

**CITY OF CUYAHOGA FALLS, OHIO**

**SINGLE AUDIT REPORT**

**DECEMBER 31, 2002**





**Auditor of State  
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of the City of Cuyahoga Falls, Summit County, prepared by James G. Zupka, C.P.A., Inc., for the audit period January 1, 2002 through December 31, 2002. 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

August 4, 2003

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CITY OF CUYAHOGA FALLS, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2002

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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 general purpose financial statements of the City of Cuyahoga Falls, Ohio (the City), as of and for the year ended December 31, 2002, and have issued our report thereon dated June 23, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

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

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

We noted other matters involving the internal control and noncompliance over financial reporting that we have reported to the management of the City in a separate letter dated June 23, 2003.

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

June 23, 2003

---

James G. Zupka  
Certified Public Accountant

**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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**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, 2002. 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, 2002.



**Internal Control Over Compliance**

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report that we have reported to the management of the City in a separate letter dated June 23, 2003.

**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, 2002, and have issued our report thereon dated June 23, 2003. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the City of Cuyahoga Falls, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

June 23, 2003

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James G. Zupka  
Certified Public Accountant

CITY OF CUYAHOGA FALLS, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2002

<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	1998ULWX066	\$ 76,681
COPS Universal Hiring Program	16.710	2001ULWX0002	97,385
Law Enforcement Block Grant	16.592	2001LBBX3368	23,450
Law Enforcement Block Grant	16.592	2002LBBX1295	0
Bullet Proof Vests Reimbursement	16.607	BUBX02009520	1,710
Subtotal Direct Programs			199,226
<i>Passed through the State of Ohio</i>			
Juvenile Accountability Incentive Block Grant	16.523	2000-JB-002-A096	8,867
Juvenile Accountability Incentive Block Grant	16.523	2001-JB-002-A096	18,286
			27,153
Total U.S. Department of Justice			226,379
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Passed through the Summit County Department of Community Development</i>			
Community Development Block Grant	14.218		241,684
Total U.S. Department of Housing and Urban Development			241,684
<b><u>U. S. Department of Transportation</u></b>			
<i>Passed through the State of Ohio</i>			
Highway Planning and Construction	20.205	Hudson Drive Bridge	243,493
Highway Planning and Construction	20.205	State Road	1,370,077
Property Relocation	20.205	Front Street	102,404
Highway Safety - Traffic Enforcement Grant	20.600	2002-PTM-N/1	53,394
Total U.S. Department of Transportation			1,769,368
<b><u>U.S. Department of Energy</u></b>			
<i>Passed through the State of Ohio</i>			
State Energy Plan	81.041	03-02	985
Rebuild America	81.119		50,000
Total U.S. Department of Energy			50,985
<b>Total Expenditures of Federal Awards</b>			\$ 2,288,416

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, 2002

NOTE 1: **GENERAL**

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

NOTE 2: **BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting and has been reconciled to the program's federal financial reports. The following is a reconciliation by grant from the cash basis to the accrual basis at December 31, 2002.

	<u>Direct Program Expenditures</u>
<u>Department of Justice</u>	
Cash Basis	\$ 241,292
Accrual Adjustment	26,585
Accrual Adjustment	(41,498)
Department of Justice - Accrual Basis	\$ 226,379
	=====
<u>Department of Housing and Urban Development</u>	
Cash Basis	\$ 348,872
Accrual Adjustment	(107,188)
Community Development Accrual Basis	\$ 241,684
	=====
<u>Department of Transportation</u>	
Cash Basis	\$1,769,368
Accrual Adjustment	0
Department of Transportation - Accrual Basis	\$1,769,368
	=====
<u>Department of Energy</u>	
Cash Basis	\$ 50,985
Accrual Adjustment	0
Department of Energy - Accrual Basis	\$ 50,985
	=====

CITY OF CUYAHOGA FALLS, OHIO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

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, 2002 was \$1,990,766.

CITY OF CUYAHOGA FALLS, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133 & .505  
 DECEMBER 31, 2002

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

2001(i)	Type of Financial Statement Opinion	Unqualified
2001(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2001(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
2001(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
2001(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2001(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2001(v)	Type of Major Programs' Compliance Opinions	Unqualified
2001(vi)	Are there any reportable findings under .510?	No
2001(vii)	Major Programs (list):	1. Highway Planning and Construction - State Road
2001(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
2001(ix)	Low Risk Auditee?	Yes

CITY OF CUYAHOGA FALLS, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 & .505  
DECEMBER 31, 2002

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.

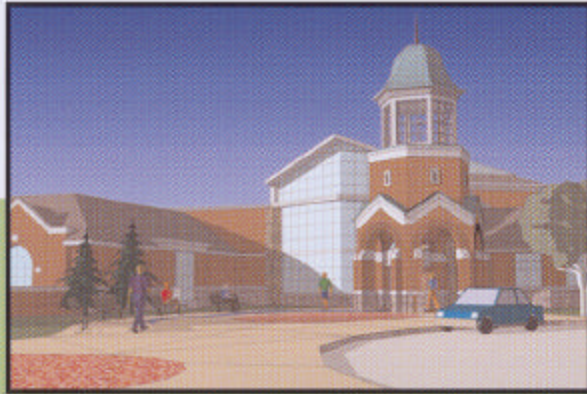
CITY OF CUYAHOGA FALLS, OHIO  
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2002

The prior audit report, as of December 31, 2001, 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



Don L. Robart, Mayor

Comprehensive

Annual Financial Report for the year ended December 31, 2002



***Cover Picture:***

Pictured on the cover are renderings depicting Cuyahoga Falls new Natatorium Community Recreation and Wellness Center. The 115,000 square foot new Natatorium is slated to open in the Summer of 2004, and will feature large fitness areas, a gymnasium, day care, two group fitness studios, leisure, lap and warm water instructional pools, banquet and meeting facilities, a 1/8<sup>th</sup> mile running track, racquetball courts, a multi-purpose gym, locker rooms and two saunas. The project also includes a health and wellness center provided through a partnership with Summa Health System. The new facility will be operated by Cuyahoga Falls Parks and Recreation, and will serve the residents of our community and those of our neighboring communities.

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

Sue A. Abrusci

James R. Bell

Scott K. Fitzsimmons

Tracy Reibold Foster

Laura K. Jarvis

Leo Saccone

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James M. Woods

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***Illustrations by:***

Braun & Steidl Architects

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

Western Reserve Printing

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# Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2002



City of Cuyahoga Falls, Ohio

Don L. Robart, Mayor

**Issued by the Department of Finance**

Joseph F. Brodzinski, Finance Director



*Printed on Recycled Paper*

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

**Joseph F. Brodzinski**  
Finance Director

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

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June 23, 2003

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

**T**he Finance Department of the City of Cuyahoga Falls (the “City”) has prepared this Comprehensive Annual Financial Report (CAFR), which includes all of the City’s funds and financial transactions during the current year as well as selected comparative financial information from previous years. The responsibility for both the accuracy of the data and adequacy of disclosure rests with the City. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner, which fairly presents the financial position and results of operations of the various funds and account groups. All disclosures necessary to gain an understanding of the City’s financial activities have been included.

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

The financial statements, schedules, and statistical tables included herein pertain to those functions, which are under the jurisdiction of the City Council and administered by the Mayor. These functions encompass all activities considered by the City to be a part of (controlled by or dependent on) the financial reporting entity. This is determined on the basis of the City’s financial accountability for such operations. Financial accountability includes budget adoption, taxing authority, the existence of outstanding debt secured by the City or the obligation of the City to finance any deficits that might occur and selection of governing authority and influence of operations. The City does have financial accountability for the Community Improvement Corporation and it has been incorporated into these financial statements.

In accordance with these criteria, the financial statements do not include the financial activities of the Cuyahoga Falls and Woodridge School Districts (or any other school districts, which fall within the boundaries of the City). In addition, they do not contain financial information pertaining to the Taylor Memorial Public Library and Cuyahoga Falls General Hospital.

The City does not have financial accountability for any of the aforementioned entities.

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

The City operates under and is governed by its Charter (first adopted by the voters in 1959). The Charter may be and has been amended by the voters. The City is also subject to certain general laws applicable to all cities. Under the Ohio Constitution the City may exercise all powers of local self-government, and police powers to an extent that is not in conflict with applicable general laws. The Charter provides for a Mayor-Council form of government. The City’s chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term. The Mayor also serves as the Public Safety Director. All elected officials, except the Mayor, Clerk of Courts, and both Judges, serve on a

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part-time basis. The Mayor may veto any legislation passed by the Council. However, a veto may be overridden by a two-thirds vote of all members of the Council.

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

Legislative authority is vested in an eleven-member Council. Three members are elected at-large for four-year terms, and eight members are elected from wards for two-year terms. The presiding officer is the President, who is elected by the Council for a one-year term. The Charter establishes certain administrative departments and Council may establish divisions of those departments and additional departments.

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

## **ECONOMIC CONDITION AND OUTLOOK**

### **Summary of Local Economy**

The City is located in Summit County in northeastern Ohio, approximately 30 miles south of the City of Cleveland and lies on the northern border of the City of Akron. The City was incorporated as a village in 1868 and organized as a city after the 1920 census.

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

The City's 2000 population of 49,374 placed it as the second largest city in Summit County and the twentieth largest in the State of Ohio. In January 1986, the City merged with Northampton Township. This merger between Northampton Township and the City was the first merger of its type in the State. The merger increased the City's population by more than 16 percent and tripled the City's total land area to 27.8 square miles.

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

### **Major Influences Affecting the Local Economy**

The City is not subject to swift or erratic economic downturns because of its diversified income tax base, in which no single employer dominates the local economy. During 2002, ten major employers in the City collectively accounted for approximately 26 percent of the \$12,134,222 withholding taxes remitted to the City.

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

<u>Census Population</u>	<u>Median Income</u>
City of Cuyahoga Falls	\$42,263

# City of Cuyahoga Falls

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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 \$48,799,697 in 2002.

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

## **Future Economic Outlook**

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

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.

Cuyahoga Falls completed a total renovation of a two-mile section of State Road in 2002. Over a four-year period, \$7,309,000 of federal, state, and local monies was applied to this major artery for the enhancements. These improvements spurred the creation of new businesses, as well as, the renovation of existing businesses. State Road realized \$3.8 million in new private investment in 2002. This trend in new private investment is expected to continue in the coming years.

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 2002, 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 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 entered into 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'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 will have a positive effect on income tax collections for current and future years.

## **MAJOR INITIATIVES**

### **Current Year**

The City completed street reconstructions on Caleb/Elmwood and Union in 2002. 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.

The City's administration feels that this approach has had a positive affect on infrastructure as well as a positive response from residents on these streets. Residents work together, along with council members to obtain sixty percent of homeowners. One hundred percent of the residents are never in favor of any reconstruct due to the fact that these projects could cost up to \$5,000 per homeowner depending on front footage. However, at least a majority of homeowners are in favor of the project.

An improved street usually consists of a repaired street base, new street and curbs, new sidewalks, and new sewer and/or water lines where needed. These improvements increase the value of the homes and also start a trend of homeowner improvements to exteriors of these homes. Cuyahoga Falls is somewhat unique in its approach with street assessment projects. Many cities have the administration decide which streets to reconstruct and charge one hundred percent of the cost to the residents. This approach could create ill will with some residents.

Continuing with the Mayor's commitment toward improving the City's infrastructure, \$5.2 million was expended on 20 streets consisting of 5.7 miles of roads. Through 2002, the amount spent on street work exceeded the Administration's promise in 1996 by over \$13.9 million. Hudson Drive Bridge, a main bridge within the City, was also replaced in 2002 for over \$2 million.

In late 2002, Cuyahoga Falls Parks and Recreation began construction on a new operations building for Downview Sports Center. The Center is home to batting cages, a driving range, a new miniature golf course, and a state of the art concrete skate park. With greatly increased activity at this site, it became apparent that a new operations center, providing the ability to efficiently supervise the area was a necessity. An old building on the site, with limited visibility, inadequate restroom facilities, leaking roof and other structural problems, was being used as the operations center. The new building's design provides for almost complete visibility of all the site's activities, allowing for efficient and effective supervision by a minimal number of staff. Included in the building as well, are restrooms, a long, well designed front counter for customer service, basic food and drink concessions, large storage areas, a site manager's office, and an indoor seating area. This building was designed and built to include all customer service and administrative functions associated with the operation of the various activities at the Downview Sports Center.

## **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 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.

Falls River Square, a \$5 million venture, will become the centerpiece of the Cuyahoga Falls River Corridor and Cultural Entertainment District. The project provides for a large pavilion to be used for enclosed festival activities, small weddings, and other gatherings; an interactive water feature with surround seating to be used by children of all ages; an amphitheater and stage will feature concerts, plays and other community activities. The City instituted an engraved brick program for the wall of the water feature and realized \$100,000 in brick sales. This money is being used to defer some of the costs of the project. Cuyahoga Falls also worked closely with its State Representative, John Widowfield, to procure State funding of \$250,000 to defer costs. The project is slated for completion in the fall of 2003.

A fire station relocation study was completed in 1999 under the premise of increasing response times within the City to provide residents with the best possible coverage. 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. 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 is the next step in the process with completion slated for 2005.

## **Department Focus**

The City of Cuyahoga Falls Information Services Department's primary responsibility is to provide, maintain and protect computer resources that are critical in maintaining city services. Over the past several years, many changes have been made within the City's computer infrastructure and the computer industry overall which requires new visions to keep pace with fast changing technologies. The city is now more than ever dependant on information technology to support daily operations in the areas of Police and Fire Dispatch/Communications, Accounts Payable, Purchase Orders, Accounts Receivable, Budgets, Human Resources, Payroll, Income Tax, Utility Billing and many others.

Among the many projects currently underway, two major projects will have a significant impact on the future and protection of the City's information system infrastructure. The first will be to complete the recently approved AS400 computer upgrade that will provide the City with faster processing and disaster recovery. As result of this upgrade, applications and data residing on the AS400 at the data center will be mirrored to a second AS400 located at a remote site within the city. This remote site, Quirk Cultural Center, contains a computer lab used for training and classes. The lab contains fifteen computers that are connected to the City's network. In the event that the AS400 at City Hall is damaged or destroyed, all application will rollover to the mirrored AS400 at Quirk Cultural Center and the lab would be used as a temporary data center. Computer services would continue with minimal disruption and no data loss. Essentially, the City can still run from Quirk Cultural Center if City Hall falls victim to a disaster. This provides the City with maximum protection in the event of planned or unplanned outages.

The second major project will be the installation of new software in the Parks and Recreation Department. This new software will integrate the departments numerous functions and provide a centralized interface to the financial system. Whether you are signing up for art classes, purchasing a season pass at Water Works Family Aquatic Center or playing nine holes at Brookledge Golf Course, the administration will be centrally controlled with increased efficiency and reduce the complexity of the day to day operations in the Parks and Recreation Department. Also this software will allow the use of a single Identification card that can be used for any function in the City from reserving Picnic Shelters to membership access at the Natatorium Fitness Center to buying a hot dog at the Aquatic Family Center. Eventually, residents will be able to access the web to make reservations, sign up for classes, purchase memberships, and add money to their card for concession purchases.

The Information Services Department has made significant progress in its efforts to market our newly designed website at [www.cityofcf.com](http://www.cityofcf.com). More and more citizens are relying on e-commerce in their everyday activities. Over the past year, visits to our website have increased by 600% and continues to rise. The City plans to use this method of communication to provide more exposure to businesses within Cuyahoga Falls. This is a perfect pipeline for advertising and letting people know what is going on in the City. The current website features interesting live views of 2 major construction projects within the city, consisting of the Fall River Square Festival site and the New Natatorium Fitness Center. Residents can get an interactive view of the construction of these facilities. Residents can even find out what to do in an emergency situation with links to various agencies. Over the next few years, we plan to develop e-government applications that will provide the residents of Cuyahoga Falls the ability to conduct business with the City online. They will be able to use this service to apply for building permits, download tax forms, and pay taxes and utility bills.

The City of Cuyahoga Falls is poised to continue the push forward in meeting the challenging demands associated with technological advances in e-government and protecting critical data needed to support City services – all in the combined effort to improve the quality of life for residents of Cuyahoga Falls.

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

## FINANCIAL INFORMATION

### Internal Control Structure

The City is responsible for establishing and maintaining an internal control system designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuations of costs and benefits require estimates and judgments by management. Management believes the internal control system is effective.

### Budgeting Controls

The objective of budgetary controls is to ensure compliance with both the annual appropriated budget approved by City Council and the legal restrictions imposed by state and federal statutes as well. City Council must adopt an annual appropriations ordinance and budget resolution by December 31, of the preceding year.

Appropriations may not exceed amounts certified by the County Budget Commission. The Finance Director may transfer appropriated amounts between accounts within funds, but City Council authorization is necessary to make interfund transfers. City Council authorizes appropriation amounts by fund and may amend appropriation levels during the year. As a management tool, budgetary control is maintained in all funds at the department level by the encumbrance of estimated purchase amounts before the release of purchase orders to vendors. The City continually evaluates its accounting and reporting system in an effort to improve internal accounting controls.

### General Governmental Functions

Revenues for all Governmental Fund Type operations amounted to \$44,189,772 for 2002. The amount of revenues from various sources, percentages of the total amount and the amounts of increases and decreases in relation to prior year revenues are shown in the following table:

	2002 <u>Amount</u>	Percent of Total	2001 <u>Amount</u>	Increase (Decrease) <u>From 2001</u>	Percent of <u>Increase (Decrease)</u>
Revenues:					
Property taxes	\$ 8,770,443	19.85%	\$ 9,087,091	(316,648)	-3.48%
Municipal income tax	16,740,777	37.89	16,191,625	549,152	3.39
Other local tax	164,012	.37	293,502	(129,490)	-44.12
State levied shared taxes	6,138,255	13.89	6,590,819	(452,564)	-6.87
Intergovernmental	2,381,899	5.39	2,821,042	(439,143)	-15.57
Charges for services	6,720,028	15.21	6,664,641	55,387	0.83
Fees, licenses and permits	916,423	2.07	1,064,874	(148,451)	-13.94
Interest earning	974,023	2.20	2,634,886	(1,660,863)	-63.03
Fines and forfeitures	443,491	1.00	446,737	(3,246)	-0.73
Special assessments	261,172	0.59	640,975	(379,803)	-59.25
Other	679,249	1.54	372,271	306,978	82.46
Total Revenues	<u>\$44,189,772</u>	<u>100.00%</u>	<u>\$ 46,808,463</u>	<u>\$( 2,618,691)</u>	<u>-5.59%</u>

The decrease in other local taxes is due to the Community Investment Corporation being treated as a discrete presentation in 2002 as opposed to a blended presentation in 2001 as explained in footnotes 1A and 18. Also, admission taxes were down in 2002 compared to 2001. Intergovernmental revenues was down in 2002 due to the accrual and reversing entries in 2001 and 2002 mainly attributable to "off-book" revenue from federal grant monies on the Hudson Drive Bridge project.

The drop in fees, licenses and permits in 2002 is due to the reclassification of a transfer from the cash basis Guarantee Deposit Agency Fund to the Capital Projects Fund in 2001. Interest rates have dropped dramatically in 2002 as reflected in the Capital Improvement Reserve Fund, which receives most of the City's interest. Special assessments were lower in 2002

because of the special assessment projects that were paid off in 2001. Other revenue increased in 2002 because a developer purchased a parking deck from the City in 2002 due to an old agreement with the City.

Expenditures for all Governmental Fund Type operations amounted to \$48,654,538 for 2002. The amount of expenditures by function, percentages of the total amount and the amounts of increases and decreases in relation to prior year expenditures are shown in the following table:

	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>2001 Amount</u>	<u>Increase (Decrease) From 2001</u>	<u>Percent of Increase (Decrease)</u>
Expenditures:					
Current					
Security of persons and property	\$18,269,597	37.55%	\$16,849,176	\$ 1,420,421	8.43%
Leisure time activities	2,551,463	5.24	2,299,180	252,283	10.97
Community development	979,129	2.01	1,025,487	(46,358)	-4.52
Street maintenance	3,647,130	7.50	3,382,595	264,535	7.82
General government	8,848,607	18.19	8,643,427	205,180	2.37
Capital outlay	12,785,685	26.28	10,212,506	2,573,179	25.20
Debt Service					
Principal	881,660	1.81	1,203,935	(322,275)	-26.77
Interest	<u>691,267</u>	<u>1.42</u>	<u>775,513</u>	<u>(84,246)</u>	<u>-10.86</u>
Total Expenditures	<u>\$48,654,538</u>	<u>100.00%</u>	<u>\$44,391,819</u>	<u>\$ 4,262,719</u>	<u>9.60%</u>

Leisure time activities were up in 2002 due to increased activity and costs within the Parks and Recreation Department. Capital outlay expenditures were up because of two major projects in 2002. Falls River square festival site and the Hudson Drive Bridge were started and completed respectfully in 2002. Principal and interest were lower in 2002 due to notes being paid off in 2001 from the capital project funds.

### **Enterprise Operations**

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

#### Sewage and Disposal

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

#### Water

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

#### Electric

The City owns and operates its own electric utility that provides electric service to residential, commercial and industrial customers within the service area. Being the third largest municipal electric system in the State of Ohio, the City is able to offer low rates due to its affiliation with American Municipal Power-Ohio, Incorporated (AMP-Ohio), a non-profit trade association and wholesale power supplier for most of Ohio's 85 municipal electric systems. Electricity is purchased by the

City through AMP-Ohio, which in turn purchases inexpensive electricity on short and intermediate term contracts with privately owned electric utilities such as First Energy and the New York Power Authority.

First Energy, the nearest private electric utility, charges its customers up to 35% percent more than what the City charges. The average monthly residential electric bill (based on 500 kilowatt hours) shows that the City's charge for electrical service was \$39.94 monthly, compared to the \$53.92 charged by First Energy for the same service.

### Sanitation

The primary function of the City's Sanitation Department is to provide weekly collection and disposal of residential solid waste, co-mingled recyclables and yard waste. Although there is competition from rival Waste Management, the Sanitation Department claims over 90 percent of potential customers in the City. The City also provides weekly collection and disposal services of commercial and industrial solid waste and recyclables. In 2002, 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 the Oakwood, Ohio Material Recovery Facility.

### Leisure Time

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

- Water Works Family Aquatic Center, an outdoor pool and recreation area (officially opened May 23, 1998);
- Brookledge Golf Club, an 18-hole municipal golf course complemented by a golf academy and practice facility;
- The Natatorium, an indoor swimming and fitness facility;
- Quirk Cultural Center, a community civic center; and
- Downview Sports Center, a driving range, miniature golf course, batting cages and skateboard park (opened Summer 2001).

### **Debt Administration**

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

<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 18, 2002, the City issued notes in the amount of \$9,600,000 in anticipation of the issuance of bonds for the following purposes: Improving State Road from the south corporation line to Portage Trail; improving Front Street from State Route 8 to Oakpark Boulevard and improving Hudson Drive from Front Street to State Route 8, as well as, the intersection at Bailey Road and Front Street; construction of a public festival site to be known as Falls River Square; and paying a portion of the costs of constructing and equipping a community recreation center.

Municipal management, citizens and investors consider the ratio of net general bonded debt to assessed valuation and the amount of bonded debt per capita to be valuable indicators of the City's debt position. Net general bonded debt is defined as total general bonded debt supported by taxes less amounts available in the Debt Service Fund. The City's modest amount of debt results in debt ratios well below Moody's medians. An illustration of key statistics concerning the City's debt as of December 31, 2002 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>
\$16,341,976	1.81%	\$330.98

**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 2002 was approximately \$45 million. During 2002, the City earned interest income on its pooled funds at an average rate of return of 2.23 percent. Focusing on safety and liquidity, the City continues to invest only in the highest quality investments.

**Risk Management**

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

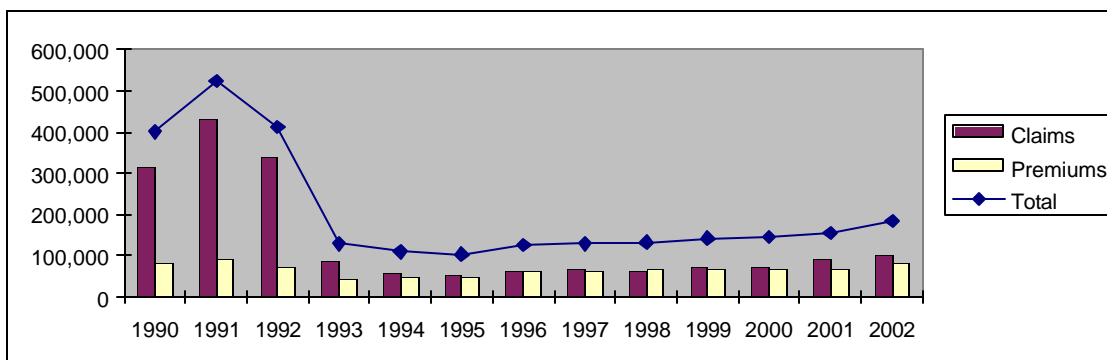
The City completed its tenth consecutive year of the Retrospective Rating Plan with regard to insuring itself for all workers' compensation claims and liabilities. The Ohio Bureau of Workers' Compensation permits governmental entities to pay only a fraction of the annual premium and to assume the responsibility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

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

The City has saved well over \$2 million since shifting the primary responsibility for retiree hospitalization from the City to the two public employees retirement systems. Prior to 1993, the City provided primary medical coverage for all retirees who had a minimum of 12 continuous, permanent, full-time service years with the City. The enabling legislation, which passed in

December 1991 relieved the City of primary medical reimbursement and only required the City to reimburse the retirees for all out-of-pocket medical expenses, which approximate \$100,000 annually. Since 1993, the elimination of double spending has been conservatively estimated at approximately \$350,000 to \$400,000 annually in savings as indicated by the following chart:

**RETIREE HOSPITALIZATION COSTS**  
1990 – 2002



## OTHER INFORMATION

### Independent Audit

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

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cuyahoga Falls for its comprehensive annual financial report for the fiscal year ended December 31, 2001. 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.

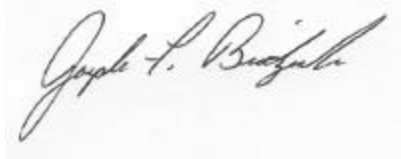
A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 18 consecutive years (fiscal years ended 1984-2001). We believe our current report continues to conform to the Certificate of Achievement program requirements and are therefore 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.

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**Acknowledgments**

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

Respectfully submitted,

A handwritten signature in black ink, reading "Joseph F. Brodzinski". The signature is written in a cursive style with a large initial "J".

Joseph F. Brodzinski  
Finance Director

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Cuyahoga Falls,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2001

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.



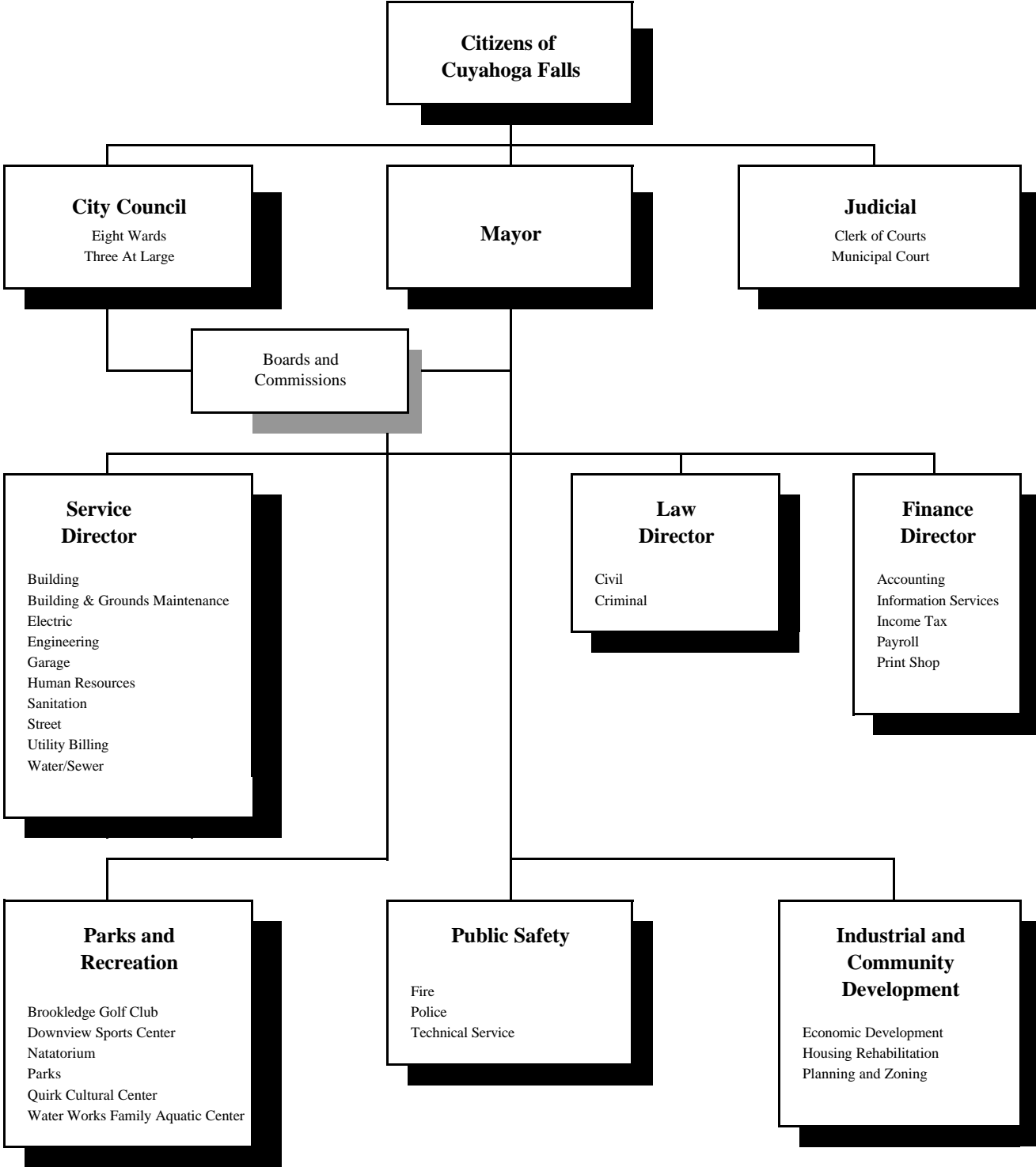
*William Patrick Wade*

President

*Jeffrey R. Enser*

Executive Director

City of Cuyahoga Falls



## *Cabinet of the Mayor:*

**Mayor Don L. Robart**

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

## *Municipal Court:*

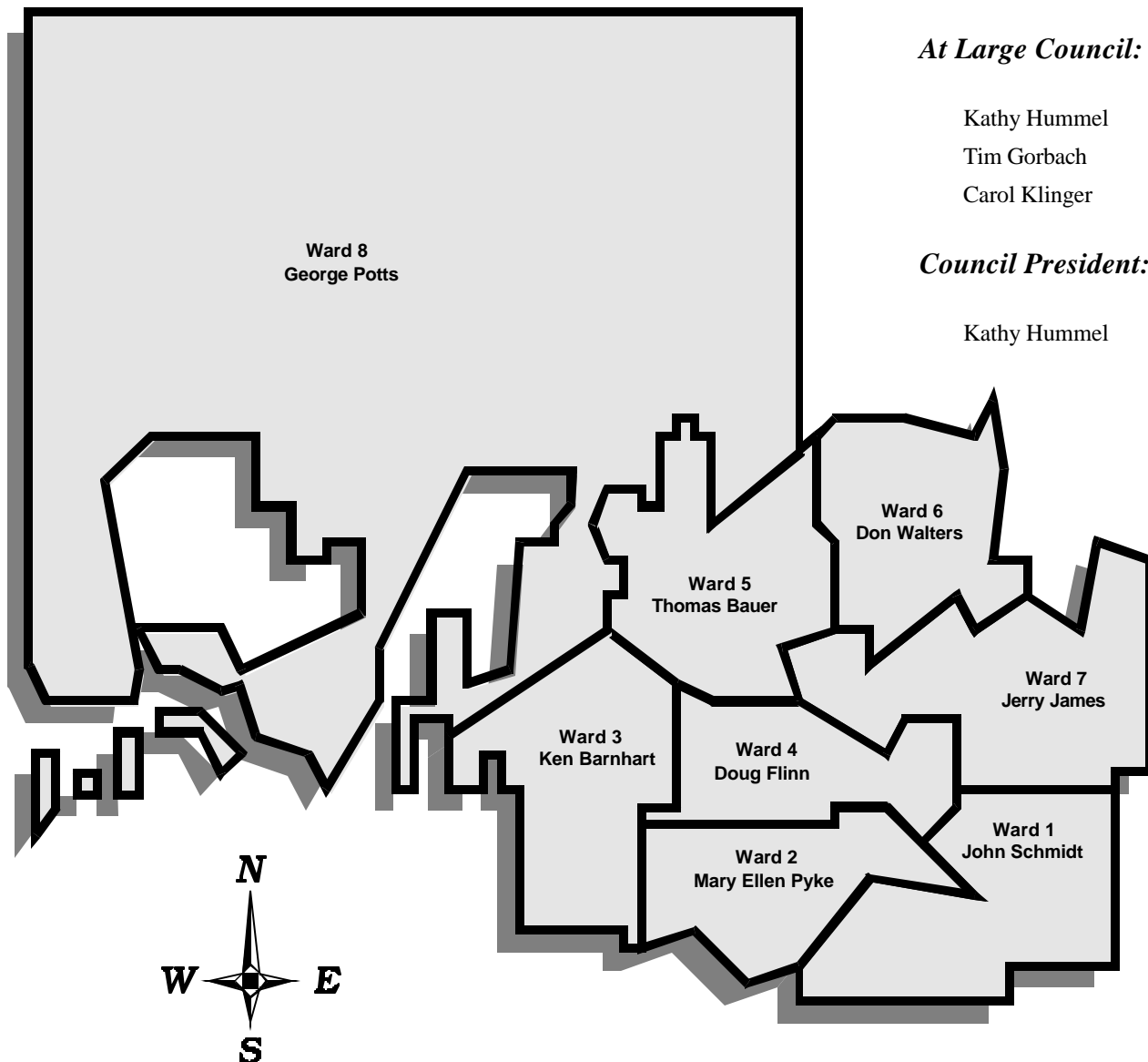
Kim R. Hoover. . . . .	Judge
Linda Tucci Teodosio. . . . .	Judge
Eric Czetli. . . . .	Clerk of Courts

## *At Large Council:*

Kathy Hummel  
Tim Gorbach  
Carol Klinger

## *Council President:*

Kathy Hummel



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# **FINANCIAL SECTION**



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

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

Member American Institute of Certified Public Accountants

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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 general purpose financial statements of the City of Cuyahoga Falls, Ohio, as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Cuyahoga Falls, Ohio's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

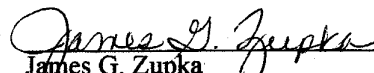
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Cuyahoga Falls, Ohio as of December 31, 2002, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 23, 2003 on our consideration of the City of Cuyahoga Falls, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general purpose financial statements of the City of Cuyahoga Falls, Ohio taken as a whole. The combining and individual fund statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

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

June 23, 2003

  
James G. Zupka  
Certified Public Accountant

**City of Cuyahoga Falls, Ohio**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**December 31, 2002**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 3,992,890	\$ 1,769,052	\$ 0	\$ 7,010,878
Investments	136,627	60,534	0	232,161
Cash and cash equivalents - restricted accounts	0	0	35,661	0
Investments - restricted accounts	0	0	18,000	2,441,345
<b>Receivables</b>				
Taxes	9,528,146	3,151,071	0	0
Accounts (net, where applicable, of allowance for doubtful accounts)	12,651	99,886	0	92,309
Loans	0	1,990,766	0	0
Special assessments	52,522	0	605,972	1,267,963
Accrued interest	404	0	110	802,794
Due from other funds	1,497,668	480,215	0	640,138
Due from other governments	2,265,833	964,244	0	115,123
Inventory of supplies	159,146	155,880	0	0
Prepaid items	96,069	18,614	0	0
Advances to other funds	0	0	0	1,082,783
Deferred charges	0	0	0	22,290
Unamortized bond discount	0	0	0	0
Investment in joint venture	0	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	0
<b>Other Debits</b>				
Amount available in Debt Service Fund	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 17,741,956</b>	<b>\$ 8,690,262</b>	<b>\$ 659,743</b>	<b>\$ 13,707,784</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>				
<b>Liabilities</b>				
Accounts payable	\$ 231,586	\$ 247,345	\$ 0	\$ 1,691,284
Accrued salaries, wages and benefits	1,170,124	131,494	0	0
Accrued interest payable	0	0	0	0
Deferred revenue	10,815,331	2,102,411	606,081	1,959,643
Due to other funds	434,286	1,899,622	0	0
Due to other governments	1,275	0	0	0
Claims and judgments payable	0	0	0	0
Deposits held and due to others	0	0	0	0
Capital lease obligations	0	0	0	0
Advances from other funds	59,500	300,000	0	480,383
Unamortized bond premium	0	0	0	28,573
Construction Loan Payable	0	0	0	0
General obligation notes payable	0	0	0	4,300,000
General obligation bonds payable	0	0	0	0
Special assessment debt with government commitment	0	0	0	0
<b>Total Liabilities</b>	<b>12,712,102</b>	<b>4,680,872</b>	<b>606,081</b>	<b>8,459,883</b>
<b>Fund Equity and Other Credits</b>				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings - Unreserved	0	0	0	0
<b>Fund Balance</b>				
Reserved for encumbrances	164,073	146,934	0	1,146,987
Reserved for prepaid items	96,069	18,614	0	0
Reserved for advances	0	0	0	1,082,783
Reserved for investments	0	0	0	2,441,345
Reserved for inventory of supplies	159,146	155,880	0	0
Reserved for loans receivable	0	1,990,766	0	0
Reserved for debt service	0	0	53,662	0
Reserved for cemetery perpetual care	0	0	0	0
Unreserved - undesignated	4,610,566	1,697,196	0	576,786
<b>Total Fund Equity and other credits</b>	<b>5,029,854</b>	<b>4,009,390</b>	<b>53,662</b>	<b>5,247,901</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 17,741,956</b>	<b>\$ 8,690,262</b>	<b>\$ 659,743</b>	<b>\$ 13,707,784</b>

See accompanying notes to the combined financial statements

Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Primary Government Total (Memorandum Only)	Component Unit	Entity Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long- Term Obligation	2002	CIC of Cuyahoga Falls	2002	
\$ 21,525,546	\$ 7,573,186	\$ 2,314,850	\$ 0	\$ 0	\$ 44,186,402	\$ 0	44,186,402	
736,553	259,135	79,209	0	0	1,504,219	0	1,504,219	
0	0	498,413	0	0	534,074	565,101	1,099,175	
0	0	95,000	0	0	2,554,345	0	2,554,345	
0	0	0	0	0	12,679,217	0	12,679,217	
5,634,334	11,623	0	0	0	5,850,803	0	5,850,803	
0	0	0	0	0	1,990,766	114,551	2,105,317	
68,323	0	0	0	0	1,994,780	0	1,994,780	
0	0	0	0	0	803,308	0	803,308	
821,747	471,610	215,617	0	0	4,126,995	0	4,126,995	
2,416	0	0	0	0	3,347,616	0	3,347,616	
3,185,030	495,964	0	0	0	3,996,020	0	3,996,020	
120,061	11,790	0	0	0	246,534	0	246,534	
0	0	59,500	0	0	1,142,283	0	1,142,283	
157,412	0	0	0	0	179,702	0	179,702	
74,507	0	0	0	0	74,507	0	74,507	
20,564,877	0	0	0	0	20,564,877	0	20,564,877	
57,846,019	479,074	0	40,616,293	0	98,941,386	0	98,941,386	
0	0	0	0	53,662	53,662	0	53,662	
0	0	0	0	17,754,813	17,754,813	0	17,754,813	
<b>\$ 110,736,825</b>	<b>\$ 9,302,382</b>	<b>\$ 3,262,589</b>	<b>\$ 40,616,293</b>	<b>\$ 17,808,475</b>	<b>\$ 222,526,309</b>	<b>\$ 679,652</b>	<b>\$ 223,205,961</b>	
\$ 2,488,390	\$ 161,559	\$ 0	\$ 0	\$ 0	\$ 4,820,164	\$ 0	\$ 4,820,164	
2,250,187	522,602	0	0	5,484,986	9,559,393	0	9,559,393	
89,289	0	0	0	0	89,289	0	89,289	
892,455	0	0	0	0	16,375,921	0	16,375,921	
1,399,989	33,448	359,650	0	0	4,126,995	0	4,126,995	
434,371	125,328	1,632,092	0	0	2,193,066	0	2,193,066	
0	1,663,563	0	0	0	1,663,563	0	1,663,563	
202,163	0	1,095,001	0	0	1,297,164	0	1,297,164	
104,588	0	0	0	227,851	332,439	0	332,439	
302,400	0	0	0	0	1,142,283	0	1,142,283	
35,218	0	0	0	0	63,791	0	63,791	
8,134	0	0	0	0	8,134	0	8,134	
5,300,000	0	0	0	0	9,600,000	0	9,600,000	
21,400,527	0	0	0	11,209,467	32,609,994	0	32,609,994	
0	0	0	0	886,171	886,171	0	886,171	
34,907,711	2,506,500	3,086,743	0	17,808,475	84,768,367	0	84,768,367	
0	0	0	40,616,293	0	40,616,293	0	40,616,293	
9,760,587	253,742	0	0	0	10,014,329	0	10,014,329	
66,068,527	6,542,140	0	0	0	72,610,667	0	72,610,667	
0	0	0	0	0	0	0	0	
0	0	0	0	0	1,457,994	0	1,457,994	
0	0	0	0	0	114,683	0	114,683	
0	0	0	0	0	1,082,783	0	1,082,783	
0	0	0	0	0	2,441,345	0	2,441,345	
0	0	0	0	0	315,026	0	315,026	
0	0	0	0	0	1,990,766	114,551	2,105,317	
0	0	0	0	0	53,662	0	53,662	
0	0	175,846	0	0	175,846	0	175,846	
0	0	0	0	0	6,884,548	565,101	7,449,649	
75,829,114	6,795,882	175,846	40,616,293	0	137,757,942	679,652	138,437,594	
<b>\$ 110,736,825</b>	<b>\$ 9,302,382</b>	<b>\$ 3,262,589</b>	<b>\$ 40,616,293</b>	<b>\$ 17,808,475</b>	<b>\$ 222,526,309</b>	<b>\$ 679,652</b>	<b>\$ 223,205,961</b>	

**City of Cuyahoga Falls, Ohio**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**All Governmental Fund Types**  
**Year Ended December 31, 2002**

	Governmental Fund Types				Primary Government		Entity Total
	General	Special Revenue	Debt Service	Capital Projects	Memorandum Only	Component Unit	Memorandum Only
					Total	CIC of	
					Cuyahoga Falls		
<b>Revenues</b>					2002		2002
Property taxes	\$ 8,292,053	\$ 478,390	\$ 0	\$ 0	\$ 8,770,443	\$ 0	\$ 8,770,443
Municipal income taxes	0	16,740,777	0	0	16,740,777	0	16,740,777
Other local taxes	163,682	330	0	0	164,012	87,296	251,308
State levied shared taxes	4,471,516	1,666,739	0	0	6,138,255	0	6,138,255
Intergovernmental	354,556	415,512	0	1,611,831	2,381,899	0	2,381,899
Charges for services	5,310,910	93,074	0	1,316,044	6,720,028	0	6,720,028
Fees, licenses and permits	384,651	531,772	0	0	916,423	0	916,423
Interest earnings	56	134	6,716	967,117	974,023	19,934	993,957
Fines and forfeitures	350,174	93,317	0	0	443,491	0	443,491
Special assessments	14,042	0	85,792	161,338	261,172	0	261,172
Other	194,412	59,289	0	425,548	679,249	9,140	688,389
<b>Total Revenues</b>	<b>19,536,052</b>	<b>20,079,334</b>	<b>92,508</b>	<b>4,481,878</b>	<b>44,189,772</b>	<b>116,370</b>	<b>44,306,142</b>
<b>Expenditures</b>							
<b>Current</b>							
Security of persons and property	16,059,876	2,209,721	0	0	18,269,597	0	18,269,597
Leisure time activities	2,415,224	136,239	0	0	2,551,463	0	2,551,463
Community environment	979,027	102	0	0	979,129	13,570	992,699
Street maintenance	0	3,647,130	0	0	3,647,130	0	3,647,130
General government	7,624,099	1,175,474	0	49,034	8,848,607	0	8,848,607
Capital outlay	442,320	1,125,513	0	11,217,852	12,785,685	0	12,785,685
<b>Debt Service</b>							
Principal	0	230,038	509,364	142,258	881,660	0	881,660
Interest	0	258,928	411,966	20,373	691,267	0	691,267
<b>Total Expenditures</b>	<b>27,520,546</b>	<b>8,783,145</b>	<b>921,330</b>	<b>11,429,517</b>	<b>48,654,538</b>	<b>13,570</b>	<b>48,668,108</b>
<b>Excess (Deficiency) of Revenues</b>							
Over (Under) Expenditures	(7,984,494)	11,296,189	(828,822)	(6,947,639)	(4,464,766)	102,800	(4,361,966)
<b>Other Financing Sources (Uses)</b>							
Bond/note proceeds	0	0	0	0	0	0	0
Inception of capital lease	0	0	0	227,851	227,851	0	227,851
Operating transfers in	11,619,200	4,548,718	700,000	4,573,224	21,441,142	0	21,441,142
Operating transfers out	(4,772,986)	(15,592,308)	0	(1,850,000)	(22,215,294)	0	(22,215,294)
<b>Total Other Financing Sources (Uses)</b>	<b>6,846,214</b>	<b>(11,043,590)</b>	<b>700,000</b>	<b>2,951,075</b>	<b>(546,301)</b>	<b>0</b>	<b>(546,301)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under)</b>							
Expenditures and Other Uses	(1,138,280)	252,599	(128,822)	(3,996,564)	(5,011,067)	102,800	(4,908,267)
<b>Fund Balance at Beginning of Year,</b>							
Restated	6,141,202	3,798,968	182,484	9,244,465	19,367,119	576,852	19,943,971
Change in reserve for inventory	1,331	(45,667)	0	0	(44,336)	0	(44,336)
Change in reserve for prepaid items	25,601	3,490	0	0	29,091	0	29,091
<b>Fund Balance at End of Year</b>	<b>\$ 5,029,854</b>	<b>\$ 4,009,390</b>	<b>\$ 53,662</b>	<b>\$ 5,247,901</b>	<b>\$ 14,340,807</b>	<b>\$ 679,652</b>	<b>\$ 15,020,459</b>

See accompanying notes to the combined financial statements

**City of Cuyahoga Falls, Ohio**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP Budgetary Basis) -**  
**All Governmental Fund Types**  
**Year Ended December 31, 2002**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 8,454,459	\$ 8,387,998	\$ (66,461)	\$ 487,758	\$ 483,924	\$ (3,834)
Municipal income taxes	0	0	0	16,648,000	16,790,440	142,440
Other local taxes	165,400	165,095	(305)	430	432	2
State levied shared taxes	4,583,977	4,630,268	46,291	1,694,070	1,669,455	(24,615)
Intergovernmental	311,330	391,491	80,161	440,352	275,850	(164,502)
Charges for services	5,029,970	5,311,219	281,249	88,000	87,066	(934)
Fees, licenses, and permits	359,743	385,345	25,602	523,250	536,049	12,799
Interest earnings	4,500	4,338	(162)	240	134	(106)
Fines and forfeitures	350,000	353,112	3,112	78,000	78,452	452
Special assessments	13,462	14,042	580	0	0	0
Other	21,100	191,997	170,897	106,000	142,773	36,773
Total Revenues	19,293,941	19,834,905	540,964	20,066,100	20,064,575	(1,525)
<b>Expenditures</b>						
<b>Current</b>						
Security of persons and property	16,293,675	15,976,267	317,408	2,279,242	2,189,403	89,839
Leisure time activities	2,357,720	2,326,774	30,946	140,120	130,917	9,203
Community environment	1,017,693	993,598	24,095	354,394	347,339	7,055
Street maintenance	0	0	0	3,896,222	3,822,118	74,104
General government	8,103,578	7,842,443	261,135	1,193,294	1,182,803	10,491
Capital outlay	465,090	424,565	40,525	1,262,871	1,151,993	110,878
<b>Debt Service</b>						
Principal	0	0	0	230,039	230,038	1
Interest	0	0	0	258,929	258,928	1
Total Expenditures	28,237,756	27,563,647	674,109	9,615,111	9,313,539	301,572
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	(8,943,815)	(7,728,742)	1,215,073	10,450,989	10,751,036	300,047
<b>Other Financing Sources (Uses)</b>						
Bond/note proceeds	0	0	0	0	0	0
Capital lease proceeds	0	0	0	0	0	0
Operating transfers in	11,588,466	11,603,967	15,501	4,620,441	4,678,425	57,984
Operating transfers out	(4,746,164)	(4,762,437)	(16,273)	(15,568,001)	(15,568,001)	0
Advances in	0	0	0	0	0	0
Advances out	(59,500)	(59,500)	0	(100,000)	(100,000)	0
Total Other Financing Sources (Uses)	6,782,802	6,782,030	(772)	(11,047,560)	(10,989,576)	57,984
<b>Excess (Deficiency) of Revenues and</b>						
Other Sources Over (Under) Expenditures						
and Other Uses	(2,161,013)	(946,712)	1,214,301	(596,571)	(238,540)	358,031
Fund Balance at Beginning of Year	4,640,665	4,640,665	0	1,587,179	1,587,179	0
<b>Decertification of prior year</b>						
encumbrances	93,199	93,199	0	45,835	45,835	0
Fund Balance at End of Year	\$ 2,572,851	\$ 3,787,152	\$ 1,214,301	\$ 1,036,443	\$ 1,394,474	\$ 358,031

(continued)

**City of Cuyahoga Falls, Ohio**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP Budgetary Basis) -**  
**All Governmental Fund Types**  
**Year Ended December 31, 2002**

	Debt Service Fund			Capital Projects Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	583,030	634,131	51,101
Charges for services	0	0	0	1,230,000	1,283,866	53,866
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	7,700	6,722	(978)	1,021,759	915,885	(105,874)
Fines and forfeitures	0	0	0	0	0	0
Special assessments	86,000	85,792	(208)	239,881	161,338	(78,543)
Other	0	0	0	112,022	367,867	255,845
<b>Total Revenues</b>	<b>93,700</b>	<b>92,514</b>	<b>(1,186)</b>	<b>3,186,692</b>	<b>3,363,087</b>	<b>176,395</b>
<b>Expenditures</b>						
<b>Current</b>						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	508	0	508	40,600	22,108	18,492
Capital outlay	0	0	0	11,387,652	10,662,948	724,704
<b>Debt Service</b>						
Principal	509,365	509,364	1	892,258	892,258	0
Interest	411,966	411,966	0	29,354	25,083	4,271
<b>Total Expenditures</b>	<b>921,839</b>	<b>921,330</b>	<b>509</b>	<b>12,349,864</b>	<b>11,602,397</b>	<b>747,467</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	(828,139)	(828,816)	(677)	(9,163,172)	(8,239,310)	923,862
<b>Other Financing Sources (Uses)</b>						
Bond/note proceeds	0	0	0	3,800,000	4,322,080	522,080
Capital lease proceeds	0	0	0	0	227,851	227,851
Operating transfers in	700,000	700,000	0	5,072,494	4,566,094	(506,400)
Operating transfers out	0	0	0	(2,356,400)	(1,850,000)	506,400
Advances in	0	0	0	330,800	330,800	0
Advances out	0	0	0	(130,000)	(130,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>700,000</b>	<b>700,000</b>	<b>0</b>	<b>6,716,894</b>	<b>7,466,825</b>	<b>749,931</b>
<b>Excess (Deficiency) of Revenues and</b>						
<b>Other Sources Over (Under) Expenditures</b>						
and Other Uses	(128,139)	(128,816)	(677)	(2,446,278)	(772,485)	1,673,793
<b>Fund Balance at Beginning of Year</b>	<b>182,477</b>	<b>182,477</b>	<b>0</b>	<b>6,342,966</b>	<b>6,342,966</b>	<b>0</b>
<b>Decertification of prior year</b>						
<b>encumbrances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>268,162</b>	<b>268,162</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$ 54,338</b>	<b>\$ 53,661</b>	<b>\$ (677)</b>	<b>\$ 4,164,850</b>	<b>\$ 5,838,643</b>	<b>\$ 1,673,793</b>

See accompanying notes to the combined financial statements

	Totals (Memorandum Only)		
	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>			
Property taxes	\$ 8,942,217	\$ 8,871,922	\$ (70,295)
Municipal income taxes	16,648,000	16,790,440	142,440
Other local taxes	165,830	165,527	(303)
State levied shared taxes	6,278,047	6,299,723	21,676
Intergovernmental	1,334,712	1,301,472	(33,240)
Charges for services	6,347,970	6,682,151	334,181
Fees, licenses, and permits	882,993	921,394	38,401
Interest earnings	1,034,199	927,079	(107,120)
Fines and forfeitures	428,000	431,564	3,564
Special assessments	339,343	261,172	(78,171)
Other	239,122	702,637	463,515
<b>Total Revenues</b>	<b>42,640,433</b>	<b>43,355,081</b>	<b>714,648</b>
<b>Expenditures</b>			
<b>Current</b>			
Security of persons and property	18,572,917	18,165,670	407,247
Leisure time activities	2,497,840	2,457,691	40,149
Community environment	1,372,087	1,340,937	31,150
Street maintenance	3,896,222	3,822,118	74,104
General government	9,337,980	9,047,354	290,626
Capital outlay	13,115,613	12,239,506	876,107
<b>Debt Service</b>			
Principal	1,631,662	1,631,660	2
Interest	700,249	695,977	4,272
<b>Total Expenditures</b>	<b>51,124,570</b>	<b>49,400,913</b>	<b>1,723,657</b>
<b>Excess (Deficiency) of Revenues</b>			
Over (Under) Expenditures	(8,484,137)	(6,045,832)	2,438,305
<b>Other Financing Sources (Uses)</b>			
Bond/note proceeds	3,800,000	4,322,080	522,080
Capital lease proceeds	0	227,851	227,851
Operating transfers in	21,981,401	21,548,486	(432,915)
Operating transfers out	(22,670,565)	(22,180,438)	490,127
Advances in	330,800	330,800	0
Advances out	(289,500)	(289,500)	0
<b>Total Other Financing Sources (Uses)</b>	<b>3,152,136</b>	<b>3,959,279</b>	<b>807,143</b>
<b>Excess (Deficiency) of Revenues and</b>			
<b>Other Sources Over (Under) Expenditures</b>			
and Other Uses	(5,332,001)	(2,086,553)	3,245,448
<b>Fund Balance at Beginning of Year</b>	<b>12,753,287</b>	<b>12,753,287</b>	<b>0</b>
<b>Decertification of prior year</b>			
<b>encumbrances</b>	<b>407,196</b>	<b>407,196</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$ 7,828,482</b>	<b>\$ 11,073,930</b>	<b>\$ 3,245,448</b>

See accompanying notes to the combined financial statements

**City of Cuyahoga Falls, Ohio**  
**Combined Statement of Revenues, Expenses and Changes in Retained Earnings/  
Fund Balance - All Proprietary Fund Types and Non-expendable Trust Fund**  
**Year Ended December 31, 2002**

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non- expendable Trust	2002
<b>Operating Revenues</b>				
Charges for services	\$ 43,859,440	\$ 9,393,659	\$ 7,800	\$ 53,260,899
Other	542,774	179,234	0	722,008
<b>Total Operating Revenues</b>	<b>44,402,214</b>	<b>9,572,893</b>	<b>7,800</b>	<b>53,982,907</b>
<b>Operating Expenses</b>				
Personal services	6,698,131	1,870,729	4,338	8,573,198
Fringe benefits	2,092,952	5,943,578	0	8,036,530
Purchased power	14,840,779	0	0	14,840,779
Materials and supplies	2,256,291	633,003	0	2,889,294
Utilities	395,234	28,323	0	423,557
Contractual services	3,268,009	190,277	0	3,458,286
Internal charges	3,860,747	584,307	0	4,445,054
Other	2,306,156	606,388	0	2,912,544
Depreciation	2,584,904	212,909	0	2,797,813
<b>Total Operating Expenses</b>	<b>38,303,203</b>	<b>10,069,514</b>	<b>4,338</b>	<b>48,377,055</b>
<b>Operating Income</b>	<b>6,099,011</b>	<b>(496,621)</b>	<b>3,462</b>	<b>5,605,852</b>
<b>Nonoperating Revenues (Expenses)</b>				
Interest revenue	0	86,373	4,338	90,711
Interest expense	(1,148,366)	0	0	(1,148,366)
Gain from disposal of fixed assets	10,659	0	0	10,659
Grants	82,500	1,710	0	84,210
Donations	506,621	0	0	506,621
<b>Net Nonoperating Revenues (Expenses)</b>	<b>(548,586)</b>	<b>88,083</b>	<b>4,338</b>	<b>(456,165)</b>
<b>Income Before Operating Transfers</b>	<b>5,550,425</b>	<b>(408,538)</b>	<b>7,800</b>	<b>5,149,687</b>
Operating Transfers In	2,621,653	0	0	2,621,653
Operating Transfers Out	(1,847,501)	0	0	(1,847,501)
<b>Net Income</b>	<b>6,324,577</b>	<b>(408,538)</b>	<b>7,800</b>	<b>5,923,839</b>
Retained Earnings at Beginning of Year	59,743,950	6,950,678	0	66,694,628
Retained Earnings at End of Year	<u>\$ 66,068,527</u>	<u>\$ 6,542,140</u>	<u>0</u>	<u>72,610,667</u>
Fund Balance at Beginning of Year			168,046	168,046
Fund Balance at End of Year			<u>\$ 175,846</u>	<u>\$ 175,846</u>

See accompanying notes to the combined financial statements



**City of Cuyahoga Falls, Ohio**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types and Non-expendable Trust Fund**  
**Year Ended December 31, 2002**

	Proprietary Fund Types		Fiduciary Fund Type	Total
	Enterprise	Internal Service	Non-expendable Trust	(Memorandum Only) 2002
<b>Cash Flows From Operating Activities</b>				
Cash received from customers and users	\$ 44,450,224	\$ 9,676,619	\$ 7,800	\$ 54,134,643
Cash payments to employees for services	(6,667,011)	(1,864,333)	(4,338)	(8,535,682)
Cash payments for employee benefits	(2,040,705)	(5,537,839)	0	(7,578,544)
Cash payments to suppliers for goods and services	(29,470,546)	(1,995,649)	0	(31,466,195)
Net Cash Provided By Operating Activities	6,271,962	278,798	3,462	6,554,222
<b>Cash Flows From Non-Capital Financing Activities</b>				
Grant proceeds	93,807	1,710	0	95,517
Transfers in	2,621,653	0	0	2,621,653
Transfers out	(1,997,501)	0	0	(1,997,501)
Advance repayment	(100,800)	0	0	(100,800)
Net Cash Provided By Non-Capital Financing Activities	617,159	1,710	0	618,869
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition of capital assets	(5,644,411)	(195,154)	0	(5,839,565)
Proceeds from the sale of capital assets	950	0	0	950
Bond/note proceeds	5,327,215	0	0	5,327,215
Debt service				
Principal	(1,257,933)	0	0	(1,257,933)
Interest	(1,158,102)	0	0	(1,158,102)
Net Cash Used In Capital and Related Financing Activities	(2,732,281)	(195,154)	0	(2,927,435)
<b>Cash Flows From Investing Activities</b>				
Interest revenue	0	86,373	4,338	90,711
Sale of investments	4,360,158	1,844,846	95,000	6,300,004
Purchase of investments	(736,553)	(259,135)	(95,000)	(1,090,688)
Net Cash Provided By Investing Activities	3,623,605	1,672,084	4,338	5,300,027
Net Increase in Cash and Cash Equivalents	7,780,445	1,757,438	7,800	9,545,683
Cash and Cash Equivalents at Beginning of Year	13,745,101	5,815,748	73,046	19,633,895
Cash and Cash Equivalents at End of Year	<u>\$ 21,525,546</u>	<u>\$ 7,573,186</u>	<u>\$ 80,846</u>	<u>\$ 29,179,578</u>

See accompanying notes to the combined financial statements

(continued)

**City of Cuyahoga Falls**  
**Combined Statement of Cash Flows -**  
**All Proprietary Fund Types and Non-expendable Trust Fund**  
**Year Ended December 31, 2002**

	Proprietary Fund Types		Fiduciary Fund Type	Total
	Enterprise	Internal Service	Non-expendable Trust	(Memorandum Only) 2002
Reconciliation of Operating Income to Net Cash				
Provided By Operating Activities:				
Operating Income	\$ 6,099,011	\$ (496,621)	\$ 3,462	\$ 5,605,852
Adjustments to Reconcile Operating Income to Net				
Cash Provided By Operating Activities:				
Depreciation	2,584,904	212,909	0	2,797,813
Amortization Expense	17,080	0	0	17,080
Decrease (increase) in operating assets and increase				
(decrease) in operating liabilities:				
Receivables	123,501	21,799	0	145,300
Due from other funds	97,481	92,109	0	189,590
Due from other governments	(1,179)	0	0	(1,179)
Inventory of supplies	82,401	(22,118)	0	60,283
Prepaid items	(44,788)	(3,761)	0	(48,549)
Investment in joint ventures	(2,582,470)	0	0	(2,582,470)
Accounts payable - net of items affecting fixed assets	276,240	44,955	0	321,195
Accrued salaries, wages and benefits	113,493	(3,834)	0	109,659
Due to other funds	(240,643)	(6,427)	0	(247,070)
Due to other governments	71,374	47,869	0	119,243
Deposits held and due to others	(8,050)	0	0	(8,050)
Claims and judgements payable	0	391,918	0	391,918
Deferred revenue	(316,393)	0	0	(316,393)
Total Adjustments	172,951	775,419	0	948,370
Net Cash Provided By Operating Activities	<u>\$ 6,271,962</u>	<u>\$ 278,798</u>	<u>\$ 3,462</u>	<u>\$ 6,554,222</u>

	Cash and Cash Equivalents		
	Pooled	Restricted	Total
Reconciliation of Cash and Cash Equivalents at End of Year -			
Non-expendable Trust Fund:			
Trust and Agency Funds	\$ 2,314,850	\$ 498,413	\$ 2,813,263
Less Agency Funds:			
Treasury	(1,026,504)	0	(1,026,504)
State Cases Fines and Forfeitures	(2,060)	0	(2,060)
Employee Withholding	(255,055)	0	(255,055)
Guarantee Deposits	(959,897)	0	(959,897)
Unclaimed Monies	(71,334)	0	(71,334)
Municipal Court	0	(417,567)	(417,567)
Non-expendable Trust Fund	<u>\$ 0</u>	<u>\$ 80,846</u>	<u>\$ 80,846</u>

During 2002 the Leisure Time Enterprise Fund received donations in the form of capital assets from the Recreation Levy Special Revenue Fund and t Capital Projects Fund in the amount of \$420,710 and \$85,911, respectively.

See accompanying notes to the combined financial statements

**City of Cuyahoga Falls, Ohio**  
**Combined Statement of Revenues, Expenses and Changes in Retained Earnings**  
**Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) -**  
**All Proprietary Fund Types and Non-expendable Trust Fund**  
**Year Ended December 31, 2002**

	Enterprise Funds			Internal Service Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating Revenues</b>						
Charges for services	\$ 44,400,923	\$ 43,765,346	\$ (635,577)	\$ 9,760,838	\$ 9,485,680	\$ (275,158)
Other	640,770	684,878	44,108	63,000	190,939	127,939
<b>Total Operating Revenues</b>	<b>45,041,693</b>	<b>44,450,224</b>	<b>(591,469)</b>	<b>9,823,838</b>	<b>9,676,619</b>	<b>(147,219)</b>
<b>Operating Expenses</b>						
Personal services	6,962,309	6,667,011	295,298	2,009,784	1,864,333	145,451
Fringe benefits	2,013,345	2,040,705	(27,360)	5,674,918	5,537,839	137,079
Purchased power	15,020,000	14,935,129	84,871	0	0	0
Materials and supplies	5,870,483	4,865,674	1,004,809	685,408	660,658	24,750
Utilities	653,280	524,250	129,030	34,451	29,013	5,438
Contractual services	3,903,331	3,249,120	654,211	261,785	199,592	62,193
Internal charges	3,876,649	3,837,253	39,396	639,612	578,838	60,774
Other	2,349,239	2,386,134	(36,895)	572,430	549,513	22,917
Capital outlay	8,092,179	6,312,310	1,779,869	211,964	198,477	13,487
<b>Total Operating Expenses</b>	<b>48,740,815</b>	<b>44,817,586</b>	<b>3,923,229</b>	<b>10,090,352</b>	<b>9,618,263</b>	<b>472,089</b>
<b>Operating Income (Loss)</b>	<b>(3,699,122)</b>	<b>(367,362)</b>	<b>3,331,760</b>	<b>(266,514)</b>	<b>58,356</b>	<b>324,870</b>
<b>Nonoperating Revenues (Expenses)</b>						
Bond/note proceeds	5,300,000	5,327,215	27,215	0	0	0
Capital lease proceeds	0	0	0	0	0	0
Grants	22,500	93,807	71,307	0	1,710	1,710
Proceeds from sale of equipment	0	950	950	0	0	0
Interest earnings	0	0	0	88,623	86,373	(2,250)
Advances out	(100,800)	(100,800)	0	0	0	0
<b>Debt Service</b>						
Principal	(1,257,938)	(1,257,933)	5	0	0	0
Interest	(1,158,106)	(1,158,102)	4	0	0	0
<b>Total Nonoperating Revenues/ Expenses</b>	<b>2,805,656</b>	<b>2,905,137</b>	<b>99,481</b>	<b>88,623</b>	<b>88,083</b>	<b>(540)</b>
<b>Income (loss) before operating transfers</b>	<b>(893,466)</b>	<b>2,537,775</b>	<b>3,431,241</b>	<b>(177,891)</b>	<b>146,439</b>	<b>324,330</b>
Operating Transfers In	2,605,180	2,621,653	16,473	0	0	0
Operating Transfers Out	(1,932,000)	(1,997,501)	(65,501)	0	0	0
<b>Net Income (Loss)</b>	<b>(220,286)</b>	<b>3,161,927</b>	<b>3,382,213</b>	<b>(177,891)</b>	<b>146,439</b>	<b>324,330</b>
Retained Earnings at Beginning of Year	14,522,511	14,522,511	0	7,430,886	7,430,886	0
<b>Decertification of prior year encumbrances</b>						
	852,055	852,055	0	101,250	101,250	0
<b>Retained Earnings at End of Year</b>	<b>\$ 15,154,280</b>	<b>\$ 18,536,493</b>	<b>\$ 3,382,213</b>	<b>\$ 7,354,245</b>	<b>\$ 7,678,575</b>	<b>\$ 324,330</b>
<b>Fund Balance at Beginning of Year</b>						
<b>Fund Balance at End of Year</b>						

(continued)

**City of Cuyahoga Falls, Ohio**  
**Combined Statement of Revenues, Expenses and Changes in Retained Earnings/  
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) -  
All Proprietary Fund Types and Non-expendable Trust Fund  
Year Ended December 31, 2002**

	Non-expendable Trust Fund			Totals (Memorandum Only)		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating Revenues</b>						
Charges for services	\$ 0	\$ 0	\$ 0	\$ 54,161,761	\$ 53,251,026	\$ (910,735)
Other	0	0	0	703,770	875,817	172,047
Total Operating Revenues	0	0	0	54,865,531	54,126,843	(738,688)
<b>Operating Expenses</b>						
Personal services	0	0	0	8,972,093	8,531,344	440,749
Fringe benefits	0	0	0	7,688,263	7,578,544	109,719
Purchased power	0	0	0	15,020,000	14,935,129	84,871
Materials and supplies	0	0	0	6,555,891	5,526,332	1,029,559
Utilities	0	0	0	687,731	553,263	134,468
Contractual services	0	0	0	4,165,116	3,448,712	716,404
Internal charges	0	0	0	4,516,261	4,416,091	100,170
Other	0	0	0	2,921,669	2,935,647	(13,978)
Capital outlay	0	0	0	8,304,143	6,510,787	1,793,356
Total Operating Expenses	0	0	0	58,831,167	54,435,849	4,395,318
Operating Income (Loss)	0	0	0	(3,965,636)	(309,006)	3,656,630
<b>Nonoperating Revenue/Expenses</b>						
Bond/note proceeds	0	0	0	5,300,000	5,327,215	27,215
Capital lease proceeds	0	0	0	0	0	0
Grants	0	0	0	22,500	95,517	73,017
Proceeds from sale of equipment	0	0	0	0	950	950
Interest earnings	0	0	0	88,623	86,373	(2,250)
Advances out				(100,800)	(100,800)	0
<b>Debt Service</b>						
Principal	0	0	0	(1,257,938)	(1,257,933)	5
Interest	0	0	0	(1,158,106)	(1,158,102)	4
Total Nonoperating Revenues/ Expenses	0	0	0	2,894,279	2,993,220	98,941
Income (loss) before operating transfers	0	0	0	(1,071,357)	2,684,214	3,755,571
Operating Transfers In	8,500	7,800	(700)	2,613,680	2,629,453	15,773
Operating Transfers Out	0	0	0	(1,932,000)	(1,997,501)	(65,501)
Net Income (Loss)	8,500	7,800	(700)	(389,677)	3,316,166	3,705,843
Retained Earnings at Beginning of Year	0	0	0	21,953,397	21,953,397	0
<b>Decertification of prior year encumbrances</b>						
	0	0	0	953,305	953,305	0
Retained Earnings at End of Year	\$ 0	\$ 0	\$ 0	\$ 22,508,525	\$ 26,215,068	\$ 3,706,543
Fund Balance at Beginning of Year	168,046	168,046	0	168,046	168,046	0
Fund Balance at End of Year	\$ 176,546	\$ 175,846	\$ (700)	\$ 176,546	\$ 175,846	\$ (700)

# Notes to the General Purpose Financial Statements

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## City of Cuyahoga Falls December 31, 2002

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### A. Reporting Entity

The accompanying general purpose financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14 in that the financial statements include those activities and functions in which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City. Based on this criteria, the City has one component unit.

Component unit – The Community Improvement Corporation of Cuyahoga Falls (CIC) is a not for profit corporation to advance, encourage, and promote the industrial, commercial, civic, and economic development of Cuyahoga Falls, Ohio under the applicable sections of the Ohio Revised Code. The City has assumed a financial burden to the component unit through tax increment financing. The City has chosen the 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 shown in a column to the right of the memorandum total of the primary government. Complete financial statement for the CIC may be obtained at the entity's administrative offices.

#### B. Basis of Presentation - Fund Accounting

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

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

#### Governmental Fund Types

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

##### General Fund

This fund accounts for the financial resources of the City that are not required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Cuyahoga Falls and/or the general laws of Ohio.

## City of Cuyahoga Falls December 31, 2002

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### **Special Revenue Funds**

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

### **Debt Service Fund**

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

### **Capital Projects Funds**

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

### **Proprietary Fund Types**

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

#### **Enterprise Funds**

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

#### **Internal Service Funds**

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

### **Fiduciary Fund Types**

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

### **Account Groups**

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

#### **General Fixed Assets Account Group**

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

# Notes to the General Purpose Financial Statements

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## City of Cuyahoga Falls December 31, 2002

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### **General Long-Term Debt Account Group**

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

### **C. Basis of Accounting**

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

#### **Governmental Fund Types and Agency Funds**

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

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

Special assessment installments, which are measurable, but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2002, but which are not intended to finance 2002 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 3.

#### **Proprietary Fund Types and Non-Expendable Trust Fund**

All proprietary fund types and the non-expendable trust fund are accounted for using the accrual basis of accounting.

Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled utility service receivables are recorded at each year-end.

### **D. Budget Requirements and Budgetary Accounting**

The budgetary process is prescribed by Charter and by the provisions of the Ohio Revised Code (ORC) and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources and the Appropriation Ordinances, all of which are prepared using the cash basis of accounting. Under the cash basis of accounting, revenues and expenditures are recognized when actually received or disbursed. These budgetary documents are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources as certified by the County Budget Commission (the "Commission"). The initial level of budgetary control is passed by Council at the fund level for all the City's funds. The City Finance Director is

## City of Cuyahoga Falls December 31, 2002

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authorized by Charter to transfer funds already appropriated between departments or categories within any fund; however, any revisions that alter the total fund appropriation must be approved by Council.

### **Tax Budget**

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

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

### **Estimated Resources**

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

### **Appropriations**

A temporary Appropriation Ordinance to control cash disbursements must be passed on or about January 1 of each year for the period January 1 to March 31. An annual Appropriation Ordinance must be passed by April 1 of each year for the period January 1 to December 31. The Appropriation Ordinance may be amended during the year as new information becomes available provided that total appropriations do not exceed estimated resources, as certified by the Commission. The budget amounts which appear in the accompanying financial statements represent the final appropriations, including the final amendment incorporated in December 2002. Unencumbered appropriations lapse at year end.

### **Encumbrances**

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



# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

### Budgetary Basis of Accounting

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

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

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

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

	Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses				
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
GAAP basis	\$ (1,138,280)	\$ 252,599	\$ (128,822)	\$ (3,996,564)	\$ (5,011,067)
Increase (decrease) due to:					
Change in receivables and other assets not recognized on a budget basis	(632,141)	(425,373)	85,792	373,082	(598,640)
Change in liabilities not recognized on a budget basis	924,604	132,072	(86,010)	4,464,788	5,435,454
Encumbrances	(100,895)	(197,838)	224	(1,613,791)	(1,912,300)
Budget Basis	\$ (946,712)	\$ (238,540)	\$ (128,816)	\$ (772,485)	\$ (2,086,553)

# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

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

	Net Income			
	Enterprise Fund	Internal Service Funds	Non-Expendable Trust Fund	Total
GAAP basis	\$ 6,324,577	\$ (408,538)	\$ 7,800	\$ 5,923,840
Increase (decrease) due to:				
Change in receivables and other assets not recognized on a budget basis	(6,134,088)	124,362	0	(6,009,726)
Change in liabilities and equity not recognized on a budget basis	3,966,351	455,902	0	4,422,253
Encumbrances recognized as expenses on a budget basis	(994,913)	(25,288)	0	(1,020,201)
Budget Basis	\$ 3,161,927	\$ 146,439	\$ 7,800	\$ 3,316,166

### E. Equity in Pooled Cash and Cash Equivalents and Investments

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

### F. Inventory of Supplies

Inventories are stated at cost on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased and as an expense in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

### G. Advances to Other Funds

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

# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

### H. Fixed Assets and Depreciation

Fixed assets are recorded at historical cost or, if donated, at fair market value at the date received. When purchased, such assets are recorded as expenditures in the governmental fund types and capitalized (recorded and accounted for) in the General Fixed Assets Account Group with a threshold limit of \$2,500 or greater. Infrastructure pertaining to Governmental Fund Type activities, including streets, bridges, storm sewers and drains, and traffic signals and signs, are not capitalized by the City and are not reported as part of the General Fixed Assets Account Group. Fixed assets used in proprietary fund type operations are capitalized in the fund in which they are utilized.

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

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

### I. Interfund Transactions

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

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

### J. Fund Balances (Governmental Funds)

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

### K. Receivables

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

### L. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2002 are recorded as prepaid items. The actual payment for these services is recorded as an expenditure in the governmental fund types when purchased and as an expense in the proprietary fund types when used. Reported prepaid items are equally offset by a fund balance reserve in the

# Notes to the General Purpose Financial Statements

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## City of Cuyahoga Falls December 31, 2002

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governmental fund types, which indicates that it does not constitute “available spendable resources” even though it is a component of net current assets.

### **M. Use of Estimates**

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

### **N. Total Columns on General Purpose Financial Statements**

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

### **NOTE 2 - COMPENSATED ABSENCES**

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

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

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:

# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

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

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

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 3 - PROPERTY TAXES

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

Tangible personal property taxes (for tangible property other than public utility property) attach as a lien and are levied on January 1 of the current calendar year. Tax collections for the current year are therefore based upon assessed values as of January 1 of the current year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single-county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Public utility tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 100 percent of its true value. Public utility property taxes are payable on the same date as real property taxes described previously.

**City of Cuyahoga Falls  
December 31, 2002**

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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 \$9,528,146 and \$549,702 have been recorded in the General Fund and Special Revenue Fund, respectively, as taxes receivable to reflect property taxes receivable as of December 31, 2002.

The assessed values of real public utility and tangible personal property upon which 2002 property tax receipts were based are as follows:

Property Types	Valuation
Real Property – 2001 Tax Valuation	\$ 801,736,360
Public Utility Property – 2000 Tax Valuation	16,129,900
Tangible Personal Property – 2002 Tax Valuation	85,154,613
Total Valuation	<u>\$ 903,020,873</u>

**NOTE 4 - INCOME TAXES**

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

Municipal income tax revenue for 2002 was \$16,740,777. The amount of \$2,601,369 has been recorded in the Special Revenue Fund as taxes receivable (net of refunds) to reflect income taxes receivable recorded as of December 31, 2002.

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

**NOTE 5 - DEPOSITS AND INVESTMENTS**

**A. Policies and Practices**

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

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

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

# Notes to the General Purpose Financial Statements

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## City of Cuyahoga Falls December 31, 2002

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government securities the face value of which is at least 110 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the City's name.

During 2002 the City believes it has complied with the revisions of these statutes pertaining to the types of investments held and institutions in which deposits were made. The City was also in compliance with the provisions of the statutes concerning security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

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

### **B. Deposits**

At year-end, the carrying amount of the City's deposits was \$42,235,476 and the bank balance was \$42,865,443. Of the bank balance, \$137,212 was covered by federal depository insurance, \$42,289,668 was covered by collateral held by the counterparty's trust department or agent in the City's name and \$438,563 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 \$2,450,000 and \$35,000, respectively.

At year end, the carrying amount of the Community Improvement Corporation of Cuyahoga Falls, a component unit, deposits was \$565,101 and the bank balance was \$565,101. 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.
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.

# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

A summary of the total City investments as of December 31, 2002 is as follows:

	Category		Carrying Amount	Fair Value
	1	2		
Repurchase agreements	\$ 0	\$ 2,485,000	\$ 2,485,000	\$ 2,485,000
U. S. government securities	1,595,576	0	1,595,576	1,599,219
Other government bonds	1,911,117	0	1,911,117	2,459,345
<b>Total City investments</b>	<b>\$ 3,506,693</b>	<b>\$ 2,485,000</b>	<b>\$ 5,991,693</b>	<b>\$ 6,543,564</b>

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, 2002, \$2,441,345 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 \$2,441,345.

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	\$44,720,476	\$4,058,564
Investments of the cash management pool:		
Repurchase agreements	<u>(2,485,000)</u>	<u>2,485,000</u>
GASB Statement No. 3	<u>\$42,235,476</u>	<u>\$6,543,564</u>

### NOTE 6 - FIXED ASSETS AND DEPRECIATION

#### A. Changes in General Fixed Assets

The changes in general fixed assets during 2002 were as follows:

	January 1, 2002	Additions	Deductions	December 31, 2002
Land	\$ 7,429,031	\$ 316,149	\$ 0	\$ 7,745,180
Buildings	14,164,715	156,546	0	14,321,261
Equipment	16,919,331	1,846,994	216,473	18,549,852
<b>Total</b>	<b>\$ 38,513,077</b>	<b>\$ 2,319,689</b>	<b>\$ 216,473</b>	<b>\$ 40,616,293</b>



# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

### B. Proprietary Fund Type Fixed Assets

Proprietary fund fixed assets and accumulated depreciation at December 31, 2002, were as follows:

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Land	\$ 2,525,664	\$ 21,960	\$ 2,547,624
Buildings	13,407,398	306,942	13,714,340
Improvements other than buildings	63,107,628	262,637	63,370,265
Equipment	8,955,830	2,037,278	10,993,108
Construction in progress	<u>3,129,770</u>	<u>0</u>	<u>3,129,770</u>
	91,126,290	2,628,817	93,755,107
Less: Accumulated depreciation	<u>(33,280,271)</u>	<u>(2,149,743)</u>	<u>(35,430,014)</u>
Net	<u>\$ 57,846,019</u>	<u>\$ 479,074</u>	<u>\$ 58,325,093</u>

### NOTE 7 - DEFINED BENEFIT PENSION PLANS

#### A. Ohio Public Employees Retirement System (OPERS)

All City employees except non-administrative full-time uniformed police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system operated by the State of Ohio. The payroll for employees covered by PERS was \$17,870,546 for the period January 1 to December 31, 2002. The City's total payroll for the year was \$27,982,259.

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

OPERS has provided the following information to the City.

- A. OPERS is a cost-sharing multiple-employer defined benefit pension plan.
- B. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.
- C. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-PERS (7377).
- E. The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement and public safety. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. Public safety division members contribute at 9%.
- F. The 2002 employer contribution rate for state employers was 13.31% of covered payroll. For local government employer units the rate was 13.55% of covered payroll. The 2002 employer contribution rate for both the law enforcement and public safety divisions was 16.70% of covered payroll.
- G. Required employer contributions are equal to 100 percent of the dollar amount billed to each employer and must be extracted from the employer's records. The City's required contributions to OPERS for the last five years are as follows:

# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

<u>Year</u>	<u>Employee Share</u>	<u>Employer Share</u>
2002	\$ 1,518,996	\$ 2,421,459
2001	1,474,819	2,351,035
2000	1,401,618	1,826,922
1999	1,334,573	2,127,467
1998	1,254,665	2,000,084

### B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)

All City non-administrative full-time uniformed police officers and firefighters are required to participate in the OP&F Fund, a cost-sharing multiple-employer public employee retirement system operated by the State of Ohio. This is a single retirement system with one administration that provides retirement benefits to two classes of employees. The payroll for employees covered by the OP&F Fund for the year ended December 31, 2001 was \$4,751,011 for police officers and \$4,865,824 for firefighters. The City's total payroll for the year was \$27,982,259.

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

- A. OP&F is a cost-sharing multiple-employer defined benefit pension plan.
- B. OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.
- C. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code.
- D. OP&F Fund issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.
- E. Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24% respectively for police officers and firefighters. The City's contributions to OP&F for the past five years are as follows:

	<u>Year</u>	<u>Employee Share</u>	<u>Employer Share</u>
Police:	2002	\$ 475,101	\$ 926,447
	2001	441,465	860,857
	2000	427,026	827,277
	1999	396,579	773,329
	1998	373,572	728,465
Firefighters:	2002	\$ 486,582	\$1,167,798
	2001	458,678	1,100,827
	2000	438,763	1,059,858
	1999	414,424	994,617
	1998	369,991	887,979

# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

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

Post-retirement health care benefits are established by City ordinance. The City reimburses all hospitalization insurance premiums necessary to allow retirees who have had a minimum of 12 years continuous permanent, full-time service with the City and who retire under the Public Employees Retirement System or the Police and Firemen's Disability and Pension System and the spouses and eligible dependents of retirees to be covered by the hospitalization program provided by either retirement system. The City reimburses premiums necessary to allow the surviving spouse and eligible dependents of eligible retirees to continue to be covered by the hospitalization program provided through the retirement systems until the surviving spouse reaches age 65. The City's total premiums paid during 2002 for retiree health insurance coverage through the two retirement systems totaled \$83,917.

The City also reimburses deductible and co-payments, including those attributable to prescription drugs, so that between the coverage provided by the retirement system and the City payment, the retiree receives 100 percent reimbursement up to the UCR (usual, customary, reasonable) established by the hospitalization carrier of each of the retirement systems. The City's total deductible and co-payments, including prescription drugs, paid during 2002 totaled \$100,057. The number and class of retirees eligible to receive health care benefits as of December 31, 2002 were 34 police officers, 25 firefighters, and 57 PERS employees.

#### A. Ohio Public Employees Retirement System (OPERS)

OPERS provides post-retirement health care coverage to age and service retirees with 10 years or more of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. During 2002, the City's portion that was used to fund health care was 5.0 percent of covered payroll. This rate is an actuarially determined contribution requirement for OPERS. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

Benefits are advance-funded using the entry age normal actuarial cost method of valuation. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care costs were assumed to increase 4 percent annually.

All investments are carried at the 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.

Other Post-employment Benefits (OPEBs) are advance-funded on actuarially determined contribution requirements for OPERS. The number of active contributing participants was 402,041. During 2002, the City's portion that was used to fund post-employment benefits was \$893,518. \$11.6 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2001. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of health care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad 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.

## City of Cuyahoga Falls December 31, 2002

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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.

### **B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)**

The OP&F Fund provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing OP&F’s Board of Trustees to provide health care coverage to all eligible individuals. The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer’s contribution rate. Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.25% and 7.5% of covered payroll in 2000 and 2001, respectively. The allocation is 7.75% in 2002. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a dedication from their monthly benefit payment. The number of participants eligible to receive health care benefits as of December 31, 2001 (the date of the last actuarial valuation available) are 13,174 and 10,239 for police and firefighters, respectively. Post-retirement health care benefits are established by ORC. During 2002, the City’s portion that was used to fund post-employment benefits was \$367,799 and \$377,199 for police and firefighters, respectively. OP&F’s total health care expense for the year ended December 31, 2001, the date of the last actuarial valuation available, was \$122,298,771, which was net of member contributions of \$6,874,699.

### **NOTE 9 - COMMITMENTS AND CONTINGENCIES**

#### **A. Litigation**

The City is involved in legal actions arising in the ordinary course of business. In the opinion of management, the ultimate outcome of such litigation will not materially affect the City’s results of operations or financial position.

#### **B. Federal and State Grants**

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

#### **C. Insurance Coverage**

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

# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

### NOTE 10 - CAPITAL LEASES

The City has entered into agreements to lease equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the General Fixed Assets Account Group, Enterprise Funds and the Internal Service Funds. The assets acquired through capital leases are as follows:

Asset	General		
	Fixed Assets	Enterprise	Total
Equipment	\$ 234,304	\$ 312,589	\$ 546,893
Less: Accumulated Depreciation	0	(172,055)	(172,055)
Total	<u>\$ 234,304</u>	<u>\$ 140,534</u>	<u>\$ 374,838</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2002, were as follows:

	General		
	Long-Term Debt	Enterprise	Total
2003	78,101	110,016	188,117
2004	78,101		78,101
2005	78,102		78,102
Total	234,304	110,016	344,320
Less: Amount representing interest	(6,453)	(5,428)	(11,881)
Present value of minimum lease payments	<u>\$ 227,851</u>	<u>\$ 104,588</u>	<u>\$ 332,439</u>

### NOTE 11 - SHORT-TERM OBLIGATIONS

A summary of the changes in the City's short-term obligations for the year ended December 31, 2002 are as follows:

General Obligation Bond Anticipation Notes	Balance	Issued	Retired	Balance
	January 1,			December 31,
	2002			2002
<u>Proprietary Funds:</u>				
Enterprise Fund Obligations:				
2.00% Various Purpose Note due 12/18/03	0	5,300,000	0	5,300,000
<u>Governmental Funds:</u>				
Capital Projects Funds Obligations:				
2.5% Street Improvement Note due 12/18/02	750,000	0	750,000	0
2.00% Various Purpose Note due 12/18/03	0	4,300,000	0	4,300,000
Total	<u>\$ 750,000</u>	<u>\$ 9,600,000</u>	<u>\$ 750,000</u>	<u>\$ 9,600,000</u>

# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

### NOTE 12 - LONG-TERM OBLIGATIONS

A summary of the changes in the City's long-term obligations for the year ended December 31, 2002, is as follows:

	Balance January 1, 2002	Issued	Retired	Balance December 31, 2002
<b>Proprietary Funds:</b>				
<b>Enterprise Fund Obligations:</b>				
3.00% 1992 OPWC Construction Loan Storm Sewer	\$ 24,042	\$ 0	\$ 15,908	\$ 8,134
4.0% - 5.6% Recreation Refunding Issue	1,647,887	0	204,088 <sup>2</sup>	1,443,799
4.0% - 5.6% Electric Refunding Issue	2,601,341	0	235,149 <sup>3</sup>	2,366,192
4.4% - 6.0% 1995 Recreation Facilities	2,736,722	0	134,709	2,602,013
3.8% - 5.25% 1997 Sewer Improvement	2,014,758	0	86,591	1,928,167
3.8% - 5.25% 1997 Water Improvement	1,790,896	0	76,970	1,713,926
3.05% - 4.70% 1998 Sewer Improvement	2,160,942	0	90,941	2,070,001
3.05% - 4.70% 1998 Water Improvement	4,406,889	0	185,460	4,221,429
3.25% - 4.55% 2001 Water Improvement	5,175,000	0	120,000	5,055,000
Capital lease obligations (Note 10)	204,015	0	99,427	104,588
<b>Total</b>	<u>22,762,492</u>	<u>0</u>	<u>1,249,243</u>	<u>21,513,249</u>
<b>General Long-Term Obligation Account Group:</b>				
<b>Special Assessment General Obligation Bonds:</b>				
7.25% 1991 Street Improvement	\$ 20,000	\$ 0	\$ 2,000	\$ 18,000
4.00% - 5.60% 1995 Street & Sewer Refunding Issue	540,244	0	67,073	473,171
3.25% -4.55% 2001 Street Improvement	425,000	0	30,000	395,000
	<u>985,244</u>	<u>0</u>	<u>99,073</u>	<u>886,171</u>
<b>Other General Obligations:</b>				
4.00% - 5.60% 1995 Various Purpose Refunding Issue	1,495,000	0	165,000	1,330,000
4.40% - 6.00% 1995 Various Purpose Improvement	4,983,281	0	245,291	4,737,990
3.80% - 5.25% 1997 Various Purpose Improvement	4,454,345	0	191,440	4,262,905
3.05% - 4.70% 1998 Various Purpose Improvement	917,170	0	38,598	878,572
	<u>11,849,796</u>	<u>0</u>	<u>640,329</u>	<u>11,209,467</u>
<b>Other Obligations:</b>				
Capital lease obligations (Note 10)	142,259	227,851	142,259	227,851
Compensated absences (Note 2)	5,314,897	170,089 <sup>1</sup>	0	5,484,986
	<u>5,457,156</u>	<u>397,940</u>	<u>142,259</u>	<u>5,712,837</u>
<b>Total</b>	<u>\$ 18,292,196</u>	<u>\$ 397,940</u>	<u>\$ 881,661</u>	<u>\$ 17,808,475</u>

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

<sup>2</sup>This amount represents principal payment of \$207,927 less amortization expense of \$3,839.

<sup>3</sup>This amount represents principal payment of \$240,000 less amortization expense of \$4,851.

## Notes to the General Purpose Financial Statements

### City of Cuyahoga Falls December 31, 2002

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, 2002.

As of December 31, 2002, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt without a vote of the electors) was \$34,210,343. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2002 (excluding capital leases) are as follows:

Year	Enterprise Fund Obligations		Special Assessment Bonds		Other General Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 1,247,985	\$ 1,021,365	\$ 110,293	\$ 40,950	\$ 658,166	\$ 589,599
2004	1,295,665	966,717	115,171	36,124	667,474	557,848
2005	1,350,942	907,133	118,829	30,684	698,539	525,133
2006	1,417,910	844,683	122,488	25,059	737,912	490,833
2007	1,480,497	778,167	132,366	19,169	770,448	453,991
2008-2012	6,564,275	2,858,999	287,024	25,655	4,078,309	1,634,186
2013-2017	6,080,515	1,353,680	0	0	3,524,485	527,068
2018-2021	1,970,872	204,481	0	0	74,134	3,484
<b>Total</b>	<b>\$ 21,408,661</b>	<b>\$ 8,935,225</b>	<b>\$ 886,171</b>	<b>\$ 177,641</b>	<b>\$ 11,209,467</b>	<b>\$ 4,782,142</b>

All general obligation bonds and notes issued by the City are backed by its full faith and credit. This includes the general property taxing power permitted within the tax limitation of the City Charter. In addition, special assessments have been levied to pay the debt service of the special assessment bonds. In the event of a default by a benefitted property owner, the City would be responsible for paying the special assessment obligation. The amount of \$605,972 of special assessments receivable recorded in the Debt Service Fund does not represent any delinquent special assessments. Although the obligations of the enterprise funds are general obligations of the City, the practice has been to have the debt serviced by the revenues derived from the operations of the respective funds.

On December 18, 2002, the City issued notes in the amount of \$9,600,000 in anticipation of the issuance of bonds for the following purposes: Improving State Road from the south corporation line to Portage Trail; improving Front Street from State Route 8 to Oakpark Boulevard and improving Hudson Drive from Front Street to State Route 8, as well as, the intersection at Bailey Road and Front Street; construction of a public festival site to be known as Falls River square; and paying a portion of the costs of constructing and equipping a community recreation center.

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

## Notes to the General Purpose Financial Statements

### City of Cuyahoga Falls December 31, 2002

#### NOTE 13 - ENTERPRISE FUNDS - SEGMENT INFORMATION

The City maintains enterprise funds for City operations which provide services for sewage and disposal (water pollution control), water, electric, sanitation and leisure time. Segment information for the enterprise funds for the year ended December 31, 2002 is summarized as follows:

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
Operating Revenues	\$ 4,695,348	\$ 4,436,677	\$ 28,587,331	\$ 3,408,974	\$ 3,273,884	\$ 44,402,214
Depreciation Expense	365,132	692,926	858,176	182,852	485,818	2,584,904
Amortization Expense	674	7,031	4,851	0	4,524	17,080
Operating Income (Loss)	624,924	922,875	5,326,555	(92,023)	(683,320)	6,099,011
Grants	0	0	60,000	22,500	0	82,500
Operating Transfers In	0	0	1,840,073	0	781,580	2,621,653
Operating Transfers Out	0	0	(1,847,501)	0	0	(1,847,501)
Net Income (Loss)	432,814	357,182	5,240,085	(79,761)	374,257	6,324,577
Donations	0	0	0	0	506,621	506,621
Property, Plant, and Equipment Additions-net	816,134	1,837,642	1,154,703	193,412	3,661,309	7,663,200
Property, Plant, and Equipment Deductions-net	385,601	510,947	152,179	0	1,059,955	2,108,682
Net Working Capital	2,570,913	3,214,537	35,800,803	5,441	(3,246,323)	38,345,371
Total Assets	14,685,206	21,802,659	52,021,141	1,492,187	20,735,632	110,736,825
Bonds and Other Long-Term Liabilities						
Outstanding	3,812,647	10,530,841	2,121,043	201,600	3,696,145	20,362,276
Total Fund Equity						
December 31, 2002	9,354,334	9,371,449	46,837,963	429,267	9,836,101	75,829,114
Outstanding Encumbrances	267,113	414,279	1,147,185	135,360	1,761,669	3,725,606



# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

### NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances, including advances, at December 31, 2002 are as follows:

Fund	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund	<u>1,497,668</u>	<u>\$ 434,286</u>	<u>\$ 0</u>	<u>\$ 59,500</u>
Special Revenue Funds:				
Municipal Income Tax	46,939	1,764,053	0	0
Street Construction, Maintenance and Repair	0	37,755	0	0
Police Pension	8,301	44,157	0	0
Fire Pension	10,048	52,806	0	0
Drug Law Enforcement	275	0	0	0
Recreation Levy	390,749	0	0	300,000
Court Special Projects	9,841	14	0	0
Probation	1,014	837	0	0
Suspended License Intervention Program	1,650	0	0	0
Indigent Drivers Alcohol Treatment	1,162	0	0	0
Enforcement and Education	395	0	0	0
Court Computer	<u>9,841</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>480,215</u>	<u>1,899,622</u>	<u>0</u>	<u>300,000</u>
Capital Projects Funds:				
Capital Projects	640,138	0	0	480,383
Capital Improvement Reserve	<u>0</u>	<u>0</u>	<u>1,082,783</u>	<u>0</u>
	<u>640,138</u>	<u>0</u>	<u>1,082,783</u>	<u>480,383</u>
Enterprise Funds:				
Sewage and Disposal	56,140	212,136	0	0
Water	0	167,122	0	0
Electric	731,761	125,778	0	0
Sanitation	33,846	178,859	0	302,400
Leisure Time	<u>0</u>	<u>716,094</u>	<u>0</u>	<u>0</u>
	<u>821,747</u>	<u>1,399,989</u>	<u>0</u>	<u>302,400</u>
Internal Service Funds:				
Garage	0	12,074	0	0
Utility Billing	173,692	14,983	0	0
Self-Insurance	297,918	0	0	0
Information Services	<u>0</u>	<u>6,391</u>	<u>0</u>	<u>0</u>
	<u>471,610</u>	<u>33,448</u>	<u>0</u>	<u>0</u>
Agency Funds:				
Treasury	214,491	0	59,500	0
State Cases - Fines and Forfeitures	1,126	0	0	0
Employee Withholding	0	46,939	0	0
Guarantee Deposits	0	124,116	0	0
Municipal Court	<u>0</u>	<u>188,595</u>	<u>0</u>	<u>0</u>
	<u>215,617</u>	<u>359,650</u>	<u>59,500</u>	<u>0</u>
Total All Funds	<u>\$4,126,995</u>	<u>\$4,126,995</u>	<u>\$1,142,283</u>	<u>\$ 1,142,283</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>
2003	59,500	100,000	480,383	100,800	740,683
2004	-----	100,000	-----	100,800	200,800
2005	-----	<u>100,000</u>	-----	<u>100,800</u>	<u>200,800</u>
Total	<u>\$59,500</u>	<u>\$300,000</u>	<u>\$480,383</u>	<u>\$302,400</u>	<u>\$1,142,283</u>

## City of Cuyahoga Falls December 31, 2002

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### **NOTE 15 - RISK MANAGEMENT**

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

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

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

On April 1, 2002, the City entered its ninth year of major health insurance administration with Professional Claims Management. Claims are fully paid by the City for full-time employees through the City's Self-Insurance Internal Service Fund which provides funding for health-care coverage. Professional Claims Management reviews all claims, which are then paid by the Self-Insurance Fund. For the fiscal coverage year April 1, 2002 through March 31, 2003, the City has purchased annual stop-loss coverage of \$175,000 per person, and aggregate stop-loss coverage of \$4,925,268.

The Self-Insurance Fund generates revenues by charging an actuarially determined premium to each fund based on the number of full-time employees opting for health-care coverage. The Self-Insurance Fund pays for all claims, stop-loss coverages and retention fees for health-care coverage. A liability in the amount of \$390,284 has been recorded to reflect the outstanding claims as of December 31, 2002. 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, 2002, the City completed its tenth consecutive year of participating with the Ohio Bureau of Workers' Compensation (Bureau) Retrospective Rating Plan. The self insurance program requires the City to pay only administrative and minimum premium charges to the Bureau, and in turn the City reimburses the Bureau for all claim costs incurred during the policy period for up to ten years. After the tenth year, the Bureau will assume any existing claim for its duration. The City will be charged an actuarial amount for the claims transferred to the Bureau. The City's stop-loss coverage through the plan is limited to \$300,000 per claim and aggregate stop-loss coverage of \$1,121,926 for the 2002 policy year.

The City's Workers' Compensation Internal Service Fund pays for all claims, claim reserves and administrative costs of the program. The Workers' Compensation Internal Service Fund generates revenues by charging each fund a percentage rate determined by the management for the payroll during the reporting period. The claims liability is recorded based on an actuarial determination of future claims, review of five years of claim liabilities and claim payment trends including the settlement to the Bureau after the tenth year.

# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

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

	2001		2002	
	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Self Insurance</u>	<u>Workers' Compensation</u>
Unpaid claims-January 1	\$ 494,444	\$ 1,444,710	\$ 476,384	\$ 795,261
Incurred claims (including IBNRs)	4,187,217	(400,711)	4,776,098	549,510
Claim payments made during the year	<u>(4,205,277)</u>	<u>(248,738)</u>	<u>(4,862,198)</u>	<u>(71,492)</u>
Unpaid claims-December 31	<u>\$ 476,384</u>	<u>\$ 795,261</u>	<u>\$ 390,284</u>	<u>\$1,273,279</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 2002 to complete a successful year of operation for OMEGA JV1.

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 \$2,299,390 to the joint venture for 2002. 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 \$ 378,170 to the joint venture for 2002.

# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

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, 2002:

	OMEGA JV1	OMEGA JV2	OMEGA JV5
Total Assets	\$459,652	\$52,473,954	\$200,357,063
Total Liabilities	13,191	514,292	193,157,763
Members Equity	446,461	51,959,662	7,199,300
Total Revenues	175,759	2,308,497	22,383,139
Total Expenses	149,339	5,330,727	21,652,439
Excess Income over (under) Expenses	26,420	(3,022,230)	730,700

The City's undivided ownership of OMEGA JV1, OMEGA JV2 and OMEGA JV5 is 21.05, 7.46 and 16.67 percent, respectively. OMEGA JV1 does not have any debt outstanding. In the event of a shortfall, the JV participants would be billed for their respective shares of the estimated shortfall. Separate financial statements for the three joint ventures are available through either the City or AMP-Ohio.

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

OMEGA JV1		OMEGA JV2		OMEGA JV5	
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. Marys	2.98	Bryan	2.19
Other	<u>12.39</u>	Other	<u>15.61</u>	Other	<u>23.58</u>
Total	<u>100.00%</u>	Total	<u>100.00%</u>	Total	<u>100.00%</u>

### NOTE 17 - FUND EQUITY/RETAINED EARNINGS DEFICIT

At December 31, 2002 the following funds had deficit unreserved fund balance/retained earnings:

Fund Type/Fund	Amount
Capital Projects/Capital Projects Fund	\$ 2,147,872
Internal Service/Information Services Fund	\$ 17,310

The deficit in the Capital Projects Unreserve Fund Balance is the result of the issuance of short-term notes in association with general fixed assets. The deficit does not exist under the cash basis of accounting.

The deficit in the Information Services Fund Retained Earnings is due to the accrual methods the City incorporates. Accrued expenses in this fund will be charged out to the appropriate funds in January 2003.

# Notes to the General Purpose Financial Statements

## City of Cuyahoga Falls December 31, 2002

### NOTE 18 – CONSTRUCTION COMMITMENTS

As of December 31, 2002, the City had the following significant commitments with respect to projects requiring capital expenditures:

<u>Capital Project</u>	2002 Remaining Construction <u>Contract</u>	Expected Date of <u>Completion</u>
State Road- Portage to Akron Corp	\$ 541,557	2003
Front Street & Hudson Street Intersection Reconstruction	305,803	2004
State Road Alleys	179,521	2003
River Square Amphitheater	1,395,695	2003
Water/Sewer Stockroom Expansion	305,924	2003
Electric Line Expansion into Ward 8	882,010	2005
Recreation Center	<u>1,619,946</u>	2004
 Total Capital Projects	 <u>\$5,230,456</u>	

### NOTE 19 – ACCOUNTING CHANGE

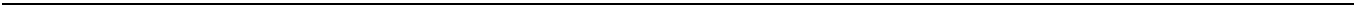
The prior year financial statements accounted for a component unit as blended and included it in the Special Revenue Fund. The component unit should be discretely presented as described in Note 1, Part A. As a result, prior year GAAP Basis fund balance for Special Revenue Fund has been restated.

#### Special Revenue Fund

Fund Balance as of December 31, 2001	\$4,375,820
Unreserved fund balance reclassification	<u>(576,852)</u>
Restated Fund Balance, December 31, 2001	<u>3,798,968</u>

#### Component Unit

Fund Balance as of December 31, 2001	\$ 0
Unreserved fund balance reclassification	<u>576,852</u>
Restated Fund Balance, December 31, 2001	<u>576,852</u>



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# **COMBINING FINANCIAL SECTION**

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# CITY OF CUYAHOGA FALLS, OHIO

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## Special Revenue Funds

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

The special revenue funds are:

<b>Municipal Income Tax</b>	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.
<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>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>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>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>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>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.



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<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>Suspended License Intervention Program</b>	To account for fees received from individuals who are charged with certain driver's license violations that come before the Municipal Court to offset the cost of services to educate these violators in complying with applicable laws.
<b>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>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>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.

**City of Cuyahoga Falls, Ohio**  
**Combining Balance Sheet**  
**All Special Revenue Funds**  
**December 31, 2002**

	Municipal Income Tax	State Highway Improvement	Street Construction, Maintenance and Repair	Municipal Motor Vehicle License Tax	Police Pension	Fire Pension
<b>ASSETS</b>						
Equity in pooled cash and cash equivalents	\$ 157,988	\$ 34,545	\$ 649,219	\$ 28,511	\$ 27,815	\$ 34,489
Investments	5,406	1,182	22,215	976	952	1,180
Investments - Restricted accounts	0	0	0	0	0	0
Receivables						
Taxes	2,601,369	0	0	0	274,851	274,851
Accounts	0	0	98,586	0	0	0
Loans	0	0	0	0	0	0
Due from other funds	46,939	0	0	0	8,301	10,048
Due from other governments	0	52,155	643,417	0	16,630	16,630
Inventory of supplies	179	0	155,701	0	0	0
Prepaid items	260	0	18,354	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ 2,812,141</b>	<b>\$ 87,882</b>	<b>\$ 1,587,492</b>	<b>\$ 29,487</b>	<b>\$ 328,549</b>	<b>\$ 337,198</b>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities						
Accounts payable	\$ 60	\$ 9,876	\$ 121,453	\$ 11,321	\$ 0	\$ 0
Accrued salaries, wages and benefits	16,519	0	113,636	0	0	0
Deferred revenue	1,031,070	37,692	464,865	0	284,392	284,392
Due to other funds	1,764,053	0	37,755	0	44,157	52,806
Due to other governments	0	0	0	0	0	0
Advances from other funds	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>2,811,702</b>	<b>47,568</b>	<b>737,709</b>	<b>11,321</b>	<b>328,549</b>	<b>337,198</b>
Fund Balance						
Reserved for encumbrances	0	9,876	118,578	11,321	0	0
Reserved for prepaid items	260	0	18,354	0	0	0
Reserved for inventory of supplies	179	0	155,701	0	0	0
Reserved for loans receivable	0	0	0	0	0	0
Unreserved - undesignated	0	30,438	557,150	6,845	0	0
<b>Total Fund Balance</b>	<b>439</b>	<b>40,314</b>	<b>849,783</b>	<b>18,166</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,812,141</b>	<b>\$ 87,882</b>	<b>\$ 1,587,492</b>	<b>\$ 29,487</b>	<b>\$ 328,549</b>	<b>\$ 337,198</b>

Permissive Tax	Recreation Levy	Court Special Projects	Community and Economic Development	Community Development Block Grant	Probation	Enterprise Zone/Community Reinvestment Area
\$ 2	\$ 11,754	\$ 58,337	\$ 4,345	\$ 77,654	\$ 11,143	\$ 2,465
0	402	1,996	149	2,657	381	84
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	1,300	0	0
0	0	0	0	1,990,766	0	0
0	390,749	9,841	0	0	1,014	0
64,613	139,662	0	0	0	0	2,572
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 64,615</u>	<u>\$ 542,567</u>	<u>\$ 70,174</u>	<u>\$ 4,494</u>	<u>\$ 2,072,377</u>	<u>\$ 12,538</u>	<u>\$ 5,121</u>
\$ 0	\$ 98,029	\$ 0	\$ 0	\$ 1,040	\$ 0	\$ 0
0	0	0	0	0	1,198	0
0	0	0	0	0	0	0
0	0	0	0	0	837	0
0	0	0	0	0	0	0
0	300,000	0	0	0	0	0
0	398,029	0	0	1,040	2,035	0
0	7,159	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	1,990,766	0	0
64,615	137,379	70,174	4,494	80,571	10,503	5,121
64,615	144,538	70,174	4,494	2,071,337	10,503	5,121
<u>\$ 64,615</u>	<u>\$ 542,567</u>	<u>\$ 70,174</u>	<u>\$ 4,494</u>	<u>\$ 2,072,377</u>	<u>\$ 12,538</u>	<u>\$ 5,121</u>

(continued)

**City of Cuyahoga Falls, Ohio**  
**Combining Balance Sheet**  
**All Special Revenue Funds**  
**December 31, 2002**

	Suspended License Intervention Program	Drug Law Enforcement	Law Enforcement Trust	Indigent Drivers Alcohol Treatment	Enforcement and Education	Court Computer
<b>ASSETS</b>						
Equity in pooled cash and cash equivalents	\$ 24,834	\$ 69,001	\$ 48,834	\$ 424,509	\$ 12,154	\$ 85,791
Investments	850	2,361	1,671	14,526	416	2,936
Investments - Restricted accounts	0	0	0	0	0	0
Receivables						
Taxes	0	0	0	0	0	0
Accounts	0	0	0	0	0	0
Loans	0	0	0	0	0	0
Due from other funds	1,650	275	0	1,162	395	9,841
Due from other governments	0	200	820	14,388	300	0
Inventory of supplies	0	0	0	0	0	0
Prepaid items	0	0	0	0	0	0
<b>TOTAL ASSETS</b>	<b><u>\$ 27,334</u></b>	<b><u>\$ 71,837</u></b>	<b><u>\$ 51,325</u></b>	<b><u>\$ 454,585</u></b>	<b><u>\$ 13,265</u></b>	<b><u>\$ 98,568</u></b>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities						
Accounts payable	\$ 0	\$ 7	\$ 0	0	\$ 5,559	\$ 0
Accrued salaries, wages and benefits	141	0	0	0	0	0
Deferred revenue	0	0	0	0	0	0
Due to other funds	14	0	0	0	0	0
Due to other governments	0	0	0	0	0	0
Advances from other funds	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>155</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>5,559</b>	<b>0</b>
Fund Balance						
Reserved for encumbrances	0	0	0	0	0	0
Reserved for prepaid items	0	0	0	0	0	0
Reserved for inventory of supplies	0	0	0	0	0	0
Reserved for loans receivable	0	0	0	0	0	0
Unreserved - undesignated	27,179	71,830	51,325	454,585	7,706	98,568
<b>Total Fund Balance</b>	<b><u>27,179</u></b>	<b><u>71,830</u></b>	<b><u>51,325</u></b>	<b><u>454,585</u></b>	<b><u>7,706</u></b>	<b><u>98,568</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 27,334</u></b>	<b><u>\$ 71,837</u></b>	<b><u>\$ 51,325</u></b>	<b><u>\$ 454,585</u></b>	<b><u>\$ 13,265</u></b>	<b><u>\$ 98,568</u></b>

Federal Law Enforcement	Total
\$ 5,662	\$ 1,769,052
194	60,534
0	0
0	3,151,071
0	99,886
0	1,990,766
0	480,215
12,857	964,244
0	155,880
0	18,614
<u>\$ 18,713</u>	<u>\$ 8,690,262</u>
\$ 0	\$ 247,345
0	131,494
0	2,102,411
0	1,899,622
0	0
0	300,000
0	4,680,872
0	146,934
0	18,614
0	155,880
0	1,990,766
18,713	1,697,196
18,713	4,009,390
<u>\$ 18,713</u>	<u>\$ 8,690,262</u>

**City of Cuyahoga Falls, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**All Special Revenue Funds**  
**Year Ended December 31, 2002**

	Municipal Income Tax	State Highway Improvement	Street Construction, Maintenance and Repair	Municipal Motor Vehicle License Tax	Police Pension	Fire Pension
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 239,195	\$ 239,195
Municipal income taxes	16,740,777	0	0	0	0	0
Other local taxes	0	0	0	0	165	165
State levied shared taxes	0	95,130	1,176,984	111,058	29,441	29,432
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	422,530	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	495	0	8,212	0	0	0
<b>Total Revenues</b>	<b>16,741,272</b>	<b>95,130</b>	<b>1,607,726</b>	<b>111,058</b>	<b>268,801</b>	<b>268,792</b>
<b>Expenditures</b>						
<b>Current</b>						
<b>Security of persons and property</b>						
Leisure time activities	0	0	0	0	936,641	1,175,343
Community environment	0	0	0	0	0	0
Street maintenance	0	86,756	3,450,352	110,022	0	0
General government	1,142,601	0	0	0	0	0
Capital outlay	6,708	0	111,563	0	0	0
<b>Debt service</b>						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>1,149,309</b>	<b>86,756</b>	<b>3,561,915</b>	<b>110,022</b>	<b>936,641</b>	<b>1,175,343</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	15,591,963	8,374	(1,954,189)	1,036	(667,840)	(906,551)
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	0	0	1,775,000	0	640,201	886,132
Operating transfers out	(15,592,308)	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(15,592,308)</b>	<b>0</b>	<b>1,775,000</b>	<b>0</b>	<b>640,201</b>	<b>886,132</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>						
	(345)	8,374	(179,189)	1,036	(27,639)	(20,419)
<b>Fund Balance at Beginning of Year, as restated</b>	<b>1,867</b>	<b>31,940</b>	<b>1,070,066</b>	<b>17,130</b>	<b>27,639</b>	<b>20,419</b>
<b>Increase (decrease) in:</b>						
Reserve for inventory	(1,194)	0	(44,473)	0	0	0
Reserve for prepaid items	111	0	3,379	0	0	0
<b>Fund Balance at End of Year</b>	<b>\$ 439</b>	<b>\$ 40,314</b>	<b>\$ 849,783</b>	<b>\$ 18,166</b>	<b>\$ 0</b>	<b>\$ 0</b>

Permissive Tax	Recreation Levy	Court Special Projects	Community and Economic Development	Community Development Block Grant	Probation	Enterprise Zone/Community Reinvestment Area	Suspended License Intervention Program	Drug Law Enforcement
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
224,694	0	0	0	0	0	0	0	0
0	142,162	0	0	273,350	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	70,174	0	0	12,996	2,572	23,500	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	20,390
0	644	0	0	24,796	0	0	0	78
224,694	142,806	70,174	0	298,146	12,996	2,572	23,500	20,468
0	0	0	0	0	31,510	0	0	23,403
0	136,239	0	0	0	0	0	0	0
0	0	0	0	0	0	102	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	155	0
199,500	772,251	0	0	1,531	0	0	3,891	0
0	230,038	0	0	0	0	0	0	0
0	258,928	0	0	0	0	0	0	0
199,500	1,397,456	0	0	1,531	31,510	102	4,046	23,403
25,194	(1,254,650)	70,174	0	296,615	(18,514)	2,470	19,454	(2,935)
0	1,247,385	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	1,247,385	0	0	0	0	0	0	0
25,194	(7,265)	70,174	0	296,615	(18,514)	2,470	19,454	(2,935)
39,421	151,803	0	4,494	1,774,722	29,017	2,651	7,725	74,765
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
<u>\$ 64,615</u>	<u>\$ 144,538</u>	<u>\$ 70,174</u>	<u>\$ 4,494</u>	<u>\$ 2,071,337</u>	<u>\$ 10,503</u>	<u>\$ 5,121</u>	<u>\$ 27,179</u>	<u>\$ 71,830</u>

(continued)

**City of Cuyahoga Falls, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**All Special Revenue Funds**  
**Year Ended December 31, 2002**

	Law Enforcement Trust	Indigent Drivers Alcohol Treatment	Enforcement and Education	Court Computer	Federal Law Enforcement	Total
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 478,390
Municipal income taxes	0	0	0	0	0	16,740,777
Other local taxes	0	0	0	0	0	330
State levied shared taxes	0	0	0	0	0	1,666,739
Intergovernmental	0	0	0	0	0	415,512
Charges for services	0	0	0	93,074	0	93,074
Fees, licenses, and permits	0	0	0	0	0	531,772
Interest earnings	0	0	0	0	134	134
Fines and forfeitures	1,610	64,227	7,090	0	0	93,317
Other	8,707	0	3,500	0	12,857	59,289
<b>Total Revenues</b>	<b>10,317</b>	<b>64,227</b>	<b>10,590</b>	<b>93,074</b>	<b>12,991</b>	<b>20,079,334</b>
<b>Expenditures</b>						
<b>Current</b>						
<b>Security of persons and</b>						
property	5,334	0	28,237	0	9,253	2,209,721
Leisure time activities	0	0	0	0	0	136,239
Community environment	0	0	0	0	0	102
Street maintenance	0	0	0	0	0	3,647,130
General government	0	0	0	32,718	0	1,175,474
Capital outlay	0	0	0	30,069	0	1,125,513
<b>Debt service</b>						
Principal	0	0	0	0	0	230,038
Interest	0	0	0	0	0	258,928
<b>Total Expenditures</b>	<b>5,334</b>	<b>0</b>	<b>28,237</b>	<b>62,787</b>	<b>9,253</b>	<b>8,783,145</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	4,983	64,227	(17,647)	30,287	3,738	11,296,189
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	0	0	0	0	0	4,548,718
Operating transfers out	0	0	0	0	0	(15,592,308)
<b>Total Other Financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(11,043,590)</b>
<b>Excess (Deficiency) of Revenues</b>						
<b>and Other Sources Over (Under)</b>						
Expenditures and Other Uses	4,983	64,227	(17,647)	30,287	3,738	252,599
<b>Fund Balance at Beginning of Year, as restated</b>	<b>46,342</b>	<b>390,358</b>	<b>25,353</b>	<b>68,281</b>	<b>14,975</b>	<b>3,798,968</b>
<b>Increase (decrease) in:</b>						
Reserve for inventory	0	0	0	0	0	(45,667)
Reserve for prepaid items	0	0	0	0	0	3,490
<b>Fund Balance at End of Year</b>	<b>\$ 51,325</b>	<b>\$ 454,585</b>	<b>\$ 7,706</b>	<b>\$ 98,568</b>	<b>\$ 18,713</b>	<b>\$ 4,009,390</b>



**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds**  
**Year Ended December 31, 2002**

	Municipal Income Tax			State Highway Improvement		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	16,648,000	16,790,440	142,440	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	96,000	97,223	1,223
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	0	495	495	0	0	0
<b>Total Revenues</b>	<b>16,648,000</b>	<b>16,790,935</b>	<b>142,935</b>	<b>96,000</b>	<b>97,223</b>	<b>1,223</b>
<b>Expenditures</b>						
<b>Current</b>						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	96,000	96,000	0
General government	1,152,694	1,150,060	2,634	0	0	0
Capital outlay	6,710	6,708	2	0	0	0
Debt service	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>1,159,404</b>	<b>1,156,768</b>	<b>2,636</b>	<b>96,000</b>	<b>96,000</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	15,488,596	15,634,167	145,571	0	1,223	1,223
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	(15,568,001)	(15,568,001)	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(15,568,001)</b>	<b>(15,568,001)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>						
	(79,405)	66,166	145,571	0	1,223	1,223
<b>Fund Balance at Beginning of Year</b>	<b>88,244</b>	<b>88,244</b>	<b>0</b>	<b>15,384</b>	<b>15,384</b>	<b>0</b>
<b>Decertification of prior year encumbrances</b>						
	28	28	0	0	0	0
<b>Fund Balance at End of Year</b>	<b>\$ 8,867</b>	<b>\$ 154,438</b>	<b>\$ 145,571</b>	<b>\$ 15,384</b>	<b>\$ 16,607</b>	<b>\$ 1,223</b>

(continued)

**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds**  
**Year Ended December 31, 2002**

	Street Construction, Maintenance and Repair			Municipal Motor Vehicle License Tax		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	1,202,000	1,202,801	801	112,000	111,058	(942)
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	424,000	434,788	10,788	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
All other revenues	2,000	7,855	5,855	0	0	0
<b>Total Revenues</b>	<b>1,628,000</b>	<b>1,645,444</b>	<b>17,444</b>	<b>112,000</b>	<b>111,058</b>	<b>(942)</b>
<b>Expenditures</b>						
<b>Current</b>						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	3,678,222	3,604,118	74,104	122,000	122,000	0
General government	0	0	0	0	0	0
Capital outlay	86,900	86,252	648	0	0	0
Debt service	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>3,765,122</b>	<b>3,690,370</b>	<b>74,752</b>	<b>122,000</b>	<b>122,000</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	(2,137,122)	(2,044,926)	92,196	(10,000)	(10,942)	(942)
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	1,775,000	1,775,000	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>1,775,000</b>	<b>1,775,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>						
	(362,122)	(269,926)	92,196	(10,000)	(10,942)	(942)
Fund Balance at Beginning of Year	550,595	550,595	0	17,130	17,130	0
Decertification of prior year encumbrances	20,806	20,806	0	0	0	0
<b>Fund Balance at End of Year</b>	<b>\$ 209,279</b>	<b>\$ 301,475</b>	<b>\$ 92,196</b>	<b>\$ 7,130</b>	<b>\$ 6,188</b>	<b>\$ (942)</b>

	Police Pension			Fire Pension		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 243,879	\$ 241,962	\$ (1,917)	\$ 243,879	\$ 241,962	\$ (1,917)
Municipal income taxes	0	0	0	0	0	0
Other local taxes	215	216	1	215	216	1
State levied shared taxes	29,535	29,441	(94)	29,535	29,432	(103)
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total Revenues</b>	<b>273,629</b>	<b>271,619</b>	<b>(2,010)</b>	<b>273,629</b>	<b>271,610</b>	<b>(2,019)</b>
<b>Expenditures</b>						
<b>Current</b>						
Security of persons and property	946,508	930,688	15,820	1,179,365	1,165,826	13,539
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
Debt service	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>946,508</b>	<b>930,688</b>	<b>15,820</b>	<b>1,179,365</b>	<b>1,165,826</b>	<b>13,539</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	(672,879)	(659,069)	13,810	(905,736)	(894,216)	11,520
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	625,000	631,900	6,900	875,000	876,084	1,084
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>625,000</b>	<b>631,900</b>	<b>6,900</b>	<b>875,000</b>	<b>876,084</b>	<b>1,084</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>						
	(47,879)	(27,169)	20,710	(30,736)	(18,132)	12,604
<b>Fund Balance at Beginning of Year</b>	<b>55,936</b>	<b>55,936</b>	<b>0</b>	<b>53,801</b>	<b>53,801</b>	<b>0</b>
<b>Decertification of prior year encumbrances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$ 8,057</b>	<b>\$ 28,767</b>	<b>\$ 20,710</b>	<b>\$ 23,065</b>	<b>\$ 35,669</b>	<b>\$ 12,604</b>

(continued)

**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds**  
**Year Ended December 31, 2002**

	Permissive Tax			Recreation Levy		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	225,000	199,500	(25,500)	0	0	0
Intergovernmental	0	0	0	167,000	2,500	(164,500)
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	0	0	0	0	644	644
<b>Total Revenues</b>	<b>225,000</b>	<b>199,500</b>	<b>(25,500)</b>	<b>167,000</b>	<b>3,144</b>	<b>(163,856)</b>
<b>Expenditures</b>						
<b>Current</b>						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	140,120	130,917	9,203
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	225,000	199,500	25,500	893,561	838,367	55,194
Debt service	0	0	0	0	0	0
Principal	0	0	0	230,039	230,038	1
Interest	0	0	0	258,929	258,928	1
<b>Total Expenditures</b>	<b>225,000</b>	<b>199,500</b>	<b>25,500</b>	<b>1,522,649</b>	<b>1,458,250</b>	<b>64,399</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	0	0	0	(1,355,649)	(1,455,106)	(99,457)
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	0	0	0	1,345,441	1,395,441	50,000
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	(100,000)	(100,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,245,441</b>	<b>1,295,441</b>	<b>50,000</b>
<b>Excess (Deficiency) of Revenues and</b>						
<b>Other Sources Over (Under) Expenditures</b>						
and Other Uses	0	0	0	(110,208)	(159,665)	(49,457)
Fund Balance at Beginning of Year	2	2	0	135,059	135,059	0
Decertification of prior year encumbrances	0	0	0	24,718	24,718	0
<b>Fund Balance at End of Year</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 0</b>	<b>\$ 49,569</b>	<b>\$ 112</b>	<b>\$ (49,457)</b>

	Court Special Projects			Community and Economic Development		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	60,000	60,333	333	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total Revenues</b>	<b>60,000</b>	<b>60,333</b>	<b>333</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditures</b>						
<b>Current</b>						
Security of persons and property	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	4,494	0	4,494
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
Debt service	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,494</b>	<b>0</b>	<b>4,494</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	60,000	60,333	333	(4,494)	0	4,494
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>						
	60,000	60,333	333	(4,494)	0	4,494
Fund Balance at Beginning of Year	0	0	0	4,494	4,494	0
<b>Decertification of prior year encumbrances</b>						
	0	0	0	0	0	0
<b>Fund Balance at End of Year</b>	<b>\$ 60,000</b>	<b>\$ 60,333</b>	<b>\$ 333</b>	<b>\$ 0</b>	<b>\$ 4,494</b>	<b>\$ 4,494</b>

(continued)

**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds**  
**Year Ended December 31, 2002**

	Community Development Block Grant			Probation		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	273,352	273,350	(2)	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	11,500	13,033	1,533
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	98,500	121,394	22,894	0	0	0
<b>Total Revenues</b>	<b>371,852</b>	<b>394,744</b>	<b>22,892</b>	<b>11,500</b>	<b>13,033</b>	<b>1,533</b>
<b>Expenditures</b>						
<b>Current</b>						
Security of persons and property	0	0	0	37,943	29,475	8,468
Leisure time activities	0	0	0	0	0	0
Community environment	348,376	347,237	1,139	0	0	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	1,700	1,531	169	0	0	0
Debt service	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>350,076</b>	<b>348,768</b>	<b>1,308</b>	<b>37,943</b>	<b>29,475</b>	<b>8,468</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	21,776	45,976	24,200	(26,443)	(16,442)	10,001
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>						
	21,776	45,976	24,200	(26,443)	(16,442)	10,001
<b>Fund Balance at Beginning of Year</b>	<b>34,289</b>	<b>34,289</b>	<b>0</b>	<b>27,966</b>	<b>27,966</b>	<b>0</b>
<b>Decertification of prior year encumbrances</b>						
	0	0	0	0	0	0
<b>Fund Balance at End of Year</b>	<b>\$ 56,065</b>	<b>\$ 80,265</b>	<b>\$ 24,200</b>	<b>\$ 1,523</b>	<b>\$ 11,524</b>	<b>\$ 10,001</b>

	Enterprise Zone/Community Reinvestment Area			Suspended License Intervention Program		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	1,250	1,995	745	26,500	25,900	(600)
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total Revenues</b>	<b>1,250</b>	<b>1,995</b>	<b>745</b>	<b>26,500</b>	<b>25,900</b>	<b>(600)</b>
<b>Expenditures</b>						
<b>Current</b>						
Security of persons and property	0	0	0	15,000	0	15,000
Leisure time activities	0	0	0	0	0	0
Community environment	1,524	102	1,422	0	0	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	25	(25)
Capital outlay	0	0	0	5,000	3,891	1,109
Debt service	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>1,524</b>	<b>102</b>	<b>1,422</b>	<b>20,000</b>	<b>3,916</b>	<b>16,084</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	(274)	1,893	2,167	6,500	21,984	15,484
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>						
	(274)	1,893	2,167	6,500	21,984	15,484
Fund Balance at Beginning of Year	656	656	0	3,700	3,700	0
Decertification of prior year encumbrances	0	0	0	0	0	0
<b>Fund Balance at End of Year</b>	<b>\$ 382</b>	<b>\$ 2,549</b>	<b>\$ 2,167</b>	<b>\$ 10,200</b>	<b>\$ 25,684</b>	<b>\$ 15,484</b>

(continued)

**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds**  
**Year Ended December 31, 2002**

	Drug Law Enforcement			Law Enforcement Trust		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	18,500	21,176	2,676	5,000	790	(4,210)
Other	0	78	78	3,500	8,707	5,207
Total Revenues	<u>18,500</u>	<u>21,254</u>	<u>2,754</u>	<u>8,500</u>	<u>9,497</u>	<u>997</u>
<b>Expenditures</b>						
Current						
Security of persons and property	47,569	26,149	21,420	18,981	5,334	13,647
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	4,000	0	4,000	0	0	0
Debt service	0			0		
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	<u>51,569</u>	<u>26,149</u>	<u>25,420</u>	<u>18,981</u>	<u>5,334</u>	<u>13,647</u>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	(33,069)	(4,895)	28,174	(10,481)	4,163	14,644
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>						
	(33,069)	(4,895)	28,174	(10,481)	4,163	14,644
Fund Balance at Beginning of Year	74,286	74,286	0	46,342	46,342	0
Decertification of prior year encumbrances	283	283	0	0	0	0
Fund Balance at End of Year	<u>\$ 41,500</u>	<u>\$ 69,674</u>	<u>\$ 28,174</u>	<u>\$ 35,861</u>	<u>\$ 50,505</u>	<u>\$ 14,644</u>



	Indigent Drivers Alcohol Treatment			Enforcement and Education		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Fines and forfeitures	48,000	49,537	1,537	6,500	6,949	449
Other	0	0	0	0	3,600	3,600
<b>Total Revenues</b>	<b>48,000</b>	<b>49,537</b>	<b>1,537</b>	<b>6,500</b>	<b>10,549</b>	<b>4,049</b>
<b>Expenditures</b>						
<b>Current</b>						
Security of persons and property	0	0	0	23,000	22,678	322
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
Debt service	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,000</b>	<b>22,678</b>	<b>322</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	48,000	49,537	1,537	(16,500)	(12,129)	4,371
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>						
	48,000	49,537	1,537	(16,500)	(12,129)	4,371
<b>Fund Balance at Beginning of Year</b>	<b>389,498</b>	<b>389,498</b>	<b>0</b>	<b>24,699</b>	<b>24,699</b>	<b>0</b>
<b>Decertification of prior year encumbrances</b>						
	0	0	0	0	0	0
<b>Fund Balance at End of Year</b>	<b>\$ 437,498</b>	<b>\$ 439,035</b>	<b>\$ 1,537</b>	<b>\$ 8,199</b>	<b>\$ 12,570</b>	<b>\$ 4,371</b>

(continued)

**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds**  
**Year Ended December 31, 2002**

	Court Computer			Federal Law Enforcement		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0	0	0	0
Other local taxes	0	0	0	0	0	0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Charges for services	88,000	87,066	(934)	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	240	134	(106)
Fines and forfeitures	0	0	0	0	0	0
Other	0	0	0	2,000	0	(2,000)
<b>Total Revenues</b>	<b>88,000</b>	<b>87,066</b>	<b>(934)</b>	<b>2,240</b>	<b>134</b>	<b>(2,106)</b>
<b>Expenditures</b>						
<b>Current</b>						
Security of persons and property	0	0	0	10,876	9,253	1,623
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Street maintenance	0	0	0	0	0	0
General government	40,600	32,718	7,882	0	0	0
Capital outlay	40,000	15,744	24,256	0	0	0
Debt service	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>80,600</b>	<b>48,462</b>	<b>32,138</b>	<b>10,876</b>	<b>9,253</b>	<b>1,623</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	7,400	38,604	31,204	(8,636)	(9,119)	(483)
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and</b>						
<b>Other Sources Over (Under) Expenditures</b>						
and Other Uses	7,400	38,604	31,204	(8,636)	(9,119)	(483)
<b>Fund Balance at Beginning of Year</b>	<b>50,123</b>	<b>50,123</b>	<b>0</b>	<b>14,975</b>	<b>14,975</b>	<b>0</b>
<b>Decertification of prior year</b>						
<b>encumbrances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$ 57,523</b>	<b>\$ 88,727</b>	<b>\$ 31,204</b>	<b>\$ 6,339</b>	<b>\$ 5,856</b>	<b>\$ (483)</b>

Total - All Special Revenue Funds			
	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>			
Property taxes	\$ 487,758	\$ 483,924	\$ (3,834)
Municipal income taxes	16,648,000	16,790,440	142,440
Other local taxes	430	432	2
State levied shared taxes	1,694,070	1,669,455	(24,615)
Intergovernmental	440,352	275,850	(164,502)
Charges for services	88,000	87,066	(934)
Fees, licenses, and permits	523,250	536,049	12,799
Interest earnings	240	134	(106)
Fines and forfeitures	78,000	78,452	452
Other	106,000	142,773	36,773
<b>Total Revenues</b>	<b>20,066,100</b>	<b>20,064,575</b>	<b>(1,525)</b>
<b>Expenditures</b>			
<b>Current</b>			
Security of persons and property	2,279,242	2,189,403	89,839
Leisure time activities	140,120	130,917	9,203
Community environment	354,394	347,339	7,055
Street maintenance	3,896,222	3,822,118	74,104
General government	1,193,294	1,182,803	10,491
Capital outlay	1,262,871	1,151,993	110,878
<b>Debt service</b>			
Principal	230,039	230,038	1
Interest	258,929	258,928	1
<b>Total Expenditures</b>	<b>9,615,111</b>	<b>9,313,539</b>	<b>301,572</b>
<b>Excess (Deficiency) of Revenues</b>			
Over (Under) Expenditures	10,450,989	10,751,036	300,047
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	4,620,441	4,678,425	57,984
Operating transfers out	(15,568,001)	(15,568,001)	0
Advances in	0	0	0
Advances out	(100,000)	(100,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(11,047,560)</b>	<b>(10,989,576)</b>	<b>57,984</b>
<b>Excess (Deficiency) of Revenues and</b>			
<b>Other Sources Over (Under) Expenditures</b>			
and Other Uses	(596,571)	(238,540)	358,031
<b>Fund Balance at Beginning of Year</b>	<b>1,587,179</b>	<b>1,587,179</b>	<b>0</b>
<b>Decertification of prior year</b>			
encumbrances	45,835	45,835	0
<b>Fund Balance at End of Year</b>	<b>\$ 1,036,443</b>	<b>\$ 1,394,474</b>	<b>\$ 358,031</b>

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# CITY OF CUYAHOGA FALLS, OHIO

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## Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The capital projects funds are:

**Capital Projects**

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

**Capital Improvement Reserve**

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

**City of Cuyahoga Falls, Ohio**  
**Combining Balance Sheet**  
**All Capital Projects Funds**  
**December 31, 2002**

	Capital Projects	Capital Improvement Reserve	Totals
<b>ASSETS</b>			
Equity in pooled cash and cash equivalents	\$ 4,466,786	\$ 2,544,092	\$ 7,010,878
Investments	152,843	79,318	232,161
Investments - Restricted accounts	0	2,441,345	2,441,345
Receivables			
Accounts	84,541	7,768	92,309
Special assessments	315,786	952,177	1,267,963
Accrued interest	0	802,794	802,794
Due from other funds	640,138	0	640,138
Due from other governments	115,123	0	115,123
Advances to other funds	0	1,082,783	1,082,783
Deferred charges	13,927	8,363	22,290
<b>TOTAL ASSETS</b>	<b>\$ 5,789,144</b>	<b>\$ 7,918,640</b>	<b>\$ 13,707,784</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 1,665,287	\$ 25,997	\$ 1,691,284
Deferred revenue	315,786	1,643,857	1,959,643
Due to other governments	0	0	0
Advances from other funds	480,383	0	480,383
Unamortized bond premium	28,573	0	28,573
General obligation notes payable	4,300,000	0	4,300,000
Total Liabilities	6,790,029	1,669,854	8,459,883
Fund Balance			
Reserved for encumbrances	1,146,987	0	1,146,987
Reserved for advances	0	1,082,783	1,082,783
Reserved for investments	0	2,441,345	2,441,345
Unreserved - undesignated	(2,147,872)	2,724,658	576,786
Total Fund Balance (Deficit)	(1,000,885)	6,248,786	5,247,901
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 5,789,144</b>	<b>\$ 7,918,640</b>	<b>\$ 13,707,784</b>

**City of Cuyahoga Falls, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**All Capital Projects Funds**  
**Year Ended December 31, 2002**

	Capital Projects	Capital Improvement Reserve	Total
<b>Revenues</b>			
Intergovernmental Revenue	\$ 1,611,831	\$ 0	\$ 1,611,831
Charges for Services	1,316,044	0	1,316,044
Fees, licenses and permits	0	0	0
Interest earnings	0	967,117	967,117
Special assessments	75,451	85,887	161,338
Other	138,138	287,410	425,548
<b>Total Revenues</b>	<b>3,141,464</b>	<b>1,340,414</b>	<b>4,481,878</b>
<b>Expenditures</b>			
General government	0	49,034	49,034
Capital Outlay	11,217,852	0	11,217,852
<b>Debt Service:</b>			
Principal	142,258	0	142,258
Interest	20,373	0	20,373
<b>Total Expenditures</b>	<b>11,380,483</b>	<b>49,034</b>	<b>11,429,517</b>
<b>Excess (Deficiency) of Revenues</b>			
Over (Under) Expenditures	(8,239,019)	1,291,380	(6,947,639)
<b>Other Financing Sources (Uses)</b>			
Bond/note proceeds	0	0	0
Inception of capital lease	227,851	0	227,851
Operating transfers in	4,573,224	0	4,573,224
Operating transfers out	0	(1,850,000)	(1,850,000)
<b>Total Other Financing Sources (Uses)</b>	<b>4,801,075</b>	<b>(1,850,000)</b>	<b>2,951,075</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>			
	(3,437,944)	(558,620)	(3,996,564)
<b>Fund Balance at Beginning of Year</b>	<b>2,437,059</b>	<b>6,807,406</b>	<b>9,244,465</b>
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ (1,000,885)</b>	<b>\$ 6,248,786</b>	<b>\$ 5,247,901</b>

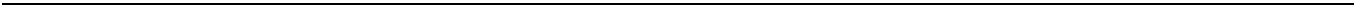
**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Capital Projects Funds**  
**Year Ended December 31, 2002**

	Capital Projects			Capital Improvement Reserve		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>						
Other local taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State levied shared taxes	0	0	0	0	0	0
Intergovernmental	583,030	634,131	51,101	0	0	0
Charges for services	1,230,000	1,283,866	53,866	0	0	0
Fees, licenses, and permits	0	0	0	0	0	0
Interest earnings	0	0	0	1,021,759	915,885	(105,874)
Special assessments	153,322	75,451	(77,871)	86,559	85,887	(672)
Other	112,022	83,469	(28,553)	0	284,398	284,398
<b>Total Revenues</b>	<b>2,078,374</b>	<b>2,076,917</b>	<b>(1,457)</b>	<b>1,108,318</b>	<b>1,286,170</b>	<b>177,852</b>
<b>Expenditures</b>						
General government	0	0	0	40,600	22,108	18,492
Capital outlay	11,387,652	10,662,948	724,704	0	0	0
<b>Debt Service</b>						
Principal	892,258	892,258	0	0	0	0
Interest	29,354	25,083	4,271	0	0	0
<b>Total Expenditures</b>	<b>12,309,264</b>	<b>11,580,289</b>	<b>728,975</b>	<b>40,600</b>	<b>22,108</b>	<b>18,492</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	(10,230,890)	(9,503,372)	727,518	1,067,718	1,264,062	196,344
<b>Other Financing Sources (Uses)</b>						
Bond/note proceeds	3,800,000	4,322,080	522,080	0	0	0
Capital Lease proceeds	0	227,851	227,851	0	0	0
Operating transfers in	5,072,494	4,566,094	(506,400)	0	0	0
Operating transfers out	0	0	0	(2,356,400)	(1,850,000)	506,400
Advances in	0	0	0	330,800	330,800	0
Advances out	(130,000)	(130,000)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>8,742,494</b>	<b>8,986,025</b>	<b>243,531</b>	<b>(2,025,600)</b>	<b>(1,519,200)</b>	<b>506,400</b>
<b>Excess (Deficiency) of Revenues and</b>						
<b>Other Sources Over (Under) Expenditures</b>						
and Other Uses	(1,488,396)	(517,347)	971,049	(957,882)	(255,138)	702,744
<b>Fund Balance at Beginning of Year</b>	<b>1,563,567</b>	<b>1,563,567</b>	<b>0</b>	<b>4,779,399</b>	<b>4,779,399</b>	<b>0</b>
<b>Decertification of prior year</b>						
<b>encumbrances</b>	<b>268,162</b>	<b>268,162</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$ 343,333</b>	<b>\$ 1,314,382</b>	<b>\$ 971,049</b>	<b>\$ 3,821,517</b>	<b>\$ 4,524,261</b>	<b>\$ 702,744</b>



**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Capital Projects Funds**  
**Year Ended December 31, 2002**

	Total - All Capital Projects Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>			
Other local taxes	\$ 0	\$ 0	\$ 0
State levied shared taxes	0	0	0
Intergovernmental	583,030	634,131	51,101
Charges for services	1,230,000	1,283,866	53,866
Fees, licenses, and permits	0	0	0
Interest earnings	1,021,759	915,885	(105,874)
Special assessments	239,881	161,338	(78,543)
Other	112,022	367,867	255,845
<b>Total Revenues</b>	<b>3,186,692</b>	<b>3,363,087</b>	<b>176,395</b>
<b>Expenditures</b>			
General government	40,600	22,108	18,492
Capital outlay	11,387,652	10,662,948	724,704
<b>Debt Service</b>			
Principal	892,258	892,258	0
Interest	29,354	25,083	4,271
<b>Total Expenditures</b>	<b>12,349,864</b>	<b>11,602,397</b>	<b>747,467</b>
<b>Excess (Deficiency) of Revenues</b>			
Over (Under) Expenditures	(9,163,172)	(8,239,310)	923,862
<b>Other Financing Sources (Uses)</b>			
Bond/note proceeds	3,800,000	4,322,080	522,080
Capital Lease proceeds	0	227,851	227,851
Operating transfers in	5,072,494	4,566,094	(506,400)
Operating transfers out	(2,356,400)	(1,850,000)	506,400
Advances in	330,800	330,800	0
Advances out	(130,000)	(130,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>6,716,894</b>	<b>7,466,825</b>	<b>749,931</b>
<b>Excess (Deficiency) of Revenues and</b>			
Other Sources Over (Under) Expenditures			
and Other Uses	(2,446,278)	(772,485)	1,673,793
<b>Fund Balance at Beginning of Year</b>	<b>6,342,966</b>	<b>6,342,966</b>	<b>0</b>
<b>Decertification of prior year</b>			
encumbrances	268,162	268,162	0
<b>Fund Balance at End of Year</b>	<b>\$ 4,164,850</b>	<b>\$ 5,838,643</b>	<b>\$ 1,673,793</b>



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# CITY OF CUYAHOGA FALLS, OHIO

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## Enterprise Funds

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

The enterprise funds are:

<b>Sewage and Disposal</b>	To account for sanitary sewer service provided to residential and commercial users within the County.
<b>Water</b>	To account for the provision of water treatment and distribution to residential and commercial users within the City, the Village of Munroe Falls, the Village of Silver Lake and certain other residents within the County.
<b>Electric</b>	To account for the distribution of electricity to residential and commercial users within the County.
<b>Sanitation</b>	To account for refuse and recycling collection services provided to residential and commercial users within the County.
<b>Leisure Time</b>	To account for the revenues and expenses of an outdoor swimming pool, an indoor natatorium, a municipal golf course/driving range/batting cages/miniature golf facility and a civic cultural center.

**City of Cuyahoga Falls, Ohio**  
**Combining Balance Sheet**  
**All Enterprise Funds**  
**December 31, 2002**

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
<b>ASSETS</b>						
<b>Current Assets</b>						
Equity in pooled cash and cash equivalents	\$ 2,988,508	\$ 3,379,024	\$ 10,748,773	\$ 699,749	\$ 3,709,492	\$ 21,525,546
Investments	102,260	115,622	367,797	23,944	126,930	736,553
<b>Receivables</b>						
Accounts	866,553	1,033,076	3,682,059	50,154	2,492	5,634,334
Special assessments	0	68,323	0	0	0	68,323
Due from other funds	56,140	0	731,761	33,846	0	821,747
Due from other governments	0	26	928	1,063	399	2,416
Inventory of supplies	34,046	317,785	2,732,576	49,509	51,114	3,185,030
Prepaid items	10,060	17,867	34,167	8,496	49,471	120,061
Deferred charges	10,786	129,461	0	0	17,165	157,412
Unamortized bond discount	20,785	53,722	0	0	0	74,507
Investment in joint venture	0	0	20,564,877	0	0	20,564,877
<b>Total Current Assets</b>	<b>4,089,138</b>	<b>5,114,906</b>	<b>38,862,938</b>	<b>866,761</b>	<b>3,957,063</b>	<b>52,890,806</b>
<b>Fixed Assets</b>						
Land	84,084	114,910	384,726	152,781	1,789,163	2,525,664
Buildings	465,452	846,252	689,971	109,472	11,296,251	13,407,398
Improvements other than buildings	14,917,999	20,008,203	24,559,144	60,700	3,561,582	63,107,628
Equipment	888,256	1,223,087	3,678,464	2,440,803	725,220	8,955,830
CIP	28,010	179,020	0	0	2,922,740	3,129,770
<b>Total Fixed Assets</b>	<b>16,383,801</b>	<b>22,371,472</b>	<b>29,312,305</b>	<b>2,763,756</b>	<b>20,294,956</b>	<b>91,126,290</b>
Less-Accumulated depreciation	(5,787,733)	(5,683,719)	(16,154,102)	(2,138,330)	(3,516,387)	(33,280,271)
<b>Net</b>	<b>10,596,068</b>	<b>16,687,753</b>	<b>13,158,203</b>	<b>625,426</b>	<b>16,778,569</b>	<b>57,846,019</b>
<b>TOTAL ASSETS</b>	<b>\$ 14,685,206</b>	<b>\$ 21,802,659</b>	<b>\$ 52,021,141</b>	<b>\$ 1,492,187</b>	<b>\$ 20,735,632</b>	<b>\$ 110,736,825</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Current Liabilities</b>						
Account payable	\$ 128,049	\$ 196,100	\$ 1,423,650	\$ 112,600	\$ 627,991	\$ 2,488,390
Accrued salaries, wages, & benefits	224,736	443,532	1,065,775	364,473	151,671	2,250,187
Accrued interest payable	15,474	40,496	10,574	0	22,745	89,289
Deferred revenue	309,804	582,651	0	0	0	892,455
Due to other funds	212,136	167,122	125,778	178,859	716,094	1,399,989
Due to other governments	434,371	0	0	0	0	434,371
Deposits held and due to others	0	10,954	191,209	0	0	202,163
Capital lease obligations	0	0	0	104,588	0	104,588
Advances from other funds	0	0	0	100,800	0	100,800
Unamortized bond premium	0	0	0	0	35,218	35,218
Construction loan payable	8,134	0	0	0	0	8,134
General obligation notes payable	0	0	0	0	5,300,000	5,300,000
General obligation bonds payable	185,521	459,514	245,149	0	349,667	1,239,851
<b>Long Term Liabilities</b>						
Capital lease obligations	0	0	0	0	0	0
Advances from other funds	0	0	0	201,600	0	201,600
Construction loan payable	0	0	0	0	0	0
General obligation bonds payable	3,812,647	10,530,841	2,121,043	0	3,696,145	20,160,676
<b>Total Liabilities</b>	<b>5,330,872</b>	<b>12,431,210</b>	<b>5,183,178</b>	<b>1,062,920</b>	<b>10,899,531</b>	<b>34,907,711</b>
<b>Fund Equity</b>						
Contributed capital	1,119,983	427,231	5,994	223,666	7,983,713	9,760,587
Retained earnings - unreserved	8,234,351	8,944,218	46,831,969	205,601	1,852,388	66,068,527
<b>Total Fund Equity</b>	<b>9,354,334</b>	<b>9,371,449</b>	<b>46,837,963</b>	<b>429,267</b>	<b>9,836,101</b>	<b>75,829,114</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 14,685,206</b>	<b>\$ 21,802,659</b>	<b>\$ 52,021,141</b>	<b>\$ 1,492,187</b>	<b>\$ 20,735,632</b>	<b>\$ 110,736,825</b>

**City of Cuyahoga Falls, Ohio**  
**Combining Statement of Revenues, Expenses and Changes in Retained Earnings -**  
**All Enterprise Funds**  
**Year Ended December 31, 2002**

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
<b>Operating Revenues</b>						
Charges for services	\$ 4,693,548	\$ 4,373,161	\$ 28,499,466	\$ 3,300,822	\$ 2,992,443	\$ 43,859,440
Other	1,800	63,516	87,865	108,152	281,441	542,774
<b>Total Operating Revenues</b>	<b>4,695,348</b>	<b>4,436,677</b>	<b>28,587,331</b>	<b>3,408,974</b>	<b>3,273,884</b>	<b>44,402,214</b>
<b>Operating Expenses</b>						
Personal services	505,730	1,041,454	2,462,197	1,143,279	1,545,471	6,698,131
Fringe benefits	151,727	347,445	853,919	415,273	324,588	2,092,952
Purchased power	0	0	14,840,779	0	0	14,840,779
Materials and supplies	31,723	287,641	1,623,803	141,929	171,195	2,256,291
Utilities	17,814	159,095	38,720	16,690	162,915	395,234
Contractual services	2,271,809	83,433	86,448	750,143	76,176	3,268,009
Internal charges	587,247	666,202	1,611,511	393,165	602,622	3,860,747
Other	139,242	235,606	885,223	457,666	588,419	2,306,156
Depreciation	365,132	692,926	858,176	182,852	485,818	2,584,904
<b>Total Operating Expenses</b>	<b>4,070,424</b>	<b>3,513,802</b>	<b>23,260,776</b>	<b>3,500,997</b>	<b>3,957,204</b>	<b>38,303,203</b>
<b>Operating Income (Loss)</b>	<b>624,924</b>	<b>922,875</b>	<b>5,326,555</b>	<b>(92,023)</b>	<b>(683,320)</b>	<b>6,099,011</b>
<b>Nonoperating Revenues (Expenses)</b>						
Interest expense	(192,110)	(565,693)	(137,555)	(10,588)	(242,420)	(1,148,366)
Gain (loss) from disposal of fixed assets	0	0	(1,487)	350	11,796	10,659
Grants	0	0	60,000	22,500	0	82,500
Donations	0	0	0	0	506,621	506,621
<b>Net nonoperating Revenues (Expenses)</b>	<b>(192,110)</b>	<b>(565,693)</b>	<b>(79,042)</b>	<b>12,262</b>	<b>275,997</b>	<b>(548,586)</b>
<b>Income (Loss) before Operating Transfers</b>						
Transfers	432,814	357,182	5,247,513	(79,761)	(407,323)	5,550,425
<b>Operating transfers in</b>	<b>0</b>	<b>0</b>	<b>1,840,073</b>	<b>0</b>	<b>781,580</b>	<b>2,621,653</b>
<b>Operating transfers out</b>	<b>0</b>	<b>0</b>	<b>(1,847,501)</b>	<b>0</b>	<b>0</b>	<b>(1,847,501)</b>
<b>Net Income (Loss)</b>	<b>432,814</b>	<b>357,182</b>	<b>5,240,085</b>	<b>(79,761)</b>	<b>374,257</b>	<b>6,324,577</b>
<b>Retained Earnings at Beginning of Year</b>						
	7,801,537	8,587,036	41,591,884	285,362	1,478,131	59,743,950
<b>Retained Earnings at End of Year</b>						
	<b>\$ 8,234,351</b>	<b>\$ 8,944,218</b>	<b>\$ 46,831,969</b>	<b>\$ 205,601</b>	<b>\$ 1,852,388</b>	<b>\$ 66,068,527</b>

**City of Cuyahoga Falls, Ohio**  
**Combining Statement of Cash Flows -**  
**All Enterprise Funds**  
**Year Ended December 31, 2002**

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
<b>Cash Flows From Operating Activities</b>						
Cash received from customers	\$ 4,632,464	\$ 4,377,991	\$ 28,792,776	\$ 3,373,149	\$ 3,273,844	\$ 44,450,224
Cash payments to employees for services	(505,110)	(1,034,984)	(2,449,032)	(1,139,015)	(1,538,870)	(6,667,011)
Cash payments to employees for benefits	(174,774)	(351,817)	(815,310)	(389,109)	(309,695)	(2,040,705)
Cash payments to suppliers for goods and services	(2,920,787)	(1,491,970)	(21,719,502)	(1,720,815)	(1,617,472)	(29,470,546)
<b>Net Cash Provided By Operating Activities</b>	<b>1,031,793</b>	<b>1,499,220</b>	<b>3,808,932</b>	<b>124,210</b>	<b>(192,193)</b>	<b>6,271,962</b>
<b>Cash Flows From Non-Capital Financing Activities</b>						
Grant proceeds	0	0	60,000	33,807	0	93,807
Transfers in	0	0	1,840,073	0	781,580	2,621,653
Transfers out	0	0	(1,847,501)	0	(150,000)	(1,997,501)
Advance repayment	0	0	0	(100,800)	0	(100,800)
<b>Net Cash Provided By Non-Capital Financing Activities</b>	<b>0</b>	<b>0</b>	<b>52,572</b>	<b>(66,993)</b>	<b>631,580</b>	<b>617,159</b>
<b>Cash Flows From Capital and Related Financing Activities</b>						
Acquisition of capital assets	(470,329)	(1,518,610)	(1,358,786)	(151,096)	(2,145,590)	(5,644,411)
Capital lease proceeds	0	0	0	0	0	0
Proceeds from the sale of capital assets	0	0	600	350	0	950
Bond/note proceeds	0	0	0	0	5,327,215	5,327,215
Debt service						
Principal	(193,440)	(382,430)	(240,000)	(99,427)	(342,636)	(1,257,933)
Interest	(191,876)	(575,935)	(138,525)	(10,588)	(241,178)	(1,158,102)
<b>Net Cash Used In Capital and Related Financing Activities</b>	<b>(855,645)</b>	<b>(2,476,975)</b>	<b>(1,736,711)</b>	<b>(260,761)</b>	<b>2,597,811</b>	<b>(2,732,281)</b>
<b>Cash Flows from Investing Activities</b>						
Sale of investments	701,907	1,077,056	2,165,424	223,300	192,471	4,360,158
Purchase of investments	(102,260)	(115,622)	(367,797)	(23,944)	(126,930)	(736,553)
<b>Net Cash Provided By Investing Activities</b>	<b>599,647</b>	<b>961,434</b>	<b>1,797,627</b>	<b>199,356</b>	<b>65,541</b>	<b>3,623,605</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>775,795</b>	<b>(16,321)</b>	<b>3,922,420</b>	<b>(4,188)</b>	<b>3,102,739</b>	<b>7,780,445</b>
<b>Cash and Cash Equivalents At Beginning of Year</b>	<b>2,212,713</b>	<b>3,395,345</b>	<b>6,826,353</b>	<b>703,937</b>	<b>606,753</b>	<b>13,745,101</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,988,508</b>	<b>\$ 3,379,024</b>	<b>\$ 10,748,773</b>	<b>\$ 699,749</b>	<b>\$ 3,709,492</b>	<b>\$ 21,525,546</b>

	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
<b>Reconciliation of Operating</b>						
Income (Loss) to Net Cash						
Provided By						
Operating Activities:						
Operating Income (Loss)	\$ 624,924	\$ 922,875	\$ 5,326,555	\$ (92,023)	\$ (683,320)	\$ 6,099,011
<b>Adjustments to Reconcile Operating</b>						
Income (loss) to Net Cash Provided By						
Operating Activities:						
Depreciation	365,132	692,926	858,176	182,852	485,818	2,584,904
Amortization Expense	674	7,031	4,851	0	4,524	17,080
<b>Decrease (increase) in operating assets and increase</b>						
<b>(decrease) in operating liabilities:</b>						
Receivables	30,354	178,336	(75,806)	(9,742)	359	123,501
Due from other funds	(21,421)	0	143,922	(25,020)	0	97,481
Due from other governments	0	(26)	309	(1,063)	(399)	(1,179)
Inventory of supplies	(11,623)	28,245	72,884	(7,558)	453	82,401
Prepaid items	(1,557)	(4,343)	(9,643)	7,126	(36,371)	(44,788)
Investment in joint ventures	0	0	(2,582,470)	0	0	(2,582,470)
Accounts payable						
- net of items affecting fixed assets	52,645	50,935	(1,160)	33,097	140,723	276,240
Accrued salaries, wages and benefits	(19,015)	7,265	65,297	37,145	22,801	113,493
Due to other funds	10,623	(139,663)	14,932	(604)	(125,931)	(240,643)
Due to other governments	72,874	0	(650)	0	(850)	71,374
Deposits held and due to others	0	215	(8,265)	0	0	(8,050)
Deferred revenue	(71,817)	(244,576)	0	0	0	(316,393)
Total Adjustments	406,869	576,345	(1,517,623)	216,233	491,127	172,951
<b>Net Cash Provided By</b>						
Operating Activities	\$ 1,031,793	\$ 1,499,220	\$ 3,808,932	\$ 124,210	\$ (192,193)	\$ 6,271,962

During 2002 the Leisure Time Enterprise Fund received donations in the form of capital assets from the Recreation Levy Special Revenue Fund and the Capital Projects Fund in the amount of \$420,710 and \$85,911, respectively.

**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenses and Changes in Retained Earnings -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Enterprise Funds**  
**Year Ended December 31, 2002**

	Sewage and Disposal			Water		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating Revenues</b>						
Charges for services	\$ 4,951,378	\$ 4,630,606	\$ (320,772)	\$ 4,517,532	\$ 4,306,113	\$ (211,419)
Other	1,000	1,858	858	20,330	71,878	51,548
<b>Total Operating Revenues</b>	<b>4,952,378</b>	<b>4,632,464</b>	<b>(319,914)</b>	<b>4,537,862</b>	<b>4,377,991</b>	<b>(159,871)</b>
<b>Operating Expenses</b>						
Personal services	534,048	505,110	28,938	1,094,369	1,034,984	59,385
Fringe benefits	169,088	174,774	(5,686)	339,845	351,817	(11,972)
Purchased power	0	0	0	0	0	0
Materials and supplies	32,338	28,069	4,269	311,473	379,297	(67,824)
Utilities	29,300	16,893	12,407	331,900	307,358	24,542
Contractual services	2,461,324	2,153,878	307,446	253,048	10,217	242,831
Internal charges	582,491	584,120	(1,629)	659,790	664,072	(4,282)
Other	124,666	102,474	22,192	205,651	192,075	13,576
Capital outlay	597,355	566,117	31,238	1,049,307	977,912	71,395
<b>Total Operating Expenses</b>	<b>4,530,610</b>	<b>4,131,435</b>	<b>399,175</b>	<b>4,245,383</b>	<b>3,917,732</b>	<b>327,651</b>
<b>Operating Income (Loss)</b>	<b>421,768</b>	<b>501,029</b>	<b>79,261</b>	<b>292,479</b>	<b>460,259</b>	<b>167,780</b>
<b>Nonoperating Revenues (Expenses)</b>						
Bond/note proceeds	0	0	0	0	0	0
Capital lease proceeds	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Proceeds from sale of equipment	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
<b>Debt Service</b>						
Principal	(193,442)	(193,440)	2	(382,430)	(382,430)	0
Interest	(191,876)	(191,876)	0	(575,936)	(575,935)	1
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(385,318)</b>	<b>(385,316)</b>	<b>2</b>	<b>(958,366)</b>	<b>(958,365)</b>	<b>1</b>
<b>Income (loss) before operating transfers</b>						
	36,450	115,713	79,263	(665,887)	(498,106)	167,781
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>36,450</b>	<b>115,713</b>	<b>79,263</b>	<b>(665,887)</b>	<b>(498,106)</b>	<b>167,781</b>
<b>Retained Earnings at Beginning of Year</b>	<b>2,673,772</b>	<b>2,673,772</b>	<b>0</b>	<b>3,293,446</b>	<b>3,293,446</b>	<b>0</b>
<b>Decertification of prior year encumbrances</b>						
	34,170	34,170	0	285,027	285,027	0
<b>Retained Earnings at End of Year</b>	<b>\$ 2,744,392</b>	<b>\$ 2,823,655</b>	<b>\$ 79,263</b>	<b>\$ 2,912,586</b>	<b>\$ 3,080,367</b>	<b>\$ 167,781</b>



	Electric			Sanitation		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating Revenues</b>						
Charges for services	\$ 28,595,933	\$ 28,567,060	\$ (28,873)	\$ 3,343,580	\$ 3,269,124	\$ (74,456)
Other	235,500	225,716	(9,784)	109,540	104,025	(5,515)
<b>Total Operating Revenues</b>	<b>28,831,433</b>	<b>28,792,776</b>	<b>(38,657)</b>	<b>3,453,120</b>	<b>3,373,149</b>	<b>(79,971)</b>
<b>Operating Expenses</b>						
Personal services	2,546,384	2,449,032	97,352	1,209,732	1,139,015	70,717
Fringe benefits	794,758	815,310	(20,552)	392,329	389,109	3,220
Purchased power	15,020,000	14,935,129	84,871	0	0	0
Materials and supplies	5,157,142	4,145,131	1,012,011	162,550	155,445	7,105
Utilities	54,950	36,787	18,163	20,630	15,237	5,393
Contractual services	155,391	121,129	34,262	908,720	876,401	32,319
Internal charges	1,750,693	1,584,362	166,331	381,492	388,435	(6,943)
Other	923,068	1,037,648	(114,580)	391,349	393,773	(2,424)
Capital outlay	2,125,917	799,895	1,326,022	166,200	151,096	15,104
<b>Total Operating Expenses</b>	<b>28,528,303</b>	<b>25,924,423</b>	<b>2,603,880</b>	<b>3,633,002</b>	<b>3,508,511</b>	<b>124,491</b>
<b>Operating Income (Loss)</b>	<b>303,130</b>	<b>2,868,353</b>	<b>2,565,223</b>	<b>(179,882)</b>	<b>(135,362)</b>	<b>44,520</b>
<b>Nonoperating Revenues (Expenses)</b>						
Bond/note proceeds	0	0	0	0	0	0
Capital lease proceeds	0	0	0	0	0	0
Grants	0	60,000	60,000	22,500	33,807	11,307
Proceeds from sale of equipment	0	600	600	0	350	350
Advances out	0	0	0	(100,800)	(100,800)	0
<b>Debt Service</b>						
Principal	(240,000)	(240,000)	0	(99,428)	(99,427)	1
Interest	(138,525)	(138,525)	0	(10,589)	(10,588)	1
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(378,525)</b>	<b>(317,925)</b>	<b>60,600</b>	<b>(188,317)</b>	<b>(176,658)</b>	<b>11,659</b>
<b>Income (loss) before operating transfers</b>						
	(75,395)	2,550,428	2,625,823	(368,199)	(312,020)	56,179
Operating Transfers In	1,823,600	1,840,073	16,473	-	-	-
Operating Transfers Out	(1,832,000)	(1,847,501)	(15,501)	-	-	-
<b>Net Income (Loss)</b>	<b>(83,795)</b>	<b>2,543,000</b>	<b>2,626,795</b>	<b>(368,199)</b>	<b>(312,020)</b>	<b>56,179</b>
<b>Retained Earnings at Beginning of Year</b>	<b>6,939,354</b>	<b>6,939,354</b>	<b>0</b>	<b>866,873</b>	<b>866,873</b>	<b>0</b>
<b>Decertification of prior year encumbrances</b>						
	487,031	487,031	0	33,480	33,480	0
<b>Retained Earnings at End of Year</b>	<b>\$ 7,342,590</b>	<b>\$ 9,969,385</b>	<b>\$ 2,626,795</b>	<b>\$ 532,154</b>	<b>\$ 588,333</b>	<b>\$ 56,179</b>

(continued)

**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenses and Changes in Retained Earnings -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Enterprise Funds**  
**Year Ended December 31, 2002**

	Leisure Time			Total - All Enterprise Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating Revenues</b>						
Charges for services	\$ 2,992,500	\$ 2,992,443	\$ (57)	\$ 44,400,923	\$ 43,765,346	\$ (635,577)
Other	274,400	281,401	7,001	640,770	684,878	44,108
<b>Total Operating Revenues</b>	<b>3,266,900</b>	<b>3,273,844</b>	<b>6,944</b>	<b>45,041,693</b>	<b>44,450,224</b>	<b>(591,469)</b>
<b>Operating Expenses</b>						
Personal services	1,577,776	1,538,870	38,906	6,962,309	6,667,011	295,298
Fringe benefits	317,325	309,695	7,630	2,013,345	2,040,705	(27,360)
Purchased power	0	0	0	15,020,000	14,935,129	84,871
Materials and supplies	206,980	157,732	49,248	5,870,483	4,865,674	1,004,809
Utilities	216,500	147,975	68,525	653,280	524,250	129,030
Contractual services	124,848	87,495	37,353	3,903,331	3,249,120	654,211
Internal charges	502,183	616,264	(114,081)	3,876,649	3,837,253	39,396
Other	704,505	660,164	44,341	2,349,239	2,386,134	(36,895)
Capital outlay	4,153,400	3,817,290	336,110	8,092,179	6,312,310	1,779,869
<b>Total Operating Expenses</b>	<b>7,803,517</b>	<b>7,335,485</b>	<b>468,032</b>	<b>48,740,815</b>	<b>44,817,586</b>	<b>3,923,229</b>
<b>Operating Income (Loss)</b>	<b>(4,536,617)</b>	<b>(4,061,641)</b>	<b>474,976</b>	<b>(3,699,122)</b>	<b>(367,362)</b>	<b>3,331,760</b>
<b>Nonoperating Revenues (Expenses)</b>						
Bond/note proceeds	5,300,000	5,327,215	27,215	5,300,000	5,327,215	27,215
Capital lease proceeds	0	0	0	0	0	0
Grants	0	0	0	22,500	93,807	71,307
Proceeds from sale of equipment	0	0	0	0	950	950
Advances out	0	0	0	(100,800)	(100,800)	0
<b>Debt Service</b>						
Principal	(342,638)	(342,636)	2	(1,257,938)	(1,257,933)	5
Interest	(241,180)	(241,178)	2	(1,158,106)	(1,158,102)	4
<b>Total Nonoperating Revenues (Expenses)</b>	<b>4,716,182</b>	<b>4,743,401</b>	<b>27,219</b>	<b>2,805,656</b>	<b>2,905,137</b>	<b>99,481</b>
<b>Income (loss) before operating transfers</b>						
	179,565	681,760	502,195	(893,466)	2,537,775	3,431,241
Operating Transfers In	781,580	781,580	-	2,605,180	2,621,653	16,473
Operating Transfers Out	(100,000)	(150,000)	(50,000)	(1,932,000)	(1,997,501)	(65,501)
<b>Net Income (Loss)</b>	<b>861,145</b>	<b>1,313,340</b>	<b>452,195</b>	<b>(220,286)</b>	<b>3,161,927</b>	<b>3,382,213</b>
<b>Retained Earnings at Beginning of Year</b>	<b>749,066</b>	<b>749,066</b>	<b>0</b>	<b>14,522,511</b>	<b>14,522,511</b>	<b>0</b>
<b>Decertification of prior year encumbrances</b>						
	12,347	12,347	0	852,055	852,055	0
<b>Retained Earnings at End of Year</b>	<b>\$ 1,622,558</b>	<b>\$ 2,074,753</b>	<b>\$ 452,195</b>	<b>\$ 15,154,280</b>	<b>\$ 18,536,493</b>	<b>\$ 3,382,213</b>

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# CITY OF CUYAHOGA FALLS, OHIO

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## Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department of the City to other departments of the City on a cost-reimbursement basis. The title of the funds indicates the type of service provided.

The internal service funds are:

<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 operating a central store facility used by various City departments. The goods are purchased and held in inventory until used.
<b>Utility Billing</b>	To account for the cost of operating a billing and collection service for the water, sewer, electric and sanitation departments. The funds using the utility billing service are charged for the cost of the operation.
<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>	Formerly known as Data Processing, this fund provides, maintains and supports information technology to various City departments. The actual costs of services are reimbursed to this fund by the user departments.
<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 Balance Sheet**  
**All Internal Service Funds**  
**December 31, 2002**

	Garage	Office Supply	Utility Billing	Self- Insurance	Information Services
<b>ASSETS</b>					
<b>Current Assets</b>					
Equity in pooled cash and cash equivalents	\$ 110,635	\$ 14,896	\$ 53,874	\$ 73,920	\$ 25,740
Investments	3,785	510	1,843	2,529	881
<b>Receivables</b>					
Accounts	64	0	343	11,141	75
Due from other funds	0	0	173,692	297,918	0
Due from other governments	0	0	0	0	0
Inventory of supplies	473,379	809	6,269	0	15,507
Prepaid items	2,058	0	1,271	7,979	482
<b>Total Current Assets</b>	<b>589,921</b>	<b>16,215</b>	<b>237,292</b>	<b>393,487</b>	<b>42,685</b>
<b>Fixed Assets</b>					
Land	21,960	0	0	0	0
Buildings	105,958	0	59,974	0	141,010
Improvements other than buildings	262,637	0	0	0	0
Equipment	261,871	0	209,050	0	1,566,357
<b>Total Fixed Assets</b>	<b>652,426</b>	<b>0</b>	<b>269,024</b>	<b>0</b>	<b>1,707,367</b>
<b>Less-Accumulated Depreciation</b>	<b>(518,061)</b>	<b>0</b>	<b>(218,536)</b>	<b>0</b>	<b>(1,413,146)</b>
<b>Net</b>	<b>134,365</b>	<b>0</b>	<b>50,488</b>	<b>0</b>	<b>294,221</b>
<b>TOTAL ASSETS</b>	<b>\$ 724,286</b>	<b>\$ 16,215</b>	<b>\$ 287,780</b>	<b>\$ 393,487</b>	<b>\$ 336,906</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 131,222	\$ 10,781	\$ 2,912	\$ 3,203	\$ 12,221
Accrued salaries, wages and benefits	125,597	0	255,525	0	141,480
Due to other funds	12,074	0	14,983	0	6,391
Due to other governments	0	0	0	0	0
Claims and judgments payable	0	0	0	390,284	0
<b>Total Liabilities</b>	<b>268,893</b>	<b>10,781</b>	<b>273,420</b>	<b>393,487</b>	<b>160,092</b>
<b>Fund Equity</b>					
Contributed capital	45,258	0	14,360	0	194,124
Retained earnings (deficit) -unreserved	410,135	5,434	0	0	(17,310)
<b>Total Fund Equity</b>	<b>455,393</b>	<b>5,434</b>	<b>14,360</b>	<b>0</b>	<b>176,814</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 724,286</b>	<b>\$ 16,215</b>	<b>\$ 287,780</b>	<b>\$ 393,487</b>	<b>\$ 336,906</b>

Workers' Compensation	Compensated Absences	Total
\$ 5,839,964	\$ 1,454,157	\$ 7,573,186
199,830	49,757	259,135
0	0	11,623
0	0	471,610
0	0	0
0	0	495,964
0	0	11,790
6,039,794	1,503,914	8,823,308
0	0	21,960
0	0	306,942
0	0	262,637
0	0	2,037,278
0	0	2,628,817
0	0	(2,149,743)
0	0	479,074
<u>\$ 6,039,794</u>	<u>\$ 1,503,914</u>	<u>\$ 9,302,382</u>
\$ 1,220	\$ 0	\$ 161,559
0	0	522,602
0	0	33,448
125,328	0	125,328
1,273,279	0	1,663,563
1,399,827	0	2,506,500
0	0	253,742
4,639,967	1,503,914	6,542,140
4,639,967	1,503,914	6,795,882
<u>\$ 6,039,794</u>	<u>\$ 1,503,914</u>	<u>\$ 9,302,382</u>

**City of Cuyahoga Falls, Ohio**  
**Combining Statement of Revenues, Expenses and Changes in Retained Earnings -**  
**All Internal Service Funds**  
**Year Ended December 31, 2002**

	Garage	Office Supply	Utility Billing	Self- Insurance	Information Services
<b>Operating Revenues</b>					
Charges for services	\$ 1,483,051	\$ 78,677	\$ 1,557,663	\$ 4,755,603	\$ 995,820
Other	1,766	0	2,523	22,910	2,979
<b>Total Operating Revenues</b>	<b>1,484,817</b>	<b>78,677</b>	<b>1,560,186</b>	<b>4,778,513</b>	<b>998,799</b>
<b>Operating Expenses</b>					
Personal services	362,789	0	716,097	0	435,436
Fringe benefits	101,908	0	279,206	4,762,639	124,987
Materials and supplies	510,503	69,399	17,140	0	35,961
Utilities	14,084	0	7,656	0	6,583
Contractual services	11,616	0	30,273	15,375	103,255
Internal charges	163,741	668	411,376	0	8,522
Other	343,564	0	71,148	499	140,588
Depreciation	57,684	0	27,290	0	127,935
<b>Total Operating Expenses</b>	<b>1,565,889</b>	<b>70,067</b>	<b>1,560,186</b>	<b>4,778,513</b>	<b>983,267</b>
<b>Operating Income (Loss)</b>	<b>(81,072)</b>	<b>8,610</b>	<b>0</b>	<b>0</b>	<b>15,532</b>
<b>Nonoperating Revenues (Expenses)</b>					
Interest revenue	0	0	0	0	0
Grants	0	0	0	0	0
<b>Total Nonoperating Revenues (Expenses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Income (Loss)</b>	<b>(81,072)</b>	<b>8,610</b>	<b>0</b>	<b>0</b>	<b>15,532</b>
<b>Retained Earnings (Deficit) at Beginning of Year</b>	<b>491,207</b>	<b>(3,176)</b>	<b>0</b>	<b>0</b>	<b>(32,842)</b>
<b>Retained Earnings (Deficit) at End of Year</b>	<b>\$ 410,135</b>	<b>\$ 5,434</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (17,310)</b>

Workers' Compensation	Compensated Absences	Totals
\$ 0	\$ 522,845	\$ 9,393,659
149,056	0	179,234
149,056	522,845	9,572,893
0	356,407	1,870,729
674,838	0	5,943,578
0	0	633,003
0	0	28,323
29,758	0	190,277
0	0	584,307
50,589	0	606,388
0	0	212,909
755,185	356,407	10,069,514
(606,129)	166,438	(496,621)
86,373	0	86,373
1,710	0	1,710
88,083	0	88,083
(518,046)	166,438	(408,538)
5,158,013	1,337,476	6,950,678
\$ 4,639,967	\$ 1,503,914	\$ 6,542,140

**City of Cuyahoga Falls, Ohio**  
**Combining Statement of Cash Flows -**  
**All Internal Service Funds**  
**Year Ended December 31, 2002**

	Garage	Office Supply	Utility Billing	Self- Insurance	Information Services
<b>Cash Flows From Operating Activities</b>					
Activities					
Cash received from users	\$ 1,484,817	\$ 78,677	\$ 1,507,612	\$ 4,934,888	\$ 998,724
Cash payments to employees for services	(362,889)	0	(709,503)	0	(435,534)
Cash payments to employees for benefits	(119,631)	0	(271,215)	(4,862,198)	(135,958)
Cash payments to suppliers for goods and services	(985,844)	(72,213)	(542,368)	(25,636)	(287,278)
<b>Net Cash Provided By Operating Activities</b>	<b>16,453</b>	<b>6,464</b>	<b>(15,474)</b>	<b>47,054</b>	<b>139,954</b>
<b>Cash Flows From Non-Capital</b>					
Financing Activities					
Grant proceeds	0	0	0	0	0
<b>Cash Flows From Capital and</b>					
Related Financing Activities					
Acquisition of capital assets	(21,793)	0	0	0	(173,361)
<b>Net Cash Used In Capital and</b>					
<b>Related Financing Activities</b>	<b>(21,793)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(173,361)</b>
<b>Cash Flows From Investing Activities</b>					
Interest revenue	0	0	0	0	0
Sale of investments	28,841	2,153	17,145	7,079	14,456
Purchase of investments	(3,785)	(510)	(1,843)	(2,529)	(881)
<b>Net Cash Provided (Used) By Investing Activities</b>	<b>25,056</b>	<b>1,643</b>	<b>15,302</b>	<b>4,550</b>	<b>13,575</b>
<b>Net Increase (Decrease) in Cash</b>					
<b>and Cash Equivalents</b>	<b>19,716</b>	<b>8,107</b>	<b>(172)</b>	<b>51,604</b>	<b>(19,832)</b>
Cash and Cash Equivalents At Beginning of Year	90,919	6,789	54,046	22,316	45,572
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 110,635</b>	<b>\$ 14,896</b>	<b>\$ 53,874</b>	<b>\$ 73,920</b>	<b>\$ 25,740</b>



Workers' Compensation	Compensated Absences	Totals
\$ 149,056	\$ 522,845	\$ 9,676,619
0	(356,407)	(1,864,333)
(148,837)	0	(5,537,839)
(82,310)	0	(1,995,649)
(82,091)	166,438	278,798
1,710	0	1,710
0	0	(195,154)
0	0	(195,154)
86,373	0	86,373
1,453,077	322,095	1,844,846
(199,830)	(49,757)	(259,135)
1,339,620	272,338	1,672,084
1,259,239	438,776	1,757,438
4,580,725	1,015,381	5,815,748
<u>\$ 5,839,964</u>	<u>\$ 1,454,157</u>	<u>\$ 7,573,186</u>

(Continued)

**City of Cuyahoga Falls, Ohio**  
**Combining Statement of Cash Flows -**  
**All Internal Service Funds**  
**Year Ended December 31, 2002**

	<u>Garage</u>	<u>Office Supply</u>	<u>Utility Billing</u>	<u>Self - Insurance</u>	<u>Information Services</u>
Reconciliation of Operating					
Income (Loss) to Net Cash					
Provided (Used) By Operating					
Activities:					
Operating Income (Loss)	\$ (81,072)	\$ 8,610	\$ 0	\$ 0	\$ 15,532
Adjustments to Reconcile Operating					
Income (Loss) to Net Cash					
Provided By Operating Activities:					
Depreciation	57,684	0	27,290	0	127,935
Decrease (increase) in operating assets and increase					
(decrease) in operating liabilities:					
Receivables	0	0	5,694	16,180	(75)
Due from other funds	0	0	(58,268)	150,377	0
Inventory of supplies	(29,245)	106	7,309	0	(288)
Prepaid items	(700)	0	(325)	(2,403)	(333)
Accounts payable					
- net of items affecting fixed assets	83,563	(2,252)	(11,759)	(31,000)	8,252
Accrued salaries, wages and benefits	(15,078)	0	19,041	0	(7,797)
Due to other funds	1,301	0	(4,456)	0	(3,272)
Due to other governments	0	0	0	0	0
Claims payable	0	0	0	(86,100)	0
Total Adjustments	<u>97,525</u>	<u>(2,146)</u>	<u>(15,474)</u>	<u>47,054</u>	<u>124,422</u>
Net Cash Provided Operating Activities	<u>\$ 16,453</u>	<u>\$ 6,464</u>	<u>\$ (15,474)</u>	<u>\$ 47,054</u>	<u>\$ 139,954</u>

<u>Workers'</u> <u>Compensation</u>	<u>Compensated</u> <u>Absences</u>	<u>Totals</u>
(606,129)	166,438	\$ (496,621)
0	0	212,909
0	0	21,799
0	0	92,109
0	0	(22,118)
0	0	(3,761)
(1,849)	0	44,955
0	0	(3,834)
0	0	(6,427)
47,869	0	47,869
<u>478,018</u>	<u>0</u>	<u>391,918</u>
<u>524,038</u>	<u>0</u>	<u>775,419</u>
<u>\$ (82,091)</u>	<u>\$ 166,438</u>	<u>\$ 278,798</u>

**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenses and Changes in Retained Earnings -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Internal Service Funds**  
**Year Ended December 31, 2002**

	Garage			Office Supply		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating Revenues</b>						
Charges for services	\$ 1,538,904	\$ 1,483,051	\$ (55,853)	\$ 80,150	\$ 78,677	\$ (1,473)
Other	0	1,766	1,766	0	0	0
<b>Total Operating Revenues</b>	<b>1,538,904</b>	<b>1,484,817</b>	<b>(54,087)</b>	<b>80,150</b>	<b>78,677</b>	<b>(1,473)</b>
<b>Operating Expenses</b>						
Personal services	385,812	362,889	22,923	0	0	0
Fringe benefits	128,878	119,631	9,247	0	0	0
Materials and supplies	545,063	525,453	19,610	86,987	86,347	640
Utilities	22,100	15,314	6,786	0	0	0
Contractual services	19,455	11,674	7,781	0	0	0
Internal charges	169,202	158,272	10,930	1,005	668	337
Other	314,037	314,942	(905)	0	0	0
Capital outlay	26,344	23,489	2,855	0	0	0
<b>Total Operating Expenses</b>	<b>1,610,891</b>	<b>1,531,664</b>	<b>79,227</b>	<b>87,992</b>	<b>87,015</b>	<b>977</b>
<b>Operating Income (Loss)</b>	<b>(71,987)</b>	<b>(46,847)</b>	<b>25,140</b>	<b>(7,842)</b>	<b>(8,338)</b>	<b>(496)</b>
<b>Nonoperating Revenues (Expenses)</b>						
Grants	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
<b>Debt Service</b>						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Nonoperating Revenues (Expenses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Income (Loss)</b>	<b>(71,987)</b>	<b>(46,847)</b>	<b>25,140</b>	<b>(7,842)</b>	<b>(8,338)</b>	<b>(496)</b>
<b>Retained Earnings at Beginning of Year</b>	<b>7,677</b>	<b>7,677</b>	<b>0</b>	<b>775</b>	<b>775</b>	<b>0</b>
<b>Decertification of prior year encumbrances</b>	<b>73,213</b>	<b>73,213</b>	<b>0</b>	<b>7,842</b>	<b>7,842</b>	<b>0</b>
<b>Retained Earnings at End of Year</b>	<b>\$ 8,903</b>	<b>\$ 34,043</b>	<b>\$ 25,140</b>	<b>\$ 775</b>	<b>\$ 279</b>	<b>\$ (496)</b>

	Utility Billing			Self Insurance		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating Revenues</b>						
Charges for services	\$ 1,584,592	\$ 1,499,307	\$ (85,285)	\$ 4,914,541	\$ 4,905,980	\$ (8,561)
Other	1,000	8,305	7,305	0	28,908	28,908
<b>Total Operating Revenues</b>	<b>1,585,592</b>	<b>1,507,612</b>	<b>(77,980)</b>	<b>4,914,541</b>	<b>4,934,888</b>	<b>20,347</b>
<b>Operating Expenses</b>						
Personal services	734,904	709,503	25,401	0	0	0
Fringe benefits	259,472	271,215	(11,743)	4,836,026	4,862,198	(26,172)
Materials and supplies	17,599	13,016	4,583	0	0	0
Utilities	6,600	7,610	(1,010)	0	0	0
Contractual services	27,997	27,891	106	57,494	26,877	30,617
Internal charges	456,535	411,376	45,159	0	0	0
Other	74,995	74,977	18	513	512	1
Capital outlay	0	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>1,578,102</b>	<b>1,515,588</b>	<b>62,514</b>	<b>4,894,033</b>	<b>4,889,587</b>	<b>4,446</b>
<b>Operating Income (Loss)</b>	<b>7,490</b>	<b>(7,976)</b>	<b>(15,466)</b>	<b>20,508</b>	<b>45,301</b>	<b>24,793</b>
<b>Nonoperating Revenues (Expenses)</b>						
Grants	0	0	0	0	0	0
Interest earnings	0	0	0	0	0	0
Debt Service				0		
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Nonoperating Revenues (Expenses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Income (Loss)</b>	<b>7,490</b>	<b>(7,976)</b>	<b>(15,466)</b>	<b>20,508</b>	<b>45,301</b>	<b>24,793</b>
<b>Retained Earnings at Beginning of Year</b>	<b>49,804</b>	<b>49,804</b>	<b>0</b>	<b>16,096</b>	<b>16,096</b>	<b>0</b>
<b>Decertification of prior year encumbrances</b>	<b>4,861</b>	<b>4,861</b>	<b>0</b>	<b>3,492</b>	<b>3,492</b>	<b>0</b>
<b>Retained Earnings at End of Year</b>	<b>\$ 62,155</b>	<b>\$ 46,689</b>	<b>\$ (15,466)</b>	<b>\$ 40,096</b>	<b>\$ 64,889</b>	<b>\$ 24,793</b>

(continued)

**City of Cuyahoga Falls, Ohio**  
**Combining Schedule of Revenues, Expenses and Changes in Retained Earnings -**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Internal Service Funds**  
**Year Ended December 31, 2002**

	Information Services			Workers' Compensation		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating Revenues</b>						
Charges for services	\$ 1,119,806	\$ 995,820	\$ (123,986)	\$ 0	\$ 0	\$ 0
Other	0	2,904	2,904	62,000	149,056	87,056
<b>Total Operating Revenues</b>	<b>1,119,806</b>	<b>998,724</b>	<b>(121,082)</b>	<b>62,000</b>	<b>149,056</b>	<b>87,056</b>
<b>Operating Expenses</b>						
Personal services	449,068	435,534	13,534	0	0	0
Fringe benefits	132,684	135,958	(3,274)	317,858	148,837	169,021
Materials and supplies	35,759	35,842	(83)	0	0	0
Utilities	5,751	6,089	(338)	0	0	0
Contractual services	119,839	100,763	19,076	37,000	32,387	4,613
Internal charges	12,870	8,522	4,348	0	0	0
Other	128,657	110,084	18,573	54,228	48,998	5,230
Capital outlay	185,620	174,988	10,632	0	0	0
<b>Total Operating Expenses</b>	<b>1,070,248</b>	<b>1,007,780</b>	<b>62,468</b>	<b>409,086</b>	<b>230,222</b>	<b>178,864</b>
<b>Operating Income (Loss)</b>	<b>49,558</b>	<b>(9,056)</b>	<b>(58,614)</b>	<b>(347,086)</b>	<b>(81,166)</b>	<b>265,920</b>
<b>Nonoperating Revenues (Expenses)</b>						
Grants	0	0	0	0	1,710	1,710
Interest earnings	0	0	0	88,623	86,373	(2,250)
<b>Debt Service</b>						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Nonoperating Revenues (Expenses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,623</b>	<b>88,083</b>	<b>(540)</b>
<b>Net Income (Loss)</b>	<b>49,558</b>	<b>(9,056)</b>	<b>(58,614)</b>	<b>(258,463)</b>	<b>6,917</b>	<b>265,380</b>
<b>Retained Earnings at Beginning of Year</b>	<b>3,488</b>	<b>3,488</b>	<b>0</b>	<b>6,015,570</b>	<b>6,015,570</b>	<b>0</b>
<b>Decertification of prior year encumbrances</b>	<b>11,614</b>	<b>11,614</b>	<b>0</b>	<b>228</b>	<b>228</b>	<b>0</b>
<b>Retained Earnings at End of Year</b>	<b>\$ 64,660</b>	<b>\$ 6,046</b>	<b>\$ (58,614)</b>	<b>\$ 5,757,335</b>	<b>\$ 6,022,715</b>	<b>\$ 265,380</b>

	Compensated Absences			Totals - All Internal Service Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating Revenues</b>						
Charges for services	\$ 522,845	\$ 522,845	\$ 0	\$ 9,760,838	\$ 9,485,680	\$ (275,158)
Other	0	0	0	63,000	190,939	127,939
<b>Total Operating Revenues</b>	<b>522,845</b>	<b>522,845</b>	<b>0</b>	<b>9,823,838</b>	<b>9,676,619</b>	<b>(147,219)</b>
<b>Operating Expenses</b>						
Personal services	440,000	356,407	83,593	2,009,784	1,864,333	145,451
Fringe benefits	0	0	0	5,674,918	5,537,839	137,079
Materials and supplies	0	0	0	685,408	660,658	24,750
Utilities	0	0	0	34,451	29,013	5,438
Contractual services	0	0	0	261,785	199,592	62,193
Internal charges	0	0	0	639,612	578,838	60,774
Other	0	0	0	572,430	549,513	22,917
Capital outlay	0	0	0	211,964	198,477	13,487
<b>Total Operating Expenses</b>	<b>440,000</b>	<b>356,407</b>	<b>83,593</b>	<b>10,090,352</b>	<b>9,618,263</b>	<b>472,089</b>
<b>Operating Income (Loss)</b>	<b>82,845</b>	<b>166,438</b>	<b>83,593</b>	<b>(266,514)</b>	<b>58,356</b>	<b>324,870</b>
<b>Nonoperating Revenues (Expenses)</b>						
Grants	0	0	0	0	1,710	1,710
Interest earnings	0	0	0	88,623	86,373	(2,250)
<b>Debt Service</b>						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Nonoperating Revenues (Expenses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,623</b>	<b>88,083</b>	<b>(540)</b>
<b>Net Income (Loss)</b>	<b>82,845</b>	<b>166,438</b>	<b>83,593</b>	<b>(177,891)</b>	<b>146,439</b>	<b>324,330</b>
<b>Retained Earnings at Beginning of Year</b>	<b>1,337,476</b>	<b>1,337,476</b>	<b>0</b>	<b>7,430,886</b>	<b>7,430,886</b>	<b>0</b>
<b>Decertification of prior year encumbrances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>101,250</b>	<b>101,250</b>	<b>0</b>
<b>Retained Earnings at End of Year</b>	<b>\$ 1,420,321</b>	<b>\$ 1,503,914</b>	<b>\$ 83,593</b>	<b>\$ 7,354,245</b>	<b>\$ 7,678,575</b>	<b>\$ 324,330</b>

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# CITY OF CUYAHOGA FALLS, OHIO

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## Trust and Agency Funds

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

The trust and agency funds are:

### NON-EXPENDABLE TRUST FUND

#### **Cemetery Perpetual Care**

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

### AGENCY FUNDS

#### **Treasury**

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

#### **State Cases-Fines and Forfeitures**

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

#### **Employee Withholding**

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



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**Guarantee Deposits**

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

**Unclaimed Monies**

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

**Municipal Court**

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

**City of Cuyahoga Falls, Ohio**  
**Combining Balance Sheet**  
**Trust and Agency Funds**  
**December 31, 2002**

	Non- expendable Trust Fund	Agency Funds						Totals
	Cemetery Perpetual Care	Treasury	State Cases Fines and Forfeitures	Employee Withholding	Guarantee Deposits	Unclaimed Monies	Municipal Court	
<b>ASSETS</b>								
Equity in pooled cash and cash equivalents	\$ 0	\$ 1,026,504	\$ 2,060	\$ 255,055	\$ 959,897	\$ 71,334	\$ 0	\$ 2,314,850
Investments	0	35,125	70	8,728	32,845	2,441	0	79,209
Cash and cash equivalents - restricted accounts	80,846	0	0	0	0	0	417,567	498,413
Investments - restricted accounts	95,000	0	0	0	0	0	0	95,000
Due from other funds	0	214,491	1,126	0	0	0	0	215,617
Advances to other funds	0	59,500	0	0	0	0	0	59,500
<b>TOTAL ASSETS</b>	<b>\$ 175,846</b>	<b>\$ 1,335,620</b>	<b>\$ 3,256</b>	<b>\$ 263,783</b>	<b>\$ 992,742</b>	<b>\$ 73,775</b>	<b>\$ 417,567</b>	<b>\$ 3,262,589</b>
<b>LIABILITIES AND FUND EQUITY</b>								
<b>Liabilities</b>								
Due to other funds	\$ 0	\$ 0	\$ 0	\$ 46,939	\$ 124,116	\$ 0	\$ 188,595	\$ 359,650
Due to other governments	0	1,335,620	3,256	200,393	0	0	92,823	1,632,092
Deposits held and due to others	0	0	0	16,451	868,626	73,775	136,149	1,095,001
<b>Total Liabilities</b>	<b>0</b>	<b>1,335,620</b>	<b>3,256</b>	<b>263,783</b>	<b>992,742</b>	<b>73,775</b>	<b>417,567</b>	<b>3,086,743</b>
<b>Fund Equity</b>								
<b>Fund Balance:</b>								
Reserved for cemetery perpetual care	175,846	0	0	0	0	0	0	175,846
<b>Total Fund Equity</b>	<b>175,846</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>175,846</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 175,846</b>	<b>\$ 1,335,620</b>	<b>\$ 3,256</b>	<b>\$ 263,783</b>	<b>\$ 992,742</b>	<b>\$ 73,775</b>	<b>\$ 417,567</b>	<b>\$ 3,262,589</b>

**City of Cuyahoga Falls, Ohio**  
**Combining Statement of Changes in Assets and Liabilities -**  
**All Agency Funds**  
**for the Year Ended December 31, 2002**

	January 1, 2002	Additions	Deductions	December 31, 2002
<b><u>Treasury</u></b>				
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 707,985	\$ (35,125)	\$ 353,644	\$ 1,026,504
Investments	224,584	35,125	(224,584)	35,125
Due from other funds	184,320	4,799,410	(4,769,239)	214,491
Advances to other funds	119,000	0	(59,500)	59,500
Total Assets	<u>\$ 1,235,889</u>	<u>\$ 4,799,410</u>	<u>\$ (4,699,679)</u>	<u>\$ 1,335,620</u>
<b>Liabilities</b>				
Due to other governments	\$ 1,235,889	\$ 4,799,410	\$ (4,699,679)	\$ 1,335,620
Total Liabilities	<u>\$ 1,235,889</u>	<u>\$ 4,799,410</u>	<u>\$ (4,699,679)</u>	<u>\$ 1,335,620</u>
<b><u>State Cases Fines and Forfeitures:</u></b>				
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 1,958	\$ (70)	173	\$ 2,061
Investments	621	70	(621)	70
Due from other funds	920	13,398	(13,193)	1,125
Total Assets	<u>\$ 3,499</u>	<u>\$ 13,398</u>	<u>\$ (13,641)</u>	<u>\$ 3,256</u>
<b>Liabilities</b>				
Due to other governments	\$ 3,499	\$ 13,398	\$ (13,641)	\$ 3,256
Total Liabilities	<u>\$ 3,499</u>	<u>\$ 13,398</u>	<u>\$ (13,641)</u>	<u>\$ 3,256</u>
<b><u>Employee Withholding:</u></b>				
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 182,768	\$ 9,482,217	\$ (9,409,930)	\$ 255,055
Investments	57,977	8,728	(57,977)	8,728
Total Assets	<u>\$ 240,745</u>	<u>\$ 9,490,945</u>	<u>\$ (9,467,907)</u>	<u>\$ 263,783</u>
<b>Liabilities</b>				
Due to other funds	\$ 42,827	\$ 556,194	\$ (552,082)	\$ 46,939
Due to other governments	193,308	7,886,961	(7,879,876)	200,393
Deposits held and due to others	4,610	1,047,790	(1,035,949)	16,451
Total Liabilities	<u>\$ 240,745</u>	<u>\$ 9,490,945</u>	<u>\$ (9,467,907)</u>	<u>\$ 263,783</u>
<b><u>Guarantee Deposits</u></b>				
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 704,093	\$ 766,959	\$ (511,155)	\$ 959,897
Investments	223,349	32,845	(223,349)	32,845
Total Assets	<u>\$ 927,442</u>	<u>\$ 799,804</u>	<u>\$ (734,504)</u>	<u>\$ 992,742</u>
<b>Liabilities</b>				
Due to other funds	\$ 72,013	52,103	0	\$ 124,116
Deposits held and due to others	855,429	747,701	(734,504)	868,626
Total Liabilities	<u>\$ 927,442</u>	<u>\$ 799,804</u>	<u>\$ (734,504)</u>	<u>\$ 992,742</u>

(Continued)

(Continued)

**City of Cuyahoga Falls, Ohio**  
**Combining Statement of Changes in Assets and Liabilities -**  
**All Agency Funds**  
**for the Year Ended December 31, 2002**

	January 1, 2002	Additions	Deductions	December 31, 2002
<b><u>Unclaimed Monies:</u></b>				
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 48,519	\$ 8,300	\$ 14,515	\$ 71,334
Investments	15,391	2,441	(15,391)	2,441
Total Assets	<u>\$ 63,910</u>	<u>\$ 10,741</u>	<u>\$ (876)</u>	<u>\$ 73,775</u>
<b>Liabilities</b>				
Deposits held and due to others	\$ 63,910	\$ 10,741	\$ (876)	\$ 73,775
Total Liabilities	<u>\$ 63,910</u>	<u>\$ 10,741</u>	<u>\$ (876)</u>	<u>\$ 73,775</u>
<b><u>Municipal Court:</u></b>				
<b>Assets</b>				
Cash and cash equivalents - restricted accounts	\$ 404,337	\$ 5,099,483	\$ (5,086,253)	\$ 417,567
Total Assets	<u>\$ 404,337</u>	<u>\$ 5,099,483</u>	<u>\$ (5,086,253)</u>	<u>\$ 417,567</u>
<b>Liabilities</b>				
Due to other funds	\$ 168,428	\$ 2,413,119	\$ (2,392,952)	\$ 188,595
Due to other governments	93,239	1,243,392	(1,243,808)	92,823
Deposits held and due to others	142,670	1,442,972	(1,449,493)	136,149
Total Liabilities	<u>\$ 404,337</u>	<u>\$ 5,099,483</u>	<u>\$ (5,086,253)</u>	<u>\$ 417,567</u>
<b><u>Total - All Agency Funds:</u></b>				
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 1,645,323	\$ 10,222,281	\$ (9,552,753)	\$ 2,314,851
Investments	521,922	79,209	(521,922)	79,209
Cash and cash equivalents - restricted accounts	404,337	5,099,483	(5,086,253)	417,567
Due from other funds	185,240	4,812,808	(4,782,432)	215,616
Advances to other funds	119,000	0	(59,500)	59,500
Total Assets	<u>\$ 2,875,822</u>	<u>\$ 20,213,781</u>	<u>\$ (20,002,860)</u>	<u>\$ 3,086,743</u>
<b>Liabilities</b>				
Due to other funds	\$ 283,268	\$ 3,021,416	\$ (2,945,034)	\$ 359,650
Due to other governments	1,525,935	13,943,161	(13,837,004)	1,632,092
Deposits held and due to others	1,066,619	3,249,204	(3,220,822)	1,095,001
Total Liabilities	<u>\$ 2,875,822</u>	<u>\$ 20,213,781</u>	<u>\$ (20,002,860)</u>	<u>\$ 3,086,743</u>

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# **CITY OF CUYAHOGA FALLS, OHIO**

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## **General Fixed Assets Account Group**

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

**City of Cuyahoga Falls, Ohio**  
**Schedule of General Fixed Assets by Source**  
**December 31, 2002**

General Fixed Assets:	2002
Land	\$ 7,745,180
Buildings	14,321,261
Equipment	18,549,852
<b>Total General Fixed Assets</b>	<b>\$ 40,616,293</b>
<b>Investment in General Fixed Assets from:</b>	
Capital Projects Funds:	
General Obligation Bonds/Notes	\$ 9,755,878
Federal Grants	1,711,692
Capital Project Levy	13,723,936
General Fund Revenues	8,293,365
Special Revenue Fund Revenues	6,131,276
Gifts	998,946
Other	1,200
<b>Total Investment in General Fixed Assets</b>	<b>\$ 40,616,293</b>

**City of Cuyahoga Falls, Ohio**  
**Schedule of General Fixed Assets by Function and Activity**  
**December 31, 2002**

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
<b>Security of Persons and Property</b>				
Fire safety	\$ 19,187	\$ 2,203,982	\$ 4,776,783	\$ 6,999,952
Police protection	0	2,754,500	3,602,468	6,356,968
Safety communications and traffic control	0	27,498	254,545	282,043
Building security	<u>0</u>	<u>0</u>	<u>152,917</u>	<u>152,917</u>
<b>Total Security of Persons and Property</b>	<u>19,187</u>	<u>4,985,980</u>	<u>8,786,713</u>	<u>13,791,880</u>
<b>Leisure Time Activities</b>				
Parks and recreation	<u>3,555,344</u>	<u>867,855</u>	<u>2,524,966</u>	<u>6,948,165</u>
<b>Community Development</b>				
Mall	373,750	251,501	21,551	646,802
Community and economic development	<u>0</u>	<u>0</u>	<u>124,915</u>	<u>124,915</u>
<b>Total Community Development</b>	<u>373,750</u>	<u>251,501</u>	<u>146,466</u>	<u>771,717</u>
<b>Transportation</b>				
Street construction, maintenance and repair	<u>123,822</u>	<u>482,042</u>	<u>5,162,039</u>	<u>5,767,903</u>
<b>General Government</b>				
Mayor's office	0	3,200	20,576	23,776
Finance administration	0	0	27,091	27,091
Legal administration	0	0	36,395	36,395
Service administration	0	0	17,406	17,406
Court administration	0	548,629	419,177	967,806
Engineering	0	0	226,063	226,063
Other administration	<u>3,673,077</u>	<u>7,182,054</u>	<u>1,182,960</u>	<u>12,038,091</u>
<b>Total General Government</b>	<u>3,673,077</u>	<u>7,733,883</u>	<u>1,929,668</u>	<u>13,336,628</u>
<b>Total General Fixed Assets</b>	<u>\$ 7,745,180</u>	<u>\$ 14,321,261</u>	<u>\$ 18,549,852</u>	<u>\$ 40,616,293</u>

**City of Cuyahoga Falls, Ohio**  
**Schedule of Changes in General Fixed Assets by Function and Activity**  
**for the Year Ended December 31, 2002**

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
<b>Security of Persons and Property</b>				
Fire safety	\$ 6,570,589	\$ 475,137	\$ 45,774	\$ 6,999,952
Police protection	6,081,165	392,213	116,410	6,356,968
Safety communications and traffic control	270,550	28,428	16,935	282,043
Building security	138,775	14,142	0	152,917
<b>Total Security of Persons and Property</b>	<b>13,061,079</b>	<b>909,920</b>	<b>179,119</b>	<b>13,791,880</b>
<b>Leisure Time Activities</b>				
Parks and recreation	6,416,373	552,211	20,419	6,948,165
<b>Community Development</b>				
Mall	626,160	20,642	0	646,802
Community and economic development	118,502	23,348	16,935	124,915
<b>Total Community Development</b>	<b>744,662</b>	<b>43,990</b>	<b>16,935</b>	<b>771,717</b>
<b>Transportation</b>				
Street construction, maintenance and repair	5,127,441	640,462	0	5,767,903
<b>General Government</b>				
Mayor's office	23,776	0	0	23,776
Finance administration	27,091	0	0	27,091
Legal administration	33,730	2,665	0	36,395
Service administration	17,406	0	0	17,406
Court administration	866,870	100,936	0	967,806
Engineering	223,293	2,770	0	226,063
Other administration	11,971,356	66,735	0	12,038,091
<b>Total General Government</b>	<b>13,163,522</b>	<b>173,106</b>	<b>0</b>	<b>13,336,628</b>
<b>Total General Fixed Assets</b>	<b>\$ 38,513,077</b>	<b>\$ 2,319,689</b>	<b>\$ 216,473</b>	<b>\$ 40,616,293</b>



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# **STATISTICAL SECTION**

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

	1993	1994	1995	1996
<b>Revenues:</b>				
Property taxes	\$ 5,755,357	\$ 6,344,680	\$ 6,567,339	\$ 6,536,994
Municipal income taxes	8,759,066	8,933,714	9,339,556	11,120,550
Other local taxes	212,524	425,597	226,938	240,381
State levied shared taxes	3,986,054	4,057,787	5,329,327	5,291,384
Intergovernmental	503,524	458,929	532,700	320,618
Charges for services	4,165,026	3,910,632	3,940,334	4,087,755
Fees, licenses, and permits	503,498	650,455	689,178	737,115
Interest earnings	858,876	724,634	2,072,120	1,536,728
Fines and forfeitures	468,581	486,152	493,416	546,949
Special assessments	289,355	302,309	367,271	260,868
Reimbursement from library	161,790	156,625	104,150	0
All other revenues	516,949	191,441	216,670	285,059
<b>Total Revenues</b>	<b>\$ 26,180,600</b>	<b>\$ 26,642,955</b>	<b>\$ 29,878,999</b>	<b>\$ 30,964,401</b>
<b>Expenditures:</b>				
<b>Current</b>				
Security of persons and property	\$ 11,942,600	\$ 11,985,570	\$ 12,141,098	\$ 12,488,478
Leisure time activities	1,410,708	1,254,404	1,436,819	1,530,117
Community environment	929,217	892,479	1,181,449	872,339
Street maintenance	2,691,178	2,607,416	2,836,136	2,985,201
General government	5,253,420	5,858,561	5,705,428	6,187,188
Capital outlay	4,066,920	2,241,450	2,682,565	4,052,839
<b>Debt service</b>				
Principal	6,980,055	7,002,360	12,882,962	818,698
Interest	542,048	454,153	859,774	613,098
<b>Total Expenditures</b>	<b>\$ 33,816,146</b>	<b>\$ 32,296,393</b>	<b>\$ 39,726,231</b>	<b>\$ 29,547,958</b>

**Table 1**

1997	1998	1999	2000	2001	2002
7,857,144	\$ 8,031,254	\$ 7,714,820	\$ 8,567,797	9,087,091	8,770,443
13,446,137	14,500,651	16,156,494	15,820,981	16,191,625	16,740,777
198,924	298,904	194,272	199,866	293,502	164,012
5,237,468	6,060,321	6,131,671	6,549,177	6,590,819	6,138,255
2,281,223	268,258	1,360,746	748,440	2,821,042	2,381,899
4,035,989	4,486,240	5,567,613	6,255,286	6,664,641	6,720,028
799,855	806,471	856,187	871,507	1,064,874	916,423
1,789,252	1,694,422	1,521,632	2,445,416	2,634,886	974,023
499,955	462,875	385,094	455,627	446,737	443,491
252,243	230,496	219,473	947,264	640,975	261,172
0	0	0	0	0	0
279,666	782,317	326,587	313,143	372,271	679,249
<u>36,677,856</u>	<u>\$ 37,622,209</u>	<u>\$ 40,434,589</u>	<u>\$ 43,174,504</u>	<u>\$ 46,808,463</u>	<u>\$ 44,189,772</u>
13,715,574	\$ 14,117,870	\$ 15,251,595	\$ 16,410,061	16,849,176	18,269,597
1,708,791	1,861,194	1,914,306	2,051,907	2,299,180	2,551,463
839,459	983,711	835,905	954,197	1,025,487	979,129
3,109,479	2,762,226	3,371,078	3,252,985	3,382,595	3,647,130
6,579,934	6,918,540	7,130,996	7,512,854	8,643,427	8,848,607
13,222,482	11,100,828	7,453,286	8,603,181	10,212,506	12,785,685
892,396	1,127,844	1,488,706	1,720,660	1,203,935	881,660
603,696	928,230	830,977	868,776	775,513	691,267
<u>40,671,811</u>	<u>\$ 39,800,443</u>	<u>\$ 38,276,849</u>	<u>\$ 41,374,621</u>	<u>\$ 44,391,819</u>	<u>\$ 48,654,538</u>

**Table 2**

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

Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collections	Current Collections to Current Levy	Delinquent Collections	Total Collections	Total Collections to Total Levy
1993	5,685,058	421,917	6,106,975	5,535,347	97.37	179,404	5,714,751	93.58
1994	6,323,587	387,073	6,710,660	6,151,819	97.28	206,501	6,358,320	94.75
1995	6,437,786	276,844	6,714,630	6,280,729	97.56	183,838	6,464,567	96.28
1996	6,485,885	280,842	6,766,727	6,308,563	97.27	143,001	6,451,564	95.34
1997	7,960,459	303,852	8,264,311	7,745,412	97.30	210,340	7,955,752	96.27
1998	8,054,733	305,165	8,359,898	7,826,491	97.17	184,898	8,011,389	95.83
1999	7,762,075	276,739	8,038,814	7,552,558	97.30	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

Source: Summit County Auditor's Office

**Table 3**

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

Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collections	Current Collections to Current Levy	Delinquent Collections	Total Collections	Total Collections to Total Levy
1993	686,577	180,849	867,426	633,803	92.31	65,265	699,068	80.59
1994	707,434	128,285	835,719	694,385	98.16	24,939	719,324	86.07
1995	824,652	131,793	956,445	810,753	98.31	33,982	844,735	88.32
1996	836,101	96,838	932,939	828,075	99.04	36,464	864,539	92.67
1997	858,325	68,027	926,352	843,364	98.26	24,502	867,866	93.69
1998	937,970	103,057	1,041,027	928,229	98.96	50,300	978,529	94.00
1999	906,831	80,556	987,387	891,560	98.32	35,722	927,282	93.91
2000	885,990	69,771	955,761	873,802	98.62	20,286	894,088	93.55
2001	982,175	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

Source: Summit County Auditor's Office

**Table 4**

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

Year	Assessments Levied	Current Assessments Collected	Current Collections to Assessments Levied	Delinquent Assessments Collected	Total Assessments Collected
1993	229,590	225,484	98.21	63,578	289,062
1994	225,589	220,315	97.66	75,068	295,383
1995	228,805	225,042	98.36	71,204	296,246
1996	240,583	233,162	96.92	15,948	249,110
1997	266,684	261,422	98.03	7,884	269,306
1998	226,096	223,606	98.90	5,548	229,154
1999	216,396	213,152	98.50	4,603	217,755
2000	217,886	214,785	98.58	2,800	217,585
2001	217,849	215,456	98.90	5,222	220,678
2002	253,894	248,170	97.75	4,979	253,149

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

**Table 5**

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

Collection Year	Real Property		Public Utility Property	Tangible Personal Property	Total Assessed Value
	Estimated Value	Assessed Value	Assessed Value	Assessed Value	
1993	\$ 1,298,825,286	\$ 454,588,850	\$ 26,944,080	\$ 57,073,666	\$ 538,606,596
1994	1,459,496,686	510,823,840	27,417,670	58,811,798	597,053,308
1995	1,479,535,000	517,837,250	30,573,390	68,584,628	616,995,268
1996	1,499,319,914	524,761,970	25,298,060	69,549,946	619,609,976
1997	1,883,647,943	659,276,780	24,102,670	71,362,159	754,741,609
1998	1,915,195,743	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

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

Source: Summit County Auditor's Office

**Table 6**

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

SCHOOL DISTRICT	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b><u>CUYAHOGA FALLS CITY</u></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	1.00	0.00	0.00	0.00	0.00
Total City of Cuyahoga Falls	12.00	12.00	12.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00
Cuyahoga Falls City School District	54.18	54.10	53.98	53.98	53.83	53.83	57.63	57.23	57.23	61.96
Summit County	12.59	12.31	14.16	13.99	11.65	11.65	12.27	13.07	13.07	13.07
Total	<u>\$ 78.77</u>	<u>\$ 78.41</u>	<u>80.14</u>	<u>\$ 79.97</u>	<u>\$ 77.48</u>	<u>\$ 77.48</u>	<u>\$ 80.90</u>	<u>\$ 81.30</u>	<u>\$ 81.30</u>	<u>\$ 86.03</u>
<b><u>WOODRIDGE LOCAL</u></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	1.00	0.00	0.00	0.00	0.00
Total City of Cuyahoga Falls	12.00	12.00	12.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00
Woodridge Local School District	43.56	43.46	48.96	46.81	46.41	46.41	50.46	49.86	49.36	47.69
Summit County	12.59	12.31	14.16	13.99	11.65	11.65	12.27	13.07	13.07	13.07
Akron Summit County Library District	0.89	0.89	0.89	0.89	1.87	1.87	1.39	1.39	1.35	1.59
Total	<u>\$ 69.04</u>	<u>\$ 68.66</u>	<u>76.01</u>	<u>\$ 73.69</u>	<u>\$ 71.93</u>	<u>\$ 71.93</u>	<u>\$ 75.12</u>	<u>\$ 75.32</u>	<u>\$ 74.78</u>	<u>\$ 73.35</u>

## Notes:

Levies for other school districts (2001); Hudson LSD-99.22; Stow CSD--72.39; Revere LSD-85.82.  
The Cuyahoga Valley Joint Vocational School District levies an additional 2.00 for Revere LSD.

Source: Summit County Auditor's Office

Table 7

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

Year	Population *	Assessed Value	Gross General Bonded Debt **	Less Balance In Debt Service Fund	Less Debt Payable from Enterprise Revenue	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1993	48,950	\$ 538,606,596	\$ 20,940,000	\$ 448,995	\$ 10,279,268	\$ 10,211,737	1.90	\$ 208.62
1994	48,950	597,053,308	19,985,000	431,896	9,888,415	9,664,689	1.62	197.44
1995	48,950	616,995,268	20,045,000	437,439	10,079,266	9,528,295	1.54	194.65
1996	48,950	619,609,976	22,953,267	387,090	13,443,290	9,122,887	1.47	186.37
1997	48,950	754,741,609	31,430,597	297,333	17,246,270	13,886,994	1.84	283.70
1998	48,950	772,178,098	34,627,926	290,686	20,078,287	14,258,953	1.85	291.30
1999	48,950	793,554,509	35,519,093	185,039	19,917,579	15,416,475	1.94	314.94
2000	49,374	877,820,775	37,984,784	196,184	23,099,521	14,689,079	1.67	297.51
2001	49,374	889,876,175	36,119,475	182,260	22,534,435	13,402,780	1.51	271.45
2002	49,374	903,020,873	43,096,165	53,662	26,700,527	16,341,976	1.81	330.98

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

\*\* Includes bond anticipation notes.

Table 8

**City of Cuyahoga Falls, Ohio**  
**Computation of Direct and Overlapping Debt**  
**December 31, 2002**

Political Subdivision	Assessed Valuation	Values Within City Boundary	Percent Overlapping	Net Debt Outstanding	Applicable Amount to City
<b>Municipal Corporation:</b>					
City of Cuyahoga Falls	\$ 1,002,866,763	\$ 1,002,866,763	100.00 %	\$ 39,823,045	\$ 39,823,045
<b>School Districts:</b>					
Cuyahoga Falls City School District	791,590,876	710,460,848	89.75	8,027,000	7,204,314
Woodridge Local School District	462,966,054	275,995,060	59.61	16,181,334	9,646,427
Stow City School District	873,847,770	1,317,157	0.15	6,432,000	9,695
Hudson City School District	874,279,181	7,184,116	0.82	11,250,930	92,451
Revere Local School District	772,540,197	7,909,514	1.02	14,263,667	146,036
Cuyahoga Valley Joint Vocational School District	2,487,401,406	7,462,204	0.30	0	0
<b>County Unit:</b>					
Summit County	11,992,128,807	1,008,755,017	8.41	72,400,000	6,090,150
<b>Other Units:</b>					
Akron Metro Regional Transit Authority	11,992,128,807	1,008,755,712	8.41	1,515,000	127,439
Akron-Summit County Library District	8,013,671,204	283,904,516	3.54	66,414,269	2,352,893
Metro Parks	11,051,276,210	1,002,350,752	9.07	0	0
<b>Total Direct Debt</b>	<b>\$ 1,002,866,763</b>	<b>\$ 1,002,866,763</b>	<b>100.00 %</b>	<b>\$ 39,823,045</b>	<b>\$ 39,823,045</b>
<b>Total Overlapping Debt</b>	<b>49,311,830,512</b>	<b>4,314,094,896</b>	<b>8.75</b>	<b>196,484,200</b>	<b>25,669,405</b>

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

Source: Summit County Auditor's Office

**Table 9**

**City of Cuyahoga Falls, Ohio**  
**Computation of Legal Debt Margin**  
**December 31, 2002**

Total of all City Debt Outstanding*	\$ 43,104,299
Debt exempt from calculation:	
Self-supporting as defined in R.C. 133.05	
General Sewer and Sanitary Sewer Improvements	\$ 4,006,302
Water Utility	10,990,355
Electric Utility	2,366,192
Recreation Facilities	9,345,812
Special Assessment bonds and notes issued in anticipation of the levy or collection of special assessments	
	886,171
Total exempt Debt	<u>27,594,832</u>
Net indebtedness (voted and unvoted) subject to 10.5% debt limitation	15,509,467
Less applicable Debt Service Fund	<u>53,662</u>
Net indebtedness subject to 10.5% debt limitation	<u>\$ 15,455,805</u>
Net indebtedness (unvoted) subject to 5.5% debt limitation	15,509,467
Less applicable Debt Service Fund	<u>53,662</u>
Net indebtedness subject to 5.5% debt limitation	<u>\$ 15,455,805</u>
Assessed valuation of City (based on 2002 collections)	\$ 903,020,873
<b>Legal 10.5% Debt Margin</b>	
10.5% of valuation (maximum voted and unvoted general obligation debt limitation)	\$ 94,817,192
Net indebtedness outstanding subject to 10.5% debt limitation	<u>(15,455,805)</u>
Legal 10.5% Margin	<u>\$ 79,361,387</u>
<b>Legal 5.5% Debt Margin</b>	
5.5% of valuation (maximum unvoted general obligation debt allowed)	\$ 49,666,148
Net indebtedness outstanding subject to 5.5% debt limitation	<u>(15,455,805)</u>
Legal 5.5% Margin	<u>\$ 34,210,343</u>

\*Includes OPWC Loan of \$8,134.

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**

Year	Principal	Interest	Debt Service on General Bonded Debt	Total Governmental and Expendable Trust Fund Type Expenditures	Ratio
1993	\$ 596,927	\$ 539,838	\$ 1,136,765	\$ 33,816,146	3.36
1994	564,146	414,950	979,096	32,296,393	3.03
1995	615,244	943,236	1,558,480	39,726,231	3.92
1996	455,757	548,736	1,004,493	29,547,958	3.40
1997	475,650	523,421	999,071	40,670,566	2.46
1998	659,688	830,292	1,489,980	39,800,443	3.74
1999	683,124	752,184	1,435,308	38,276,849	3.75
2000	716,251	717,939	1,434,190	41,374,621	3.47
2001	740,223	684,386	1,424,609	44,391,819	3.21
2002	739,402	670,894	1,410,296	48,621,349	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.

**Table 11**

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

Year	Estimated Property Value	Value of Building Permits Issued
1993	\$ 1,298,825,286	\$ 31,583,968
1994	1,459,496,686	38,578,165
1995	1,479,535,000	39,370,553
1996	1,499,319,914	40,328,297
1997	1,883,647,943	66,395,696
1998	1,915,310,686	45,248,360
1999	1,963,624,971	59,986,495
2000	2,198,394,629	55,669,110
2001	2,242,191,200	49,842,859
2002	2,290,675,314	48,799,697

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

Table 12

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

<b>SEWAGE AND DISPOSAL FUND</b>							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1993	3,676,340	3,839,470	(163,130)	130,000	38,425	168,425	(0.97)
1994	3,795,395	3,864,878	(69,483)	100,000	27,750	127,750	(0.54)
1995	3,885,171	3,926,643	(41,472)	100,000	18,500	118,500	(0.35)
1996	4,403,640	3,818,349	585,291	100,000	9,250	109,250	5.36
1997	4,195,043	4,121,156	73,887	0	59,500	59,500	1.24
1998	4,275,018	3,812,478	462,540	74,395	149,578	223,973	2.07
1999	5,405,172	4,198,092	1,207,080	159,114	209,657	368,771	3.27
2000	4,111,896	4,018,328	93,568	162,997	204,074	367,071	0.25
2001	4,839,820	3,611,191	1,228,629	172,206	197,977	370,183	3.32
2002	4,695,348	4,070,424	624,924	177,532	191,273	368,805	1.69

<b>WATER</b>							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1993	\$ 2,929,633	\$ 2,280,972	\$ 648,661	\$ 0	\$ 0	\$ 0	N/A
1994	3,018,444	2,684,285	334,159	0	0	0	N/A
1995	2,955,553	2,764,267	191,286	0	0	0	N/A
1996	3,086,075	2,487,104	598,971	0	0	0	N/A
1997	3,473,579	2,731,122	742,457	0	52,889	52,889	14.04
1998	3,573,260	3,042,858	530,402	66,129	132,957	199,086	2.66
1999	5,099,136	3,284,575	1,814,561	236,094	301,752	537,846	3.37
2000	3,551,060	3,363,585	187,475	241,206	293,902	535,108	0.35
2001	4,373,731	3,662,806	710,925	254,374	285,208	539,582	1.32
2002	4,436,677	3,513,802	922,875	382,430	575,935	958,365	0.96

<b>ELECTRIC FUND</b>							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1993	18,262,029	17,831,668	430,361	115,000	271,378	386,378	1.11
1994	19,456,039	17,294,790	2,161,249	120,000	264,190	384,190	5.63
1995	20,207,042	19,001,535	1,205,507	145,000	245,719	390,719	3.09
1996	22,269,656	19,199,774	3,069,882	170,000	211,260	381,260	8.05
1997	22,604,783	19,087,733	3,517,050	180,000	201,055	381,055	9.23
1998	25,026,429	21,152,014	3,874,415	190,000	188,125	378,125	10.25
1999	27,091,588	22,522,038	4,569,550	205,000	174,190	379,190	12.05
2000	26,699,348	22,378,133	4,321,215	215,000	159,210	374,210	11.55
2001	28,414,021	23,208,864	5,205,157	225,000	149,213	374,213	13.91
2002	28,587,331	23,260,776	5,326,555	240,000	138,525	378,525	14.07

<b>LEISURE TIME FUND</b>							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1993	2,391,938	2,405,415	(13,477)	112,073	318,799	430,872	0.00
1994	2,500,552	2,378,623	121,929	170,854	283,678	454,532	0.27
1995	2,257,133	2,322,281	(65,148)	134,756	318,527	453,283	(0.14)
1996	2,283,626	2,353,667	(70,041)	260,243	332,335	592,578	(0.12)
1997	2,457,632	2,537,248	(79,616)	271,349	317,691	589,040	(0.14)
1998	3,007,942	3,208,048	(200,106)	281,788	301,922	583,710	(0.34)
1999	3,127,357	3,282,275	(154,918)	294,667	285,355	580,022	(0.27)
2000	3,094,058	3,649,682	(555,624)	307,545	271,538	579,083	(0.96)
2001	3,148,347	3,717,006	(568,659)	322,196	256,870	579,066	(0.98)
2002	3,273,884	3,957,204	(683,320)	342,636	241,178	583,814	(1.17)

## Notes:

The Water Fund did not incur debt service for the years 1993 through 1996.  
Debt Service requirements are reported on a cash basis.  
Operating revenues and expenses are reported on a GAAP basis.

**Table 13**

**City of Cuyahoga Falls, Ohio  
Principal Property Taxpayers  
December 31, 2002**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Assessed Valuation by Category</u>
<b>Real Property:</b>			
Newport Limited Partnership	Residential real estate holdings	7,945,370	0.99
Yorkshire Woods Apartments	Real estate holdings	7,040,240	0.88
Portage Towers Apartments	Real estate holdings	4,564,580	0.57
State Road Associates	Real estate holdings	4,305,000	0.54
Heslop, Inc.	Real estate holdings	3,991,720	0.50
HD Development of Maryland, Inc.	Real estate investment	3,824,790	0.48
Brookledge II	Real estate holdings	3,370,630	0.42
Plaza Chapel Hills, Co	Shopping plaza	3,296,580	0.41
Dayton Hudson Corporation	Retail	2,615,270	0.33
Commercial Net Lease Realty Inc.	Real estate holdings	2,610,840	0.33
<b>Total</b>		<b>\$ 43,565,020</b>	<b>5.43 %</b>
<b>Total Assessed Valuation - Real</b>		<b>\$ 801,736,360</b>	<b>88.78 %</b>
<b>Tangible Personal Property (other than Public Utilities):</b>			
Go Jo Industries	Chemical specialists	\$ 7,027,630	8.25 %
Associated Building Supplies	Aluminum products	4,517,570	5.31
Pechiney Plastic Packaging, Inc.	Food packaging products	3,430,750	4.03
Struktol Company of America	Specialty chemicals	3,007,010	3.53
SGS Tool Company	Carbide cutting tools	2,923,620	3.43
Lambert Buick, Inc.	Car dealer	2,310,490	2.71
Prospect-AkroMold, Inc.	Specialty chemicals	2,241,850	2.63
Ron Marhofer Automall, Inc.	Car dealer	2,144,760	2.52
AKW, L.P.	Manufacturer of aluminum wheels	2,117,090	2.49
Americhem, Inc.	Chemical specialists	1,907,440	2.24
<b>Total</b>		<b>\$ 31,628,210</b>	<b>37.69 %</b>
<b>Total Assessed Valuation - Tangible Personal</b>		<b>\$ 85,154,613</b>	<b>9.43 %</b>
<b>Public Utilities (tangible personal property):</b>			
Ohio Bell Telephone	Telephone utility	\$ 6,975,720	33.12 %
Ohio Edison	Electric utility	3,396,700	24.82
East Ohio Gas	Natural gas utility	1,639,450	24.00
<b>Total</b>		<b>\$ 12,011,870</b>	<b>81.94 %</b>
<b>Total Assessed Valuation - Public Utilities</b>		<b>\$ 16,129,900</b>	<b>1.79 %</b>
<b>Total Assessed Valuation - All Categories</b>		<b>\$ 903,020,873</b>	<b>100.00 %</b>

Source: Summit County Auditor's Office

**Table 14**

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

Year	City Wage Tax Collected	City Personal Tax Collected	Total Tax Collected	Percent Increase (Decrease)
1993	6,551,121	2,022,579	8,573,700	8.23
1994	7,009,546	2,095,322	9,104,868	6.20
1995	7,104,465	2,307,153	9,411,618	3.37
1996	8,358,245	2,612,035	10,970,280	16.56
1997	10,256,890	2,943,964	13,200,854	20.33
1998	10,845,293	3,603,877	14,449,170	9.46
1999	11,378,940	4,611,426	15,990,366	10.66
2000	11,827,038	4,124,965	15,952,003	(0.24)
2001	11,871,684	4,266,102	16,137,786	1.16
2002	12,211,514	4,600,963	16,812,477	4.18

Source: Cuyahoga Falls Income Tax Department

Notes: All amounts were determined on a cash basis and represent gross collections.  
1993 through 1995 tax collections were reflective of 1.5 percent municipal tax rate.  
The municipal tax rate increased to 2.0 percent effective July 1, 1996.

**Table 15**

**City of Cuyahoga Falls, Ohio  
Income Tax Collections  
Largest Employers for 2002**

Employer	Type of Business	2002 City Wage Tax Collected	Percent of Total Wage Collections
City of Cuyahoga Falls	Government	\$ 555,292	4.58 %
Associated Materials, Inc.	Manufacturer	540,006	4.45
Cuyahoga Falls Board of Education	Education	463,125	3.82
Cuyahoga Falls General Hospital	Hospital	416,176	3.43
GoJo Industries, Inc.	Manufacturer	302,011	2.49
Americhem, Inc.	Chemical specialists	271,210	2.23
Pechiney Plastic Packaging	Manufacturer	183,936	1.51
Manufacturers Group International	Manufacturer	159,162	1.31
Woodridge Local School District	Education	157,260	1.30
Schwebel Baking Company	Food Production	131,040	1.08
<b>Top Ten Withholding</b>		<b>\$ 3,179,219</b>	<b>26.20 %</b>
<b>Total Withholding</b>		<b>\$ 12,134,222</b>	<b>100.00 %</b>

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

Source: Cuyahoga Falls Income Tax Department

**City of Cuyahoga Falls, Ohio**  
**Salaries of Principal Officials**  
**and Union Agreements**  
**December 31, 2002**

SALARIES OF PRINCIPAL OFFICIALS

Title	Annual Salary
Mayor	\$ 89,825
President of Council	14,372
Council Members (11)	13,474
Director of Law	80,921
Director of Finance	80,921
Director of Public Service	80,921
Director of Industrial & Community Development	80,921
Municipal Judge (\$99,800)	
(\$38,050 paid by State)	
(Remainder 40% paid by County)	
(Remainder 60% paid by City)	37,050
Presiding Judge (\$101,300)	
(\$38,050 paid by State)	
(Remainder 40% paid by County)	
(Remainder 60% paid by City)	37,950
Clerk of Courts (\$84,811)	
(40% paid by County)	
(60% paid by City)	50,886

UNION AGREEMENTS

Union	Representing
American Federation of State, County and Municipal Employees (AFSCME)	171 Members
Effective: January 1, 2000	Cleaning/Maintenance Personnel
Expiration: December 31, 2002	Mechanics
Agreement Signed: May 17, 2000	Clerical Personnel
	Equipment Operators
	Inspectors/Aides
	Laborers
	Dispatchers
	Meter Readers
	Refuse Collectors
	Technicians
	Water Utility Workers
Fraternal Order of Police - Ohio Labor Council, Inc.	12 Members
Effective: July 1, 2002	
Expiration: June 30, 2005	
Agreement Signed: October 29, 2002	
International Association of Firefighters Local #494	76 Members
Effective: July 1, 2002	Captains
Expiration: June 30, 2005	Firefighters
Agreement Signed: July 2, 2002	Lieutenants
Fraternal Order of Police - Ohio Labor Council, Inc.	15 Members
Effective: July 1, 2002	Lieutenants
Expiration: June 30, 2005	Sergeants
Agreement Signed: September 13, 2002	
Fraternal Order of Police - Ohio Labor Council, Inc.	78 Members
Effective: July 1, 2002	Community Service Officers
Expiration: June 30, 2005	Patrol Officers
Agreement Signed: December 8, 2002	
Utility Workers of America Local #399	28 Members
Effective: July 1, 2002	Draftsmen
Expiration: June 30, 2005	Electricians
Agreement Signed: October 7, 2002	Equipment Operator
	Groundmen
	Linemen
	Metermen
	Stockkeeper
	Technician
	Utility Men

**Table 17**

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

Year	Residential		Commercial		Miscellaneous		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
1993	1,592	15,776,283	196	15,083,884	3,154	723,801	4,942	31,583,968
1994	1,752	23,928,880	172	13,960,827	3,541	688,458	5,465	38,578,165
1995	1,572	16,569,711	181	21,745,059	3,044	1,055,783	4,797	39,370,553
1996	1,815	26,765,077	221	12,626,965	3,200	936,255	5,236	40,328,297
1997	1,722	30,450,552	203	33,775,487	3,121	2,169,657	5,046	66,395,696
1998	1,821	25,295,632	205	19,126,178	3,415	826,550	5,441	45,248,360
1999	1,860	34,649,869	245	24,038,050	3,540	1,298,576	5,645	59,986,495
2000	1,729	22,586,174	186	31,263,305	3,201	1,819,631	5,116	55,669,110
2001	1,649	25,289,110	163	22,988,539	2,858	1,565,210	4,670	49,842,859
2002	1,669	23,575,775	164	24,274,863	3,096	949,059	4,929	48,799,697

Source: City of Cuyahoga Falls, Building Department

**Table 18**

**City of Cuyahoga Falls, Ohio  
Schedule of Insurance Coverage  
December 31, 2002**

Name of Carrier	Type of Coverage	Policy Period		Liability Limit	Annual Premium	Deductible
		From	To			
CNA Insurance Co.	Auto Liability and Comprehensive	10/22/2002	10/22/2003	\$ 1,000,000 combined single limit	\$ 83,200	\$ 500
CNA Insurance Co.	Property-all locations	10/22/2002	10/22/2003	\$ 70,240,246	\$ 57,936	\$ 5,000
Selective Insurance Co.	Comprehensive General Liability	10/22/2002	10/22/2003	\$ 1,000,000	\$ 35,749	\$ 100,000 self-insured retention
Selective Insurance Co.	Law Enforcement Liability-wrongful acts with regard to law enforcement	10/22/2002	10/22/2003	\$ 1,000,000	\$ 30,186	\$ 10,000
Selective Insurance Co.	Umbrella Excess Liability-bodily injury and property damage (follows general and auto liability)	10/22/2002	10/22/2003	\$ 10,000,000	\$ 36,424	Subject to underlying policy limits
CNA Insurance	Boiler and Machinery-all locations	10/22/2002	10/22/2003	\$ 20,000,000	\$ 7,670	\$ 1,000
Continental Casualty Co.	Public Officials Liability	10/22/2002	10/22/2003	\$ 1,000,000	\$ 19,000	\$ 50,000

**City of Cuyahoga Falls, Ohio**  
**Demographic Statistics**  
**1950 - 2000**

Year	Population	Dwelling Units	Occupied Dwelling Units/ Households	Persons Per Households	Owner occupied Housing Units Percentages	Median Family Income
1950	29,195	8,985	8,693	3.40	81.80%	\$ N/A
1960	47,922	14,192	13,732	3.37	83.18	7,738
1970	49,678	15,686	15,379	3.23	75.14	13,002
1980	43,890	17,371	16,749	2.62	69.80	22,466
1990	48,950	21,269	20,383	2.38	66.60	36,740
2000	49,374	22,727	21,655	2.26	65.70	50,300

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

**Table**  
**20**

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

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

Source: U.S. Census Bureau

**Table 21**

**City of Cuyahoga Falls, Ohio  
Miscellaneous Statistics  
December 31, 2002**

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**GENERAL INFORMATION**

Date of incorporation .....	1920
Form of Government .....	Strong Mayor-Council
Council Members .....	11
Area ( <i>square miles</i> ) .....	27.8
Highest Elevation ( <i>feet above sea level</i> ) .....	1,180
Streets (miles) .....	277.96
Street Lights .....	5,057
Traffic Lights .....	76

**FIRE PROTECTION**

Fire Stations .....	4
Firefighters and Officers .....	83
Fire Hydrants .....	2,207

**POLICE PROTECTION**

Police Stations .....	1
Policepersons and Officers .....	97

**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 .....	32

**PARKING FACILITIES**

City Lots and Decks .....	16
Square Feet .....	377,636
Spaces .....	1,706
Recreation Lots .....	20
Square Feet .....	292,080
Spaces .....	1,317

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  
AUGUST 26, 2003**