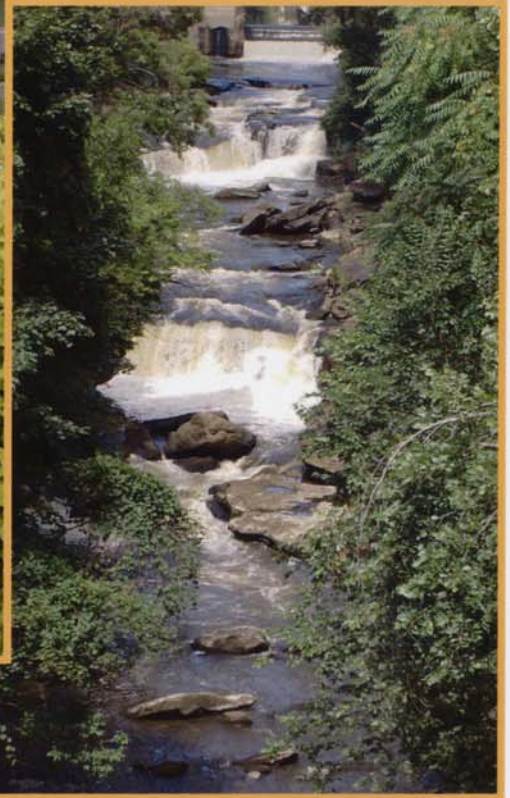


CITY OF

CUYAHOGA FALLS, OHIO



Don L. Robart, Mayor

Comprehensive Annual Financial Report

for the year ended December 31, 2006

Cover Pictures:

The City of Cuyahoga Falls continues to raise the bar in commitment to community and environmental stewardship. Within long-term planning for clean, reliable sources of energy, air and water, Cuyahoga Falls' environmental initiatives embrace sustainability through research and development. In partnership with American Municipal Power – Ohio (AMP-Ohio), Green Energy Ohio (GEO), the Department of Energy (DOE), and the Environmental Protection Agency (EPA), research and development will continue to support the growth of Cuyahoga Falls' extraordinary municipal services, services which depend upon active citizen involvement and ongoing education. The successes of these initiatives are best illustrated through the high participation rates in the community recycling program, the expansion of community beautification and urban forestry, energy efficiency and renewable energy projects and services, as well as the frequency of requests for educational resources. 2006 was another powerful step forward with the City's commitment to the Tall Towers Wind Study, and to the Energy Freedom Challenge as a Founding City committed to increasing the City's renewable energy portfolio to 50% by 2020.

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

Sue A. Abrusci

Scott K. Fitzsimmons

Laura K. Jarvis

Sarah M. Miller

Tracy R. Reibold

Kimberly S. Shingleton

Jennifer M. Stricker

Sandra R. Stroup

James M. Woods

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Sanitation Department and Building and Grounds Department

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Western Reserve Printing

Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2006



City of Cuyahoga Falls, Ohio

Don L. Robart, Mayor

Issued by the Department of Finance

Joseph F. Brodzinski, Finance Director



Printed on Recycled Paper

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City of Cuyahoga Falls, Ohio

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INTRODUCTORY SECTION



**CITY OF CUYAHOGA FALLS
DEPARTMENT OF FINANCE**

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

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

Joseph F. Brodzinski
Finance Director

Scott K. Fitzsimmons
Deputy Finance Director

July 27, 2007

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

The Comprehensive Annual Financial Report (CAFR) for the City of Cuyahoga Falls, Ohio (the “City”) for the year ended December 31, 2006, is hereby submitted. The responsibility for both the accuracy of the data and the completeness and fairness of presentation including all disclosures, rests with the City’s management. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner, which fairly presents the financial position and results of operations of the various funds of the City. All disclosures necessary to gain an understanding of the City's financial activities have been included.

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

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

In accordance with Ohio law, each public office is required to have an independent audit at least once every two years unless an annual audit is required pursuant to The Single Audit Act of 1984. These audits are conducted by either the Auditor of the State, or if the Auditor permits, an independent public accounting firm. The current year audit was completed by James G. Zupka, CPA, Inc. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2006, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The Independent Auditor's Report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

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

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

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

City of Cuyahoga Falls, Ohio

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

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

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

LOCAL ECONOMY

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

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

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

The City is not subject to swift or erratic economic downturns because of its diversified income tax base, in which no single employer dominates the local economy. During 2006, ten major employers in the City collectively accounted for approximately 27 percent of the \$13,161,626 withholding taxes remitted to the City.

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

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

The 1986 merger between the City and Northampton Township (now Ward 8) has become a win-win situation for both parties. Due to increased land availability, the City has realized many new opportunities for industrial,

commercial, and residential development. This growth continues to be stimulated by the expansion of water and sewer lines into Ward 8. At the same time, the residents of Ward 8 are benefiting by receiving city-based services, which should ultimately have had a positive impact on current property values.

The City 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, averaged \$50,480,750 over the last four years.

Future Economic Outlook

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

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

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

On July 25, 2007 the City of Cuyahoga Falls was a successful recipient of a grant from the State's Clean Ohio Revitalization Funds also known as CORF. The Development Department applied for a grant to further the redevelopment efforts in the South Front Street area. The grant, in the amount of \$ 2,381,440, will be used to conduct environmental assessments, acquisition and demolition of properties, soil and water remediation, and asbestos removal. These actions will lead to the development of new residential and retail projects in association with a master plan completed in 2005 by Farr & Associates of Chicago, Illinois.

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

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

The City received a bond upgrade from Moody's Investors Service from A1 to Aa3 in 2001. Moody's stated "The rating upgrade is due to the City's expanding tax base which continues to diversify, sound financial operations with increasing reserves and manageable debt burden." The bond rating upgrade was the City's first upgrade in 25 years, placing the City in the top 13% of all counties, cities, and school districts rated by Moody's in Ohio. A strong financial condition also anchors the cornerstone of a strong community. The belief was again affirmed in April 2004 with an almost \$15 million bond issue.

City of Cuyahoga Falls, Ohio

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. Discussions between a larger employer within the City were completed in 2006, and the construction completion date of a new 300,000 square foot facility will be complete in the Fall of 2007. The project also includes a road, which opens up unused vacant land for a new industrial park. As businesses look to relocate or expand, City officials work overtime with these companies to accommodate their needs. These types of investments only strengthen the City's financial position. The City is also not reliant on one particular business for its main source of income taxes or property taxes. No business represents more than five percent of the City's two main sources of income. The City's administration also places a high emphasis on keeping Cuyahoga Falls a positive place to live and work. This can best be seen in the unemployment rates for the City consistently being two percentage points lower than the Summit County rate coupled with local home sales and the real estate market, which are generally ahead of the national trends. Employment within an area is expected to remain positive with wage increases slightly higher than cost of living trends. New development and business opportunities started in the last few years and in the near future will have a positive effect on income tax collections for years to come.

MAJOR INITIATIVES

In 2004, the City created a storm drainage utility funded with a \$2.00 per month charge for residents and \$2.00 per 3,000 square feet of impervious area. The Fund is expected to bring in approximately \$700,000 per year and will be used to protect public and private infrastructure from future flooding. This Fund also works in conjunction with other City legislation allowing voluntary storm water inspections within the City. These free and voluntary inspections are available to all homeowners and those interested in purchasing property in the City. The program was established and designed to determine if clean water is entering the sanitary sewer system through private property infiltration and inflow. A thorough evaluation of downspouts, drains, sump pumps, discharge points and laterals are included in the inspection. If problems are discovered, an assessment process is available to assist property owners remedy their problem. Early in 2007, the rate was adjusted from \$2.00 per month to \$3.00 per month. The additional revenue will be used for more storm water mitigation projects.

The Information Services Department continues to keep pace with technology to improve City services. The City's award winning eGovernment program, Cuyahoga Falls Online, was implemented in 2005 and has been a tremendous success. The program provides centralized online access to City services. Residents can view Utility Bill information and pay online, sign up and pay for Parks and Recreation classes, golf tee times and facility reservations, prepare City income taxes and renew contractor licenses. Other online services include Building Permits, Code Enforcement and Police records. The City of Cuyahoga Falls is committed to the use of technology to better serve our residents and businesses. I invite you to visit the City's website at www.cityofcf.com to learn more about our programs.

The City completed and opened Fire Station 5 in December 2006. A room within the station will house the City's new dispatch center. The location and size of the new center offer the City the ability to expand in the future. The City is also working with several smaller communities to potentially provide dispatch services and Fire/EMS services in the near future. Regionalism is a key component as the City looks to find ways of continuing to provide excellent city services, while achieving economy's of scale financially.

The City is in the process of working with a national developer on various ways to further move the City forward in a positive direction. Plans include residential, retail and educational components. City officials and members of its Community Improvement Corporation have worked with a consulting firm to develop a master plan. Cleveland State University is also in the process of completing an economic impact study.

FINANCIAL INFORMATION

All six of the City's unions completed negotiations in 2006 or 2007. Negotiations were longer than normal due to discussions on health care concessions. All contracts are in effect until 2008.

The City's Capital Project Fund has issued various notes for numerous infrastructure projects over the last several years. The administration along with the assistance of City Council created a plan to pay down on the notes each year to save the cost of long-term interest borrowing. In 2006 and 2007, the City is paying down \$2 million on these notes with the total balance paid off by 2009.

LONG TERM FINANCIAL PLANNING

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cuyahoga Falls for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2005. 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 22 consecutive years (fiscal years ended 1984-2005). We believe our current report continues to conform to the Certificate of Achievement program requirements and are therefore submitting it to the GFOA. Receipt of these awards is an outstanding sign of the City's active effort to anticipate and provide for the needs of its citizens.

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

Respectfully submitted,



Joseph F. Brodzinski
Finance Director

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Cuyahoga Falls
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

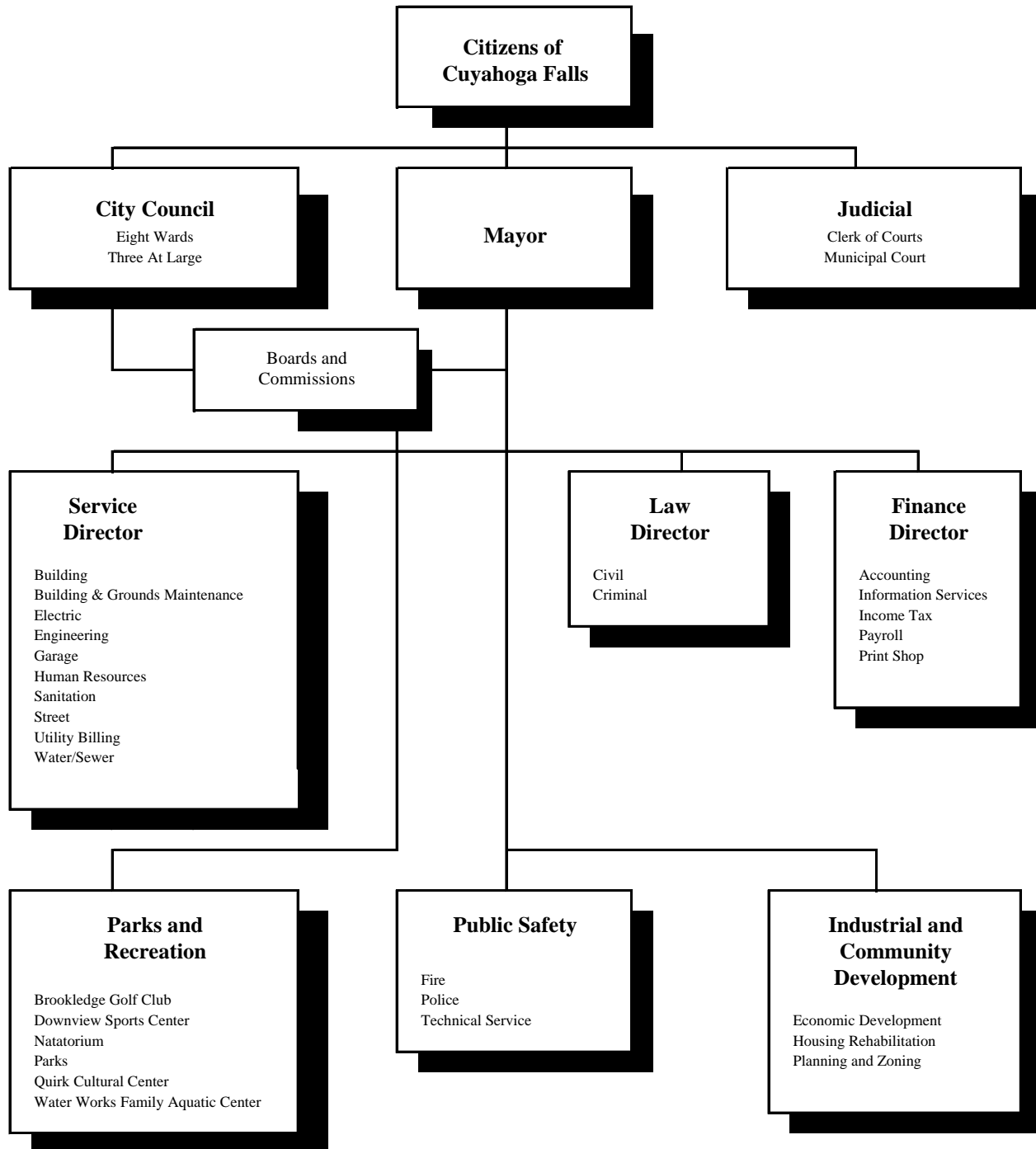
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Organizational Chart



City of Cuyahoga Falls, Ohio

City Officials

Mayor Don L. Robart

Cabinet of the Mayor:

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

Municipal Court:

Kim R. Hoover.....Judge
Lisa Coates.....Judge
Eric Czetli.....Clerk of Courts

At Large Council:

Carol Klinger
Tim Gorbach
Kathy Hummel

Ward Council:

Debbie Ritzinger..... Ward 1
Mary Ellen Pyke.....Ward 2
Ken Barnhart.....Ward 3
Doug Flinn.....Ward 4
Diana Colavecchio.....Ward 5
Don Walters.....Ward 6 (Council Pres. at 12/31/06)
Jerry James.....Ward 7
Terry Mader.....Ward 8

FINANCIAL SECTION

City of Cuyahoga Falls, Ohio

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To Members of City Council
City of Cuyahoga Falls, Ohio

The Honorable Mary Taylor
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cuyahoga Falls, Ohio, as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cuyahoga Falls, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

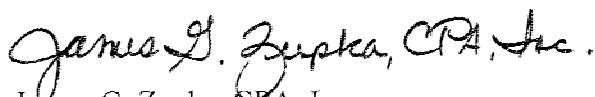
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cuyahoga Falls, Ohio, as of December 31, 2006, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Municipal Income Tax Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2007, on our consideration of the City of Cuyahoga Falls, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 15 through 28 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



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

July 16, 2007

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Management's Discussion and Analysis

As management of the City of Cuyahoga Falls, Ohio (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which begins on page 2 of this report.

FINANCIAL HIGHLIGHTS

- This is the City of Cuyahoga Falls fourth publication of a Comprehensive Annual Financial Report (CAFR) under the new GASB 34 reporting model. Comparisons to prior financials are offered for this discussion and analysis.
- Total assets of the City of Cuyahoga Falls were \$210,604,346. Of this amount, \$96,340,437 were attributable to Governmental Activities and \$114,263,909 were from Business-type Activities.
- Total liabilities of the City of Cuyahoga Falls were \$93,367,718. Governmental Activities accounted for \$36,853,677, while Business-type Activities represented \$56,514,041 of the total.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

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

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

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

The government-wide financial statements can be found on pages 31-33 of this report.

City of Cuyahoga Falls, Ohio

Fund financial statements

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 34-39 of this report.

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

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

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

The basic proprietary fund financial statements can be found on pages 40-47 of this report.

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

City of Cuyahoga Falls, Ohio

The basic fiduciary fund financial statements can be found on page 48 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49-83 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to financial statements. Combining and individual fund statements and schedules can be found on pages 87-141 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

City of Cuyahoga Falls, Ohio - Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Current and other Assets	\$ 43,520,937	\$ 46,532,340	\$ 30,927,379	\$ 30,551,386	\$ 74,448,316	\$ 77,083,726
Capital Assets	52,819,500	47,929,739	83,336,530	82,467,864	136,156,030	130,397,603
Total Assets	96,340,437	94,462,079	114,263,909	113,019,250	210,604,346	207,481,329
Liabilities						
Current and other liabilities	17,606,690	19,969,543	24,929,393	26,393,512	42,536,083	46,363,055
Long term liabilities outstanding	19,246,987	19,031,329	31,584,648	33,863,617	50,831,635	52,894,946
Total Liabilities	36,853,677	39,000,872	56,514,041	60,257,129	93,367,718	99,258,001
Net Assets						
Invested in capital assets, net of related debt	38,642,880	38,207,868	38,436,367	35,582,143	77,079,247	73,790,011
Restricted	16,242,651	11,544,126	-	-	16,242,651	11,544,126
Permanent Fund Purpose	206,323	206,449	-	-	206,323	206,449
Unrestricted	4,394,906	5,502,764	19,313,501	17,179,978	23,708,407	22,682,742
Total net assets	\$ 59,486,760	\$ 55,461,207	\$ 57,749,868	\$ 52,762,121	\$ 117,236,628	\$ 108,223,328

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$117,236,628 at the close of the most recent fiscal year.

The largest portion of the City's net assets (66 percent) reflects its investments in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Additionally, 14 percent of the City's net assets represent resources that have been restricted on how they may be used. Another portion of the City's net assets (less than 1 percent) represents the Perpetual Care Permanent Fund, which used to be a non-expendable trust fund. The remaining balance of unrestricted net assets \$23,708,407 may be used to meet the government's on-going obligations to its citizens and creditors.

City of Cuyahoga Falls, Ohio

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

Overall, net assets of the City increased by \$9.013 million in 2006. Net assets for governmental activities increased \$4.025 million and net assets for business-type activities increased \$4.988 million. A main contributing factor for net assets increasing for Governmental Activities is due to a reduction in Current Liabilities, Notes Payable, of over \$2.0 million for 2006. This is a result of the City's aggressive pay-down on current notes outstanding. The other contributing factor of the increase in Governmental Activities is due to the overall increase in capital assets as more fully explained in the capital asset section of this analysis on page 27.

The increase in net assets for business-type activities is due to a decrease in accounts payable of almost \$1.2 million within the Electric Department relating to purchased power and payables related to capital assets. The other contributing factor relates to an increase in unrestricted net assets within the Electric Department. Revenue is generated within the Electric Department using a twelve-month rolling average power cost factor. Increase costs associated with 2005 were recouped in 2006.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year. This table contains the 2005 fiscal year figures for comparison purposes.

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio - Changes in Net Assets						
	Governmental		Business-type		Total	
	Activities		Activities			
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues:						
Charges for services	\$ 10,259,987	\$ 9,901,210	\$ 56,102,785	\$ 51,939,351	\$ 66,362,772	\$ 61,840,561
Operating grants and contributions	2,967,768	2,702,845	47,900	106,872	3,015,668	2,809,717
Capital grants and contributions	1,003,773	1,082,122	55,776	54,391	1,059,549	1,136,513
General revenues:						
Property and other local taxes	11,042,478	10,161,771	-	-	11,042,478	10,161,771
Income taxes	17,684,288	17,010,188	-	-	17,684,288	17,010,188
Grants and entitlements not						
restricted to specific programs	4,571,615	4,891,355	-	-	4,571,615	4,891,355
Other	2,075,111	1,053,818	-	-	2,075,111	1,053,818
Total Revenues	49,605,020	46,803,309	56,206,461	52,100,614	105,811,481	98,903,923
Expenses						
Security of persons and property	22,964,331	21,496,125	-	-	22,964,331	21,496,125
Leisure time activities	2,582,070	2,760,272	-	-	2,582,070	2,760,272
Community environment	1,619,169	1,779,710	-	-	1,619,169	1,779,710
Basic utility services	295,879	234,855	-	-	295,879	234,855
Street maintenance	5,931,030	6,785,927	-	-	5,931,030	6,785,927
General government	10,153,078	10,302,655	-	-	10,153,078	10,302,655
Interest and fiscal charges	634,318	628,253	-	-	634,318	628,253
Sewage and disposal	-	-	5,262,109	5,502,949	5,262,109	5,502,949
Water	-	-	4,505,282	4,922,686	4,505,282	4,922,686
Electric	-	-	32,211,414	35,265,345	32,211,414	35,265,345
Sanitation	-	-	3,835,257	3,876,126	3,835,257	3,876,126
Leisure time activities	-	-	6,804,244	6,709,165	6,804,244	6,709,165
Total Expenses	44,179,875	43,987,797	52,618,306	56,276,271	96,798,181	100,264,068
Increase in net assets before transfers	5,425,145	2,815,512	3,588,155	(4,175,657)	9,013,300	(1,360,145)
Transfers	(1,399,592)	(1,184,073)	1,399,592	1,184,073	-	-
Changes in net assets	4,025,553	1,631,439	4,987,747	(2,991,584)	9,013,300	(1,360,145)
Net assets-beginning	55,461,207	53,829,768	52,762,121	55,753,705	108,223,328	109,583,473
Net assets-ending	\$ 59,486,760	\$ 55,461,207	\$ 57,749,868	\$ 52,762,121	\$ 117,236,628	\$ 108,223,328

City of Cuyahoga Falls, Ohio

Governmental activities. Governmental activities increased the City's net assets by \$4.025 million. Key elements of the changes in net assets are as follows:

- ❖ Property and Other Local Taxes increased by \$881,000 or 9 percent.
- ❖ Income Tax Revenue increased by \$674,000 or 4 percent.
- ❖ Other Revenue increased by \$1.02 million or 97 percent.
- ❖ Street Maintenance decreased by \$855,000 or 13 percent.

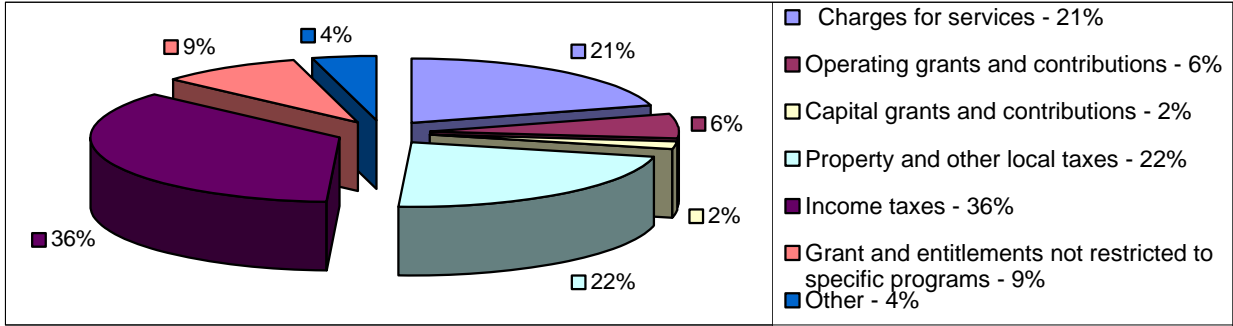
The increase in property and other local taxes is due to increases in real estate tax revenue.

The increase in income tax revenue is due to the effects of accrual accounting with it's receivable recognized in the available periods and corresponding reversing entries.

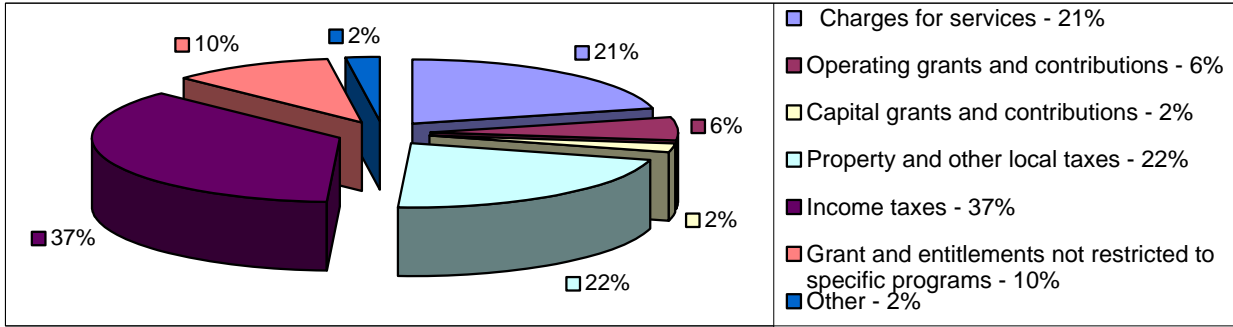
Other revenue increased because of interest earnings on investments in 2006 compared to 2005.

The decrease in street maintenance is due to a decreased demand in purchasing rock salt and salaries relating to winter street maintenance.

2006 Revenues by Source – Governmental Activities

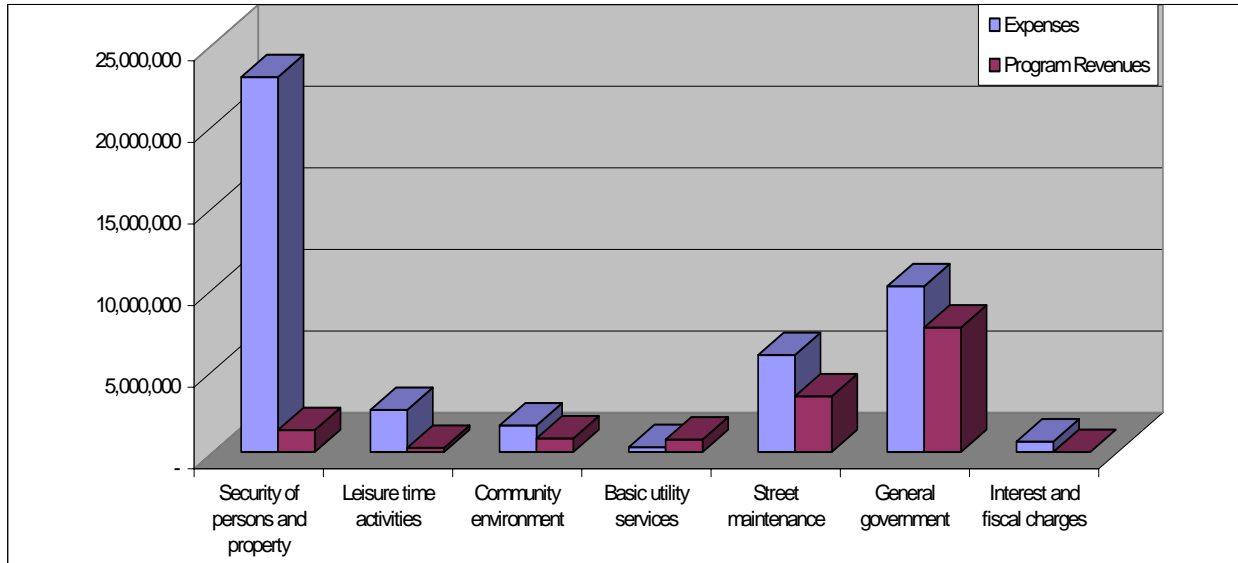


2005 Revenues by Source – Governmental Activities

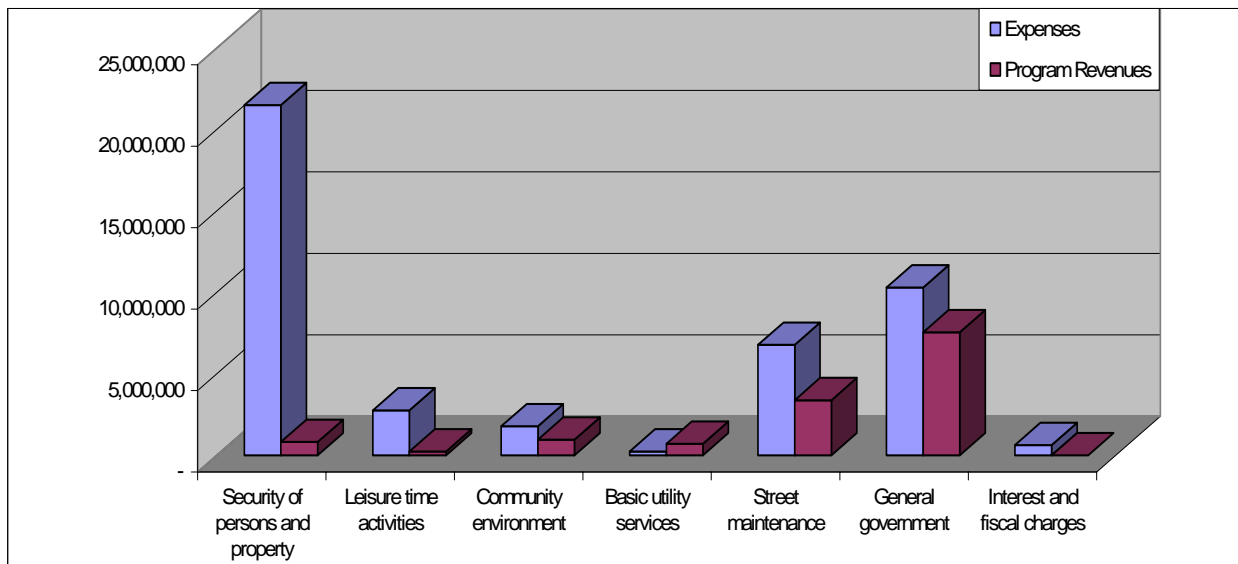


City of Cuyahoga Falls, Ohio

2006 Expenses and Program Revenues – Governmental Activities



2005 Expenses and Program Revenues – Governmental Activities



Business-type activities: Business-type activity net assets increased by \$4.988 million. Key elements of changes in net assets are as follows.

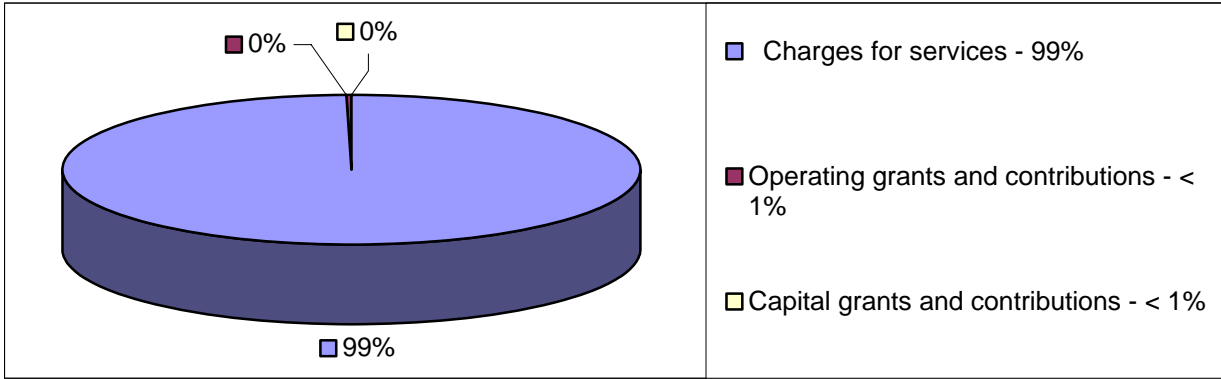
- ❖ Charges for services increased by \$4.16 million or 8 percent.
- ❖ Electric expenses decreased by \$3.05 million or 9 percent.

Charges for services within the Electric Department increased \$3.71 million from \$31.51 million in 2005 to \$35.22 million in 2006. The contributing factor is the power cost factor with its twelve month rolling average. Purchased power costs in 2005 are recouped in 2006.

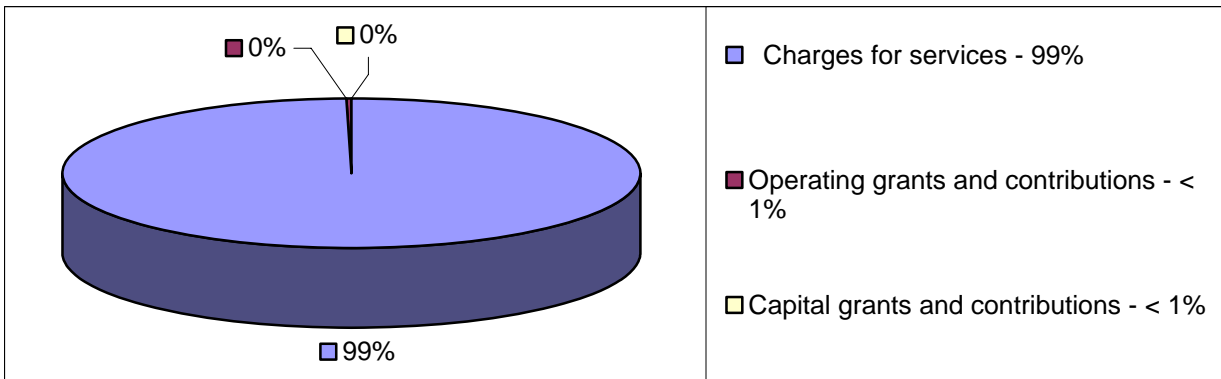
Electric expenses were lower in 2006 due to the increased kilowatt per hour costs paid by the City in 2005 as compared to 2006.

City of Cuyahoga Falls, Ohio

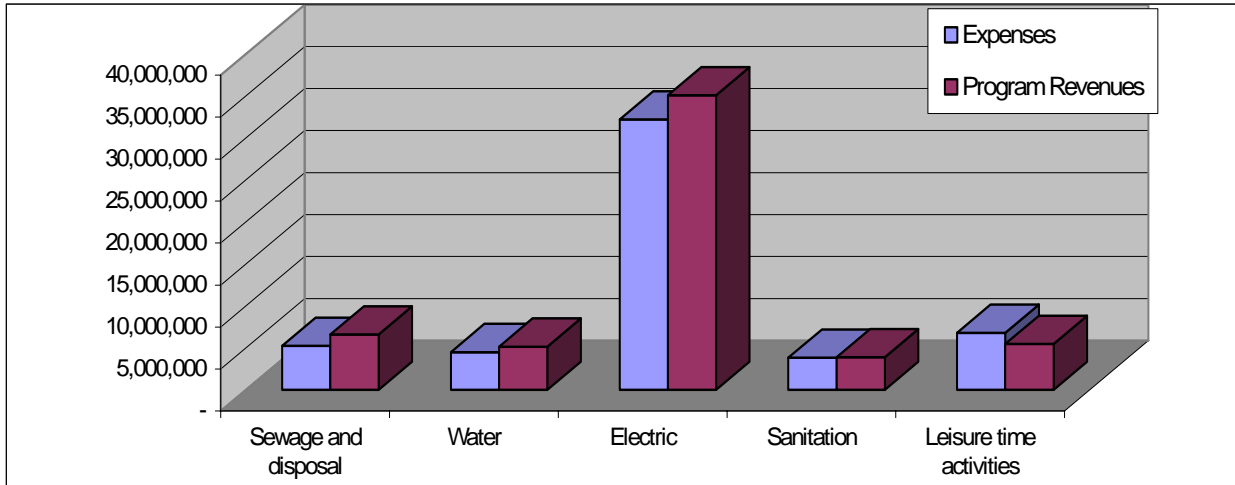
2006 Revenue by Source – Business-type Activities



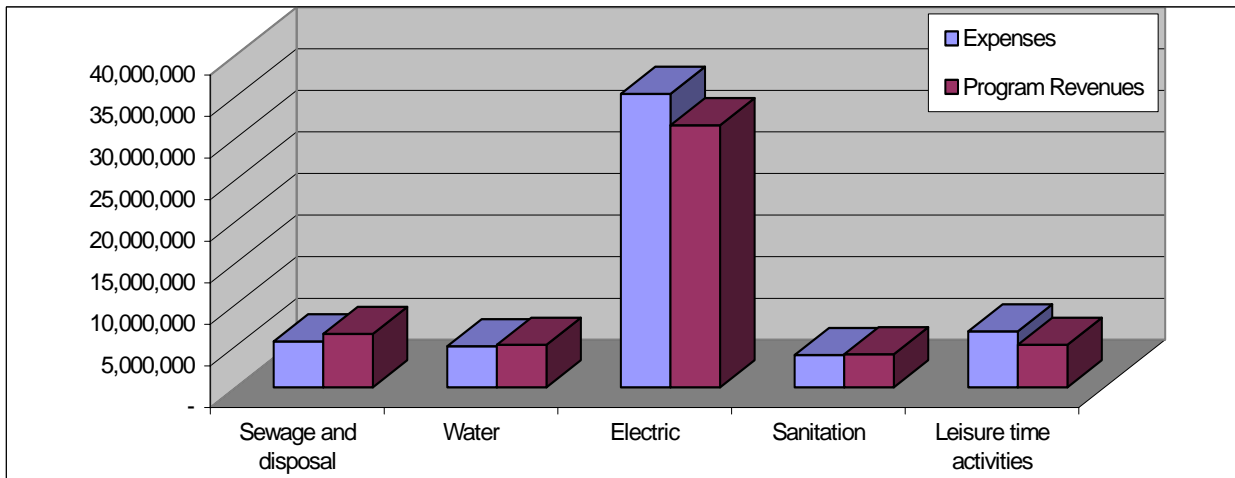
2005 Revenue by Source – Business-type Activities



2006 Expenses and Program Revenues – Business-type Activities



2005 Expenses and Program Revenues – Business-type Activities



City of Cuyahoga Falls, Ohio

Financial Analysis of the Government's Funds

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

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

As of December 31, 2006, the City's governmental funds reported combined ending fund balances of \$13.144 million, which represents a decrease of \$.520 million in comparison with the prior year. Approximately \$8.530 million of this amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period and for non-current loans receivable.

The general fund is the chief operating fund of the City. At December 31, 2006, unreserved fund balance of the general fund was \$4.677 million, while total fund balance was \$5.103 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures (including transfers out). Unreserved fund balance represents 13.5 percent of total general fund expenditures (including transfers out), while total fund balance represents 14.7 percent of the same amount.

The fund balance of the City's General Fund decreased by \$419,750 during 2006. Key factors contributing to this increase are as follows:

- ❖ Total revenues (including transfers in) increase by \$1,018,337. This increase is attributed to mainly an increase in property taxes in 2006 compared to 2005.
- ❖ Expenditures (including transfers out) increased by \$866,000 or 2.6 percent. Security of persons and property increased by \$847,000 due to increased wages and disaster preparedness within the police and fire departments.

The fund balance of the Capital Projects Fund decreased by \$930,743 in 2006 from \$337,217 in 2005 to negative \$593,526 in 2006. Expenditures were higher in 2006 due to the City's choice of paying down current notes payable. Another reason for increased expenditures is due to the pay-down of prior year commitments from 2005

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

Unrestricted net assets at the end of the year amounted to \$3.252 million, \$2.322 million, \$17.153 million, (\$.356 million), and (\$.528 million) for the Sewage and Disposal, Water, Electric, Sanitation, and Leisure Time Funds, respectively. The Sanitation Fund had negative unrestricted net assets in 2005. This represents a \$126,000 increase in negative unrestricted net assets for 2006. The cost saving measures continue to standardize refuse containers, which will reduce the number of personnel per route with an ultimate goal of full automation in the future. Revenue generation decreased by \$80,000 and is being closely monitored. The decrease is mainly due to grant revenue. The negative unrestricted net assets in the Leisure Time Fund also increases in 2006 by \$161,000. The main reasons for the increase in negative fund balance is the increase in interest rates on capital borrowing and utility costs attributed to natural gas. Rates have been increased in certain categories at the Natatorium and the golf course.

General Fund Budgetary Highlights

The final amended General Fund budget had total appropriation of approximately \$394,000 less than the original budget. The total original appropriations, including those for transfers out, were \$36.365 million, while the final appropriations were \$35.971 million.

Capital Asset and Debt Administration

Capital assets. The City’s investment in capital assets for governmental and business-type activities as of December 31, 2006, amounts to \$136.2 million (net of accumulated depreciation). This investment in capital assets include land, buildings, improvements, machinery and equipment, as well as, infrastructure prospectively, including roads, sidewalks, bridges, storm sewer, curbs and gutters. The total increase in the City’s investment in capital assets for 2006 was 4.42% (a 10.2 percent increase for governmental activities and a 1.0 percent increase for business-type activities).

City of Cuyahoga Falls Capital Assets						
(Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 8,339,308	\$ 8,111,902	\$ 2,599,752	\$ 2,599,752	\$ 10,939,060	\$ 10,711,654
Construction in Progress	1,672,678	1,701,097	916,516	3,260,239	2,589,194	4,961,336
Buildings	19,957,131	16,504,778	33,797,363	34,450,401	53,754,494	50,955,179
Improvements	304,100	313,083	42,646,131	38,855,897	42,950,231	39,168,980
Machinery and Equipment	6,957,648	6,234,057	3,376,768	3,301,575	10,334,416	9,535,632
Infrastructure	15,588,635	15,064,822	-	-	15,588,635	15,064,822
Total	<u>\$52,819,500</u>	<u>\$ 47,929,739</u>	<u>\$ 83,336,530</u>	<u>\$ 82,467,864</u>	<u>\$ 136,156,030</u>	<u>\$ 130,397,603</u>

Major capital asset events during 2006 were as follows:

- The construction of Fire Station #5 was completed. The new fire station began operations in December of 2006. The total outlay of this project, including land, building and major equipment was over \$5.3 million.
- The Electric Department finalized the construction of a new substation, Substation #13. In addition, they finished a major reconstruction of Substation 2. The combined capital expenditures in these projects exceeded \$3,500,000.
- The City has begun work on the Chart Road Reconstruction Project. Issue II monies have been approved for this project and will provide a major contribution. The capital investment in this project is expected to be \$1.4 million.

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

Long-term debt. At December 31, 2006, the City had \$33.6 million of long-term bonds and capital leases outstanding. All special assessment bonds issued by the City are also general obligation bonds (\$419,390 in governmental activities) and are included herein.

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls General Obligation Bonds and Capital Leases Outstanding						
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
G. O. bonds	\$ 9,076,554	\$ 10,007,959	\$ 23,616,369	\$ 25,373,273	\$ 32,692,923	\$ 35,381,232
Capital leases	810,081	80,367	107,922	212,448	918,003	292,815
Total	\$ 9,886,635	\$ 10,088,326	\$ 23,724,291	\$ 25,585,721	\$ 33,610,926	\$ 35,674,047

The City did not issue any general obligation bonds in 2006. The City entered into a lease agreement for a 2006 Pierce 105' Aerial Ladder Truck for the Fire Department in the amount of \$768,740.

Economic Factors and Next Year's Budget

The City of Cuyahoga Falls' elected and appointed officials consider many factors through a lengthy budget process. The main concerns for the 2007 budget process revolved around increasing healthcare costs. The City has experienced a 73 percent increase in healthcare related costs from 2000 to 2006 on a cash basis. The increase since the end of 2003 to 2006 has been at a slower rate of increase at 24 percent. The City attacked the rising healthcare costs on two fronts. First, the City, through union negotiations, proposed that employees start to pay a share of the healthcare costs. The rationale was simply that the taxpayers who pay the bills pay a share of their healthcare costs, therefore, it is only fair that City employees pay a share of their healthcare bills. The three police unions stretched out the negotiations anywhere from eight months to one and a one half years past their contract expiration, thus extending free healthcare longer. All City employees now pay a share of healthcare and costs borne by the taxpayers should now level out. The other front that was attacked was our network provider. The City asked for bids with an April 2007 renewal date. Since the City has a stable base of employees and is self-insured we were attractive in the marketplace. A switch in networks was made and should also help level rising costs.

The City continues to place a high importance on job retention and creation with its current involvement with major developers in retail and residential growth. The goal of City officials is to continue to move the City forward in a positive direction. By the end of 2007, the City will have also completed a review of all services and associated fees. The goal is to ensure that the rates charged are fair to all taxpayers.

Request for Information

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

BASIC FINANCIAL STATEMENTS

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Statement of Net Assets
December 31, 2006

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		CIC of Cuyahoga Falls
Assets				
Equity in pooled cash and cash equivalents	\$ 16,807,049	\$ 14,891,168	\$ 31,698,217	\$ -
Cash and cash equivalents - restricted accounts	122,292	-	122,292	921,148
Investments - restricted	105,000	-	105,000	-
Accounts receivable (net of allowance for uncollectibles)	1,382,863	6,528,301	7,911,164	2,025
Loans receivable	1,856,388	-	1,856,388	71,461
Taxes receivable	13,876,140	-	13,876,140	-
Special assessments receivable	1,455,424	41,376	1,496,800	-
Accrued interest receivable	189,105	-	189,105	-
Due from other governments	4,558,826	29,911	4,588,737	-
Inventory of supplies	1,074,479	3,042,234	4,116,713	-
Prepaid items	154,733	116,129	270,862	-
Internal balances	1,519,164	(1,519,164)	-	-
Deferred charges	419,474	494,559	914,033	-
Unamortized bond discount	-	56,327	56,327	-
Investment in joint venture	-	7,246,538	7,246,538	-
Nondepreciable capital assets	10,011,986	3,516,268	13,528,254	-
Depreciable capital assets	42,807,514	79,820,262	122,627,776	-
Total assets	96,340,437	114,263,909	210,604,346	994,634
Liabilities				
Accounts payable	1,473,984	2,539,128	4,013,112	-
Accrued salaries, wages and benefits	570,866	164,255	735,121	-
Accrued interest payable	39,876	121,534	161,410	-
Due to other governments	390,226	534,364	924,590	-
Unearned revenue	10,481,738	40,630	10,522,368	-
Deposit held and due to others	-	229,482	229,482	-
Notes payable	4,650,000	21,300,000	25,950,000	-
Current portion of:				
Accrued compensated absences	2,850,452	853,975	3,704,427	-
Claims and judgments payable	1,485,801	-	1,485,801	-
Capital leases	295,709	107,922	403,631	-
Bonds payable	964,136	1,819,173	2,783,309	-
Long-term portion of:				
Accrued compensated absences	4,257,237	1,404,118	5,661,355	-
Claims and judgments payable	707,403	-	707,403	-
Capital leases	514,372	-	514,372	-
Payable to Joint Venture	-	5,175,506	5,175,506	-
Unamortized bond premium	59,459	426,758	486,217	-
Bonds payable	8,112,418	21,797,196	29,909,614	-
Total liabilities	36,853,677	56,514,041	93,367,718	-
Net Assets				
Invested in capital assets, net of related debt	38,642,880	38,436,367	77,079,247	-
Restricted for:				
Capital projects	8,267,486	-	8,267,486	-
Debt service	273,777	-	273,777	-
Special revenue	7,701,388	-	7,701,388	-
Other purposes	-	-	-	642,149
Permanent fund purpose:				
Nonexpendable - Cemetery Perpetual Care	206,323	-	206,323	-
Unrestricted	4,394,906	19,313,501	23,708,407	352,485
Total net assets	\$ 59,486,760	\$ 57,749,868	\$117,236,628	\$ 994,634

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Activities For the Year Ended December 31, 2006

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Security of persons and property	22,964,331	978,736	25,022	333,676
Leisure time activities	2,582,070	255,650	-	-
Community environment	1,619,169	130,823	697,364	-
Basic utility services	295,879	715,863	-	56,075
Street maintenance	5,931,030	582,229	2,210,818	614,022
General government	10,153,078	7,596,686	34,564	-
Interest and fiscal charges	634,318	-	-	-
Total governmental activities	44,179,875	10,259,987	2,967,768	1,003,773
Business-type activities:				
Sewage and disposal	5,262,109	6,571,563	-	17,531
Water	4,505,282	5,165,054	-	-
Electric	32,211,414	35,085,559	-	-
Sanitation	3,835,257	3,853,452	47,900	-
Leisure time activities	6,804,244	5,427,157	-	38,245
Total business-type activities	52,618,306	56,102,785	47,900	55,776
Total primary government	96,798,181	66,362,772	3,015,668	1,059,549
Component Unit - CIC of Cuyahoga Falls	23,783	8,616	-	-
General revenues:				
Property and other local taxes levied for:				
General purposes				
Special revenue				
Income tax levied for:				
General purposes				
Special revenue				
Capital projects				
Grants and entitlements not restricted to specific programs				
Gain on sale of capital assets				
Investment earnings				
Transfers				
Total general revenue and transfers				
Change in net assets				
Net assets - beginning				
Net assets - ending				

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

(Continued)

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental	Business-type	Total	CIC of
Activities	Activities	Total	Cuyahoga Falls
(21,626,897)	-	(21,626,897)	-
(2,326,420)	-	(2,326,420)	-
(790,982)	-	(790,982)	-
476,059	-	476,059	-
(2,523,961)	-	(2,523,961)	-
(2,521,828)	-	(2,521,828)	-
(634,318)	-	(634,318)	-
(29,948,347)	-	(29,948,347)	-
-	1,326,985	1,326,985	-
-	659,772	659,772	-
-	2,874,145	2,874,145	-
-	66,095	66,095	-
-	(1,338,842)	(1,338,842)	-
-	3,588,155	3,588,155	-
(29,948,347)	3,588,155	(26,360,192)	-
-	-	-	(15,167)
10,446,887	-	10,446,887	-
595,591	-	595,591	70,086
11,082,744	-	11,082,744	-
1,414,743	-	1,414,743	-
5,186,801	-	5,186,801	-
4,571,615	-	4,571,615	-
31,310	-	31,310	-
2,043,801	-	2,043,801	13,726
(1,399,592)	1,399,592	-	-
33,973,900	1,399,592	35,373,492	83,812
4,025,553	4,987,747	9,013,300	68,645
55,461,207	52,762,121	108,223,328	925,989
59,486,760	57,749,868	117,236,628	994,634

City of Cuyahoga Falls, Ohio

Balance Sheet - Governmental Funds December 31, 2006

	General	Municipal Income Tax	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	\$ 3,430,140	\$ 222,787	\$3,903,746	\$ 5,038,921	\$ 12,595,594
Cash and cash equivalents - restricted	-	-	-	122,292	122,292
Investments - restricted accounts	-	-	-	105,000	105,000
Receivables					
Taxes	10,199,125	3,089,641	-	587,374	13,876,140
Accounts (net of allowance for uncollectibles)	9,166	-	1,149,280	180,500	1,338,946
Loans	-	-	-	1,856,388	1,856,388
Special assessments	-	-	588,532	866,892	1,455,424
Accrued interest	-	-	-	189,105	189,105
Due from other funds	1,677,969	-	676,825	407,134	2,761,928
Due from other governments	2,790,436	76,052	534,868	1,157,470	4,558,826
Inventory of supplies	131,255	563	-	444,050	575,868
Prepaid items	115,151	181	-	22,641	137,973
Advances to other funds	-	-	-	214,316	214,316
Total assets	18,353,242	3,389,224	6,853,251	11,192,083	39,787,800
Liabilities and Fund Balances					
Liabilities					
Accounts payable	110,798	496	848,614	199,553	1,159,461
Accrued salaries, wages and benefits	497,547	5,162	-	51,417	554,126
Deferred revenue	11,820,740	1,049,609	1,692,960	2,170,243	16,733,552
Due to other funds	789,004	2,316,974	9,045	84,417	3,199,440
Due to other governments	32,402	788	31,842	68,286	133,318
Advances from other funds	-	-	214,316	-	214,316
General obligation notes payable	-	-	4,650,000	-	4,650,000
Total liabilities	13,250,491	3,373,029	7,446,777	2,573,916	26,644,213
Fund Balances					
Reserved for encumbrances	179,377	7,161	883,103	530,234	1,599,875
Reserved for prepaid items	115,151	181	-	22,641	137,973
Reserved for advances	-	-	-	214,316	214,316
Reserved for inventory of supplies	131,255	563	-	444,050	575,868
Reserved for loans receivable	-	-	-	1,856,388	1,856,388
Reserved for debt service	-	-	-	23,089	23,089
Reserved for cemetery perpetual care	-	-	-	205,834	205,834
Unreserved - undesignated					
General fund	4,676,968	-	-	-	4,676,968
Special revenue funds	-	8,290	-	4,065,599	4,073,889
Capital Projects funds	-	-	(1,476,629)	1,256,016	(220,613)
Total fund balances	5,102,751	16,195	(593,526)	8,618,167	13,143,587
Total liabilities and fund balances	\$ 18,353,242	\$ 3,389,224	\$6,853,251	\$ 11,192,083	\$ 39,787,800

See accompanying notes to the basic financial statements

**Reconciliation of Total Governmental Fund Balances to Net Assets of
Governmental Activities
December 31, 2006**

Total Governmental Fund Balances \$ 13,143,587

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

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

Nondepreciable capital assets	9,990,026	
Depreciable capital assets	42,146,793	
	<u>52,136,819</u>	52,136,819

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

Investment earnings	88,516	
Property taxes	304,761	
Grants and entitlements	1,959,781	
Income tax	1,049,609	
Special assessments	1,455,424	
Charges for services	1,393,723	
	<u>6,251,814</u>	6,251,814

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

Internal service fund net assets are: 4,389,399

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

Accrued interest payable	(39,876)	
Deferred charges related to debt issuance	419,474	
Unamortized bond premium	(59,459)	
Accrued compensated absences	(6,868,363)	
Capital leases	(810,081)	
Bonds Payable	(9,076,554)	
	<u>(16,434,859)</u>	(16,434,859)

Total Governmental Activities Net Assets \$ 59,486,760

City of Cuyahoga Falls, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Year Ended December 31, 2006

	General	Municipal Income Tax	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 10,277,825	\$ -	\$ -	\$ 592,952	\$ 10,870,777
Municipal income taxes	-	17,672,779	-	-	17,672,779
Other local taxes	140,515	-	-	1,071	141,586
State levied shared taxes	4,693,056	-	-	2,341,209	7,034,265
Intergovernmental	25,022	-	734,677	722,253	1,481,952
Charges for services	5,620,409	-	1,395,812	894,748	7,910,969
Fees, licenses and permits	559,115	-	-	1,152,799	1,711,914
Interest earnings	-	-	-	1,762,970	1,762,970
Fines and forfeitures	280,662	-	-	87,844	368,506
Special assessments	10,127	-	97,629	200,488	308,244
Other	312,901	36	267,108	106,341	686,386
Total revenues	21,919,632	17,672,815	2,495,226	7,862,675	49,950,348
Expenditures					
Current					
Security of persons and property	18,556,544	-	-	2,569,196	21,125,740
Leisure time activities	2,259,008	-	-	101,436	2,360,444
Community environment	1,223,712	-	-	563,422	1,787,134
Street maintenance	-	-	-	3,779,794	3,779,794
General government	8,420,359	976,052	-	137,273	9,533,684
Capital outlay	-	-	8,688,056	938,453	9,626,509
Debt Service					
Principal	-	-	39,026	931,405	970,431
Interest	-	-	289,516	414,777	704,293
Total expenditures	30,459,623	976,052	9,016,598	9,435,756	49,888,029
Excess (deficiency) of revenues					
Over (under) expenditures	(8,539,991)	16,696,763	(6,521,372)	(1,573,081)	62,319
Other Financing Sources (Uses)					
Capital lease	-	-	768,740	-	768,740
Transfers in	12,343,107	-	4,897,161	5,308,688	22,548,956
Transfers out	(4,201,785)	(16,696,763)	(75,000)	(2,975,000)	(23,948,548)
Total other financing sources	8,141,322	(16,696,763)	5,590,901	2,333,688	(630,852)
Net change in fund balances	(398,669)	-	(930,471)	760,607	(568,533)
Fund balance at beginning of year, as restated	5,522,501	15,764	337,217	7,787,654	13,663,136
Change in reserve for inventory	(17,212)	449	-	74,192	57,429
Change in reserve for prepaid items	(3,869)	(18)	(272)	(4,286)	(8,445)
Fund balance (deficit) at end of year	\$ 5,102,751	\$ 16,195	\$ (593,526)	\$ 8,618,167	\$ 13,143,587

See accompanying notes to the basic financial statements

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
December 31, 2006**

Net Change in Fund Balances - Total Governmental Funds \$ (568,533)

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

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

Capital additions	8,220,249	
Current year depreciation	<u>(3,042,988)</u>	
		5,177,261

In the statement of activities, only the loss on the disposal of assets is reported, whereas, in the governmental funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets. (200,066)

Governmental funds report expenditures for inventory of supplies and prepaid items when purchased. However, in the statement of activities, they are reported as an expense when consumed. 48,984

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

Investment earnings	88,118	
Property taxes	28,730	
Grants and entitlements	(37,428)	
Income tax	11,473	
Special assessments	(242,489)	
Charges for services	<u>203,330</u>	
		51,734

Repayment of bond principal and capital lease payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 970,431

Issuance of capital lease in governmental funds increased long-term liabilities in the statement of net assets. (768,740)

In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds an interest expenditure is reported when due. 7,171

Premiums on bonds issued are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities. 43,971

Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities. (50,411)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (468,480)

Internal service funds are used by the City to account for the financing of goods or services provided by one department to other City departments or agencies, generally on a cost reimbursement basis. The revenues (expenses) of the internal service funds are allocated among the governmental activities. (217,769)

Changes in Net Assets of Governmental Activities \$ 4,025,553

City of Cuyahoga Falls, Ohio

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 10,230,176	\$ 10,230,176	\$ 10,277,825	\$ 47,649
Other local taxes	216,500	142,500	138,002	(4,498)
State levied shared taxes	4,446,441	4,822,326	4,825,763	3,437
Intergovernmental	43,187	43,187	40,393	(2,794)
Charges for services	5,643,201	5,807,316	5,630,875	(176,441)
Fees, licenses, and permits	490,000	610,000	572,509	(37,491)
Fines and forfeitures	352,000	280,000	279,687	(313)
Special assessments	13,130	10,130	10,127	(3)
Other	224,475	245,475	307,044	61,569
Total revenues	21,659,110	22,191,110	22,082,225	(108,885)
Expenditures				
Current				
Security of persons and property	18,803,845	18,789,845	18,438,242	351,603
Leisure time activities	2,471,877	2,441,877	2,272,790	169,087
Community environment	1,480,726	1,480,726	1,303,394	177,332
General government	9,123,227	9,022,827	8,497,475	525,352
Total expenditures	31,879,675	31,735,275	30,511,901	1,223,374
Excess (deficiency) of revenues over (under) expenditures	(10,220,565)	(9,544,165)	(8,429,676)	1,114,489
Other Financing Sources (Uses)				
Transfers in	12,502,557	12,214,057	12,193,452	(20,605)
Transfers out	(4,485,784)	(4,235,784)	(4,214,272)	21,512
Total other financing sources (uses)	8,016,773	7,978,273	7,979,180	907
Net change in fund balances	(2,203,792)	(1,565,892)	(450,496)	1,115,396
Fund balance at beginning of year	3,296,439	3,296,439	3,296,439	-
Prior year encumbrances appropriated	310,302	310,302	310,302	-
Fund balance at end of year	\$ 1,402,949	\$ 2,040,849	\$ 3,156,245	\$ 1,115,396

See accompanying notes to the basic financial statements

**Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Municipal Income Tax Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal income taxes	\$ 18,030,000	\$ 17,530,000	\$ 17,645,307	\$ 115,307
Other	-	-	36	36
Total revenues	<u>18,030,000</u>	<u>17,530,000</u>	<u>17,645,343</u>	<u>115,343</u>
Expenditures				
Current				
General government	<u>1,089,275</u>	<u>1,089,275</u>	<u>991,696</u>	<u>97,579</u>
Total expenditures	<u>1,089,275</u>	<u>1,089,275</u>	<u>991,696</u>	<u>97,579</u>
Excess (deficiency) of revenues over (under) expenditures	16,940,725	16,440,725	16,653,647	212,922
Other Financing Sources (Uses)				
Transfers out	<u>(16,957,965)</u>	<u>(16,457,965)</u>	<u>(16,457,965)</u>	<u>-</u>
Total other financing sources (uses)	<u>(16,957,965)</u>	<u>(16,457,965)</u>	<u>(16,457,965)</u>	<u>-</u>
Net change in fund balances	(17,240)	(17,240)	195,682	212,922
Fund balance at beginning of year	2,704	2,704	2,704	-
Prior year encumbrances appropriated	17,240	17,240	17,240	-
Fund balance at end of year	<u>\$ 2,704</u>	<u>\$ 2,704</u>	<u>\$ 215,626</u>	<u>\$ 212,922</u>

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Net Assets - Proprietary Funds December 31, 2006

	Business-type Activities - Enterprise Funds					
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
Assets						
Current Assets						
Equity in pooled cash and cash equivalents	\$ 2,641,101	\$ 1,969,649	\$ 9,266,850	\$ 458,254	\$ 555,314	\$ 14,891,168
Receivables						
Accounts						
(net of allowance for uncollectibles)	838,398	698,159	4,846,141	142,716	2,887	6,528,301
Special assessments	-	41,376	-	-	-	41,376
Due from other funds	31,204	-	925,002	23,218	-	979,424
Due from other governments	28,238	160	21	1,158	334	29,911
Inventory of supplies	43,979	373,648	2,530,384	42,459	51,764	3,042,234
Prepaid items	13,157	19,827	38,492	10,919	33,734	116,129
Deferred charges	10,743	101,337	-	-	382,479	494,559
Unamortized bond discount	15,589	40,738	-	-	-	56,327
Investment in joint venture	-	-	7,246,538	-	-	7,246,538
Advances to other funds	-	-	980,000	-	-	980,000
Total current assets	<u>3,622,409</u>	<u>3,244,894</u>	<u>25,833,428</u>	<u>678,724</u>	<u>1,026,512</u>	<u>34,405,967</u>
Noncurrent Assets						
Capital Assets						
Land	72,764	114,910	495,890	152,781	1,763,407	2,599,752
Buildings	536,453	971,126	703,644	114,340	35,425,741	37,751,304
Improvements other than buildings	19,095,204	21,823,223	28,705,427	-	3,496,447	73,120,301
Equipment	1,281,888	1,245,301	4,244,318	2,583,738	638,084	9,993,329
CIP	377,135	109,324	430,057	-	-	916,516
Less: Accumulated depreciation	(7,187,993)	(8,108,599)	(19,129,749)	(1,980,428)	(4,637,903)	(41,044,672)
Total noncurrent assets	<u>14,175,451</u>	<u>16,155,285</u>	<u>15,449,587</u>	<u>870,431</u>	<u>36,685,776</u>	<u>83,336,530</u>
Total assets	<u>17,797,860</u>	<u>19,400,179</u>	<u>41,283,015</u>	<u>1,549,155</u>	<u>37,712,288</u>	<u>117,742,497</u>
Liabilities						
Current Liabilities						
Accounts payable	83,080	61,390	2,047,797	169,915	176,946	2,539,128
Accrued salaries, wages and benefits	15,474	29,014	65,939	24,449	29,379	164,255
Accrued compensated absences	113,420	179,591	394,793	114,772	51,399	853,975
Accrued interest payable	13,101	34,146	6,025	-	68,262	121,534
Deferred revenue	-	-	-	-	40,630	40,630
Due to other funds	201,219	340,226	117,217	189,907	647,873	1,496,442
Due to other governments	510,185	4,901	10,938	3,872	4,468	534,364
Deposits held and due to others	-	13,159	216,323	-	-	229,482
Claims and judgments payable	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	107,922	107,922
Advances from other funds	85,000	-	-	100,000	-	185,000
General obligation notes payable	1,400,000	-	-	-	19,900,000	21,300,000
General obligation bonds payable	216,807	527,269	300,149	-	774,948	1,819,173
Total current liabilities	<u>2,638,286</u>	<u>1,189,696</u>	<u>3,159,181</u>	<u>602,915</u>	<u>21,801,827</u>	<u>29,391,905</u>
Noncurrent Liabilities						
Accrued compensated absences	151,604	260,419	645,920	232,139	114,036	1,404,118
Claims and judgments payable	-	-	-	-	-	-
Advances from other funds	595,000	-	-	200,000	-	795,000
Payable to joint venture	-	-	5,175,506	-	-	5,175,506
Unamortized bond premium	5,670	-	-	-	421,088	426,758
General obligation bonds payable	2,993,679	8,532,912	1,005,447	-	9,265,158	21,797,196
Total noncurrent liabilities	<u>3,745,953</u>	<u>8,793,331</u>	<u>6,826,873</u>	<u>432,139</u>	<u>9,800,282</u>	<u>29,598,578</u>
Total liabilities	<u>6,384,239</u>	<u>9,983,027</u>	<u>9,986,054</u>	<u>1,035,054</u>	<u>31,602,109</u>	<u>58,990,483</u>
Net Assets						
Invested in capital assets, net of related debt	9,585,627	7,237,179	14,143,991	870,431	6,599,139	38,436,367
Unrestricted	1,827,994	2,179,973	17,152,970	(356,330)	(488,960)	20,315,647
Total net assets	<u>\$11,413,621</u>	<u>\$ 9,417,152</u>	<u>\$31,296,961</u>	<u>\$ 514,101</u>	<u>\$ 6,110,179</u>	<u>\$ 58,752,014</u>
Adjustment to consolidate the internal service fund activities related to enterprise funds.						(1,002,146)
Total net assets of business-type activities						<u>\$ 57,749,868</u>

See accompanying notes to the basic financial statements

Statement of Net Assets - Proprietary Funds
December 31, 2006

(Continued)

	Governmental Activities - Internal Service Funds
Assets	
Current Assets	
Equity in pooled cash and cash equivalents	\$ 4,211,455
Receivables	
Accounts	
(net of allowance for uncollectibles)	43,917
Special assessments	-
Due from other funds	987,992
Due from other governments	-
Inventory of supplies	498,611
Prepaid items	16,760
Deferred charges	-
Unamortized bond discount	-
Investment in joint venture	-
Total current assets	<u>5,758,735</u>
Noncurrent Assets	
Capital Assets	
Land	21,960
Buildings	238,816
Improvements other than buildings	260,029
Equipment	2,191,037
CIP	-
Less: Accumulated depreciation	<u>(2,029,161)</u>
Total noncurrent assets	<u>682,681</u>
Total assets	<u><u>6,441,416</u></u>
Liabilities	
Current Liabilities	
Accounts payable	314,523
Accrued salaries, wages and benefits	16,740
Accrued compensated absences	90,643
Accrued interest payable	-
Deferred revenue	-
Due to other funds	33,462
Due to other governments	256,908
Deposits held and due to others	-
Claims and judgments payable	1,485,801
Capital lease obligations	-
Advances from other funds	-
General obligation notes payable	-
General obligation bonds payable	-
Total current liabilities	<u>2,198,077</u>
Noncurrent Liabilities	
Accrued compensated absences	148,683
Claims and judgments payable	707,403
Advances from other funds	-
Payable to joint venture	-
Unamortized bond premium	-
General obligation bonds payable	-
Total noncurrent liabilities	<u>856,086</u>
Total liabilities	<u><u>3,054,163</u></u>
Net Assets	
Invested in capital assets, net of related debt	682,681
Unrestricted	<u>2,704,572</u>
Total net assets	<u><u>\$ 3,387,253</u></u>

City of Cuyahoga Falls, Ohio

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds					
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Total
Operating Revenues						
Charges for services	\$ 6,665,933	\$5,068,418	\$ 35,223,132	\$3,780,003	\$ 4,853,429	\$ 55,590,915
Other	11,889	96,636	400,646	102,160	573,728	1,185,059
Total operating revenues	<u>6,677,822</u>	<u>5,165,054</u>	<u>35,623,778</u>	<u>3,882,163</u>	<u>5,427,157</u>	<u>56,775,974</u>
Operating Expenses						
Personal services	786,064	1,400,346	3,132,745	1,194,294	2,122,169	8,635,618
Fringe benefits	315,984	546,893	1,090,939	421,960	455,238	2,831,014
Purchased power	-	-	19,336,043	-	-	19,336,043
Materials and supplies	21,158	291,205	4,618,582	334,422	213,436	5,478,803
Utilities	33,303	370,694	55,132	23,342	499,979	982,450
Contractual services	2,610,368	130,292	133,503	869,836	87,493	3,831,492
Internal charges	703,061	851,991	1,930,461	542,520	640,424	4,668,457
Other	122,149	201,919	846,464	246,010	898,229	2,314,771
Depreciation	482,539	761,963	968,541	198,136	905,725	3,316,904
Total Operating Expenses	<u>5,074,626</u>	<u>4,555,303</u>	<u>32,112,410</u>	<u>3,830,520</u>	<u>5,822,693</u>	<u>51,395,552</u>
Net income (loss) from operations	<u>1,603,196</u>	<u>609,751</u>	<u>3,511,368</u>	<u>51,643</u>	<u>(395,536)</u>	<u>5,380,422</u>
Nonoperating Revenues (Expenses)						
Interest revenue	-	-	-	-	-	-
Interest expense	(206,268)	(432,066)	(85,995)	-	(1,078,723)	(1,803,052)
Gain (loss) from disposal of capital assets	1,250	(21,722)	6,488	2,688	(8,049)	(19,345)
Grants	-	-	-	47,900	-	47,900
Total nonoperating revenues (expenses)	<u>(205,018)</u>	<u>(453,788)</u>	<u>(79,507)</u>	<u>50,588</u>	<u>(1,086,772)</u>	<u>(1,774,497)</u>
Income (loss) before contributions and transfers	<u>1,398,178</u>	<u>155,963</u>	<u>3,431,861</u>	<u>102,231</u>	<u>(1,482,308)</u>	<u>3,605,925</u>
Capital Contributions	17,531	-	-	-	38,245	55,776
Transfers in	-	-	1,771,653	-	1,407,184	3,178,837
Transfers out	-	-	(1,779,245)	-	-	(1,779,245)
Changes in net assets	<u>1,415,709</u>	<u>155,963</u>	<u>3,424,269</u>	<u>102,231</u>	<u>(36,879)</u>	<u>5,061,293</u>
Total net assets - beginning	9,997,912	9,261,189	27,872,692	411,870	6,147,058	
Total net assets - ending	<u>\$ 11,413,621</u>	<u>\$9,417,152</u>	<u>\$ 31,296,961</u>	<u>\$ 514,101</u>	<u>\$ 6,110,179</u>	
Adjustment to consolidate the internal service fund activities related to enterprise funds.						(73,546)
Change in net assets of business-type activities						<u>\$ 4,987,747</u>

See accompanying notes to the basic financial statements

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds (Continued)
For the Year Ended December 31, 2006

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for services	\$ 9,607,756
Other	116,788
Total operating revenues	<u>9,724,544</u>
Operating Expenses	
Personal services	1,305,820
Fringe benefits	6,924,155
Purchased power	-
Materials and supplies	974,682
Utilities	28,181
Contractual services	202,071
Internal charges	164,419
Other	459,492
Depreciation	151,052
Total Operating Expenses	<u>10,209,872</u>
Net income (loss) from operations	<u>(485,328)</u>
Nonoperating Revenues (Expenses)	
Interest revenue	192,713
Interest expense	-
Gain (loss) from disposal of capital assets	1,300
Grants	-
Total nonoperating revenues (expenses)	<u>194,013</u>
Income (loss) before contributions and transfers	<u>(291,315)</u>
Capital Contributions	-
Transfers in	-
Transfers out	-
Changes in net assets	<u>(291,315)</u>
Total net assets - beginning	3,678,568
Total net assets - ending	<u>\$ 3,387,253</u>

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds					Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	
Cash Flows From Operating Activities						
Cash received from customers	\$ 6,702,855	\$5,225,095	\$ 35,359,653	\$ 3,910,263	\$ 5,471,183	\$ 56,669,049
Cash payments to employees for services	(782,645)	(1,393,928)	(3,116,237)	(1,190,808)	(2,117,992)	(8,601,610)
Cash payments to employees for benefits	(303,201)	(520,020)	(1,134,116)	(446,089)	(462,421)	(2,865,847)
Cash payments to suppliers for goods and services	(3,648,828)	(2,122,593)	(27,861,825)	(1,999,940)	(2,182,782)	(37,815,968)
Net cash provided by operating activities	1,968,181	1,188,554	3,247,475	273,426	707,988	7,385,624
Cash Flows From Non-Capital Financing Activities						
Grant proceeds	-	-	-	59,220	-	59,220
Transfers in	-	-	1,771,653	-	1,407,184	3,178,837
Transfers out	-	-	(1,779,245)	-	-	(1,779,245)
Advances in	-	-	185,000	-	-	185,000
Advances out	(85,000)	-	-	(100,000)	-	(185,000)
Net cash provided by non-capital financing activities	(85,000)	-	177,408	(40,780)	1,407,184	1,458,812
Cash Flows From Capital and Related Financing Activities						
Acquisition of capital assets	(1,883,034)	(681,325)	(1,564,788)	(343,593)	(291,732)	(4,764,472)
Proceeds from the sale of capital assets	-	-	6,488	-	-	6,488
Bond/note proceeds	1,402,967	-	-	-	19,942,177	21,345,144
Debt service						
Principal	(1,610,485)	(509,989)	(290,000)	-	(20,759,646)	(23,170,120)
Interest	(217,413)	(430,553)	(87,240)	-	(1,276,109)	(2,011,315)
Net cash used in capital and related financing activities	(2,307,965)	(1,621,867)	(1,935,540)	(343,593)	(2,385,310)	(8,594,275)
Cash Flows from Investing Activities						
Interest revenue	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(424,784)	(433,313)	1,489,343	(110,947)	(270,138)	250,161
Cash and cash equivalents at Beginning of Year	3,065,885	2,402,962	7,777,507	569,201	825,452	14,641,007
Cash and cash equivalents at end of year	\$ 2,641,101	\$1,969,649	\$ 9,266,850	\$ 458,254	\$ 555,314	\$ 14,891,168

See accompanying notes to the basic financial statements

**Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2006**

(Continued)

	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities	
Cash received from customers	\$ 9,601,151
Cash payments to employees for services	(1,303,716)
Cash payments to employees for benefits	(6,999,999)
Cash payments to suppliers for goods and services	<u>(1,867,093)</u>
Net cash provided by operating activities	(569,657)
Cash Flows From Non-Capital Financing Activities	
Grant proceeds	-
Transfers in	-
Transfers out	-
Advances in	-
Advances out	<u>-</u>
Net cash provided by non-capital financing activities	-
Cash Flows From Capital and Related Financing Activities	
Acquisition of capital assets	(254,756)
Proceeds from the sale of capital assets	1,300
Bond/note proceeds	-
Debt service	-
Principal	-
Interest	<u>-</u>
Net cash used in capital and related financing activities	(253,456)
Cash Flows from Investing Activities	
Interest revenue	<u>192,713</u>
Net cash provided by investing activities	<u>192,713</u>
Net increase (decrease) in cash and cash equivalents	(630,400)
Cash and cash equivalents at Beginning of Year	<u>4,841,855</u>
Cash and cash equivalents at end of year	<u>\$ 4,211,455</u>

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2006

(Continued)

	Business-type Activities - Enterprise Funds					Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	
Reconciliation of Operating Income to						
Net Cash Provided By Operating						
Activities						
Operating Income (Loss)	\$ 1,603,196	\$ 609,751	\$ 3,511,368	\$ 51,643	\$ (395,536)	\$ 5,380,422
Adjustments to reconcile operating						
income (loss) to net cash provided by						
operating activities:						
Depreciation	482,539	761,963	968,541	198,136	905,725	3,316,904
Amortization expense	7,356	7,031	4,851	-	76,360	95,598
Decrease (increase) in operating assets and						
increase (decrease) in operating liabilities:						
Receivables	3,934	52,125	(384,636)	23,071	3,021	(302,485)
Due from other funds	13,605	-	(32,867)	2,347	-	(16,915)
Due from other governments	6,194	(124)	(3)	(6)	(334)	5,727
Inventory of supplies	(14,750)	3,060	60,554	5,620	37,612	92,096
Prepaid items	(1,275)	(370)	(2,251)	2,143	(814)	(2,567)
Investment in joint ventures	-	-	(307,383)	-	-	(307,383)
Accounts payable						
- net of items affecting capital assets	(72,942)	(5,045)	(558,816)	9,294	64,248	(563,261)
Accrued salaries, wages and benefits	10,404	25,234	(46,764)	(29,475)	(6,772)	(47,373)
Due to other funds	9,645	32,986	17,368	9,891	(16,840)	53,050
Due to other governments	(79,725)	(298,420)	3,775	762	688	(372,920)
Deposits held and due to others	-	363	13,738	-	-	14,101
Claims and judgments payable	-	-	-	-	-	-
Deferred revenue	-	-	-	-	40,630	40,630
Total adjustments	364,985	578,803	(263,893)	221,783	1,103,524	2,005,202
Net cash provided by						
operating activities	<u>\$ 1,968,181</u>	<u>\$1,188,554</u>	<u>\$ 3,247,475</u>	<u>\$ 273,426</u>	<u>\$ 707,988</u>	<u>\$ 7,385,624</u>

During 2006 the Sewage and Disposal Enterprise Fund received contributions in the form of capital assets from the Water Enterprise Fund in the amount of \$17,531; In addition, the Leisure Time Enterprise Fund received contributions in the form of capital assets from the General Fund and the Capital Projects Fund in the amount of \$13,745 and \$24,500, respectively.

See accompanying notes to the basic financial statements

**Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2006**

(Continued)

	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income to	
Net Cash Provided By Operating	
Activities	
Operating Income (Loss)	\$ (485,328)
Adjustments to reconcile operating	
income (loss) to net cash provided by	
operating activities:	
Depreciation	151,052
Amortization expense	-
Decrease (increase) in operating assets and	
increase (decrease) in operating liabilities:	
Receivables	(9,076)
Due from other funds	(128,758)
Due from other governments	14,441
Inventory of supplies	(18,605)
Prepaid items	5,367
Investment in joint ventures	-
Accounts payable	
- net of items affecting capital assets	26,503
Accrued salaries, wages and benefits	20,299
Due to other funds	2,522
Due to other governments	(122,719)
Deposits held and due to others	-
Claims and judgments payable	(25,355)
Deferred revenue	-
Total adjustments	(84,329)
Net cash provided by	
operating activities	\$ (569,657)

City of Cuyahoga Falls, Ohio

Statement of Assets and Liabilities - Fiduciary Funds December 31, 2006

	<u>Agency Funds</u>
Assets	
Current Assets	
Equity in pooled cash and cash equivalents	\$ 3,609,784
Cash and cash equivalents - restricted accounts	521,389
Due from other governments	143,402
	<hr/>
Total assets	4,274,575
Liabilities	
Current Liabilities	
Due to other governments	2,636,623
Deposits held and due to others	1,637,952
	<hr/>
Total liabilities	4,274,575
	<hr/> <hr/>

See accompanying notes to the basic financial statements

NOTES TO THE FINANCIAL STATEMENTS

City of Cuyahoga Falls, Ohio

Notes to the Financial Statements December 31, 2006

NOTE 1 – REPORTING ENTITY

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

General Fund

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

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Municipal Income Tax Special Revenue Fund

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

Capital Projects Fund

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

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

Proprietary Fund Types

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

Enterprise Funds

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

Sewage and Disposal Enterprise Fund

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

Water Enterprise Fund

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

Electric Enterprise Fund

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

Sanitation Enterprise Fund

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

Leisure Time Enterprise Fund

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

Internal Service Funds

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds

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

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

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance year 2007 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

Budgetary Data

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

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

Tax Budget

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimated Resources

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

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

Appropriations

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

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

The amounts reported as the original budgeted amounts reflect the original Appropriation Ordinance. The amounts reported as the final budgeted amounts represent the final Appropriation Ordinance, including all amendments and modifications passed by City Council in December 2006.

Lapsing of Appropriations

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

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances

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

Equity in Pooled Cash and Cash Equivalents and Investments

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

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

Inventory of Supplies

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

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

Prepaid items

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items. On the government-wide and proprietary fund statements, prepaid items are recorded using the consumption method by recording a current asset for the prepaid amount and reflecting the expense in the year in which services are consumed. On the fund financial statements, the actual payment for these services are recorded as an expenditure when purchased. Reported prepaid items are equally offset by a fund balance reserve, which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

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

Interfund Balances

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

Compensated Absences

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

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

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance Reserves

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

Net Assets

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

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

Grants and Intergovernmental Revenues

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

Operating Revenues and Expenses

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Capital

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

Interfund Activity

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

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

Extraordinary and special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2006.

Estimates

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

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

City of Cuyahoga Falls, Ohio

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

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

	Net Change in Fund Balance	
	<u>General Fund</u>	<u>Municipal Income Tax Fund</u>
GAAP Basis	\$ (398,669)	\$ 0
Increase (decrease) due to:		
Change in receivables and other assets not recognized on a budget basis	137,109	(38,945)
Change in liabilities not recognized on a budget basis	67,309	241,788
Encumbrances	<u>(256,245)</u>	<u>(7,161)</u>
Budget Basis	<u>\$ (450,496)</u>	<u>\$ 195,682</u>

NOTE 4 - RECEIVABLES

Receivables at December 31, 2006, consisted primarily of municipal income taxes, property taxes and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utilities and EMS Transport services provided). Utility accounts receivable and EMS Transport fees receivable billed to customers prior to year end are recorded net of an allowance for doubtful accounts, based on management's estimate.

Property Taxes

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

Tangible personal property taxes (for tangible property other than public utility property) attach as a lien and are levied on January 1 of the current calendar year. Tax collections for the current year are therefore based upon assessed values as of January 1 of the current year. The tangible personal property tax is being phased out. The assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single-county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

NOTE 4 – RECEIVABLES (CONTINUED)

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Cuyahoga Falls. The County Auditor periodically remits to the City its portion of the taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively. The amounts of \$10,199,125 and \$587,374 have been recorded in the balance sheet of the governmental funds for the General Fund and other governmental funds (Police and Fire Pension Funds) as taxes receivable to reflect property taxes receivable as of December 31, 2006.

The assessed values of real public utility and tangible personal property upon which 2006 property tax receipts were based are as follows:

Property Types	Valuation
Real Property – 2005 Tax Valuation	\$ 977,929,560
Public Utility Property – 2004 Tax Valuation	13,559,720
Tangible Personal Property – 2006 Tax Valuation	60,925,920
Total Valuation	\$ 1,052,415,200

Income Taxes

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

Municipal income tax revenue for 2006 was \$17,672,779. The amount of \$3,089,641 has been recorded in the Municipal Income Tax Special Revenue Fund as taxes receivable (net of refunds) to reflect income taxes receivable recorded as of December 31, 2006.

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

City of Cuyahoga Falls, Ohio

NOTE 4 – RECEIVABLES (CONTINUED)

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Local Government and Local Government Revenue	
Assistance	\$ 1,423,420
Estate Tax	390,812
Municipal Income Tax	76,052
Homestead and Rollback	498,601
Gasoline and Excise Tax	490,074
Motor Vehicle License Fees	190,780
Permissive Motor Vehicle License Tax	36,186
EMS Transport Fees	126,002
In Lieu of Public Site	240,352
Other Court Communities	285,545
Community Development Block Grant	67,616
Highway Distribution	270,505
Liquor Permits	18,032
Municipal Court	240,262
Off Road Fuel Tax Reimbursement	1,116
Ohio Public Works Commission	168,514
Other Agencies	34,957
Total Governmental Activities	<u>\$ 4,558,826</u>
<u>Business-type Activities</u>	
Utilities Charges	\$ 28,207
Off Road Fuel Tax Reimbursement	1,704
	<u>\$ 29,911</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

Policies and Practices

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

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

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

During 2006, the City believes it has complied with the revisions of these statutes pertaining to the types of investments held and institutions in which deposits were made. The City was also in compliance with the provisions of the statutes concerning security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

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

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

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

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

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

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

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

City of Cuyahoga Falls, Ohio

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end the carrying amount of the City's deposits was \$34,716,682 and the bank balance was \$35,146,819. Of the bank balance \$230,203 was covered by Federal depository insurance and \$34,916,616 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institutions' trust department or Federal Reserve, but not in the City's name.

At year end, the carrying amount of the Community Improvement Corporation of Cuyahoga Falls, a component unit, deposits was \$ 921,148 and the bank balance was \$ 919,134. Information regarding the collateralization of the Community Improvement Corporation of Cuyahoga Falls can be obtained from the corporation's independent audit report.

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

Investments are reported at fair value. As of December 31, 2006, the City had the following investments:

	Fair Value	Credit Rating (*)	Investment Maturities (In Years)		
			<1	1-2	>2
Repurchase Agreements					
Federal Home Loan Mortgage Bond	\$ 1,120,000	AAA	\$ 1,120,000		
Federal National Mortgage Bond	115,000	AAA	115,000		
US Treasury Bills	30,000		30,000		
US Treasury Notes	65,000		25,000	40,000	
Manuscript Bond	10,000				10,000
Total	\$ 1,340,000		\$ 1,290,000	\$ 40,000	\$ 10,000

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

Interest Rate Risk

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

Credit Risk

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

Custodial Credit Risk

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

City of Cuyahoga Falls, Ohio

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent more invested in the securities of a single issuer. The City's investment policy places no limit on the amount it may invest in any one issuer. The following is the City's risk allocation on deposit and investment as of December 31, 2006:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal Home Loan Mortgage Bond	83.58%
Federal National Mortgage Bond	8.58%
US Treasury Bills	2.24%
US Treasury Notes	4.85%
Manuscript Bond	.75%

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006, was as follows:

	Balance 1/1/2006	Additions	Deletions	Balance 12/31/2006
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 8,111,902	\$ 227,406	\$ -	\$ 8,339,308
Construction In Progress	1,701,097	4,297,335	(4,325,754)	1,672,678
<i>Total Capital Assets Not Being Depreciated</i>	9,812,999	4,524,741	(4,325,754)	10,011,986
<i>Capital Assets Being Depreciated</i>				
Buildings	23,159,991	4,100,482	-	27,260,473
Improvements	570,389	7,739	-	578,128
Machinery and Equipment	20,794,704	2,711,919	(1,409,090)	22,097,533
Infrastructure				
Roads	11,993,102	718,577	(169,850)	12,541,829
Storm Sewers	420,213	565,212	-	985,425
Traffic Signals	16,530	-	-	16,530
Bridges	3,548,654	-	-	3,548,654
<i>Total Capital Assets Being Depreciated</i>	60,503,583	8,103,929	(1,578,940)	67,028,572
<i>Less Accumulated Depreciation</i>				
Buildings	(6,655,213)	(648,129)	-	(7,303,342)
Improvements	(257,306)	(16,722)	-	(274,028)
Machinery and Equipment	(14,560,647)	(1,939,063)	1,359,825	(15,139,885)
Infrastructure				
Roads	(772,032)	(482,284)	-	(1,254,316)
Storm Sewers	(14,516)	(17,473)	-	(31,989)
Traffic Signals	(4,649)	(1,653)	-	(6,302)
Bridges	(122,480)	(88,716)	-	(211,196)
<i>Total Accumulated Depreciation</i>	(22,386,843)	(3,194,040)	1,359,825	(24,221,058)
<i>Total Capital Assets Being Depreciated, Net</i>	38,116,740	4,909,889	(219,115)	42,807,514
<i>Governmental Activities Capital Assets, Net</i>	\$ 47,929,739	\$ 9,434,630	\$ (4,544,869)	\$ 52,819,500

*Depreciation expense was charged to governmental functions as follows:

General Government	\$ 454,672
Security of Persons and Property	914,158
Community Environment	219,702
Leisure Time Activities	337,660
Street Maintenance	1,095,805
Garage	16,075
Information Services	134,977
Basic Utility Services	20,991
Total	\$ 3,194,040

City of Cuyahoga Falls, Ohio

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	<u>Balance 1/1/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2006</u>
Business -type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 2,599,752	\$ -	\$ -	\$ 2,599,752
Construction In Progress	3,260,239	2,859,935	(5,203,658)	916,516
<i>Total Capital Assets Not Being Depreciated</i>	5,859,991	2,859,935	(5,203,658)	3,516,268
<i>Capital Assets Being Depreciated</i>				
Buildings	37,584,617	166,687	-	37,751,304
Improvements	67,628,358	5,508,904	(16,961)	73,120,301
Machinery and Equipment	9,651,272	929,251	(587,194)	9,993,329
<i>Total Capital Assets Being Depreciated</i>	114,864,247	6,604,842	(604,155)	120,864,934
<i>Less Accumulated Depreciation</i>				
Buildings	(3,134,216)	(819,725)	-	(3,953,941)
Improvements	(28,772,461)	(1,714,168)	12,459	(30,474,170)
Machinery and Equipment	(6,349,697)	(783,011)	516,147	(6,616,561)
<i>Total Accumulated Depreciation</i>	(38,256,374)	(3,316,904)	528,606	(41,044,672)
<i>Total Capital Assets Being Depreciated, Net</i>	76,607,873	3,287,938	(75,549)	79,820,262
<i>Total Business-Type Capital Assets, Net</i>	<u>\$ 82,467,864</u>	<u>\$ 6,147,873</u>	<u>\$ (5,279,207)</u>	<u>\$ 83,336,530</u>
*Depreciation expense was charged to business-type activities as follows:				
Sewage and Disposal				\$ 482,539
Water				761,963
Electric				968,541
Sanitation				198,136
Leisure Time				905,725
Total				<u>\$ 3,316,904</u>

NOTE 7 - PENSION PLANS

Ohio Public Employees Retirement System

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2006, member and employer contribution rates were consistent across all three plans. The 2006 member contribution rates were 9.0% for members in state, local, and public safety classifications. The 2006 employer contribution rate was 13.70% of covered payroll, 9.2 percent was the portion that was used to fund pension benefits.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$ 1,831,402, \$1,923,116, and \$1,846,981, respectively; 73.61 percent has been contributed for 2006 and 100 percent for 2005 and 2004. Contributions to the member-directed plan for 2006 were \$30,001 made by the City and \$19,709 made by the plan members.

Ohio Police and Fire Pension Fund

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

Police and firefighters are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police and 24 percent for firefighters, 11.75 percent and 16.25 was the portion that was used to fund pension benefits, respectively. The City's contributions for pension obligations to OP&F for police and firefighters were \$641,134 and \$876,333, respectively for the year ended December 31, 2006, \$604,062 and \$ 841,263 for the year ended December 31, 2005, and \$588,979 and \$814,499 for the year ended December 31, 2004. The full amount has been contributed for 2005 and 2004; 72.25 percent for police and 72.30 percent for firefighters, respectively, have been contributed for 2005.

City of Cuyahoga Falls, Ohio

NOTE 8 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age-and-service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The health care coverage provided by the retirement system meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-retirement health care. The Ohio revised Code provides statutory authority for employer contributions. The 2006 employer contribution rate was 13.70 percent of covered payroll, 4.5 percent was the portion that was used to fund health care for 2006.

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, 2005, include a rate of return on investments of 6.5 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 at the projected wage inflation rate plus an additional factor ranging from .50 percent to 6 percent for the next 9 years. In subsequent years (10 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

At December 31, 2006, the number of active contributing participants in the Traditional Pension and Combined Plans totaled 369,214. The City's annual contributions for 2006 used to fund post-employment benefits were \$905,649. The actual contribution and the actuarially required contribution amounts are the same. OPERS' net assets available for payment of benefits at December 31, 2005 (the latest information available) was \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007 which will allow additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 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 authority allowing the OP&F's Board of Trustees to provide health care coverage and states that health care costs paid from the OP&F funds shall be included in the employer's contribution rate. Health care funding and accounting are on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to

NOTE 8 - POSTEMPLOYMENT BENEFITS (CONTINUED)

the post-employment health care program during 2006 and 2005. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005 was 13,922 for police and 10,537 for firefighters.

The City's annual contributions for 2006 that were used to fund post-employment benefits were \$422,876 for police and \$417,943 for fire. OP&F's total health care expenses for the year ended December 31, 2005 (the latest information available) were \$108,039,449, which was net of member contributions of \$55,271,881.

NOTE 9 - COMPENSATED ABSENCES

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

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

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

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.

City of Cuyahoga Falls, Ohio

NOTE 9 - COMPENSATED ABSENCES (CONTINUED)

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

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

NOTE 10 - COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Federal and State Grants

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

C. Insurance Coverage

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

NOTE 11 - CAPITAL LEASES

In addition to existing agreements to lease equipment, the City entered into a lease agreement in 2006 for a Pierce 105' Aerial ladder Truck for the Fire Department in the amount of \$768,740. The City's lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date for governmental activities and business-type activities in the Statement of Net Assets. The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Equipment	\$ 929,740	\$ 323,003
Less: Accumulated Depreciation	<u>(100,323)</u>	<u>(323,003)</u>
Total	\$ <u>829,417</u>	\$ <u>0.00*</u>

* Due to the change in the threshold amount of capitalization, this equipment is no longer individually identified on Capital Asset Schedules. It is not subject to depreciation and has been fully expensed. See Note 2 for details.

NOTE 11 - CAPITAL LEASES (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2006, were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2007	318,622	111,430
2008	274,830	0
2009	274,830	0
Total	<u>868,282</u>	<u>111,430</u>
Less: Amount representing interest	<u>(58,201)</u>	<u>(3,508)</u>
Present value of minimum lease payments	<u>\$ 810,081</u>	<u>\$ 107,922</u>

NOTE 12 - SHORT-TERM OBLIGATIONS

A summary of the changes in the City's short-term obligations for the year ended December 31, 2006, was as follows:

	Balance January 1, 2006	Issued	Retired	Balance December 31, 2006
General Obligation Bond Anticipation Notes				
<u>Governmental Activities:</u>				
Capital Projects Fund Obligations:				
4.25% Various Purpose Notes due 12/14/06	6,700,000	0	6,700,000	0
4.00% Various Purpose Notes due 12/13/07	0	4,650,000	0	4,650,000
Total Governmental Activities	<u>6,700,000</u>	<u>4,650,000</u>	<u>6,700,000</u>	<u>4,650,000</u>
<u>Business-type Activities:</u>				
Leisure Time Fund Obligations:				
4.25% Various Purpose Notes due 12/14/06	19,900,000	0	19,900,000	0
4.00% Various Purpose Notes due 12/13/07	0	19,900,000	0	19,900,000
Sewage and Disposal Fund Obligations				
4.25% Sanitary Sewer Imp. Notes due 12/14/06	1,400,000	0	1,400,000	0
4.00% Various Purpose Notes due 12/13/07	0	1,400,000	0	1,400,000
Total Business-Type Activities	<u>21,300,000</u>	<u>21,300,000</u>	<u>21,300,000</u>	<u>21,300,000</u>
Grand Total	<u>\$ 28,000,000</u>	<u>\$ 25,950,000</u>	<u>\$ 28,000,000</u>	<u>\$ 25,950,000</u>

On December 13, 2006, the City issued notes in the amount of \$25,950,000 in anticipation of the issuance of bonds, for the following purposes: improving State Road from the south corporation line to Portage Trail; constructing and equipping a community recreation center, constructing a public festival site to be known as Falls River Square, improving Front Street from State Route 8 to Oakpark Boulevard, constructing sanitary sewer lines in Kellybrook Drive and Antoinette Drive and constructing sanitary sewer lines in Munroe Falls Avenue as part of the Second Street and Vincent Street combined sewer separation project.

City of Cuyahoga Falls, Ohio

NOTE 13 - LONG-TERM OBLIGATIONS

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

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

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

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

A summary of the changes in the City's long-term obligations for the year ended December 31, 2006, was as follows:

	Balance January 1, 2006	Issued	Retired 2006	Balance December 31, 2006	Amount Due Within One Year
Business-type Activities:					
Enterprise Fund Obligations					
Bonds Payable					
1995 Recreation Refunding Issue	\$ 778,609	\$ 0	\$ 245,673 ¹	\$ 532,936	\$ 260,795
1995 Electric Refunding Issue	1,590,745	0	285,149 ²	1,305,596	300,149
1997 Sewer Improvement	1,644,003	0	103,665	1,540,338	108,543
1997 Water Improvement	1,461,336	0	92,147	1,369,189	96,483
1998 Sewer Improvement	1,776,968	0	106,820	1,670,148	108,264
1998 Water Improvement	3,623,834	0	217,842	3,405,992	220,786
2001 Water Improvement	4,485,000	0	200,000	4,285,000	210,000
2004 Various Purpose Refunding (Recreation)	2,307,778	0	205,608	2,102,170	209,153
2004 Recreation Improvement	7,705,000	0	300,000	7,405,000	305,000
Total Business-type Activities Bonds Payable	<u>25,373,273</u>	<u>0</u>	<u>1,756,904</u>	<u>23,616,369</u>	<u>1,819,173</u>
Other Obligations					
Capital Lease Obligations	212,448	0	104,526	107,922	107,922
Compensated absences (Note 9)	2,339,474	938,008	1,019,389	2,258,093	853,975
Total Business-type Activities	<u>27,925,195</u>	<u>938,008</u>	<u>2,880,819</u>	<u>25,982,384</u>	<u>2,781,070</u>
Governmental Activities:					
Bonds Payable					
Special Assessment General Obligation Bonds:					
1991 Street Improvement	\$ 12,000	\$ 0	\$ 2,000	\$ 10,000	\$ 2,000
1995 Street & Sewer Refunding Issue	254,878	0	80,488	174,390	85,366
2001 Street Improvement	275,000	0	40,000	235,000	45,000
	541,878	0	122,488	419,390	132,366
Other General Obligation Bonds:					
1995 Various Purpose Refunding Issue	875,000	0	160,000	715,000	165,000
1997 Various Purpose Improvement	3,634,659	0	229,188	3,405,471	239,974
1998 Various Purpose Improvement	754,200	0	45,338	708,862	45,750
2004 Various Purpose Refunding	4,202,222	0	374,391	3,827,831	380,846
	9,466,081	0	808,917	8,657,164	831,770
Total Governmental Activities Bonds Payable	<u>10,007,959</u>	<u>0</u>	<u>931,405</u>	<u>9,076,554</u>	<u>964,136</u>
Other Obligations					
Capital Lease Obligations (Note 11)	80,367	768,740	39,026	810,081	295,709
Compensated absences, (Note 9)	6,621,014	3,558,608	3,071,933	7,107,689	2,850,452
Claims and Judgments Payable	2,218,559	5,472,564	5,497,919	2,193,204	1,485,801
Total Governmental Activities Other Obligations	<u>8,919,940</u>	<u>9,799,912</u>	<u>8,608,878</u>	<u>10,110,974</u>	<u>4,631,962</u>
Total Governmental Activities	<u>\$ 18,927,899</u>	<u>\$ 9,799,912</u>	<u>\$ 9,540,283</u>	<u>\$ 19,187,528</u>	<u>\$ 5,596,098</u>

¹This amount represents principal payment of \$ 249,512 less amortization expense of \$3,839.

²This amount represents principal payment of \$290,000 less amortization expense of \$4,851.

City of Cuyahoga Falls, Ohio

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

As of December 31, 2006, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt without a vote of the electors) was \$49,248,761. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2006 (excluding capital leases) are as follows:

Year	Enterprise Fund Obligations		Special Assessment Bonds		Other General Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	1,819,175	1,033,948	132,366	19,169	831,770	361,513
2008	1,900,212	963,382	136,024	12,880	867,075	348,993
2009	1,688,685	886,968	47,000	6,240	891,464	300,353
2010	1,750,766	820,148	52,000	4,340	924,383	265,652
2011	1,447,388	748,219	52,000	2,195	762,612	228,029
2012-2016	7,919,010	2,800,300	0	0	3,840,991	619,978
2017-2021	5,421,133	1,127,684	0	0	538,869	30,942
2022-2024	1,670,000	169,749	0	0	0	0
Total	\$ 23,616,369	\$ 8,550,398	\$ 419,390	\$ 44,824	\$ 8,657,164	\$ 2,155,460

All general obligation bonds and notes issued by the City are backed by its full faith and credit. This includes the general property taxing power permitted within the tax limitation of the City Charter. In addition, special assessments have been levied to pay the debt service of the special assessment bonds. In the event of a default by a benefited property owner, the City would be responsible for paying the special assessment obligation. The amount of \$265,329 of special assessments receivable recorded in the Debt Service Fund does not represent any delinquent special assessments. Although the obligations of the enterprise funds are general obligations of the City, the practice has been to have the debt serviced by the revenues derived from the operations of the respective funds.

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

NOTE 14 - INTERFUND TRANSFERS AND BALANCES

A. Transfers

As of December 31, 2006, interfund transfers were as follows:

Transfers Out	Transfers In					Total
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Electric Fund	Leisure Time Fund	
General Fund			\$ 1,772,948	\$ 1,771,653	\$ 657,184	\$ 4,201,785
Municipal Income Tax Fund	\$ 10,463,862	\$ 4,897,161	\$ 1,335,740			\$ 16,696,763
Capital Projects Fund	\$ 75,000					\$ 75,000
Nonmajor Governmental Funds	\$ 25,000		\$ 2,200,000		\$ 750,000	\$ 2,975,000
Electric Fund	\$ 1,779,245					\$ 1,779,245
Total	\$ 12,343,107	\$ 4,897,161	\$ 5,308,688	\$ 1,771,653	\$ 1,407,184	\$ 25,727,793

NOTE 14 - INTERFUND TRANSFERS AND BALANCES (CONTINUED)

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

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

The Capital Projects Fund transfer to the General Fund represents operational projects in the Community Development Department. The projects revolve around economic development and job creation and retention. Economic development is a high priority within the city and monies have been made available within the Capital Projects Fund. Monies are then transferred with the approval of city Council to be spent by the Community Development Department in the General Fund.

The Nonmajor Governmental Funds transfer to the General Fund is for partial payment of Municipal Court project expenses in the General Fund, from the Probation Special Revenue Nonmajor Fund. Nonmajor Funds transfer to other Nonmajor funds were made to provide additional resources to the Street Construction, Maintenance and Repair Special Revenue Fund and the Debt Service Fund from the Capital Improvement Reserve Fund. The Nonmajor Governmental Funds transfer to the Leisure Time Fund was made to provide additional resources from the Recreation Levy Special Revenue Fund.

City of Cuyahoga Falls, Ohio

NOTE 14 - INTERFUND TRANSFERS AND BALANCES (CONTINUED)

B. Balances

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

Interfund balances, including advances, at December 31, 2006 are as follows:

	Due from Other Funds	Due to Other Funds	Advances to Other Funds	Advances from Other Funds
<u>Governmental Funds</u>				
General Fund	\$ 1,677,969	\$ 789,004	\$ 0	\$ 0
Special Revenue Funds:				
Municipal Income Tax	0	2,316,974	0	0
Street Construction, Maintenance and Repair	0	69,569	0	0
Recreation Levy	384,609	10,515	0	0
CDBG	0	2,183	0	0
Probation	0	0	0	0
Suspended License Intervention Program	0	0	0	0
	<u>384,609</u>	<u>2,399,241</u>	<u>0</u>	<u>0</u>
Capital Projects Funds:				
Capital Projects	676,825	9,045	0	214,316
Capital Improvement Reserve	0	0	214,316	0
Storm Drainage Utility	20,820	2,150	0	0
	<u>697,645</u>	<u>11,195</u>	<u>214,316</u>	<u>214,316</u>
Permanent Fund:				
Cemetery Perpetual Care	1,705	0	0	0
	<u>1,705</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Governmental Funds	<u>2,761,928</u>	<u>3,199,440</u>	<u>214,316</u>	<u>214,316</u>
<u>Proprietary Funds</u>				
Enterprise Funds:				
Sewage and Disposal	31,204	201,219	0	680,000
Water	0	340,226	0	0
Electric	925,002	117,217	980,000	0
Sanitation	23,218	189,907	0	300,000
Leisure Time	0	647,873	0	0
	<u>979,424</u>	<u>1,496,442</u>	<u>980,000</u>	<u>980,000</u>
Internal Service Funds:				
Garage	0	23,140	0	0
Self-Insurance	987,992	0	0	0
Information Services	0	10,322	0	0
	<u>987,992</u>	<u>33,462</u>	<u>0</u>	<u>0</u>
Total Proprietary Funds	<u>1,967,416</u>	<u>1,529,904</u>	<u>980,000</u>	<u>980,000</u>
Total All Funds	<u>\$ 4,729,344</u>	<u>\$ 4,729,344</u>	<u>\$ 1,194,316</u>	<u>\$ 1,194,316</u>

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

Year	<u>Enterprise</u>			
	<u>Capital Projects</u>	<u>Sewage and Disposal</u>	<u>Sanitation</u>	<u>Total</u>
2007	\$ 214,316	\$ 85,000	\$ 100,000	\$ 399,316
*2008-2014	0	595,000	200,000	795,000
	<u>\$ 214,316</u>	<u>\$ 680,000</u>	<u>\$ 300,000</u>	<u>\$ 1,194,316</u>

NOTE 15 - RISK MANAGEMENT

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

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

A. Self -Insurance Internal Service Fund

On April 1, 2006, the City changed healthcare coverage to United Healthcare (UHC). 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. UHC reviews all claims in accordance with the Summary Plan Description and claims are then paid by the Self-Insurance Fund. For the fiscal coverage year April 1, 2006 through March 31, 2007, the City has purchased specific stop-loss coverage of \$175,000 per person and aggregate stop-loss coverage of \$5,928,612.

The Self-Insurance Fund generates revenues by charging an actuarially determined premium to each fund based on the number of full-time employees enrolled for health-care coverage. The Self-Insurance Fund pays all claims, stop-loss coverages and retention fees for health-care coverage. A liability, in the amount of \$1,225,977 has been recorded to reflect the outstanding claims as of December 31, 2006. 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, 2006, the City completed its fourteenth consecutive year of participation with the Ohio Bureau of Workers' Compensation (BWC) Retrospective Rating Plan. This Plan requires the City to pay to the BWC only 27 percent of the experience rated premium, as our minimum premium charge. In exchange, the City accepts a maximum individual claim liability of \$300,000 and an aggregate claims liability of \$1,902,046. In addition, the BWC bills for all claim related medical and other expenses on a semi-annual basis, for a period of ten years. At the tenth year, the BWC actuarially determines the expected future cost (reserve) of all active ten-year old claims and bills the City. The BWC then assumes all future liability for those claims. Active management of each claim, from inception, offers the City the opportunity to reduce the cost of each claim, thereby reducing the City's cost. For 2006, the retrospective rating minimum premium due from the City is \$377,369 and the total medical and other expenses paid is \$382,176, for a total of \$759,545. That is a savings of \$163,731 over the experience rated premium of \$923,276.

City of Cuyahoga Falls, Ohio

NOTE 15 - RISK MANAGEMENT (CONTINUED)

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

	2004		2005		2006	
	Workers'		Workers'		Workers'	
	Self-Insurance	Compensation	Self-Insurance	Compensation	Self-Insurance	Compensation
Unpaid claims-January 1	\$ 633,945	\$ 1,267,758	\$ 693,801	\$ 1,426,570	\$ 1,070,223	\$ 1,148,336
Incurred claims (including IBNRs)	5,330,474	571,686	5,221,363	111,660	5,271,497	201,067
Claim payments made during the year	(5,270,618)	(412,874)	(4,844,941)	(389,894)	(5,115,743)	(382,176)
Unpaid claims-December 31	\$ 693,801	\$ 1,426,570	\$ 1,070,223	\$ 1,148,336	\$ 1,225,977	\$ 967,227

NOTE 16 - INVESTMENTS IN JOINT VENTURES

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

The City's Electric Enterprise Fund participates in a joint venture agreement with 20 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV1) for the purpose of providing electric power and energy to its participants on a cooperative basis. The electric generating facilities of OMEGA JV1, known as the Engle Units, are located in the City. Title to these six diesel-powered generating units was transferred to the 21 municipal electric systems from American Municipal Power-Ohio, Incorporated (AMP-Ohio), a non-profit trade association and wholesale power supplier for most of Ohio's 85 municipal electric systems. Each member has a contract which provides for AMP-Ohio to purchase the right to each participant's share of power and energy that is made available through the joint venture contract. The City's net investment and its share of the operating results of OMEGA JV-1 are reported in the City's statement of net assets as "investment in joint ventures". The city's equity interest in OMEGA JV-1 was \$123,525 at 12/31/06. Complete financial statements fro OMEGA JV-1 can be obtained from AMP-Ohio or from the City's Finance Director.

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

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

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

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

NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. (As of December 31, 2006 the City of Cuyahoga Falls has met their debt coverage obligation).

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP-Ohio, which acts as the joint venture's agent. During 2001, AMP-Ohio issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. The City's net obligation for these bonds at December 31, 2006 was \$3,180,831 (Including amounts withheld for Debt Service Reserve, amounts held in the Bond Fund, previous billings to members, interest payable and debt service paid and collected). The City's net investment and its share of operating results of OMEGA JV2 are reported in the City's electric fund (an enterprise fund). The City's net investment in OMEGA JV2 was \$3,124,664 at December 31, 2006. Complete financial statements for OMEGA JV2 may be obtained from AMP-Ohio or from the State Auditor's website at www.auditor.state.oh.us

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

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

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

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

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. (As of December 31, 2006 Cuyahoga Falls has met their debt coverage obligation).

City of Cuyahoga Falls, Ohio

NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting

JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

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

The City's net investment and its share of operating results of OMEGA JV5 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV5 was \$1,800,892 at December 31, 2006. Complete financial statements for OMEGA JV5 may be obtained from AMP-Ohio or from the State Auditor's website at www.auditor.state.oh.us.

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

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

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

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

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses. (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess funds shall be paid to the participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. (As of December 31, 2006 Cuyahoga Falls has met their debt coverage obligation).

NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

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

OMEGA JV6 is managed by American Municipal Power-Ohio, Inc., which acts as the joint venture’s agent. On July 30, 2004 AMP-Ohio issued \$9,861,000 adjustable rate bonds that mature on August 15, 2019. The net proceeds of the bond issues were used to construct the OMEGA JV6 project. The City’s net obligation for these bonds at December 31, 2006 was \$1,994,675 (Including amounts withheld for Debt Service Reserve, amounts held in the Bond Fund, previous billings to members, interest payable and debt service paid and collected).

The City’s net investment and its share of operating results of OMEGA JV6 are reported in the City’s electric fund (an enterprise fund). The City’s net investment to date in OMEGA JV6 was \$2,197,456 at December 31, 2006. Complete financial statements for OMEGA JV6 may be obtained from AMP-Ohio or from the State Auditor’s website at www.auditor.state.oh.us.

NOTE 17 – ACCOUNTABILITY AND COMPLIANCE

A. Fund Deficits

At December 31, 2006, the following fund had a deficit fund balance:

<u>Fund Type/Fund</u>	<u>Amount</u>
Capital Projects/Capital Projects Fund	\$593,526

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

NOTE 18 – CONSTRUCTION COMMITMENTS

As of December 31, 2006, the City had the following significant commitments with respect to projects requiring capital expenditures:

<u>Capital Project</u>	2006 <u>Remaining Construction Contract</u>	<u>Expected Date of Completion</u>
Electric Line Expansion into Ward 8	\$ 878,483	2007
Jennings Avenue Sanitary and Storm Sewer	626,737	2007
Chart Road Reconstruction	<u>907,611</u>	2007
 Total Capital Projects	 <u>\$ 2,412,831</u>	

City of Cuyahoga Falls, Ohio

NOTE 19 – CHANGE IN ACCOUNTING PRINCIPALS

For fiscal year 2006, the City implemented GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, GASB Statement No. 47, *Accounting for Termination Benefits*.

GASB Statement No. 44 provides guidance on the tables and narrative explanations in the statistical section. The implementation of GASB Statement No. 44 did not have an effect on the financial statements of the City.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements that amount of net assets restricted by enabling legislation. The implementation of GASB Statement No. 46 did not have an effect on the financial statements of the City.

GASB Statement No. 47 provides guidance on how employers should account for benefits associated with either voluntary or involuntary terminations. The implementation of GASB Statement No. 47 did not have an effect on the financial statements of the City.

NOTE 20-RESTATEMENT OF PRIOR YEAR FUND BALANCES

Restatement of Prior Year Fund Balances

In 2005 a prior year interfund receivable and payable in the Cemetery Perpetual Care Permanent Fund and General Fund, respectively, was inadvertently not recorded properly in the Financial Statements of these funds. A restatement at 12/31/05 is as follows:

	General Fund	Cemetery Perpetual Care Fund
Fund Balance		
December 31, 2005	\$ 5,514,971	\$ 206,124
Due to/From other funds	<u>7,530</u>	<u>(7,530)</u>
Restated Fund Balance		
December 31, 2005	\$ <u>5,522,501</u>	\$ <u>198,594</u>

**COMBINING STATEMENTS AND
INDIVIDUAL FUND STATEMENTS**

Major Governmental Funds

General Fund

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

Municipal Income Tax

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

Capital Projects

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 10,230,176	\$ 10,230,176	\$ 10,277,825	\$ 47,649
Other local taxes	216,500	142,500	138,002	(4,498)
State levied shared taxes	4,446,441	4,822,326	4,825,763	3,437
Intergovernmental	43,187	43,187	40,393	(2,794)
Charges for services	5,643,201	5,807,316	5,630,875	(176,441)
Fees, licenses, and permits	490,000	610,000	572,509	(37,491)
Fines and forfeitures	352,000	280,000	279,687	(313)
Special assessments	13,130	10,130	10,127	(3)
Other	224,475	245,475	307,044	61,569
Total Revenues	<u>21,659,110</u>	<u>22,191,110</u>	<u>22,082,225</u>	<u>(108,885)</u>
Expenditures				
Current				
Security of persons and property				
Building				
Personal services	488,101	502,101	502,041	60
Other operations	96,349	107,349	100,780	6,569
Capital outlay	-	1,000	612	388
Total - Building	<u>584,450</u>	<u>610,450</u>	<u>603,433</u>	<u>7,017</u>
Police				
Personal services	8,547,075	8,382,075	8,335,622	46,453
Other operations	1,224,091	1,389,091	1,341,936	47,155
Capital outlay	98,000	98,000	97,988	12
Total - Police	<u>9,869,166</u>	<u>9,869,166</u>	<u>9,775,546</u>	<u>93,620</u>
Fire				
Personal services	6,828,376	6,788,276	6,701,800	86,476
Other operations	831,219	831,257	702,199	129,058
Capital outlay	45,071	45,133	45,133	-
Total - Fire	<u>7,704,666</u>	<u>7,664,666</u>	<u>7,449,132</u>	<u>215,534</u>
Technical services				
Personal services	506,050	506,050	481,756	24,294
Other operations	128,087	128,087	117,395	10,692
Capital outlay	2,915	2,915	2,915	-
Total - Technical services	<u>637,052</u>	<u>637,052</u>	<u>602,066</u>	<u>34,986</u>
Police reserve				
Other operations	5,255	5,255	4,833	422
Total - Police reserve	<u>5,255</u>	<u>5,255</u>	<u>4,833</u>	<u>422</u>
DARE program				
Other operations	3,256	3,256	3,232	24
Total - DARE program	<u>3,256</u>	<u>3,256</u>	<u>3,232</u>	<u>24</u>
Total - Security of persons and property	<u>18,803,845</u>	<u>18,789,845</u>	<u>18,438,242</u>	<u>351,603</u>
Leisure time activities				
Parks & recreation				
Personal services	1,773,025	1,743,025	1,602,263	140,762
Other operations	675,727	675,727	651,304	24,423
Capital outlay	23,125	23,125	19,223	3,902
Total - Leisure time activities	<u>2,471,877</u>	<u>2,441,877</u>	<u>2,272,790</u>	<u>169,087</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund For the Year Ended December 31, 2006

(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Community environment				
Riverfront Centre District				
Personal services	\$ 326,786	\$ 296,786	\$ 272,385	\$ 24,401
Other operations	231,134	256,132	191,278	64,854
Capital outlay	-	5,002	4,998	4
Total - Riverfront Centre District	557,920	557,920	468,661	89,259
Community / economic development				
Personal services	726,450	726,450	665,865	60,585
Other operations	196,356	196,356	168,868	27,488
Capital outlay	-	-	-	-
Total - Community / economic development	922,806	922,806	834,733	88,073
Community gardens				
Other operations	-	-	-	-
Total - Community environment	1,480,726	1,480,726	1,303,394	177,332
General government				
General administration				
Other operations	823,860	823,860	808,399	15,461
Total - General government	823,860	823,860	808,399	15,461
Council				
Personal services	215,687	217,287	217,265	22
Other operations	4,432	4,432	1,326	3,106
Capital outlay	-	-	-	-
Total - Council	220,119	221,719	218,591	3,128
Mayor				
Personal services	187,544	187,544	186,740	804
Other operations	19,335	19,335	16,035	3,300
Capital outlay	-	-	-	-
Total - Mayor	206,879	206,879	202,775	4,104
Finance director				
Personal services	703,763	693,763	665,625	28,138
Other operations	208,351	208,351	175,729	32,622
Total - Finance director	912,114	902,114	841,354	60,760
Law director				
Personal services	806,608	786,608	760,976	25,632
Other operations	306,528	306,528	212,742	93,786
Total - Law director	1,113,136	1,093,136	973,718	119,418
Service director				
Personal services	268,290	268,290	267,422	868
Other operations	21,597	21,597	20,284	1,313
Total - Service director	289,887	289,887	287,706	2,181
Municipal court				
Personal services	1,390,271	1,290,271	1,204,246	86,025
Other operations	131,981	131,981	59,995	71,986
Total - Municipal court	1,522,252	1,422,252	1,264,241	158,011
Clerk of courts				
Personal services	1,246,906	1,255,776	1,255,770	6
Other operations	107,016	113,146	118,422	(5,276)
Total - Clerk of courts	1,353,922	1,368,922	1,374,192	(5,270)

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Year Ended December 31, 2006**

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government (continued)				
Civil service commission				
Personal services	\$ 21,419	\$ 21,419	\$ 20,940	\$ 479
Other operations	24,786	24,786	11,553	13,233
Total - Civil service commission	46,205	46,205	32,493	13,712
Engineering				
Personal services	884,010	896,010	893,786	2,224
Other operations	125,153	119,603	116,178	3,425
Capital outlay	-	5,550	-	5,550
Total - Engineering	1,009,163	1,021,163	1,009,964	11,199
Human resources / records				
Personal services	278,525	278,975	277,427	1,548
Other operations	34,015	34,565	32,415	2,150
Capital outlay	-	-	-	-
Total - Human resources / records	312,540	313,540	309,842	3,698
Print shop				
Personal services	24,027	24,027	17,007	7,020
Other operations	77,842	77,842	70,754	7,088
Total - Print shop	101,869	101,869	87,761	14,108
Building and grounds maintenance				
Personal services	896,101	799,101	685,342	113,759
Other operations	311,975	401,975	390,936	11,039
Capital outlay	3,205	10,205	10,161	44
Total - Building and grounds maintenance	1,211,281	1,211,281	1,086,439	124,842
Total - General government	9,123,227	9,022,827	8,497,475	525,352
Total Expenditures	31,879,675	31,735,275	30,511,901	1,223,374
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(10,220,565)	(9,544,165)	(8,429,676)	1,114,489
Other Financing Sources (Uses)				
Transfers in	12,502,557	12,214,057	12,193,452	(20,605)
Transfers out	(4,485,784)	(4,235,784)	(4,214,272)	21,512
Total Other Financing Sources (Uses)	8,016,773	7,978,273	7,979,180	907
Net change in fund balances	(2,203,792)	(1,565,892)	(450,496)	1,115,396
Fund Balance at Beginning of Year	3,296,439	3,296,439	3,296,439	-
Prior year encumbrances appropriated	310,302	310,302	310,302	-
Fund Balance at End of Year	\$ 1,402,949	\$ 2,040,849	\$ 3,156,245	\$ 1,115,396

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Municipal Income Tax Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal income taxes	\$ 18,030,000	\$ 17,530,000	\$ 17,645,307	\$ 115,307
Other	-	-	36	36
Total revenues	18,030,000	17,530,000	17,645,343	115,343
Expenditures				
Current				
General government				
Personal services	385,376	384,376	372,503	11,873
Other operations	699,299	699,299	613,705	85,594
Capital outlay	4,600	5,600	5,488	112
Total expenditures	1,089,275	1,089,275	991,696	97,579
Excess (deficiency) of revenues over (under) expenditures	16,940,725	16,440,725	16,653,647	212,922
Other Financing Sources (Uses)				
Transfers out	(16,957,965)	(16,457,965)	(16,457,965)	-
Total other financing sources (uses)	(16,957,965)	(16,457,965)	(16,457,965)	-
Net change in fund balances	(17,240)	(17,240)	195,682	212,922
Fund balance at beginning of year	2,704	2,704	2,704	-
Prior year encumbrances appropriated	17,240	17,240	17,240	-
Fund balance at end of year	\$ 2,704	\$ 2,704	\$ 215,626	\$ 212,922

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Capital Projects Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 150,505	\$ 420,505	\$ 424,201	\$ 3,696
Charges for services	1,345,000	1,357,000	1,391,239	34,239
Special assessments	102,517	97,717	97,629	(88)
Other	130,000	77,500	247,865	170,365
Total revenues	<u>1,728,022</u>	<u>1,952,722</u>	<u>2,160,934</u>	<u>208,212</u>
Expenditures				
Current				
Capital outlay	12,096,931	10,140,724	9,191,395	949,329
Debt service				
Principal	6,739,027	6,739,027	6,739,026	1
Interest	289,516	289,516	289,516	-
Total expenditures	<u>19,125,474</u>	<u>17,169,267</u>	<u>16,219,937</u>	<u>949,330</u>
Excess (deficiency) of revenues over (under) expenditures	(17,397,452)	(15,216,545)	(14,059,003)	1,157,542
Other Financing Sources (Uses)				
Bond/note proceeds	6,050,000	5,250,000	4,659,856	(590,144)
Transfers in	5,075,907	4,929,257	4,827,121	(102,136)
Transfers out	(75,000)	(75,000)	(75,000)	-
Total other financing sources (uses)	<u>11,050,907</u>	<u>10,104,257</u>	<u>9,411,977</u>	<u>(692,280)</u>
Net change in fund balances	(6,346,545)	(5,112,288)	(4,647,026)	465,262
Fund balance at beginning of year	2,760,264	2,760,264	2,760,264	-
Prior year encumbrances appropriated	4,160,580	4,160,580	4,160,580	-
Fund balance at end of year	<u>\$ 574,299</u>	<u>\$ 1,808,556</u>	<u>\$ 2,273,818</u>	<u>\$ 465,262</u>

Nonmajor Governmental Funds

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

Nonmajor Governmental Funds (Continued)

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

Nonmajor Governmental Funds (Continued)

Capital Improvement Reserve

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

Storm Drainage Utility Fund

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

Cemetery Perpetual Care Permanent Fund

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

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2006

	Nonmajor Special Revenue Funds	Debt Service Fund	Nonmajor Capital Projects Funds	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	\$ 3,546,091	\$ -	\$ 1,492,830	\$ -	\$ 5,038,921
Cash and cash equivalents - restricted	-	13,089	-	109,203	122,292
Investments - restricted accounts	-	10,000	-	95,000	105,000
Receivables					
Taxes	587,374	-	-	-	587,374
Accounts					
(net of allowance for uncollectibles)	119,117	-	61,383	-	180,500
Loans	1,856,388	-	-	-	1,856,388
Special assessments	-	265,329	601,563	-	866,892
Accrued interest	-	60	188,630	415	189,105
Due from other funds	384,609	-	20,820	1,705	407,134
Due from other governments	1,156,836	-	634	-	1,157,470
Inventory of supplies	444,050	-	-	-	444,050
Prepaid items	22,641	-	-	-	22,641
Advances to other funds	-	-	214,316	-	214,316
Total assets	8,117,106	288,478	2,580,176	206,323	11,192,083
Liabilities and Fund Balances					
Liabilities					
Accounts payable	156,528	-	43,025	-	199,553
Accrued salaries, wages and benefits	50,556	-	861	-	51,417
Deferred revenue	1,214,835	265,389	689,530	489	2,170,243
Due to other funds	82,267	-	2,150	-	84,417
Due to other governments	68,154	-	132	-	68,286
Total liabilities	1,572,340	265,389	735,698	489	2,573,916
Fund Balances					
Reserved for encumbrances	156,088	-	374,146	-	530,234
Reserved for prepaid items	22,641	-	-	-	22,641
Reserved for advances	-	-	214,316	-	214,316
Reserved for inventory of supplies	444,050	-	-	-	444,050
Reserved for loans receivable	1,856,388	-	-	-	1,856,388
Reserved for debt service	-	23,089	-	-	23,089
Reserved for cemetery perpetual care	-	-	-	205,834	205,834
Unreserved - undesignated	4,065,599	-	1,256,016	-	5,321,615
Total fund balances	6,544,766	23,089	1,844,478	205,834	8,618,167
Total liabilities and fund balances	\$ 8,117,106	\$ 288,478	\$ 2,580,176	\$ 206,323	\$ 11,192,083

City of Cuyahoga Falls, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2006

	Nonmajor Special Revenue Funds	Debt Service Fund	Nonmajor Capital Projects Funds	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Property taxes	\$ 592,952	\$ -	\$ -	\$ -	\$ 592,952
Other local taxes	1,071	-	-	-	1,071
State levied shared taxes	2,341,209	-	-	-	2,341,209
Intergovernmental	722,253	-	-	-	722,253
Charges for services	153,338	-	734,270	7,140	894,748
Fees, licenses and permits	1,152,799	-	-	-	1,152,799
Interest earnings	3,156	16,840	1,736,272	6,702	1,762,970
Fines and forfeitures	87,844	-	-	-	87,844
Special assessments	-	95,336	105,152	-	200,488
Other	50,485	-	55,856	-	106,341
Total revenues	5,105,107	112,176	2,631,550	13,842	7,862,675
Expenditures					
Current					
Security of persons and property	2,569,196	-	-	-	2,569,196
Leisure time activities	101,436	-	-	-	101,436
Community environment	563,422	-	-	-	563,422
Street maintenance	3,779,794	-	-	-	3,779,794
General government	105,475	3	25,193	6,602	137,273
Capital outlay	215,000	-	723,453	-	938,453
Debt Service					
Principal	274,526	656,879	-	-	931,405
Interest	216,487	198,290	-	-	414,777
Total expenditures	7,825,336	855,172	748,646	6,602	9,435,756
Excess (deficiency) of revenues over (under) expenditures	(2,720,229)	(742,996)	1,882,904	7,240	(1,573,081)
Other Financing Sources (Uses)					
Transfers in	4,608,688	700,000	-	-	5,308,688
Transfers out	(775,000)	-	(2,200,000)	-	(2,975,000)
Total other financing sources (uses)	3,833,688	700,000	(2,200,000)	-	2,333,688
Net change in fund balances	1,113,459	(42,996)	(317,096)	7,240	760,607
Fund balance at beginning of year, as restated	5,361,005	66,085	2,161,970	198,594	7,787,654
Change in reserve for inventory	74,192	-	-	-	74,192
Change in reserve for prepaid items	(3,890)	-	(396)	-	(4,286)
Fund balance at end of year	\$ 6,544,766	\$ 23,089	\$ 1,844,478	\$ 205,834	\$ 8,618,167

Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2006

(Continued)

	<u>State Highway Improvement</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Recreation Levy</u>	<u>Permissive Tax</u>
Assets						
Equity in pooled cash and cash equivalents	\$ 61,627	\$ 477,132	\$ 107,330	\$ 42,227	\$ 45,718	\$ 2
Receivables						
Taxes	-	-	293,687	293,687	-	-
Accounts						
(net of allowance for uncollectibles)	-	118,617	-	-	-	-
Loans	-	-	-	-	-	-
Due from other funds	-	-	-	-	384,609	-
Due from other governments	69,185	853,742	13,713	13,713	-	36,186
Inventory of supplies	-	444,050	-	-	-	-
Prepaid items	-	22,606	-	-	-	-
	<u>130,812</u>	<u>1,916,147</u>	<u>414,730</u>	<u>349,627</u>	<u>430,327</u>	<u>36,188</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	27,284	31,199	-	-	4,632	-
Accrued salaries, wages and benefits	-	49,568	-	-	-	-
Deferred revenue	45,021	555,244	307,285	307,285	-	-
Due to other funds	-	69,569	-	-	10,515	-
Due to other governments	-	5,048	35,612	27,344	-	-
Total liabilities	<u>72,305</u>	<u>710,628</u>	<u>342,897</u>	<u>334,629</u>	<u>15,147</u>	<u>-</u>
Fund Balances						
Reserved for encumbrances	17,145	75,120	-	-	4,600	-
Reserved for prepaid items	-	22,606	-	-	-	-
Reserved for inventory of supplies	-	444,050	-	-	-	-
Reserved for loans receivable	-	-	-	-	-	-
Unreserved - undesignated	41,362	663,743	71,833	14,998	410,580	36,188
Total fund balances	<u>58,507</u>	<u>1,205,519</u>	<u>71,833</u>	<u>14,998</u>	<u>415,180</u>	<u>36,188</u>
	<u>\$ 130,812</u>	<u>\$ 1,916,147</u>	<u>\$ 414,730</u>	<u>\$ 349,627</u>	<u>\$ 430,327</u>	<u>\$ 36,188</u>

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2006

(Continued)

	Court Special Projects	Community and Economic Development	Community Development Block Grant	Probation	Enterprise Zone / Community Reinvestment Area
Assets					
Equity in pooled cash and cash equivalents	\$ 1,041,256	\$ 2,403	\$ 419,789	\$ 106,581	\$ 11,585
Receivables					
Taxes	-	-	-	-	-
Accounts (net of allowance for uncollectibles)	-	-	-	-	500
Loans	-	-	1,856,388	-	-
Due from other funds	-	-	-	-	-
Due from other governments	41,317	-	67,616	8,989	-
Inventory of supplies	-	-	-	-	-
Prepaid items	-	-	35	-	-
Total assets	1,082,573	2,403	2,343,828	115,570	12,085
Liabilities and Fund Balances					
Liabilities					
Accounts payable	-	-	65,032	6,128	107
Accrued salaries, wages and benefits	-	-	988	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	2,183	-	-
Due to other governments	-	-	150	-	-
Total liabilities	-	-	68,353	6,128	107
Fund Balances					
Reserved for encumbrances	-	-	40,636	-	-
Reserved for prepaid items	-	-	35	-	-
Reserved for inventory of supplies	-	-	-	-	-
Reserved for loans receivable	-	-	1,856,388	-	-
Unreserved - undesignated	1,082,573	2,403	378,416	109,442	11,978
Total fund balances	1,082,573	2,403	2,275,475	109,442	11,978
Total liabilities and fund balances	\$ 1,082,573	\$ 2,403	\$ 2,343,828	\$ 115,570	\$ 12,085

Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2006

(Continued)

	<u>Suspended License Intervention Program</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Enforcement and Education</u>
ASSETS					
Equity in pooled cash and cash equivalents	\$ 43,678	\$ 52,606	\$ 67,983	\$ 643,940	\$ 38,314
Receivables					
Taxes	-	-	-	-	-
Accounts					
(net of allowance for uncollectibles)	-	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	1,965	6,847	1,510	920
Inventory of supplies	-	-	-	-	-
Prepaid items	-	-	-	-	-
	<u>43,678</u>	<u>54,571</u>	<u>74,830</u>	<u>645,450</u>	<u>39,234</u>
Total assets					
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	16	-	-	-
Accrued salaries, wages and benefits	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Total liabilities	<u>-</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Reserved for encumbrances	-	700	400	-	-
Reserved for prepaid items	-	-	-	-	-
Reserved for inventory of supplies	-	-	-	-	-
Reserved for loans receivable	-	-	-	-	-
Unreserved - undesignated	43,678	53,855	74,430	645,450	39,234
Total fund balances	<u>43,678</u>	<u>54,555</u>	<u>74,830</u>	<u>645,450</u>	<u>39,234</u>
Total liabilities and fund balances	<u>\$ 43,678</u>	<u>\$ 54,571</u>	<u>\$ 74,830</u>	<u>\$ 645,450</u>	<u>\$ 39,234</u>

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2006

(Continued)

	Municipal Motor Vehicle License Tax	Court Computer	Federal Law Enforcement	FEMA Public Assistance	Total Nonmajor Special Revenue Funds
ASSETS					
Equity in pooled cash and cash equivalents	\$ 36,603	\$ 256,890	\$ 66,993	\$ 23,434	\$ 3,546,091
Receivables					
Taxes	-	-	-	-	587,374
Accounts (net of allowance for uncollectibles)	-	-	-	-	119,117
Loans	-	-	-	-	1,856,388
Due from other funds	-	-	-	-	384,609
Due from other governments	28,897	10,782	-	1,454	1,156,836
Inventory of supplies	-	-	-	-	444,050
Prepaid items	-	-	-	-	22,641
	<u>65,500</u>	<u>267,672</u>	<u>66,993</u>	<u>24,888</u>	<u>8,117,106</u>
Total assets					
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	18,864	3,266	-	-	156,528
Accrued salaries, wages and benefits	-	-	-	-	50,556
Deferred revenue	-	-	-	-	1,214,835
Due to other funds	-	-	-	-	82,267
Due to other governments	-	-	-	-	68,154
Total liabilities	<u>18,864</u>	<u>3,266</u>	<u>-</u>	<u>-</u>	<u>1,572,340</u>
Fund Balances					
Reserved for encumbrances	17,315	-	172	-	156,088
Reserved for prepaid items	-	-	-	-	22,641
Reserved for inventory of supplies	-	-	-	-	444,050
Reserved for loans receivable	-	-	-	-	1,856,388
Unreserved - undesignated	29,321	264,406	66,821	24,888	4,065,599
Total fund balances	<u>46,636</u>	<u>264,406</u>	<u>66,993</u>	<u>24,888</u>	<u>6,544,766</u>
Total liabilities and fund balances	<u>\$ 65,500</u>	<u>\$ 267,672</u>	<u>\$ 66,993</u>	<u>\$ 24,888</u>	<u>\$ 8,117,106</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund
Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

(Continued)

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension	Recreation Levy	Permissive Tax
Revenues						
Property taxes	\$ -	\$ -	\$ 296,476	\$ 296,476	\$ -	\$ -
Other local taxes	-	841	115	115	-	-
State levied shared taxes	145,431	1,797,708	28,863	28,863	-	213,018
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fees, licenses, and permits	-	502,346	-	-	-	-
Interest earnings	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Other	-	20,960	-	-	12,358	-
Total revenues	<u>145,431</u>	<u>2,321,855</u>	<u>325,454</u>	<u>325,454</u>	<u>12,358</u>	<u>213,018</u>
Expenditures						
Current						
Security of persons and property	-	-	1,078,608	1,305,404	-	-
Leisure time activities	-	-	-	-	101,436	-
Community environment	-	-	-	-	-	-
Street maintenance	117,255	3,572,854	-	-	-	-
General government	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	215,000
Debt service						
Principal	-	-	-	-	274,526	-
Interest	-	-	-	-	216,487	-
Total expenditures	<u>117,255</u>	<u>3,572,854</u>	<u>1,078,608</u>	<u>1,305,404</u>	<u>592,449</u>	<u>215,000</u>
Excess (deficiency) of revenues over (under) expenditures	28,176	(1,250,999)	(753,154)	(979,950)	(580,091)	(1,982)
Other Financing Sources (Uses)						
Transfers in	-	1,500,000	778,000	994,948	1,335,740	-
Transfers out	-	-	-	-	(750,000)	-
Total other financing sources (uses)	<u>-</u>	<u>1,500,000</u>	<u>778,000</u>	<u>994,948</u>	<u>585,740</u>	<u>-</u>
Net change in fund balances	28,176	249,001	24,846	14,998	5,649	(1,982)
Fund balance at beginning of year	30,331	885,059	46,987	-	409,531	38,170
Change in reserve for inventory	-	74,192	-	-	-	-
Change in reserve for prepaid items	-	(2,733)	-	-	-	-
Fund balance at end of year	<u>\$ 58,507</u>	<u>\$ 1,205,519</u>	<u>\$ 71,833</u>	<u>\$ 14,998</u>	<u>\$ 415,180</u>	<u>\$ 36,188</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2006

(Continued)

	Court Special Projects	Community and Economic Development	Community Development Block Grant	Probation	Enterprise Zone / Community Reinvestment Area
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-
State levied shared taxes	-	-	-	-	-
Intergovernmental	-	-	697,365	-	-
Charges for services	-	-	-	-	-
Fees, licenses, and permits	438,389	-	-	195,832	3,282
Interest earnings	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Other	-	2	8,878	-	2,702
Total revenues	438,389	2	706,243	195,832	5,984
Expenditures					
Current					
Security of persons and property	-	-	-	128,419	-
Leisure time activities	-	-	-	-	-
Community environment	-	-	561,077	-	2,345
Street maintenance	-	-	-	-	-
General government	20,000	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	20,000	-	561,077	128,419	2,345
Excess (deficiency) of revenues over (under) expenditures	418,389	2	145,166	67,413	3,639
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(25,000)	-
Total other financing sources (uses)	-	-	-	(25,000)	-
Net change in fund balances	418,389	2	145,166	42,413	3,639
Fund balance at beginning of year	664,184	2,401	2,130,274	67,029	8,339
Change in reserve for inventory	-	-	-	-	-
Change in reserve for prepaid items	-	-	35	-	-
Fund balance at end of year	\$ 1,082,573	\$ 2,403	\$ 2,275,475	\$ 109,442	\$ 11,978

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2006

	Suspended License Intervention Program	Drug Law Enforcement	Law Enforcement Trust	Indigent Drivers Alcohol Treatment	Enforcement and Education
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-
State levied shared taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, licenses, and permits	12,950	-	-	-	-
Interest earnings	-	-	-	-	-
Fines and forfeitures	-	24,005	17,945	38,580	7,314
Other	-	-	-	-	5,585
Total revenues	12,950	24,005	17,945	38,580	12,899
Expenditures					
Current					
Security of persons and property	-	46,969	4,477	-	-
Leisure time activities	-	-	-	-	-
Community environment	-	-	-	-	-
Street maintenance	-	-	-	-	-
General government	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	46,969	4,477	-	-
Excess (deficiency) of revenues over (under) expenditures	12,950	(22,964)	13,468	38,580	12,899
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	12,950	(22,964)	13,468	38,580	12,899
Fund balance at beginning of year	30,728	78,711	61,362	606,870	26,335
Change in reserve for inventory	-	-	-	-	-
Change in reserve for prepaid items	-	(1,192)	-	-	-
Fund balance at end of year	\$ 43,678	\$ 54,555	\$ 74,830	\$ 645,450	\$ 39,234

City of Cuyahoga Falls, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2006

(Continued)

	Municipal Motor Vehicle License Tax	Court Computer	Federal Law Enforcement	FEMA Public Assistance	Total Nonmajor Special Revenue
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 592,952
Other local taxes	-	-	-	-	1,071
State levied shared taxes	127,326	-	-	-	2,341,209
Intergovernmental	-	-	-	24,888	722,253
Charges for services	-	153,338	-	-	153,338
Fees, licenses, and permits	-	-	-	-	1,152,799
Interest earnings	-	-	3,156	-	3,156
Fines and forfeitures	-	-	-	-	87,844
Other	-	-	-	-	50,485
Total revenues	127,326	153,338	3,156	24,888	5,105,107
Expenditures					
Current					
Security of persons and property	-	-	5,319	-	2,569,196
Leisure time activities	-	-	-	-	101,436
Community environment	-	-	-	-	563,422
Street maintenance	89,685	-	-	-	3,779,794
General government	-	85,475	-	-	105,475
Capital outlay	-	-	-	-	215,000
Debt service					
Principal	-	-	-	-	274,526
Interest	-	-	-	-	216,487
Total expenditures	89,685	85,475	5,319	-	7,825,336
Excess (deficiency) of revenues over (under) expenditures	37,641	67,863	(2,163)	24,888	(2,720,229)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	4,608,688
Transfers out	-	-	-	-	(775,000)
Total other financing sources (uses)	-	-	-	-	3,833,688
Net change in fund balances	37,641	67,863	(2,163)	24,888	1,113,459
Fund balance at beginning of year	8,995	196,543	69,156	-	5,361,005
Change in reserve for inventory	-	-	-	-	74,192
Change in reserve for prepaid items	-	-	-	-	(3,890)
Fund balance at end of year	\$ 46,636	\$ 264,406	\$ 66,993	\$ 24,888	\$ 6,544,766

**Combining Balance Sheet - Nonmajor Capital Projects Funds
December 31, 2006**

	Capital Improvement Reserve	Storm Drainage Utility	Total Nonmajor Capital Projects Funds
Assets			
Equity in pooled cash and cash equivalents	\$ 971,824	\$ 521,006	\$ 1,492,830
Receivables			
Accounts			
(net of allowance for uncollectibles)	1,844	59,539	61,383
Special assessments	541,697	59,866	601,563
Accrued interest	188,630	-	188,630
Due from other funds	-	20,820	20,820
Due from other governments	634		634
Prepaid items	-	-	-
Advances to other funds	214,316	-	214,316
Total assets	1,918,945	661,231	2,580,176
Liabilities and Fund Balances			
Liabilities			
Accounts payable	24,988	18,037	43,025
Accrued salaries, wages and benefits	-	861	861
Deferred revenue	629,664	59,866	689,530
Due to other funds	-	2,150	2,150
Due to other governments	-	132	132
Total liabilities	654,652	81,046	735,698
Fund Balances			
Reserved for encumbrances	-	374,146	374,146
Reserved for prepaid items		-	-
Reserved for advances	214,316	-	214,316
Unreserved - undesignated	1,049,977	206,039	1,256,016
Total fund balances	1,264,293	580,185	1,844,478
Total liabilities and fund balances	\$ 1,918,945	\$ 661,231	\$ 2,580,176

City of Cuyahoga Falls, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds For the Year Ended December 31, 2006

	Capital Improvement Reserve	Storm Drainage Utility	Total Nonmajor Capital Projects Funds
Revenues			
Charges for services	\$ -	\$ 734,270	\$ 734,270
Interest earnings	1,736,272	-	1,736,272
Special assessments	103,597	1,555	105,152
Other	55,856	-	55,856
Total revenues	<u>1,895,725</u>	<u>735,825</u>	<u>2,631,550</u>
Expenditures			
Current			
General government	25,193	-	25,193
Capital outlay	-	723,453	723,453
Total expenditures	<u>25,193</u>	<u>723,453</u>	<u>748,646</u>
Excess (deficiency) of revenues over (under) expenditures	1,870,532	12,372	1,882,904
Other Financing Sources (Uses)			
Transfers out	(2,200,000)	-	(2,200,000)
Total other financing sources (uses)	<u>(2,200,000)</u>	<u>-</u>	<u>(2,200,000)</u>
Net change in fund balances	(329,468)	12,372	(317,096)
Fund balance at beginning of year	1,593,761	568,209	2,161,970
Change in reserve for prepaid items	-	(396)	(396)
Fund balance at end of year	<u>\$ 1,264,293</u>	<u>\$ 580,185</u>	<u>\$ 1,844,478</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - State Highway Improvement Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State levied shared taxes	\$ 134,400	\$ 144,900	\$ 145,392	\$ 492
Total revenues	134,400	144,900	145,392	492
Expenditures				
Current				
Street maintenance				
Other operations	134,400	134,400	134,400	-
Total expenditures	134,400	134,400	134,400	-
Excess (deficiency) of revenues over (under) expenditures	-	10,500	10,992	492
Net change in fund balances	-	10,500	10,992	492
Fund balance at beginning of year	6,206	6,206	6,206	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 6,206</u>	<u>\$ 16,706</u>	<u>\$ 17,198</u>	<u>\$ 492</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Street Construction, Maintenance and Repair Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State levied shared taxes	\$ 1,644,500	\$ 1,804,500	\$ 1,797,213	\$ (7,287)
Fees, licenses, and permits	445,600	495,600	498,148	2,548
Other	4,000	4,000	20,690	16,690
Total revenues	2,094,100	2,304,100	2,316,051	11,951
Expenditures				
Current				
Street maintenance				
Personal services	2,504,710	2,364,710	2,265,104	99,606
Other operations	1,671,668	1,711,668	1,500,846	210,822
Total expenditures	4,176,378	4,076,378	3,765,950	310,428
Excess (deficiency) of revenues over (under) expenditures	(2,082,278)	(1,772,278)	(1,449,899)	322,379
Other Financing Sources (Uses)				
Transfers in	1,760,000	1,510,000	1,500,000	(10,000)
Total other financing sources (uses)	1,760,000	1,510,000	1,500,000	(10,000)
Net change in fund balances	(322,278)	(262,278)	50,101	312,379
Fund balance at beginning of year	93,648	93,648	93,648	-
Prior year encumbrances appropriated	234,579	234,579	234,579	-
Fund balance at end of year	\$ 5,949	\$ 65,949	\$ 378,328	\$ 312,379

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Police Pension Fund
For the Year Ended December 31, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 295,103	\$ 295,103	\$ 296,476	\$ 1,373
Other local taxes	145	145	119	(26)
State levied shared taxes	28,860	28,860	28,863	3
Total revenues	324,108	324,108	325,458	1,350
Expenditures				
Current				
Security of persons and property				
Personal services	1,104,336	1,064,331	1,055,216	9,115
Other operations	4,200	4,205	4,202	3
Total expenditures	1,108,536	1,068,536	1,059,418	9,118
Excess (deficiency) of revenues over (under) expenditures	(784,428)	(744,428)	(733,960)	10,468
Other Financing Sources (Uses)				
Transfers in	778,000	778,000	778,000	-
Total other financing sources (uses)	778,000	778,000	778,000	-
Net change in fund balances	(6,428)	33,572	44,040	10,468
Fund balance at beginning of year	63,290	63,290	63,290	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 56,862	\$ 96,862	\$ 107,330	\$ 10,468

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Fire Pension Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 295,103	\$ 295,103	\$ 296,476	\$ 1,373
Other local taxes	145	145	119	(26)
State levied shared taxes	28,860	28,860	28,863	3
Total revenues	324,108	324,108	325,458	1,350
Expenditures				
Current				
Security of persons and property				
Personal services	1,334,200	1,314,195	1,294,274	19,921
Other operations	4,200	4,205	4,202	3
Total expenditures	1,338,400	1,318,400	1,298,476	19,924
Excess (deficiency) of revenues over (under) expenditures	(1,014,292)	(994,292)	(973,018)	21,274
Other Financing Sources (Uses)				
Transfers in	1,022,780	1,002,000	1,002,000	-
Total other financing sources (uses)	1,022,780	1,002,000	1,002,000	-
Net change in fund balances	8,488	7,708	28,982	21,274
Fund balance at beginning of year	13,245	13,245	13,245	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 21,733	\$ 20,953	\$ 42,227	\$ 21,274

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Recreation Levy Fund
For the Year Ended December 31, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	-	12,000	12,358	358
Total revenues	-	12,000	12,358	358
Expenditures				
Current				
Leisure time activities				
Other operations	109,521	88,951	77,813	11,138
Capital outlay	15,535	36,105	35,815	290
Total - leisure time activities	125,056	125,056	113,628	11,428
Debt service				
Principal	274,527	274,527	274,526	1
Interest	216,488	216,488	216,487	1
Total expenditures	616,071	616,071	604,641	11,430
Excess (deficiency) of revenues over (under) expenditures	(616,071)	(604,071)	(592,283)	11,788
Other Financing Sources (Uses)				
Transfers in	1,356,637	1,316,637	1,316,637	-
Transfers out	(750,000)	(750,000)	(750,000)	-
Advances out	-	-	-	-
Total other financing sources (uses)	606,637	566,637	566,637	-
Net change in fund balances	(9,434)	(37,434)	(25,646)	11,788
Fund balance at beginning of year	36,945	36,945	36,945	-
Prior year encumbrances appropriated	24,908	24,908	24,908	-
Fund balance at end of year	\$ 52,419	\$ 24,419	\$ 36,207	\$ 11,788

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Permissive Tax Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State levied shared taxes	\$ 220,000	\$ 215,000	\$ 215,000	\$ -
Total revenues	220,000	215,000	215,000	-
Expenditures				
Current				
Capital outlay	220,000	215,000	215,000	-
Total expenditures	220,000	215,000	215,000	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance at beginning of year	2	2	2	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 2	\$ 2	\$ 2	\$ -

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Court Special Projects Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, licenses, and permits	\$ 260,000	\$ 410,000	\$ 416,218	\$ 6,218
Total revenues	260,000	410,000	416,218	6,218
Expenditures				
Current				
General government				
Other operations	580,000	580,000	20,000	560,000
Capital outlay	20,000	20,000	-	20,000
Total expenditures	600,000	600,000	20,000	580,000
Excess (deficiency) of revenues over (under) expenditures	(340,000)	(190,000)	396,218	586,218
Net change in fund balances	(340,000)	(190,000)	396,218	586,218
Fund balance at beginning of year	645,038	645,038	645,038	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 305,038</u>	<u>\$ 455,038</u>	<u>\$ 1,041,256</u>	<u>\$ 586,218</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Community and Economic Development Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ -	\$ -	\$ 2	\$ 2
Total Revenues	-	-	2	2
Expenditures				
Current				
Community environment				
Other operations	2,401	2,401	-	2,401
Total expenditures	2,401	2,401	-	2,401
Excess (deficiency) of revenues over (under) expenditures	(2,401)	(2,401)	2	2,403
Net change in fund balances	(2,401)	(2,401)	2	2,403
Fund balance at beginning of year	2,401	2,401	2,401	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 2,403	\$ 2,403

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Community Development Block
Grant Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 1,097,011	\$ 625,511	\$ 629,749	4,238
Other	30,800	135,300	141,153	5,853
Total revenues	1,127,811	760,811	770,902	10,091
Expenditures				
Current				
Community environment				
Personal services	70,096	70,496	70,488	8
Other operations	703,262	622,862	597,076	25,786
Capital outlay	326,156	126,156	52,783	73,373
Total expenditures	1,099,514	819,514	720,347	99,167
Excess (deficiency) of revenues over (under) expenditures	28,297	(58,703)	50,555	109,258
Net change in fund balances	28,297	(58,703)	50,555	109,258
Fund balance at beginning of year	209,991	209,991	209,991	-
Prior year encumbrances appropriated	83,818	83,818	83,818	-
Fund balance at end of year	<u>\$ 322,106</u>	<u>\$ 235,106</u>	<u>\$ 344,364</u>	<u>\$ 109,258</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Probation Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, licenses, and permits	\$ 80,000	\$ 195,000	\$ 199,886	\$ 4,886
Total revenues	80,000	195,000	199,886	4,886
Expenditures				
Current				
Security of persons and property				
Other operations	100,000	140,000	122,291	17,709
Total expenditures	100,000	140,000	122,291	17,709
Excess (deficiency) of revenues over (under) expenditures	(20,000)	55,000	77,595	22,595
Other Financing Sources (Uses)				
Transfers out	-	(25,000)	(25,000)	-
Total other financing sources (uses)	-	(25,000)	(25,000)	-
Net change in fund balances	(20,000)	30,000	52,595	22,595
Fund balance at beginning of year	53,986	53,986	53,986	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 33,986	\$ 83,986	\$ 106,581	\$ 22,595

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Zone/Community
Reinvestment Area Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, licenses, and permits	\$ 2,500	\$ 3,250	\$ 3,282	\$ 32
Other	-	1,700	2,202	502
Total revenues	<u>2,500</u>	<u>4,950</u>	<u>5,484</u>	<u>534</u>
Expenditures				
Current				
Community environment				
Other operations	2,600	2,600	2,238	362
Total expenditures	<u>2,600</u>	<u>2,600</u>	<u>2,238</u>	<u>362</u>
Excess (deficiency) of revenues over (under) expenditures	(100)	2,350	3,246	896
Net change in fund balances	(100)	2,350	3,246	896
Fund balance at beginning of year	8,339	8,339	8,339	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 8,239</u>	<u>\$ 10,689</u>	<u>\$ 11,585</u>	<u>\$ 896</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Suspended License Intervention Program Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, licenses, and permits	\$ 25,000	\$ 14,650	\$ 14,650	\$ -
Total revenues	25,000	14,650	14,650	-
Expenditures				
Current				
General government				
Other operations	20,000	20,000	-	20,000
Total expenditures	20,000	20,000	-	20,000
Excess (deficiency) of revenues over (under) expenditures	5,000	(5,350)	14,650	20,000
Net change in fund balances	5,000	(5,350)	14,650	20,000
Fund balance at beginning of year	29,028	29,028	29,028	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 34,028	\$ 23,678	\$ 43,678	\$ 20,000

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Drug Law Enforcement Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 15,000	\$ 23,500	\$ 23,540	\$ 40
Total revenues	15,000	23,500	23,540	40
Expenditures				
Current				
Security of persons and property				
Other operations	59,505	78,505	34,681	43,824
Capital outlay	19,000	-	13,000	(13,000)
Total expenditures	78,505	78,505	47,681	30,824
Excess (deficiency) of revenues over (under) expenditures	(63,505)	(55,005)	(24,141)	30,864
Net change in fund balances	(63,505)	(55,005)	(24,141)	30,864
Fund balance at beginning of year	75,522	75,522	75,522	-
Prior year encumbrances appropriated	525	525	525	-
Fund balance at end of year	<u>\$ 12,542</u>	<u>\$ 21,042</u>	<u>\$ 51,906</u>	<u>\$ 30,864</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Law Enforcement Trust Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 4,000	\$ 11,000	\$ 11,462	\$ 462
Total revenues	4,000	11,000	11,462	462
Expenditures				
Current				
Security of persons and property				
Other operations	16,500	11,500	4,877	6,623
Total expenditures	16,500	11,500	4,877	6,623
Excess (deficiency) of revenues over (under) expenditures	(12,500)	(500)	6,585	7,085
Net change in fund balances	(12,500)	(500)	6,585	7,085
Fund balance at beginning of year	60,998	60,998	60,998	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 48,498	\$ 60,498	\$ 67,583	\$ 7,085

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Indigent Drivers Alcohol
Treatment Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 48,000	\$ 55,500	\$ 55,563	\$ 63
Total revenues	48,000	55,500	55,563	63
Expenditures				
Current				
Security of persons and property				
Other operations	600,000	-	-	-
Total expenditures	600,000	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(552,000)	55,500	55,563	63
Net change in fund balances	(552,000)	55,500	55,563	63
Fund balance at beginning of year	588,377	588,377	588,377	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 36,377</u>	<u>\$ 643,877</u>	<u>\$ 643,940</u>	<u>\$ 63</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Enforcement and Education Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 5,500	\$ 7,500	\$ 7,987	\$ 487
Other	3,500	5,500	5,740	240
Total revenues	9,000	13,000	13,727	727
Expenditures				
Current				
Security of persons and property				
Other operations	5,000	5,000	-	5,000
Total expenditures	5,000	5,000	-	5,000
Excess (deficiency) of revenues over (under) expenditures	4,000	8,000	13,727	5,727
Net change in fund balances	4,000	8,000	13,727	5,727
Fund balance at beginning of year	24,587	24,587	24,587	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 28,587	\$ 32,587	\$ 38,314	\$ 5,727

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Municipal Motor Vehicle License
Tax Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State levied shared taxes	\$ 110,000	\$ 110,000	\$ 107,415	\$ (2,585)
Total revenues	110,000	110,000	107,415	(2,585)
Expenditures				
Current				
Street maintenance				
Other operations	110,000	110,000	107,000	3,000
Total expenditures	110,000	110,000	107,000	3,000
Excess (deficiency) of revenues over (under) expenditures	-	-	415	415
Net change in fund balances	-	-	415	415
Fund balance at beginning of year	9	9	9	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 424</u>	<u>\$ 415</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Court Computer Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 147,000	\$ 153,000	\$ 153,139	\$ 139
Total revenues	147,000	153,000	153,139	139
Expenditures				
Current				
General government				
Other operations	252,853	252,852	86,999	165,853
Capital outlay	30,000	30,000	-	30,000
Total expenditures	282,853	282,852	86,999	195,853
Excess (deficiency) of revenues over (under) expenditures	(135,853)	(129,852)	66,140	195,992
Net change in fund balances	(135,853)	(129,852)	66,140	195,992
Fund balance at beginning of year	187,897	187,897	187,897	-
Prior year encumbrances appropriated	2,853	2,853	2,853	-
Fund balance at end of year	\$ 54,897	\$ 60,898	\$ 256,890	\$ 195,992

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Federal Law Enforcement Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest earnings	-	-	3,156	3,156
Total revenues	-	-	3,156	3,156
Expenditures				
Current				
Security of persons and property				
Other operations	28,132	13,132	5,491	7,641
Total expenditures	28,132	13,132	5,491	7,641
Excess (deficiency) of revenues over (under) expenditures	(28,132)	(13,132)	(2,335)	10,797
Net change in fund balances	(28,132)	(13,132)	(2,335)	10,797
Fund balance at beginning of year	67,524	67,524	67,524	-
Prior year encumbrances appropriated	1,632	1,632	1,632	-
Fund balance at end of year	<u>\$ 41,024</u>	<u>\$ 56,024</u>	<u>\$ 66,821</u>	<u>\$ 10,797</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - FEMA Public Assistance Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 102,136	\$ 23,436	\$ 23,434	\$ (2)
Total revenues	102,136	23,436	23,434	(2)
Excess (deficiency) of revenues				
over (under) expenditures	102,136	23,436	23,434	(2)
Other Financing Sources (Uses)				
Transfers out	(102,136)	-	-	-
Total other financing sources (uses)	(102,136)	-	-	-
Net change in fund balances	-	23,436	23,434	(2)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ -	\$ 23,436	\$ 23,434	\$ (2)

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest earnings	\$ 9,000	\$ 12,500	\$ 16,854	\$ 4,354
Special Assessments	85,775	95,274	95,336	62
Total revenues	94,775	107,774	112,190	4,416
Expenditures				
Current				
General government				
Other operations	500	500	3	497
Total - general government	500	500	3	497
Debt service				
Principal	656,880	656,880	656,879	1
Interest	198,291	198,291	198,290	1
Total expenditures	855,671	855,671	855,172	499
Excess (deficiency) of revenues over (under) expenditures	(760,896)	(747,897)	(742,982)	4,915
Other Financing Sources (Uses)				
Transfers in	700,000	700,000	700,000	-
Total other financing sources (uses)	700,000	700,000	700,000	-
Net change in fund balances	(60,896)	(47,897)	(42,982)	4,915
Fund balance at beginning of year	66,071	66,071	66,071	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 5,175	\$ 18,174	\$ 23,089	\$ 4,915

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Improvement Reserve Fund For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest earnings	\$ 1,400,000	\$ 1,400,000	\$ 1,655,595	\$ 255,595
Special assessments	103,873	103,873	103,597	(276)
Other	80,000	68,000	68,065	65
Total revenues	1,583,873	1,571,873	1,827,257	255,384
Expenditures				
Current				
General government				
Other operations	32,000	32,000	25,301	6,699
Total expenditures	32,000	32,000	25,301	6,699
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,551,873	1,539,873	1,801,956	262,083
Other Financing Sources (Uses)				
Transfers out	(2,200,000)	(2,200,000)	(2,200,000)	-
Total other financing sources (uses)	(2,200,000)	(2,200,000)	(2,200,000)	-
Net change in fund balances	(648,127)	(660,127)	(398,044)	262,083
Fund balance at beginning of year	1,369,868	1,369,868	1,369,868	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 721,741	\$ 709,741	\$ 971,824	\$ 262,083

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Storm Drainage Utility Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 670,000	\$ 689,500	\$ 711,931	\$ 22,431
Special assessments	1,948	1,948	1,555	(393)
Total revenues	<u>671,948</u>	<u>691,448</u>	<u>713,486</u>	<u>22,038</u>
Expenditures				
Current				
Capital outlay				
Personal services	62,684	63,184	63,128	56
Capital outlay	1,068,496	1,126,496	1,125,438	1,058
Total expenditures	<u>1,131,180</u>	<u>1,189,680</u>	<u>1,188,566</u>	<u>1,114</u>
Excess (deficiency) of revenues over (under) expenditures	(459,232)	(498,232)	(475,080)	23,152
Net change in fund balances	(459,232)	(498,232)	(475,080)	23,152
Fund balance at beginning of year	150,679	150,679	150,679	-
Prior year encumbrances appropriated	449,296	449,296	449,296	-
Fund balance at end of year	<u>\$ 140,743</u>	<u>\$ 101,743</u>	<u>\$ 124,895</u>	<u>\$ 23,152</u>

Internal Service Funds

Internal Service Funds	To account for the financing of goods or services provided by one department of the City to other departments of the City on a cost reimbursement basis.
Garage	To account for the cost of maintenance facility for automotive equipment used by various City departments. The costs of services provided are billed to the various user departments.
Office Supply	To account for the cost of central purchasing of office supplies and custodial products used by various City departments.
Information Services	To account for the maintenance and support of information technology to various City departments. The actual costs of services are reimbursed to this fund by the user departments.
Self-Insurance	To account for the cost of medical benefits and life insurance provided to the City's employees.
Workers' Compensation	To account for the cost of workers' compensation claims and administrative costs incurred by City employees.
Compensated Absences	To accumulate sums sufficient to defray anticipated employee benefit payments.

**Combining Statement of Net Assets - Governmental Activities Internal Service Funds
December 31, 2006**

	<u>Garage</u>	<u>Office Supply</u>	<u>Information Services</u>	<u>Self Insurance</u>
Assets				
Current Assets				
Equity in pooled cash and cash equivalents	\$ 95,529	\$ 16,385	\$ 6,799	\$ 240,538
Receivables				
Accounts				
(net of allowance for uncollectibles)	-	-	-	43,917
Due from other funds	-	-	-	987,992
Inventory of supplies	496,986	1,625	-	-
Prepaid items	2,637	-	1,024	13,099
Total current assets	<u>595,152</u>	<u>18,010</u>	<u>7,823</u>	<u>1,285,546</u>
Noncurrent Assets				
Capital Assets				
Land	21,960	-	-	-
Buildings	105,958	-	132,858	-
Improvements other than buildings	260,029	-	-	-
Equipment	313,660	-	1,877,377	-
Less: Accumulated depreciation	(613,418)	-	(1,415,743)	-
Total noncurrent assets	<u>88,189</u>	<u>-</u>	<u>594,492</u>	<u>-</u>
Total assets	<u><u>683,341</u></u>	<u><u>18,010</u></u>	<u><u>602,315</u></u>	<u><u>1,285,546</u></u>
Liabilities				
Current Liabilities				
Accounts payable	76,658	5,285	168,191	59,569
Accrued salaries, wages and benefits	8,635	-	8,105	-
Accrued compensated absences	59,231	-	31,412	-
Due to other funds	23,140	-	10,322	-
Due to other governments	1,307	-	1,229	-
Claims and judgments payable	-	-	-	1,225,977
Total current liabilities	<u>168,971</u>	<u>5,285</u>	<u>219,259</u>	<u>1,285,546</u>
Noncurrent Liabilities				
Accrued compensated absences	69,681	-	79,002	-
Claims and judgments payable	-	-	-	-
Total Noncurrent Liabilities	<u>69,681</u>	<u>-</u>	<u>79,002</u>	<u>-</u>
Total liabilities	<u><u>238,652</u></u>	<u><u>5,285</u></u>	<u><u>298,261</u></u>	<u><u>1,285,546</u></u>
Net Assets				
Invested in capital assets, net of related debt	88,189	-	594,492	-
Unrestricted	356,500	12,725	(290,438)	-
Total net assets	<u><u>444,689</u></u>	<u><u>12,725</u></u>	<u><u>304,054</u></u>	<u><u>-</u></u>

City of Cuyahoga Falls, Ohio

Combining Statement of Net Assets - Governmental Activities Internal Service Funds December 31, 2006

(Continued)

	<u>Workers'</u> <u>Compensation</u>	<u>Compensated</u> <u>Absences</u>	<u>Total</u>
Assets			
Current Assets			
Equity in pooled cash and cash equivalents	\$ 3,851,014	\$ 1,190	\$ 4,211,455
Receivables			
Accounts			
(net of allowance for uncollectibles)	-	-	43,917
Due from other funds	-	-	987,992
Inventory of supplies	-	-	498,611
Prepaid items	-	-	16,760
Total current assets	<u>3,851,014</u>	<u>1,190</u>	<u>5,758,735</u>
Noncurrent Assets			
Capital Assets			
Land	-	-	21,960
Buildings	-	-	238,816
Improvements other than buildings	-	-	260,029
Equipment	-	-	2,191,037
Less: Accumulated depreciation	-	-	(2,029,161)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>682,681</u>
Total assets	<u>3,851,014</u>	<u>1,190</u>	<u>6,441,416</u>
Liabilities			
Current Liabilities			
Accounts payable	4,820	-	314,523
Accrued salaries, wages and benefits	-	-	16,740
Accrued compensated absences	-	-	90,643
Due to other funds	-	-	33,462
Due to other governments	254,372	-	256,908
Claims and judgments payable	259,824	-	1,485,801
Total current liabilities	<u>519,016</u>	<u>-</u>	<u>2,198,077</u>
Noncurrent Liabilities			
Accrued compensated absences	-	-	148,683
Claims and judgments payable	707,403	-	707,403
Total Noncurrent Liabilities	<u>707,403</u>	<u>-</u>	<u>856,086</u>
Total liabilities	<u>1,226,419</u>	<u>-</u>	<u>3,054,163</u>
Net Assets			
Invested in capital assets, net of related debt	-	-	682,681
Unrestricted	2,624,595	1,190	2,704,572
Total net assets	<u>2,624,595</u>	<u>1,190</u>	<u>3,387,253</u>

**Combining Statement of Revenues, Expenses and Changes in Net Assets -
Governmental Activities Internal Service Funds
For the Year Ended December 31, 2006**

	<u>Garage</u>	<u>Office Supply</u>	<u>Information Services</u>	<u>Self- Insurance</u>
Operating revenues				
Charges for services	\$ 1,928,327	\$ 71,852	\$ 1,049,329	\$ 6,138,248
Other	3,861	-	10,131	85,614
Total operating revenues	<u>1,932,188</u>	<u>71,852</u>	<u>1,059,460</u>	<u>6,223,862</u>
Operating Expenses				
Personal services	458,962	-	423,241	-
Fringe benefits	166,310	-	142,342	6,159,914
Materials and supplies	894,041	74,181	6,460	-
Utilities	21,396	-	6,785	-
Contractual services	18,996	-	119,942	38,153
Internal charges	139,519	340	24,560	-
Other	228,923	-	128,979	25,795
Depreciation	16,075	-	134,977	-
Total operating expenses	<u>1,944,222</u>	<u>74,521</u>	<u>987,286</u>	<u>6,223,862</u>
Net income (loss) from operations	<u>(12,034)</u>	<u>(2,669)</u>	<u>72,174</u>	<u>-</u>
Nonoperating Revenues (Expenses)				
Interest revenue	-	-	-	-
Gain from disposal of capital assets	1,300	-	-	-
Total nonoperating revenues (expenses)	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>(10,734)</u>	<u>(2,669)</u>	<u>72,174</u>	<u>-</u>
Changes in net assets	<u>(10,734)</u>	<u>(2,669)</u>	<u>72,174</u>	<u>-</u>
Total net assets - beginning	455,423	15,394	231,880	-
Total net assets - ending	<u>\$ 444,689</u>	<u>\$ 12,725</u>	<u>\$ 304,054</u>	<u>\$ -</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Revenues, Expenses and Changes in Net Assets - Governmental Activities Internal Service Funds For the Year Ended December 31, 2006

(Continued)

	Workers' Compensation	Compensated Absences	Total
Operating revenues			
Charges for services	\$ -	\$ 420,000	\$ 9,607,756
Other	17,182	-	116,788
Total operating revenues	<u>17,182</u>	<u>420,000</u>	<u>9,724,544</u>
Operating Expenses			
Personal services	390	423,227	1,305,820
Fringe benefits	455,589	-	6,924,155
Materials and supplies	-	-	974,682
Utilities	-	-	28,181
Contractual services	24,980	-	202,071
Internal charges	-	-	164,419
Other	75,795	-	459,492
Depreciation	-	-	151,052
Total operating expenses	<u>556,754</u>	<u>423,227</u>	<u>10,209,872</u>
Net income (loss) from operations	<u>(539,572)</u>	<u>(3,227)</u>	<u>(485,328)</u>
Nonoperating Revenues (Expenses)			
Interest revenue	192,713	-	192,713
Gain from disposal of capital assets	-	-	1,300
Total nonoperating revenues (expenses)	<u>192,713</u>	<u>-</u>	<u>194,013</u>
Income (loss) before contributions and transfers	<u>(346,859)</u>	<u>(3,227)</u>	<u>(291,315)</u>
Changes in net assets	<u>(346,859)</u>	<u>(3,227)</u>	<u>(291,315)</u>
Total net assets - beginning	2,971,454	4,417	3,678,568
Total net assets - ending	<u>\$ 2,624,595</u>	<u>\$ 1,190</u>	<u>\$ 3,387,253</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2006

	<u>Garage</u>	<u>Office Supply</u>	<u>Information Services</u>	<u>Self- Insurance</u>
Cash Flows From Operating Activities				
Activities				
Cash received from customers	\$ 1,932,287	\$ 71,852	\$ 1,059,460	\$ 6,100,370
Cash payments to employees for services	(457,348)	-	(422,751)	-
Cash payments to employees for benefits	(158,276)	-	(130,746)	(5,951,282)
Cash payments to suppliers for goods and services	<u>(1,345,549)</u>	<u>(81,109)</u>	<u>(286,122)</u>	<u>(51,908)</u>
Net cash provided by operating activities	(28,886)	(9,257)	219,841	97,180
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	(202)	-	(254,554)	-
Proceeds from the sale of capital assets	1,300	-	-	-
Net cash used in capital and related financing activities	1,098	-	(254,554)	-
Cash Flows From Investing Activities				
Interest revenue	-	-	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(27,788)	(9,257)	(34,713)	97,180
Cash and cash equivalents at beginning of year	<u>123,317</u>	<u>25,642</u>	<u>41,512</u>	<u>143,358</u>
Cash and cash equivalents at end of year	<u>\$ 95,529</u>	<u>\$ 16,385</u>	<u>\$ 6,799</u>	<u>\$ 240,538</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds (Continued) For the Year Ended December 31, 2006

	<u>Workers'</u> <u>Compensation</u>	<u>Compensated</u> <u>Absences</u>	<u>Totals</u>
Cash Flows From Operating Activities			
Activities			
Cash received from customers	\$ 17,182	\$ 420,000	\$ 9,601,151
Cash payments to employees for services	(390)	(423,227)	(1,303,716)
Cash payments to employees for benefits	(759,695)	-	(6,999,999)
Cash payments to suppliers for goods and services	<u>(102,405)</u>	<u>-</u>	<u>(1,867,093)</u>
Net cash provided by operating activities	(845,308)	(3,227)	(569,657)
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	-	-	(254,756)
Proceeds from the sale of capital assets	-	-	1,300
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(253,456)</u>
Cash Flows From Investing Activities			
Interest revenue	<u>192,713</u>	<u>-</u>	<u>192,713</u>
Net cash provided (used) by investing activities	<u>192,713</u>	<u>-</u>	<u>192,713</u>
Net increase (decrease) in cash and cash equivalents	(652,595)	(3,227)	(630,400)
Cash and cash equivalents at beginning of year	<u>4,503,609</u>	<u>4,417</u>	<u>4,841,855</u>
Cash and cash equivalents at end of year	<u>\$ 3,851,014</u>	<u>\$ 1,190</u>	<u>\$ 4,211,455</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds (Continued) For the Year Ended December 31, 2006

	Garage	Office Supply	Information Services	Self- Insurance
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:				
Operating income (loss)	\$ (12,034)	\$ (2,669)	\$ 72,174	\$ -
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:				
Depreciation	16,075	-	134,977	-
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:				
Receivables	98	-	-	(9,174)
Due from other funds	-	-	-	(128,758)
Due from other governments	1	-	-	14,440
Inventory of supplies	(18,700)	95	-	-
Prepaid items	10	-	8	5,349
Accounts payable				
- net of items affecting capital assets	(25,349)	(6,683)	596	59,569
Accrued salaries, wages and benefits	6,583	-	13,716	-
Due to other funds	4,175	-	(1,653)	-
Due to other governments	255	-	23	-
Claims payable	-	-	-	155,754
Total adjustments	(16,852)	(6,588)	147,667	97,180
Net cash provided operating activities	\$ (28,886)	\$ (9,257)	\$ 219,841	\$ 97,180

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds (Continued) For the Year Ended December 31, 2006

	<u>Workers'</u> <u>Compensation</u>	<u>Compensated</u> <u>Absences</u>	<u>Totals</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:			
Operating income (loss)	\$ (539,572)	\$ (3,227)	\$ (485,328)
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:			
Depreciation	-	-	151,052
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:			
Receivables	-	-	(9,076)
Due from other funds	-	-	(128,758)
Due from other governments	-	-	14,441
Inventory of supplies	-	-	(18,605)
Prepaid items	-	-	5,367
Accounts payable			
- net of items affecting capital assets	(1,630)	-	26,503
Accrued salaries, wages and benefits	-	-	20,299
Due to other funds	-	-	2,522
Due to other governments	(122,997)	-	(122,719)
Claims payable	(181,109)	-	(25,355)
Total adjustments	<u>(305,736)</u>	<u>-</u>	<u>(84,329)</u>
Net cash provided operating activities	<u>\$ (845,308)</u>	<u>\$ (3,227)</u>	<u>\$ (569,657)</u>

Fiduciary Funds – Agency Funds

Agency Funds	Trust and agency funds are established to account for assets received and held by the City acting in the capacity of an agent or custodian.
Treasury	To account for the employer's portion of costs for pension plans and Medicare.
Guarantee Deposits	To account for funds received from a contractor, developer or individual to ensure compliance with the ordinances of the City. Upon satisfactory completion of the project, the deposit is returned to the individual, developer or contractor.
Unclaimed Monies	To account for monies held by the City and Municipal Court pending identification of the individual or organization entitled to the money.
Employee Withholding	To account for amounts withheld from the payroll of the City's employees.
State Cases-Fines and Forfeitures	To account for the portion of Municipal Court fines and forfeitures forwarded to the City which must be remitted to the County Law Library Association.
Municipal Court	To account for fines and fees collected by the Cuyahoga Falls Municipal Court, which are required to be disbursed to various parties.

City of Cuyahoga Falls, Ohio

Combining Statement of Assets and Liabilities - Fiduciary Funds December 31, 2006

	Agency Funds						Totals
	Treasury	Guarantee Deposits	Unclaimed Monies	Employee Withholding	State Cases Fines and Forfeitures	Municipal Court	
Assets							
Current Assets							
Equity in pooled cash and cash equivalents	\$1,427,215	\$1,564,336	\$ 107,039	\$ 504,077	\$ 7,117	\$ -	\$3,609,784
Cash and cash equivalents - restricted	-	-	-	-	-	521,389	521,389
Due from other governments	128,436	13,492	-	-	1,474	-	143,402
Total assets	\$1,555,651	\$1,577,828	\$ 107,039	\$ 504,077	\$ 8,591	\$521,389	\$4,274,575
Liabilities							
Current Liabilities							
Due to other governments	1,555,651	240,352	-	457,355	8,591	374,674	2,636,623
Deposits held and due to others	-	1,337,476	107,039	46,722	-	146,715	1,637,952
Total liabilities	\$1,555,651	\$1,577,828	\$ 107,039	\$ 504,077	\$ 8,591	\$521,389	\$4,274,575

**Combining Statement of Changes in Assets and Liabilities - Fiduciary Funds
For the Year Ended December 31, 2006**

	<u>Agency Funds</u>						<u>Totals</u>
	<u>Treasury</u>	<u>Guarantee Deposits</u>	<u>Unclaimed Monies</u>	<u>Employee Withholding</u>	<u>State Cases Fines and Forfeitures</u>	<u>Municipal Court</u>	
Assets							
Balance January 1, 2006	\$ 1,493,678	\$ 1,570,305	\$ 96,486	\$ 507,951	\$ 3,152	\$ 482,655	\$ 4,154,227
Additions	5,487,452	784,585	10,553	10,872,194	16,027	7,244,287	24,415,098
Deletions	(5,425,479)	(777,062)	-	(10,876,068)	(10,588)	(7,205,553)	(24,294,750)
Balance December 31, 2006	<u>\$ 1,555,651</u>	<u>\$ 1,577,828</u>	<u>\$ 107,039</u>	<u>\$ 504,077</u>	<u>\$ 8,591</u>	<u>\$ 521,389</u>	<u>\$ 4,274,575</u>
Liabilities							
Balance January 1, 2006	1,493,678	1,570,305	96,486	507,951	3,152	482,655	4,154,227
Additions	5,487,452	784,585	10,553	10,872,194	16,027	7,244,287	24,415,098
Deletions	(5,425,479)	(777,062)	-	(10,876,068)	(10,588)	(7,205,553)	(24,294,750)
Balance December 31, 2006	<u>\$ 1,555,651</u>	<u>\$ 1,577,828</u>	<u>\$ 107,039</u>	<u>\$ 504,077</u>	<u>\$ 8,591</u>	<u>\$ 521,389</u>	<u>\$ 4,274,575</u>

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STATISTICAL SECTION

City of Cuyahoga Falls, Ohio

Statistical Section

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

Contents	Pages
<i>Financial Trends</i>	145 - 151
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	152 - 157
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	158 - 164
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	165 - 166
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	167 - 169
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Government activities				
Invested in capital assets, net of related debt	\$ 38,642,880	\$ 38,207,868	\$ 35,151,575	\$ 30,640,601
Restricted:				
Capital projects	8,267,486	4,765,286	5,095,610	4,117,322
Debt service	273,777	404,311	482,412	546,970
Special revenue	7,701,388	6,374,529	6,379,774	5,398,226
Permanent fund purpose:				
Nonexpendable - Cemetery Perpetual Care	206,323	206,449	191,864	184,222
Unrestricted	4,394,906	5,502,764	6,528,533	7,952,344
Total Governmental activities net assets	<u>59,486,760</u>	<u>55,461,207</u>	<u>53,829,768</u>	<u>48,839,685</u>
Business-type activities				
Invested in capital assets, net of related debt	38,436,367	35,582,143	34,362,869	30,900,161
Unrestricted	19,313,501	17,179,978	21,390,836	31,543,195
Total business-type activities net assets	<u>57,749,868</u>	<u>52,762,121</u>	<u>55,753,705</u>	<u>62,443,356</u>
Primary government				
Invested in capital assets, net of related debt	77,079,247	73,790,011	69,514,444	61,540,762
Restricted	16,448,974	11,750,575	12,149,660	10,246,740
Unrestricted	23,708,407	22,682,742	27,919,369	39,495,539
Total primary government net assets	<u>\$ 117,236,628</u>	<u>\$ 108,223,328</u>	<u>\$ 109,583,473</u>	<u>\$ 111,283,041</u>

City of Cuyahoga Falls, Ohio

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

	2006	2005	2004	2003
Program revenue				
<i>Governmental activities:</i>				
Charges for services:				
Security of persons and property	\$ 978,736	\$ 684,768	\$ 645,102	\$ 547,208
Leisure time activities	255,650	239,984	193,635	184,405
Community environment	130,823	167,069	176,127	34,171
Basic utility services	715,863	709,400	347,960	-
Street maintenance	582,229	539,573	520,780	638,256
General government	7,596,686	7,560,416	7,520,335	7,104,580
Interest and fiscal charges	-	-	-	-
Total charges for services	<u>10,259,987</u>	<u>9,901,210</u>	<u>9,403,939</u>	<u>8,508,620</u>
Operating grants & contributions:				
Security of persons and property	25,022	55,525	46,009	213,395
Community environment	697,364	795,079	34,028	-
Street maintenance	2,210,818	1,852,241	1,860,521	1,443,996
General government	34,564	-	159,891	177,677
Total operating grants & contributions	<u>2,967,768</u>	<u>2,702,845</u>	<u>2,100,449</u>	<u>1,835,068</u>
Capital grants & contributions:				
Security of persons and property	333,676	85,120	162,000	-
Leisure time activities	-	-	-	127,424
Basic utility services	56,075	5,346	-	-
Street maintenance	614,022	991,656	2,628,907	3,811,062
General government	-	-	-	250,000
Total capital grants & contributions	<u>1,003,773</u>	<u>1,082,122</u>	<u>2,790,907</u>	<u>4,188,486</u>
<i>Total governmental activities program revenue</i>	<u>14,231,528</u>	<u>13,686,177</u>	<u>14,295,295</u>	<u>14,532,174</u>
<i>Business-type activity:</i>				
Charges for service:				
Sewage and disposal	6,571,563	6,403,396	5,330,292	4,340,885
Water	5,165,054	5,091,414	4,689,048	4,215,436
Electric	35,085,559	31,513,528	27,223,637	26,452,239
Sanitation	3,853,452	3,876,815	3,831,498	3,424,697
Leisure time activities	5,427,157	5,054,198	3,675,022	2,953,458
Total charges for services	<u>56,102,785</u>	<u>51,939,351</u>	<u>44,749,497</u>	<u>41,386,715</u>
Operating Grants & Contributions:				
Electric	-	-	-	15,000
Sanitation	47,900	106,872	58,329	22,500
Total operating grants & contributions	<u>47,900</u>	<u>106,872</u>	<u>58,329</u>	<u>37,500</u>
Capital grants & contributions:				
Sewage and disposal	17,531	-	-	-
Leisure time activities	38,245	54,391	541,805	281,660
Total capital grants & contributions	<u>55,776</u>	<u>54,391</u>	<u>541,805</u>	<u>281,660</u>
<i>Total business-type activities</i>	<u>56,206,461</u>	<u>52,100,614</u>	<u>45,349,631</u>	<u>41,705,875</u>
Total primary government program revenue	<u>\$ 70,437,989</u>	<u>\$ 65,786,791</u>	<u>\$ 59,644,926</u>	<u>\$ 56,238,049</u>

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

(Continued)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses				
<i>Governmental activities:</i>				
Security of persons and property	22,964,331	21,496,125	20,192,572	19,216,910
Leisure time activities	2,582,070	2,760,272	3,314,284	2,775,912
Community environment	1,619,169	1,779,710	1,769,864	1,142,020
Basic utility services	295,879	234,855	373,625	-
Street maintenance	5,931,030	6,785,927	5,652,789	5,754,567
General government	10,153,078	10,302,655	9,702,519	9,420,819
Interest and fiscal charges	634,318	628,253	610,705	688,220
<i>Total governmental activities expenses</i>	<u>44,179,875</u>	<u>43,987,797</u>	<u>41,616,358</u>	<u>38,998,448</u>
<i>Business-type activity:</i>				
Sewage and disposal	5,262,109	5,502,949	5,573,901	4,689,987
Water	4,505,282	4,922,686	4,396,443	3,853,979
Electric	32,211,414	35,265,345	26,996,163	24,295,652
Sanitation	3,835,257	3,876,126	4,239,813	3,531,060
Leisure time activities	6,804,244	6,709,165	5,379,234	4,156,511
<i>Total business-type activities expenses</i>	<u>52,618,306</u>	<u>56,276,271</u>	<u>46,585,554</u>	<u>40,527,189</u>
Total primary government program expenses	<u>96,798,181</u>	<u>100,264,068</u>	<u>88,201,912</u>	<u>79,525,637</u>
Net (expense)/revenue				
Governmental activity	(29,948,347)	(30,301,620)	(27,321,063)	(24,466,274)
Business-type activity	3,588,155	(4,175,657)	(1,235,923)	1,178,686
Total primary government net expense	<u>\$ (26,360,192)</u>	<u>\$ (34,477,277)</u>	<u>\$ (28,556,986)</u>	<u>\$ (23,287,588)</u>
General revenues and other changes in net assets				
<i>Governmental activities</i>				
Property and other local taxes Levied for:				
General purposes	\$ 10,446,887	\$ 9,614,843	\$ 9,598,065	\$ 9,590,043
Special revenue	595,591	546,928	540,227	539,402
Income tax levied for:				
General purposes	11,082,744	10,660,150	11,522,505	10,476,451
Special revenue	1,414,743	1,360,797	1,470,156	1,337,347
Capital projects	5,186,801	4,989,241	5,389,618	4,903,052
Grants and entitlements not restricted to specific programs	4,571,615	4,891,355	4,872,500	4,615,712
Gain or (loss) on sale of capital assets	31,310	-	(742,563)	635,606
Investment earnings	2,043,801	1,053,818	390,583	684,416
Transfers	(1,399,592)	(1,184,073)	(729,945)	(799,024)
<i>Total governmental activities</i>	<u>33,973,900</u>	<u>31,933,059</u>	<u>32,311,146</u>	<u>31,983,005</u>
<i>Business-type activity</i>				
Gain or (loss) on sale of capital assets	-	-	(2,415,036)	16,755
Transfers	1,399,592	1,184,073	729,945	799,024
<i>Total Business-type activity</i>	<u>1,399,592</u>	<u>1,184,073</u>	<u>(1,685,091)</u>	<u>815,779</u>
Total primary government general revenue and other changes in net assets	<u>35,373,492</u>	<u>33,117,132</u>	<u>30,626,055</u>	<u>32,798,784</u>
Change in net assets				
Governmental Activities	4,025,553	1,631,439	4,990,083	7,516,731
Business Type Activities	4,987,747	(2,991,584)	(2,921,014)	1,994,465
Total primary government change in net assets	<u>\$ 9,013,300</u>	<u>\$ (1,360,145)</u>	<u>\$ 2,069,069</u>	<u>\$ 9,511,196</u>

City of Cuyahoga Falls, Ohio

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund					
Reserved	\$ 425,783	\$ 490,748	\$ 742,987	\$ 493,073	\$ 419,288
Unreserved	4,676,968	5,024,223	5,306,478	5,196,479	4,610,566
Total General Fund	<u>5,102,751</u>	<u>5,514,971</u>	<u>6,049,465</u>	<u>5,689,552</u>	<u>5,029,854</u>
All Other Governmental Funds					
Reserved	4,187,560	6,726,749	5,862,997	7,730,943	7,036,971
Unreserved, Undesignated, Reported In:					
Special Revenue Funds	4,073,889	2,921,274	2,879,045	-	1,697,196
Capital Projects Funds	(220,613)	(1,499,858)	(2,444,092)	-	576,786
Undesignated	-	-	-	(1,426,752)	-
Total All Other Governmental Funds	<u>8,040,836</u>	<u>8,148,165</u>	<u>6,297,950</u>	<u>6,304,191</u>	<u>9,310,953</u>
Total Governmental Funds	<u>\$ 13,143,587</u>	<u>\$ 13,663,136</u>	<u>\$ 12,347,415</u>	<u>\$ 11,993,743</u>	<u>\$ 14,340,807</u>

City of Cuyahoga Falls, Ohio

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

(Continued)

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
General Fund					
Reserved	\$ 446,273	\$ 416,840	\$ 380,535	\$ 367,179	\$ 390,595
Unreserved	5,694,929	4,433,064	4,894,841	3,208,792	2,546,709
Total General Fund	<u>6,141,202</u>	<u>4,849,904</u>	<u>5,275,376</u>	<u>3,575,971</u>	<u>2,937,304</u>
All Other Governmental Funds					
Reserved	8,127,151	7,247,628	6,171,244	6,828,374	6,533,902
Unreserved, Undesignated, Reported In:					
Special Revenue Funds	2,053,877	1,653,808	1,757,834	2,070,118	1,217,039
Capital Projects Funds	3,621,741	2,931,300	2,434,966	1,725,757	2,816,252
Undesignated	-	-	-	-	-
Total All Other Governmental Funds	<u>13,802,769</u>	<u>11,832,736</u>	<u>10,364,044</u>	<u>10,624,249</u>	<u>10,567,193</u>
Total Governmental Funds	<u>\$ 19,943,971</u>	<u>\$ 16,682,640</u>	<u>\$ 15,639,420</u>	<u>\$ 14,200,220</u>	<u>\$ 13,504,497</u>

City of Cuyahoga Falls, Ohio

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

	2006	2005	2004	2003	2002
Revenues					
Property taxes	10,870,777	\$ 10,028,515	\$ 9,936,391	\$ 9,568,965	\$ 8,770,443
Municipal income taxes	17,672,779	16,908,814	18,454,257	16,732,040	16,740,777
Other local taxes	141,586	138,864	239,972	245,331	164,012
State levied shared taxes	7,034,265	6,983,147	6,850,014	6,369,187	6,138,255
Intergovernmental	1,481,952	1,565,036	2,864,296	3,189,056	2,381,899
Charges for services	7,910,969	7,854,459	6,877,348	6,613,544	6,720,028
Fees, licenses, and permits	1,711,914	1,249,654	1,116,812	1,071,256	916,423
Interest earnings	1,762,970	1,547,004	365,308	656,629	974,023
Fines and forfeitures	368,506	441,608	393,252	353,640	443,491
Special assessments	308,244	312,840	358,450	262,204	261,172
Other	686,386	748,311	725,771	1,415,459	679,249
Total revenues	49,950,348	\$ 47,778,252	\$ 48,181,871	\$ 46,477,311	\$ 44,189,772
Expenditures					
Current					
Security of persons and property	21,125,740	\$ 20,017,544	\$ 19,063,751	\$ 18,122,227	\$ 18,269,597
Leisure time activities	2,360,444	2,745,067	3,055,510	2,943,074	2,551,463
Community environment	1,787,134	1,996,878	1,423,880	1,080,107	979,129
Street maintenance	3,779,794	4,478,915	4,374,161	4,297,980	3,647,130
General government	9,533,684	9,392,345	8,957,972	8,779,774	8,848,607
Capital outlay	9,626,509	5,139,395	8,650,586	11,477,250	12,785,685
Debt service					
Principal	970,431	998,006	969,599	846,300	881,660
Interest	704,293	687,090	619,404	688,237	691,267
Total expenditures	49,888,029	\$ 45,455,240	\$ 47,114,863	\$ 48,234,949	\$ 48,654,538
Excess (deficiency) of revenues over (under) expenditures	\$ 62,319	\$ 2,323,012	\$ 1,067,008	\$ (1,757,638)	\$ (4,464,766)
Other financing sources (uses)					
Bond Note proceeds	-	-	4,382,963	-	-
Premium on various purpose refunding bonds	-	-	49,654	-	-
Payment to bond escrow account	-	-	(4,355,330)	-	-
Refunding bond issuance cost	-	-	(68,002)	-	-
Capital lease	768,740	-	-	-	227,851
Transfers in	22,548,956	22,441,447	24,043,778	22,035,165	21,441,142
Transfers out	(23,948,548)	(23,625,520)	(24,773,723)	(22,834,189)	(22,215,294)
Total other financing sources (uses)	(630,852)	(1,184,073)	(720,660)	(799,024)	(546,301)
Net change in fund balance	\$ (568,533)	\$ 1,138,939	\$ 346,348	\$ (2,556,662)	\$ (5,011,067)
Debt service as a percentage of noncapital expenditures	4.2%	4.2%	4.1%	4.2%	4.4%

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

(Continued)

	2001	2000	1999	1998	1997
Revenues					
Property taxes	\$ 9,087,091	\$ 8,567,797	\$ 7,714,820	\$ 8,031,254	\$ 7,857,144
Municipal income taxes	16,191,625	15,820,981	16,156,494	14,500,651	13,446,137
Other local taxes	293,502	199,866	194,272	298,904	198,924
State levied shared taxes	6,590,819	6,549,177	6,131,671	6,060,321	5,237,468
Intergovernmental	2,821,042	748,440	1,360,746	268,258	2,281,223
Charges for services	6,664,641	6,255,286	5,567,613	4,486,240	4,035,989
Fees, licenses, and permits	1,064,874	871,507	856,187	806,471	799,855
Interest earnings	2,634,886	2,445,416	1,521,632	1,694,422	1,528,403
Fines and forfeitures	446,737	455,627	385,094	462,875	499,955
Special assessments	640,975	947,264	219,473	230,496	252,243
Other	372,271	313,143	326,587	782,317	279,666
Total revenues	\$ 46,808,463	\$ 43,174,504	\$ 40,434,589	\$ 37,622,209	\$ 36,417,007
Expenditures					
Current					
Security of persons and property	\$ 16,849,176	\$ 16,410,061	\$ 15,251,595	\$ 14,117,870	\$ 13,715,574
Leisure time activities	2,299,180	2,051,907	1,914,306	1,861,194	1,708,791
Community environment	1,025,487	954,197	835,905	983,711	839,459
Street maintenance	3,382,595	3,252,985	3,371,078	2,762,226	3,109,479
General government	8,643,427	7,512,854	7,130,996	6,918,540	6,578,689
Capital outlay	10,212,506	8,603,181	7,453,286	11,100,828	13,222,482
Debt service					
Principal	1,203,935	1,720,660	1,488,706	1,127,844	892,396
Interest	775,513	868,776	830,977	928,230	603,696
Total expenditures	\$ 44,391,819	\$ 41,374,621	\$ 38,276,849	\$ 39,800,443	\$ 40,670,566
Excess (deficiency) of revenues over (under) expenditures	\$ 2,416,644	\$ 1,799,883	\$ 2,157,740	\$ (2,178,234)	\$ (4,253,559)
Other financing sources (uses)					
Bond/Note proceeds	425,701	-	-	1,010,024	5,048,728
Premium on various purpose refunding bonds	-	-	-	-	-
Payment to bond escrow account	-	-	-	-	-
Refunding bond issuance cost	-	-	-	-	-
Capital lease	-	-	-	981,007	648,845
Transfers in	20,285,026	20,743,573	19,026,320	19,960,882	17,388,528
Transfers out	(21,054,546)	(21,501,883)	(19,713,950)	(20,590,582)	(17,998,838)
Total other financing sources (uses)	(343,819)	(758,310)	(687,630)	1,361,331	5,087,263
Net change in fund balance	\$ 2,072,825	\$ 1,041,573	\$ 1,470,110	\$ (816,903)	\$ 833,704
Debt service as a percentage of noncapital expenditures	5.8%	7.9%	7.5%	7.2%	5.5%

City of Cuyahoga Falls, Ohio

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

Collection Year	Real Property			Tangible Personal Property			
	Assessed Value		Estimated Actual Value	Public Utility		General Business	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2006	745,753,380	232,176,180	2,794,084,457	13,559,720	15,408,773	60,925,920	243,703,680
2005	689,316,530	224,896,090	2,612,036,057	16,099,970	18,295,420	82,276,185	329,104,740
2004	681,739,120	224,036,150	2,587,929,343	16,295,660	18,517,795	79,630,460	318,521,840
2003	678,655,350	221,984,610	2,573,257,029	17,072,190	19,400,216	85,154,613	340,618,452
2002	602,296,730	199,471,360	2,290,765,971	16,098,170	18,293,375	85,154,613	340,618,452
2001	593,378,980	191,387,940	2,242,094,943	20,564,700	23,368,977	88,901,960	355,607,840
2000	582,793,210	186,644,910	2,198,270,057	23,881,700	27,138,295	84,544,555	338,178,220
1999	512,712,720	174,556,020	1,963,500,400	23,682,270	26,911,670	82,647,099	330,588,396
1998	506,579,470	163,779,270	1,915,195,743	23,844,190	27,095,670	78,015,398	312,061,592
1997	498,179,920	161,096,860	1,883,647,943	24,102,670	27,389,398	71,362,159	285,448,636

Collection Year	Total			Tax Rate (per \$1,000 of Assessed Value)
	Assessed Value	Estimated Actual Value	Ratio	
2006	1,052,415,200	3,053,196,910	34.47%	\$ 11.00
2005	1,012,588,775	2,959,436,217	34.22%	\$ 11.00
2004	1,001,701,390	2,924,968,978	34.25%	\$ 11.00
2003	1,002,866,763	2,933,275,697	34.19%	\$ 11.00
2002	903,020,873	2,649,677,798	34.08%	\$ 11.00
2001	894,233,580	2,621,071,760	34.12%	\$ 11.00
2000	877,864,375	2,563,586,572	34.24%	\$ 11.00
1999	793,598,109	2,321,000,466	34.19%	\$ 11.00
1998	772,218,328	2,254,353,005	34.25%	\$ 12.00
1997	754,741,609	2,196,485,977	34.36%	\$ 12.00

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

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

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

Source: Summit County Fiscal Office

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Unvoted Millage										
Operating	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000
Voted Millage										
1989 Parks & Recreation Operating	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.0000	1.0000
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.5656	0.5665
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.7475	0.7366
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.0000	1.0000
Total Voted Millage	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.0000	1.0000
Total Voted Millage by Type of Property										
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.5656	0.5665
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.7475	0.7366
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.0000	1.0000
Total Millage	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	12.0000	12.0000
Overlapping Rates by Taxing District										
City School District	70.0000	62.0000	62.0000	61.9600	57.2300	57.2300	57.6300	57.8700	53.8300	53.9300
Residential/Agricultural Real	34.4061	28.4952	28.4944	28.3896	26.2353	26.2337	26.6148	29.5173	25.4822	25.5466
Commercial/Industrial and Public Utility Real	40.5120	33.5913	33.3647	33.1205	31.1405	31.1083	31.0994	33.5742	29.9130	29.7080
General Business and Public Utility Personal	70.0000	62.0000	62.0000	61.9600	57.2300	57.2300	57.6300	57.8700	53.8300	53.9300
Summit County	13.0700	13.0700	13.0700	13.0700	13.0700	13.0700	12.2700	12.2700	11.6500	11.3900
Residential/Agricultural Real	9.7591	10.3625	10.3883	10.3740	11.3338	11.3552	9.6652	10.4116	8.8805	8.5464
Commercial/Industrial and Public Utility Real	10.7717	11.0857	11.0729	10.9781	11.8607	11.9487	10.8513	11.3362	10.5567	10.1462
General Business and Public Utility Personal	13.0700	13.0700	13.0700	13.0700	13.0700	13.0700	12.2700	12.2700	11.6500	11.3900
Special Taxing Districts-Cuyahoga Falls Library	1.3000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Residential/Agricultural Real	1.2955	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	1.3000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	1.3000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Source: Summit County Fiscal Office

Note:

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

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

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

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio Principal Taxpayers - Real Estate Tax 2006 and 1997

<u>Name of Taxpayer</u>	<u>2006</u>	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Yorkshire Woods Apartments Ptrshp.	\$ 6,576,250	0.67%
Riverside Comm. Urban Redevelopment	4,915,410	0.50%
Newpart Ltd. Ptrshp.	3,450,780	0.35%
Plaza Chapel Hill, Co.	3,425,530	0.35%
Dayton Hudson Corporation	2,705,760	0.28%
Sams Real Estate Business Trust	2,632,720	0.27%
Inland Western Cuyahoga Falls LLC.	2,174,980	0.22%
HD Development of Maryland, Inc.	1,889,960	0.19%
Go Jo Industries, Inc.	1,786,950	0.19%
Commercial Net Lease Realty, Inc.	1,750,040	0.18%
Totals	\$ 31,308,380	3.20%
Total Assessed Valuation	\$ 977,929,560	

<u>Name of Taxpayer</u>	<u>1997</u>	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Newpart LP	\$ 6,488,738	0.98%
Dayton Hudson Corp. and Best Buy	4,893,000	0.74%
State Road Associates	4,374,143	0.66%
Portage Tower Investment	3,407,250	0.52%
Heslop, Inc.	3,401,125	0.52%
Yorkshire Woods Partnership	3,818,851	0.58%
Plaza Chapel Hill Co.	2,871,050	0.44%
Damar Limited Partnership	2,490,425	0.38%
532 Investment Co.	2,390,903	0.36%
Chateau Investment Co.	2,356,900	0.36%
Totals	\$ 36,492,385	5.54%
Total Assessed Valuation	\$ 659,276,780	

Source: Summit County Fiscal Office

(1) The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2006	10,906,413	10,555,764	96.8%	245,597	10,801,361	99.0%	435,846	4.0%
2005	10,236,024	9,912,456	96.8%	288,092	10,200,548	99.7%	427,563	4.2%
2004	10,142,306	9,783,327	96.5%	324,156	10,107,483	99.7%	481,059	4.7%
2003	10,094,685	9,679,219	95.9%	281,225	9,960,444	98.7%	558,517	5.5%
2002	8,996,444	8,702,236	96.7%	263,613	8,965,849	99.7%	420,818	4.7%
2001	8,879,828	8,337,458	93.9%	227,633	8,565,091	96.5%	629,025	7.1%
2000	8,736,019	8,479,687	97.1%	201,625	8,681,312	99.4%	335,465	3.8%
1999	7,762,075	7,552,558	97.3%	204,918	7,757,476	99.9%	281,338	3.6%
1998	8,054,733	7,826,491	97.2%	184,898	8,011,389	99.5%	348,509	4.3%
1997	7,960,459	7,745,412	97.3%	210,340	7,955,752	99.9%	308,559	3.9%

Source: Summit County Fiscal Officer

City of Cuyahoga Falls, Ohio

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

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

(1) Information prior to 1999 is not available.

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

Source: The City's Income Tax Department

City of Cuyahoga Falls, Ohio

**City of Cuyahoga Falls, Ohio
Ten Largest Municipal Income Tax Withholding Accounts
Tax Years 2006 and 1997**

Tax Year 2006

Taxpayers	Municipal Income Tax Withholding	Percent Of Income Tax Collections
City of Cuyahoga Falls	\$ 626,707	4.76%
Summa Health System Hospitals	\$ 621,517	4.72%
Cuyahoga Falls Board of Education	\$ 480,528	3.65%
Associated Materials Inc.	\$ 444,853	3.38%
GoJo Industries Inc.	\$ 437,389	3.32%
Americhem Inc.	\$ 280,881	2.13%
Woodridge Local School District	\$ 184,995	1.41%
Manufacturers Group	\$ 182,486	1.39%
Adecco USA Inc.	\$ 169,320	1.29%
Accuride Cuyahoga Falls Inc.	\$ 167,066	1.27%
Total	\$ 3,595,743	27.32%
Total Municipal Income Tax Collection	\$ 13,161,626.00	

Tax Year 1997

Taxpayers	Municipal Income Tax Withholding	Percent Of Income Tax Collections
Cuyahoga Falls General Hospital	\$ 450,614	4.39%
GoJo Industries	437,244	4.26%
Cuyahoga Falls Board of Education	400,133	3.90%
City of Cuyahoga Falls	395,962	3.86%
Alside	243,130	2.37%
Americhem	210,158	2.05%
SGS Tool Co.	192,282	1.87%
Jaite Packaging	157,452	1.54%
Prospect-Akromold	145,031	1.41%
Woodridge Local School District	120,869	1.19%
Total	2,752,875	26.84%
Total Municipal Income Tax Collection	\$ 10,256,890	

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

City of Cuyahoga Falls, Ohio

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Total Personal Income	Percentage of Personal Income	Population (1)	Per Capita	
	General Obligation Bonds	Special Assessment Bonds	Notes Payable	General Obligation Bonds	OPWC Loans	Notes Payable						
2006	8,657,164	419,390	4,650,000	23,616,369	-	21,300,000	58,642,923	1,708,817,948	3.43%	50,494	d	1,161
2005	9,466,081	541,878	6,700,000	25,373,273	-	21,300,000	63,381,232	1,639,944,132	3.86%	50,494	d	1,255
2004	10,232,398	660,707	7,400,000	27,056,437	-	18,300,000	63,649,542	1,569,987,250	4.05%	50,375	d	1,264
2003	10,551,301	775,878	8,250,000	20,160,676	-	18,300,000	58,037,855	1,508,429,000	3.85%	50,375	d	1,152
2002	11,209,467	886,171	4,300,000	21,400,527	8,134	5,300,000	43,104,299	1,478,248,160	2.92%	50,272	c	857
2001	11,849,796	985,244	750,000	22,534,435	24,042	-	36,143,517	1,416,984,426	2.55%	49,374	b	732
2000	12,473,824	676,439	1,735,000	18,324,521	39,483	4,775,000	38,024,267	1,381,336,398	2.75%	49,374	b	770
1999	13,077,319	789,195	1,735,000	19,242,579	54,471	675,000	35,573,564	1,330,020,450	2.67%	48,950	a	727
1998	13,650,127	899,512	-	20,078,287	69,020	-	34,696,946	1,276,273,350	2.72%	48,950	a	709
1997	13,142,937	1,041,390	-	13,246,270	83,142	4,000,000	31,513,739	1,225,267,450	2.57%	48,950	a	644

Sources:

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

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

Fiscal Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt Outstanding (3)	Ratio of Bonded Debt to Estimated True Value of Taxable Property	Bonded Debt per Capita
2006	50,494	d	3,053,196,910	8,657,164	0.28%	\$ 171
2005	50,494	d	2,959,436,217	9,466,081	0.32%	187
2004	50,375	d	2,924,968,978	10,232,398	0.35%	203
2003	50,375	d	2,933,275,697	10,551,301	0.36%	209
2002	50,272	c	2,649,677,798	11,209,467	0.42%	223
2001	49,374	b	2,621,071,760	11,849,796	0.45%	240
2000	49,374	b	2,563,586,572	12,473,824	0.49%	253
1999	48,950	a	2,321,000,466	13,077,319	0.56%	267
1998	48,950	a	2,254,353,005	13,650,127	0.61%	279
1997	48,950	a	2,196,485,977	13,142,937	0.60%	268

Sources:

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

City of Cuyahoga Falls, Ohio

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 110,503,596	\$ 106,321,821	\$ 105,456,447	\$ 104,720,974	\$ 94,817,192
Net debt within 10.5 % limitations	<u>8,634,075</u>	<u>9,399,996</u>	<u>10,176,113</u>	<u>18,745,045</u>	<u>15,455,805</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 101,869,521</u>	<u>\$ 96,921,825</u>	<u>\$ 95,280,334</u>	<u>\$ 85,975,929</u>	<u>\$ 79,361,387</u>
Total net debt applicable to the limit as a percentage of debt limit	7.81%	8.84%	9.65%	17.90%	16.30%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 57,882,836	\$ 55,692,383	\$ 55,239,091	\$ 54,853,844	\$ 49,666,148
Net debt within 5.5% limitations	<u>8,634,075</u>	<u>9,399,996</u>	<u>10,176,113</u>	<u>18,745,045</u>	<u>15,455,805</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 49,248,761</u>	<u>\$ 46,292,387</u>	<u>\$ 45,062,978</u>	<u>\$ 36,108,799</u>	<u>\$ 34,210,343</u>
Total net debt applicable to the limit as a percentage of debt limit	14.92%	16.88%	18.42%	34.17%	31.12%

Legal Debt Margin Calculation for Fiscal Year 2006

	Unvoted Margin <u>Within 5.5%</u>	Overall Margin <u>Within 10.5%</u>
Assessed property value	<u>\$ 1,052,415,200</u>	<u>\$ 1,052,415,200</u>
Overall debt limitation (% of assessed valuation)	\$ 57,882,836	\$ 110,503,596
Gross indebtedness	32,692,923	32,692,923
Less:		
(Self-supporting as defined in O.R.C. 133.05)		
General sewer and sanitary improvements	(3,210,486)	(3,210,486)
Water utility	(9,060,181)	(9,060,181)
Electric utility	(1,305,596)	(1,305,596)
Recreation facilities	(10,040,106)	(10,040,106)
Special assessment bonds	(419,390)	(419,390)
Debt Service Fund Balance	(23,089)	(23,089)
Net debt within limitations	<u>\$ 8,634,075</u>	<u>\$ 8,634,075</u>
Legal debt margin within limitations	<u>\$ 49,248,761</u>	<u>\$ 101,869,521</u>

Source: City's Financial Records

City of Cuyahoga Falls, Ohio

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

(Continued)

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 93,436,998	\$ 92,171,181	\$ 83,323,223	\$ 81,078,700	\$ 79,247,869
Net debt within 10.5 % limitations	<u>12,417,536</u>	<u>12,277,640</u>	<u>12,892,280</u>	<u>13,359,441</u>	<u>12,845,604</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 81,019,462</u>	<u>\$ 79,893,541</u>	<u>\$ 70,430,943</u>	<u>\$ 67,719,259</u>	<u>\$ 66,402,265</u>
Total net debt applicable to the limit as a percentage of debt limit	13.29%	13.32%	15.47%	16.48%	16.21%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 48,943,190	\$ 48,280,143	\$ 43,645,498	\$ 42,469,795	\$ 41,510,788
Net debt within 5.5% limitations	<u>12,417,536</u>	<u>12,277,640</u>	<u>12,892,280</u>	<u>13,359,441</u>	<u>12,845,604</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 36,525,654</u>	<u>\$ 36,002,503</u>	<u>\$ 30,753,218</u>	<u>\$ 29,110,354</u>	<u>\$ 28,665,184</u>
Total net debt applicable to the limit as a percentage of debt limit	25.37%	25.43%	29.54%	31.46%	30.95%

City of Cuyahoga Falls, Ohio

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

SEWAGE AND DISPOSAL FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1997	\$ 4,195,043	\$ 4,121,156	\$ 73,887	\$ -	\$ 59,500	\$ 59,500	1.24
1998	4,275,018	3,812,478	462,540	74,395	149,578	223,973	2.07
1999	5,405,172	4,198,092	1,207,080	159,114	209,657	368,771	3.27
2000	4,111,896	4,018,328	93,568	162,997	204,074	367,071	0.25
2001	4,839,820	3,611,191	1,228,629	172,206	197,977	370,183	3.32
2002	4,695,348	4,070,424	624,924	177,532	191,273	368,805	1.69
2003	4,428,348	4,489,359	(61,011)	193,655	184,352	378,007	(0.16)
2004	5,396,730	5,375,636	21,094	191,843	176,734	368,577	0.06
2005	6,513,205	5,287,553	1,225,652	199,833	168,778	368,611	3.33
2006	6,677,822	5,074,626	1,603,196	210,485	160,392	370,877	4.32

WATER FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1997	\$ 3,473,579	\$ 2,731,122	\$ 742,457	\$ -	\$ 52,889	\$ 52,889	14.04
1998	3,573,260	3,042,858	530,402	66,129	132,957	199,086	2.66
1999	5,099,136	3,284,575	1,814,561	236,094	301,752	537,846	3.37
2000	3,551,060	3,363,585	187,475	241,206	293,902	535,108	0.35
2001	4,373,731	3,662,806	710,925	254,374	285,208	539,582	1.32
2002	4,436,677	3,513,802	922,875	382,430	575,935	958,365	0.96
2003	4,215,436	3,566,424	649,012	459,514	485,973	945,487	0.69
2004	4,689,048	4,277,133	411,915	471,794	469,242	941,036	0.44
2005	5,091,414	4,831,739	259,675	488,877	450,342	939,219	0.28
2006	5,165,054	4,555,303	609,751	509,989	430,554	940,543	0.65

ELECTRIC FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1997	\$ 22,604,783	\$ 19,087,733	\$ 3,517,050	\$ 180,000	\$ 201,055	\$ 381,055	9.23
1998	25,026,429	21,152,014	3,874,415	190,000	188,125	378,125	10.25
1999	27,091,588	22,522,038	4,569,550	205,000	174,190	379,190	12.05
2000	26,699,348	22,378,133	4,321,215	215,000	159,210	374,210	11.55
2001	28,414,021	23,208,864	5,205,157	225,000	149,213	374,213	13.91
2002	28,587,331	23,260,776	5,326,555	240,000	138,525	378,525	14.07
2003	26,724,133	24,056,906	2,667,227	250,000	126,885	376,885	7.08
2004	27,654,847	26,756,251	898,596	265,000	114,510	379,510	2.37
2005	31,988,594	34,824,876	(2,836,282)	275,000	101,128	376,128	(7.54)
2006	35,623,778	32,112,410	3,511,368	290,000	87,240	377,240	9.31

Notes:

Debt Service requirements are reported on a cash basis.

Operating revenues and expenses are reported on a GAAP basis.

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

(Continued)

LEISURE TIME FUND								
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage	
				Principal	Interest	Total		
1997	\$ 2,457,632	\$ 2,537,248	\$ (79,616)	\$ 271,349	\$ 317,691	\$ 589,040	(0.14)	
1998	3,007,942	3,208,048	(200,106)	281,788	301,922	583,710	(0.34)	
1999	3,127,357	3,282,275	(154,918)	294,667	285,355	580,022	(0.27)	
2000	3,094,058	3,649,682	(555,624)	307,545	271,538	579,083	(0.96)	
2001	3,148,347	3,717,006	(568,659)	322,196	256,870	579,066	(0.98)	
2002	3,273,884	3,957,204	(683,320)	342,636	241,178	583,814	(1.17)	
2003	2,953,458	3,918,127	(964,669)	353,506	224,156	577,662	(1.67)	
2004	3,675,022	4,839,131	(1,164,109)	437,755	333,646	771,401	(1.51)	
2005	5,054,198	5,707,055	(652,857)	724,305	450,488	1,174,793	(0.56)	
2006	5,427,157	5,822,693	(395,536)	755,120	423,455	1,178,575	(0.34)	

Notes:

Debt Service requirements are reported on a cash basis.

Operating revenues and expenses are reported on a GAAP basis.

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio Computation of Direct and Overlapping Governmental Activities Debt December 31, 2006

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Applicable to City</u>
Direct - City of Cuyahoga Falls			
General Obligation Bonds	\$ 8,657,164	100.00%	\$ 8,657,164
Special Assessment Bonds	419,390	100.00%	419,390
Capital Leases	810,081	100.00%	810,081
General Obligation Notes	4,650,000	100.00%	4,650,000
Total Direct Debt	14,536,635		14,536,635
Overlapping			
School Districts			
Cuyahoga Falls City	5,768,000	89.97%	5,189,470
Woodridge Local	14,373,422	59.89%	8,608,242
Stow-Munroe Falls City	3,187,000	0.06%	1,912
Hudson City	8,407,507	0.76%	63,897
Revere Local	10,589,671	0.88%	93,189
County			
Summit County	63,040,000	8.18%	5,156,672
Other Units			
Akron Metro Regional Transit Authority	1,005,000	8.18%	82,209
Akron-Summit County Library District	56,845,000	3.53%	2,006,629
Total Overlapping Debt	163,215,600		21,202,220
Total	\$ 177,752,235		\$ 35,738,855

Source: Summit County Fiscal Office

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

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

Fiscal Year	Population (1)		Total Personal Income (5)	Median Family Income (1)	Per Capita Income (1)	Unemployment Rate (3)		City Square Miles (4)	Average Sales Price of Residential Property (2)	Median Age (1)
						Summit County	State of Ohio			
2006	50,494	d	\$ 1,708,817,948	\$ 61,300	\$ 33,842.00	5.3%	5.5%	27.8	\$ 131,927	37.2
2005	50,494	d	1,639,944,132	\$ 54,086	\$ 32,478	5.7%	5.9%	27.8	\$ 133,416	37.2
2004	50,375	d	1,569,987,250	\$ 44,160	\$ 31,166	6.1%	6.2%	27.8	\$ 130,443	37.2
2003	50,375	d	1,508,429,000	\$ 51,522	\$ 29,944	6.2%	6.2%	27.8	\$ 121,763	37.2
2002	50,272	c	1,478,248,160	\$ 49,200	\$ 29,405	6.0%	5.7%	27.8	\$ 119,344	37.2
2001	49,374	b	1,416,984,426	\$ 52,372	\$ 28,699	4.6%	4.1%	27.8	\$ 115,375	37.2
2000	49,374	b	1,381,336,398	\$ 52,372	\$ 27,977	4.2%	4.0%	27.8	\$ 112,257	37.2
1999	48,950	a	1,330,020,450	\$ 52,372	\$ 27,171	4.1%	4.3%	27.8	\$ 109,780	37.2
1998	48,950	a	1,276,273,350	\$ 36,740	\$ 26,073	4.3%	4.3%	27.8	\$ 104,300	37.2
1997	48,950	a	1,225,267,450	\$ 36,740	\$ 25,031	4.5%	4.6%	27.8	\$ 100,800	37.2

Sources:

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

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio Principal Employers 2005 and Six Years Ago (1) (2)

2005

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Flex-Team	Employment Services	1,897	7.45%
Adecco USA Inc	Employment Services	1,273	5.00%
City of Cuyahoga Falls	Government	1,204	4.73%
Cuyahoga Falls Board of Education	Education	1,010	3.97%
Summa Health System Hospitals	Hospital	959	3.77%
Go Jo Industries	Manufacturer	743	2.92%
B T L Payroll Inc	Payroll Services	585	2.30%
Associated Materials Inc	Manufacturer	547	2.14%
J & Y Enterprises Inc	Employment Services	467	1.83%
GMRI	Restaurant	467	1.83%
Total		9,152	35.94%
Total Employment Within the City		25,467	

1999

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
City of Cuyahoga Falls	Government	1,190	7.81%
Cuyahoga Falls General Hospital	Hospital	1,059	6.95%
Cuyahoga Falls Board of Education	Education	1,021	6.70%
Go Jo Industries Inc	Manufacturer	877	5.76%
Holland Oil Company	Retail	682	4.48%
HJR Investments Inc	Employment Services	660	4.33%
B T L Payroll	Payroll Services	611	4.01%
Olsten Staffing Services	Employment Services	554	3.64%
Associated Materials	Manufacturer	494	3.24%
Sheraton Suites Cuyahoga Falls	Hotel	456	2.98%
Total		7,604	49.90%
Total Employment Within the City		15,238	

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

(1) 2006 information is not available

(2) Information Prior to 1999 is not available

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Police										
Vehicles	44	53	53	52	32	50	49	55	52	46
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Vehicles	31	28	31	27	28	27	26	26	25	26
Stations	5	4	4	4	4	4	4	4	4	4
Highways and Streets										
Streets(miles)	231.28*	282	281	279	278	278	285	285	273	273
Streetslights	5,683	5,647	5,550	5,361	5,057	5,046	5,045	5,203	4,936	4,936
Traffic Signals	76	77	77	77	76	77	77	87	76	76
Vehicles	58	54	62	59	67	59	59	65	61	54
Recreation										
Number of Parks	24	24	24	24	24	24	24	24	24	24
Vehicles	39	41	43	41	42	39	40	37	35	31
Number of Tennis Courts	16	16	16	16	16	16	16	16	16	16
Number of Baseball Diamonds	35	35	35	35	32	32	30	26	26	26
Recreation Center	1	1	1	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1
Acres of City Parks	507	507	507	507	507	507	510	510	507	507
Swimming Pools	5	5	5	3	3	3	2	2	2	2
Water										
Water Mains (miles)	200	207	200	200	200	20	197	192	192	192
Fire Hydrants	2,257	2,207	2,207	2,208	2,207	2,138	2,146	2,107	2,030	2,030
Vehicles	18	21	19	20	21	20	21	26	25	22
Sewer										
Sanitary Sewer Lines (miles)	160	160	152	152	152	152	152	136	136	136
Storm Sewer Lines (miles)	157	157	150	86	86	85	85	83	83	83
Vehicles	13	11	12	12	11	13	12	21	19	18
Electric										
Substations	13	12	12	12	12	12	12	12	12	12
Miles of Service Lines	256	256	249	244	244	244	252	250	250	250
Vehicles	27	29	28	27	26	29	26	36	34	34
Sanitation										
Vehicles	26	27	30	28	31	29	26	30	30	28
Number of Routes	9	9	9**	10	10	10	10	10	10	10
Parking Facilities										
City Lots and Decks	17	16	16	16	16	12	11	11	11	11
Square Feet	389,236	387,236	387,236	377,636	377,636	314,536	296,536	296,536	296,536	296,536
Spaces	2,054	2,048	2,048	1,706	1,706	1,507	1,468	1,468	1,468	1,468
Recreation Lots	22	22	22	21	20	20	22	22	20	20
Square Feet	361,980	361,980	361,980	331,680	292,080	292,080	337,080	337,080	292,080	292,080
Spaces	1,886	1,886	1,886	1,468	1,317	1,317	1,412	1,412	1,187	1,187

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

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

City of Cuyahoga Falls, Ohio

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

Function/Program	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Government										
Council	6	6	6	6	6	6	6	6	6	6
Mayor	3	3	2	2	2.5	2	2	2	2	2
Finance	8.5	9.5	9	8	8	7.5	8	8	8.5	7.5
Law Director	8	9.5	9.5	9.5	8	9	8	8.5	9	9
Service Director	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4	4
Municipal Court	25	19.5	21.5	18	20.5	19	16	15.5	17	16
Clerk of Courts	22.5	22.5	21.5	20	20	20.5	20	19.5	19.5	21
Civil Service	2	2	2	2	1.5	2	2	2	1	0.5
Engineering	11	11	12	12	12	11	12	12.5	11.5	10
HR	4	4	4	4.5	5	4.5	4.5	5	4.5	4.5
Print Shop	1	1	1	1	1	0.5	0.5	1	1	1
Building & Grounds	11	12	14	16	14.5	16	15	15	15	14
Income Tax	6	6	6.5	6.5	8	7.5	6	7	7	7
Security of Persons & Property										
Building	8	8	6	6	5	5	5	5	5	7
Police	118	123	120.5	115	125.5	119	120	112	112	107
Crossing Guards	10.5	15.5	16	17.5	18	18.5	20.5	18	18	16.5
Fire	85	87	88	85	88	86	86	88	82	81
Technical Services	6	6	6.5	6.5	6.5	6.5	4.5	7	7	6
Community Environment										
Community Development	15.5	17	15.5	10.5	10.5	9.5	10.5	10.5	10.5	6.5
Leisure Time										
Parks & Recreation	124.5	132.5	133.5	112.5	107	106	94.5	88.5	89.5	85.5
Transportation										
Streets	35	35	35.5	41.5	38.5	36.5	35.5	34	35.5	35
Sewage and Disposal	13	16.5	15	19	13.5	15.5	16.5	16	15.5	15
Water	29.5	26.5	27	28	26.5	26	27.5	26	29	26.5
Electric	57.5	58.5	58	60	54.5	57.5	57.5	55.5	56.5	55.55
Sanitation	24.5	25.5	28	27.5	32	31.5	29.5	31	36.5	40.5
Garage	9.5	9.5	10	10	10	9.5	9	9.5	9.5	9.5

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

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

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Police										
Policepersons and Officers	95	96	94	91	97	98	92	85	87	85
Total Calls	38,872	39,497	38,442	39,762	41,907	40,643	39,727	37,944	38,832	39,380
Criminal Charges	723	771	644	689	503	468	515	575	565	314
Traffic Citations	6,321	8,257	7,030	6,890	9,453	8,544	6,916	6,989	8,840	10,255
Fire										
Firefighters and Officers	81	82	84	80	83	84	82	84	78	78
Total Calls	7,713	7,551	7,177	7,147	7,190	6,948	6,391	6,382	5,905	5,851
Inspections	1,560	1,637	1,621	1,471	1,535	1,534	1,604	N/A	N/A	N/A
Smoke Detectors Installed	439	611	4,197	1,008	869	866	1,348	N/A	N/A	N/A
Highways and Streets										
Potholes repaired	4,559	14,306	8,624	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rock Salt Used(Tons)	11,012	8,310	22,500	21,000	24,000	11,300	16,233	13,300	14,300	7,150
Senior Snow Watch Participants	1,411	1,370	1,342	1,242	1,195	1,250	382	191	N/A	N/A
Leaf Program(Cubic Yards)	12,130	12,400	12,720	12,660	12,720	13,310	12,040	13,040	13,960	13,040
Recreation										
Brookledge-Number of Rounds	38,919	39,013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Waterworks-Daily Admissions	69,377	75,277	71,039	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Natorium-Daily Admissions	789,237	783,086	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water										
Average Daily Pumped (Gallons)	5,739,000	6,362,000	5,893,000	6,256,000	6,203,000	6,203,022	6,190,000	6,395,518	6,496,411	6,330,000
Water Main Breaks	62	100	103	102	72	79	79	89	43	57
New Water Taps	199	262	232	138	168	142	142	188	131	368
Sewer										
Average Daily Sewage Transportation (Gallons)	5,246,679	5,546,725	5,831,514	4,648,749	4,593,238	4,319,082	4,320,000	4,372,240	4,322,476	4,600,000
Sanitary Sewers Cleaned (Feet)	84,601	65,943	89,958	89,307	146,588	71,660	71,660	67,818	81,240	77,511
Storm Sewers Cleaned (Feet)	4,915	3,160	2,008	2,484	-	2,900	2,900	1,330	1,200	-
Electric										
Average Daily Consumption (in KWH)	1,248,528	1,274,495	1,202,878	1,163,259	1,188,107	1,117,879	1,120,868	1,119,273	1,080,837	1,011,936
Light Bulbs Issued	6,082	6,645	6,678	9,651	8,084	8,216	10,780	10,216	9,681	N/A
Green Energy Participants	180	192	202	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sanitation										
Refuse Collected (tons/year)	19,361	19,624	20,522	21,727	20,973	21,427	21,969	20,866	21,408	
Recyclables collected (tons/year)	3,293	3,136	3,005	3,302	3,224	3,160	3,799	3,752	3,912	3,912
Yardwaste Collected (tons/year)	2,235	1,769	2,416	2,042	2,206	2,188	2,061	1,865	2,025	1,874
Building										
Residential Building Permits Issued	1,410	1,554	1,624	1,776	1,669	1,649	1,729	1,860	1,821	1,722
Commercial Building Permits Issued	353	259	187	205	164	163	186	245	205	203
Miscellaneous Building Permits Issued	3,200	2,939	5,069	3,702	3,096	2,858	3,201	3,540	3,415	3,121

Note: N/A indicates that data is not available

Source: City records.