligations:				
Capital lease obligations (Note 10)	605,970	0	463,711	142,259
Compensated absences (Note 2)	5,093,537	221,360 ¹	0	5,314,897
	5,699,507	221,360	463,711	5,457,156
Total	\$ 18,849,770	\$ 646,360	\$ 1,203,934	\$ 18,292,196

¹Amount issued represents net additions.

²This amount represents principal payment of \$192,805 less amortization expense of \$3,839.

³This amount represents principal payment of \$225,000 less amortization expense of \$4,851.

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 2001

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, 2001.

As of December 31, 2001, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt without a vote of the electors) was \$36,525,654. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2001 (excluding capital leases) are as follows:

Year	Enterprise Fund Obligations		Special Assessment Bonds		Other General Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 1,149,816	\$ 1,147,513	\$ 99,073	\$ 51,019	\$ 640,329	\$ 619,875
2003	1,247,985	1,021,365	110,293	40,950	658,166	589,599
2004	1,295,665	966,717	115,171	36,124	667,474	557,848
2005	1,350,942	907,133	118,829	30,684	698,539	525,133
2006	1,417,910	844,683	122,488	25,059	737,912	490,833
2007-2011	6,891,012	3,188,623	419,390	44,824	4,067,516	1,848,393
2012-2016	6,074,009	1,651,269	0	0	3,840,991	739,396
2017-2021	3,131,138	355,434	0	0	538,869	30,941
Total	\$ 22,558,477	\$ 10,082,737	\$ 985,244	\$ 228,660	\$ 11,849,796	\$ 5,402,018

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 \$691,746 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 August 1, 2001 the City issued bonds in the amount of \$5,600,000. Of this amount, \$5,175,000 was issued for the purpose of improving the municipal waterworks system in the High Pressure Water District and installing the new iron filters and improving the City's water plant. The remaining \$425,000 was issued in anticipation of the levy and collection of special assessments for the construction of a portion of Buckingham Gate Boulevard.

On December 28, 2001, the City issued notes in the amount of \$750,000 in anticipation of the issuance of bonds for the purpose of improving State Road from the south corporation line to Portage Trail. The improvement includes constructing or installing concrete curbs, catch basins, storm sewers where required, roadway asphalt, concrete driveway aprons and concrete sidewalks, traffic signals, control and signage where required, together with necessary appurtenances thereto.

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, 2001

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, 2001 is summarized as follows:

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
Operating Revenues	\$ 4,839,820	\$ 4,373,731	\$ 28,414,021	\$ 3,451,101	\$ 3,148,347	\$ 44,227,020
Depreciation Expense	361,746	531,541	756,388	187,409	469,378	2,306,462
Amortization Expense	674	6,264	4,851	0	3,839	15,628
Operating Income (Loss)	1,228,629	710,925	5,205,157	53,027	(568,659)	6,629,079
Grants	0	0	0	66,735	1,671	68,406
Operating Transfers In	0	0	1,122,645	0	766,255	1,888,900
Operating Transfers Out	0	0	1,127,315	0	0	1,127,315
Net Income (Loss)	1,013,533	216,688	4,923,550	116,407	(107,188)	6,162,990
Current Capital Contributions	0	0	0	0	195,763	195,763
Property, Plant, and Equipment Additions-net	823,265	5,449,747	3,403,232	201,441	707,453	10,585,138
Property, Plant, and Equipment Deductions-net	394,976	3,404,367	3,183,176	26,605	178,419	7,187,543
Net Working Capital	2,468,192	3,980,768	31,100,307	257,703	(517,377)	37,289,593
Total Assets	14,370,346	22,329,004	47,151,104	1,703,668	14,891,775	100,445,897
Bonds and Other Long-Term Liabilities Outstanding	4,006,302	10,990,355	2,366,192	406,988	4,045,812	21,815,649
Total Fund Equity						
December 31, 2001	8,921,520	9,014,267	41,597,878	509,028	9,461,844	69,504,537
Outstanding Encumbrances	240,848	1,178,955	2,052,423	60,364	50,158	3,582,748

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 2001

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances, including advances, at December 31, 2001 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>1,478,460</u>	<u>\$ 493,672</u>	<u>\$ 0</u>	<u>\$ 119,000</u>
Special Revenue Funds:				
Municipal Income Tax	42,827	1,741,333	0	0
Street Construction, Maintenance and Repair	0	39,253	0	0
Police Pension	0	38,204	0	0
Fire Pension	0	43,289	0	0
Drug Law Enforcement	255	0	0	0
Recreation Levy	538,805	0	0	400,000
Probation	1,051	0	0	0
Suspended License Intervention Program	4,050	0	0	0
Indigent Drivers Alcohol Treatment	860	0	0	0
Enforcement and Education	254	0	0	0
Court Computer	<u>3,833</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>591,935</u>	<u>1,862,079</u>	<u>0</u>	<u>400,000</u>
Capital Projects Funds:				
Capital Projects	580,905	0	0	610,383
Capital Improvement Reserve	<u>39</u>	<u>0</u>	<u>1,413,583</u>	<u>0</u>
	<u>580,944</u>	<u>0</u>	<u>1,413,583</u>	<u>610,383</u>
Enterprise Funds:				
Sewage and Disposal	34,719	201,513	0	0
Water	0	306,785	0	0
Electric	875,683	110,846	0	0
Sanitation	8,826	179,463	0	403,200
Leisure Time	<u>0</u>	<u>842,025</u>	<u>0</u>	<u>0</u>
	<u>919,228</u>	<u>1,640,632</u>	<u>0</u>	<u>403,200</u>
Internal Service Funds:				
Garage	0	10,773	0	0
Utility Billing	115,424	19,439	0	0
Self-Insurance	448,295	0	0	0
Information Services	<u>0</u>	<u>9,663</u>	<u>0</u>	<u>0</u>
	<u>563,719</u>	<u>39,875</u>	<u>0</u>	<u>0</u>
Agency Funds:				
Treasury	184,320	0	119,000	0
State Cases - Fines and Forfeitures	920	0	0	0
Employee Withholding	0	42,827	0	0
Guarantee Deposits	0	72,013	0	0
Municipal Court	<u>0</u>	<u>168,428</u>	<u>0</u>	<u>0</u>
	<u>185,240</u>	<u>283,268</u>	<u>119,000</u>	<u>0</u>
Total All Funds	<u>\$4,319,526</u>	<u>\$4,319,526</u>	<u>\$1,532,583</u>	<u>\$ 1,532,583</u>

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

<u>Year</u>	<u>General Fund</u>	<u>Recreation Levy</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Total</u>
2002	59,500	100,000	605,000	100,800	865,300
2003	59,500	100,000	5,383	100,800	265,683
2004	0	100,000	0	100,800	200,800
2005	0	<u>100,000</u>	0	<u>100,800</u>	<u>200,800</u>
Total	<u>\$119,000</u>	<u>\$400,000</u>	<u>\$610,383</u>	<u>\$403,200</u>	<u>\$1,532,583</u>

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 2001

NOTE 15 - RISK MANAGEMENT

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

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

A. Self Insurance Internal Service Fund

On April 1, 2001, the City entered its eighth year of major health insurance administration with Professional Claims Management. Claims are fully paid by the City for full-time employees through the City's Self-Insurance Internal Service Fund which provides funding for health-care coverage. Professional Claims Management reviews all claims which are then paid by the Self-Insurance Fund. For the fiscal coverage year April 1, 2000 through March 31, 2001, the City has purchased annual stop-loss coverage of \$150,000 per person, and aggregate stop-loss coverage of \$4,109,669.

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 \$476,384 has been recorded to reflect the outstanding claims as of December 31, 2001. 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, 2001, the City completed its tenth 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 and minimum premium charges to the Bureau, and in turn the City reimburses the Bureau for all claim costs 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 \$1,329,283 for the 2001 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, 2001

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

	2000		2001	
	Self Insurance	Workers' Compensation	Self Insurance	Workers' Compensation
Unpaid claims-January 1	\$ 497,171	\$ 1,441,893	\$ 494,444	\$ 1,444,710
Incurred claims (including IBNRs)	3,426,066	42,076	4,187,217	(400,711)
Claim payments made during the year	<u>(3,428,793)</u>	<u>(39,259)</u>	<u>(4,205,277)</u>	<u>(248,738)</u>
Unpaid claims-December 31	<u>\$ 494,444</u>	<u>\$ 1,444,710</u>	<u>\$ 476,384</u>	<u>\$795,261</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 2001 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 \$2,411,419 to the joint venture for 2001. With a 50-year license, the project is expected to be a source of clean, reliable power well into the 21st century.

In addition to OMEGA JV1 and OMEGA JV5 the City's Electric Enterprise Fund participates in a joint venture agreement with 35 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2), a 138.650 megawatt combination distributed gas turbine and diesel-fired peak shaving generation project that was constructed in response to the power shortages and corresponding price spikes on the short term power market that occurred in Ohio in June of 1998. The project consists of two gas turbine generators rated at 32MW sited in the cities of Bowling Green and Hamilton, and an 11MW gas unit in St. Marys. There are also 34 1.825MW diesel units and a 1.6MW unit located in other participating Amp-Ohio communities. Each member has a contract that allows the sale of power to other Amp-Ohio members or sales to the open market depending on pricing and availability. The electric plant generating units were purchased from Amp-Ohio on December 27, 2001. The OMEGA JV5 is managed by Amp-Ohio which acts as the joint venture 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 the City's share of the long term debt to purchase the generators. In accordance with the joint venture agreement, the City remitted \$ 378,101 to the joint venture for 2001.

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 2001

The following is a summary of audited financial information of OMEGA JV1, OMEGA JV2 and OMEGA JV5 as of and for the year ended December 31, 2001:

	<u>OMEGA JV1</u>	<u>OMEGA JV2</u>	<u>OMEGA JV5</u>
Total Assets	\$438,297	\$55,534,206	\$204,820,927
Total Liabilities	18,256	552,314	198,352,327
Members Equity	420,041	54,981,892	6,468,600
Total Revenues	153,725	2,095,967	23,585,104
Total Expenses	209,326	5,884,673	21,601,718
Excess Income over (under) Expenses	(55,601)	3,788,706	1,983,386

The City's undivided ownership of OMEGA JV1, OMEGA JV2 and OMEGA JV5 is 21.05, 7.46 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 of the estimated shortfall. Separate financial statements for the three joint ventures are available through either the City or AMP-Ohio.

On January 21, 2002, Amp-Ohio issued \$50,260,000 of 20 year fixed rate bonds on behalf of the financing participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. The non-financing participants in OMEGA JV2 contributed \$12,665,886 during the period ended December 31, 2001. The proceeds from the bond offering together with non-financing participant contributions were used to pay off the note payable to Amp-Ohio.

The following tables show the major participants and percentage of ownership for the JV1, JV2 and JV5 projects:

<u>OMEGA JV1</u>		<u>OMEGA JV2</u>		<u>OMEGA JV5</u>	
<u>Participants</u>	<u>Percentage of Ownership</u>	<u>Participants</u>	<u>Percentage of Ownership</u>	<u>Participants</u>	<u>Percentage of Ownership</u>
Cuyahoga Falls	21.05%	Hamilton	23.87%	Cuyahoga Falls	16.67%
Niles	17.71	Bowling Green	14.32	Bowling Green	15.73
Wadsworth	11.24	Niles	11.49	Niles	10.63
Hudson	10.37	Cuyahoga Falls	7.46	Napoleon	7.35
Galion	6.53	Wadsworth	5.81	Jackson	7.14
Oberlin	5.52	Painesville	5.22	Hudson	5.69
Amherst	5.42	Dover	5.22	Wadsworth	5.62
Hubbard	3.79	Galion	4.29	Oberlin	3.02
Columbiana	3.03	Amherst	3.73	New Bremen	2.38
Wellington	2.95	St. Marys	2.98	Bryan	2.19
Other	<u>12.39</u>	Other	<u>15.61</u>	Other	<u>23.58</u>
Total	<u>100.00%</u>	Total	<u>100.00%</u>	Total	<u>100.00%</u>

Notes to the General Purpose Financial Statements

City of Cuyahoga Falls December 31, 2001

NOTE 17 - FUND EQUITY/RETAINED EARNINGS DEFICIT

At December 31, 2001, the following fund had deficit retained earnings:

<u>Fund Type/Fund</u>	<u>Amount</u>
Internal Service/Office Supply Fund	\$ 3,176
Internal Service/Information Services Fund	\$ 32,842

The deficit in the above fund is mainly due to the accrual accounting methods the City incorporates. Accrued expenses in these funds will be charged out to the appropriate funds in January of 2002.

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2001, the City implemented GASB Statement No. 33, “*Accounting and Financial Reporting For Non-Exchange Transactions*” and GASB Statement No. 36, “*Recipient Reporting For Certain Shared Non-Exchange Revenues*”. GASB Statement No. 36 modified the provisions of GASB Statement No. 33 for certain specific non-exchange revenues.

GASB Statement No. 33 and GASB Statement No. 36 were required for the current year. These statements clarified the timing requirements of recognizing assets, liabilities, revenues, and expenditures associated with non-exchange transactions. As a result of implementation of the statements, a restatement of prior year fund balance is necessary as described below.

In addition, the Community and Economic Development Special Revenue Fund balance was restated to account for the Community Improvement Corporation of Cuyahoga Falls (CIC), a component unit, as further described in Note 1.

Due to the implementation of GASB statement No. 33, and incorporation of the above described component unit, prior year fund balances were restated for the following funds:

General Fund

Fund balance as of December 31, 2000	\$4,849,904
State levied shared taxes	<u>491,573</u>
Restated fund balance, December 31, 2000	\$5,341,477

State Highway Improvement Special Revenue Fund

Fund balance as of December 31, 2000	\$ 14,999
State levied shared taxes	<u>12,695</u>
Restated fund balance, December 31, 2000	\$ 27,694

Street Construction, Maintenance, and Repair Special Revenue Fund

Fund balance as of December 31, 2000	\$ 876,704
State levied shared taxes	<u>143,545</u>
Restated fund balance, December 31, 2000	\$1,020,249

Community and Economic Development Special Revenue Fund

Fund balance as of December 31, 2000	\$ 3,494
CIC Net Assets	<u>467,505</u>
Restated fund balance as of December 31, 2000	\$ 470,999

(continued)

Notes to the General Purpose Financial Statements

(continued)

City of Cuyahoga Falls December 31, 2001

Total Special Revenue Fund Type

Fund balance as of December 31, 2000	\$3,612,561
State levied shared taxes	156,240
CIC Net Assets	<u>467,505</u>
Restated fund balance, December 31, 2000	\$4,236,306

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. In addition, activity of the Community Improvement Corporation of Cuyahoga Falls, a component unit, is blended in this fund.

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.
Suspended License Intervention Program	To account for fees received from individuals who are charged with certain driver's license violations that come before the Municipal Court to offset the cost of services to educate these violators in complying with applicable laws.
Enterprise Zone/Community Reinvestment Area	To account for fees collected from enterprises receiving a tax incentive through an enterprise zone agreement for the purpose of administering and monitoring the Enterprise Zone Agreement.
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, 2001

	Municipal Income Tax	State Highway Improvement	Street Construction, Maintenance and Repair	Municipal Motor Vehicle License Tax	Police Pension	Fire Pension
ASSETS						
Equity in pooled cash and cash equivalents	\$ 68,890	\$ 11,679	\$ 573,409	\$ 13,005	\$ 42,465	\$ 40,845
Investments	21,853	3,705	181,894	4,125	13,471	12,956
Investments - Restricted accounts	0	0	0	0	0	0
Receivables						
Taxes	2,529,228	0	0	0	252,189	252,189
Accounts	0	0	110,662	0	0	0
Loans	0	0	0	0	0	0
Due from other funds	42,827	0	0	0	0	0
Due from other governments	0	50,674	624,978	0	14,722	14,722
Inventory of supplies	1,373	0	200,174	0	0	0
Prepaid items	149	0	14,975	0	0	0
TOTAL ASSETS	\$ 2,664,320	\$ 66,058	\$ 1,706,092	\$ 17,130	\$ 322,847	\$ 320,712
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	\$ 2,976	\$ 0	\$ 91,916	\$ 0	\$ 0	\$ 0
Accrued salaries, wages and benefits	12,479	0	84,019	0	0	0
Deferred revenue	905,154	34,118	420,784	0	257,004	257,004
Due to other funds	1,741,333	0	39,253	0	38,204	43,289
Due to other governments	511	0	54	0	0	0
Advances from other funds	0	0	0	0	0	0
Total Liabilities	2,662,453	34,118	636,026	0	295,208	300,293
Fund Balance						
Reserved for encumbrances	345	0	141,686	0	0	0
Reserved for prepaid items	149	0	14,975	0	0	0
Reserved for inventory of supplies	1,373	0	200,174	0	0	0
Reserved for loans receivable	0	0	0	0	0	0
Unreserved - undesignated	0	31,940	713,231	17,130	27,639	20,419
Total Fund Balance	1,867	31,940	1,070,066	17,130	27,639	20,419
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,664,320	\$ 66,058	\$ 1,706,092	\$ 17,130	\$ 322,847	\$ 320,712

<u>Permissive Tax</u>	<u>Recreation Levy</u>	<u>Community and Economic Development</u>	<u>Community Development Block Grant</u>	<u>Probation</u>	<u>Enterprise Zone/Community Reinvestment Area</u>	<u>Suspended License Intervention Program</u>	<u>Drug Law Enforcement</u>
\$ 2	\$ 146,389	\$ 3,412	\$ 26,145	\$ 21,231	\$ 498	\$ 2,809	\$ 59,175
0	46,437	1,082	8,294	6,735	158	891	18,771
0	0	451,001	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	125,851	1,776,690	0	0	0	0
0	538,805	0	0	1,051	0	4,050	255
39,419	0	0	0	0	1,995	0	1,006
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>\$ 39,421</u>	<u>\$ 731,631</u>	<u>\$ 581,346</u>	<u>\$ 1,811,129</u>	<u>\$ 29,017</u>	<u>\$ 2,651</u>	<u>\$ 7,750</u>	<u>\$ 79,207</u>
\$ 0	\$ 179,828	\$ 0	\$ 36,407	\$ 0	0	\$ 25	\$ 4,442
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	400,000	0	0	0	0	0	0
0	579,828	0	36,407	0	0	25	4,442
0	45,565	0	150	0	0	0	660
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	125,851	1,776,690	0	0	0	0
39,421	106,238	455,495	(2,118)	29,017	2,651	7,725	74,105
39,421	151,803	581,346	1,774,722	29,017	2,651	7,725	74,765
<u>\$ 39,421</u>	<u>\$ 731,631</u>	<u>\$ 581,346</u>	<u>\$ 1,811,129</u>	<u>\$ 29,017</u>	<u>\$ 2,651</u>	<u>\$ 7,750</u>	<u>\$ 79,207</u>

(continued)

City of Cuyahoga Falls, Ohio
Combining Balance Sheet
All Special Revenue Funds
December 31, 2001

	Law Enforcement Trust	Indigent Drivers Alcohol Treatment	Enforcement and Education	Court Computer	Federal Law Enforcement	Total
ASSETS						
Equity in pooled cash and cash equivalents	\$ 35,182	295,698	\$ 18,751	\$ 48,927	\$ 11,369	\$ 1,419,881
Investments	11,160	93,800	5,948	15,521	3,606	450,407
Investments - Restricted accounts	0	0	0	0	0	451,001
Receivables						
Taxes	0	0	0	0	0	3,033,606
Accounts	0	0	0	0	0	110,662
Loans	0	0	0	0	0	1,902,541
Due from other funds	0	860	254	3,833	0	591,935
Due from other governments	0	0	400	0	0	747,916
Inventory of supplies	0	0	0	0	0	201,547
Prepaid items	0	0	0	0	0	15,124
TOTAL ASSETS	\$ 46,342	390,358	\$ 25,353	\$ 68,281	\$ 14,975	\$ 8,924,620
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	\$ 0	0	\$ 0	\$ 0	\$ 0	\$ 315,594
Accrued salaries, wages and benefits	0	0	0	0	0	96,498
Deferred revenue	0	0	0	0	0	1,874,064
Due to other funds	0	0	0	0	0	1,862,079
Due to other governments	0	0	0	0	0	565
Advances from other funds	0	0	0	0	0	400,000
Total Liabilities	0	0	0	0	0	4,548,800
Fund Balance						
Reserved for encumbrances	0	0	0	14,325	0	202,731
Reserved for prepaid items	0	0	0	0	0	15,124
Reserved for inventory of supplies	0	0	0	0	0	201,547
Reserved for loans receivable	0	0	0	0	0	1,902,541
Unreserved - undesignated	46,342	390,358	25,353	53,956	14,975	2,053,877
Total Fund Balance	46,342	390,358	25,353	68,281	14,975	4,375,820
TOTAL LIABILITIES AND FUND BALANCE	\$ 46,342	390,358	\$ 25,353	\$ 68,281	\$ 14,975	\$ 8,924,620

City of Cuyahoga Falls, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
All Special Revenue Funds
Year Ended December 31, 2001

	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	\$ 247,830
Municipal income taxes	16,191,625	0	0	0	0
Other local taxes	0	0	0	0	226
State levied shared taxes	0	99,739	1,235,029	109,019	29,035
Intergovernmental	0	0	0	0	0
Charges for services	0	0	0	0	0
Fees, licenses, and permits	0	0	435,886	0	0
Interest earnings	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0
Other	492	0	7,807	0	0
Total Revenues	16,192,117	99,739	1,678,722	109,019	277,091
Expenditures					
Current					
Security of persons and property	0	0	0	0	866,834
Leisure time activities	0	0	0	0	0
Community environment	0	0	0	0	0
Street maintenance	0	95,493	3,176,151	110,951	0
General government	1,053,524	0	0	0	0
Capital outlay	7,157	0	111,722	0	0
Debt service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Total Expenditures	1,060,681	95,493	3,287,873	110,951	866,834
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	15,131,436	4,246	(1,609,151)	(1,932)	(589,743)
Other Financing Sources (Uses)					
Operating transfers in	0	0	1,600,000	0	617,382
Operating transfers out	(15,139,792)	0	0	0	0
Total Other Financing Sources (Uses)	(15,139,792)	0	1,600,000	0	617,382
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses					
	(8,356)	4,246	(9,151)	(1,932)	27,639
Fund Balance at Beginning of Year, as restated	9,784	27,694	1,020,249	19,062	0
Increase (decrease) in:					
Reserve for inventory	409	0	55,986	0	0
Reserve for prepaid items	30	0	2,982	0	0
Fund Balance at End of Year	\$ 1,867	\$ 31,940	\$ 1,070,066	\$ 17,130	\$ 27,639

(continued)

City of Cuyahoga Falls, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
All Special Revenue Funds
Year Ended December 31, 2001

	Fire Pension	Permissive Tax	Recreation Levy	Community and Economic Development	Community Development Block Grant	Probation
Revenues						
Property taxes	\$ 247,830	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	226	0	0	87,268	0	0
State levied shared taxes	29,035	235,427	0	0	0	0
Intergovernmental	0	0	0	0	231,837	0
Charges for services	0	0	0	9,020	0	0
Fees, licenses, and permits	0	0	0	0	0	12,157
Interest earnings	0	0	0	27,557	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	0	0	5,105	1,000	11,867	0
Total Revenues	277,091	235,427	5,105	124,845	243,704	12,157
Expenditures						
Current						
Security of persons and property	1,107,209	0	0	0	0	0
Leisure time activities	0	0	126,090	0	0	0
Community environment	0	0	0	14,498	54,133	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	0	250,000	929,921	0	3,157	0
Debt service						
Principal	0	0	223,420	0	0	0
Interest	0	0	268,088	0	0	0
Total Expenditures	1,107,209	250,000	1,547,519	14,498	57,290	0
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(830,118)	(14,573)	(1,542,414)	110,347	186,414	12,157
Other Financing Sources (Uses)						
Operating transfers in	850,537	0	1,211,183	0	0	0
Operating transfers out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	850,537	0	1,211,183	0	0	0
Excess (Deficiency) of Revenues						
Expenditures and Other (Under) Uses						
Uses	20,419	(14,573)	(331,231)	110,347	186,414	12,157
Fund Balance at Beginning of Year, as restated	0	53,994	483,034	470,999	1,588,308	16,860
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	\$ 20,419	\$ 39,421	\$ 151,803	\$ 581,346	\$ 1,774,722	\$ 29,017

Enterprise Zone/ Community Reinvestment Area	Suspended License Intervention Program	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	\$ 0	\$ 0	\$ 495,660
0	0	0	0	0	0	0	0	16,191,625
0	0	0	0	0	0	0	0	87,720
0	0	0	0	0	0	0	0	1,737,284
0	0	0	0	0	0	0	0	231,837
0	0	0	0	0	0	52,024	0	61,044
3,214	7,750	0	0	0	0	0	0	459,007
0	0	0	0	0	0	0	740	28,297
0	0	21,224	25,290	28,366	2,758	0	0	77,638
0	0	1,125	0	0	6,600	0	5,865	39,861
3,214	7,750	22,349	25,290	28,366	9,358	52,024	6,605	19,409,973
0	0	20,181	5,568	0	0	0	10,314	2,010,106
0	0	0	0	0	0	0	0	126,090
1,044	0	0	0	0	0	0	0	69,675
0	0	0	0	0	0	0	0	3,382,595
0	25	0	0	0	0	27,367	0	1,080,916
0	0	3,244	0	0	0	0	3,085	1,308,286
0	0	0	0	0	0	0	0	223,420
0	0	0	0	0	0	0	0	268,088
1,044	25	23,425	5,568	0	0	27,367	13,399	8,469,176
2,170	7,725	(1,076)	19,722	28,366	9,358	24,657	(6,794)	10,940,797
0	0	0	0	0	0	0	0	4,279,102
0	0	0	0	0	0	0	0	(15,139,792)
0	0	0	0	0	0	0	0	(10,860,690)
2,170	7,725	(1,076)	19,722	28,366	9,358	24,657	(6,794)	80,107
481	0	75,841	26,620	361,992	15,995	43,624	21,769	4,236,306
0	0	0	0	0	0	0	0	56,395
0	0	0	0	0	0	0	0	3,012
\$ 2,651	\$ 7,725	\$ 74,765	\$ 46,342	\$ 390,358	\$ 25,353	\$ 68,281	\$ 14,975	\$ 4,375,820

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, 2001

	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	16,055,000	16,137,867	82,867	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	95,500	99,054	3,554
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	492	492	0	0	0
Total Revenues	16,055,000	16,138,359	83,359	95,500	99,054	3,554
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	95,500	95,493	7
General government	1,038,986	1,038,915	71	0	0	0
Capital outlay	7,905	7,157	748	0	0	0
Debt service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	1,046,891	1,046,072	819	95,500	95,493	7
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	15,008,109	15,092,287	84,178	0	3,561	3,561
Other Financing Sources (Uses)						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	(15,224,279)	(15,224,279)	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	(15,224,279)	(15,224,279)	0	0	0	0
Excess (Deficiency) of Revenues and						
Other Sources Over (Under) Expenditures						
and Other Uses	(216,170)	(131,992)	84,178	0	3,561	3,561
Fund Balance at Beginning of Year	218,760	218,760	0	11,823	11,823	0
Decertification of prior year						
encumbrances	1,476	1,476	0	0	0	0
Fund Balance at End of Year	\$ 4,066	\$ 88,244	\$ 84,178	\$ 11,823	\$ 15,384	\$ 3,561

	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	1,195,500	1,226,589	31,089	118,000	118,351	351
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	405,000	427,847	22,847	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
All other revenues	2,500	7,746	5,246	0	0	0
Total Revenues	1,603,000	1,662,182	59,182	118,000	118,351	351
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	3,413,286	3,249,500	163,786	118,000	110,951	7,049
General government	0	0	0	0	0	0
Capital outlay	147,700	145,722	1,978	0	0	0
Debt service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	3,560,986	3,395,222	165,764	118,000	110,951	7,049
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(1,957,986)	(1,733,040)	224,946	0	7,400	7,400
Other Financing Sources (Uses)						
Operating transfers in	1,600,000	1,600,000	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances 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						
	(357,986)	(133,040)	224,946	0	7,400	7,400
Fund Balance at Beginning of Year	639,812	639,812	0	9,730	9,730	0
Decertification of prior year encumbrances						
	43,823	43,823	0	0	0	0
Fund Balance at End of Year	\$ 325,649	\$ 550,595	\$ 224,946	\$ 9,730	\$ 17,130	\$ 7,400

(continued)

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, 2001

	Police Pension			Fire Pension		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 238,352	\$ 238,136	\$ (216)	\$ 238,352	\$ 238,136	\$ (216)
Municipal income taxes	0	0	0	0	0	0
Other local taxes	215	206	(9)	215	206	(9)
State levied shared taxes	28,610	29,035	425	28,610	29,035	425
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	267,177	267,377	200	267,177	267,377	200
Expenditures						
Current						
Security of persons and property	877,120	862,817	14,303	1,120,193	1,106,698	13,495
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	877,120	862,817	14,303	1,120,193	1,106,698	13,495
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(609,943)	(595,440)	14,503	(853,016)	(839,321)	13,695
Other Financing Sources (Uses)						
Operating transfers in	629,900	629,900	0	872,973	872,973	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	629,900	629,900	0	872,973	872,973	0
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses						
	19,957	34,460	14,503	19,957	33,652	13,695
Fund Balance at Beginning of Year	21,476	21,476	0	20,149	20,149	0
Decertification of prior year encumbrances						
	0	0	0	0	0	0
Fund Balance at End of Year	\$ 41,433	\$ 55,936	\$ 14,503	\$ 40,106	\$ 53,801	\$ 13,695

	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	0	0
State levied shared taxes	250,000	250,000	0	0	0	0
Intergovernmental	0	0	0	160,000	0	(160,000)
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	5,105	5,105
Total Revenues	250,000	250,000	0	160,000	5,105	(154,895)
Expenditures						
Current						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	178,894	128,104	50,790
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	250,000	250,000	0	1,205,009	1,138,306	66,703
Debt service						
Principal	0	0	0	223,421	223,420	1
Interest	0	0	0	268,088	268,088	0
Total Expenditures	250,000	250,000	0	1,875,412	1,757,918	117,494
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	0	0	0	(1,715,412)	(1,752,813)	(37,401)
Other Financing Sources (Uses)						
Operating transfers in	0	0	0	1,217,942	1,217,942	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	400,000	400,000	0
Advances out	0	0	0	(175,000)	(175,000)	0
Total Other Financing Sources (Uses)	0	0	0	1,442,942	1,442,942	0
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses						
	0	0	0	(272,470)	(309,871)	(37,401)
Fund Balance at Beginning of Year	2	2	0	372,526	372,526	0
Decertification of prior year encumbrances						
	0	0	0	72,404	72,404	0
Fund Balance at End of Year	\$ 2	\$ 2	\$ 0	\$ 172,460	\$ 135,059	\$ (37,401)

(continued)

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, 2001

	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	237,833	231,837	(5,996)
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	1,000	1,000	110,200	108,228	(1,972)
Total Revenues	0	1,000	1,000	348,033	340,065	(7,968)
Expenditures						
Current						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	3,494	0	3,494	322,706	321,212	1,494
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	0	0	0	3,157	3,157	0
Debt service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	3,494	0	3,494	325,863	324,369	1,494
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(3,494)	1,000	4,494	22,170	15,696	(6,474)
Other Financing Sources (Uses)						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances 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						
	(3,494)	1,000	4,494	22,170	15,696	(6,474)
Fund Balance at Beginning of Year	3,494	3,494	0	18,536	18,536	0
Decertification of prior year encumbrances						
	0	0	0	57	57	0
Fund Balance at End of Year	\$ 0	\$ 4,494	\$ 4,494	\$ 40,763	\$ 34,289	\$ (6,474)

	Probation			Enterprise Zone/Community Reinvestment Area		
	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	11,500	11,863	363	1,250	1,219	(31)
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	11,500	11,863	363	1,250	1,219	(31)
Expenditures						
Current						
Security of persons and property	8,400	0	8,400	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	1,300	1,070	230
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	8,400	0	8,400	1,300	1,070	230
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	3,100	11,863	8,763	(50)	149	199
Other Financing Sources (Uses)						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances 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						
	3,100	11,863	8,763	(50)	149	199
Fund Balance at Beginning of Year	16,103	16,103	0	507	507	0
Decertification of prior year encumbrances						
	0	0	0	0	0	0
Fund Balance at End of Year	\$ 19,203	\$ 27,966	\$ 8,763	\$ 457	\$ 656	\$ 199

(continued)

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, 2001

	Suspended License Intervention Program			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	3,700	3,700	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	19,800	20,263	463
Other	0	0	0	1,200	1,125	(75)
Total Revenues	3,700	3,700	0	21,000	21,388	388
Expenditures						
Current						
Security of persons and property	0	0	0	45,609	19,771	25,838
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	3,250	3,244	6
Debt service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	0	0	0	48,859	23,015	25,844
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	3,700	3,700	0	(27,859)	(1,627)	26,232
Other Financing Sources (Uses)						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances 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						
	3,700	3,700	0	(27,859)	(1,627)	26,232
Fund Balance at Beginning of Year	0	0	0	75,388	75,388	0
Decertification of prior year encumbrances						
	0	0	0	525	525	0
Fund Balance at End of Year	\$ 3,700	\$ 3,700	\$ 0	\$ 48,054	\$ 74,286	\$ 26,232

	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	25,000	25,290	290	40,000	43,256	3,256
Other	0	0	0	0	0	0
Total Revenues	25,000	25,290	290	40,000	43,256	3,256
Expenditures						
Current						
Security of persons and property	13,700	5,568	8,132	6,000	0	6,000
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	13,700	5,568	8,132	6,000	0	6,000
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	11,300	19,722	8,422	34,000	43,256	9,256
Other Financing Sources (Uses)						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances 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						
	11,300	19,722	8,422	34,000	43,256	9,256
Fund Balance at Beginning of Year	26,620	26,620	0	346,242	346,242	0
Decertification of prior year encumbrances						
	0	0	0	0	0	0
Fund Balance at End of Year	\$ 37,920	\$ 46,342	\$ 8,422	\$ 380,242	\$ 389,498	\$ 9,256

(continued)

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, 2001

	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	47,000	51,585	4,585
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	3,000	2,965	(35)	0	0	0
Other	6,000	6,200	200	0	0	0
Total Revenues	9,000	9,165	165	47,000	51,585	4,585
Expenditures						
Current						
Security of persons and property	12,000	0	12,000	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	40,000	27,367	12,633
Capital outlay	0	0	0	32,000	0	32,000
Debt service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	12,000	0	12,000	72,000	27,367	44,633
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(3,000)	9,165	12,165	(25,000)	24,218	49,218
Other Financing Sources (Uses)						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances 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						
	(3,000)	9,165	12,165	(25,000)	24,218	49,218
Fund Balance at Beginning of Year	15,534	15,534	0	25,905	25,905	0
Decertification of prior year encumbrances						
	0	0	0	0	0	0
Fund Balance at End of Year	\$ 12,534	\$ 24,699	\$ 12,165	\$ 905	\$ 50,123	\$ 49,218

	Federal Law Enforcement			Total - All Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 476,704	\$ 476,272	\$ (432)
Municipal income taxes	0	0	0	16,055,000	16,137,867	82,867
Other local taxes	0	0	0	430	412	(18)
State levied shared taxes	0	0	0	1,716,220	1,752,064	35,844
Intergovernmental	0	0	0	397,833	231,837	(165,996)
Charges for services	0	0	0	47,000	51,585	4,585
Fees, licenses, and permits	0	0	0	421,450	444,629	23,179
Interest earnings	0	740	740	0	740	740
Fines and forfeitures	0	0	0	87,800	91,774	3,974
Other	5,800	5,865	65	125,700	135,761	10,061
Total Revenues	5,800	6,605	805	19,328,137	19,322,941	(5,196)
Expenditures						
Current						
Security of persons and property	10,457	10,247	210	2,093,479	2,005,101	88,378
Leisure time activities	0	0	0	178,894	128,104	50,790
Community environment	0	0	0	327,500	322,282	5,218
Street maintenance	0	0	0	3,626,786	3,455,944	170,842
General government	0	0	0	1,078,986	1,066,282	12,704
Capital outlay	3,500	3,085	415	1,652,521	1,550,671	101,850
Debt service						
Principal	0	0	0	223,421	223,420	1
Interest	0	0	0	268,088	268,088	0
Total Expenditures	13,957	13,332	625	9,449,675	9,019,892	429,783
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(8,157)	(6,727)	1,430	9,878,462	10,303,049	424,587
Other Financing Sources (Uses)						
Operating transfers in	0	0	0	4,320,815	4,320,815	0
Operating transfers out	0	0	0	(15,224,279)	(15,224,279)	0
Advances in	0	0	0	400,000	400,000	0
Advances out	0	0	0	(175,000)	(175,000)	0
Total Other Financing Sources (Uses)	0	0	0	(10,678,464)	(10,678,464)	0
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses						
	(8,157)	(6,727)	1,430	(800,002)	(375,415)	424,587
Fund Balance at Beginning of Year	21,612	21,612	0	1,844,219	1,844,219	0
Decertification of prior year encumbrances						
	90	90	0	118,375	118,375	0
Fund Balance at End of Year	\$ 13,545	\$ 14,975	\$ 1,430	\$ 1,162,592	\$ 1,587,179	\$ 424,587



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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, 2001

	Capital Projects	Capital Improvement Reserve	Totals
ASSETS			
Equity in pooled cash and cash equivalents	\$ 2,674,722	\$ 2,136,854	\$ 4,811,576
Investments	848,463	557,280	1,405,743
Investments - Restricted accounts	0	2,548,474	2,548,474
Receivables			
Accounts	107,143	4,756	111,899
Special assessments	290,739	865,591	1,156,330
Accrued interest	0	837,944	837,944
Due from other funds	580,905	39	580,944
Due from other governments	362,270	0	362,270
Advances to other funds	0	1,413,583	1,413,583
Deferred charges	1,505	9,292	10,797
TOTAL ASSETS	\$ 4,865,747	\$ 8,373,813	\$ 13,239,560
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 772,996	\$ 0	\$ 772,996
Deferred revenue	290,739	1,566,407	1,857,146
Due to other governments	1,000	0	1,000
Advances from other funds	610,383	0	610,383
Unamortized bond premium	3,570	0	3,570
General obligation notes payable	750,000	0	750,000
Total Liabilities	2,428,688	1,566,407	3,995,095
Fund Balance			
Reserved for encumbrances	1,660,667	0	1,660,667
Reserved for advances	0	1,413,583	1,413,583
Reserved for investments	0	2,548,474	2,548,474
Unreserved - undesignated	776,392	2,845,349	3,621,741
Total Fund Balance	2,437,059	6,807,406	9,244,465
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,865,747	\$ 8,373,813	\$ 13,239,560

City of Cuyahoga Falls, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
All Capital Projects Funds
Year Ended December 31, 2001

	Capital Projects	Capital Improvement Reserve	Total
Revenues			
Intergovernmental Revenue	\$ 2,120,726	\$ 0	\$ 2,120,726
Charges for Services	1,262,927	0	1,262,927
Fees, licenses and permits	180,000	0	180,000
Interest earnings	0	2,582,025	2,582,025
Special assessments	58,558	414,625	473,183
Other	71,713	66,206	137,919
Total Revenues	3,693,924	3,062,856	6,756,780
Expenditures			
General government	0	19,833	19,833
Capital Outlay	8,277,836	0	8,277,836
Debt Service:			
Principal	463,711	0	463,711
Interest	49,630	41,498	91,128
Total Expenditures	8,791,177	61,331	8,852,508
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(5,097,253)	3,001,525	(2,095,728)
Other Financing Sources (Uses)			
Bond/note proceeds	0	425,701	425,701
Operating transfers in	4,640,501	0	4,640,501
Operating transfers out	0	(1,750,000)	(1,750,000)
Total Other Financing Sources (Uses)	4,640,501	(1,324,299)	3,316,202
Excess (Deficiency) of Revenues and Other Sources Over (Under)			
Expenditures and Other Uses	(456,752)	1,677,226	1,220,474
Fund Balance at Beginning of Year	2,893,811	5,130,180	8,023,991
Fund Balance at End of Year	\$ 2,437,059	\$ 6,807,406	\$ 9,244,465

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, 2001

	Capital Projects			Capital Improvement Reserve		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Other local taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	1,200,000	1,170,037	(29,963)	0	0	0
Charges for services	1,360,000	1,378,093	18,093	0	0	0
Fees, licenses, and permits	0	180,000	180,000	0	0	0
Interest earnings	0	0	0	1,522,430	2,521,600	999,170
Special assessments	710,814	711,619	805	0	414,625	414,625
Other	74,800	71,140	(3,660)	50,600	69,551	18,951
Total Revenues	3,345,614	3,510,889	165,275	1,573,030	3,005,776	1,432,746
Expenditures						
General government	0	0	0	40,000	23,907	16,093
Capital outlay	8,845,608	7,360,561	1,485,047	0	0	0
Debt Service						
Principal	972,270	1,063,711	(91,441)	1,135,000	1,135,000	0
Interest	46,206	49,630	(3,424)	42,563	41,498	1,065
Total Expenditures	9,864,084	8,473,902	1,390,182	1,217,563	1,200,405	17,158
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(6,518,470)	(4,963,013)	1,555,457	355,467	1,805,371	1,449,904
Other Financing Sources (Uses)						
Bond/note proceeds	750,000	752,065	2,065	1,135,000	420,192	(714,808)
Operating transfers in	4,665,281	4,665,281	0	0	0	0
Operating transfers out	0	0	0	(1,750,000)	(1,750,000)	0
Advances in	115,000	115,000	0	290,800	290,800	0
Advances out	(15,000)	(15,000)	0	(515,000)	(515,000)	0
Total Other Financing Sources (Uses)	5,515,281	5,517,346	2,065	(839,200)	(1,554,008)	(714,808)
Excess (Deficiency) of Revenues and						
Other Sources Over (Under) Expenditures						
and Other Uses	(1,003,189)	554,333	1,557,522	(483,733)	251,363	735,096
Fund Balance at Beginning of Year	873,846	873,846	0	4,528,036	4,528,036	0
Decertification of prior year						
encumbrances	135,388	135,388	0	0	0	0
Fund Balance at End of Year	\$ 6,045	\$ 1,563,567	\$ 1,557,522	\$ 4,044,303	\$ 4,779,399	\$ 735,096

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, 2001

	Total - All Capital Projects Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Other local taxes	\$ 0	\$ 0	\$ 0
State levied shared taxes	0	0	0
Intergovernmental	1,200,000	1,170,037	(29,963)
Charges for services	1,360,000	1,378,093	18,093
Fees, licenses, and permits	0	180,000	180,000
Interest earnings	1,522,430	2,521,600	999,170
Special assessments	710,814	1,126,244	415,430
Other	125,400	140,691	15,291
Total Revenues	4,918,644	6,516,665	1,598,021
Expenditures			
General government	40,000	23,907	16,093
Capital outlay	8,845,608	7,360,561	1,485,047
Debt Service			
Principal	2,107,270	2,198,711	(91,441)
Interest	88,769	91,128	(2,359)
Total Expenditures	11,081,647	9,674,307	1,407,340
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(6,163,003)	(3,157,642)	3,005,361
Other Financing Sources (Uses)			
Bond/note proceeds	1,885,000	1,172,257	(712,743)
Operating transfers in	4,665,281	4,665,281	0
Operating transfers out	(1,750,000)	(1,750,000)	0
Advances in	405,800	405,800	0
Advances out	(530,000)	(530,000)	0
Total Other Financing Sources (Uses)	4,676,081	3,963,338	(712,743)
Excess (Deficiency) of Revenues and			
Other Sources Over (Under) Expenditures			
and Other Uses	(1,486,922)	805,696	2,292,618
Fund Balance at Beginning of Year	5,401,882	5,401,882	0
Decertification of prior year			
encumbrances	135,388	135,388	0
Fund Balance at End of Year	\$ 4,050,348	\$ 6,342,966	\$ 2,292,618



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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, 2001

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
ASSETS						
Current Assets						
Equity in pooled cash and cash equivalents	\$ 2,212,713	\$ 3,395,345	\$ 6,826,353	\$ 703,937	\$ 606,753	\$ 13,745,101
Investments	701,907	1,077,056	2,165,424	223,300	192,471	4,360,158
Receivables						
Accounts	896,907	1,204,579	3,606,253	40,412	2,851	5,751,002
Special assessments	0	75,156	0	0	0	75,156
Due from other funds	34,719	0	875,683	8,826	0	919,228
Due from other governments	0	0	1,237	11,307	0	12,544
Inventory of supplies	22,423	346,030	2,805,460	41,951	51,567	3,267,431
Prepaid items	8,503	13,524	24,524	15,622	13,100	75,273
Deferred charges	11,460	136,492	0	0	0	147,952
Unamortized bond discount	22,084	56,968	0	0	0	79,052
Investment in joint venture	0	0	17,982,407	0	0	17,982,407
Total Current Assets	3,910,716	6,305,150	34,287,341	1,045,355	866,742	46,415,304
Fixed Assets						
Land	84,084	114,910	384,726	152,781	1,598,487	2,334,988
Buildings	124,145	505,775	677,621	109,472	11,908,128	13,325,141
Improvements other than buildings	14,840,676	19,112,344	24,559,144	60,700	3,112,129	61,684,993
Equipment	862,299	1,158,721	2,688,290	2,247,391	652,903	7,609,604
CIP	42,064	153,027	0	0	421,955	617,046
Total Fixed Assets	15,953,268	21,044,777	28,309,781	2,570,344	17,693,602	85,571,772
Less-Accumulated depreciation	(5,493,638)	(5,020,923)	(15,446,018)	(1,912,031)	(3,668,569)	(31,541,179)
Net	10,459,630	16,023,854	12,863,763	658,313	14,025,033	54,030,593
TOTAL ASSETS	\$ 14,370,346	\$ 22,329,004	\$ 47,151,104	\$ 1,703,668	\$ 14,891,775	\$ 100,445,897
LIABILITIES AND FUND EQUITY						
Current Liabilities						
Account payable	\$ 44,163	\$ 306,950	\$ 1,628,893	\$ 80,634	\$ 53,479	\$ 2,114,119
Accrued salaries, wages, & benefits	243,751	436,267	1,000,478	327,328	128,870	2,136,694
Accrued interest payable	16,539	53,984	11,544	0	20,098	102,165
Deferred revenue	381,621	827,227	0	0	0	1,208,848
Due to other funds	201,513	306,785	110,846	179,463	842,025	1,640,632
Due to other governments	361,497	0	650	0	850	362,997
Deposits held and due to others	0	10,739	199,474	0	0	210,213
Capital lease obligations	0	0	0	99,427	0	99,427
Advances from other funds	0	0	0	100,800	0	100,800
Unamortized bond premium	0	0	0	0	0	0
Construction loan payable	15,908	0	0	0	0	15,908
General obligation notes payable	0	0	0	0	0	0
General obligation bonds payable	177,532	382,430	235,149	0	338,797	1,133,908
Long Term Liabilities						
Capital lease obligations	0	0	0	104,588	0	104,588
Advances from other funds	0	0	0	302,400	0	302,400
Construction loan payable	8,134	0	0	0	0	8,134
General obligation bonds payable	3,998,168	10,990,355	2,366,192	0	4,045,812	21,400,527
Total Liabilities	5,448,826	13,314,737	5,553,226	1,194,640	5,429,931	30,941,360
Fund Equity						
Contributed capital	1,119,983	427,231	5,994	223,666	7,983,713	9,760,587
Retained earnings - unreserved	7,801,537	8,587,036	41,591,884	285,362	1,478,131	59,743,950
Total Fund Equity	8,921,520	9,014,267	41,597,878	509,028	9,461,844	69,504,537
TOTAL LIABILITIES AND FUND EQUITY	\$ 14,370,346	\$ 22,329,004	\$ 47,151,104	\$ 1,703,668	\$ 14,891,775	\$ 100,445,897

City of Cuyahoga Falls, Ohio
Combining Statement of Revenues, Expenses and Changes in Retained Earnings -
All Enterprise Funds
Year Ended December 31, 2001

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
Operating Revenues						
Charges for services	\$ 4,825,278	\$ 4,304,659	\$ 28,307,695	\$ 3,319,777	\$ 2,866,023	\$ 43,623,432
Other	14,542	69,072	106,326	131,324	282,324	603,588
Total Operating Revenues	4,839,820	4,373,731	28,414,021	3,451,101	3,148,347	44,227,020
Operating Expenses						
Personal services	516,558	1,032,475	2,333,115	1,138,568	1,467,555	6,488,271
Fringe benefits	186,180	310,812	736,437	391,932	285,461	1,910,822
Purchased power	0	0	14,740,874	0	0	14,740,874
Materials and supplies	39,201	277,507	1,726,956	125,901	127,641	2,297,206
Utilities	20,409	441,486	42,907	457	196,272	701,531
Contractual services	1,812,699	123,337	21,772	758,634	109,387	2,825,829
Internal charges	522,832	634,152	1,942,520	503,773	507,937	4,111,214
Other	151,566	311,496	907,895	291,400	553,375	2,215,732
Depreciation	361,746	531,541	756,388	187,409	469,378	2,306,462
Total Operating Expenses	3,611,191	3,662,806	23,208,864	3,398,074	3,717,006	37,597,941
Operating Income (Loss)	1,228,629	710,925	5,205,157	53,027	(568,659)	6,629,079
Nonoperating Revenues (Expenses)						
Interest expense	(199,323)	(442,573)	(148,323)	(1,442)	(255,562)	(1,047,223)
Loss from disposal of fixed assets	(15,773)	(51,664)	(128,614)	(1,913)	(50,893)	(248,857)
Grants	0	0	0	66,735	1,671	68,406
Net nonoperating Revenues (Expenses)	(215,096)	(494,237)	(276,937)	63,380	(304,784)	(1,227,674)
Income (Loss) before Operating Transfers	1,013,533	216,688	4,928,220	116,407	(873,443)	5,401,405
Operating transfers in	0	0	1,122,645	0	766,255	1,888,900
Operating transfers out	0	0	(1,127,315)	0	0	(1,127,315)
Net Income (Loss)	1,013,533	216,688	4,923,550	116,407	(107,188)	6,162,990
Retained Earnings at						
Beginning of Year	6,788,004	8,370,348	36,668,334	168,955	1,585,319	53,580,960
Retained Earnings at End of Year	\$ 7,801,537	\$ 8,587,036	\$ 41,591,884	\$ 285,362	\$ 1,478,131	\$ 59,743,950

City of Cuyahoga Falls, Ohio
Combining Statement of Cash Flows -
All Enterprise Funds
Year Ended December 31, 2001

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
Cash Flows From Operating Activities						
Cash received from customers	\$ 4,842,035	\$ 4,457,781	\$ 28,570,014	\$ 3,477,449	\$ 3,147,701	\$ 44,494,980
Cash payments to employees for services	(518,248)	(1,040,829)	(2,333,288)	(1,138,210)	(1,468,742)	(6,499,317)
Cash payments to employees for benefits	(167,440)	(330,989)	(732,092)	(368,992)	(290,503)	(1,890,016)
Cash payments to suppliers for goods and services	(2,463,624)	(1,748,207)	(23,637,165)	(1,686,587)	(1,518,653)	(31,054,236)
Net Cash Provided By Operating Activities	1,692,723	1,337,756	1,867,469	283,660	(130,197)	5,051,411
Cash Flows From Non-Capital Financing Activities						
Grant proceeds	0	0	0	55,428	1,671	57,099
Transfers in	0	0	1,122,645	0	766,255	1,888,900
Transfers out	0	0	(1,127,315)	0	0	(1,127,315)
Advance repayment	0	0	0	(100,800)	0	(100,800)
Net Cash Provided By Non-Capital Financing Activities	0	0	(4,670)	(45,372)	767,926	717,884
Cash Flows From Capital and Related Financing Activities						
Acquisition of capital assets	(662,034)	(2,661,687)	(731,942)	(205,616)	(118,430)	(4,379,709)
Capital lease proceeds	0	0	0	0	0	0
Proceeds from the sale of capital assets	0	0	0	4,000	0	4,000
Bond/note proceeds	0	5,116,452	0	0	0	5,116,452
Debt service						
Principal	(187,647)	(5,029,374)	(225,000)	(108,574)	(322,196)	(5,872,791)
Interest	(199,047)	(459,794)	(149,213)	(1,442)	(256,870)	(1,066,366)
Net Cash Used In Capital and Related Financing Activities	(1,048,728)	(3,034,403)	(1,106,155)	(311,632)	(697,496)	(6,198,414)
Cash Flows from Investing Activities						
Sale of investments	111,964	304,195	406,073	49,338	42,357	913,927
Purchase of investments	(701,907)	(1,077,056)	(2,165,424)	(223,300)	(192,471)	(4,360,158)
Net Cash Provided By Investing Activities	(589,943)	(772,861)	(1,759,351)	(173,962)	(150,114)	(3,446,231)
Net Increase (Decrease) in Cash and Cash Equivalents	54,052	(2,469,508)	(1,002,707)	(247,306)	(209,881)	(3,875,350)
Cash and Cash Equivalents At Beginning of Year	2,158,661	5,864,853	7,829,060	951,243	816,634	17,620,451
Cash and Cash Equivalents at End of Year	\$ 2,212,713	\$ 3,395,345	\$ 6,826,353	\$ 703,937	\$ 606,753	\$ 13,745,101

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
Reconciliation of Operating						
Income (Loss) to Net Cash						
Provided By						
Operating Activities:						
Operating Income (Loss)	\$ 1,228,629	\$ 710,925	\$ 5,205,157	\$ 53,027	\$ (568,659)	\$ 6,629,079
Adjustments to Reconcile Operating						
Income (loss) to Net Cash Provided By						
Operating Activities:						
Depreciation	361,746	531,541	756,388	187,409	469,378	2,306,462
Amortization Expense	674	6,264	4,851	0	3,839	15,628
Decrease (increase) in operating assets and increase						
(decrease) in operating liabilities:						
Decrease (increase) in receivables	127,320	41,194	85,371	13,828	(648)	267,065
(Increase) decrease in due from other funds	(31,829)	0	64,531	11,542	0	44,244
Decrease (Increase) in due from other governments	491	61	(1,053)	978	2	479
Decrease (Increase) in inventory of supplies	12,947	(12,639)	(196,223)	(19,792)	(8,554)	(224,261)
(Increase) decrease in prepaids	(1,415)	(2,398)	(4,368)	(9,336)	4,250	(13,267)
(Increase) in joint ventures	0	0	(2,859,166)	0	0	(2,859,166)
Increase (decrease) in accounts payable - net of items affecting fixed assets	126,569	(41,153)	(1,179,531)	19,104	(56,214)	(1,131,225)
Increase (decrease) in accrued salaries, wages and benefits	16,368	(29,139)	(827)	19,940	(6,492)	(150)
Increase in due to other funds	6,947	105,426	28,786	6,985	32,382	180,526
(Decrease) increase in due to other governments	(61,957)	(2,500)	650	(25)	519	(63,313)
(Decrease) in deposits held and due to others	0	(110)	(37,097)	0	0	(37,207)
(Decrease) Increase in deferred revenue	(93,767)	30,284	0	0	0	(63,483)
Total Adjustments	464,094	626,831	(3,337,688)	230,633	438,462	(1,577,668)
Net Cash Provided By						
Operating Activities	\$ 1,692,723	\$ 1,337,756	\$ 1,867,469	\$ 283,660	\$ (130,197)	\$ 5,051,411

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, 2001

	Sewage and Disposal			Water		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 4,691,535	\$ 4,827,060	\$ 135,525	\$ 4,406,520	\$ 4,380,491	\$ (26,029)
Other	1,000	14,975	13,975	52,330	77,290	24,960
Total Operating Revenues	4,692,535	4,842,035	149,500	4,458,850	4,457,781	(1,069)
Operating Expenses						
Personal services	526,545	518,248	8,297	1,078,781	1,040,829	37,952
Fringe benefits	169,967	167,440	2,527	341,817	330,989	10,828
Purchased power	0	0	0	0	0	0
Materials and supplies	35,614	27,128	8,486	271,803	260,868	10,935
Utilities	31,150	25,844	5,306	356,350	347,802	8,548
Contractual services	2,867,971	1,844,723	1,023,248	261,378	220,910	40,468
Internal charges	546,409	511,152	35,257	627,629	649,742	(22,113)
Other	126,408	124,198	2,210	248,953	244,666	4,287
Capital outlay	858,850	604,347	254,503	949,969	862,276	87,693
Total Operating Expenses	5,162,914	3,823,080	1,339,834	4,136,680	3,958,082	178,598
Operating Income (Loss)	(470,379)	1,018,955	1,489,334	322,170	499,699	177,529
Nonoperating Revenues (Expenses)						
Bond/note proceeds	0	0	0	5,115,000	5,116,452	1,452
Capital lease proceeds	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Proceeds from sale of equipment						
Advances out	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0
Principal	(187,648)	(187,647)	1	(5,029,374)	(5,029,374)	0
Interest	(199,047)	(199,047)	0	(464,271)	(459,794)	4,477
Total Nonoperating Revenues (Expenses)	(386,695)	(386,694)	1	(378,645)	(372,716)	5,929
Income (loss) before operating transfers	(857,074)	632,261	1,489,335	(56,475)	126,983	183,458
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Net Income (Loss)	(857,074)	632,261	1,489,335	(56,475)	126,983	183,458
Retained Earnings at Beginning of Year	2,031,710	2,031,710	0	3,089,500	3,089,500	0
Decertification of prior year encumbrances	9,801	9,801	0	76,963	76,963	0
Retained Earnings at End of Year	\$ 1,184,437	\$ 2,673,772	\$ 1,489,335	\$ 3,109,988	\$ 3,293,446	\$ 183,458

	Electric			Sanitation		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 28,073,130	\$ 28,304,104	\$ 230,974	\$ 3,328,840	\$ 3,341,137	\$ 12,297
Other	207,250	265,910	58,660	124,900	136,312	11,412
Total Operating Revenues	28,280,380	28,570,014	289,634	3,453,740	3,477,449	23,709
Operating Expenses						
Personal services	2,490,038	2,333,288	156,750	1,231,126	1,138,210	92,916
Fringe benefits	772,927	732,092	40,835	409,842	368,992	40,850
Purchased power	18,745,000	15,132,496	3,612,504	0	0	0
Materials and supplies	1,093,587	4,600,435	(3,506,848)	167,726	146,159	21,567
Utilities	51,950	44,446	7,504	20,650	15,347	5,303
Contractual services	117,325	19,976	97,349	760,400	762,550	(2,150)
Internal charges	1,651,299	1,765,392	(114,093)	449,979	499,590	(49,611)
Other	1,009,454	1,082,685	(73,231)	350,783	310,052	40,731
Capital outlay	2,265,148	1,487,741	777,407	268,000	205,616	62,384
Total Operating Expenses	28,196,728	27,198,551	998,177	3,658,506	3,446,516	211,990
Operating Income (Loss)	83,652	1,371,463	1,287,811	(204,766)	30,933	235,699
Nonoperating Revenues (Expenses)						
Bond/note proceeds	0	0	0	0	0	0
Capital lease proceeds	0	0	0	0	0	0
Grants	0	0	0	55,428	55,428	0
Proceeds from sale of equipment	0	0	0	0	4,000	4,000
Advances out	0	0	0	(100,800)	(100,800)	0
Debt Service						
Principal	(225,000)	(225,000)	0	(108,574)	(108,574)	0
Interest	(149,213)	(149,213)	0	(1,442)	(1,442)	0
Total Nonoperating Revenues (Expenses)	(374,213)	(374,213)	0	(155,388)	(151,388)	4,000
Income (loss) before operating transfers						
	(290,561)	997,250	1,287,811	(360,154)	(120,455)	239,699
Operating Transfers In	1,104,985	1,122,645	17,660	-	-	-
Operating Transfers Out	(1,104,985)	#####	(22,330)	-	-	-
Net Income (Loss)	(290,561)	992,580	1,283,141	(360,154)	(120,455)	239,699
Retained Earnings at Beginning of Year	5,866,577	5,866,577	0	981,359	981,359	0
Decertification of prior year encumbrances						
	80,197	80,197	0	5,969	5,969	0
Retained Earnings at End of Year	\$ 5,656,213	\$ 6,939,354	\$ 1,283,141	\$ 627,174	\$ 866,873	\$ 239,699

(continued)

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, 2001

	Leisure Time			Total - All Enterprise Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 2,861,500	\$ 2,866,023	\$ 4,523	\$ 43,361,525	\$ #####	\$ 357,290
Other	266,025	281,678	15,653	651,505	776,165	124,660
Total Operating Revenues	3,127,525	3,147,701	20,176	44,013,030	#####	481,950
Operating Expenses						
Personal services	1,484,518	1,468,742	15,776	6,811,008	6,499,317	311,691
Fringe benefits	288,049	290,503	(2,454)	1,982,602	1,890,016	92,586
Purchased power	0	0	0	18,745,000	#####	3,612,504
Materials and supplies	197,075	153,381	43,694	1,765,805	5,187,971	(3,422,166)
Utilities	205,225	160,300	44,925	665,325	593,739	71,586
Contractual services	125,436	95,712	29,724	4,132,510	2,943,871	1,188,639
Internal charges	458,976	507,937	(48,961)	3,734,292	3,933,813	(199,521)
Other	566,037	534,213	31,824	2,301,635	2,295,814	5,821
Capital outlay	129,578	121,964	7,614	4,471,545	3,281,944	1,189,601
Total Operating Expenses	3,454,894	3,332,752	122,142	44,609,722	#####	2,850,741
Operating Income (Loss)	(327,369)	(185,051)	142,318	(596,692)	2,735,999	3,332,691
Nonoperating Revenues (Expenses)						
Bond/note proceeds	0	0	0	5,115,000	5,116,452	1,452
Capital lease proceeds	0	0	0	0	0	0
Grants	0	1,671	1,671	55,428	57,099	1,671
Proceeds from sale of equipment	0	0	0	0	4,000	4,000
Advances out	0	0	0	(100,800)	(100,800)	0
Debt Service						
Principal	(322,199)	(322,196)	3	(5,872,795)	(5,872,791)	4
Interest	(256,872)	(256,870)	2	(1,070,845)	(1,066,366)	4,479
Total Nonoperating Revenues (Expenses)	(579,071)	(577,395)	1,676	(1,874,012)	(1,862,406)	11,606
Income (loss) before operating transfers						
	(906,440)	(762,446)	143,994	(2,470,704)	873,593	3,344,297
Operating Transfers In	766,255	766,255	-	1,871,240	1,888,900	17,660
Operating Transfers Out	-	-	-	(1,104,985)	#####	(22,330)
Net Income (Loss)	(140,185)	3,809	143,994	(1,704,449)	1,635,178	3,339,627
Retained Earnings at Beginning of Year	720,181	720,181	0	12,689,327	#####	0
Decertification of prior year encumbrances						
	25,076	25,076	0	198,006	198,006	0
Retained Earnings at End of Year	<u>\$ 605,072</u>	<u>\$ 749,066</u>	<u>\$ 143,994</u>	<u>\$ 11,182,884</u>	<u>\$ #####</u>	<u>\$ 3,339,627</u>

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, 2001

	Garage	Office Supply	Utility Billing	Self- Insurance	Information Services
ASSETS					
Current Assets					
Equity in pooled cash and cash equivalents	\$ 90,919	\$ 6,789	\$ 54,046	\$ 22,316	\$ 45,572
Investments	28,841	2,153	17,145	7,079	14,456
Receivables					
Accounts	64	0	6,037	27,321	0
Due from other funds	0	0	115,424	448,295	0
Due from other governments	0	0	0	0	0
Inventory of supplies	444,134	915	13,578	0	15,219
Prepaid items	1,358	0	946	5,576	149
Total Current Assets	565,316	9,857	207,176	510,587	75,396
Fixed Assets					
Land	21,960	0	0	0	0
Buildings	105,958	0	59,974	0	133,935
Improvements other than buildings	262,637	0	0	0	0
Equipment	260,151	0	209,050	0	1,415,456
Total Fixed Assets	650,706	0	269,024	0	1,549,391
Less-Accumulated Depreciation	(477,256)	0	(191,246)	0	(1,285,211)
Net	173,450	0	77,778	0	264,180
TOTAL ASSETS	\$ 738,766	\$ 9,857	\$ 284,954	\$ 510,587	\$ 339,576
LIABILITIES AND FUND EQUITY					
Current Liabilities					
Accounts payable	\$ 50,853	\$ 13,033	\$ 14,671	\$ 34,203	\$ 19,354
Accrued salaries, wages and benefits	140,675	0	236,484	0	149,277
Deferred Revenue	0	0	0	0	0
Due to other funds	10,773	0	19,439	0	9,663
Due to other governments	0	0	0	0	0
Claims and judgments payable	0	0	0	476,384	0
Capital lease obligations	0	0	0	0	0
Total Liabilities	202,301	13,033	270,594	510,587	178,294
Fund Equity					
Contributed capital	45,258	0	14,360	0	194,124
Retained earnings (deficit) -unreserved	491,207	(3,176)	0	0	(32,842)
Total Fund Equity (Deficit)	536,465	(3,176)	14,360	0	161,282
TOTAL LIABILITIES AND FUND EQUITY	\$ 738,766	\$ 9,857	\$ 284,954	\$ 510,587	\$ 339,576

Workers' Compensation	Compensated Absences	Total
\$ 4,580,725	\$ 1,015,381	\$ 5,815,748
1,453,077	322,095	1,844,846
0	0	33,422
0	0	563,719
0	0	0
0	0	473,846
0	0	8,029
6,033,802	1,337,476	8,739,610
0	0	21,960
0	0	299,867
0	0	262,637
0	0	1,884,657
0	0	2,469,121
0	0	(1,953,713)
0	0	515,408
<u>\$ 6,033,802</u>	<u>\$ 1,337,476</u>	<u>\$ 9,255,018</u>
\$ 3,069	\$ 0	\$ 135,183
0	0	526,436
0	0	0
0	0	39,875
77,459	0	77,459
795,261	0	1,271,645
0	0	0
875,789	0	2,050,598
0	0	253,742
5,158,013	1,337,476	6,950,678
5,158,013	1,337,476	7,204,420
<u>\$ 6,033,802</u>	<u>\$ 1,337,476</u>	<u>\$ 9,255,018</u>

City of Cuyahoga Falls, Ohio
Combining Statement of Revenues, Expenses and Changes in Retained Earnings -
All Internal Service Funds
Year Ended December 31, 2001

	Garage	Office Supply	Utility Billing	Self- Insurance	Information Services
Operating Revenues					
Charges for services	\$ 1,451,344	\$ 62,845	\$ 1,469,859	\$ 4,225,201	\$ 780,400
Other	64	0	9,737	30,270	55
Total Operating Revenues	<u>1,451,408</u>	<u>62,845</u>	<u>1,479,596</u>	<u>4,255,471</u>	<u>780,455</u>
Operating Expenses					
Personal services	376,112	0	680,841	0	427,112
Fringe benefits	114,258	0	266,389	4,193,136	159,481
Materials and supplies	557,649	65,150	17,611	0	34,154
Utilities	16,787	0	6,850	0	5,854
Contractual services	19,515	0	29,915	61,822	91,529
Internal charges	72,859	668	369,856	0	4,869
Other	187,783	117	68,041	513	97,466
Depreciation	58,785	0	31,618	0	109,731
Total Operating Expenses	<u>1,403,748</u>	<u>65,935</u>	<u>1,471,121</u>	<u>4,255,471</u>	<u>930,196</u>
Operating Income (Loss)	47,660	(3,090)	8,475	0	(149,741)
Nonoperating Revenues (Expenses)					
Interest revenue	0	0	0	0	0
Interest expense	0	0	0	0	0
Grants	0	0	0	0	0
Loss from disposal of fixed assets	(7,799)	0	(8,475)	0	(28,998)
Total Nonoperating Revenues (Expenses)	<u>(7,799)</u>	<u>0</u>	<u>(8,475)</u>	<u>0</u>	<u>(28,998)</u>
Net Income (Loss)	39,861	(3,090)	0	0	(178,739)
Retained Earnings (Deficit) at Beginning of Year	451,346	(86)	0	0	145,897
Retained Earnings (Deficit) at End of Year	<u>\$ 491,207</u>	<u>\$ (3,176)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (32,842)</u>

Workers' Compensation	Compensated Absences	Totals
\$ (12,580)	\$ 784,438	\$ 8,761,507
3,617	0	43,743
<u>(8,963)</u>	<u>784,438</u>	<u>8,805,250</u>
704	557,034	2,041,803
(177,445)	0	4,555,819
0	0	674,564
0	0	29,491
20,625	0	223,406
0	0	448,252
50,924	0	404,844
0	0	200,134
<u>(105,192)</u>	<u>557,034</u>	<u>8,578,313</u>
96,229	227,404	226,937
234,078	0	234,078
0	0	0
8,111	0	8,111
0	0	(45,272)
<u>242,189</u>	<u>0</u>	<u>196,917</u>
338,418	227,404	423,854
4,819,595	1,110,072	6,526,824
<u>\$ 5,158,013</u>	<u>\$ 1,337,476</u>	<u>\$ 6,950,678</u>

City of Cuyahoga Falls, Ohio
Combining Statement of Cash Flows -
All Internal Service Funds
Year Ended December 31, 2001

	Garage	Office Supply	Utility Billing	Self- Insurance	Information Services
Cash Flows From Operating Activities					
Activities					
Cash received from users	\$ 1,451,347	\$ 62,845	\$ 1,422,390	\$ 4,190,824	\$ 780,455
Cash payments to employees for services	(378,458)	0	(683,795)	0	(427,310)
Cash payments to employees for benefits	(125,133)	0	(249,415)	(4,205,277)	(137,340)
Cash payments to suppliers for goods and services	(932,820)	(61,610)	(481,161)	(50,060)	(221,507)
Net Cash Provided By Operating Activities	14,936	1,235	8,019	(64,513)	(5,702)
Cash Flows From Non-Capital					
Financing Activities					
Grant proceeds	0	0	0	0	0
Cash Flows From Capital and					
Related Financing Activities					
Acquisition of capital assets	(32,290)	0	0	0	(73,496)
Net Cash Used In Capital and					
Related Financing Activities	(32,290)	0	0	0	(73,496)
Cash Flows From Investing Activities					
Interest revenue	0	0	0	0	0
Sale of investments	6,761	380	3,115	4,631	6,865
Purchase of investments	(28,841)	(2,153)	(17,145)	(7,079)	(14,456)
Net Cash Provided (Used) By Investing Activities	(22,080)	(1,773)	(14,030)	(2,448)	(7,591)
Net Increase (Decrease) in Cash					
and Cash Equivalents	(39,434)	(538)	(6,011)	(66,961)	(86,789)
Cash and Cash Equivalents At Beginning of Year	130,353	7,327	60,057	89,277	132,361
Cash and Cash Equivalents at End of Year	<u>\$ 90,919</u>	<u>\$ 6,789</u>	<u>\$ 54,046</u>	<u>\$ 22,316</u>	<u>\$ 45,572</u>

Workers' Compensation	Compensated Absences	Totals
\$ 362,103	\$ 784,438	\$ 9,054,402
(704)	(557,034)	(2,047,301)
(519,281)	0	(5,236,446)
(70,074)	0	(1,817,232)
(227,956)	227,404	(46,577)
8,111	0	8,111
0	0	(105,786)
0	0	(105,786)
234,078	0	234,078
296,824	54,737	373,313
(1,453,077)	(322,095)	(1,844,846)
(922,175)	(267,358)	(1,237,455)
(1,142,020)	(39,954)	(1,381,707)
5,722,745	1,055,335	7,197,455
<u>\$ 4,580,725</u>	<u>\$ 1,015,381</u>	<u>\$ 5,815,748</u>

(Continued)

City of Cuyahoga Falls, Ohio
Combining Statement of Cash Flows -
All Internal Service Funds
Year Ended December 31, 2001

	<u>Garage</u>	<u>Office Supply</u>	<u>Utility Billing</u>	<u>Self - Insurance</u>	<u>Information Services</u>
Reconciliation of Operating					
Income (Loss) to Net Cash					
Provided (Used) By Operating					
Activities:					
Operating Income (Loss)	\$ 47,660	\$ (3,090)	\$ 8,475	\$ 0	\$ (149,741)
Adjustments to Reconcile Operating					
Income (Loss) to Net Cash					
Provided By Operating Activities:					
Depreciation	58,785	0	31,618	0	109,731
Decrease (increase) in operating assets and increase					
(decrease) in operating liabilities:					
(Increase) in accounts receivable	(64)	0	(5,673)	(22,073)	0
(Increase) decrease in due from other funds	0	0	(51,533)	(57,627)	0
Decrease in due from other governments	3	0	0	0	0
(Increase) in inventory of supplies	(36,913)	(132)	(107)	0	(272)
(Increase) in prepaids	(294)	0	(212)	(266)	(30)
(Decrease) increase in accounts payable					
- net of items affecting fixed assets	(38,842)	4,457	11,431	33,513	12,667
(Decrease) increase in accrued salaries, wages					
and benefits	(13,358)	0	13,723	0	24,508
(Decrease) increase in due to other funds	(2,041)	0	297	0	513
(Decrease) in due to other governments	0	0	0	0	(3,078)
(Decrease) in claims payable	0	0	0	(18,060)	0
Total Adjustments	<u>(32,724)</u>	<u>4,325</u>	<u>(456)</u>	<u>(64,513)</u>	<u>144,039</u>
Net Cash Provided Operating Activities	<u>\$ 14,936</u>	<u>\$ 1,235</u>	<u>\$ 8,019</u>	<u>\$ (64,513)</u>	<u>\$ (5,702)</u>

Workers' Compensation	Compensated Absences	Totals
96,229	227,404	\$ 226,937
0	0	200,134
0	0	(27,810)
12,580	0	(96,580)
358,486	0	358,489
0	0	(37,424)
0	0	(802)
1,361	0	24,587
0	0	24,873
0	0	(1,231)
(47,163)	0	(50,241)
(649,449)	0	(667,509)
(324,185)	0	(273,514)
<u>\$ (227,956)</u>	<u>\$ 227,404</u>	<u>\$ (46,577)</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, 2001

	Garage			Office Supply		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 1,584,767	\$ 1,451,344	\$ (133,423)	\$ 64,850	\$ 62,845	\$ (2,005)
Other	0	3	3	0	0	0
Total Operating Revenues	1,584,767	1,451,347	(133,420)	64,850	62,845	(2,005)
Operating Expenses						
Personal services	388,788	378,458	10,330	0	0	0
Fringe benefits	134,724	125,133	9,591	0	0	0
Materials and supplies	650,551	643,064	7,487	65,796	62,885	2,911
Utilities	22,400	18,637	3,763	0	0	0
Contractual services	28,591	21,338	7,253	0	0	0
Internal charges	106,405	72,859	33,546	651	668	(17)
Other	230,046	218,903	11,143	0	117	(117)
Capital outlay	35,400	35,021	379	0	0	0
Total Operating Expenses	1,596,905	1,513,413	83,492	66,447	63,670	2,777
Operating Income (Loss)	(12,138)	(62,066)	(49,928)	(1,597)	(825)	772
Nonoperating Revenues (Expenses)						
Grants	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Debt Service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Nonoperating Revenues (Expenses)	0	0	0	0	0	0
Net Income (Loss)	(12,138)	(62,066)	(49,928)	(1,597)	(825)	772
Retained Earnings at Beginning of Year	17,185	17,185	0	3	3	0
Decertification of prior year encumbrances	52,558	52,558	0	1,597	1,597	0
Retained Earnings at End of Year	\$ 57,605	\$ 7,677	\$ (49,928)	\$ 3	\$ 775	\$ 772

	Utility Billing			Self Insurance		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 1,503,642	\$ 1,418,347	\$ (85,295)	\$ 4,177,014	\$ 4,167,574	\$ (9,440)
Other	0	4,043	4,043	0	23,250	23,250
Total Operating Revenues	1,503,642	1,422,390	(81,252)	4,177,014	4,190,824	13,810
Operating Expenses						
Personal services	683,523	683,795	(272)	0	0	0
Fringe benefits	261,284	249,415	11,869	4,197,375	4,205,277	(7,902)
Materials and supplies	20,400	18,911	1,489	0	0	0
Utilities	6,650	5,829	821	0	0	0
Contractual services	36,007	33,576	2,431	72,652	62,471	10,181
Internal charges	390,685	369,856	20,829	0	0	0
Other	80,223	67,750	12,473	500	500	0
Capital outlay	0	0	0	0	0	0
Total Operating Expenses	1,478,772	1,429,132	49,640	4,270,527	4,268,248	2,279
Operating Income (Loss)	24,870	(6,742)	(31,612)	(93,513)	(77,424)	16,089
Nonoperating Revenues (Expenses)						
Grants	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Debt Service				0		
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Nonoperating Revenues (Expenses)	0	0	0	0	0	0
Net Income (Loss)	24,870	(6,742)	(31,612)	(93,513)	(77,424)	16,089
Retained Earnings at Beginning of Year	54,941	54,941	0	93,298	93,298	0
Decertification of prior year encumbrances	1,605	1,605	0	222	222	0
Retained Earnings at End of Year	\$ 81,416	\$ 49,804	\$ (31,612)	\$ 7	\$ 16,096	\$ 16,089

(continued)

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, 2001

	Information Services			Workers' Compensation		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 886,122	\$ 780,400	\$ (105,722)	\$ 275,065	\$ 0	\$ (275,065)
Other	0	55	55	0	362,103	362,103
Total Operating Revenues	886,122	780,455	(105,667)	275,065	362,103	87,038
Operating Expenses						
Personal services	438,229	427,310	10,919	0	704	(704)
Fringe benefits	135,453	137,340	(1,887)	565,000	519,281	45,719
Materials and supplies	40,897	35,211	5,686	0	0	0
Utilities	5,500	5,195	305	0	0	0
Contractual services	101,803	89,195	12,608	52,760	32,102	20,658
Internal charges	6,600	4,869	1,731	0	0	0
Other	107,052	96,592	10,460	58,732	54,293	4,439
Capital outlay	57,000	55,826	1,174	0	0	0
Total Operating Expenses	892,534	851,538	40,996	676,492	606,380	70,112
Operating Income (Loss)	(6,412)	(71,083)	(64,671)	(401,427)	(244,277)	157,150
Nonoperating Revenues (Expenses)						
Grants	0	0	0	12,000	8,111	(3,889)
Interest earnings	0	0	0	275,000	234,078	(40,922)
Debt Service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Nonoperating Revenues (Expenses)	0	0	0	287,000	242,189	(44,811)
Net Income (Loss)	(6,412)	(71,083)	(64,671)	(114,427)	(2,088)	112,339
Retained Earnings at Beginning of Year	68,159	68,159	0	6,014,076	6,014,076	0
Decertification of prior year encumbrances	6,412	6,412	0	3,582	3,582	0
Retained Earnings at End of Year	\$ 68,159	\$ 3,488	\$ (64,671)	\$ 5,903,231	\$ 6,015,570	\$ 112,339

	Compensated Absences			Totals - All Internal Service Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Operating Revenues						
Charges for services	\$ 784,438	\$ 784,438	\$ 0	\$ 9,275,898	\$ 8,664,948	\$ (610,950)
Other	0	0	0	0	389,454	389,454
Total Operating Revenues	784,438	784,438	0	9,275,898	9,054,402	(221,496)
Operating Expenses						
Personal services	560,000	557,034	2,966	2,070,540	2,047,301	23,239
Fringe benefits	0	0	0	5,293,836	5,236,446	57,390
Materials and supplies	0	0	0	777,644	760,071	17,573
Utilities	0	0	0	34,550	29,661	4,889
Contractual services	0	0	0	291,813	238,682	53,131
Internal charges	0	0	0	504,341	448,252	56,089
Other	0	0	0	476,553	438,155	38,398
Capital outlay	0	0	0	92,400	90,847	1,553
Total Operating Expenses	560,000	557,034	2,966	9,541,677	9,289,415	252,262
Operating Income (Loss)	224,438	227,404	2,966	(265,779)	(235,013)	30,766
Nonoperating Revenues (Expenses)						
Grants	0	0	0	12,000	8,111	(3,889)
Interest earnings	0	0	0	275,000	234,078	(40,922)
Debt Service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Nonoperating Revenues (Expenses)	0	0	0	287,000	242,189	(44,811)
Net Income (Loss)	224,438	227,404	2,966	21,221	7,176	(14,045)
Retained Earnings at Beginning of Year	1,110,072	1,110,072	0	7,357,734	7,357,734	0
Decertification of prior year encumbrances	0	0	0	65,976	65,976	0
Retained Earnings at End of Year:	\$ 1,334,510	\$ 1,337,476	\$ 2,966	\$ 7,444,931	\$ 7,430,886	\$ (14,045)

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

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, 2001**

	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	\$ 707,985	\$ 1,958	\$ 182,768	\$ 704,093	\$ 48,519	\$	\$ 1,645,323
Investments		224,584	621	57,977	223,349	15,391		521,922
Cash and cash equivalents - restricted accounts	73,046						404,337	477,383
Investments - restricted accounts	95,000							95,000
Due from other funds		184,320	920					185,240
Advances to other funds		119,000						119,000
TOTAL ASSETS	\$ 168,046	\$ 1,235,889	\$ 3,499	\$ 240,745	\$ 927,442	\$ 63,910	\$ 404,337	\$ 3,043,868
LIABILITIES AND FUND EQUITY								
Liabilities								
Due to other funds	\$	\$	\$	\$ 42,827	\$ 72,013	\$	\$ 168,428	\$ 283,268
Due to other governments		1,235,889	3,499	193,308			93,239	1,525,935
Deposits held and due to others				4,610	855,429	63,910	142,670	1,066,619
Total Liabilities	0	1,235,889	3,499	240,745	927,442	63,910	404,337	2,875,822
Fund Equity								
Fund Balance:								
Reserved for cemetery perpetual care	168,046							168,046
Total Fund Equity	168,046	0	0	0	0	0	0	168,046
TOTAL LIABILITIES AND FUND EQUITY	\$ 168,046	\$ 1,235,889	\$ 3,499	\$ 240,745	\$ 927,442	\$ 63,910	\$ 404,337	\$ 3,043,868

City of Cuyahoga Falls, Ohio
Combining Statement of Changes in Assets and Liabilities -
All Agency Funds
for the Year Ended December 31, 2001

	January 1, 2001	Additions	Deductions	December 31, 2001
Treasury				
Assets				
Equity in pooled cash and cash equivalents	\$ 577,145	\$ 707,985	\$ (577,145)	\$ 707,985
Investments	29,935	224,584	(29,935)	224,584
Due from other funds	175,048	4,565,877	(4,556,605)	184,320
Advances to other funds	178,500	0	(59,500)	119,000
Total Assets	<u>\$ 960,628</u>	<u>\$ 5,498,446</u>	<u>\$ (5,223,185)</u>	<u>\$ 1,235,889</u>
Liabilities				
Due to other governments	\$ 960,628	\$ 4,565,977	\$ (4,290,716)	\$ 1,235,889
Total Liabilities	<u>\$ 960,628</u>	<u>\$ 4,565,977</u>	<u>\$ (4,290,716)</u>	<u>\$ 1,235,889</u>
State Cases Fines and Forfeitures:				
Assets				
Equity in pooled cash and cash equivalents	\$ 4,154	\$ 1,958	\$ (4,154)	\$ 1,958
Investments	215	621	(215)	621
Due from other funds	887	14,929	(14,896)	920
Total Assets	<u>\$ 5,256</u>	<u>\$ 17,508</u>	<u>\$ (19,265)</u>	<u>\$ 3,499</u>
Liabilities				
Due to other governments	\$ 5,256	\$ 14,929	\$ (16,686)	\$ 3,499
Total Liabilities	<u>\$ 5,256</u>	<u>\$ 14,929</u>	<u>\$ (16,686)</u>	<u>\$ 3,499</u>
Employee Withholding:				
Assets				
Equity in pooled cash and cash equivalents	\$ 226,144	\$ 182,768	\$ (226,144)	\$ 182,768
Investments	11,730	57,977	(11,730)	57,977
Due from other funds	8,949	0	(8,949)	0
Total Assets	<u>\$ 246,823</u>	<u>\$ 240,745</u>	<u>\$ (246,823)</u>	<u>\$ 240,745</u>
Liabilities				
Due to other funds	\$ 41,744	\$ 536,276	\$ (535,193)	\$ 42,827
Due to other governments	203,965	7,793,890	(7,804,547)	193,308
Deposits held and due to others	1,114	1,125,501	(1,122,005)	4,610
Total Liabilities	<u>\$ 246,823</u>	<u>\$ 9,455,667</u>	<u>\$ (9,461,745)</u>	<u>\$ 240,745</u>
Guarantee Deposits				
Assets				
Equity in pooled cash and cash equivalents	\$ 1,147,879	\$ 704,093	\$ (1,147,879)	\$ 704,093
Investments	59,538	223,349	(59,538)	223,349
Total Assets	<u>\$ 1,207,417</u>	<u>\$ 927,442</u>	<u>\$ (1,207,417)</u>	<u>\$ 927,442</u>
Liabilities				
Due to other funds	\$ 163,355	88,658	(180,000)	\$ 72,013
Deposits held and due to others	1,044,062	612,872	(801,505)	855,429
Total Liabilities	<u>\$ 1,207,417</u>	<u>\$ 701,530</u>	<u>\$ (981,505)</u>	<u>\$ 927,442</u>

(Continued)

(Continued)

City of Cuyahoga Falls, Ohio
Combining Statement of Changes in Assets and Liabilities -
All Agency Funds
for the Year Ended December 31, 2001

	January 1, 2001	Additions	Deductions	December 31, 2001
Unclaimed Monies:				
Assets				
Equity in pooled cash and cash equivalents	\$ 37,703	\$ 48,519	\$ (37,703)	\$ 48,519
Investments	1,955	15,391	(1,955)	15,391
Total Assets	<u>\$ 39,658</u>	<u>\$ 63,910</u>	<u>\$ (39,658)</u>	<u>\$ 63,910</u>
Liabilities				
Deposits held and due to others	\$ 39,658	\$ 29,314	\$ (5,062)	\$ 63,910
Total Liabilities	<u>\$ 39,658</u>	<u>\$ 29,314</u>	<u>\$ (5,062)</u>	<u>\$ 63,910</u>
Municipal Court:				
Assets				
Cash and cash equivalents - restricted accounts	\$ 336,554	\$ 404,337	\$ (336,554)	\$ 404,337
Total Assets	<u>\$ 336,554</u>	<u>\$ 404,337</u>	<u>\$ (336,554)</u>	<u>\$ 404,337</u>
Liabilities				
Due to other funds	\$ 152,187	\$ 2,329,552	\$ (2,313,311)	\$ 168,428
Due to other governments	77,403	1,259,440	(1,243,604)	93,239
Deposits held and due to others	106,964	1,492,967	(1,457,261)	142,670
Total Liabilities	<u>\$ 336,554</u>	<u>\$ 5,081,959</u>	<u>\$ (5,014,176)</u>	<u>\$ 404,337</u>
Total - All Agency Funds:				
Assets				
Equity in pooled cash and cash equivalents	\$ 1,993,025	\$ 1,645,323	\$ (1,993,025)	\$ 1,645,323
Investments	103,373	521,922	(103,373)	521,922
Cash and cash equivalents - restricted accounts	336,554	404,337	(336,554)	404,337
Due from other funds	184,884	4,580,806	(4,580,450)	185,240
Advances to other funds	178,500	0	(59,500)	119,000
Total Assets	<u>\$ 2,796,336</u>	<u>\$ 7,152,388</u>	<u>\$ (7,072,902)</u>	<u>\$ 2,875,822</u>
Liabilities				
Due to other funds	\$ 357,286	\$ 2,954,486	\$ (3,028,504)	\$ 283,268
Due to other governments	1,247,252	13,634,236	(13,355,553)	1,525,935
Deposits held and due to others	1,191,798	3,260,654	(3,385,833)	1,066,619
Total Liabilities	<u>\$ 2,796,336</u>	<u>\$ 19,849,376</u>	<u>\$ (19,769,890)</u>	<u>\$ 2,875,822</u>

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, 2001

General Fixed Assets:	2001
Land	\$ 7,429,031
Buildings	14,164,715
Equipment	<u>16,919,331</u>
 Total General Fixed Assets	 <u>\$ 38,513,077</u>
 Investment in General Fixed Assets from:	
Capital Projects Funds:	
General Obligation Bonds/Notes	\$ 9,528,027
Federal Grants	1,711,692
Capital Project Levy	12,887,010
General Fund Revenues	7,965,419
Special Revenue Fund Revenues	5,420,783
Gifts	998,946
Other	<u>1,200</u>
 Total Investment in General Fixed Assets	 <u>\$ 38,513,077</u>

City of Cuyahoga Falls, Ohio
Schedule of General Fixed Assets by Function and Activity
December 31, 2001

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Security of Persons and Property				
Fire safety	\$ 19,187	\$ 2,203,981	\$ 4,347,421	\$ 6,570,589
Police protection	0	2,754,500	3,326,665	6,081,165
Safety communications and traffic control	0	27,498	243,052	270,550
Building security	<u>0</u>	<u>0</u>	<u>138,776</u>	<u>138,776</u>
Total Security of Persons and Property	<u>19,187</u>	<u>4,985,979</u>	<u>8,055,914</u>	<u>13,061,080</u>
Leisure Time Activities				
Parks and recreation	<u>3,239,195</u>	<u>808,277</u>	<u>2,368,901</u>	<u>6,416,373</u>
Community Development				
Mall	373,750	236,602	15,808	626,160
Community and economic development	<u>0</u>	<u>0</u>	<u>118,502</u>	<u>118,502</u>
Total Community Development	<u>373,750</u>	<u>236,602</u>	<u>134,310</u>	<u>744,662</u>
Transportation				
Street construction, maintenance and repair	<u>123,822</u>	<u>482,042</u>	<u>4,521,577</u>	<u>5,127,441</u>
General Government				
Mayor's office	0	3,200	20,575	23,775
Finance administration	0	0	27,091	27,091
Legal administration	0	0	33,730	33,730
Service administration	0	0	17,406	17,406
Court administration	0	466,562	400,308	866,870
Engineering	0	0	223,293	223,293
Other administration	<u>3,673,077</u>	<u>7,182,053</u>	<u>1,116,226</u>	<u>11,971,356</u>
Total General Government	<u>3,673,077</u>	<u>7,651,815</u>	<u>1,838,629</u>	<u>13,163,521</u>
Total General Fixed Assets	<u>\$ 7,429,031</u>	<u>\$ 14,164,715</u>	<u>\$ 16,919,331</u>	<u>\$ 38,513,077</u>

City of Cuyahoga Falls, Ohio
Schedule of Changes in General Fixed Assets by Function and Activity
for the Year Ended December 31, 2001

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Security of Persons and Property				
Fire safety	\$ 6,012,029	\$ 760,180	\$ 201,620	\$ 6,570,589
Police protection	6,185,918	243,250	348,003	6,081,165
Safety communications and traffic control	281,089	42,160	52,699	270,550
Building security	131,735	32,304	25,263	138,776
Total Security of Persons and Property	12,610,771	1,077,894	627,585	13,061,080
Leisure Time Activities				
Parks and recreation	5,899,451	687,127	170,205	6,416,373
Community Development				
Mall	627,488	5,810	7,138	626,160
Community and economic development	95,542	48,979	26,019	118,502
Total Community Development	723,030	54,789	33,157	744,662
Transportation				
Street construction, maintenance and repair	4,962,264	266,972	101,795	5,127,441
General Government				
Mayor's office	31,778	0	8,003	23,775
Finance administration	52,496	10,441	35,846	27,091
Legal administration	63,649	3,509	33,428	33,730
Service administration	22,588	0	5,182	17,406
Court administration	606,752	315,046	54,928	866,870
Engineering	200,950	49,184	26,841	223,293
Other administration	11,895,336	168,976	92,956	11,971,356
Total General Government	12,873,549	547,156	257,184	13,163,521
Total General Fixed Assets	\$ 37,069,065	\$ 2,633,938	\$ 1,189,926	\$ 38,513,077

STATISTICAL SECTION

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

	1992	1993	1994	1995
Revenues:				
Property taxes	\$ 5,688,189	\$ 5,755,357	\$ 6,344,680	\$ 6,567,339
Municipal income taxes	7,780,597	8,759,066	8,933,714	9,339,556
Other local taxes	161,842	212,524	425,597	226,938
State levied shared taxes	3,853,217	3,986,054	4,057,787	5,329,327
Intergovernmental	611,464	503,524	458,929	532,700
Charges for services	2,926,144	4,165,026	3,910,632	3,940,334
Fees, licenses, and permits	480,697	503,498	650,455	689,178
Interest earnings	1,175,280	858,876	724,634	2,072,120
Fines and forfeitures	730,592	468,581	486,152	493,416
Special assessments	245,637	289,355	302,309	367,271
Reimbursement from library	123,335	161,790	156,625	104,150
All other revenues	440,720	516,949	191,441	216,670
Total Revenues	\$ 24,217,714	\$ 26,180,600	\$ 26,642,955	\$ 29,878,999
Expenditures:				
Current				
Security of persons and property	\$ 11,077,786	\$ 11,942,600	\$ 11,985,570	\$ 12,141,098
Leisure time activities	1,254,749	1,410,708	1,254,404	1,436,819
Community environment	1,013,633	929,217	892,479	1,181,449
Street maintenance	2,655,718	2,691,178	2,607,416	2,836,136
General government	5,566,771	5,253,420	5,858,561	5,705,428
Capital outlay	2,179,525	4,066,920	2,241,450	2,682,565
Debt service				
Principal	6,934,869	6,980,055	7,002,360	12,882,962
Interest	573,311	542,048	454,153	859,774
Total Expenditures	\$ 31,256,362	\$ 33,816,146	\$ 32,296,393	\$ 39,726,231

Table 1

1996	1997	1998	1999	2000	2001
6,536,994	\$ 7,857,144	\$ 8,031,254	\$ 7,714,820	\$ 8,567,797	9,087,091
11,120,550	13,446,137	14,500,651	16,156,494	15,820,981	16,191,625
240,381	198,924	298,904	194,272	199,866	293,502
5,291,384	5,237,468	6,060,321	6,131,671	6,549,177	6,590,819
320,618	2,281,223	268,258	1,360,746	748,440	2,821,042
4,087,755	4,035,989	4,486,240	5,567,613	6,255,286	6,664,641
737,115	799,855	806,471	856,187	871,507	1,064,874
1,536,728	1,789,252	1,694,422	1,521,632	2,445,416	2,634,886
546,949	499,955	462,875	385,094	455,627	446,737
260,868	252,243	230,496	219,473	947,264	640,975
0	0	0	0	0	0
285,059	279,666	782,317	326,587	313,143	372,271
<u>30,964,401</u>	<u>\$ 36,677,856</u>	<u>\$ 37,622,209</u>	<u>\$ 40,434,589</u>	<u>\$ 43,174,504</u>	<u>\$ 46,808,463</u>
12,488,478	\$ 13,715,574	\$ 14,117,870	\$ 15,251,595	\$ 16,410,061	16,849,176
1,530,117	1,708,791	1,861,194	1,914,306	2,051,907	2,299,180
872,339	839,459	983,711	835,905	954,197	1,025,487
2,985,201	3,109,479	2,762,226	3,371,078	3,252,985	3,382,595
6,187,188	6,579,934	6,918,540	7,130,996	7,512,854	8,643,427
4,052,839	13,222,482	11,100,828	7,453,286	8,603,181	10,212,506
818,698	892,396	1,127,844	1,488,706	1,720,660	1,203,935
613,098	603,696	928,230	830,977	868,776	775,513
<u>29,547,958</u>	<u>\$ 40,671,811</u>	<u>\$ 39,800,443</u>	<u>\$ 38,276,849</u>	<u>\$ 41,374,621</u>	<u>\$ 44,391,819</u>

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
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
2000	8,736,019	280,758	9,016,777	8,479,687	97.07	201,625	8,681,312	96.28
2001	8,879,828	314,288	9,194,116	8,337,458	93.89	227,663	8,565,121	93.16

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
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
2000	885,990	69,771	955,761	873,802	98.62	20,286	894,088	93.55
2001	982,175	129,824	1,111,999	933,640	95.06	36,719	970,359	87.26

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 Collections to Assessments Levied	Delinquent Assessments Collected	Total Assessments Collected
1992	\$ 400,432	\$ 244,005	60.94	\$ 3,118	247,143
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
2000	217,886	214,785	98.58	2,800	217,585
2001	217,849	215,456	98.90	5,222	220,678

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 Value
	Estimated Value	Assessed Value	Assessed Value	Assessed Value	
1992	1,308,878,600	458,107,510	26,870,410	57,046,477	542,024,397
1993	1,298,825,286	454,588,850	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
2000	2,198,394,629	769,438,120	23,838,100	84,544,555	877,820,775
2001	2,242,191,200	784,766,920	20,564,700	84,544,555	889,876,175

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	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
<u>CUYAHOGA FALLS CITY</u>										
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	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Total City of Cuyahoga Falls	12.00	12.00	12.00	12.00	12.00	12.00	12.00	11.00	11.00	11.00
Cuyahoga Falls City School District	54.16	54.18	54.10	53.98	53.98	53.83	53.83	57.63	57.23	57.23
Summit County	12.59	12.59	12.31	14.16	13.99	11.65	11.65	12.27	13.07	13.07
Total	\$ 78.75	\$ 78.77	78.41	\$ 80.14	\$ 79.97	\$ 77.48	\$ 77.48	\$ 80.90	\$ 81.30	\$ 81.30
<u>WOODRIDGE LOCAL</u>										
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	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Total City of Cuyahoga Falls	12.00	12.00	12.00	12.00	12.00	12.00	12.00	11.00	11.00	11.00
Woodridge Local School District	39.91	43.56	43.46	48.96	46.81	46.41	46.41	50.46	49.86	49.36
Summit County	12.59	12.59	12.31	14.16	13.99	11.65	11.65	12.27	13.07	13.07
Akron Summit County Library District	0.89	0.89	0.89	0.89	0.89	1.87	1.87	1.39	1.39	1.35
Total	\$ 65.39	\$ 69.04	68.66	\$ 76.01	\$ 73.69	\$ 71.93	\$ 71.93	\$ 75.12	\$ 75.32	\$ 74.78

Notes: The City's Parks and Recreation levies are listed at the maximum rate, subject to Ohio House Bill 920.
Levies for other school districts (2001); Hudson LSD-99.70; Stow CSD-69.81; Revere LSD-87.63.
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
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
2000	49,374	877,820,775	37,984,784	196,184	23,099,521	14,689,079	1.67	297.51
2001	49,374	889,876,175	36,119,475	182,260	22,534,435	13,402,780	1.51	271.45

Notes: * All figures estimated by the City's Planning Department, except for U.S. Census in 2000.

** Includes bond anticipation notes.

Table 8

City of Cuyahoga Falls, Ohio
Computation of Direct and Overlapping Debt
December 31, 2001

Political Subdivision	Assessed Valuation	Values Within City Boundary	Percent Overlapping	Net Debt Outstanding	Applicable Amount to City
Municipal Corporation:					
City of Cuyahoga Falls	\$ 906,768,220	\$ 906,768,220	100.00 %	\$ 37,557,441	\$ 37,557,441
School Districts:					
Cuyahoga Falls City School District	717,707,531	642,899,759	89.58	1,520,000	1,361,568
Woodridge Local School District	419,163,257	249,414,096	59.50	148,168	88,164
Stow City School District	781,613,640	1,169,710	0.15	2,368,500	3,545
Hudson City School District	794,021,689	5,734,395	0.72	1,041,231	7,520
Revere Local School District	683,819,742	7,550,260	1.10	0	0
Cuyahoga Valley Joint Vocational School District	2,247,964,496	7,550,260	0.34		0
County Unit:					
Summit County	10,686,054,179	906,768,220	8.49	124,487,183	10,563,396
Other Units:					
Akron Metro Regional Transit Authority	10,686,054,179	906,768,220	8.49	1,765,000	149,770
Akron-Summit County Library District	7,158,377,985	256,964,356	3.59		0
Metro Parks	9,886,606,744	906,768,220	9.17		0
Total Direct and Overlapping Debt	\$ 44,968,151,662	\$ 4,798,355,716	10.67 %	\$ 168,887,523	\$ 49,731,404

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, 2001

Total of all City Debt Outstanding*	\$ 36,143,517
Debt exempt from calculation:	
Self-supporting as defined in R.C. 133.05	
General Sewer and Sanitary Sewer Improvements	\$ 4,199,742
Water Utility	11,372,785
Electric Utility	2,601,341
Recreation Facilities	4,384,609
Special Assessment bonds and notes issued in anticipation of the levy or collection of special assessments	985,244
Total exempt Debt	<u>23,543,721</u>
Net indebtedness (voted and unvoted) subject to 10.5% debt limitation	12,599,796
Less applicable Debt Service Fund	<u>182,260</u>
Net indebtedness subject to 10.5% debt limitation	<u>\$ 12,417,536</u>
Net indebtedness (unvoted) subject to 5.5% debt limitation	12,599,796
Less applicable Debt Service Fund	<u>182,260</u>
Net indebtedness subject to 5.5% debt limitation	<u>\$ 12,417,536</u>
Assessed valuation of City (based on 1998 collections)	\$ 889,876,175
Legal 10.5% Debt Margin	
10.5% of valuation (maximum voted and unvoted general obligation debt limitation)	\$ 93,436,998
Net indebtedness outstanding subject to 10.5% debt limitation	<u>(12,417,536)</u>
Legal 10.5% Margin	<u>\$ 81,019,462</u>
Legal 5.5% Debt Margin	
5.5% of valuation (maximum unvoted general obligation debt allowed)	\$ 48,943,190
Net indebtedness outstanding subject to 5.5% debt limitation	<u>(12,417,536)</u>
Legal 5.5% Margin	<u>\$ 36,525,654</u>

*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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service on General Bonded Debt</u>	<u>Total Governmental and Expendable Trust Fund Type Expenditures</u>	<u>Ratio</u>
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	999,071	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	38,276,849	3.75
2000	716,251	717,939	1,434,190	41,374,621	3.47
2001	740,224	684,385	1,424,609	44,391,819	3.21

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

<u>Year</u>	<u>Estimated Property Value</u>	<u>Value of Building Permits Issued</u>
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
2000	2,198,394,629	55,669,110
2001	2,242,191,200	49,842,859

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	
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
2000	4,111,896	4,018,328	93,568	162,997	204,074	367,071	0.25
2001	4,839,820	3,611,191	1,228,629	172,206	197,977	370,183	3.32

ELECTRIC FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2000	26,699,348	22,378,133	4,321,215	215,000	159,210	374,210	11.55
2001	28,414,021	23,208,864	5,205,157	225,000	149,213	374,213	13.91

LEISURE TIME FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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)
2000	3,094,058	3,649,682	(555,624)	307,545	271,538	579,083	(0.96)
2001	3,148,347	3,717,006	(568,659)	322,196	256,870	579,066	(0.98)

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
2000	3,551,060	3,363,585	187,475	241,206	293,902	535,108	0.35
2001	4,373,731	3,662,806	710,925	254,374	285,208	539,582	1.32

Notes:

The Water Fund did not incur debt service for the years 1993 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, 2001**

Name of Taxpayer	Nature of Business	Assessed Valuation	Percentage of Assessed Valuation by Category
Real Property:			
Newpart LP	Residential real estate holdings	7,087,530	0.90
Yorkshire Woods Apartments	Real estate holdings	6,304,260	0.80
State Road Associates	Real estate holdings	4,575,360	0.58
Portage Towers	Real estate holdings	3,711,310	0.47
Heslop, Inc.	Real estate holdings	3,626,560	0.46
Plaza Chapel Hill	Shopping Plaza	3,129,410	0.40
Dayton Hudson Corp.	Retail	2,998,090	0.38
HD Development of Maryland, Inc.	Real estate investment	2,899,360	0.37
Brookledge II	Real estate holdings	2,891,450	0.37
Commercial Net Lease Realty Inc.	Real estate holdings	2,359,230	0.30
Total		<u>\$ 39,582,560</u>	<u>5.04 %</u>
Total Assessed Valuation - Real		<u>\$ 784,766,920</u>	<u>88.19 %</u>
Tangible Personal Property (other than Public Utilities):			
Go Jo Industries	Chemical specialists	\$ 8,070,310	9.55 %
Associated Building Supplies	Aluminum products	3,761,360	4.45
JPS Packaging	Food packaging products	3,267,270	3.86
SGS Tool	Carbide cutting tools	3,098,590	3.67
Lambert Buick	Car dealer	2,667,760	3.16
AKWLP	Manufacturer of aluminum wheels	2,617,950	3.10
Strucktol Co. of America	Specialty chemicals	2,393,020	2.83
Prospect - Akromold, Inc.	Manufacturer	2,276,300	2.69
Americhem	Chemical specialists	1,893,930	2.24
Home Depot USA	Retail/ home improvement	1,808,370	2.14
Total		<u>\$ 31,854,860</u>	<u>37.69 %</u>
Total Assessed Valuation - Tangible Personal		<u>\$ 84,544,555</u>	<u>9.50 %</u>
Public Utilities (tangible personal property):			
Ohio Bell Telephone	Telephone utility	\$ 6,811,850	33.12 %
Ohio Edison	Electric utility	5,103,650	24.82
East Ohio Gas	Natural gas utility	4,934,880	24.00
Total		<u>\$ 16,850,380</u>	<u>81.94 %</u>
Total Assessed Valuation - Public Utilities		<u>\$ 20,564,700</u>	<u>2.31 %</u>
Total Assessed Valuation - All Categories		<u>\$ 889,876,175</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)
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	11,378,940	4,611,426	15,990,366	10.66
2000	11,827,038	4,124,965	15,952,003	(0.24)
2001	11,871,684	4,266,102	16,137,786	1.16

Source: Cuyahoga Falls Income Tax Department

Notes: All amounts were determined on a cash basis and represent gross collections.
1992 through 1995 tax collections were reflective of 1.5 percent 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 2001**

Employer	Type of Business	2001 City Wage Tax Collected	Percent of Total Wage Collections
City of Cuyahoga Falls	Government	\$ 536,211	4.52 %
Cuyahoga Falls General Hospital	Hospital	481,814	4.06
Cuyahoga Falls Board of Education	Education	450,255	3.79
Alside	Manufacturer	429,148	3.61
GoJo Industries	Manufacturer	298,230	2.51
Americhem	Chemical specialists	267,356	2.25
Manufacturer's Group International	Manufacturer	195,448	1.65
Jaite Packaging	Manufacturer	188,201	1.59
Woodridge Local School District	Education	149,267	1.26
Schwebel Baking Company	Food Production	122,207	1.03
Top Ten Withholding		\$ 3,118,137	26.27 %
Total Withholding		\$ 11,871,684	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, 2001**

SALARIES OF PRINCIPAL OFFICIALS

Title	Annual Salary
Mayor	\$ 87,074
President of Council	13,932
Council Members (11)	13,061
Director of Law	78,442
Director of Finance	78,442
Director of Public Service	78,442
Director of Industrial & Community Development	78,442
Municipal Judge (\$97,250)	
(\$35,500 paid by State)	
(Remainder 40% paid by County)	
(Remainder 60% paid by City)	37,050
Presiding Judge (\$98,750)	
(\$35,500 paid by State)	
(Remainder 40% paid by County)	
(Remainder 60% paid by City)	37,950
Clerk of Courts (\$82,662)	
(40% paid by County)	
(60% paid by City)	49,597

UNION AGREEMENTS

Union	Members	Representing
American Federation of State, County and Municipal Employees (AFSCME)	171 Members	Cleaning/Maintenance Personnel Clerical Personnel Equipment Operators Inspectors/Aides Laborers
Effective: January 1, 2000		Mechanics Meter Readers Refuse Collectors Technicians Water Utility Workers
Expiration: December 31, 2002		
Agreement Signed: May 17, 2000		
Fraternal Order of Police - Ohio Labor Council, Inc.	11 Members	Dispatchers
Effective: July 1, 1999		
Expiration: June 30, 2002		
Agreement Signed: September 29, 1999		
International Association of Firefighters Local #494	78 Members	Captains Firefighters Lieutenants
Effective: July 1, 1999		
Expiration: June 30, 2002		
Agreement Signed: September 17, 1999		
Fraternal Order of Police - Ohio Labor Council, Inc.	17 Members	Lieutenants Sergeants
Effective: July 1, 1999		
Expiration: June 30, 2002		
Agreement Signed: September 29, 1999		
Fraternal Order of Police - Ohio Labor Council, Inc.	73 Members	Community Service Officers Patrol Officers
Effective: July 1, 1999		
Expiration: June 30, 2002		
Agreement Signed: September 29, 1999		
Utility Workers of America Local #399	32 Members	Draftsmen Electricians Equipment Operator Groundmen Linemen
Effective: July 1, 1999		Metermen Stockkeeper Technician Utility Men
Expiration: June 30, 2002		
Agreement Signed: November 10, 1999		

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
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
2000	1,729	22,586,174	186	31,263,305	3,201	1,819,631	5,116	55,669,110
2001	1,649	25,289,110	163	22,988,539	2,858	1,565,210	4,670	49,842,859

Source: City of Cuyahoga Falls, Building Department

Table 18

**City of Cuyahoga Falls, Ohio
Schedule of Insurance Coverage
December 31, 2001**

Name of Carrier	Type of Coverage	Policy Period		Liability Limit	Annual Premium	Deductible
		From	To			
CNA Insurance Co.	Auto Liability and Comprehensive	10/22/2001	10/22/2002	\$ 1,000,000	\$ 62,991	\$ 500
				combined single limit		
CNA Insurance Co.	Property-all locations	10/22/2001	10/22/2002	\$ 70,240,246	\$ 29,426	\$ 5,000
Selective Insurance Co.	Comprehensive General Liability	10/22/2001	10/22/2002	\$ 1,000,000	\$ 31,078	\$ 100,000 self-insured retention
Selective Insurance Co.	Law Enforcement Liability-wrongful acts with regard to law enforcement	10/22/2001	10/22/2002	\$ 1,000,000	\$ 25,052	\$ 10,000
Selective Insurance Co.	Umbrella Excess Liability-bodily injury and property damage (follows general and auto liability)	10/22/2001	10/22/2002	\$ 10,000,000	\$ 31,342	Subject to underlying policy limits
CNA Insurance	Boiler and Machinery-all locations	10/22/2001	10/22/2002	\$ 20,000,000	\$ 6,528	\$ 1,000
Continental Casualty Co.	Public Officials Liability	10/22/2001	10/22/2002	\$ 1,000,000	\$ 16,271	\$ 50,000

Table 19

City of Cuyahoga Falls, Ohio
Demographic Statistics
1950 - 2000

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
2000	49,374	22,727	21,655	2.26	65.70	50,300

Notes: Population figures were provided by the U.S. Census Bureau.
Median family income is not available for 1950.
The median family income for 2000 is an estimate provided by HUD.

Table 20

City of Cuyahoga Falls, Ohio
Age Distribution and Population
1970, 1980, 1990 and 2000

Age Bracket	1970		1980		1990		2000	
	Population	Percent	Population	Percent	Population	Percent	Population	Percent
0 - 4	4,316	8.70 %	2,812	6.40 %	3,525	7.20 %	3,221	6.5 %
5 - 9	5,065	10.20	2,873	6.60	3,377	6.90	3,087	6.3
10 - 14	5,280	10.60	3,213	7.30	3,230	6.60	3,014	6.1
15 - 19	4,683	9.40	3,713	8.50	3,329	6.80	2,729	5.5
20 - 24	3,695	7.40	4,145	9.40	4,015	8.20	2,928	5.9
25 - 34	6,289	12.70	7,757	17.70	4,503	9.20	7,871	15.9
35 - 44	5,990	12.10	4,347	9.90	8,566	17.50	7,932	16.1
45 - 54	6,161	12.40	4,687	10.70	4,650	9.50	6,500	13.2
55 - 64	4,072	8.20	5,013	11.40	4,944	10.10	4,129	8.4
65 - 74	2,716	5.50	3,130	7.10	5,433	11.10	4,014	8.1
75 and over	1,411	2.80	2,200	5.00	3,378	6.90	3,949	8.0
Total	49,678	100.00 %	43,890	100.00 %	48,950	100.00 %	49,374	100.00 %

Source: U.S. Census Bureau

Table 21

City of Cuyahoga Falls, Ohio
Miscellaneous Statistics
December 31, 2001

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).....	277.96
Street Lights	5,046
Traffic Lights.....	77

FIRE PROTECTION

Fire Stations	4
Firefighters and Officers.....	84
Fire Hydrants.....	2,138

POLICE PROTECTION

Police Stations.....	1
Policepersons and Officers.....	98

INFRASTRUCTURE (*in miles*)

Sanitary Sewers.....	152
Storm Sewers.....	85
Water Mains.....	200
Electric Lines	244

RECREATION AND CULTURE

Parks.....	24
Acres of City Parks.....	507
Swimming Pools	3
Tennis Courts.....	16
Baseball Diamonds.....	32

PARKING FACILITIES

City Lots and Decks.....	12
Square Feet	314,536
Spaces.....	1,507
Recreation Lots	20
Square Feet	292,080
Spaces.....	1,317
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

JIM PETRO, AUDITOR OF STATE

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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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 6, 2002**