

**CITY OF CUYAHOGA FALLS, OHIO**

**SINGLE AUDIT REPORT**

**DECEMBER 31, 2003**





**Auditor of State  
Betty Montgomery**

City Council  
City of Cuyahoga Falls  
2310 Second St.  
Cuyahoga Falls, OH 44221

We have reviewed the Independent Auditor's Report of the City of Cuyahoga Falls, Summit County, prepared by James G. Zupka, C.P.A., Inc., for the audit period January 1, 2003 through December 31, 2003. 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.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

September 30, 2004

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CITY OF CUYAHOGA FALLS, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2003

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

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

We have audited the basic financial statements of the City of Cuyahoga Falls, Ohio (the City), as of and for the year ended December 31, 2003, and have issued our report thereon dated August 12, 2004. The City adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* as of January 1, 2003. This resulted in a change to the City's method of accounting for certain nonexchange revenues, capital assets, long-term liabilities, and changes in the format and content of the basic 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 August 12, 2004.

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.

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

August 12, 2004

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

**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, 2003. 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, 2003.



### **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 August 12, 2004.

### **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, 2003, and have issued our report thereon dated August 12, 2004. 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.

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

August 12, 2004

**CITY OF CUYAHOGA FALLS, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>CFDA Number</b>	<b>Grant Number</b>	<b>Expenditures</b>
<b><u>United States Department of Justice</u></b>			
<i>Direct Payment to the City</i>			
COPS Universal Hiring Program	16.710	2001ULWX0002	\$ 52,615
Law Enforcement Block Grant	16.592	2002LBBX1295	21,876
Law Enforcement Block Grant	16.592	2003LBBX1267	<u>0</u>
Subtotal Direct Programs			<u>74,491</u>
<i>Passed through the State of Ohio</i>			
Juvenile Accountability Incentive Block Grant	16.523	2001-JB-002-A096	<u>10,000</u>
<b>Total United States Department of Justice</b>			<u>84,491</u>
<b><u>United States Department of Transportation</u></b>			
<i>Passed through the State of Ohio</i>			
Highway Planning and Construction	20.205	State Road	191,420
Property Relocation	20.205	Front Street	436,389
Highway Planning and Construction	20.205	Broad Boulevard	494,619
Highway Safety - Traffic Enforcement Grant	20.600	2003-PTM-N/1	43,210
Highway Safety - Traffic Studies Grant	20.600	2003-RS-N/1	<u>24,850</u>
<b>Total United States Department of Transportation</b>			<u>1,190,488</u>
<b><u>United States Department of Transportation</u></b>			
<i>Passed through the State of Ohio</i>			
State Energy Plan	81.041	03-74	<u>15,000</u>
<b>Total United States Department of Transportation</b>			<u>15,000</u>
<b><u>United States Department of Homeland Security</u></b>			
<i>Direct Payment to the City</i>			
Assistance to Firefighters	97.044	EMW-2002-FG-17899	31,076
<i>Passed through the State of Ohio</i>			
FEMA Public Assistance	97.036	FEMA-1484-DR-153-19778	<u>150,453</u>
<b>Total United States Department of Homeland Security</b>			<u>181,529</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,471,508</u>

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, 2003**  
**(CONTINUED)**

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 basic 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, 2003.

	<u>Direct Program Expenditures</u>
<u>Department of Justice</u>	
Cash Basis	\$ 69,578
Accrual Adjustment	41,498
Accrual Adjustment	<u>(26,585)</u>
Department of Justice - Accrual Basis	<u>\$ 84,491</u>
 <u>Department of Transportation</u>	
Cash Basis	\$1,241,032
Accrual Adjustment	<u>(50,544)</u>
Department of Transportation - Accrual Basis	<u>\$1,190,488</u>
 <u>Department of Energy</u>	
Cash Basis	\$ 15,000
Accrual Adjustment	<u>0</u>
Department of Energy - Accrual Basis	<u>\$ 15,000</u>
 <u>Department of Homeland Security</u>	
Cash Basis	\$ 168,324
Accrual Adjustment	<u>13,205</u>
Department of Homeland Security - Accrual Basis	<u>\$ 181,529</u>

**CITY OF CUYAHOGA FALLS, OHIO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**  
**(CONTINUED)**

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NOTE 3: **REVOLVING LOANS**

The City of Cuyahoga Falls uses Federal funds received in the current and prior years to issue revolving loans. These loans are issued to qualified single family homeowners and are to be repaid to the City in monthly installments. Principal and interest received on these loans are used to issue new loans. The principal outstanding at December 31, 2003 was \$1,936,497.

**CITY OF CUYAHOGA FALLS, OHIO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**OMB CIRCULAR A-133 & .505**  
**DECEMBER 31, 2003**

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

2003(i)	Type of Financial Statement Opinion	Unqualified
2003(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2003(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
2003(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
2003(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2003(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2003(v)	Type of Major Programs' Compliance Opinions	Unqualified
2003(vi)	Are there any reportable findings under .510?	No
2003(vii)	Major Programs (list):	1. Highway Planning and Construction - CFDA 20.205
2003(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
2003(ix)	Low Risk Auditee?	Yes

**CITY OF CUYAHOGA FALLS, OHIO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**OMB CIRCULAR A-133 & .505**  
**DECEMBER 31, 2003**

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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, 2003**

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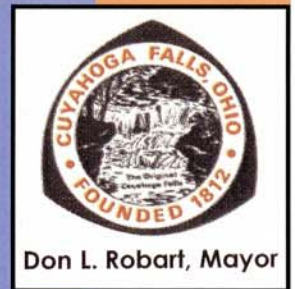
The prior audit report, as of December 31, 2002, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.





City of

Cuyahoga Falls, Ohio



Comprehensive

Annual Financial Report

for the year ended December 31, 2003



***Cover Pictures:***

Located directly off Route 8 at the Broad Boulevard exit in the heart of the downtown district is the City's most recent addition to the riverfront area. Completed in late 2003, the City is proud to present the Falls River Square Festival and Special Event site.

Strategically located adjacent to the Cuyahoga River – one of only fourteen National Heritage Rivers – is our premiere community gathering area which boasts an interactive water feature that is programmed to lights and music. The site also contains an outdoor stage and amphitheater whose backdrop is to the river. A pavilion featuring 3,500 square feet of meeting and banquet space is available for lease for weddings, parties, reunions, and corporate events. The Pavilion also features a glass-tiled fireplace with hearth, kitchenette, 38 public restrooms and an elevator. The second floor has ten-foot exterior walkways, which overlook the plaza and river areas. And, the lower level includes a green room, lockers, and restrooms for use by entertainers preparing to perform on the stage.

Falls River Square is home to the famous Rockin' on the River, Oktoberfest, and scores of concerts, festivals, and special events throughout the summer months. Beginning November 2004, the site will also include an outdoor ice-skating rink measuring 110'X75'.

The Falls River Square site is truly a spectacular addition to the downtown district creating a special sense of "place" for all those who use it!

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

Sue A. Abrusci  
Scott K. Fitzsimmons  
Tracy Reibold  
Laura K. Jarvis  
Karlo Petrak Jr.  
Kimberly S. Shingleton  
Jennifer M. Stricker  
Sandra R. Stroup  
James M. Woods

**Photography Compliments of:**  
Department of Community Development

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

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# Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2003



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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# **INTRODUCTORY SECTION**



**CITY OF CUYAHOGA FALLS**  
**DEPARTMENT OF FINANCE**  
**2310 SECOND STREET**  
**CUYAHOGA FALLS, OHIO 44221-2583**

*Telephone (330) 971-8230*  
*FAX (330) 971-8168*

Joseph F. Brodzinski  
*Finance Director*

Scott K. Fitzsimmons  
*Deputy Finance Director*

August 12, 2004

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

**T**he Comprehensive Annual Financial Report (CAFR) for the City of Cuyahoga Falls, Ohio (the "City") for the year ended December 31, 2003, is hereby submitted. The responsibility for both the accuracy of the data and the completeness and fairness of presentation including all disclosures, rests with the City's management. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner, which fairly presents the financial position and results of operations of the various funds of the City. All disclosures necessary to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, a photographic reproduction of the Certificate of Achievement for Excellence in Financial Reporting, an organizational chart and a list of principal City officials. The financial section includes the Independent Auditor's Report and the Management Discussion and Analysis, basic financial statements, required supplementary information and the combining and individual fund financial statements and schedules, which incorporates the recently issued Government Accounting Standards Board Statement No. 34, with the exception of retroactive reporting of general infrastructure assets in which implementation can be delayed four additional years to allow governments to calculate amounts for older infrastructure assets. 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 of Cuyahoga Falls (CIC) and has chosen to incorporate its data into these financial statements using the discrete method of presentation because CIC provides services to the primary government and the citizens of the City as opposed to only the primary government.

Based on the criteria for determining financial accountability, the financial statements do not include the financial activities of the Cuyahoga Falls or Woodridge School Districts (or any other school districts, which fall within the

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

In accordance with Ohio law, each public office is required to have an independent audit at least once every two years unless an annual audit is required pursuant to The Single Audit Act of 1984. These audits are conducted by either the Auditor of the State, or if the Auditor permits, an independent public accounting firm. The current year audit was completed by James G. Zupka, CPA, Inc. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2003, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The Independent Auditor's Report is presented as the first component of the financial section of this report.

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

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

### **PROFILE OF THE GOVERNMENT**

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

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.

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

## City of Cuyahoga Falls, Ohio

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may establish divisions of those departments and additional departments. Subject to the approval of Council, the Mayor appoints the Directors of Finance, Public Service, Law and Community Development. The Superintendent of Parks and Recreation is appointed by the Parks and Recreation Board. This Board consists of City residents, three appointed by the Mayor and two appointed by the Cuyahoga Falls City School District Board of Education. The Mayor also appoints members to a number of other boards and commissions and appoints and removes, in accordance with Civil Service requirements, all appointed officers and employees, except Council officers and employees.

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

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

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

### **ECONOMIC CONDITION AND OUTLOOK**

#### **Summary of Local Economy**

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

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

#### **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 2003, ten major employers in the City collectively accounted for approximately 26 percent of the \$12,507,371 withholding taxes remitted to the City.

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

## City of Cuyahoga Falls, Ohio

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<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 2003 Harris Ohio Industrial Directory reveals that 110 firms in the City employ 4,267 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 1.6% decrease in the number of jobs in 2003 compared to 2002, which is attributed to a slowed economy.

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 \$57,103,397 in 2003.

### **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 has become the premiere gathering spot for our community festivals, concerts, and outdoor activities. Falls River Square will attract many people and new businesses to the downtown area, strengthening an already stable economy.

The outdoor features of Falls River Square, including its open space for festivals, its interactive water fountain for adolescent summer frolic, and its amphitheater are more conducive for Spring, Summer, and early Fall events. The Pavilion will continue activity throughout the year, including the colder months. However, to take advantage of the site's glorious open space, an outdoor raised refrigerated ice skating rink will open in the Fall of 2004 and operate from Fall through early Spring for years to come. The rink measuring 100' x 75', topping out at ten square feet larger than the rink at Rockefeller Square in New York, will be a bustle of activity. Year-round activity will continue to enhance all parcels throughout the whole Falls River corridor.

In conjunction with Falls River Square, the City applied for and received a \$200,000 U.S. EPA Brownfields Grant to be used on the South Front Street Corridor. This project will include public outreach, Phase I and Phase II environmental assessments, and corridor planning. This corridor was developed for industrial purposes and was once utilized as a major source of power along the Cuyahoga River. This grant and others will allow the City the unique opportunity to begin an extensive revitalization project along this corridor.

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

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Cuyahoga Falls completed a total renovation of a two-mile section of State Road in 2002. The \$7.3 million project has spurred over \$6 million in new business investments and renovations of existing businesses since the improvements. Future improvements on other sections of State Road are expected to produce similar results.

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 2003, the City recognized over \$2 million in additional withholding income tax from non-residents working in the City. A high percentage of these monies 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 City received a bond upgrade from Moody's Investors Service from A1 to Aa3 in 2001. 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 strong financial condition also anchors the cornerstone of a strong community. The belief was again affirmed in April 2004 with an almost \$15 million bond issue.

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 maintaining the financial strength of the City. The City has finalized discussions with one of its larger companies with plans of an \$18 million expansion and the creation of 61 new jobs. These types of investments will only strengthen the City's financial position. The City is also not reliant on one particular business for its main source of income taxes or property taxes. No business represents more than five percent of the City's two main sources of income. The City's administration also places a high emphasis on keeping Cuyahoga Falls a positive place to live and work. This can best be seen in the unemployment rates for the City consistently being two percentage points lower than the Summit County rate coupled with local home sales and the real estate market, which are generally ahead of the national trends. Employment within an area is expected to remain positive with wage increases slightly higher than cost of living trends. New development and business opportunities started in 2002 and 2003 will have a positive effect on income tax collections for current and future years.

### **MAJOR INITIATIVES**

#### **Current Year**

The absolute highlight of the year was the grand opening of Falls River Square on July 27, 2003. This premiere community gathering/festival site contains all of the public improvements suggested by the citizenry, City Council and the Mayor. A professionally designed stage and amphitheater with permanent seating for 295 people and additional standing room for another 1,000 has been carefully designed with its backdrop to the river. A 70 foot diameter animated fountain located near the clock tower features coordinated water displays that are set to music. Immediately surrounding the interactive water fountain are permanent benches for lingering on a warm summer afternoon. The walls of the seating area are filled with personalized engraved bricks displaying a logo or personal message. Community involvement generated almost \$100,000 for the walls.

Thirty-foot high shade sails adorn the amphitheater area providing an inviting, warm glow on summer evenings. The site also includes a 4,050 square foot pavilion (now known as "The Pavilion at Falls River Square"), which opened to the public in November. Activities such as wedding ceremonies and receptions, bridal and baby showers,

reunions, anniversary parties, corporate dinners and meetings have been held in the exhibit space. The building features three floors, an observation tower, an elevator, ten-foot exterior balconies offering breath-taking views of the Cuyahoga River, 38 public restrooms, a grand fireplace, kitchenette complete with refrigerator, microwave and coffee maker. Carefully planned landscaping of the site and tunnel entrance only enhance both the day and evening atmosphere of our new town square.

With over 20,000 vehicles per day driving in the busy Front Street/Hudson Drive area, the Front Street Improvement Project was initiated in 2003 to reduce traffic congestion and improve vehicular movement in this important commercial corridor of the City. Turn lanes will be added at major intersections, the roadway will be widened, underground utilities will be upgraded and new sidewalks, drive approaches and traffic signalization will be installed. With financial assistance from the federal government, this \$2.987 million dollar project is scheduled for completion in Fall 2004.

After nearly two and one-half years of diligent work, an annexation with Boston Township was approved by the City of Cuyahoga Falls, Boston Township and Summit County in 2003. This new land addition to our city will encompass 96 acres of residentially and commercially zoned land. Sixty-nine acres or 72% of this area will become a new residential subdivision in the 2004/5 timeframe.

Preliminary plans for a subdivision are currently underway. As this area is not yet serviced with water and sanitary sewer, extensions of the needed infrastructure will provide the City with tap-in fees in excess of \$3.9 million, revenues, which can then be used to provide other extensions of water and sewer lines in un-serviced areas of Ward 8. Additionally, this new development will provide our citizenry with yet another housing alternative. Preliminary plans depict 240-280 new single-family homes that are adjacent to the National Park and located in the Hudson School District.

The City completed a street reconstruction on High Street in 2003. Cuyahoga Falls has a process of allowing residents on a street to submit a petition with the signatures of at least sixty percent of homeowners listed. The City then applies for State of Ohio Issue II funds for fifty percent of the project. If the funds are received from Issue II, residents are assessed thirty percent of the project. If the City does not receive State funds, the residents are assessed fifty percent of the cost of the project. The residents are given a chance to pay some or the entire bill before it is assessed to be placed on the property tax bill for twenty semi-annual payments.

Continuing with the Mayor's commitment toward improving the City's infrastructure, \$3.9 million was expended on various streets throughout the City. Through 2003, the amount spent on street work exceeded the Administration's promise in 1996 by over \$16.6 million.

The City's electric system continues a systematic upgrade of all substations. Over \$650,000 was spent on upgrades in 2003. This process will continue for several more years representing another step to ensure reliable power for the City's residents and businesses.

### **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 producing favorable 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 for the new facility. 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

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

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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.

A six-basket gymnasium, and an auxiliary gym are included for court sports and special events. A four-lane running/jogging track that will be 1/8<sup>th</sup> of a mile long will have pleasant 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 4,500 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. The project is slated to open on September 16, 2004.

The historic floods of 2003 will forever be etched into the minds of each and every resident in the City who experienced the devastating destruction water can cause. The floods of May 15 and July 21, 2003, affected many homes and businesses throughout the City.

In combination with assistance from the Federal Emergency Management Agency financially assisting residents, Cuyahoga Falls City Council and the Administration launched the Flood Prevention Initiative in the Fall of 2003 to diagnose and investigate each area in the City that experienced flooding. During the first phase of the program, a flood hotline, web site, and informational folders were created for residents and businesses to educate them on preventable causes of flooding and as a vehicle to communicate with City officials and the hired engineering firm. The firm met with each affected resident and business to determine possible causes of their flooding. The three major areas reviewed were municipal infrastructure, broken drainage connections between the resident's home and city sewer, and home drainage problems.

The second phase of the program involved a "Flood Prevention Initiative" report card giving homeowners all the information they needed to plan and prepare in order to prevent future flooding issues. The second phase also provided the City with guidance towards its municipal infrastructure.

Financial commitments towards the project include \$235,000 spent on paying moral claims to further assist the residents with their losses. \$450,000 has been spent to investigate the problems including smoke testing, televising, and dye testing. In 2004, the City plans to spend between \$300,000 - \$500,000 on additional storm water projects with more monies to be budgeted in future years.

A storm drainage utility was also established and funded with a \$2.00 per month charge for residents. Businesses are charged \$2.00 per 3,000 square feet of impervious area. This will be used to implement U.S. EPA regulations through the National Pollutant Discharge Elimination System, as well as funded future storm water projects.

A fire station relocation study was completed in 1999 under the premise of further enhancing response times within the City to provide residents with the best possible coverage. Residents of the City already enjoy one of the best response times in the area which will be enhanced with the addition of a fifth fire station on Wyoga Lake Road. The station will provide additional coverage to the northeast quadrant of the City along with quicker response time within some of the older sections of the City. Land for the project was purchased in 2003. The site will include a station, state-of-the-art training facility, and firing range. Designing the station and site preparation is occurring in 2004 with completion slated for 2005.

### **Department Focus**

The City's Income Tax Department ensures that all taxpayers correctly file their returns and that all taxes are collected in compliance with the municipal tax ordinances. The Department has the responsibility of creating and storing tax records while providing information and assistance to tax payers as needed. The Department also audits and collects motor vehicle registration fees and admissions taxes. All income tax monies flow through the Municipal Income Tax Fund. After deducting the costs to run the Income Tax Department, the remaining monies are transferred to the General Fund (62.67%), Capital Projects Fund (29.33%), and the Recreation Levy Fund (8%).



These percentages were created in 1996 when the voters of the community raised the income tax from 1.5 percent to 2 percent. The vote also eliminated the recreation levy that was on the tax duplicate.

The department utilizes information from the Utility Billing and Building Departments. This data is used to build and maintain an accurate register of residents and employers. They also compare their tax files from the State of Ohio to help maintain a complete filing list.

The economic effects of September 11<sup>th</sup> hurt many local communities as income tax collections dropped. Being the biggest source of revenue for the City, the citizens benefited due to the Department's aggressive collection program for non-filers. This program continues to identify taxes owed from prior years and non-filers. This additional income prevented income tax revenue from significantly declining. In 2003, the Income Tax Department processed approximately 19,700 year-end tax returns and over 17,000 withholding payments. Future plans include electronic processing of withholding payments and internet year-end tax filing.

### **Technology**

The Information Services Department (IS) is responsible for creating and maintaining the City of Cuyahoga Falls web site. With so many things to see and do in Cuyahoga Falls, the IS Department relies on the assistance of all departments in maintaining current information on its site. Future plans include electronic portals to many City services and Wi-Fi Technology. I welcome all readers of this CAFR to go to [www.cityofcf.com](http://www.cityofcf.com) and experience the Falls.

## **FINANCIAL INFORMATION**

### **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's population has 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.

## City of Cuyahoga Falls, Ohio

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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. In 2004, the City passed an ordinance requiring all residential customers to have City residential service. The Department also implemented phase one of a five-phase process of 96-gallon carts in a semi-automated process eliminating the "human" lifting by using a tipper. 48-gallon carts are being provided for the "one bag" service customers. Phase I of the program is slated to cost approximately \$127,000. The City also provides weekly collection and disposal services of commercial and industrial solid waste and recyclables. In 2003, all solid waste collected by the City was hauled directly to the Akron Central Transfer Station. Recyclables, which are collected from residents of the City, are processed at Recycle America in Oakwood, Ohio.

### 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; (closed 6/04) new facility (9/04)
- 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:

<b>Rating History</b>	
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 December 17, 2003, the City issued notes in the amount of \$26,550,000 in anticipation of the issuance of bonds for the following purposes: improving State Road from the south corporation line to Portage Trail; constructing and equipping a community recreation center (Natatorium); constructing a public festival site to be known as "Falls River Square", and improving Front Street from State Route 8 to Oakpark Boulevard and areas around Hudson Drive and Bailey Road.

## City of Cuyahoga Falls, Ohio

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 is well below Moody's medians. An illustration of key statistics concerning the City's debt as of December 31, 2003, 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>
\$19,520,923	1.96%	\$388.31

### 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 2003 was approximately \$45 million. During 2003, the City earned interest income on its pooled funds at an average rate of return of 1.74 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.

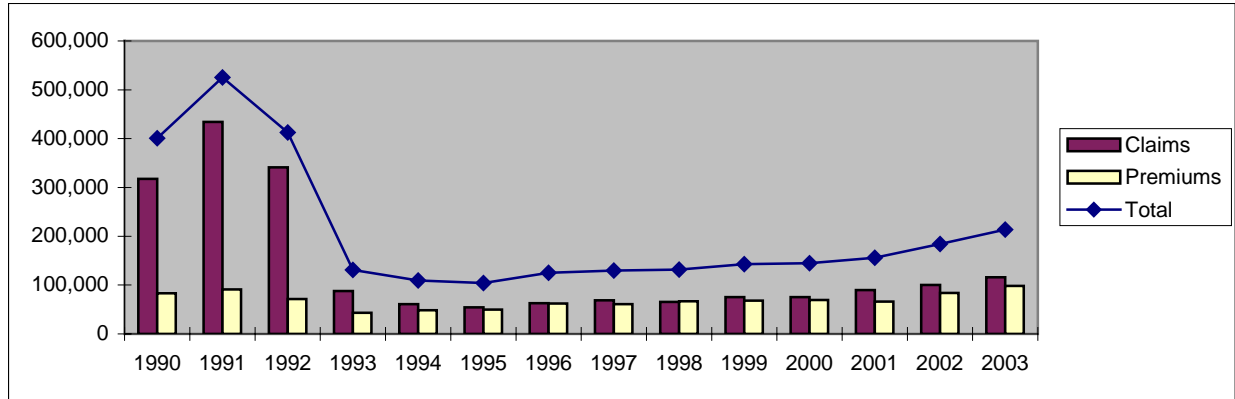
The City completed its eleventh consecutive year of the Retrospective Rating Plan with regard to insuring itself for all workers' compensation claims and liabilities. The Ohio Bureau of Workers' Compensation permits governmental entities to pay only a fraction of the annual premium and to assume the 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. These savings were used to upgrade City fixed assets, provide additional services to its citizenry, and to continue to provide fee-structured services at the lowest costs possible. 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 approximates \$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:

# City of Cuyahoga Falls, Ohio

## RETIREE HOSPITALIZATION COSTS 1990 – 2003



### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cuyahoga Falls for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2002. 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 18 consecutive years (fiscal years ended 1984-2001). We believe our current report continues to conform to the Certificate of Achievement program requirements and are therefore submitting it to the GFOA. Receipt of these awards is an outstanding sign of the City's active effort to anticipate and provide for the needs of its citizens.

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

Respectfully submitted,

Joseph F. Brodzinski  
Finance Director

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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, 2002

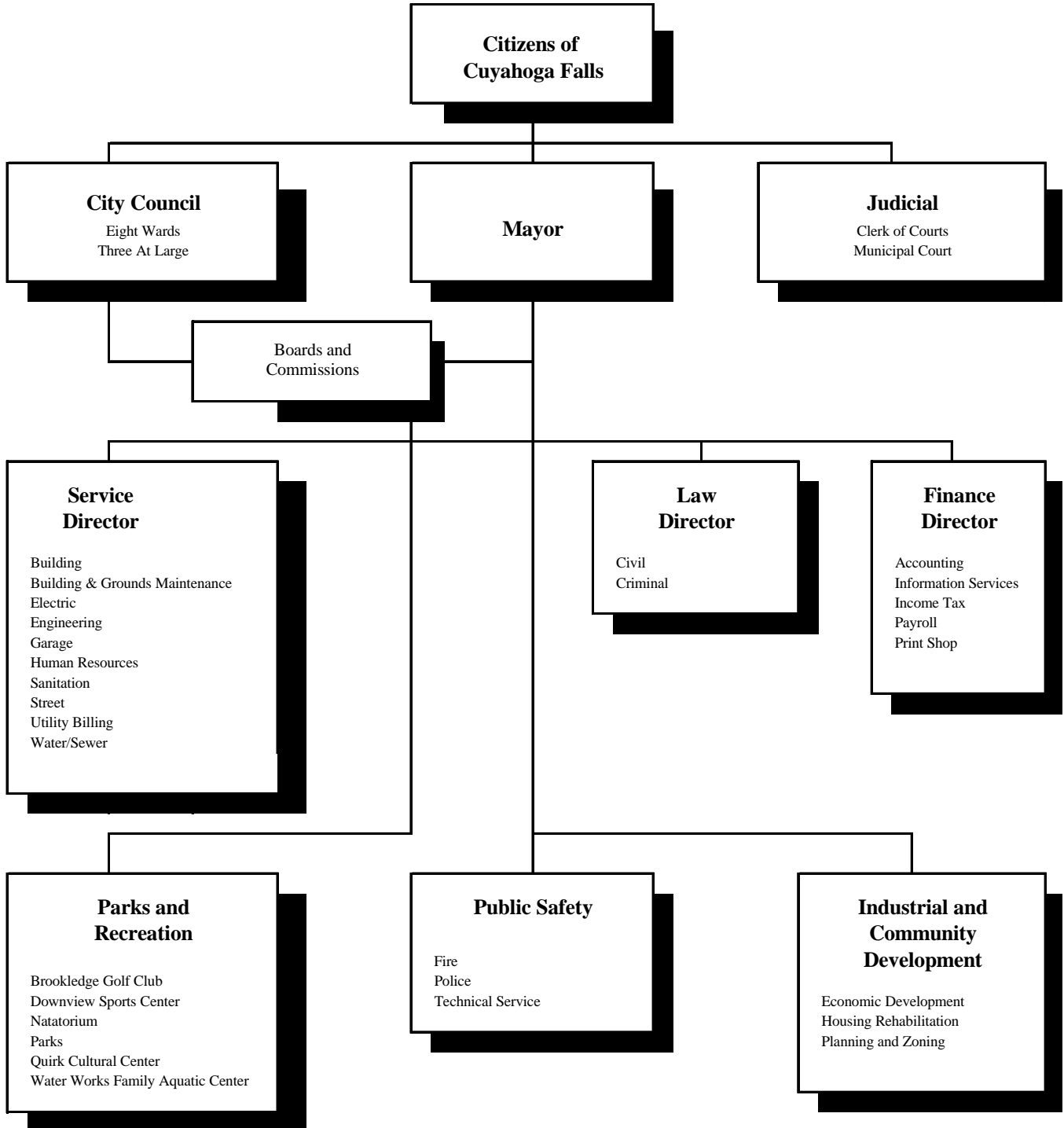
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Organizational Chart



**City Officials**

**Mayor Don L. Robart**

*Cabinet of the Mayor:*

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

*Municipal Court:*

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

*At Large Council:*

Kathy Hummel (Council President at 12/31/03)  
Tim Gorbach  
Carol Klinger

*Ward Council:*

John Schmidt.....Ward 1  
Mary Ellen Pyke.....Ward 2  
Ken Barnhart.....Ward 3  
Doug Flinn.....Ward 4  
Thomas Bauer.....Ward 5  
Don Walters.....Ward 6  
Jerry James.....Ward 7  
George Potts.....Ward 8



# FINANCIAL SECTION

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

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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 Betty Montgomery  
Auditor of State  
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cuyahoga Falls, Ohio, as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cuyahoga Falls, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund and the Municipal Income Tax special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 19, during the year ended December 31, 2003, the City implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for States and Local Governments* and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2004 on our consideration of the City of Cuyahoga Falls, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

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

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

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

August 12, 2004

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## Management's Discussion and Analysis

As management of the City of Cuyahoga Falls, Ohio (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which begins on page 2 of this report.

### FINANCIAL HIGHLIGHTS

- This is the City of Cuyahoga Falls first publication of a Comprehensive Annual Financial Report (CAFR) under the new GASB 34 reporting model. Comparisons to prior financials are not offered for this discussion and analysis.
- Total assets of the City of Cuyahoga Falls were \$197,041,184. Of this amount, \$88,803,186 were attributable to Governmental Activities and \$108,237,998 were from Business-type Activities.
- Total liabilities of the City of Cuyahoga Falls were \$85,758,143. Governmental Activities accounted for \$39,963,501, while Business-type Activities represented \$45,794,642 of the total.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### Government-wide financial statements

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

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

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

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

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

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

# City of Cuyahoga Falls, Ohio

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## **Fund financial statements**

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

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

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

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

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

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

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

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

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

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 50 of this report.

## City of Cuyahoga Falls, Ohio

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51-83 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to financial statements. Combining and individual fund statements and schedules can be found on pages 87-138 of this report.

<b>City of Cuyahoga Falls, Ohio - Net Assets</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
	<u>2003</u>	<u>2003</u>	<u>2003</u>
<b>Assets</b>			
Current and other assets	\$ 46,483,189	\$ 38,824,015	\$ 85,307,204
Capital assets	42,319,997	69,413,983	111,733,980
<b>Total Assets</b>	<u>88,803,186</u>	<u>108,237,998</u>	<u>197,041,184</u>
<b>Liabilities</b>			
Current and other liabilities	20,329,684	23,752,031	44,081,715
Long term liabilities outstanding	19,633,817	22,042,611	41,676,428
<b>Total liabilities</b>	<u>39,963,501</u>	<u>45,794,642</u>	<u>85,758,143</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	30,640,601	30,900,161	61,540,762
Restricted	10,062,518	-	10,062,518
Permanent Fund Purpose	184,222	-	184,222
Unrestricted	7,952,344	31,543,195	39,495,539
<b>Total net assets</b>	<u>\$ 48,839,685</u>	<u>\$ 62,443,356</u>	<u>\$ 111,283,041</u>

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$111,283,041 at the close of the most recent fiscal year.

The largest portion of the City's net assets (55 percent) reflects its investments in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to citizens, therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (9 percent) represents resources that have been restricted on how they may be used. Another portion of the City's net assets (less than 1 percent) represents the Perpetual Care Permanent Fund, which used to be a non-expendable trust fund. The remaining balance of unrestricted net assets \$39,495,539 may be used to meet the government's on-going obligations to its citizens and creditors.

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

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year. However, since this is the first year the City has prepared financial statements incorporating GASB 34, revenue and expense comparisons to 2002 are not

## City of Cuyahoga Falls, Ohio

available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

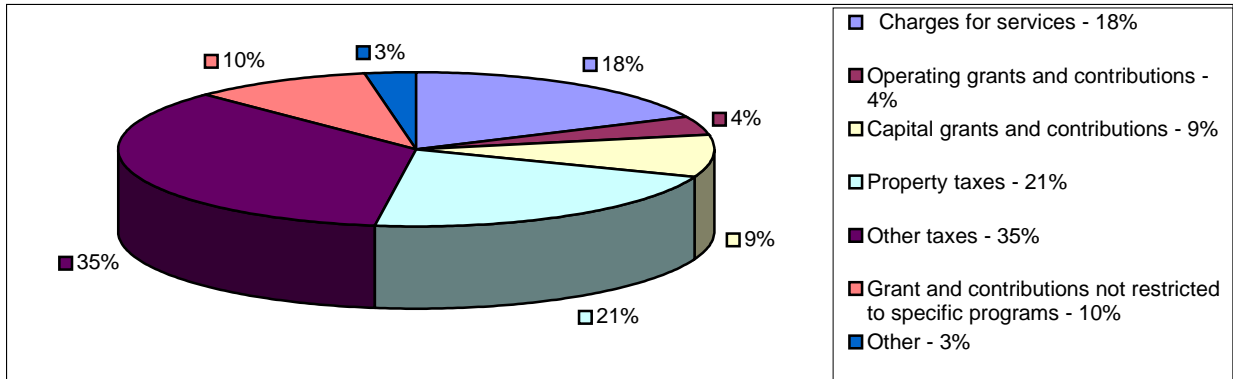
<b>City of Cuyahoga Falls, Ohio - Changes in Net Assets</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
	<b>2003</b>	<b>2003</b>	<b>2003</b>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 8,508,620	\$ 41,386,715	\$ 49,895,335
Operating grants and contributions	1,835,068	37,500	1,872,568
Capital grants and contributions	4,188,486	281,660	4,470,146
General revenues:			
Property taxes	10,129,445	-	10,129,445
Other taxes	16,716,850	-	16,716,850
Grants and contributions not restricted to specific programs			
	4,615,712	-	4,615,712
Other	1,320,022	16,755	1,336,777
<b>Total revenues</b>	<b>47,314,203</b>	<b>41,722,630</b>	<b>89,036,833</b>
<b>Expenses:</b>			
Security of persons and property	19,216,910	-	19,216,910
Leisure time activities	2,775,912	-	2,775,912
Community environment	1,142,020	-	1,142,020
Street maintenance	5,754,567	-	5,754,567
General government	9,420,819	-	9,420,819
Interest and fiscal charges	688,220	-	688,220
Sewage and disposal	-	4,689,987	4,689,987
Water	-	3,853,979	3,853,979
Electric	-	24,295,652	24,295,652
Sanitation	-	3,531,060	3,531,060
Leisure time activities	-	4,156,511	4,156,511
<b>Total expenses</b>	<b>38,998,448</b>	<b>40,527,189</b>	<b>79,525,637</b>
Increase in net assets before transfers	8,315,755	1,195,441	9,511,196
Transfers	(799,024)	799,024	-
Changes in net assets	7,516,731	1,994,465	9,511,196
<b>Net assets - beginning</b>	<b>41,322,954</b>	<b>60,448,891</b>	<b>101,771,845</b>
<b>Net assets - ending</b>	<b>\$ 48,839,685</b>	<b>\$ 62,443,356</b>	<b>\$ 111,283,041</b>

**Governmental Activities.** Governmental activities increased the city's net assets by \$7.5 million, thereby accounting for 79 percent of total growth in net assets of the City.

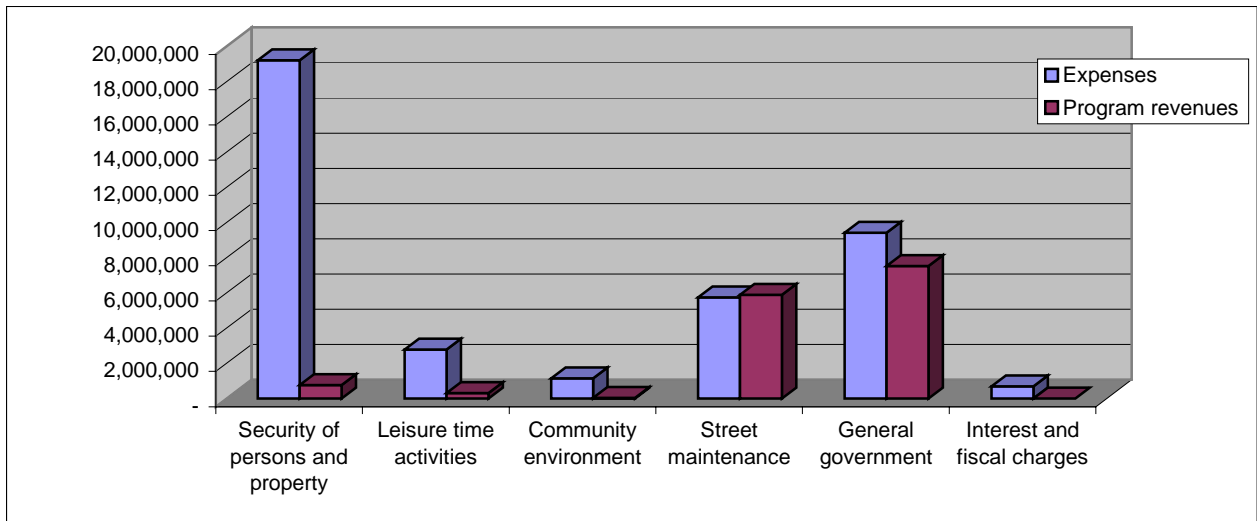


Governmental Activities

Revenues by Source – Governmental Activities



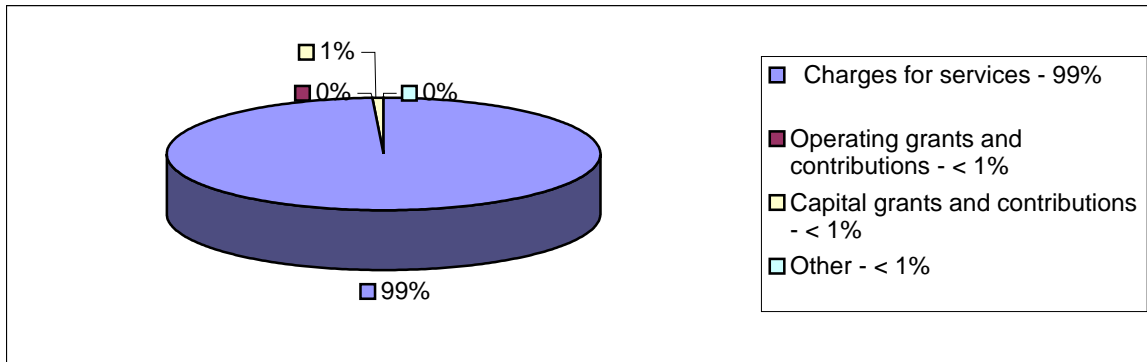
Expenses and Program Revenues – Governmental Activities



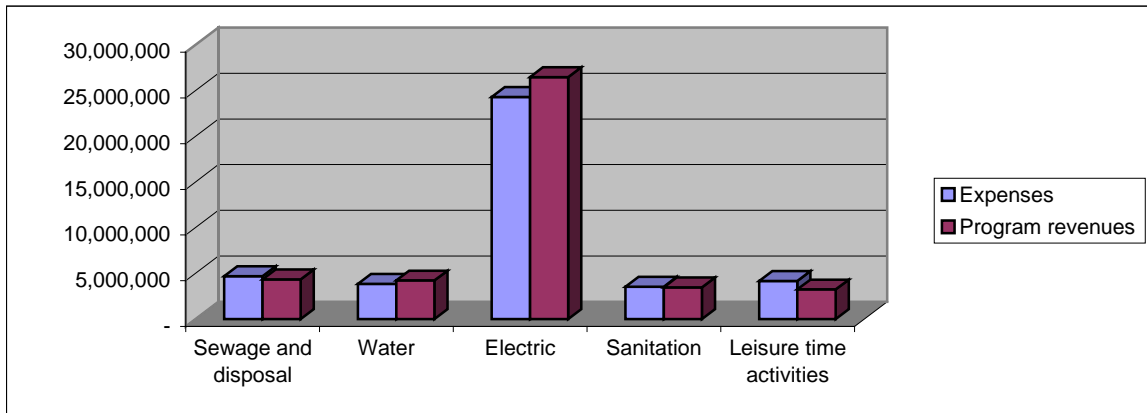
# City of Cuyahoga Falls, Ohio

**Business-type Activities.** Business-type activities increased the City’s net assets by \$1.99 million, accounting for 21% of the total growth in the government’s net assets.

## Revenue by Source – Business-type Activities



## Expenses and Program Revenues – Business-type Activities



## Financial Analysis of the Government’s Funds

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

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

As of December 31, 2003, the City's governmental funds reported combined ending fund balances of \$11.99 million. Approximately \$3.77 million of this amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period and for non-current loans receivable.

The general fund is the chief operating fund of the City. At December 31, 2003, unreserved fund balance of the general fund was \$5.2 million, while total fund balance was \$5.69 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures (including transfers out). Unreserved fund balance represents 16.6 percent of total general fund expenditures (including transfers out), while total fund balance represents 18.1 percent of the same amount.

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

Unrestricted net assets at the end of the year amounted to \$2.5 million, \$3.59 million, \$23.2 million, \$3,300, and \$2.5 million for the Sewage and Disposal, Water, Electric, Sanitation, and Leisure Time enterprises, respectively. The Sanitation Fund has low unrestricted net assets, which has been addressed in 2004 with a rate increase and other expense measures.

### **General Fund Budgetary Highlights**

The final amended General Fund budget had total appropriation of approximately \$990,000 less than the original budget. The total original appropriations, including those for transfers out and advances out, were \$33.34 million, while the final appropriations were \$32.35 million. The majority of the \$990,000 difference was due to not spending monies when it is not required.

### **Municipal Income Tax Fund Budgetary Highlights**

The final amended Municipal Income Tax Fund budget had total appropriations of approximately \$320,000 less than the original budget. The total original appropriations, including those for transfers out, were \$17.14 million, while the final appropriations were \$16.82 million. The decrease was due to a decrease in projected revenues, which necessitated a decrease in transfer appropriations. Revenue collections were down due to a timing difference when quarterly payments were received. As a result, the City only received three quarterly payments in 2003. This timing issue has corrected itself for 2004 and beyond.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for governmental and business-type activities as of December 31, 2003, amounts to \$111.7 million (net of accumulated depreciation). This investment in capital assets include land, buildings, improvements, machinery and equipment, as well as, infrastructure prospectively, including roads, sidewalks, bridges, storm sewer, curbs and gutters. The total increase in the City's investment in capital assets for 2003 was 23.4% (a 29.5 percent increase for governmental activities and a 19.9 percent increase for business-type activities).

## City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$ 9,097,112	\$ 7,767,140	\$ 2,646,180	\$ 2,525,664	\$ 11,743,292	\$ 10,292,804
Construction in Progress	11,078,980	4,325,098	15,373,274	3,129,770	26,452,254	7,454,868
Buildings	9,365,599	9,327,641	11,005,675	10,699,776	20,371,274	20,027,417
Improvements	8,966	19,734	37,672,859	38,594,939	37,681,825	38,614,673
Machinery and Equipment	6,314,317	6,714,733	2,715,995	2,946,359	9,030,312	9,661,092
Infrastructure	6,455,023	4,521,013	-	-	6,455,023	4,521,013
<b>Total</b>	<b>\$ 42,319,997</b>	<b>\$ 32,675,359</b>	<b>\$ 69,413,983</b>	<b>\$ 57,896,508</b>	<b>\$ 111,733,980</b>	<b>\$ 90,571,867</b>

Major capital asset events during 2003 were as follows:

- Construction on the new Natatorium continued, with a completion date set in September, 2004
- Various road projects were begun or continued during the year, many of them large enough to be considered major reconstructions, with the investment in these projects exceeding \$ 2,000,000. Of those, High Street was substantially completed and the reconstruction of the intersection of Front Street and Hudson Drive was started, both receiving major contributions from various State of Ohio funding sources.
- The replacement of the Broad Boulevard bridge started, with investments to date exceeding \$1,300,000. However, a large portion of the 2003 expenditures were provided through the Ohio Public Works Commission and the Ohio Department of Transportation.

**Long-term debt.** At December 31, 2003, the City had \$31.6 million of long-term bonds and capital leases outstanding. All special assessment bonds issued by the City are also general obligation bonds (\$775,878 in governmental activities) and are included herein. The remainder of the City's long-term obligations can be found in Note 13 within the Notes to the Financial Statements.

City of Cuyahoga Falls General Obligation Bonds and Capital Leases Outstanding						
	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
G. O. bonds	\$ 11,327,179	\$ 12,095,638	\$ 20,160,676	\$ 21,408,661	\$ 31,487,855	\$ 33,504,299
Capital leases	150,010	227,851	-	-	150,010	227,851
<b>Total</b>	<b>\$ 11,477,189</b>	<b>\$ 12,323,489</b>	<b>\$ 20,160,676</b>	<b>\$ 21,408,661</b>	<b>\$ 31,637,865</b>	<b>\$ 33,732,150</b>

On April 8, 2004 the City issued \$6,790,000 Various Purpose Refunding Bonds and \$8 million Recreation Improvement Bonds for the purpose of advance refunding the City's outstanding Various Purpose Bonds dated March 1, 1995 and to finance a portion of the costs of construction and equipping a community recreation center, respectively.

### Economic Factors and Next Year's Budget

The City of Cuyahoga Falls elected and appointed officials consider many factors, through a lengthy budget process. One of the main areas of concern for the 2004 budget process was the fact that the City would experience a 27<sup>th</sup> pay in 2004. This 27<sup>th</sup> pay and associated benefits amounted to approximately \$1.3 million across all departmental

budgets. The cost of the 27<sup>th</sup> pay was broken down by department, and each department was asked to make cuts equating to the amount of the additional pay. Most departments were able to make cuts and no department made cuts that would sacrifice service. Service to the citizens of this community is an area that is sacred to the Mayor of Cuyahoga Falls and was given high consideration. The total 2004 General Fund Budget is \$ 34,491,641.

**Request for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Cuyahoga Falls Finance Department, 2310 Second Street, Cuyahoga Falls, Ohio, 44221.

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# **BASIC FINANCIAL STATEMENTS**

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## City of Cuyahoga Falls, Ohio

### Statement of Net Assets December 31, 2003

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		CIC of Cuyahoga Falls
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 19,691,146	\$ 25,680,139	\$ 45,371,285	\$ 669,367
Cash and cash equivalents - restricted accounts	128,510	-	128,510	-
Investments	-	-	-	-
Investments - restricted	2,439,083	-	2,439,083	-
Accounts receivable (net of allowance for uncollectibles)	967,923	5,268,852	6,236,775	-
Loans receivable	1,936,497	-	1,936,497	114,552
Taxes receivable	12,846,440	-	12,846,440	-
Special assessments receivable	2,069,489	61,491	2,130,980	-
Accrued interest receivable	733,227	-	733,227	-
Due from other governments	3,820,648	25,001	3,845,649	-
Inventory of supplies	805,259	3,192,782	3,998,041	-
Prepaid items	163,702	140,633	304,335	-
Internal balances	881,265	(881,265)	-	-
Deferred charges	-	174,598	174,598	-
Unamortized bond discount	-	69,962	69,962	-
Investment in joint venture	-	5,091,822	5,091,822	-
Nondepreciable capital assets	20,176,092	18,019,454	38,195,546	-
Depreciable capital assets	22,143,905	51,394,529	73,538,434	-
<b>Total assets</b>	<b>88,803,186</b>	<b>108,237,998</b>	<b>197,041,184</b>	<b>783,919</b>
<b>Liabilities</b>				
Accounts payable	763,476	3,114,942	3,878,418	-
Accrued salaries, wages and benefits	955,145	582,522	1,537,667	-
Accrued interest payable	55,827	94,598	150,425	-
Due to other governments	432,578	617,195	1,049,773	-
Deferred revenue	9,803,523	666,942	10,470,465	-
Deposit held and due to others	-	222,478	222,478	-
Unamortized bond premium	69,135	153,354	222,489	-
Notes payable	8,250,000	18,300,000	26,550,000	-
Current portion of:				
Accrued compensated absences	3,098,746	888,026	3,986,772	-
Claims and judgments payable	887,687	-	887,687	-
Capital leases	73,991	-	73,991	-
Bonds payable	782,645	1,295,665	2,078,310	-
Long-term portion of:				
Accrued compensated absences	3,156,179	993,909	4,150,088	-
Claims and judgments payable	1,014,016	-	1,014,016	-
Capital leases	76,019	-	76,019	-
Bonds payable	10,544,534	18,865,011	29,409,545	-
<b>Total liabilities</b>	<b>39,963,501</b>	<b>45,794,642</b>	<b>85,758,143</b>	<b>-</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	30,640,601	30,900,161	61,540,762	-
Restricted for:				
Capital projects	4,117,322	-	4,117,322	-
Debt service	546,970	-	546,970	-
Other purposes	5,398,226	-	5,398,226	114,552
Permanent fund purpose:				
Nonexpendable - Cemetery Perpetual Care	184,222	-	184,222	-
Unrestricted	7,952,344	31,543,195	39,495,539	669,367
<b>Total net assets</b>	<b>\$ 48,839,685</b>	<b>\$ 62,443,356</b>	<b>\$ 111,283,041</b>	<b>\$ 783,919</b>

See accompanying notes to the basic financial statements

# City of Cuyahoga Falls, Ohio

## Statement of Activities For the Year Ended December 31, 2003

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental activities:</b>				
Security of persons and property	19,216,910	547,208	213,395	-
Leisure time activities	2,775,912	184,405	-	127,424
Community environment	1,142,020	34,171	-	-
Street maintenance	5,754,567	638,256	1,443,996	3,811,062
General government	9,420,819	7,104,580	177,677	250,000
Interest and fiscal charges	688,220	-	-	-
<b>Total governmental activities</b>	<b>38,998,448</b>	<b>8,508,620</b>	<b>1,835,068</b>	<b>4,188,486</b>
<b>Business-type activities:</b>				
Sewage and disposal	4,689,987	4,340,885	-	-
Water	3,853,979	4,215,436	-	-
Electric	24,295,652	26,452,239	15,000	-
Sanitation	3,531,060	3,424,697	22,500	-
Leisure time activities	4,156,511	2,953,458	-	281,660
<b>Total business-type activities</b>	<b>40,527,189</b>	<b>41,386,715</b>	<b>37,500</b>	<b>281,660</b>
<b>Total primary government</b>	<b>79,525,637</b>	<b>49,895,335</b>	<b>1,872,568</b>	<b>4,470,146</b>
<b>Component Unit - CIC of Cuyahoga Falls</b>	<b>1,899</b>	<b>8,900</b>	<b>-</b>	<b>-</b>
<b>General revenues:</b>				
Property taxes levied for:				
General purposes				
Special revenue				
Income tax levied for:				
General purposes				
Special revenue				
Capital projects				
Grants and entitlements not restricted to specific programs				
Gain or loss on sale of capital assets				
Investment earnings				
Transfers				
Total general revenue and transfers				
<b>Change in net assets</b>				
<b>Net assets, restated - beginning</b>				
<b>Net assets - ending</b>				

See accompanying notes to the basic financial statements

**City of Cuyahoga Falls, Ohio**

(Continued)

<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>	<b>CIC of</b>
<b>Activities</b>	<b>Activities</b>	<b>Total</b>	<b>Cuyahoga Falls</b>
(18,456,307)	-	(18,456,307)	-
(2,464,083)	-	(2,464,083)	-
(1,107,849)	-	(1,107,849)	-
138,747	-	138,747	-
(1,888,562)	-	(1,888,562)	-
(688,220)	-	(688,220)	-
(24,466,274)	-	(24,466,274)	-
	(349,102)	(349,102)	-
	361,457	361,457	-
	2,171,587	2,171,587	-
	(83,863)	(83,863)	-
	(921,393)	(921,393)	-
-	1,178,686	1,178,686	-
(24,466,274)	1,178,686	(23,287,588)	-
-	-	-	7,001
9,590,043	-	9,590,043	-
539,402	-	539,402	86,947
10,476,451	-	10,476,451	-
1,337,347	-	1,337,347	-
4,903,052	-	4,903,052	-
4,615,712	-	4,615,712	-
635,606	16,755	652,361	-
684,416	-	684,416	10,319
(799,024)	799,024	-	-
31,983,005	815,779	32,798,784	97,266
7,516,731	1,994,465	9,511,196	104,267
41,322,954	60,448,891	101,771,845	679,652
48,839,685	62,443,356	111,283,041	783,919

## City of Cuyahoga Falls, Ohio

### Balance Sheet - Governmental Funds December 31, 2003

	<u>General</u>	<u>Municipal Income Tax</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Equity in pooled cash and cash equivalents	\$ 4,627,396	\$ 22,177	\$5,122,180	\$ 3,222,745	\$12,994,498
Cash and cash equivalents - restricted	-	-	-	128,510	128,510
Investments - restricted accounts	-	-	-	2,439,083	2,439,083
<b>Receivables</b>					
Taxes	9,565,828	2,728,736	-	551,876	12,846,440
<b>Accounts</b>					
(net of allowance for uncollectibles)	49,118	-	806,538	204,419	1,060,075
Loans	-	-	-	1,936,497	1,936,497
Special assessments	39,391	-	661,598	1,368,500	2,069,489
Accrued interest	-	-	-	733,227	733,227
Due from other funds	1,346,341	-	535,993	477,921	2,360,255
Due from other governments	2,462,342	47,080	481,140	771,614	3,762,176
Inventory of supplies	147,918	114	-	182,066	330,098
Prepaid items	127,906	251	-	22,476	150,633
Advances to other funds	-	-	-	876,600	876,600
<b>Total assets</b>	<b><u>18,366,240</u></b>	<b><u>2,798,358</u></b>	<b><u>7,607,449</u></b>	<b><u>12,915,534</u></b>	<b><u>41,687,581</u></b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	138,798	226	361,207	180,054	680,285
Accrued salaries, wages and benefits	813,502	10,424	-	91,204	915,130
Deferred revenue	11,035,564	1,015,880	1,323,644	3,040,246	16,415,334
Due to other funds	632,063	1,754,193	-	207,047	2,593,303
Due to other governments	56,761	1,563	-	106,462	164,786
Advances from other funds	-	-	475,000	200,000	675,000
General obligation notes payable	-	-	8,250,000	-	8,250,000
<b>Total liabilities</b>	<b><u>12,676,688</u></b>	<b><u>2,782,286</u></b>	<b><u>10,409,851</u></b>	<b><u>3,825,013</u></b>	<b><u>29,693,838</u></b>
<b>Fund Balances</b>					
Reserved for encumbrances	217,249	15,707	2,073,658	55,995	2,362,609
Reserved for prepaid items	127,906	251	-	22,476	150,633
Reserved for advances	-	-	-	876,600	876,600
Reserved for investments	-	-	-	2,328,132	2,328,132
Reserved for inventory of supplies	147,918	114	-	182,066	330,098
Reserved for loans receivable	-	-	-	1,936,497	1,936,497
Reserved for debt service	-	-	-	56,256	56,256
Reserved for cemetery perpetual care	-	-	-	183,191	183,191
Unreserved - undesignated	5,196,479	-	(4,876,060)	3,449,308	3,769,727
<b>Total fund balances (deficit)</b>	<b><u>5,689,552</u></b>	<b><u>16,072</u></b>	<b><u>(2,802,402)</u></b>	<b><u>9,090,521</u></b>	<b><u>11,993,743</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$18,366,240</u></b>	<b><u>\$2,798,358</u></b>	<b><u>\$7,607,449</u></b>	<b><u>\$ 12,915,534</u></b>	<b><u>\$41,687,581</u></b>

See accompanying notes to the basic financial statements

**Reconciliation of Total Governmental Fund Balances to Net Assets of  
Governmental Activities  
December 31, 2003**

**Total Governmental Fund Balances** \$ 11,993,743

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

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

Nondepreciable capital assets	20,176,092	
Depreciable capital assets	<u>21,654,806</u>	41,830,898

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

Investment earnings	666,935	
Property taxes	314,181	
Grants and entitlements	1,883,280	
Income tax	1,015,880	
Special assessments	2,069,489	
Charges for services	<u>624,464</u>	6,574,229

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

Internal service fund net assets are: 6,048,749

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

Accrued interest payable	(55,827)	
Unamortized bond premium	(69,135)	
Accrued compensated absences	(6,005,783)	
Capital leases	(150,010)	
Bonds Payable	<u>(11,327,179)</u>	(17,607,934)

**Total Governmental Activities Net Assets** \$ 48,839,685

## City of Cuyahoga Falls, Ohio

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Year Ended December 31, 2003

	General	Municipal Income Tax	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 9,047,021	\$ -	\$ -	\$ 521,944	\$ 9,568,965
Municipal income taxes	-	16,732,040	-	-	16,732,040
Other local taxes	245,011	-	-	320	245,331
State levied shared taxes	4,594,749	-	-	1,774,438	6,369,187
Intergovernmental	227,025	-	2,670,560	291,471	3,189,056
Charges for services	5,228,851	-	1,256,448	128,245	6,613,544
Fees, licenses and permits	481,366	-	-	589,890	1,071,256
Interest earnings	26	-	-	656,603	656,629
Fines and forfeitures	272,961	-	-	80,679	353,640
Special assessments	12,407	-	62,242	187,555	262,204
Other	225,837	972	1,068,042	120,608	1,415,459
Total revenues	<u>20,335,254</u>	<u>16,733,012</u>	<u>5,057,292</u>	<u>4,351,753</u>	<u>46,477,311</u>
<b>Expenditures</b>					
Current					
Security of persons and property	15,953,239	-	-	2,168,988	18,122,227
Leisure time activities	2,195,462	-	-	747,612	2,943,074
Community environment	1,060,905	-	-	19,202	1,080,107
Street maintenance	-	-	-	4,297,980	4,297,980
General government	7,676,062	917,435	-	186,277	8,779,774
Capital outlay	-	-	11,258,750	218,500	11,477,250
Debt Service					
Principal	-	-	77,841	768,459	846,300
Interest	-	-	57,687	630,550	688,237
Total expenditures	<u>26,885,668</u>	<u>917,435</u>	<u>11,394,278</u>	<u>9,037,568</u>	<u>48,234,949</u>
Excess (deficiency) of revenues					
Over (under) expenditures	(6,550,414)	15,815,577	(6,336,986)	(4,685,815)	(1,757,638)
<b>Other Financing Sources (Uses)</b>					
Transfers in	11,665,669	-	4,656,969	5,712,527	22,035,165
Transfers out	(4,476,166)	(15,799,870)	(121,500)	(2,436,653)	(22,834,189)
Total other financing sources (uses)	<u>7,189,503</u>	<u>(15,799,870)</u>	<u>4,535,469</u>	<u>3,275,874</u>	<u>(799,024)</u>
Net change in fund balances	639,089	15,707	(1,801,517)	(1,409,941)	(2,556,662)
Fund balance (deficit) at beginning of year, restated					
	5,029,854	439	(1,000,885)	10,469,975	14,499,383
Change in reserve for inventory	(11,228)	(65)	-	26,365	15,072
Change in reserve for prepaid items	31,837	(9)	-	4,122	35,950
Fund balance (deficit) at end of year	<u>\$ 5,689,552</u>	<u>\$ 16,072</u>	<u>\$ (2,802,402)</u>	<u>\$ 9,090,521</u>	<u>\$ 11,993,743</u>

See accompanying notes to the basic financial statements

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
December 31, 2003**

**Net Change in Fund Balances - Total Governmental Funds** \$ (2,556,662)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 9,717,199

In the statement of activities, only the loss on the disposal of assets is reported, whereas, in the governmental funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets. (133,074)

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

Investment earnings	(36,661)	
Property taxes	314,181	
Grants and entitlements	(125,622)	
Income tax	(15,190)	
Special assessments	74,709	
Charges for services	662,046	873,463

Repayment of bond principal and capital lease payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 846,300

In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds an interest expenditure is reported when due. (55,827)

Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (441,895)

Internal service funds are used by the City to account for the financing of goods or services provided by one department to other City departments or agencies, generally on a cost reimbursement basis. The revenues (expenses) of the internal service funds are allocated among the governmental activities. (732,773)

Changes in Net Assets of Governmental Activities \$ 7,516,731

## City of Cuyahoga Falls, Ohio

### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 9,335,978	\$ 9,335,978	\$ 9,287,144	\$ (48,834)
Other local taxes	182,250	247,250	245,420	(1,830)
State levied shared taxes	4,785,677	4,330,090	4,476,605	146,515
Intergovernmental	166,384	196,384	259,394	63,010
Charges for services	5,196,897	5,007,397	5,239,287	231,890
Fees, licenses, and permits	427,875	427,875	462,931	35,056
Interest earnings	4,500	500	388	(112)
Fines and forfeitures	348,000	348,000	281,454	(66,546)
Special assessments	13,130	13,130	12,407	(723)
Other	133,400	188,400	205,115	16,715
Total revenues	20,594,091	20,095,004	20,470,145	375,141
<b>Expenditures</b>				
Current				
Security of persons and property	16,740,507	16,260,507	16,086,567	173,940
Leisure time activities	2,364,022	2,364,022	2,308,573	55,449
Community environment	1,113,741	1,113,741	1,055,770	57,971
General government	8,405,284	8,074,784	7,629,696	445,088
Total expenditures	28,623,554	27,813,054	27,080,606	732,448
Excess (deficiency) of revenues over (under) expenditures				
	(8,029,463)	(7,718,050)	(6,610,461)	1,107,589
<b>Other Financing Sources (Uses)</b>				
Transfers in	11,934,464	11,736,269	11,653,705	(82,564)
Transfers out	(4,652,830)	(4,473,049)	(4,434,120)	38,929
Advances out	(59,500)	(59,500)	(59,500)	-
Total other financing sources (uses)	7,222,134	7,203,720	7,160,085	(43,635)
Net change in fund balances				
	(807,329)	(514,330)	549,624	1,063,954
Fund balance at beginning of year				
	3,787,152	3,787,152	3,787,152	-
Fund balance at end of year				
	\$ 2,979,823	\$ 3,272,822	\$ 4,336,776	\$ 1,063,954

See accompanying notes to the basic financial statements



**Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Municipal Income Tax Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Municipal income taxes	\$ 17,149,500	\$ 16,789,500	\$ 16,589,342	\$ (200,158)
Other	-	-	972	972
Total revenues	17,149,500	16,789,500	16,590,314	(199,186)
<b>Expenditures</b>				
Current				
<b>General government</b>	1,186,563	942,563	928,556	14,007
Total expenditures	1,186,563	942,563	928,556	14,007
Excess (deficiency) of revenues over (under) expenditures				
	15,962,937	15,846,937	15,661,758	(185,179)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(15,954,147)	(15,877,245)	(15,809,745)	67,500
Total other financing sources (uses)	(15,954,147)	(15,877,245)	(15,809,745)	67,500
Net change in fund balances	8,790	(30,308)	(147,987)	(117,679)
Fund balance at beginning of year	154,438	154,438	154,438	-
Fund balance at end of year	<u>\$ 163,228</u>	<u>\$ 124,130</u>	<u>\$ 6,451</u>	<u>\$ (117,679)</u>

See accompanying notes to the basic financial statements

# City of Cuyahoga Falls, Ohio

## Statement of Net Assets - Proprietary Funds December 31, 2003

	Business-type Activities - Enterprise Funds					Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	
<b>Assets</b>						
<b>Current Assets</b>						
Equity in pooled cash and cash equivalents	\$ 2,837,619	\$ 3,548,988	\$13,906,086	\$ 754,146	\$ 4,633,300	\$ 25,680,139
Receivables						
Accounts						
(net of allowance for uncollectibles)	816,840	875,057	3,524,598	48,998	3,359	5,268,852
Special assessments	-	61,491	-	-	-	61,491
Due from other funds	65,071	-	858,287	59,859	-	983,217
Due from other governments	18,583	246	281	5,599	292	25,001
Inventory of supplies	27,923	321,310	2,756,821	50,064	36,664	3,192,782
Prepaid items	12,549	20,318	39,946	11,323	56,497	140,633
Deferred charges	10,112	122,430	-	-	42,056	174,598
Unamortized bond discount	19,486	50,476	-	-	-	69,962
Investment in joint venture	-	-	5,091,822	-	-	5,091,822
Total current assets	<u>3,808,183</u>	<u>5,000,316</u>	<u>26,177,841</u>	<u>929,989</u>	<u>4,772,168</u>	<u>40,688,497</u>
<b>Noncurrent Assets</b>						
Capital Assets						
Land	84,084	114,910	505,242	152,781	1,789,163	2,646,180
Buildings	539,103	919,879	717,915	114,340	11,869,269	14,160,506
Improvements other than buildings	15,101,480	20,487,647	24,559,336	-	3,561,582	63,710,045
Equipment	949,612	1,213,312	3,996,019	2,226,876	783,010	9,168,829
CIP	134	151,870	172,677	-	15,048,593	15,373,274
Less: Accumulated depreciation	<u>(6,229,063)</u>	<u>(6,378,379)</u>	<u>(17,024,089)</u>	<u>(2,013,842)</u>	<u>(3,999,478)</u>	<u>(35,644,851)</u>
Total noncurrent assets	<u>10,445,350</u>	<u>16,509,239</u>	<u>12,927,100</u>	<u>480,155</u>	<u>29,052,139</u>	<u>69,413,983</u>
Total assets	<u>14,253,533</u>	<u>21,509,555</u>	<u>39,104,941</u>	<u>1,410,144</u>	<u>33,824,307</u>	<u>110,102,480</u>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	24,613	248,722	1,464,653	157,318	1,219,636	3,114,942
Accrued salaries, wages and benefits	88,106	114,824	253,295	79,105	47,192	582,522
Accrued interest payable	14,728	39,103	9,543	-	31,224	94,598
Deferred revenue	240,078	426,864	-	-	-	666,942
Due to other funds	178,996	252,024	71,486	172,571	657,466	1,332,543
Due to other governments	573,658	8,400	19,509	8,649	6,979	617,195
Deposits held and due to others	-	12,004	210,474	-	-	222,478
Claims and judgments payable	-	-	-	-	-	-
Advances from other funds	-	-	-	100,800	-	100,800
Unamortized bond premium	-	-	-	-	153,354	153,354
General obligation notes payable	-	-	-	-	18,300,000	18,300,000
General obligation bonds payable	191,843	471,794	260,149	-	371,879	1,295,665
Total current liabilities	<u>1,312,022</u>	<u>1,573,735</u>	<u>2,289,109</u>	<u>518,443</u>	<u>20,787,730</u>	<u>26,481,039</u>
<b>Noncurrent Liabilities</b>						
Accrued compensated absences	189,547	312,910	941,201	307,440	130,837	1,881,935
Claims and judgments payable	-	-	-	-	-	-
Advances from other funds	-	-	-	100,800	-	100,800
General obligation bonds payable	3,620,804	10,059,047	1,860,894	-	3,324,266	18,865,011
Total noncurrent liabilities	<u>3,810,351</u>	<u>10,371,957</u>	<u>2,802,095</u>	<u>408,240</u>	<u>3,455,103</u>	<u>20,847,746</u>
Total liabilities	<u>5,122,373</u>	<u>11,945,692</u>	<u>5,091,204</u>	<u>926,683</u>	<u>24,242,833</u>	<u>47,328,785</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	6,632,703	5,978,398	10,806,057	480,155	7,055,994	30,953,307
Unrestricted	2,498,457	3,585,465	23,207,680	3,306	2,525,480	31,820,388
Total net assets	<u>\$ 9,131,160</u>	<u>\$ 9,563,863</u>	<u>\$34,013,737</u>	<u>\$ 483,461</u>	<u>\$ 9,581,474</u>	<u>\$ 62,773,695</u>
Adjustment to consolidate the internal service fund activities						(330,339)
Total net assets of business-type activities						<u>\$ 62,443,356</u>

See accompanying notes to the basic financial statements

Statement of Net Assets - Proprietary Funds  
December 31, 2003

(Continued)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets</b>	
<b>Current Assets</b>	
Equity in pooled cash and cash equivalents	\$ 6,696,648
Receivables	
Accounts	
(net of allowance for uncollectibles)	3,899
Special assessments	-
Due from other funds	606,136
Due from other governments	3
Inventory of supplies	475,161
Prepaid items	13,069
Deferred charges	-
Unamortized bond discount	-
Investment in joint venture	-
Total current assets	<u>7,794,916</u>
<b>Noncurrent Assets</b>	
Capital Assets	
Land	21,960
Buildings	246,968
Improvements other than buildings	262,637
Equipment	2,095,848
CIP	-
Less: Accumulated depreciation	<u>(2,138,314)</u>
Total noncurrent assets	<u>489,099</u>
Total assets	<u><u>8,284,015</u></u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	83,191
Accrued salaries, wages and benefits	40,015
Accrued interest payable	-
Deferred revenue	-
Due to other funds	23,762
Due to other governments	267,792
Deposits held and due to others	-
Claims and judgments payable	887,687
Advances from other funds	-
Unamortized bond premium	-
General obligation notes payable	-
General obligation bonds payable	-
Total current liabilities	<u>1,302,447</u>
<b>Noncurrent Liabilities</b>	
Accrued compensated absences	249,142
Claims and judgments payable	1,014,016
Advances from other funds	-
General obligation bonds payable	-
Total noncurrent liabilities	<u>1,263,158</u>
Total liabilities	<u><u>2,565,605</u></u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	-
Unrestricted	5,718,410
Total net assets	<u><u>\$ 5,718,410</u></u>

# City of Cuyahoga Falls, Ohio

## Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds For the Year Ended December 31, 2003

	Business-type Activities - Enterprise Funds					
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
<b>Operating Revenues</b>						
Charges for services	\$ 4,418,633	\$ 4,151,423	\$26,614,891	\$ 3,334,017	\$ 2,692,073	\$41,211,037
Other	9,715	64,013	109,242	124,076	261,385	568,431
Total operating revenues	<u>4,428,348</u>	<u>4,215,436</u>	<u>26,724,133</u>	<u>3,458,093</u>	<u>2,953,458</u>	<u>41,779,468</u>
<b>Operating Expenses</b>						
Personal services	727,319	1,227,029	2,850,051	1,208,102	1,571,767	7,584,268
Fringe benefits	236,854	352,906	964,349	426,807	341,534	2,322,450
Purchased power	-	-	13,092,292	-	-	13,092,292
Materials and supplies	53,019	225,777	4,286,753	142,811	145,060	4,853,420
Utilities	23,380	256,294	38,640	14,493	153,372	486,179
Contractual services	2,570,936	203,291	99,332	992,115	79,766	3,945,440
Internal charges	313,640	405,842	992,053	261,002	596,245	2,568,782
Other	172,412	178,521	874,288	250,912	562,566	2,038,699
Depreciation	391,799	716,764	859,148	155,115	467,817	2,590,643
Total Operating Expenses	<u>4,489,359</u>	<u>3,566,424</u>	<u>24,056,906</u>	<u>3,451,357</u>	<u>3,918,127</u>	<u>39,482,173</u>
Net income (loss) from operations	<u>(61,011)</u>	<u>649,012</u>	<u>2,667,227</u>	<u>6,736</u>	<u>(964,669)</u>	<u>2,297,295</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest revenue	-	-	-	-	-	-
Interest expense	(184,905)	(487,826)	(125,854)	(5,428)	(303,417)	(1,107,430)
Gain from disposal of fixed assets	-	6,479	1,100	9,176	-	16,755
Grants	-	-	15,000	22,500	-	37,500
Total nonoperating revenues (expenses)	<u>(184,905)</u>	<u>(481,347)</u>	<u>(109,754)</u>	<u>26,248</u>	<u>(303,417)</u>	<u>(1,053,175)</u>
Income before contributions and transfers	<u>(245,916)</u>	<u>167,665</u>	<u>2,557,473</u>	<u>32,984</u>	<u>(1,268,086)</u>	<u>1,244,120</u>
<b>Capital Contributions</b>						
Transfers in	19,487	21,500	1,651,932	20,044	731,799	2,444,762
Transfers out	-	-	(1,645,738)	-	-	(1,645,738)
Changes in net assets	<u>(226,429)</u>	<u>189,165</u>	<u>2,563,667</u>	<u>53,028</u>	<u>(254,627)</u>	<u>2,324,804</u>
Total net assets, restated - beginning	9,357,589	9,374,698	31,450,070	430,433	9,836,101	60,448,891
Total net assets - ending	<u>\$ 9,131,160</u>	<u>\$ 9,563,863</u>	<u>\$34,013,737</u>	<u>\$ 483,461</u>	<u>\$ 9,581,474</u>	<u>\$62,773,695</u>
Adjustment to consolidate the internal service fund activities						(330,339)
Total change in net assets of business-type activities						<u>\$ 1,994,465</u>

See accompanying notes to the basic financial statements

**Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds** (Continued)  
**For the Year Ended December 31, 2003**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 7,709,383
Other	23,056
Total operating revenues	<u>7,732,439</u>
<b>Operating Expenses</b>	
Personal services	1,531,536
Fringe benefits	5,733,806
Purchased power	-
Materials and supplies	718,054
Utilities	21,495
Contractual services	202,844
Internal charges	132,996
Other	339,759
Depreciation	168,084
Total Operating Expenses	<u>8,848,574</u>
Net income (loss) from operations	<u>(1,116,135)</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest revenue	53,023
Interest expense	-
Gain from disposal of fixed assets	-
Grants	-
Total nonoperating revenues (expenses)	<u>53,023</u>
Income before contributions and transfers	<u>(1,063,112)</u>
Capital Contributions	-
Transfers in	-
Transfers out	-
Changes in net assets	<u>(1,063,112)</u>
Total net assets, restated - beginning	6,781,522
Total net assets - ending	<u>\$ 5,718,410</u>

# City of Cuyahoga Falls, Ohio

## Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2003

	Business-type Activities - Enterprise Funds					Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	
<b>Cash Flows From Operating Activities</b>						
Cash received from customers	\$ 4,791,313	\$ 4,622,758	\$ 27,728,099	\$ 3,593,275	\$ 2,954,403	\$ 43,689,848
Cash payments to employees for services	(725,860)	(1,225,286)	(2,839,548)	(1,207,370)	(1,567,576)	(7,565,640)
Cash payments to employees for benefits	(239,655)	(409,416)	(925,877)	(410,902)	(314,238)	(2,300,088)
Cash payments to suppliers for goods and services	(3,361,621)	(1,579,780)	(20,228,206)	(1,757,300)	(1,629,020)	(28,555,927)
Net cash provided by operating activities	464,177	1,408,276	3,734,468	217,703	(556,431)	5,268,193
<b>Cash Flows From Non-Capital Financing Activities</b>						
Grant proceeds	-	-	15,000	18,000	-	33,000
Transfers in	-	21,500	1,638,553	-	731,799	2,391,852
Transfers out	-	-	(1,645,738)	-	(50,000)	(1,695,738)
Advance repayment	-	-	-	(100,800)	-	(100,800)
Net cash provided by non-capital financing activities	-	21,500	7,815	(82,800)	681,799	628,314
<b>Cash Flows From Capital and Related Financing Activities</b>						
Acquisition of capital assets	(351,948)	(449,031)	(602,942)	(8,133)	(11,754,421)	(13,166,475)
Proceeds from the sale of capital assets	-	6,479	1,100	9,176	-	16,755
Bond/note proceeds	-	-	-	-	18,409,593	18,409,593
Debt service						
Principal	(193,655)	(459,514)	(250,000)	(104,588)	(5,653,506)	(6,661,263)
Interest	(184,352)	(485,973)	(126,885)	(5,428)	(330,156)	(1,132,794)
Net cash used in capital and related financing activities	(729,955)	(1,388,039)	(978,727)	(108,973)	671,510	(2,534,184)
<b>Cash Flows from Investing Activities</b>						
Interest revenue	-	-	-	-	-	-
Sale of investments	102,678	116,039	368,655	24,094	126,930	738,396
Net cash provided by investing activities	102,678	116,039	368,655	24,094	126,930	738,396
Net increase (decrease) in cash and cash equivalents	(163,100)	157,776	3,132,211	50,024	923,808	4,100,719
Cash and cash equivalents at Beginning of Year	3,000,719	3,391,212	10,773,875	704,122	3,709,492	21,579,420
Cash and cash equivalents at end of year	\$ 2,837,619	\$ 3,548,988	\$ 13,906,086	\$ 754,146	\$ 4,633,300	\$ 25,680,139

See accompanying notes to the basic financial statements

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended December 31, 2003**

(Continued)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash Flows From Operating Activities</b>	
Cash received from customers	\$ 7,426,728
Cash payments to employees for services	(1,525,696)
Cash payments to employees for benefits	(5,330,085)
Cash payments to suppliers for goods and services	<u>(1,467,571)</u>
Net cash provided by operating activities	(896,624)
<b>Cash Flows From Non-Capital Financing Activities</b>	
Grant proceeds	-
Transfers in	-
Transfers out	-
Advance repayment	<u>-</u>
Net cash provided by non-capital financing activities	-
<b>Cash Flows From Capital and Related Financing Activities</b>	
Acquisition of capital assets	(236,355)
Proceeds from the sale of capital assets	-
Bond/note proceeds	-
Debt service	-
Principal	-
Interest	<u>-</u>
Net cash used in capital and related financing activities	(236,355)
<b>Cash Flows from Investing Activities</b>	
Interest revenue	53,023
Sale of investments	<u>257,292</u>
Net cash provided by investing activities	<u>310,315</u>
Net increase (decrease) in cash and cash equivalents	(822,664)
Cash and cash equivalents at Beginning of Year	<u>7,519,312</u>
Cash and cash equivalents at end of year	<u>\$ 6,696,648</u>

# City of Cuyahoga Falls, Ohio

## Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2003

(Continued)

	Business-type Activities - Enterprise Funds					Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	
<b>Reconciliation of Operating Income to</b>						
<b>Net Cash Provided By Operating</b>						
<b>Activities</b>						
<b>Operating Income (Loss)</b>	\$ (61,011)	\$ 649,012	\$ 2,667,227	\$ 6,736	\$ (964,669)	\$ 2,297,295
Adjustments to reconcile operating						
income (loss) to net cash provided by						
operating activities:						
Depreciation	391,799	716,764	859,148	155,115	467,817	2,590,643
Amortization expense	674	7,031	4,851	-	22,709	35,265
Decrease (increase) in operating assets and						
increase (decrease) in operating liabilities:						
Receivables	49,791	164,929	157,620	1,184	(867)	372,657
Due from other funds	49,923	39,296	(32,217)	8,130	-	65,132
Due from other governments	(18,583)	(220)	647	(36)	107	(18,085)
Inventory of supplies	7,544	(2,107)	(21,324)	(46)	14,450	(1,483)
Prepaid items	(2,201)	(2,163)	(5,187)	(2,724)	(7,026)	(19,301)
Investment in joint ventures	-	-	78,472	-	-	78,472
Accounts payable						
- net of items affecting fixed assets	18,214	(83,643)	38,068	46,868	(113,661)	(94,154)
Accrued salaries, wages and benefits	(4,998)	(19,188)	9,662	1,331	26,358	13,165
Due to other funds	(36,536)	84,902	(61,273)	(7,504)	(8,628)	(29,039)
Due to other governments	139,287	8,400	19,509	8,649	6,979	182,824
Deposits held and due to others	-	1,050	19,265	-	-	20,315
Claims and judgments payable	-	-	-	-	-	-
Deferred revenue	(69,726)	(155,787)	-	-	-	(225,513)
<b>Total adjustments</b>	<b>525,188</b>	<b>759,264</b>	<b>1,067,241</b>	<b>210,967</b>	<b>408,238</b>	<b>2,970,898</b>
<b>Net cash provided by</b>						
<b>operating activities</b>	<b>\$ 464,177</b>	<b>\$ 1,408,276</b>	<b>\$ 3,734,468</b>	<b>\$ 217,703</b>	<b>\$ (556,431)</b>	<b>\$ 5,268,193</b>

During 2003 the Leisure Time Enterprise Fund received contributions in the form of capital assets from the Recreation Levy Special Revenue Fund in the amount of \$281,660.

See accompanying notes to the basic financial statements



**Statement of Cash Flows - Proprietary Funds  
For the Year Ended December 31, 2003**

(Continued)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Reconciliation of Operating Income to</b>	
<b>Net Cash Provided By Operating</b>	
<b>Activities</b>	
<b>Operating Income (Loss)</b>	\$ (1,116,135)
Adjustments to reconcile operating	
income (loss) to net cash provided by	
operating activities:	
Depreciation	168,084
Amortization expense	
Decrease (increase) in operating assets and	
increase (decrease) in operating liabilities:	
Receivables	7,381
Due from other funds	(308,218)
Due from other governments	(3)
Inventory of supplies	14,534
Prepaid items	(2,550)
Investment in joint ventures	
Accounts payable	
- net of items affecting fixed assets	(67,698)
Accrued salaries, wages and benefits	22,080
Due to other funds	5,297
Due to other governments	142,464
Deposits held and due to others	-
Claims and judgments payable	238,140
Deferred revenue	-
<b>Total adjustments</b>	<b>219,511</b>
<b>Net cash provided by</b>	
<b>operating activities</b>	<b>\$ (896,624)</b>

# City of Cuyahoga Falls, Ohio

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## Statement of Net Assets - Fiduciary Funds December 31, 2003

	<u>Agency Funds</u>
<b>Assets</b>	
<b>Current Assets</b>	
Equity in pooled cash and cash equivalents	\$ 2,624,672
Cash and cash equivalents - restricted accounts	522,073
Due from other governments	<u>219,860</u>
Total assets	3,366,605
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Due to other governments	1,939,572
Deposits held and due to others	<u>1,427,033</u>
Total liabilities	3,366,605
<b>Net Assets</b>	
Unrestricted	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements

# **NOTES TO THE FINANCIAL STATEMENTS**

# City of Cuyahoga Falls, Ohio

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## Notes to the Financial Statements December 31, 2003

### NOTE 1 – REPORTING ENTITY

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

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

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

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

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Basis of Presentation

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

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

**Government-wide Financial Statements**

The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements.

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

**Fund Financial Statements**

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

**B. Fund Accounting**

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

**Governmental Funds**

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

**General Fund**

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

**Municipal Income Tax Special Revenue Fund**

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

## City of Cuyahoga Falls, Ohio

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

#### **Capital Projects Fund**

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

The other governmental funds of the City account for grants and other resources in which the use of is restricted to a particular purpose.

#### **Proprietary Fund Types**

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

#### **Enterprise Funds**

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

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

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

##### **Water Enterprise Fund**

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

##### **Electric Enterprise Fund**

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

##### **Sanitation Enterprise Fund**

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

##### **Leisure Time Enterprise Fund**

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

#### **Internal Service Funds**

Internal Service Funds account for the financing of goods or services provided by one department of the City to other departments or agencies of the City on a cost-reimbursement basis. All of the City's internal service funds are nonmajor funds.

#### **Fiduciary Funds**

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

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

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

**C. Measurement Focus**

**Government wide-Financial Statements**

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

**Fund Financial Statements**

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

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

**D. Basis of Accounting**

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

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

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

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

## City of Cuyahoga Falls, Ohio

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

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

#### Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

#### Expenses/Expenditures

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

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

#### Budgetary Data

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

#### Tax Budget

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

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



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

Estimated Resources

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

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

Appropriations

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

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

The amounts reported as the original budgeted amounts reflect the original Appropriation Ordinance. The amounts reported as the final budgeted amounts represent the final Appropriation Ordinance, including all amendments and modifications passed by City Council in December 2003.

Lapsing of Appropriations

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

Encumbrances

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

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

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

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

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

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

#### **Inventory of Supplies**

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

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

#### **Prepaid items**

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items. On the government-wide and proprietary fund statements, prepaid items are recorded using the consumption method by recording a current asset for the prepaid amount and reflecting the expense in the year in which services are consumed. On the fund financial statements, the actual payment for these services are recorded as an expenditure when purchased. Reported prepaid items are equally offset by a fund balance reserve, which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

#### **Capital Assets**

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

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$2,500. The City’s infrastructure consists of roads, bridges, culverts, storm sewers and traffic signalization. Improvements that add to the value of the asset or materially extend the life of an asset are capitalized. The cost of normal maintenance and repairs that does not meet the capitalization criteria is not capitalized. Interest incurred in capital leases or during construction periods is not capitalized. The City has elected to phase in reporting of major general infrastructure assets by June, 2006. See Note 19 for detail.

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

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

**Interfund Balances**

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

**Compensated Absences**

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

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

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

**Accrued Liabilities and Long-Term Obligations**

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

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

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

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

#### **Fund Balance Reserves**

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

#### **Net Assets**

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

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

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

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

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

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sanitary sewer service, water, electric distribution, refuse collection, leisure time activities, internal service charges and self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

#### **Contributions of Capital**

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

#### **Interfund Activity**

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

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

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

**Extraordinary and special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2003.

**Estimates**

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

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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

## City of Cuyahoga Falls, Ohio

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

	Net Change in Fund Balance	
	<u>General Fund</u>	<u>Municipal Income Tax Fund</u>
GAAP Basis	\$ 639,089	\$ 15,707
Increase (decrease) due to:		
Change in receivables and other Assets not recognized on a budget basis	(109,278)	(127,508)
Change in liabilities not recognized on a budget basis	(35,414)	(29,416)
Encumbrances	<u>55,227</u>	<u>(6,770)</u>
Budget Basis	<u>\$ 549,624</u>	<u>\$ (147,987)</u>

### NOTE 4 - RECEIVABLES

Receivables at December 31, 2003, consisted primarily of municipal income taxes, property taxes and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments accrued interest on investments, and accounts (billings for utilities and EMS Transport services provided). Utility accounts receivable and EMS Transport fees receivable billed to customers prior to year end are recorded net of an allowance for doubtful accounts, based on management's estimate.

#### Property Taxes

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

Tangible personal property taxes (for tangible property other than public utility property) attach as a lien and are levied on January 1 of the current calendar year. Tax collections for the current year are therefore based upon assessed values as of January 1 of the current year. 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.

**NOTE 4 – RECEIVABLES (CONTINUED)**

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Cuyahoga Falls. The County Auditor periodically remits to the City its portion of the taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively. The amounts of \$9,565,828 and \$551,876 have been recorded in the Statement of Net Assets for the General Fund and other governmental funds (Police and Fire Pension Funds) as taxes receivable to reflect property taxes receivable as of December 31, 2003.

The assessed values of real public utility and tangible personal property upon which 2003 property tax receipts were based are as follows:

<b>Property Types</b>	<b>Valuation</b>
Real Property – 2002 Tax Valuation	\$ 900,639,960
Public Utility Property – 2001 Tax Valuation	17,072,190
Tangible Personal Property – 2003 Tax Valuation	79,630,460
<b>Total Valuation</b>	<b>\$ 997,342,610</b>

**Income Taxes**

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

Municipal income tax revenue for 2003 was \$16,732,040. The amount of \$2,728,736 has been recorded in the Municipal Income Tax Special Revenue Fund as taxes receivable (net of refunds) to reflect income taxes receivable recorded as of December 31, 2003.

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

# City of Cuyahoga Falls, Ohio

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## Intergovernmental Receivables

A summary of intergovernmental receivables follows:

<b><u>Governmental Activities</u></b>	<b><u>Amounts</u></b>
Local Government and Local Government Revenue	
Assistance	\$1,450,666
Estate Tax	261,938
Homestead and Rollback	607,597
Gasoline and Excise Tax	146,974
Motor Vehicle License Fees	207,661
Permissive Motor Vehicle License Tax	32,520
EMS Transport Fees	231,140
Medicare Grants	278,515
Immobilization Fees	2,388
Highway Distribution	293,463
Municipal Court	177,669
Off Road Fuel Tax Reimbursement	1,001
Enterprise Zone – County	2,604
Other Agencies	<u>126,512</u>
Total Governmental Activities	<u>\$ 3,820,648</u>
<b><u>Business-type Activities</u></b>	
Utilities Charges	\$20,501
Grants	<u>4,500</u>
	<u>\$25,001</u>

## NOTE 5 - DEPOSITS AND INVESTMENTS

### Policies and Practices

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



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

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

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

During 2003, 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.”*

**Deposits**

At year-end, the carrying amount of the City's deposits was \$46,916,540 and the bank balance was \$47,259,514. Of the bank balance, \$109,254 was covered by federal depository insurance, \$46,559,100 was covered by collateral held by the counterparty's trust department or agent in the City's name and \$591,160 was held in a public fund collateral pool by third party trustees pursuant to section 135.181, Ohio Revised Code. The equity in pooled cash and cash equivalents and the cash and cash equivalents-restricted accounts include repurchase agreements of \$1,690,000 and \$40,000 respectively.

At year end, the carrying amount of the Community Improvement Corporation of Cuyahoga Falls, a component unit, deposits was \$669,367 and the bank balance was \$669,367. Information regarding the collateralization of the Community Improvement Corporation of Cuyahoga Falls can be obtained from the corporation's independent audit report.

**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. |

## City of Cuyahoga Falls, Ohio

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.

A summary of the total City investments as of December 31, 2003, is as follows:

	Category		Carrying Amount	Fair Value
	1	2		
Repurchase agreements	\$ 0	\$ 1,730,000	\$ 1,730,000	\$ 1,730,000
U. S. government securities	95,000	0	95,000	95,000
Other government bonds	1,830,869	0	1,830,869	2,344,083
Total City investments	<u>\$ 1,925,869</u>	<u>\$ 1,730,000</u>	<u>3,655,869</u>	<u>4,169,083</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, 2003, \$2,328,132 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 \$2,328,132.

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	\$48,646,540	\$ 2,439,083
Investments of the cash management pool:		
Repurchase agreements	<u>(1,730,000)</u>	<u>1,730,000</u>
GASB Statement No. 3	<u>\$46,916,540</u>	<u>\$4,169,083</u>

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2003, was as follows:

	<u>Balance 1/1/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2003</u>
<b>Governmental Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 7,767,140	\$ 1,329,972	\$ -	\$ 9,097,112
Construction In Progress	4,325,098	6,753,882	-	11,078,980
<i>Total Capital Assets Not Being Depreciated</i>	12,092,238	8,083,854	-	20,176,092
<i>Capital Assets Being Depreciated</i>				
Buildings	14,602,780	435,282	(60,795)	14,977,267
Improvements	262,637	-	-	262,637
Machinery and Equipment	20,450,079	1,499,646	(2,312,376)	19,637,349
Infrastructure				
Roads	4,471,767	1,051,292	-	5,523,059
Storm Sewers	49,246	150,110	-	199,356
Traffic Signals	-	13,665	-	13,665
Bridges	-	765,533	-	765,533
<i>Total Capital Assets Being Depreciated</i>	39,836,509	3,915,528	(2,373,171)	41,378,866
<i>Less Accumulated Depreciation</i>				
Buildings	(5,275,139)	(382,419)	45,890	(5,611,668)
Improvements	(242,903)	-	-	(242,903)
Machinery and Equipment	(13,735,346)	(1,792,661)	2,194,207	(13,333,800)
Infrastructure				
Roads	-	(40,458)	-	(40,458)
Storm Sewers	-	(1,575)	-	(1,575)
Traffic Signals	-	(1,367)	-	(1,367)
Bridges	-	(3,190)	-	(3,190)
<i>Total Accumulated Depreciation</i>	(19,253,388)	(2,221,670)	2,240,097	(19,234,961)
<i>Total Capital Assets Being Depreciated, Net</i>	20,583,121	1,693,858	(133,074)	22,143,905
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 32,675,359</u>	<u>\$ 9,777,712</u>	<u>\$ (133,074)</u>	<u>\$ 42,319,997</u>

\*Depreciation expense was charged to governmental functions as follows:

General Government	\$ 499,182
Security of Persons and Property	789,606
Community Environment	26,629
Leisure Time Activities	458,866
Transportation	447,387
Total	<u>\$ 2,221,670</u>

## City of Cuyahoga Falls, Ohio

### NOTE 6 – CAPITAL ASSETS (CONTINUED)

	<u>Balance 1/1/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2003</u>
<b>Business -type Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 2,525,664	\$ 120,516	\$ -	\$ 2,646,180
Construction In Progress	<u>3,129,770</u>	<u>13,112,159</u>	<u>(868,655)</u>	<u>15,373,274</u>
<i>Total Capital Assets Not Being Depreciated</i>	5,655,434	13,232,675	(868,655)	18,019,454
<i>Capital Assets Being Depreciated</i>				
Buildings	13,467,372	693,133	-	14,160,505
Improvements	63,107,628	663,117	(60,700)	63,710,045
Machinery and Equipment	<u>9,164,882</u>	<u>403,122</u>	<u>(399,173)</u>	<u>9,168,831</u>
<i>Total Capital Assets Being Depreciated</i>	85,739,882	1,759,372	(459,873)	87,039,381
<i>Less Accumulated Depreciation</i>				
Buildings	(2,767,596)	(387,234)	-	(3,154,830)
Improvements	(24,512,689)	(1,585,197)	60,700	(26,037,186)
Machinery and Equipment	(6,218,523)	(633,486)	399,173	(6,452,836)
<i>Total Accumulated Depreciation</i>	<u>(33,498,808)</u>	<u>(2,605,917)</u>	<u>459,873</u>	<u>(35,644,852)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>52,241,074</u>	<u>(846,545)</u>	<u>-</u>	<u>51,394,529</u>
<i>Total Business-Type Capital Assets, Net</i>	<u>\$ 57,896,508</u>	<u>\$ 12,386,130</u>	<u>\$ (868,655)</u>	<u>\$ 69,413,983</u>
*Depreciation expense was charged to business-type activities as follows:				
Sewer				\$ 391,799
Water				716,764
Electric				859,148
Sanitation				155,115
Leisure Time				<u>483,091</u>
Total				<u>\$ 2,605,917</u>

## NOTE 7 - PENSION PLANS

### Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years @ 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member direct plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans were required to contribute 8.5 percent of their annual covered salaries. The City's contribution rate for pension benefits for 2003 was 8.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$1,581,577, \$1,524,074, and \$1,482,819, respectively, 73 percent has been contributed for 2003 and 100 percent for 2002 and 2001. Contributions to the member-directed plan for 2003 were \$9,497 made by the City and \$5,957 made by plan members.

### Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$551,260 and \$572,321 for the year ended December 31, 2003, \$559,297 and \$572,537 for the year ended December 31, 2002, and \$518,722 and \$538,947 for the year ended December 31, 2001. The full amount has been contributed for 2002 and 2001. 73 percent for police and 72 percent for firefighters has been contributed for 2003 with the remainder being reported as a liability.

## City of Cuyahoga Falls, Ohio

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### NOTE 8 - POSTEMPLOYMENT BENEFITS

#### Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB *Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.55 percent of covered payroll, 5.00 percent of covered payroll was the portion that was used to fund healthcare.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003, which were used to fund postemployment benefits, were \$924,872. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

#### Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. 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 2/3 basis.

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund’s board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer’s contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2003. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage though a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City’s actual contributions for 2003 that were used to fund post employment benefits were \$363,597 for police and \$377,488 for firefighters. The OP&F’s total health care expense for the year ended December 31, 2002, (the latest information available) was \$141,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 for firefighters.

**NOTE 9 - COMPENSATED ABSENCES**

Vacation leave is earned at rates, which vary depending upon length of service and standard work week. Currently City policy permits vacation leave to be accumulated up to three weeks per year. City employees are paid for earned, unused vacation leave at the time of termination of employment except for the option of one week of vacation can be sold any time through out the year.

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

## City of Cuyahoga Falls, Ohio

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### NOTE 9 - COMPENSATED ABSENCES (CONTINUED)

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.

Effective July 1, 2002, retirement eligible members of the Fraternal Order of Police (FOP-Gold) and the Utility Workers of America Local #399 are permitted to annually sell sick leave in 320 hour increments for three years if their sick leave has reached a balance of 960.

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

### NOTE 10 - COMMITMENTS AND CONTINGENCIES

#### A. Litigation

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

#### B. Federal and State Grants

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

#### C. Insurance Coverage

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

### NOTE 11 - CAPITAL LEASES

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 for governmental-activities in the Statement of Net Assets. The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Equipment	\$ 233,746
Less: Accumulated Depreciation	<u>(30,798)</u>
Total	\$ 202,948

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2003, were as follows:



**NOTE 11 - CAPITAL LEASES (CONTINUED)**

	Governmental Activities
2004	78,101
2005	78,102
Total	156,203
Less: Amount representing interest	(6,193)
Present value of minimum lease payments	\$ 150,010

**NOTE 12 - SHORT-TERM OBLIGATIONS**

A summary of the changes in the City's short-term obligations for the year ended December 31, 2003, was as follows:

General Obligation Bond Anticipation Notes	Balance January 1, 2003	Issued	Retired	Balance December 31, 2003
<u>Governmental Activities:</u>				
Capital Projects Fund Obligations:				
2.00% Various Purpose Note due 12/18/03	4,300,000	0	4,300,000	0
2.00% Various Purpose Note due 12/16/04		8,250,000		8,250,000
<u>Business-type Activities:</u>				
Leisure Time Fund Obligations:				
2.00% Various Purpose Note due 12/18/03	5,300,000	0	5,300,000	0
2.00% Various Purpose Note due 12/16/04		18,300,000		18,300,000
Total	\$ 9,600,000	\$ 26,550,000	\$ 9,600,000	\$ 26,550,000

On December 17, 2003, the City issued notes in the amount of \$26,550,000, in anticipation of the issuance of bonds, for the following purposes: improving State Road from the south corporation line to Portage Trail; constructing and equipping a community recreation center, constructing a public festival site to be known as Falls River Square, and improving Front Street from State Route 8 to Oakpark Boulevard.

# City of Cuyahoga Falls, Ohio

## NOTE 13 - LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b><u>Business-type Activities:</u></b>				
Enterprise Fund Obligations				
<b><u>Bonds Payable</u></b>				
1992 OPWC Construction Loan Storm Sewer	10/21/1992	1/01/2003	3.00%	\$ 141,735
Recreation Refunding Issue	5/15/1995	12/01/2010	4.0%-5.6% <sup>2</sup>	2,325,000
Electric Refunding Issue	5/15/1995	12/01/2010	4.0%-5.6% <sup>3</sup>	3,225,000
1995 Recreation Facilities	3/01/1995	12/01/2012	4.4%-6.0%	3,426,217
1997 Sewer Improvement	8/01/1997	12/01/2011	3.8%-5.25%	2,329,412
1997 Water Improvement	8/01/1997	12/01/2011	3.8%-5.25%	2,070,588
1998 Sewer Improvement	12/01/1998	12/01/2018	3.05%-4.70%	2,415,000
1998 Water Improvement	12/01/1998	12/01/2018	3.05%-4.70%	4,925,000
2001 Water Improvement	8/01/2001	12/01/2011	3.25%-4.55%	5,175,000
<b><u>Governmental Activities:</u></b>				
<b><u>Bonds Payable</u></b>				
Special Assessment General Obligation Bonds:				
1991 Street Improvement	8/1/1991	12/01/2011	7.25%	\$ 533,451
1995 Street & Sewer Refunding Issue	5/15/1995	12/01/2010	4.00%-5.60%	750,000
2001 Street Improvement	12/28/2001	12/01/2011	3.25%-4.55%	425,000
Other General Obligation Bonds:				
1995 Various Purpose Refunding Issue	5/15/1995	12/01/2010	4.00%-5.60%	\$ 1,915,000
1995 Various Purpose Improvement	3/01/1995	12/01/2012	4.40%-6.00%	6,238,783
1997 Various Purpose Improvement	8/01/1997	12/01/2011	3.8%-5.25%	5,150,000
1998 Various Purpose Improvement	12/01/1998	12/01/2018	3.05%-4.70%	1,025,000

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

A summary of the changes in the City's long-term obligations for the year ended December 31, 2003, was as follows:

	Balance January 1, 2003	Issued	Retired 2003	Balance December 31, 2003	Amount Due Within One Year
<b>Business-type Activities:</b>					
Enterprise Fund Obligations					
<u>Bonds Payable</u>					
1992 OPWC Construction Loan Storm Sewer	\$ 8,134	\$ 0	\$ 8,134	\$ 0	\$ 0
Recreation Refunding Issue	1,443,799	0	207,868 <sup>2</sup>	1,235,931	222,990
Electric Refunding Issue	2,366,192	0	245,149 <sup>3</sup>	2,121,043	260,149
1995 Recreation Facilities	2,602,013	0	141,799	2,460,214	148,889
1997 Sewer Improvement	1,928,167	0	90,249	1,837,918	95,128
1997 Water Improvement	1,713,926	0	80,222	1,633,704	84,558
1998 Sewer Improvement	2,070,001	0	95,272	1,974,729	96,715
1998 Water Improvement	4,221,429	0	194,292	4,027,137	197,236
2001 Water Improvement	<u>5,055,000</u>	<u>0</u>	<u>185,000</u>	<u>4,870,000</u>	<u>190,000</u>
Total Business-type Activities Bonds Payable	21,408,661	0	1,247,985	20,160,676	1,295,665
<u>Other Obligations</u>					
Compensated absences (Note 9)	<u>1,970,763</u>	<u>0</u>	<u>88,828</u> <sup>4</sup>	<u>1,881,935</u>	<u>888,026</u>
Total Business-type Activities	<u>23,379,424</u>	<u>0</u>	<u>1,336,813</u>	<u>22,042,611</u>	<u>2,183,691</u>
<b>Governmental Activities:</b>					
<u>Bonds Payable</u>					
Special Assessment General Obligation Bonds:					
1991 Street Improvement	\$ 18,000	\$ 0	\$ 2,000	\$ 16,000	\$ 2,000
1995 Street & Sewer Refunding Issue	473,171	0	68,293	404,878	73,171
2001 Street Improvement	<u>395,000</u>	<u>0</u>	<u>40,000</u>	<u>355,000</u>	<u>40,000</u>
	886,171	0	110,293	775,878	115,171
Other General Obligation Bonds:					
1995 Various Purpose Refunding Issue	1,330,000	0	160,000	1,170,000	145,000
1995 Various Purpose Improvement	4,737,990	0	258,201	4,479,789	271,111
1997 Various Purpose Improvement	4,262,905	0	199,529	4,063,376	210,314
1998 Various Purpose Improvement	<u>878,572</u>	<u>0</u>	<u>40,436</u>	<u>838,136</u>	<u>41,049</u>
	<u>11,209,467</u>	<u>0</u>	<u>658,166</u>	<u>10,551,301</u>	<u>667,474</u>
Total Governmental Activities Bonds Payable	<u>12,095,638</u>	<u>0</u>	<u>768,459</u>	<u>11,327,179</u>	<u>782,645</u>
<u>Other Obligations</u>					
Capital Lease Obligations (Note 11)	227,851	0	77,841	150,010	73,991
Compensated absences, Restated (Note 9)	5,813,030	441,895 <sup>1</sup>	0	6,254,925	3,098,746
Claims and Judgments Payable	<u>1,663,563</u>	<u>238,140</u> <sup>1</sup>	<u>0</u>	<u>1,901,703</u>	<u>887,687</u>
Total Governmental Activities Other Obligations	<u>7,704,444</u>	<u>680,035</u>	<u>77,841</u>	<u>8,306,638</u>	<u>4,060,424</u>
Total Governmental Activities	<u>\$ 19,800,082</u>	<u>\$ 680,035</u>	<u>\$ 846,300</u>	<u>19,633,817</u>	<u>4,843,069</u>

<sup>1</sup>Amount issued represents net additions.

<sup>2</sup>This amount represents principal payment of \$211,707 less amortization expense of \$3,839.

<sup>3</sup>This amount represents principal payment of \$250,000 less amortization expense of \$4,851.

<sup>4</sup>This amount represents net reductions.

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, 2003.

## City of Cuyahoga Falls, Ohio

As of December 31, 2003, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt without a vote of the electors) was \$36,108,799. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2003 (excluding capital leases) are as follows:

Year	Enterprise Fund Obligations		Special Assessment Bonds		Other General Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
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	1,480,497	778,167	132,366	19,169	770,448	453,991
2008	1,556,852	708,172	136,024	12,880	815,434	414,796
2009-2013	6,216,733	2,543,842	151,000	12,775	4,088,565	1,416,183
2014-2018	5,737,072	1,055,491	0	0	2,772,928	333,759
2019-2021	<u>1,105,005</u>	<u>109,655</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
Total	\$ <u>20,160,676</u>	\$ <u>7,913,860</u>	\$ <u>775,878</u>	\$ <u>136,891</u>	\$ <u>10,551,301</u>	\$ <u>4,192,543</u>

All general obligation bonds and notes issued by the City are backed by its full faith and credit. This includes the general property taxing power permitted within the tax limitation of the City Charter. In addition, special assessments have been levied to pay the debt service of the special assessment bonds. In the event of a default by a benefited property owner, the City would be responsible for paying the special assessment obligation. The amount of \$520,197 of special assessments receivable recorded in the Debt Service Fund does not represent any delinquent special assessments. Although the obligations of the enterprise funds are general obligations of the City, the practice has been to have the debt serviced by the revenues derived from the operations of the respective funds.

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

**NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances, including advances, at December 31, 2003 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>\$ 1,346,341</u>	<u>\$ 632,063</u>	<u>\$ 0</u>	<u>\$ 0</u>
Special Revenue Funds:				
Municipal Income Tax	0	1,754,193	0	0
Street Construction, Maintenance and Repair	70,117	42,063	0	0
Police Pension	18,649	0	0	0
Fire Pension	49,196	0	0	0
Recreation Levy	339,959	0	0	200,000
Probation	0	435	0	0
Suspended License Intervention Program	0	502	0	0
FEMA Public Assistance	<u>0</u>	<u>164,047</u>	<u>0</u>	<u>0</u>
	<u>477,921</u>	<u>1,961,240</u>	<u>0</u>	<u>200,000</u>
Capital Projects Funds:				
Capital Projects	535,993	0	0	475,000
Capital Improvement Reserve	<u>0</u>	<u>0</u>	<u>876,600</u>	<u>0</u>
	<u>535,993</u>	<u>0</u>	<u>876,600</u>	<u>475,000</u>
Enterprise Funds:				
Sewage and Disposal	65,071	178,996	0	0
Water	0	252,024	0	0
Electric	858,287	71,486	0	0
Sanitation	59,859	172,571	0	201,600
Leisure Time	<u>0</u>	<u>657,466</u>	<u>0</u>	<u>0</u>
	<u>983,217</u>	<u>1,332,543</u>	<u>0</u>	<u>201,600</u>
Internal Service Funds:				
Garage	0	13,874	0	0
Self-Insurance	606,136	0	0	0
Information Services	<u>0</u>	<u>9,888</u>	<u>0</u>	<u>0</u>
	<u>606,136</u>	<u>23,762</u>	<u>0</u>	<u>0</u>
Total All Funds	<u>\$ 3,949,608</u>	<u>\$ 3,949,608</u>	<u>\$ 876,600</u>	<u>\$ 876,600</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>
2004	0	100,000	475,000	100,800	675,800
2005	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>100,800</u>	<u>200,800</u>
<b>Total</b>	<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$ 475,000</u>	<u>\$ 201,600</u>	<u>\$ 876,600</u>

**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.

## City of Cuyahoga Falls, Ohio

### NOTE 15 - RISK MANAGEMENT (CONTINUED)

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

On April 1, 2003, the City changed third party administration of health insurance claims to Benefit Services, Inc. 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. Benefit Services reviews all claims in accordance with the Summary Plan Description and claims are then paid by the Self-Insurance Fund. For the fiscal coverage year April 1, 2003 through March 31, 2004, the City has purchased specific stop-loss coverage of \$175,000 per person, and aggregate stop-loss coverage of \$5,975,705.

The Self-Insurance Fund generates revenues by charging an actuarially determined premium to each fund based on the number of full-time employees enrolled for health-care coverage. The Self-Insurance Fund pays all claims, stop-loss coverages and retention fees for health-care coverage. A liability, in the amount of \$633,945 has been recorded to reflect the outstanding claims as of December 31, 2003. 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, 2003, the City completed its eleventh 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 \$1,909,896 for the 2003 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 is allocated investment revenue based on City Ordinance. The claims liability is recorded based on an actuarial determination of future claims, review of five years of claim liabilities and claim payment trends including the settlement to the Bureau after the tenth year.

	<u>2002</u>		<u>2003</u>	
	<u>Self-Insurance</u>	<u>Workers' Compensation</u>	<u>Self-Insurance</u>	<u>Workers' Compensation</u>
Unpaid claims-January 1	\$ 476,384	\$ 795,261	\$ 390,284	\$ 1,273,279
Incurred claims (including IBNRs)	4,776,098	549,510	5,004,272	70,181
Claim payments made during the year	<u>(4,862,198)</u>	<u>(71,492)</u>	<u>(4,760,611)</u>	<u>( 75,702)</u>
Unpaid claims-December 31,2003	<u>\$ 390,284</u>	<u>\$ 1,273,279</u>	<u>\$ 633,945</u>	<u>\$ 1,267,758</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 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 2003 to complete a successful year of operation for OMEGA JV1.

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

In addition, 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. Since becoming commercially available, the units have been a reliable source of clean power. Back-up generation is sited throughout the state that can be used when the hydroelectric facility is not able to generate, which is usually due to a fluctuation in water levels, 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 \$2,575,450 to the joint venture for 2003. With a 50-year license, the project is expected to be an excellent source of power well into the 21<sup>st</sup> century.

The City's Electric Enterprise Fund is also a member of Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2), a joint venture with 35 other municipal electric systems. OMEGA JV2 is a 138.65MW peak shaving generation project consisting of a total of 75MW of gas turbine generation and 63.65MW of diesel peaking generation sited at various locations around the state of Ohio. 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 JV2 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 \$362,011 to the joint venture for 2003.

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, 2003:

	<u>OMEGA JV1</u>	<u>OMEGA JV2</u>	<u>OMEGA JV5</u>
Total Assets	674,077	\$50,986,853	\$195,104,812
Total Liabilities	221,946	1,646,514	187,211,238
Members Equity	452,131	49,340,339	7,893,574
Total Revenues	186,907	2,260,461	22,758,497
Total Expenses	181,237	4,879,784	22,064,223
Excess Income over (under) Expenses	5,670	(2,619,323)	694,274

The City's undivided ownership of OMEGA JV1, OMEGA JV2 and OMEGA JV5 is 21.05, 7.46 and 16.67 percent, respectively. Therefore, the City's share of net assets of the joint ventures is reported as "investment in joint ventures" in the statement of net assets. 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.

## City of Cuyahoga Falls, Ohio

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

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>	
Participants	Percentage of Ownership	Participants	Percentage of Ownership	Participants	Percentage of Ownership
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. Mary's	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>

### NOTE 17 – ACCOUNTABILITY AND COMPLIANCE

#### A. Fund Deficits

At December 31, 2003, the following fund had a deficit fund balance:

<u>Fund Type/Fund</u>	<u>Amount</u>
Capital Projects/Capital Projects Fund	\$2,802,402

The fund deficit in the Capital Projects Fund resulted from the recognition of general obligation notes payable on the modified accrual basis. The deficit does not exist under the cash basis of accounting.

#### B. Compliance

In 2003, the following funds had expenditures in excess of appropriations contrary to Ohio Revised Code Section 5705.4:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
SCMR	\$ 3,793,042	\$ 3,831,638	\$ (38,591)
Utility Billing	1,537,545	1,558,456	(20,911)
Self-Insurance	4,671,285	4,835,506	(164,221)



**NOTE 18 – CONSTRUCTION COMMITMENTS**

As of December 31, 2003, the City had the following significant commitments with respect to projects requiring capital expenditures:

<u>Capital Project</u>	2003 Remaining Construction <u>Contract</u>	Expected Date of Completion
Front Street & Hudson Street Intersection Reconstruction	\$ 1,119,580	2004
River Square Amphitheater	468,832	2004
Electric Line Expansion into Ward 8	882,010	2005
Recreation Center	1,465,459	2004
Broad Boulevard Bridge Replacement	165,802	2004
Albemarle Street Reconstruction	<u>160,278</u>	<u>2004</u>
Total Capital Projects	<u>\$ 4,261,961</u>	

**NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY**

**Changes in Accounting Principles**

For 2003, the City implemented:

- GASB Statement No. 34, *Basic Financial Statements- and Management’s Discussion and Analysis- for State and Local Governments*
- GASB Statement No. 37, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus*
- GASB Statement No. 38, *Certain Financial Statement Note Disclosures*
- GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*

GASB Statement No. 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the City’s program between business-type and governmental activities. The beginning net asset amount for the business-type activities reflects the recognition of donated sanitary sewers and a revenue adjustment for recording sewer charge delinquencies. The beginning net asset amount for governmental activities reflects the changes in fund balance for governmental funds at December 31, 2002, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of GASB Statement No. 34, including the required content of the MD&A, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes, and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

## City of Cuyahoga Falls, Ohio

### NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY (CONTINUED)

The implementation of these changes had the following effects on fund balance/equity of the major and nonmajor funds of the City as they were previously reported. The transition from fund balance/equity to net assets of both governmental and business-type activities is also presented.

	General	Municipal Income Tax	Capital Projects	Nonmajor Funds	Total Governmental
Fund Balances, Dec. 31, 2002	\$ 5,029,854	\$ 439	\$ (1,000,885)	\$ 10,311,399	\$ 14,340,807
Fund Reclassification- Cemetery Perpetual Care Fund	0	0	0	175,846	175,846
Investment in Joint Ventures	0	0	0	0	0
CDBG Loans Receivable	0	0	0	(17,270)	(17,270)
Fund Elimination- Utility Billing Internal Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Fund Balances, Dec. 31, 2002	\$ <u>5,029,854</u>	\$ <u>439</u>	\$ <u>(1,000,885)</u>	\$ <u>10,469,975</u>	\$ <u>14,499,383</u>

GASB 34 Adjustments:

Capital Assets	32,246,773
Internal Service Fund	6,781,522
Long-term Liabilities	(17,808,475)
Accrued Interest Payable	(55,844)
Long-term (Deferred) Assets	<u>5,659,595</u>
Net Assets, December 31, 2002	<u>41,322,954</u>

	Internal Service	Enterprise	Total Business-type	Total Government
Fund Balance/Equity, Dec. 31, 2002	\$ 6,795,882	\$ 75,829,114	\$ 82,624,996	\$ 96,965,803
Fund Reclassification-Cemetery Perpetual Care Fund	0	0	0	175,846
Investment in Joint Ventures	0	(15,394,583)	(15,394,583)	(15,394,583)
CDBG Loans Receivable	0	0	0	(17,270)
Fund Elimination- Utility Billing Internal Service Fund	<u>(14,360)</u>	<u>14,360</u>	<u>0</u>	<u>0</u>
Adjusted Fund Balance, Dec. 31, 2002	\$ <u>6,781,522</u>	\$ <u>60,448,891</u>	\$ <u>67,230,413</u>	\$ <u>81,729,796</u>

GASB 34 Adjustments:

Capital Assets	32,246,773
Internal Service Fund	0
Long-term Liabilities	(17,808,475)
Accrued Interest Payable	(55,844)
Long-term (Deferred) Assets	<u>5,659,595</u>
Net Assets, December 31, 2002	<u>60,448,891</u>

**NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY (CONTINUED)**

GASB encourages governmental entities to report all general infrastructure assets on the implementation date, however, GASB 34 provided compliance relief for the phase in reporting of major general infrastructure assets by June 15, 2006. The City has elected this option.

Investment in joint ventures incorrectly included initial financial contributions instead of equity interest of net assets.

**NOTE 20 – SUBSEQUENT EVENTS**

On April 8, 2004, the City issued \$6,790,000 Various Purpose Refunding Bonds and \$8,000,000 Recreation Improvement Bonds for the purpose of advance refunding the City's outstanding Various Purpose Bonds dated March 1, 1995 and to finance a portion of the costs of constructing and equipping a community recreation center, respectively. The interest rate on the bonds range from 2.00-5.00 percent and the maturity date is December 1, 2024.

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**COMBINING STATEMENTS AND  
INDIVIDUAL FUND STATEMENTS**

## **Major Governmental Funds**

**General Fund**

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

**Municipal Income Tax**

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

**Capital Projects**

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 9,335,978	\$ 9,335,978	\$ 9,287,144	\$ (48,834)
Other local taxes	182,250	247,250	245,420	(1,830)
State levied shared taxes	4,785,677	4,330,090	4,476,605	146,515
Intergovernmental	166,384	196,384	259,394	63,010
Charges for services	5,196,897	5,007,397	5,239,287	231,890
Fees, licenses, and permits	427,875	427,875	462,931	35,056
Interest earnings	4,500	500	388	(112)
Fines and forfeitures	348,000	348,000	281,454	(66,546)
Special assessments	13,130	13,130	12,407	(723)
Other	133,400	188,400	205,115	16,715
<b>Total Revenues</b>	<b>20,594,091</b>	<b>20,095,004</b>	<b>20,470,145</b>	<b>375,141</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Security of persons and property</b>				
<b>Building</b>				
Personal services	386,681	353,081	338,831	14,250
Other operations	54,015	57,615	44,274	13,341
<b>Total - Building</b>	<b>440,696</b>	<b>410,696</b>	<b>383,105</b>	<b>27,591</b>
<b>Police</b>				
Personal services	7,603,245	7,293,245	7,225,903	67,342
Other operations	885,786	952,236	949,726	2,510
Capital outlay	165,036	158,036	143,975	14,061
<b>Total - Police</b>	<b>8,654,067</b>	<b>8,403,517</b>	<b>8,319,604</b>	<b>83,913</b>
<b>Fire</b>				
Personal services	6,155,268	6,005,268	5,992,199	13,069
Other operations	827,491	778,041	732,036	46,005
Capital outlay	58,335	58,335	57,514	821
<b>Total - Fire</b>	<b>7,041,094</b>	<b>6,841,644</b>	<b>6,781,749</b>	<b>59,895</b>
<b>Technical services</b>				
Personal services	464,249	456,749	455,609	1,140
Other operations	116,505	122,005	123,126	(1,121)
Capital outlay	11,100	13,100	13,083	17
<b>Total - Technical services</b>	<b>591,854</b>	<b>591,854</b>	<b>591,818</b>	<b>36</b>
<b>Police reserve</b>				
Other operations	8,902	8,902	7,126	1,776
<b>Total - Police reserve</b>	<b>8,902</b>	<b>8,902</b>	<b>7,126</b>	<b>1,776</b>
<b>DARE program</b>				
Other operations	3,894	3,894	3,165	729
<b>Total - DARE program</b>	<b>3,894</b>	<b>3,894</b>	<b>3,165</b>	<b>729</b>
<b>Total - Security of persons and property</b>	<b>16,740,507</b>	<b>16,260,507</b>	<b>16,086,567</b>	<b>173,940</b>
<b>Leisure time activities</b>				
<b>Parks &amp; recreation</b>				
Personal services	1,716,958	1,718,758	1,718,738	20
Other operations	622,614	617,814	562,470	55,344
Capital outlay	24,450	27,450	27,365	85
<b>Total - Leisure time activities</b>	<b>2,364,022</b>	<b>2,364,022</b>	<b>2,308,573</b>	<b>55,449</b>

# City of Cuyahoga Falls, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund For the Year Ended December 31, 2003

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Community environment</b>				
Mall				
Personal services	\$ 152,631	\$ 150,396	\$ 150,393	\$ 3
Other operations	76,547	78,782	84,421	(5,639)
Total - Mall	229,178	229,178	234,814	(5,636)
Community / economic development				
Personal services	700,118	702,898	702,853	45
Other operations	184,145	181,365	118,103	63,262
Total - Community / economic development	884,263	884,263	820,956	63,307
Community gardens				
Other operations	300	300	-	300
Total - Community environment	1,113,741	1,113,741	1,055,770	57,971
<b>General government</b>				
General administration				
Other operations	825,155	825,155	734,420	90,735
Total - General government	825,155	825,155	734,420	90,735
Council				
Personal services	203,603	202,503	200,759	1,744
Other operations	4,364	5,464	5,439	25
Total - Council	207,967	207,967	206,198	1,769
Mayor				
Personal services	207,843	197,543	196,953	590
Other operations	22,569	22,869	22,848	21
Total - Mayor	230,412	220,412	219,801	611
Finance director				
Personal services	571,445	570,320	570,299	21
Other operations	187,895	189,020	188,986	34
Total - Finance director	759,340	759,340	759,285	55
Law director				
Personal services	708,000	708,000	648,353	59,647
Other operations	420,365	295,365	230,235	65,130
Total - Law director	1,128,365	1,003,365	878,588	124,777
Service director				
Personal services	253,624	253,624	241,134	12,490
Other operations	19,658	19,658	14,015	5,643
Total - Service director	273,282	273,282	255,149	18,133
Municipal court				
Personal services	1,110,445	960,445	952,969	7,476
Other operations	95,606	95,606	47,089	48,517
Total - Municipal court	1,206,051	1,056,051	1,000,058	55,993
Clerk of courts				
Personal services	1,090,424	1,070,424	1,055,175	15,249
Other operations	114,509	114,509	95,821	18,688
Capital outlay	7,500	7,500	6,173	1,327
Total - Clerk of courts	1,212,433	1,192,433	1,157,169	35,264



**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund  
For the Year Ended December 31, 2003**

(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Civil service commission				
Personal services	\$ 21,391	\$ 21,391	\$ 20,753	\$ 638
Other operations	33,025	53,025	35,079	17,946
Total - Civil service commission	54,416	74,416	55,832	18,584
Engineering				
Personal services	858,304	848,604	848,566	38
Other operations	122,520	112,220	99,647	12,573
Capital outlay	-	10,000	9,950	50
Total - Engineering	980,824	970,824	958,163	12,661
Human resources / records				
Personal services	237,556	212,556	196,573	15,983
Other operations	31,717	41,717	40,465	1,252
Total - Human resources / records	269,273	254,273	237,038	17,235
Print shop				
Personal services	35,737	25,737	11,380	14,357
Other operations	93,005	83,005	68,081	14,924
Capital outlay	2,500	2,500	2,500	-
Total - Print shop	131,242	111,242	81,961	29,281
Building and grounds maintenance				
Personal services	812,505	807,005	789,239	17,766
Other operations	291,378	289,178	269,335	19,843
Capital outlay	10,000	17,200	16,550	650
Total - Building and grounds maintenance	1,113,883	1,113,383	1,075,124	38,259
Parking facilities				
Other operations	12,641	12,641	10,910	1,731
Total - Parking facilities	12,641	12,641	10,910	1,731
Total - General government	8,405,284	8,074,784	7,629,696	445,088
Total Expenditures	28,623,554	27,813,054	27,080,606	732,448
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(8,029,463)	(7,718,050)	(6,610,461)	1,107,589
<b>Other Financing Sources (Uses)</b>				
Transfers in	11,934,464	11,736,269	11,653,705	(82,564)
Transfers out	(4,652,830)	(4,473,049)	(4,434,120)	38,929
Advances out	(59,500)	(59,500)	(59,500)	-
Total Other Financing Sources (Uses)	7,222,134	7,203,720	7,160,085	(43,635)
Net change in fund balances	(807,329)	(514,330)	549,624	1,063,954
Fund Balance at Beginning of Year	3,787,152	3,787,152	3,787,152	-
Fund Balance at End of Year	\$ 2,979,823	\$ 3,272,822	\$ 4,336,776	\$ 1,063,954

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Municipal Income Tax Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal income taxes	\$ 17,149,500	\$ 16,789,500	\$ 16,589,342	\$ (200,158)
Other	-	-	972	972
Total revenues	17,149,500	16,789,500	16,590,314	(199,186)
<b>Expenditures</b>				
Current				
<b>General government</b>				
Personal services	352,108	314,508	314,466	42
Other operations	823,455	617,055	603,090	13,965
Capital outlay	11,000	11,000	11,000	-
Total expenditures	1,186,563	942,563	928,556	14,007
Excess (deficiency) of revenues over (under) expenditures	15,962,937	15,846,937	15,661,758	(185,179)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(15,954,147)	(15,877,245)	(15,809,745)	67,500
Total other financing sources (uses)	(15,954,147)	(15,877,245)	(15,809,745)	67,500
<b>Net change in fund balances</b>	8,790	(30,308)	(147,987)	(117,679)
Fund balance at beginning of year	154,438	154,438	154,438	-
Fund balance at end of year	\$ 163,228	\$ 124,130	\$ 6,451	\$ (117,679)

**City of Cuyahoga Falls, Ohio**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Capital Projects Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 174,950	\$ 436,950	\$ 379,258	\$ (57,692)
Charges for services	1,225,000	1,200,000	1,191,563	(8,437)
Special assessments	58,356	58,356	54,685	(3,671)
Other	765,000	1,078,270	1,052,894	(25,376)
Total revenues	<u>2,223,306</u>	<u>2,773,576</u>	<u>2,678,400</u>	<u>(95,176)</u>
<b>Expenditures</b>				
Current				
Capital outlay	11,630,334	9,998,334	9,617,182	381,152
Debt service				
Principal	4,373,684	4,373,684	4,377,841	(4,157)
Interest	135,939	110,939	86,260	24,679
Total expenditures	<u>16,139,957</u>	<u>14,482,957</u>	<u>14,081,283</u>	<u>401,674</u>
Excess (deficiency) of revenues over (under) expenditures	(13,916,651)	(11,709,381)	(11,402,883)	306,498
<b>Other Financing Sources (Uses)</b>				
Bond/note proceeds	8,142,000	8,152,000	8,299,407	147,407
Transfers in	4,679,351	4,656,796	4,636,998	(19,798)
Transfers out	(121,500)	(121,500)	(121,500)	-
Advances out	(5,383)	(5,383)	(5,383)	-
Total other financing sources (uses)	<u>12,694,468</u>	<u>12,681,913</u>	<u>12,809,522</u>	<u>127,609</u>
<b>Net change in fund balances</b>	(1,222,183)	972,532	1,406,639	434,107
Fund balance at beginning of year	1,314,382	1,314,382	1,314,382	-
Fund balance at end of year	<u>\$ 92,199</u>	<u>\$ 2,286,914</u>	<u>\$ 2,721,021</u>	<u>\$ 434,107</u>

## **Nonmajor Governmental Funds**

<b>Special Revenue Funds</b>	To account for specific revenues that are legally restricted to expenditure for particular purposes.
<b>State Highway Improvement</b>	Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees for maintenance of state highways within the City.
<b>Street Construction, Maintenance and Repair</b>	Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees for maintenance of streets within the City.
<b>Police Pension</b>	To accumulate property taxes and other monies for the payment of the current and accrued liability for police disability and pension benefits.
<b>Fire Pension</b>	To accumulate property taxes and other monies for the payment of the current and accrued liability for fire disability and pension benefits.
<b>Recreation Levy</b>	To account for income tax collections received from the Municipal Income Tax Fund. The revenue must be used for improvements made by the Parks and Recreation Department.
<b>Permissive Tax</b>	Required by the Ohio Revised Code to account for local vehicle license fees designated for the maintenance of streets within the City. These funds are controlled by the county and limited to non-residential connector streets.
<b>Court Special Projects</b>	To account for fees to acquire and pay for projects to ensure efficient operation of the Municipal Court.
<b>Community and Economic Development</b>	To account for monies received from the sale of City-owned properties in an urban renewal area.
<b>Community Development Block Grant</b>	To account for monies 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.
<b>Probation</b>	To account for fees received from Municipal Court probationers to offset the cost of probation services.
<b>Enterprise Zone/Community Reinvestment Area</b>	To account for fees collected from enterprises receiving a tax incentive through an enterprise zone agreement for the purpose of administering and monitoring the Enterprise Zone Agreement.
<b>Suspended License Intervention Program</b>	To account for fees received from individuals who are charged with certain driver's license violations that come before the Municipal Court to offset the cost of services to educate these violators in complying with applicable laws.

## Nonmajor Governmental Funds (Continued)

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

**Nonmajor Governmental Funds (Continued)**

**Capital Improvement Reserve**

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

**Cemetery Perpetual Care Permanent Fund**

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

**City of Cuyahoga Falls, Ohio**

**Combining Balance Sheet - Nonmajor Governmental Funds  
December 31, 2003**

	<b>Nonmajor Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Improvement Reserve</b>	<b>Cemetery Perpetual Care Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>					
Equity in pooled cash and cash equivalents	\$ 1,722,877	\$ -	\$ 1,499,868	\$ -	\$ 3,222,745
Cash and cash equivalents - restricted	-	40,256	-	88,254	128,510
Investments - restricted accounts	-	16,000	2,328,132	94,951	2,439,083
Receivables					
Taxes	551,876	-	-	-	551,876
Accounts (net of allowance for uncollectibles)	199,456	-	4,963	-	204,419
Loans	1,936,497	-	-	-	1,936,497
Special assessments	-	520,197	848,303	-	1,368,500
Accrued interest	-	97	732,065	1,065	733,227
Due from other funds	477,921	-	-	-	477,921
Due from other governments	771,614	-	-	-	771,614
Inventory of supplies	182,066	-	-	-	182,066
Prepaid items	22,476	-	-	-	22,476
Advances to other funds	-	-	876,600	-	876,600
<b>Total assets</b>	<b>5,864,783</b>	<b>576,550</b>	<b>6,289,931</b>	<b>184,270</b>	<b>12,915,534</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	154,578	-	25,476	-	180,054
Accrued salaries, wages and benefits	91,204	-	-	-	91,204
Deferred revenue	1,004,763	520,294	1,514,110	1,079	3,040,246
Due to other funds	207,047	-	-	-	207,047
Due to other governments	106,462	-	-	-	106,462
Advances from other funds	200,000	-	-	-	200,000
<b>Total liabilities</b>	<b>1,764,054</b>	<b>520,294</b>	<b>1,539,586</b>	<b>1,079</b>	<b>3,825,013</b>
<b>Fund Balances</b>					
Reserved for encumbrances	55,995	-	-	-	55,995
Reserved for prepaid items	22,476	-	-	-	22,476
Reserved for advances	-	-	876,600	-	876,600
Reserved for investments	-	-	2,328,132	-	2,328,132
Reserved for inventory of supplies	182,066	-	-	-	182,066
Reserved for loans receivable	1,936,497	-	-	-	1,936,497
Reserved for debt service	-	56,256	-	-	56,256
Reserved for cemetery perpetual care	-	-	-	183,191	183,191
Unreserved - undesignated	1,903,695	-	1,545,613	-	3,449,308
<b>Total fund balances</b>	<b>4,100,729</b>	<b>56,256</b>	<b>4,750,345</b>	<b>183,191</b>	<b>9,090,521</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,864,783</b>	<b>\$ 576,550</b>	<b>\$ 6,289,931</b>	<b>\$ 184,270</b>	<b>\$ 12,915,534</b>

## City of Cuyahoga Falls, Ohio

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2003

	Nonmajor Special Revenue Funds	Debt Service Fund	Capital Improvement Reserve	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 521,944	\$ -	\$ -	\$ -	\$ 521,944
Other local taxes	320	-	-	-	320
State levied shared taxes	1,774,438	-	-	-	1,774,438
Intergovernmental	291,471	-	-	-	291,471
Charges for services	120,795	-	-	7,450	128,245
Fees, licenses and permits	589,890	-	-	-	589,890
Interest earnings	130	3,917	648,735	3,821	656,603
Fines and forfeitures	80,679	-	-	-	80,679
Special assessments	-	85,829	101,726	-	187,555
Other	62,774	-	57,834	-	120,608
Total revenues	<u>3,442,441</u>	<u>89,746</u>	<u>808,295</u>	<u>11,271</u>	<u>4,351,753</u>
<b>Expenditures</b>					
Current					
Security of persons and property	2,168,988	-	-	-	2,168,988
Leisure time activities	747,612	-	-	-	747,612
Community environment	19,202	-	-	-	19,202
Street maintenance	4,297,980	-	-	-	4,297,980
General government	148,219	2	34,130	3,926	186,277
Capital outlay	218,500	-	-	-	218,500
Debt Service					
Principal	239,965	528,494	-	-	768,459
Interest	249,288	381,262	-	-	630,550
Total expenditures	<u>8,089,754</u>	<u>909,758</u>	<u>34,130</u>	<u>3,926</u>	<u>9,037,568</u>
Excess (deficiency) of revenues over (under) expenditures					
	(4,647,313)	(820,012)	774,165	7,345	(4,685,815)
<b>Other Financing Sources (Uses)</b>					
Transfers in	4,889,921	822,606	-	-	5,712,527
Transfers out	(164,047)	-	(2,272,606)	-	(2,436,653)
Total other financing sources (uses)	<u>4,725,874</u>	<u>822,606</u>	<u>(2,272,606)</u>	<u>-</u>	<u>3,275,874</u>
Net change in fund balances	78,561	2,594	(1,498,441)	7,345	(1,409,941)
Fund balance at beginning of year, restated					
	3,991,681	53,662	6,248,786	175,846	10,469,975
Change in reserve for inventory	26,365	-	-	-	26,365
Change in reserve for prepaid items	4,122	-	-	-	4,122
Fund balance at end of year	<u>\$ 4,100,729</u>	<u>\$ 56,256</u>	<u>\$ 4,750,345</u>	<u>\$ 183,191</u>	<u>\$ 9,090,521</u>



**Combining Balance Sheet - Nonmajor Special Revenue Funds  
December 31, 2003**

	<u>State Highway Improvement</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Recreation Levy</u>	<u>Permissive Tax</u>
<b>Assets</b>						
Equity in pooled cash and cash equivalents	\$ 23,813	\$ 266,955	\$ 23,660	\$ 1,459	\$ 179,862	\$ 2
Receivables						
Taxes	-	-	275,938	275,938	-	-
Accounts (net of allowance for uncollectibles)	-	103,239	-	-	-	-
Loans	-	-	-	-	-	-
Due from other funds	-	70,117	18,649	49,196	339,959	-
Due from other governments	48,608	600,117	16,714	16,714	-	32,520
Inventory of supplies	-	182,066	-	-	-	-
Prepaid items	-	22,476	-	-	-	-
Total assets	<u>72,421</u>	<u>1,244,970</u>	<u>334,961</u>	<u>343,307</u>	<u>519,821</u>	<u>32,522</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	20,000	107,438	-	-	20,734	-
Accrued salaries, wages and benefits	-	89,564	-	-	-	-
Deferred revenue	31,482	388,263	292,509	292,509	-	-
Due to other funds	-	42,063	-	-	-	-
Due to other governments	-	12,967	42,452	50,798	-	-
Advances from other funds	-	-	-	-	200,000	-
Total liabilities	<u>51,482</u>	<u>640,295</u>	<u>334,961</u>	<u>343,307</u>	<u>220,734</u>	<u>-</u>
<b>Fund Balances</b>						
Reserved for encumbrances	-	38,124	-	-	15,155	-
Reserved for prepaid items	-	22,476	-	-	-	-
Reserved for inventory of supplies	-	182,066	-	-	-	-
Reserved for loans receivable	-	-	-	-	-	-
Unreserved - undesignated	20,939	362,009	-	-	283,932	32,522
Total fund balances	<u>20,939</u>	<u>604,675</u>	<u>-</u>	<u>-</u>	<u>299,087</u>	<u>32,522</u>
Total liabilities and fund balances	<u>\$ 72,421</u>	<u>\$ 1,244,970</u>	<u>\$ 334,961</u>	<u>\$ 343,307</u>	<u>\$ 519,821</u>	<u>\$ 32,522</u>

# City of Cuyahoga Falls, Ohio

## Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2003

(Continued)

	<u>Court Special Projects</u>	<u>Community and Economic Development</u>	<u>Community Development Block Grant</u>	<u>Probation</u>	<u>Enterprise Zone / Community Reinvestment Area</u>
<b>Assets</b>					
Equity in pooled cash and cash equivalents	\$ 180,431	\$ 137	\$ 106,916	\$ 16,436	\$ 6,079
Receivables					
Taxes	-	-	-	-	-
Accounts					
(net of allowance for uncollectibles)	-	-	96,090	-	-
Loans	-	-	1,936,497	-	-
Due from other funds	-	-	-	-	-
Due from other governments	8,683	-	-	2,510	2,604
Inventory of supplies	-	-	-	-	-
Prepaid items	-	-	-	-	-
	<u>189,114</u>	<u>137</u>	<u>2,139,503</u>	<u>18,946</u>	<u>8,683</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	-	-	-	370	124
Accrued salaries, wages and benefits	-	-	-	761	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	435	-
Due to other governments	-	-	-	114	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,680</u>	<u>124</u>
<b>Fund Balances</b>					
Reserved for encumbrances	-	120	198	-	-
Reserved for prepaid items	-	-	-	-	-
Reserved for inventory of supplies	-	-	-	-	-
Reserved for loans receivable	-	-	1,936,497	-	-
Unreserved - undesignated	189,114	17	202,808	17,266	8,559
Total fund balances	<u>189,114</u>	<u>137</u>	<u>2,139,503</u>	<u>17,266</u>	<u>8,559</u>
	<u>\$ 189,114</u>	<u>\$ 137</u>	<u>\$ 2,139,503</u>	<u>\$ 18,946</u>	<u>\$ 8,683</u>

**Combining Balance Sheet - Nonmajor Special Revenue Funds**  
**December 31, 2003**

(Continued)

	<b>Suspended License Intervention Program</b>	<b>Drug Law Enforcement</b>	<b>Law Enforcement Trust</b>	<b>Indigent Drivers Alcohol Treatment</b>	<b>Enforcement and Education</b>
<b>ASSETS</b>					
Equity in pooled cash and cash equivalents	\$ 23,560	\$ 73,560	\$ 72,878	\$ 491,253	\$ 6,908
Receivables					
Taxes	-	-	-	-	-
Accounts					
(net of allowance for uncollectibles)	-	127	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	1,700	1,348	940	1,555	1,010
Inventory of supplies	-	-	-	-	-
Prepaid items	-	-	-	-	-
	<u>25,260</u>	<u>75,035</u>	<u>73,818</u>	<u>492,808</u>	<u>7,918</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	-	39	-	-	-
Accrued salaries, wages and benefits	879	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	502	-	-	-	-
Due to other governments	131	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>1,512</u>	<u>39</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>					
Reserved for encumbrances	-	134	-	-	2,264
Reserved for prepaid items	-	-	-	-	-
Reserved for inventory of supplies	-	-	-	-	-
Reserved for loans receivable	-	-	-	-	-
Unreserved - undesignated	23,748	74,862	73,818	492,808	5,654
Total fund balances	<u>23,748</u>	<u>74,996</u>	<u>73,818</u>	<u>492,808</u>	<u>7,918</u>
	<u>\$ 25,260</u>	<u>\$ 75,035</u>	<u>\$ 73,818</u>	<u>\$ 492,808</u>	<u>\$ 7,918</u>
Total liabilities and fund balances	<u>\$ 25,260</u>	<u>\$ 75,035</u>	<u>\$ 73,818</u>	<u>\$ 492,808</u>	<u>\$ 7,918</u>

# City of Cuyahoga Falls, Ohio

## Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2003

(Continued)

	<b>Municipal Motor Vehicle License Tax</b>	<b>Court Computer</b>	<b>Federal Law Enforcement</b>	<b>FEMA Public Assistance</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>ASSETS</b>					
Equity in pooled cash and cash equivalents	\$ 9,632	\$ 88,503	\$ 13,585	\$ 137,248	\$ 1,722,877
Receivables					
Taxes	-	-	-	-	551,876
Accounts (net of allowance for uncollectibles)	-	-	-	-	199,456
Loans	-	-	-	-	1,936,497
Due from other funds	-	-	-	-	477,921
Due from other governments	-	9,792	-	26,799	771,614
Inventory of supplies	-	-	-	-	182,066
Prepaid items	-	-	-	-	22,476
	<u>9,632</u>	<u>98,295</u>	<u>13,585</u>	<u>164,047</u>	<u>5,864,783</u>
Total assets					
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	5,000	720	153	-	154,578
Accrued salaries, wages and benefits	-	-	-	-	91,204
Deferred revenue	-	-	-	-	1,004,763
Due to other funds	-	-	-	164,047	207,047
Due to other governments	-	-	-	-	106,462
Advances from other funds	-	-	-	-	200,000
Total liabilities	<u>5,000</u>	<u>720</u>	<u>153</u>	<u>164,047</u>	<u>1,764,054</u>
<b>Fund Balances</b>					
Reserved for encumbrances	-	-	-	-	55,995
Reserved for prepaid items	-	-	-	-	22,476
Reserved for inventory of supplies	-	-	-	-	182,066
Reserved for loans receivable	-	-	-	-	1,936,497
Unreserved - undesignated	4,632	97,575	13,432	-	1,903,695
Total fund balances	<u>4,632</u>	<u>97,575</u>	<u>13,432</u>	<u>-</u>	<u>4,100,729</u>
Total liabilities and fund balances	<u>\$ 9,632</u>	<u>\$ 98,295</u>	<u>\$ 13,585</u>	<u>\$ 164,047</u>	<u>\$ 5,864,783</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund  
Balances - Special Revenue Funds  
For the Year Ended December 31, 2003**

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension	Recreation Levy	Permissive Tax
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ 260,972	\$ 260,972	\$ -	\$ -
Other local taxes	-	-	160	160	-	-
State levied shared taxes	105,402	1,304,413	32,868	32,868	-	186,407
Intergovernmental	-	-	-	-	127,424	-
Charges for services	-	-	-	-	-	-
Fees, licenses, and permits	-	417,271	-	-	-	-
Interest earnings	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Other	-	29,793	-	-	-	-
Total revenues	<u>105,402</u>	<u>1,751,477</u>	<u>294,000</u>	<u>294,000</u>	<u>127,424</u>	<u>186,407</u>
<b>Expenditures</b>						
Current						
Security of persons and property	-	-	919,139	1,174,675	-	-
Leisure time activities	-	-	-	-	747,612	-
Community environment	-	-	-	-	-	-
Street maintenance	124,777	4,047,189	-	-	-	-
General government	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	218,500
Debt service						
Principal	-	-	-	-	239,965	-
Interest	-	-	-	-	249,288	-
Total expenditures	<u>124,777</u>	<u>4,047,189</u>	<u>919,139</u>	<u>1,174,675</u>	<u>1,236,865</u>	<u>218,500</u>
Excess (deficiency) of revenues over (under) expenditures	(19,375)	(2,295,712)	(625,139)	(880,675)	(1,109,441)	(32,093)
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	2,020,117	625,139	880,675	1,263,990	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>2,020,117</u>	<u>625,139</u>	<u>880,675</u>	<u>1,263,990</u>	<u>-</u>
Net change in fund balances	(19,375)	(275,595)	-	-	154,549	(32,093)
Fund balance at beginning of year, restated	40,314	849,783	-	-	144,538	64,615
Change in reserve for inventory	-	26,365	-	-	-	-
Change in reserve for prepaid items	-	4,122	-	-	-	-
Fund balance at end of year	<u>\$ 20,939</u>	<u>\$ 604,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,087</u>	<u>\$ 32,522</u>

# City of Cuyahoga Falls, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds For the Year Ended December 31, 2003

(Continued)

	Court Special Projects	Community and Economic Development	Community Development Block Grant	Probation	Enterprise Zone / Community Reinvestment Area
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-
State levied shared taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, licenses, and permits	118,940	-	-	28,075	2,604
Interest earnings	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Other	-	-	87	-	1,028
Total revenues	118,940	-	87	28,075	3,632
<b>Expenditures</b>					
Current					
Security of persons and property	-	-	-	21,312	-
Leisure time activities	-	-	-	-	-
Community environment	-	4,357	14,651	-	194
Street maintenance	-	-	-	-	-
General government	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	4,357	14,651	21,312	194
Excess (deficiency) of revenues over (under) expenditures	118,940	(4,357)	(14,564)	6,763	3,438
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	100,000	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	100,000	-	-
Net change in fund balances	118,940	(4,357)	85,436	6,763	3,438
Fund balance at beginning of year, restated	70,174	4,494	2,054,067	10,503	5,121
Change in reserve for inventory	-	-	-	-	-
Change in reserve for prepaid items	-	-	-	-	-
Fund balance at end of year	\$ 189,114	\$ 137	\$ 2,139,503	\$ 17,266	\$ 8,559

**Combining Statement of Revenues, Expenditures and Changes in Fund  
Balances - Special Revenue Funds  
For the Year Ended December 31, 2003**

(Continued)

	Suspended License Intervention Program	Drug Law Enforcement	Law Enforcement Trust	Indigent Drivers Alcohol Treatment	Enforcement and Education
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-
State levied shared taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, licenses, and permits	23,000	-	-	-	-
Interest earnings	-	-	-	-	-
Fines and forfeitures	-	17,916	16,351	38,223	8,189
Other	-	131	27,535	-	4,200
Total revenues	23,000	18,047	43,886	38,223	12,389
<b>Expenditures</b>					
Current					
Security of persons and property	-	14,881	21,393	-	12,177
Leisure time activities	-	-	-	-	-
Community environment	-	-	-	-	-
Street maintenance	-	-	-	-	-
General government	26,431	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	26,431	14,881	21,393	-	12,177
Excess (deficiency) of revenues over (under) expenditures	(3,431)	3,166	22,493	38,223	212
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(3,431)	3,166	22,493	38,223	212
Fund balance at beginning of year, restated	27,179	71,830	51,325	454,585	7,706
Change in reserve for inventory	-	-	-	-	-
Change in reserve for prepaid items	-	-	-	-	-
Fund balance at end of year	\$ 23,748	\$ 74,996	\$ 73,818	\$ 492,808	\$ 7,918

# City of Cuyahoga Falls, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds For the Year Ended December 31, 2003

(Continued)

	Municipal Motor Vehicle License Tax	Court Computer	Federal Law Enforcement	FEMA Public Assistance	Total Nonmajor Special Revenue
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 521,944
Other local taxes	-	-	-	-	320
State levied shared taxes	112,480	-	-	-	1,774,438
Intergovernmental	-	-	-	164,047	291,471
Charges for services	-	120,795	-	-	120,795
Fees, licenses, and permits	-	-	-	-	589,890
Interest earnings	-	-	130	-	130
Fines and forfeitures	-	-	-	-	80,679
Other	-	-	-	-	62,774
Total revenues	112,480	120,795	130	164,047	3,442,441
<b>Expenditures</b>					
Current					
Security of persons and property	-	-	5,411	-	2,168,988
Leisure time activities	-	-	-	-	747,612
Community environment	-	-	-	-	19,202
Street maintenance	126,014	-	-	-	4,297,980
General government	-	121,788	-	-	148,219
Capital outlay	-	-	-	-	218,500
Debt service					
Principal	-	-	-	-	239,965
Interest	-	-	-	-	249,288
Total expenditures	126,014	121,788	5,411	-	8,089,754
Excess (deficiency) of revenues over (under) expenditures	(13,534)	(993)	(5,281)	164,047	(4,647,313)
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	4,889,921
Transfers out	-	-	-	(164,047)	(164,047)
Total other financing sources (uses)	-	-	-	(164,047)	4,725,874
Net change in fund balances	(13,534)	(993)	(5,281)	-	78,561
Fund balance at beginning of year, restated	18,166	98,568	18,713	-	3,991,681
Change in reserve for inventory	-	-	-	-	26,365
Change in reserve for prepaid items	-	-	-	-	4,122
Fund balance at end of year	\$ 4,632	\$ 97,575	\$ 13,432	\$ -	\$ 4,100,729



**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - State Highway Improvement Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
State levied shared taxes	\$ 96,500	\$ 101,000	\$ 102,739	\$ 1,739
Total revenues	96,500	101,000	102,739	1,739
<b>Expenditures</b>				
Current				
<b>Street maintenance</b>				
Other operations	96,500	116,500	115,533	967
Total expenditures	96,500	116,500	115,533	967
Excess (deficiency) of revenues over (under) expenditures	-	(15,500)	(12,794)	2,706
<b>Net change in fund balances</b>	-	(15,500)	(12,794)	2,706
Fund balance at beginning of year	16,607	16,607	16,607	-
Fund balance at end of year	\$ 16,607	\$ 1,107	\$ 3,813	\$ 2,706

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Street Construction, Maintenance and Repair Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State levied shared taxes	\$ 1,208,000	\$ 1,268,500	\$ 1,271,563	\$ 3,063
Fees, licenses, and permits	424,000	412,000	412,373	373
Other	3,500	11,000	29,586	18,586
Total revenues	1,635,500	1,691,500	1,713,522	22,022
<b>Expenditures</b>				
Current				
<b>Street maintenance</b>				
Personal services	2,228,221	2,168,971	2,168,954	17
Other operations	1,447,821	1,577,571	1,620,876	(43,305)
Capital outlay	50,000	46,500	41,809	4,691
Total expenditures	3,726,042	3,793,042	3,831,639	(38,597)
Excess (deficiency) of revenues over (under) expenditures	(2,090,542)	(2,101,542)	(2,118,117)	(16,575)
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,900,000	1,950,000	1,950,000	-
Total other financing sources (uses)	1,900,000	1,950,000	1,950,000	-
<b>Net change in fund balances</b>	(190,542)	(151,542)	(168,117)	(16,575)
Fund balance at beginning of year	301,475	301,475	301,475	-
Fund balance at end of year	\$ 110,933	\$ 149,933	\$ 133,358	\$ (16,575)

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Police Pension Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 269,308	\$ 269,308	\$ 267,899	\$ (1,409)
Other local taxes	215	215	179	(36)
State levied shared taxes	32,936	32,936	32,868	(68)
Total revenues	<u>302,459</u>	<u>302,459</u>	<u>300,946</u>	<u>(1,513)</u>
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Personal services	983,593	918,393	916,966	1,427
Other operations	3,750	3,950	3,878	72
Total expenditures	<u>987,343</u>	<u>922,343</u>	<u>920,844</u>	<u>1,499</u>
Excess (deficiency) of revenues over (under) expenditures	(684,884)	(619,884)	(619,898)	(14)
<b>Other Financing Sources (Uses)</b>				
Transfers in	659,772	614,791	614,791	-
Total other financing sources (uses)	<u>659,772</u>	<u>614,791</u>	<u>614,791</u>	<u>-</u>
<b>Net change in fund balances</b>	(25,112)	(5,093)	(5,107)	(14)
Fund balance at beginning of year	28,767	28,767	28,767	-
Fund balance at end of year	<u>\$ 3,655</u>	<u>\$ 23,674</u>	<u>\$ 23,660</u>	<u>\$ (14)</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Fire Pension Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 269,308	\$ 269,308	\$ 267,899	\$ (1,409)
Other local taxes	215	215	179	(36)
State levied shared taxes	32,936	32,936	32,868	(68)
Total revenues	302,459	302,459	300,946	(1,513)
<b>Expenditures</b>				
Current				
Security of persons and property				
Personal services	1,223,898	1,173,698	1,172,805	893
Other operations	3,750	3,950	3,878	72
Total expenditures	1,227,648	1,177,648	1,176,683	965
Excess (deficiency) of revenues over (under) expenditures	(925,189)	(875,189)	(875,737)	(548)
<b>Other Financing Sources (Uses)</b>				
Transfers in	906,827	841,527	841,527	-
Total other financing sources (uses)	906,827	841,527	841,527	-
<b>Net change in fund balances</b>	(18,362)	(33,662)	(34,210)	(548)
Fund balance at beginning of year	35,669	35,669	35,669	-
Fund balance at end of year	\$ 17,307	\$ 2,007	\$ 1,459	\$ (548)

**City of Cuyahoga Falls, Ohio**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Recreation Levy Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 137,086	\$ 267,086	\$ 267,086	\$ -
Total revenues	137,086	267,086	267,086	-
<b>Expenditures</b>				
Current				
<b>Leisure time activities</b>				
Other operations	235,034	238,534	231,001	7,533
Capital outlay	705,000	651,500	623,984	27,516
Total - leisure time activities	940,034	890,034	854,985	35,049
<b>Debt service</b>				
Principal	239,966	239,966	239,965	1
Interest	249,288	249,288	249,288	-
Total expenditures	1,429,288	1,379,288	1,344,238	35,050
Excess (deficiency) of revenues over (under) expenditures	(1,292,202)	(1,112,202)	(1,077,152)	35,050
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,376,332	1,320,180	1,314,780	(5,400)
Advances out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	1,276,332	1,220,180	1,214,780	(5,400)
<b>Net change in fund balances</b>	(15,870)	107,978	137,628	29,650
Fund balance at beginning of year	112	112	112	-
Fund balance at end of year	\$ (15,758)	\$ 108,090	\$ 137,740	\$ 29,650

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Permissive Tax Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State levied shared taxes	\$ 225,000	\$ 225,000	\$ 218,500	\$ (6,500)
Total revenues	225,000	225,000	218,500	(6,500)
<b>Expenditures</b>				
Current				
Capital outlay	225,000	218,500	218,500	-
Total expenditures	225,000	218,500	218,500	-
Excess (deficiency) of revenues over (under) expenditures	-	6,500	-	(6,500)
<b>Net change in fund balances</b>	-	6,500	-	(6,500)
Fund balance at beginning of year	2	2	2	-
Fund balance at end of year	\$ 2	\$ 6,502	\$ 2	\$ (6,500)

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Court Special Projects Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fees, licenses, and permits	\$ 120,000	\$ 120,000	\$ 120,098	\$ 98
Total revenues	120,000	120,000	120,098	98
<b>Expenditures</b>				
Current				
<b>General government</b>				
Other operations	70,000	20,000	-	20,000
Capital outlay	10,000	10,000	-	10,000
Total expenditures	80,000	30,000	-	30,000
Excess (deficiency) of revenues over (under) expenditures	40,000	90,000	120,098	30,098
<b>Other Financing Sources (Uses)</b>				
Advances out	(100,000)	-	-	-
Total other financing sources (uses)	(100,000)	-	-	-
<b>Net change in fund balances</b>	(60,000)	90,000	120,098	30,098
Fund balance at beginning of year	60,333	60,333	60,333	-
Fund balance at end of year	\$ 333	\$ 150,333	\$ 180,431	\$ 30,098

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Community and Economic Development Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures</b>				
Current				
<b>Community environment</b>				
Other operations	\$ 4,493	\$ 4,493	\$ 4,477	\$ 16
Total expenditures	4,493	4,493	4,477	16
Excess (deficiency) of revenues over (under) expenditures	(4,493)	(4,493)	(4,477)	16
<b>Net change in fund balances</b>	(4,493)	(4,493)	(4,477)	16
Fund balance at beginning of year	4,494	4,494	4,494	-
Fund balance at end of year	\$ 1	\$ 1	\$ 17	\$ 16



**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget and Actual (Non-GAAP Budgetary Basis) - Community Development Block  
 Grant Fund  
 For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other	\$ -	\$ -	\$ 1,427	\$ 1,427
Total revenues	-	-	1,427	1,427
<b>Expenditures</b>				
Current				
Community environment				
Other operations	100,000	75,000	74,974	26
Total expenditures	100,000	75,000	74,974	26
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(75,000)	(73,547)	1,453
<b>Other Financing Sources (Uses)</b>				
Transfers in	100,000	100,000	100,000	-
Total other financing sources (uses)	100,000	100,000	100,000	-
<b>Net change in fund balances</b>	-	25,000	26,453	1,453
Fund balance at beginning of year	80,265	80,265	80,265	-
Fund balance at end of year	\$ 80,265	\$ 105,265	\$ 106,718	\$ 1,453

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Probation Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees, licenses, and permits	\$ 13,000	\$ 27,000	\$ 26,579	\$ (421)
Total revenues	13,000	27,000	26,579	(421)
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Personal services	20,576	21,576	21,287	289
Other operations	3,000	2,000	750	1,250
Total expenditures	23,576	23,576	22,037	1,539
Excess (deficiency) of revenues over (under) expenditures	(10,576)	3,424	4,542	1,118
<b>Net change in fund balances</b>	(10,576)	3,424	4,542	1,118
Fund balance at beginning of year	11,524	11,524	11,524	-
Fund balance at end of year	\$ 948	\$ 14,948	\$ 16,066	\$ 1,118

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Zone/Community  
Reinvestment Area Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fees, licenses, and permits	\$ 1,500	\$ 2,500	\$ 2,572	\$ 72
Other	-	1,000	1,028	28
Total revenues	1,500	3,500	3,600	100
<b>Expenditures</b>				
Current				
<b>Community environment</b>				
Other operations	2,627	627	70	557
Total expenditures	2,627	627	70	557
Excess (deficiency) of revenues over (under) expenditures	(1,127)	2,873	3,530	657
<b>Net change in fund balances</b>	(1,127)	2,873	3,530	657
Fund balance at beginning of year	2,549	2,549	2,549	-
Fund balance at end of year	\$ 1,422	\$ 5,422	\$ 6,079	\$ 657

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Suspended License Intervention Program Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees, licenses, and permits	\$ 25,000	\$ 23,000	\$ 22,950	\$ (50)
Total revenues	25,000	23,000	22,950	(50)
<b>Expenditures</b>				
Current				
<b>General government</b>				
Personal services	25,581	25,581	24,454	1,127
Other operations	10,000	5,000	620	4,380
Total expenditures	35,581	30,581	25,074	5,507
Excess (deficiency) of revenues over (under) expenditures	(10,581)	(7,581)	(2,124)	5,457
<b>Net change in fund balances</b>	(10,581)	(7,581)	(2,124)	5,457
Fund balance at beginning of year	25,684	25,684	25,684	-
Fund balance at end of year	\$ 15,103	\$ 18,103	\$ 23,560	\$ 5,457

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Drug Law Enforcement Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 20,000	\$ 16,000	\$ 17,043	\$ 1,043
Other	-	-	131	131
Total revenues	<u>20,000</u>	<u>16,000</u>	<u>17,174</u>	<u>1,174</u>
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Other operations	46,536	21,536	13,422	8,114
Total expenditures	<u>46,536</u>	<u>21,536</u>	<u>13,422</u>	<u>8,114</u>
Excess (deficiency) of revenues over (under) expenditures	(26,536)	(5,536)	3,752	9,288
<b>Net change in fund balances</b>	(26,536)	(5,536)	3,752	9,288
Fund balance at beginning of year	69,674	69,674	69,674	-
Fund balance at end of year	<u>\$ 43,138</u>	<u>\$ 64,138</u>	<u>\$ 73,426</u>	<u>\$ 9,288</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Law Enforcement Trust Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 1,000	\$ 15,000	\$ 16,231	\$ 1,231
Other	1,000	1,000	27,535	26,535
Total revenues	2,000	16,000	43,766	27,766
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Other operations	19,331	21,431	21,393	38
Total expenditures	19,331	21,431	21,393	38
Excess (deficiency) of revenues over (under) expenditures	(17,331)	(5,431)	22,373	27,804
<b>Net change in fund balances</b>	(17,331)	(5,431)	22,373	27,804
Fund balance at beginning of year	50,505	50,505	50,505	-
Fund balance at end of year	\$ 33,174	\$ 45,074	\$ 72,878	\$ 27,804

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Indigent Drivers Alcohol  
Treatment Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 45,000	\$ 51,500	\$ 52,218	\$ 718
Other	-	-	-	-
Total revenues	45,000	51,500	52,218	718
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Other operations	390,000	-	-	-
Total expenditures	390,000	-	-	-
Excess (deficiency) of revenues				
over (under) expenditures	(345,000)	51,500	52,218	718
<b>Net change in fund balances</b>				
	(345,000)	51,500	52,218	718
Fund balance at beginning of year				
	439,035	439,035	439,035	-
Fund balance at end of year				
	\$ 94,035	\$ 490,535	\$ 491,253	\$ 718

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Enforcement and Education Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 4,500	\$ 8,000	\$ 7,974	\$ (26)
Other	4,000	4,000	4,100	100
Total revenues	8,500	12,000	12,074	74
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Other operations	20,000	20,000	20,000	-
Total expenditures	20,000	20,000	20,000	-
Excess (deficiency) of revenues over (under) expenditures	(11,500)	(8,000)	(7,926)	74
<b>Net change in fund balances</b>	(11,500)	(8,000)	(7,926)	74
Fund balance at beginning of year	12,570	12,570	12,570	-
Fund balance at end of year	\$ 1,070	\$ 4,570	\$ 4,644	\$ 74



**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Municipal Motor Vehicle License  
Tax Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
State levied shared taxes	\$ 112,000	\$ 112,000	\$ 112,480	\$ 480
Total revenues	112,000	112,000	112,480	480
<b>Expenditures</b>				
Current				
Street maintenance				
Other operations	112,000	117,000	114,036	2,964
Total expenditures	112,000	117,000	114,036	2,964
Excess (deficiency) of revenues over (under) expenditures	-	(5,000)	(1,556)	3,444
<b>Net change in fund balances</b>	-	(5,000)	(1,556)	3,444
Fund balance at beginning of year	6,188	6,188	6,188	-
Fund balance at end of year	\$ 6,188	\$ 1,188	\$ 4,632	\$ 3,444

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Court Computer Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 110,000	\$ 125,500	\$ 120,844	\$ (4,656)
Total revenues	110,000	125,500	120,844	(4,656)
<b>Expenditures</b>				
Current				
<b>General government</b>				
Other operations	75,000	85,000	80,747	4,253
Capital outlay	205,000	110,000	108,759	1,241
Total expenditures	280,000	195,000	189,506	5,494
Excess (deficiency) of revenues over (under) expenditures	(170,000)	(69,500)	(68,662)	838
<b>Other Financing Sources (Uses)</b>				
Advances in	100,000	-	-	-
Total other financing sources (uses)	100,000	-	-	-
<b>Net change in fund balances</b>	(70,000)	(69,500)	(68,662)	838
Fund balance at beginning of year	88,727	88,727	88,727	-
Fund balance at end of year	\$ 18,727	\$ 19,227	\$ 20,065	\$ 838

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Federal Law Enforcement Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest earnings	\$ -	\$ -	\$ 130	\$ 130
Other	-	12,500	12,857	357
Total revenues	-	12,500	12,987	487
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Other operations	5,000	5,500	5,258	242
Total expenditures	5,000	5,500	5,258	242
Excess (deficiency) of revenues				
over (under) expenditures	(5,000)	7,000	7,729	729
<b>Net change in fund balances</b>				
	(5,000)	7,000	7,729	729
Fund balance at beginning of year				
	5,856	5,856	5,856	-
Fund balance at end of year				
	\$ 856	\$ 12,856	\$ 13,585	\$ 729

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - FEMA Public Assistance Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 137,248	\$ 137,248
Total revenues	-	-	137,248	137,248
Excess (deficiency) of revenues over (under) expenditures	-	-	137,248	137,248
<b>Net change in fund balances</b>	-	-	137,248	137,248
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 137,248	\$ 137,248

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund  
For the Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest earnings	\$ 5,000	\$ 5,000	\$ 3,918	\$ (1,082)
Special Assessments	85,775	85,775	85,829	54
Total revenues	90,775	90,775	89,747	(1,028)
<b>Expenditures</b>				
Current				
<b>General government</b>				
Other operations	500	500	2	498
Total - general government	500	500	2	498
<b>Debt service</b>				
Principal	528,494	528,494	528,494	-
Interest	381,262	381,262	381,262	-
Total expenditures	910,256	910,256	909,758	498
Excess (deficiency) of revenues over (under) expenditures				
	(819,481)	(819,481)	(820,011)	(530)
<b>Other Financing Sources (Uses)</b>				
Transfers in	775,000	775,000	775,000	-
Total other financing sources (uses)	775,000	775,000	775,000	-
<b>Net change in fund balances</b>	(44,481)	(44,481)	(45,011)	(530)
Fund balance at beginning of year	53,661	53,661	53,661	-
Fund balance at end of year	\$ 9,180	\$ 9,180	\$ 8,650	\$ (530)

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Improvement Reserve Fund For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest earnings	\$ 839,090	\$ 784,090	\$ 720,822	\$ (63,268)
Special assessments	101,321	101,321	101,726	405
Other	30,000	-	60,348	60,348
Total revenues	970,411	885,411	882,896	(2,515)
<b>Expenditures</b>				
Current				
General government				
Other operations	40,600	40,600	25,997	14,603
Total expenditures	40,600	40,600	25,997	14,603
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	929,811	844,811	856,899	12,088
Other Financing Sources (Uses)				
Transfers out	(2,175,000)	(2,225,000)	(2,225,000)	-
Advances in	206,183	206,183	206,183	-
Total other financing sources (uses)	(1,968,817)	(2,018,817)	(2,018,817)	-
<b>Net change in fund balances</b>	(1,039,006)	(1,174,006)	(1,161,918)	12,088
Fund balance at beginning of year	4,524,261	4,524,261	4,524,261	-
Fund balance at end of year	\$ 3,485,255	\$ 3,350,255	\$ 3,362,343	\$ 12,088

## Internal Service Funds

<b>Internal Service Funds</b>	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.
<b>Garage</b>	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.
<b>Office Supply</b>	To account for the cost of central purchasing of office supplies and custodial products used by various City departments.
<b>Self-Insurance</b>	To account for the cost of medical benefits and life insurance provided to the City's employees.
<b>Information Services</b>	To account for the maintenance and support of information technology to various City departments. The actual costs of services are reimbursed to this fund by the user departments.
<b>Workers' Compensation</b>	To account for the cost of workers' compensation claims and administrative costs incurred by City employees.
<b>Compensated Absences</b>	To accumulate sums sufficient to defray anticipated employee benefit payments

## City of Cuyahoga Falls, Ohio

### Combining Statement of Net Assets - Governmental Activities Internal Service Funds December 31, 2003

	<u>Garage</u>	<u>Office Supply</u>	<u>Information Services</u>	<u>Self Insurance</u>
<b>Assets</b>				
<b>Current Assets</b>				
Equity in pooled cash and cash equivalents	\$ 62,123	\$ 32,487	\$ 24,987	\$ 15,359
Receivables				
Accounts				
(net of allowance for uncollectibles)	-	-	-	3,899
Due from other funds	-	-	-	606,136
Due from other governments	3	-	-	-
Inventory of supplies	464,728	1,764	8,669	-
Prepaid items	2,500	-	1,388	9,181
Total current assets	<u>529,354</u>	<u>34,251</u>	<u>35,044</u>	<u>634,575</u>
<b>Noncurrent Assets</b>				
Capital Assets				
Land	21,960	-	-	-
Buildings	105,958	-	141,010	-
Improvements other than buildings	262,637	-	-	-
Equipment	322,967	-	1,772,881	-
Less: Accumulated depreciation	<u>(594,566)</u>	<u>-</u>	<u>(1,543,748)</u>	<u>-</u>
Total noncurrent assets	<u>118,956</u>	<u>-</u>	<u>370,143</u>	<u>-</u>
Total assets	<u>648,310</u>	<u>34,251</u>	<u>405,187</u>	<u>634,575</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	56,709	15,080	8,536	630
Accrued salaries, wages and benefits	18,762	-	21,253	-
Due to other funds	13,874	-	9,888	-
Due to other governments	2,784	-	3,100	-
Claims and judgments payable	-	-	-	633,945
Total current liabilities	<u>92,129</u>	<u>15,080</u>	<u>42,777</u>	<u>634,575</u>
<b>Noncurrent Liabilities</b>				
Accrued compensated absences	114,646	-	134,496	-
Claims and judgments payable	-	-	-	-
Total Noncurrent Liabilities	<u>114,646</u>	<u>-</u>	<u>134,496</u>	<u>-</u>
Total liabilities	<u>206,775</u>	<u>15,080</u>	<u>177,273</u>	<u>634,575</u>
<b>Net Assets</b>				
Unrestricted	441,535	19,171	227,914	-
Total net assets	<u>441,535</u>	<u>19,171</u>	<u>227,914</u>	<u>-</u>



**Combining Statement of Net Assets - Governmental Activities Internal Service Funds**  
**December 31, 2003**

(Continued)

	<u>Workers'</u> <u>Compensation</u>	<u>Compensated</u> <u>Absences</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Equity in pooled cash and cash equivalents	\$ 5,715,625	\$ 846,067	\$ 6,696,648
Receivables			
Accounts			
(net of allowance for uncollectibles)	-	-	3,899
Due from other funds	-	-	606,136
Due from other governments	-	-	3
Inventory of supplies	-	-	475,161
Prepaid items	-	-	13,069
Total current assets	<u>5,715,625</u>	<u>846,067</u>	<u>7,794,916</u>
<b>Noncurrent Assets</b>			
Capital Assets			
Land	-	-	21,960
Buildings	-	-	246,968
Improvements other than buildings	-	-	262,637
Equipment	-	-	2,095,848
Less: Accumulated depreciation	-	-	(2,138,314)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>489,099</u>
Total assets	<u><u>5,715,625</u></u>	<u><u>846,067</u></u>	<u><u>8,284,015</u></u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	2,236	-	83,191
Accrued salaries, wages and benefits	-	-	40,015
Due to other funds	-	-	23,762
Due to other governments	261,908	-	267,792
Claims and judgments payable	253,742	-	887,687
Total current liabilities	<u>517,886</u>	<u>-</u>	<u>1,302,447</u>
<b>Noncurrent Liabilities</b>			
Accrued compensated absences	-	-	249,142
Claims and judgments payable	1,014,016	-	1,014,016
Total Noncurrent Liabilities	<u>1,014,016</u>	<u>-</u>	<u>1,263,158</u>
Total liabilities	<u><u>1,531,902</u></u>	<u><u>-</u></u>	<u><u>2,565,605</u></u>
<b>Net Assets</b>			
Unrestricted	4,183,723	846,067	5,718,410
Total net assets	<u><u>4,183,723</u></u>	<u><u>846,067</u></u>	<u><u>5,718,410</u></u>

## City of Cuyahoga Falls, Ohio

### Combining Statement of Revenues, Expenses and Changes in Net Assets - Governmental Activities Internal Service Funds December 31, 2003

	<u>Garage</u>	<u>Office Supply</u>	<u>Information Services</u>	<u>Self- Insurance</u>
<b>Operating revenues</b>				
Charges for services	\$ 1,574,500	\$ 82,626	\$ 986,085	\$ 5,066,172
Other	387	-	6,595	15,474
Total operating revenues	<u>1,574,887</u>	<u>82,626</u>	<u>992,680</u>	<u>5,081,646</u>
<b>Operating Expenses</b>				
Personal services	398,406	-	475,283	-
Fringe benefits	138,714	-	161,593	5,005,803
Materials and supplies	624,953	68,136	24,965	-
Utilities	17,403	-	4,092	-
Contractual services	10,802	-	81,708	74,637
Internal charges	125,511	753	6,732	-
Other	243,158	-	48,921	1,206
Depreciation	29,798	-	138,286	-
Total operating expenses	<u>1,588,745</u>	<u>68,889</u>	<u>941,580</u>	<u>5,081,646</u>
Net income (loss) from operations	<u>(13,858)</u>	<u>13,737</u>	<u>51,100</u>	<u>-</u>
<b>Nonoperating Revenues (Expenses)</b>				
Interest revenue	-	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	<u>(13,858)</u>	<u>13,737</u>	<u>51,100</u>	<u>-</u>
Total net assets - beginning	455,393	5,434	176,814	-
Total net assets - ending	<u>\$ 441,535</u>	<u>\$ 19,171</u>	<u>\$ 227,914</u>	<u>\$ -</u>

**Combining Statement of Revenues, Expenses and Changes in Net Assets -  
Governmental Activities Internal Service Funds  
December 31, 2003**

(Continued)

	Workers' Compensation	Compensated Absences	Total
<b>Operating revenues</b>			
Charges for services	\$ -	\$ -	\$ 7,709,383
Other	600	-	23,056
Total operating revenues	<u>600</u>	<u>-</u>	<u>7,732,439</u>
<b>Operating Expenses</b>			
Personal services	-	657,847	1,531,536
Fringe benefits	427,696	-	5,733,806
Materials and supplies	-	-	718,054
Utilities	-	-	21,495
Contractual services	35,697	-	202,844
Internal charges	-	-	132,996
Other	46,474	-	339,759
Depreciation	-	-	168,084
Total operating expenses	<u>509,867</u>	<u>657,847</u>	<u>8,848,574</u>
Net income (loss) from operations	<u>(509,267)</u>	<u>(657,847)</u>	<u>(1,116,135)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest revenue	53,023	-	53,023
Total nonoperating revenues (expenses)	<u>53,023</u>	<u>-</u>	<u>53,023</u>
Changes in net assets	<u>(456,244)</u>	<u>(657,847)</u>	<u>(1,063,112)</u>
Total net assets - beginning	4,639,967	1,503,914	6,781,522
Total net assets - ending	<u>\$ 4,183,723</u>	<u>\$ 846,067</u>	<u>\$ 5,718,410</u>

# City of Cuyahoga Falls, Ohio

## Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2003

	<u>Garage</u>	<u>Office Supply</u>	<u>Information Services</u>	<u>Self- Insurance</u>
<b>Cash Flows From Operating Activities</b>				
Activities				
Cash received from customers	\$ 1,574,948	\$ 82,626	\$ 992,755	\$ 4,775,799
Cash payments to employees for services	(396,334)	-	(471,515)	-
Cash payments to employees for benefits	(128,342)	-	(144,495)	(4,760,611)
Cash payments to suppliers for goods and services	<u>(1,085,766)</u>	<u>(65,545)</u>	<u>(158,827)</u>	<u>(76,278)</u>
Net cash provided by operating activities	(35,494)	17,081	217,918	(61,090)
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition of capital assets	(16,803)	-	(219,552)	-
Net cash used in capital and related financing activities	(16,803)	-	(219,552)	-
<b>Cash Flows From Investing Activities</b>				
Interest revenue	-	-	-	-
Sale of investments	3,785	510	881	2,529
Net cash provided (used) by investing activities	<u>3,785</u>	<u>510</u>	<u>881</u>	<u>2,529</u>
Net increase (decrease) in cash and cash equivalents	(48,512)	17,591	(753)	(58,561)
Cash and cash equivalents at beginning of year	<u>110,635</u>	<u>14,896</u>	<u>25,740</u>	<u>73,920</u>
Cash and cash equivalents at end of year	<u>\$ 62,123</u>	<u>\$ 32,487</u>	<u>\$ 24,987</u>	<u>\$ 15,359</u>

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds** (Continued)  
**For the Year Ended December 31, 2003**

	<u>Workers'</u> <u>Compensation</u>	<u>Compensated</u> <u>Absences</u>	<u>Totals</u>
<b>Cash Flows From Operating Activities</b>			
Activities			
Cash received from customers	\$ 600	\$ -	\$ 7,426,728
Cash payments to employees for services	-	(657,847)	(1,525,696)
Cash payments to employees for benefits	(296,637)	-	(5,330,085)
Cash payments to suppliers for goods and services	<u>(81,155)</u>	<u>-</u>	<u>(1,467,571)</u>
Net cash provided by operating activities	(377,192)	(657,847)	(896,624)
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition of capital assets	-	-	(236,355)
Net cash used in capital and related financing activities	-	-	(236,355)
<b>Cash Flows From Investing Activities</b>			
Interest revenue	53,023	-	53,023
Sale of investments	<u>199,830</u>	<u>49,757</u>	<u>257,292</u>
Net cash provided (used) by investing activities	<u>252,853</u>	<u>49,757</u>	<u>310,315</u>
Net increase (decrease) in cash and cash equivalents	(124,339)	(608,090)	(822,664)
Cash and cash equivalents at beginning of year	<u>5,839,964</u>	<u>1,454,157</u>	<u>7,519,312</u>
Cash and cash equivalents at end of year	<u>\$ 5,715,625</u>	<u>\$ 846,067</u>	<u>\$ 6,696,648</u>

# City of Cuyahoga Falls, Ohio

## Combining Statement of Cash Flows - Governmental Activities Internal Service Funds (Continued) For the Year Ended December 31, 2003

	<u>Garage</u>	<u>Office Supply</u>	<u>Information Services</u>	<u>Self- Insurance</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>				
Operating income (loss)	\$ (13,858)	\$ 13,737	\$ 51,100	\$ -
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:				
Depreciation	29,798	-	138,286	-
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:				
Receivables	64	-	75	7,242
Due from other funds	-	-	-	(308,218)
Due from other governments	(3)	-	-	-
Inventory of supplies	8,651	(955)	6,838	-
Prepaid items	(442)	-	(906)	(1,202)
Accounts payable				
- net of items affecting fixed assets	(72,099)	4,299	1,659	(2,573)
Accrued salaries, wages and benefits	7,811	-	14,269	-
Due to other funds	1,800	-	3,497	-
Due to other governments	2,784	-	3,100	-
Claims payable	-	-	-	243,661
Total adjustments	<u>(21,636)</u>	<u>3,344</u>	<u>166,818</u>	<u>(61,090)</u>
Net cash provided operating activities	<u>\$ (35,494)</u>	<u>\$ 17,081</u>	<u>\$ 217,918</u>	<u>\$ (61,090)</u>

**City of Cuyahoga Falls, Ohio**

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds** (Continued)  
**For the Year Ended December 31, 2003**

	<u>Workers'</u> <u>Compensation</u>	<u>Compensated</u> <u>Absences</u>	<u>Totals</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>			
Operating income (loss)	\$ (509,267)	\$ (657,847)	\$ (1,116,135)
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:			
Depreciation	-	-	168,084
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:			
Receivables	-	-	7,381
Due from other funds	-	-	(308,218)
Due from other governments	-	-	(3)
Inventory of supplies	-	-	14,534
Prepaid items	-	-	(2,550)
Accounts payable			
- net of items affecting fixed assets	1,016	-	(67,698)
Accrued salaries, wages and benefits	-	-	22,080
Due to other funds	-	-	5,297
Due to other governments	136,580	-	142,464
Claims payable	(5,521)	-	238,140
Total adjustments	<u>132,075</u>	<u>-</u>	<u>219,511</u>
Net cash provided operating activities	<u>\$ (377,192)</u>	<u>\$ (657,847)</u>	<u>\$ (896,624)</u>

## **Fiduciary Funds – Agency Funds**

<b>Agency Funds</b>	Trust and agency funds are established to account for assets received and held by the City acting in the capacity of an agent or custodian.
<b>Treasury</b>	To account for the employer's portion of costs for pension plans and Medicare.
<b>Guarantee Deposits</b>	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.
<b>Unclaimed Monies</b>	To account for monies held by the City and Municipal Court pending identification of the individual or organization entitled to the money.
<b>Employee Withholding</b>	To account for amounts withheld from the payroll of the City's employees.
<b>State Cases-Fines and Forfeitures</b>	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.
<b>Municipal Court</b>	To account for fines and fees collected by the Cuyahoga Falls Municipal Court, which are required to be disbursed to various parties.



**Combining Statement of Net Assets - Fiduciary Funds  
December 31, 2003**

	<u>Agency Funds</u>						
	<u>Treasury</u>	<u>Guarantee Deposits</u>	<u>Unclaimed Monies</u>	<u>Employee Withholding</u>	<u>State Cases Fines and Forfeitures</u>	<u>Municipal Court</u>	<u>Totals</u>
<b>Assets</b>							
<b>Current Assets</b>							
Equity in pooled cash and cash equivalents	\$ 1,133,640	\$ 1,224,725	\$ 92,142	\$ 171,727	\$ 2,438	\$ -	\$ 2,624,672
Cash and cash equivalents - restricted	-	-	-	-	-	522,073	522,073
Due from other governments	218,729	-	-	-	1,131	-	219,860
<b>Total assets</b>	<b>1,352,369</b>	<b>1,224,725</b>	<b>92,142</b>	<b>171,727</b>	<b>3,569</b>	<b>522,073</b>	<b>3,366,605</b>
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Due to other governments	1,352,369	141,616	-	146,314	3,569	295,704	1,939,572
Deposits held and due to others	-	1,083,109	92,142	25,413	-	226,369	1,427,033
<b>Total liabilities</b>	<b>1,352,369</b>	<b>1,224,725</b>	<b>92,142</b>	<b>171,727</b>	<b>3,569</b>	<b>522,073</b>	<b>3,366,605</b>
<b>Net Assets</b>							
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# City of Cuyahoga Falls, Ohio

## Combining Statement of Changes in Net Assets - Fiduciary Funds December 31, 2003

	Agency Funds						Totals
	Treasury	Guarantee Deposits	Unclaimed Monies	Employee Withholding	State Cases Fines and Forfeitures	Municipal Court	
<b>Assets</b>							
Balance January 1, 2003	\$ 1,335,620	\$ 992,742	\$ 73,775	\$ 263,783	\$ 3,256	\$ 417,567	\$ 3,086,743
Additions	5,196,489	772,647	21,120	9,895,153	15,070	5,545,337	21,445,816
Deletions	(5,179,740)	(540,664)	(2,753)	(9,987,209)	(14,757)	(5,440,831)	(21,165,954)
Balance December 31, 2003	1,352,369	1,224,725	92,142	171,727	3,569	522,073	3,366,605
<b>Liabilities</b>							
Balance January 1, 2003	1,335,620	992,742	73,775	263,783	3,256	417,567	3,086,743
Additions	5,161,364	863,918	18,679	9,886,425	15,000	5,733,932	21,679,318
Deletions	(5,144,615)	(631,935)	(312)	(9,978,481)	(14,687)	(5,629,426)	(21,399,456)
Balance December 31, 2003	1,352,369	1,224,725	92,142	171,727	3,569	522,073	3,366,605
<b>Net Assets</b>							
Balance January 1, 2003	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-
Balance December 31, 2003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CAPITAL ASSETS USED IN THE  
OPERATION OF  
GOVERNMENTAL FUNDS**

## City of Cuyahoga Falls, Ohio

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### Schedule of General Fixed Assets by Source December 31, 2003

	<u>2003</u>
General Fixed Assets:	
Land	\$ 9,087,352
Buildings	14,718,099
Equipment	17,541,503
Infrastructure	6,501,613
Construction In Progress	11,078,980
Total General Fixed Assets	<u>58,927,547</u>
Investment in General Fixed Assets from:	
Capital Projects Funds:	
General Obligation Bonds/Notes	22,305,878
Federal Grants / State Grants	6,051,750
Capital Project Levy	15,207,597
General Fund Revenues	6,761,445
Special Revenue Fund Revenues	6,980,757
Contributions	1,618,920
Other	1,200
Total Investment in General Fixed Assets	<u>\$ 58,927,547</u>

**Schedule of General Fixed Assets by Function and Activity  
December 31, 2003**

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Total</u>
<b>Security of Persons and Property</b>						
Fire safety	\$ 740,155	\$ 2,203,982	\$ 4,601,686	\$ -	\$ -	\$ 7,545,823
Police protection	-	2,831,893	3,518,897	-	-	6,350,790
Safety communications and traffic control	-	27,498	257,491	-	-	284,989
Building security	-	-	159,028	-	-	159,028
<b>Total Security of Persons and Property</b>	<b>740,155</b>	<b>5,063,373</b>	<b>8,537,102</b>	<b>-</b>	<b>-</b>	<b>14,340,630</b>
<b>Leisure Time Activities</b>						
Parks and recreation	4,164,348	864,257	2,615,395	-	-	7,644,000
<b>Community Development</b>						
Mall	373,750	251,502	11,553	-	-	636,805
Community and economic development	-	-	120,995	-	-	120,995
<b>Total Community Development</b>	<b>373,750</b>	<b>251,502</b>	<b>132,548</b>	<b>-</b>	<b>-</b>	<b>757,800</b>
<b>Transportation</b>						
Street construction, maintenance and repair	123,822	754,398	4,404,054	-	-	5,282,274
<b>General Government</b>						
Mayor's office	-	3,200	20,576	-	-	23,776
Finance administration	-	-	23,113	-	-	23,113
Legal administration	-	-	22,668	-	-	22,668
Service administration	-	-	17,406	-	-	17,406
Court administration	-	620,186	467,532	-	-	1,087,718
Engineering	-	-	211,809	-	-	211,809
Other administration	3,673,077	7,173,383	1,089,300	-	-	11,935,760
Infrastructure	-	-	-	6,501,613	11,078,980	17,580,593
<b>Total General Government</b>	<b>3,673,077</b>	<b>7,796,769</b>	<b>1,852,404</b>	<b>6,501,613</b>	<b>11,078,980</b>	<b>30,902,843</b>
<b>Total General Fixed Assets</b>	<b>\$ 9,075,152</b>	<b>\$ 14,730,299</b>	<b>\$ 17,541,503</b>	<b>\$ 6,501,613</b>	<b>\$ 11,078,980</b>	<b>\$ 58,927,547</b>

## City of Cuyahoga Falls, Ohio

### Schedule of Changes in General Fixed Assets by Function and Activity For the Year Ended December 31, 2003

	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003
Security of Persons and Property				
Fire safety	\$ 7,071,952	\$ 1,050,487	\$ 576,616	\$ 7,545,823
Police protection	6,356,968	282,462	288,640	6,350,790
Safety communications and traffic control	282,043	14,000	11,054	284,989
Building security	152,917	8,636	2,525	159,028
<b>Total Security of Persons and Property</b>	<b>13,863,880</b>	<b>1,355,585</b>	<b>878,835</b>	<b>14,340,630</b>
Leisure Time Activities				
Parks and recreation	6,948,165	907,881	212,046	7,644,000
Community Development				
Mall	646,802	-	9,997	636,805
Community and economic development	124,915	-	3,920	120,995
<b>Total Community Development</b>	<b>771,717</b>	<b>-</b>	<b>13,917</b>	<b>757,800</b>
Transportation				
Street construction, maintenance and repair	5,767,903	493,307	978,936	5,282,274
General Government				
Mayor's office	23,776	-	-	23,776
Finance administration	27,091	-	3,978	23,113
Legal administration	36,395	-	13,727	22,668
Service administration	17,406	-	-	17,406
Court administration	1,002,358	141,481	56,121	1,087,718
Engineering	226,063	-	14,254	211,809
Other administration	12,038,091	56,071	158,402	11,935,760
Infrastructure	8,846,111	8,734,482	-	17,580,593
<b>Total General Government</b>	<b>22,217,291</b>	<b>8,932,034</b>	<b>246,482</b>	<b>30,902,843</b>
<b>Total General Fixed Assets</b>	<b>\$ 49,568,956</b>	<b>\$ 11,688,807</b>	<b>\$ 2,330,216</b>	<b>\$ 58,927,547</b>

# **STATISTICAL SECTION**

# City of Cuyahoga Falls, Ohio

## General Governmental Revenues by Source and Expenses/Expenditures by Function Last Ten Years

Table 1

	1994	1995	1996	1997
<b>Revenues:</b>				
Property taxes	\$ 6,344,680	\$ 6,567,339	\$ 6,536,994	\$ 7,857,144
Municipal income taxes	8,933,714	9,339,556	11,120,550	13,446,137
Other local taxes	425,597	226,938	240,381	198,924
State levied shared taxes	4,057,787	5,329,327	5,291,384	5,237,468
Intergovernmental	458,929	532,700	320,618	2,281,223
Charges for services	3,910,632	3,940,334	4,087,755	4,035,989
Fees, licenses, and permits	650,455	689,178	737,115	799,855
Interest earnings	724,634	2,072,120	1,536,728	1,789,252
Fines and forfeitures	486,152	493,416	546,949	499,955
Special assessments	302,309	367,271	260,868	252,243
Reimbursement from library	156,625	104,150	0	0
All other revenues	191,441	216,670	285,059	279,666
<b>Total Revenues</b>	<b>\$ 26,642,955</b>	<b>\$ 29,878,999</b>	<b>\$ 30,964,401</b>	<b>\$ 36,677,856</b>
<b>Expenditures:</b>				
<b>Current</b>				
Security of persons and property	\$ 11,985,570	\$ 12,141,098	\$ 12,488,478	\$ 13,715,574
Leisure time activities	1,254,404	1,436,819	1,530,117	1,708,791
Community environment	892,479	1,181,449	872,339	839,459
Street maintenance	2,607,416	2,836,136	2,985,201	3,109,479
General government	5,858,561	5,705,428	6,187,188	6,579,934
Capital outlay	2,241,450	2,682,565	4,052,839	13,222,482
<b>Debt service</b>				
Principal	7,002,360	12,882,962	818,698	892,396
Interest	454,153	859,774	613,098	603,696
<b>Total Expenditures</b>	<b>\$ 32,296,393</b>	<b>\$ 39,726,231</b>	<b>\$ 29,547,958</b>	<b>\$ 40,671,811</b>

Note: Includes General, Special Revenue, Debt Service and Capital Projects Funds on the modified accrual basis of accounting.



**General Governmental Revenues by Source  
and Expenses/Expenditures by Function  
Last Ten Years**

**Table 1  
(Continued)**

<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
\$ 8,031,254	\$ 7,714,820	\$ 8,567,797	\$ 9,087,091	\$ 8,770,443	\$ 9,568,965
14,500,651	16,156,494	15,820,981	16,191,625	16,740,777	16,732,040
298,904	194,272	199,866	293,502	164,012	245,331
6,060,321	6,131,671	6,549,177	6,590,819	6,138,255	6,369,187
268,258	1,360,746	748,440	2,821,042	2,381,899	3,189,056
4,486,240	5,567,613	6,255,286	6,664,641	6,720,028	6,613,544
806,471	856,187	871,507	1,064,874	916,423	1,071,256
1,694,422	1,521,632	2,445,416	2,634,886	974,023	656,629
462,875	385,094	455,627	446,737	443,491	353,640
230,496	219,473	947,264	640,975	261,172	262,204
0	0	0	0	0	0
782,317	326,587	313,143	372,271	679,249	1,415,459
<u>\$ 37,622,209</u>	<u>\$ 40,434,589</u>	<u>\$ 43,174,504</u>	<u>\$ 46,808,463</u>	<u>\$ 44,189,772</u>	<u>\$ 46,477,311</u>
\$ 14,117,870	\$ 15,251,595	\$ 16,410,061	\$ 16,849,176	\$ 18,269,597	\$ 18,122,227
1,861,194	1,914,306	2,051,907	2,299,180	2,551,463	2,943,074
983,711	835,905	954,197	1,025,487	979,129	1,080,107
2,762,226	3,371,078	3,252,985	3,382,595	3,647,130	4,297,980
6,918,540	7,130,996	7,512,854	8,643,427	8,848,607	8,779,774
11,100,828	7,453,286	8,603,181	10,212,506	12,785,685	11,477,250
1,127,844	1,488,706	1,720,660	1,203,935	881,660	846,300
928,230	830,977	868,776	775,513	691,267	688,237
<u>\$ 39,800,443</u>	<u>\$ 38,276,849</u>	<u>\$ 41,374,621</u>	<u>\$ 44,391,819</u>	<u>\$ 48,654,538</u>	<u>\$ 48,234,949</u>

# City of Cuyahoga Falls, Ohio

## Property Tax Levies and Collections Real and Public Utility Property Last Ten Years

Table 2

Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collections	Current Collections to Current Levy	Delinquent Collections	Total Collections	Total Collections to Total Levy
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	204,918	7,757,476	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
2002	8,996,444	390,223	9,386,667	8,702,236	96.73	263,613	8,965,849	95.52
2003	10,094,685	424,276	10,518,961	9,679,219	95.88	281,225	9,960,444	94.69

Source: Summit County Auditor's Office

## Property Tax Levies and Collections Tangible Personal Property Last Ten Years

Table 3

Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collections	Current Collections to Current Levy	Delinquent Collections	Total Collections	Total Collections to Total Levy
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	93,661	1,075,836	933,640	95.06	36,719	970,359	90.20
2002	945,465	106,720	1,052,185	878,938	92.96	45,734	924,672	87.88
2003	924,955	140,967	1,065,922	909,780	98.36	82,283	992,063	93.07

Source: Summit County Auditor's Office

**Special Assessments Levied and Collected  
Last Ten Years**

**Table 4**

<u>Year</u>	<u>Assessments Levied</u>	<u>Current Assessments Collected</u>	<u>Current Collections to Assessments Levied</u>	<u>Delinquent Assessments Collected</u>	<u>Total Assessments Collected</u>
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
2002	253,894	248,170	97.75	4,979	253,149
2003	265,299	264,285	99.62	5,706	269,991

Note: This schedule reflects only those assessments levied/collected through Summit County.

**Assessed and Estimated Actual  
Value of Taxable Property  
Last Ten Years**

**Table 5**

<u>Collection Year</u>	<u>Real Property</u>		<u>Public Utility Property</u>	<u>Tangible Personal Property</u>	<u>Total Assessed Value</u>
	<u>Estimated Value</u>	<u>Assessed Value</u>	<u>Assessed Value</u>	<u>Assessed Value</u>	
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	1,915,195,743	670,318,510	23,844,190	78,015,398	772,178,098
1999	1,963,500,400	687,225,140	23,682,270	82,647,099	793,554,509
2000	2,198,270,057	769,394,520	23,881,700	84,544,555	877,820,775
2001	2,242,094,943	784,733,230	20,598,390	88,901,960	894,233,580
2002	2,290,675,314	801,736,360	16,129,900	85,154,613	903,020,873
2003	2,573,257,029	900,639,960	17,072,190	79,630,460	997,342,610

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

# City of Cuyahoga Falls, Ohio

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

Table 6

SCHOOL DISTRICT	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>CUYAHOGA FALLS CITY</b>										
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	0.00	0.00	0.00	0.00	0.00
Total City of Cuyahoga Falls	12.00	12.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00
Cuyahoga Falls City Schools	54.10	53.98	53.98	53.83	53.83	57.63	57.23	57.23	61.96	62.00
Summit County	12.31	14.16	13.99	11.65	11.65	12.27	13.07	13.07	13.07	13.07
Total	\$ 78.41	\$ 80.14	\$ 79.97	\$ 77.48	\$ 77.48	\$ 80.90	\$ 81.30	\$ 81.30	\$ 86.03	\$ 86.07
<b>WOODRIDGE LOCAL</b>										
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	0.00	0.00	0.00	0.00	0.00
Total City of Cuyahoga Falls	12.00	12.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00
Woodridge Local Schools	43.46	48.96	46.81	46.41	46.41	50.46	49.86	49.36	47.69	47.98
Summit County	12.31	14.16	13.99	11.65	11.65	12.27	13.07	13.07	13.07	13.07
Akron Summit County Library	0.89	0.89	0.89	1.87	1.87	1.39	1.39	1.35	1.59	0.78
Total	\$ 68.66	\$ 76.01	\$ 73.69	\$ 71.93	\$ 71.93	\$ 75.12	\$ 75.32	\$ 74.78	\$ 73.35	\$ 72.83

Notes: Levies for other school districts (2001); Hudson LSD-99.22; Stow CSD--72.39; Revere LSD-85.82.

Source: Summit County Auditor's Office

**Ratio of General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita Last Ten Years**

**Table 7**

<b>Year</b>	<b>Population *</b>	<b>Assessed Value</b>	<b>Gross General Bonded Debt **</b>	<b>Less Balance In Debt Service Fund</b>	<b>Less Debt Payable from Enterprise Revenue</b>	<b>Net General Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
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
2002	49,374	903,020,873	43,096,165	53,662	26,700,527	16,341,976	1.81	330.98
2003	50,272***	997,342,610	58,037,855	56,256	38,460,676	19,520,923	1.96	388.31

Notes: \* All figures estimated by the City's Planning Department, except for U.S. Census in 2000.  
 \*\* Includes bond anticipation notes.  
 \*\*\* On July 1, 2002 an appeal was granted by the U.S. Census Bureau making the population of the City of Cuyahoga Falls 50,272.  
 See Tables 20 and 21

# City of Cuyahoga Falls, Ohio

## Computation of Direct and Overlapping Debt December 31, 2003

Table 8

Political Subdivision	Assessed Valuation	Values Within City Boundary	Percent Overlapping	Net Debt Outstanding	Applicable Amount to City
Municipal Corporation:					
City of Cuyahoga Falls	\$ 1,001,701,390	\$ 1,001,701,390	100.00	\$ 10,978,200	10,978,200
School Districts:					
Cuyahoga Falls City School District	786,217,836	708,775,379	90.15	7,329,000	6,607,087
Woodridge Local School District	466,193,220	279,016,642	59.85	15,480,216	9,264,949
Stow City School District	882,687,178	1,235,762	0.14	5,452,000	7,762
Hudson City School District	865,076,018	7,958,699	0.92	10,607,458	97,901
Revere Local School District	787,443,604	7,716,947	0.98	13,198,547	128,861
Cuyahoga Valley Joint Vocational School District					
	2,509,461,194	7,779,329	0.31	0	0
County Unit:					
Summit County	11,876,411,268	1,001,181,470	8.43	78,200,000	6,595,683
Other Units:					
Akron Metro Regional Transit Authority	11,876,411,268	1,001,181,470	8.43	1,250,000	105,430
Akron-Summit County Library District	7,983,889,700	286,621,999	3.59	64,089,269	2,301,320
Metro Parks	11,203,508,966	1,001,593,701	8.94	0	0
Total Direct Debt	\$ 1,002,866,763	\$ 1,002,866,763	100.00	\$ 39,823,045	39,823,045
Total Overlapping Debt	49,237,300,252	4,303,061,398	8.74	195,606,490	25,108,993

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

**City of Cuyahoga Falls, Ohio  
Computation of Legal Debt Margin  
December 31, 2003**

**Table 9**

Total of all City Debt Outstanding*	\$	58,037,855
<b>Debt exempt from calculation:</b>		
Self-supporting as defined in R.C. 133.05		
	\$	3,812,647
		10,530,841
		2,121,043
		21,996,145
Special Assessment bonds and notes issued in anticipation		
		775,878
Total exempt Debt		39,236,554
Net indebtedness (voted and unvoted) subject to 10.5% debt limitation		18,801,301
Less applicable Debt Service Fund		56,256
		\$ 18,745,045
Net indebtedness (unvoted) subject to 5.5% debt limitation		18,801,301
Less applicable Debt Service Fund		56,256
		\$ 18,745,045
Assessed valuation of City (based on 2003 collections)	\$	997,342,610
<b>Legal 10.5% Debt Margin</b>		
10.5% of valuation (maximum voted and unvoted general obligation debt limitation)	\$	104,720,974
Net indebtedness outstanding subject to 10.5% debt limitation		(18,745,045)
Legal 10.5% Margin		\$ 85,975,929
<b>Legal 5.5% Debt Margin</b>		
5.5% of valuation (maximum unvoted general obligation debt allowed)	\$	54,853,844
Net indebtedness outstanding subject to 5.5% debt limitation		(18,745,045)
Legal 5.5% Margin		\$ 36,108,799

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

## 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

**Table 10**

Year	Principal	Interest	Debt Service on General Bonded Debt	General Governmental Expenditures	Ratio
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	740,223	684,386	1,424,609	44,391,819	3.21
2002	739,402	670,894	1,410,296	48,621,349	2.90
2003	768,459	630,549	1,399,008	48,234,949	2.90

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.



**Property Values and Construction Activity  
Last Ten Years**

**Table 11**

<u>Year</u>	<u>Estimated Property Value</u>	<u>Value of Building Permits Issued</u>
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
2002	2,290,675,314	48,799,697
2003	2,573,257,029	57,103,397

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

# City of Cuyahoga Falls, Ohio

## City of Cuyahoga Falls, Ohio Enterprise Fund Bond Coverage Last Ten Years

Table 12

SEWAGE AND DISPOSAL FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2002	4,695,348	4,070,424	624,924	177,532	191,273	368,805	1.69
2003	4,428,348	4,489,359	(61,011)	193,655	184,352	378,007	(0.16)

WATER							
Year	Operating Revenue	Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2002	4,436,677	3,513,802	922,875	382,430	575,935	958,365	0.96
2003	4,215,436	3,566,424	649,012	459,514	485,973	945,487	0.69

ELECTRIC FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2002	28,587,331	23,260,776	5,326,555	240,000	138,525	378,525	14.07
2003	26,724,133	24,056,906	2,667,227	250,000	126,885	376,885	7.08

City of Cuyahoga Falls, Ohio  
 Enterprise Fund Bond Coverage  
 Last Ten Years

Table 12  
 (Continued)

LEISURE TIME FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue	Debt Service Requirements			Coverage
			Available for Debt Service	Principal	Interest	Total	
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)
2002	3,273,884	3,957,204	(683,320)	342,636	241,178	583,814	(1.17)
2003	2,953,458	3,918,127	(964,669)	353,506	224,156	577,662	(1.67)

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.

# City of Cuyahoga Falls, Ohio

## Principal Property Taxpayers December 31, 2003

Table 13

Name of Taxpayer	Nature of Business	Assessed Valuation	Percentage of Assessed Valuation by Category
<b>Real Property:</b>			
Newpart Limited Partnership	Residential real estate holdings	7,945,320	0.88%
Yorkshire Woods Apartments	Real estate holdings	7,147,040	0.79%
Portage Towers Apartments	Real estate holdings	4,564,650	0.51%
Plaza Chapel Hills, Co	Shopping plaza	4,530,180	0.50%
Heslop, Inc.	Real estate holdings	3,991,860	0.44%
Riverside Community Urban Redevelopment	Real estate investment	3,931,320	0.44%
Brookledge II	Real estate holdings	3,894,850	0.43%
HD Development of Maryland, Inc	Real estate investment	3,824,800	0.42%
State Road Associates	Real estate holdings	3,692,450	0.42%
Dayton Hudson Corporation	Retail	2,615,260	0.29%
Total		<u>\$ 46,137,730</u>	<u>5.13%</u>
Total Assessed Valuation - Real		<u>\$ 900,639,960</u>	<u>90.30%</u>
<b>Tangible Personal Property (other than Public Utilities):</b>			
Go Jo Industries	Chemical specialists	\$ 6,439,670	8.09%
Associated Building Supplies	Aluminum products	4,799,940	6.03%
Pechiney Plastic Packaging, Inc.	Food packaging products	4,476,880	5.62%
AKW, L.P.	Manufacturer of aluminum wheels	3,661,030	4.60%
Struktol Company of America	Specialty chemicals	2,736,790	3.44%
Americhem, Inc.	Chemical specialists	2,536,920	3.19%
SGS Tool Company	Carbide cutting tools	2,520,890	3.17%
Lambert Buick	Car dealer	2,187,860	2.75%
Prospect-AkroMold, Inc.	Specialty chemicals	1,987,090	2.50%
Ron Marhofer Automall, Inc.	Car dealer	1,961,980	2.44%
Total		<u>\$ 33,309,050</u>	<u>41.83%</u>
Total Assessed Valuation - Tangible Personal		<u>\$ 79,630,460</u>	<u>7.99%</u>
<b>Public Utilities (tangible personal property):</b>			
Ohio Bell Telephone	Telephone utility	\$ 6,915,210	40.50%
Ohio Edison	Electric utility	3,380,120	19.80%
East Ohio Gas	Natural gas utility	1,488,020	8.72%
Total		<u>\$ 11,783,350</u>	<u>69.02%</u>
Total Assessed Valuation - Public Utilities		<u>\$ 17,072,190</u>	<u>1.71%</u>
Total Assessed Valuation - All Categories		<u>\$ 997,342,610</u>	<u>100.00%</u>

Source: Summit County Auditor's Office

**Income Tax Collections Last Ten Years**

**Table 14**

<u>Year</u>	<u>City Wage Tax Collected</u>	<u>City Personal Tax Collected</u>	<u>Total Tax Collected</u>	<u>Percent Increase (Decrease)</u>
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
2002	12,211,514	4,600,963	16,812,477	4.18
2003	12,578,908	4,016,509	16,595,417	1.31

Source: Cuyahoga Falls Income Tax Department  
 Notes: All amounts were determined on a cash basis and represent gross collections.  
 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.

# City of Cuyahoga Falls, Ohio

## Income Tax Collections Largest Employers for 2003

Table 15

<u>Employer</u>	<u>Type of Business</u>	<u>2003 City Wage Tax Collected</u>	<u>Percent of Total Wage Collections</u>
City of Cuyahoga Falls	Government	\$ 578,882	4.63
Summa Health System Hospitals	Hospital	528,485	4.23
Cuyahoga Falls Board of Education	Education	485,620	3.88
Associated Materials	Manufacturer	449,997	3.60
GoJo Industries, Inc.	Manufacturer	342,173	2.74
Americhem, Inc.	Chemical specialists	268,603	2.15
Pechiney Plastic Packaging	Manufacturer	174,638	1.40
Manufacturers Group International	Manufacturer	158,666	1.27
Woodridge Local School District	Education	152,286	1.22
Summit County Auditor	Government	135,455	1.08
Top Ten Withholding		<u>\$ 3,274,804</u>	<u>26.20</u>
Total Withholding		<u>\$ 12,507,371</u>	<u>100.00</u>

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

Source: Cuyahoga Falls Income Tax Department

**Salaries of Principal Officials  
December 31, 2003**

**Table 16**

**SALARIES OF PRINCIPAL OFFICIALS**

<u>Title</u>	<u>Annual Salary</u>
Mayor	\$ 92,520
President of Council	14,803
Council Members (11)	13,878
Director of Law	83,348
Director of Finance	83,348
Director of Public Service	83,348
Director of Industrial & Community Development	83,348
Municipal Judge (\$101,100)	
(\$39,350 paid by State)	
(Remainder 40% paid by County)	
(Remainder 60% paid by City)	37,050
Presiding Judge (\$102,600)	
(\$39,350 paid by State)	
(Remainder 40% paid by County)	
(Remainder 60% paid by City)	37,950
Clerk of Courts (\$87,210)	
(40% paid by County)	
(60% paid by City)	52,326

# City of Cuyahoga Falls, Ohio

## Union Agreements December 31, 2003

Table 17

Union	Members	Representing	
American Federation of State, County and Municipal Employees (AFSCME) Effective: January 1, 2003 Expiration: December 31, 2005 Agreement Signed: April 24, 2003	167 Members	Cleaning/Maintenance Personnel Clerical Personnel Equipment Operators Inspectors/Aides Laborers	Mechanics Meter Readers Refuse Collectors Technicians Water Utility Workers
Fraternal Order of Police - Ohio Labor Council, Inc. Effective: July 1, 2002 Expiration: June 30, 2005 Agreement Signed: October 29, 2002	12 Members	Dispatchers	
International Association of Firefighters Local #494 Effective: July 1, 2002 Expiration: June 30, 2005 Agreement Signed: July 2, 2002	79 Members	Captains Firefighters Lieutenants	
Fraternal Order of Police - Ohio Labor Council, Inc. Effective: July 1, 2002 Expiration: June 30, 2005 Agreement Signed: September 13, 2002	15 Members	Lieutenants Sergeants	
Fraternal Order of Police - Ohio Labor Council, Inc. Effective: July 1, 2002 Expiration: June 30, 2005 Agreement Signed: December 8, 2002	73 Members	Community Service Officers Patrol Officers	
Utility Workers of America Local #399 Effective: July 1, 2002 Expiration: June 30, 2005 Agreement Signed: October 7, 2002	31 Members	Draftsmen Electricians Equipment Operator Groundmen Linemen	Metermen Stockkeeper Technician Utility Men



**Summary of Building Permits  
Last Ten Years**

**Table 18**

Year	Residential		Commercial		Miscellaneous		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
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
2002	1,669	23,575,775	164	24,274,863	3,096	949,059	4,929	48,799,697
2003	1,776	25,163,242	205	30,396,602	3,702	1,543,553	5,683	57,103,397

Source: City of Cuyahoga Falls, Building Department

# City of Cuyahoga Falls, Ohio

## Schedule of Insurance Coverage December 31, 2003

**Table 19**

Name of Carrier	Type of Coverage	Policy Period		Liability Limit	Annual Premium	Deductible
		From	To			
CNA Insurance Co.	Auto Liability and Comprehensive	10/22/2003	10/22/2004	\$ 1,000,000	\$ 125,080	\$ 1,000
				combined single limit		
CNA Insurance Co.	Property-all locations	10/22/2003	10/22/2004	\$ 82,858,063	\$ 58,179	\$ 5,000
Selective Insurance Co.	Comprehensive General Liability	10/22/2003	10/22/2004	\$ 1,000,000	\$ 41,838	\$ 100,000 self-insured retention
Selective Insurance Co.	Law Enforcement Liability-wrongful acts with regard to law enforcement	10/22/2003	10/22/2004	\$ 1,000,000	\$ 33,274	\$ 25,000
Selective Insurance Co.	Umbrella Excess Liability-bodily injury and property damage (follows general and auto liability)	10/22/2003	10/22/2004	\$ 10,000,000	\$ 48,196	Subject to underlying policy limits
CNA Insurance	Boiler and Machinery-all locations	10/22/2003	10/22/2004	\$ 20,000,000	\$ 7,986	\$ 1,000
Continental Casualty	Public Officials Liability	10/22/2003	10/22/2004	\$ 1,000,000	\$ 21,201	\$ 50,000

**Demographic Statistics  
1950 - 2002**

**Table 20**

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	52,372
2002	50,272	23,057	21,969	2.26	N/A	N/A

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.  
 On July 1, 2002, an appeal was granted by the U.S. Census Bureau estimating a population of 50,272 in the City of Cuyahoga Falls. The income estimate is not available

# City of Cuyahoga Falls, Ohio

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

**Table 21**

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	6.50%
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
<b>Total</b>	<b>49,678</b>	<b>100 %</b>	<b>43,890</b>	<b>100 %</b>	<b>48,950</b>	<b>100.00 %</b>	<b>49,374</b>	<b>100.00%</b>

Source: U.S. Census Bureau

As noted in Table 20, the U.S. Census Bureau granted an appeal on July 1, 2002, estimating the population of the City of Cuyahoga Falls at 50,272. Data is not available for age distribution and population.

**Miscellaneous Statistics  
December 31, 2003**

**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) .....	278.62
Street Lights.....	5,361
Traffic Lights .....	77

**FIRE PROTECTION**

Fire Stations .....	4
Firefighters and Officers .....	80
Fire Hydrants .....	2,208

**POLICE PROTECTION**

Police Stations.....	1
Policepersons and Officers.....	91

**INFRASTRUCTURE (*in miles*)**

Sanitary Sewers.....	152
Storm Sewers .....	86
Water Mains.....	200
Electric Lines .....	244

**RECREATION AND CULTURE**

Parks .....	24
Acres of City Parks .....	507
Swimming Pools .....	3
Tennis Courts.....	16
Baseball Diamonds .....	35

**PARKING FACILITIES**

City Lots and Decks.....	16
Square Feet.....	377,636
Spaces .....	1,706
Recreation Lots .....	21
Square Feet.....	331,680
Spaces .....	1,468

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





**Auditor of State  
Betty Montgomery**

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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  
OCTOBER 14, 2004**