

CITY OF CUYAHOGA FALLS, OHIO

MAYOR DON WALTERS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2019



About the Cover:

Our City of Cuyahoga Falls safety forces led by Police Chief Jack Davis and Fire Chief Fred Jackson do the honorable work of keeping us all safe and well. The men and women of our safety forces are some of the bravest among us, and we are both grateful for and humbled by their service.

In 2019, our Police Department unveiled a new, state-of-the-art indoor tactical shooting range and training center on Wyoga Lake Road. The training center has classrooms, the indoor shooting range, and simulator to help keep our police force well-trained and well-supported. The city has been pleased with the number of safety forces in surrounding communities that have been able to utilize this beautiful facility.

In spring of 2019, our Fire Department broke ground for the construction of a new Fire Station 3 on Portage Trail. The original station opened back in 1959 and served the citizens of Cuyahoga Falls for 50 years. The new Station 3 building will include a classroom, exercise room for crews, EMS room for treatment of patients that arrive at the station, a state-of-the-art incident alerting system, modern facilities utilized in cancer prevention in the fire service, and much more.

The Cuyahoga Falls Police and Fire Departments remain committed to providing the highest level of service to the public to instill a sense of security and confidence in the public they serve. They do this within a framework of empathy, compassion and dedication to the citizens we serve, as well as to each other. They do not just serve the community, but are an integral part of the community.

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

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Rendering Compliments of:
Jeffrey R. Stroup

Cover Layout and Printing Provided by:
Western Reserve Printing

Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2019



City of Cuyahoga Falls, Ohio

Mayor Don Walters

Issued by the Department of Finance

Bryan J. Hoffman, Finance Director

City of Cuyahoga Falls, Ohio

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City of Cuyahoga Falls, Ohio

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INTRODUCTORY SECTION



**CITY OF CUYAHOGA FALLS
DEPARTMENT OF FINANCE**

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CUYAHOGA FALLS, OHIO 44221-2583**

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Bryan J. Hoffman
Finance Director

Scott K. Fitzsimmons
Deputy Finance Director

June 26, 2020

Honorable Mayor Don Walters,
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, 2019, 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 City School District or Woodridge Local School District (or any other school districts, which fall within the boundaries of the City). In addition, they do not contain financial information pertaining to the Cuyahoga Falls Public Library or Western Reserve 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 State of Ohio, or if the Auditor permits, an independent public accounting firm.

The current year audit has been completed by an independent public accounting firm, 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, 2019, 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 principles 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 the MD&A and should be read in conjunction with it. The City's Management's Discussion and Analysis 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 49,272 based on the 2018 U.S. Census Bureau estimate, the most current estimate available.

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 last Charter Review Commission took place in 2015. 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 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 one appointed by the Cuyahoga Falls City School District Board of Education and one appointed by the Woodridge School District Board of Education. The Mayor also appoints members to a number of other boards and commissions and appoints and removes, in accordance with Civil Service requirements, all appointed officers and employees, except Council officers and employees.

The City provides an extensive range of services including police and fire protection, emergency medical service, administration of justice by the way of a mayor's court, 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 sewage disposal, water distribution, electric service, sanitation, storm drainage administration and leisure time activities, including a wellness center, golf course, outdoor water park and a sports center which includes miniature golf, batting cages and golf driving range.

City of Cuyahoga Falls, Ohio

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 initial level of budgetary control is passed by City Council at the fund level, department and object level (Personal Services, Other Operations, Capital Outlay, Debt Service and Transfers) 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. 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-Canton Combined Statistical Area (CSA) is the 17th most populous combined statistical area in the United States with a population of 3,630,166.

The City is currently the second largest city in Summit County and the sixteenth 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 2019, ten major employers in the City collectively accounted for approximately 27.2 percent of the \$18,074,487 withholding taxes remitted to the City.

2018 U.S. Census estimate reports, the most current available, indicate that median household income for Cuyahoga Falls is in line with the State of Ohio, but less than Summit County and the United States. The following is a comparative breakout of those medians.

	<u>Median Income</u>
City of Cuyahoga Falls	\$54,250
Summit County	\$55,448
State of Ohio	\$54,533
USA	\$57,652

The 1986 merger between the City and Northampton Township (now Ward 8) opened the door for growth. 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. Investment in Commercial and Residential development continues to be strong, adding value and jobs to the community.

City of Cuyahoga Falls, Ohio

Portage Crossing development is 241,000 square feet of commercial space. Located at the crossroads of two major arteries in the City, its major anchor tenants are Giant Eagle Market District, LA Fitness, and a Cinemark NextGen Theater. The City entered into a tax increment financing agreement (TIF) with the Cuyahoga Falls School District. The agreement calls for a 30 year TIF of which the schools will receive 22 percent of the TIF while the City will receive 78 percent of the TIF until the City is paid back from their investment.

Two new additions to the Portage Crossing Development occurred in 2017. Both are located in the western portion of the development, and will be home to retail, office and fast casual dining. At approximately 4,000 square feet, the first building, Panda Express, is a fast casual venue offering American Chinese cuisine. The second building is approximately 9,728 square feet. Three separate tenants share this building: a dental office, Mattress Firm and Piada, a fast casual Italian street food concept.

Private development has occurred in the Riverwalk area including residential and commercial retail projects. Watermark, a residential housing and commercial real estate venture boasts 40 units of senior housing, 12 market rate condos and retail stores and restaurants. This was a total project investment of \$9.2 million and was completed in 2014. The Riverwalk building broke ground in early 2015 as a mixed use, high-end residential and commercial redevelopment with 36 loft apartments and 21,000 square feet of space for restaurants and retail use. This project is also a \$9.2 million investment that will employ 20 full-time and 10 part-time employees with an annual payroll of roughly \$433,000. Finally, Triad/Next Level invested \$1.3 million in the redevelopment of a designated historic structure that was completed in 2015.

A deal was reached in 2014 to bring Menards to the City. The home improvement superstore will utilize property that was vacated by a Giant Eagle grocery store which moved to the Portage Crossing development. Menards opened in 2018 and has exceeded expectations. The \$10.5 million facility has produced payroll of over the \$2.5 million that was anticipated.

Construction began in 2017 to open Front Street to vehicular traffic. The once vibrant street was closed in the late 1970's for a pedestrian mall. Over the years most of the businesses have left and the mall has failed. Studies have shown that redevelopment of this area would support an additional 215,350 square feet of retail and restaurant development, generating \$60.4 million in new revenue. We have seen considerable interest in this area and expect it to continue to be an epicenter of commercial and economic activity. Front Street was reopened to traffic on February 3, 2018. Downtown Cuyahoga Falls continues to be a hotbed of economic activity. New boutique stores and gift shops, restaurants and entertainment along the Front Street Corridor attract people Downtown. Interest in our downtown continues to grow and is a very bright spot for the future of Cuyahoga Falls.

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.

Interest in Downtown Cuyahoga Falls is strong. The once struggling corridor has seen a rebirth and the empty storefronts are filling up. Space that was once plentiful in past years is now at a premium and running out. A prime example is the Falls Theater, which was once a landmark. It has fallen into disrepair and at one time was slated to be demolished because it was too costly to revitalize. This landmark will soon be open to a new entertainment/restaurant business.

If housing starts are an indication of people wanting to live in Cuyahoga Falls, then the future is bright. The City is currently working with developers for residential growth. Two new residential developments, Enclave at Mill Pond and The Preserve at Salt Creek have recently been completed. Three additional developments are underway including Woodland Preserves, Redwood and The Villages at Sycamore. An additional housing development, The Towns at Steels Corners, just received preliminary approval and should be underway soon. These added residents will be a catalyst for future economic activity.

An income tax rate of 2 percent passed by the voters in 1996 continues to have positive effects for the City's capital infrastructure program since the City earmarked 29.33 percent of the net proceeds solely for capital improvements.

City of Cuyahoga Falls, Ohio

The Mayor, his administration, and the City Council are aware of national and local economic conditions. Weekly meetings are held with senior cabinet to discuss all the ways the City can continue to provide value to the residents and businesses of the community without generating a deficit for the community to handle. All personnel vacancies are discussed and in many cases job functions adjusted to eliminate any current need to immediately replace the leaving personnel.

The City's General Fund is in a better position to deal with future loss of revenue due to the various changes made over the last several years giving the economy a longer period of time to turn around with minimal impact to city services. The City continuously updates a five year forecast for its General Fund. This allows the administration to anticipate future financial pitfalls and adjust current operations mitigating future issues.

The Mayor and his staff spend considerable amounts of time maintaining the financial strength of the City. 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. Only one business represents just over 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 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. The City monitors the economic slowdown being experienced by cities across the nation. The Development Department is in contact with homeowners, various property owners, and developers. This is performed to keep a pulse beat within the community, as well as, to provide businesses and homeowners with a variety of options when purchasing a property.

MAJOR INITIATIVES

The City of Cuyahoga Falls elected a new mayor that took office on January 1, 2014. Since that time a number of new initiatives have been instituted to bring value to the citizens.

Improving communication to current residents and businesses as well as communicating to potential residents and businesses will continue to strengthen the community. As such, the Mayor created the Department of Neighborhood Excellence, Communications, and Community Outreach. This Department is responsible for overseeing the Neighborhood Excellence Initiative and Neighborhood Ambassadors to ensure that our neighborhoods continue to grow and thrive, that relationships continue to be strengthened, and that our neighbors are well informed about the programs and services that are offered to all residents. This department is also a one stop shop for questions about city services. Potential businesses have a place to learn about all the reasons they should open shop in Cuyahoga Falls.

A priority of the City is to be energy efficient. The Mayor started an energy efficiency program that provides the citizens of Cuyahoga Falls with tools they need to reduce power consumption which results in lower power bills and a smaller carbon footprint. Having an energy efficiency program that works for the residents and the business of community lowers power bills through both lessening the amount of electricity being used as well as lessening the required capacity of the city.

The Mayor recognizes that a safe city will attract business and residents and promote growth. All cities struggle with some level of crime and Cuyahoga Falls is being proactive in the fight. The Mayor started a crime fighters program that promotes citizen participation through an anonymous tip procedure. The program includes cash rewards in which the size is determined by the type and usefulness of the tip. The cash rewards are funded 100 percent by private donations and are dispersed by a local financial institution.

The Mayor has teamed up with local businesses, Western Reserve Hospital, and Woodridge and Cuyahoga Falls school districts to address drug use in the community. The "NOT ME, I'm Drug Free" campaign is an anti-drug initiative that is designed to educate fifth grade students at Cuyahoga Falls and Woodridge elementary schools about the dangers of using methamphetamines and heroin. The program offers positive reinforcements for students who

pledge to stay drug free, and keeps them connected via Facebook. Local businesses offer “Free-wards” to participants for free food, video rentals, T-shirts, and many other incentives.

FINANCIAL INFORMATION

The single largest cost to the City is personnel. The City has six bargaining units. The City recently completed the process of negotiating multi-year employee bargaining agreements with the various unions which expire on June 30, 2021. The outcome of these negotiations provided reasonable cost of living increases while capping the growth of health care costs. The City’s plan is to be able to forecast far enough into the future to have the ability and time to handle any financial situation that may occur.

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. The current administration has continued the plan to rapidly pay down debt.

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, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The 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 35 consecutive years (fiscal years ended 1984-2018). We believe our current report continues to meet the Certificate of Achievement Program’s requirements and we are therefore submitting it to the GFOA to determine its eligibility for another certificate. 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,



Bryan Hoffman,
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Cuyahoga Falls
Ohio

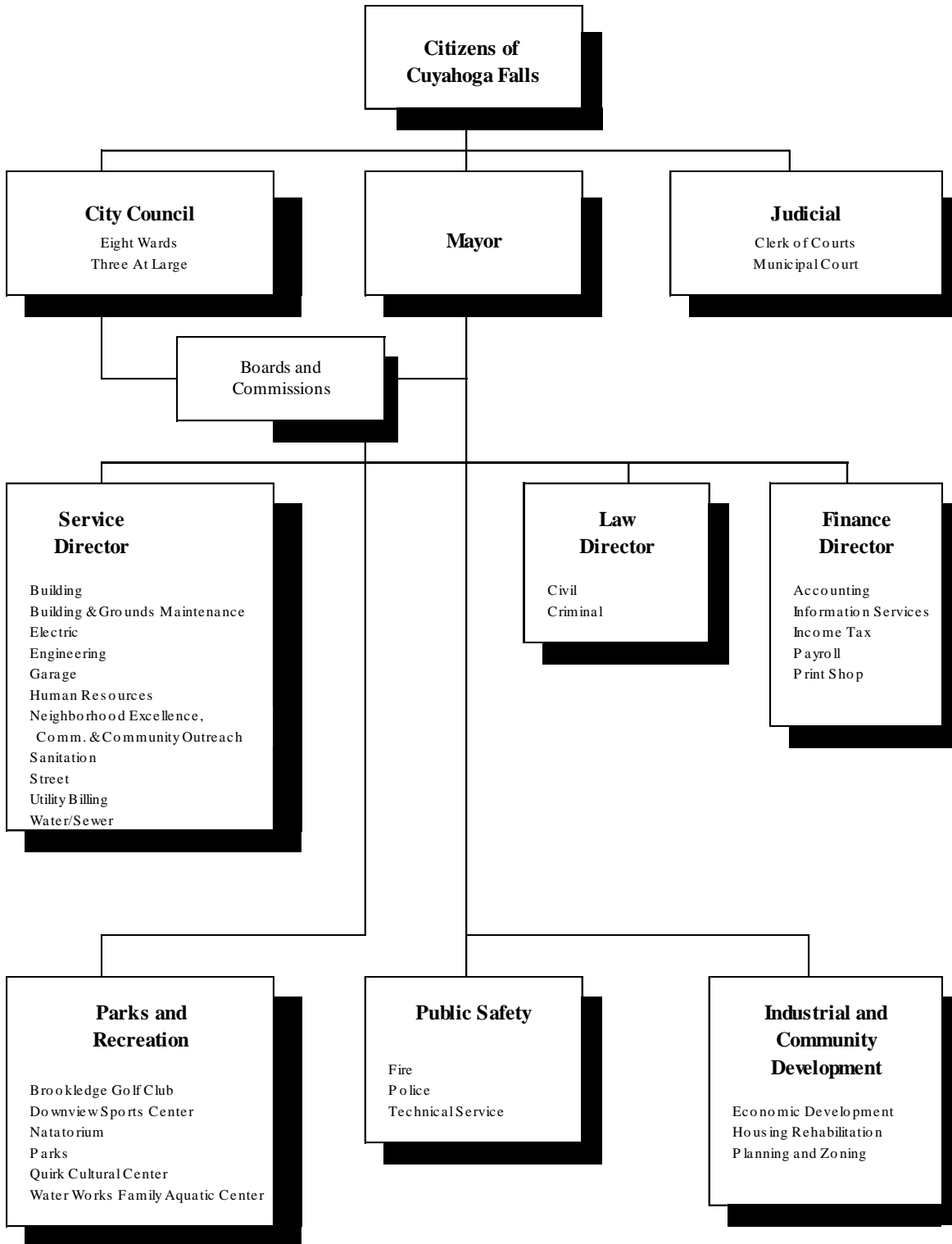
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

Organizational Chart



City of Cuyahoga Falls, Ohio

City Officials

Cabinet of the Mayor:

Mayor Don Walters	Anthony Zumbo	Service Director
	Bryan Hoffman	Finance Director
	Russell Balthis	Law Director
	Diana Colavecchio	Community Development Director

At Large Council:

Meika Penta
Tim Gorbach
Jeffrey Iula

Ward Council:

Drew Reilly	Ward 1
Mary Ellen Pyke	Ward 2
Victor Pallotta	Ward 3
Mary Nichols-Rhodes	Ward 4 (Council Pres. At 12/31/19)
Michael Brillhart	Ward 5
Adam Miller	Ward 6
Jerry James	Ward 7
Russ Iona	Ward 8

FINANCIAL SECTION

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

*Certified Public Accountants
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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Cuyahoga Falls
Cuyahoga Falls, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

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, Summit County, Ohio, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the basic financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City'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.

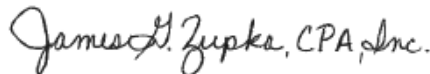
City of Cuyahoga Falls, Ohio

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

July 24, 2020

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City of Cuyahoga Falls, Ohio

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, 2019. 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, and the City's financial statements, which follow this section.

Financial Highlights

This is the City of Cuyahoga Falls sixteenth publication of a Comprehensive Annual Financial Report (CAFR) under the GASB 34 reporting model. Comparisons to prior financials are offered for this discussion and analysis.

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at the close of 2019 by \$180,401,665. Of this amount, a negative \$27,729,157 is considered unrestricted. The unrestricted net position of the City's governmental activities has a balance of negative \$46,696,201 due to the implementation of GASB 68 and 75, described below. The unrestricted net position of the City's business-type activities was \$18,967,044 and may be used to meet the ongoing obligations of business-type activities, including the sewage and disposal, water, electric, sanitation, leisure time activities and storm drainage utility enterprises.
- The City's net position increased \$22,548,496 or 14.28 percent in 2019, in comparison to net position as of December 31, 2018. Net position of governmental activities increased \$20,126,093, which represents a 46.8 percent increase from the amount as of December 31, 2018. Net position of business-type activities increased \$2,422,403 or 2.1 percent from the amount as of December 31, 2018.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$18,207,730, in comparison to \$24,205,462 in the prior year. On a combined basis \$1,321,228 is considered nonspendable, \$7,601,501 is restricted for specific purposes, \$146,328 has been committed by City Council and \$1,434,461 has been assigned to specific purposes by management.
- At the end of the current year, unassigned fund balance for the general fund was \$7,761,109 or 23.3 percent of revenues, and 26.8 percent of expenditures.
- The City's total general obligation bonds decreased by \$1,834,571 or 6.6 percent in 2019, while notes payable increased \$5,000,000 or 177.7 percent. These changes were due to the City's annual principal bond payments of \$1,790,000, note retirement of \$1,800,000, issuance of notes in the amount of \$6,800,000 in anticipation of the issuance of bonds, and the annual amortization of discounts and premiums.

Governmental Accounting Standards Board Statements No. 68 and 75

In recent years the City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement 27," GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68," and GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for pension and other postemployment benefits (OPEB) costs and liabilities. Many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension and OPEB liability to the reported net position and subtracting deferred outflows and the net pension/asset related to pension and OPEB. Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles.

Prior accounting for pensions (GASB 27) and post employment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service,
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. **In Ohio, there is no legal means to enforce the unfunded liability of the pension OPEB plan as against the public employer.** State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign or identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows or deferred outflows.

In addition to the other postemployment benefits through the pension systems, the City provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through council-approved ordinance. The activity of the plan is reported in the City's Self-Insurance Internal Service Fund, and governmental activities on the entity-wide financial statements.

City of Cuyahoga Falls, Ohio

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 Position presents information on all of the City's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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, 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, storm drainage repair and improvements, 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 35-37 of this report.

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 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 and Capital Projects Fund, which are considered to be major funds. Data from the other eighteen funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The Municipal Income Tax Special Revenue Fund has been consolidated with the General Fund for statement purposes.

The City adopts an annual appropriated budget for its General Fund and all Special Revenue, Debt Service, Capital Projects, Enterprise and Internal Service Fund types. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 38-42 of this report.

Proprietary funds. The City maintains two different types of proprietary funds – enterprise and internal service. 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, leisure time operations and storm drainage utility. 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, medical self-insurance, workers' 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, Leisure Time Fund, and Storm Drainage Utility 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 43-50 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City uses fiduciary funds to account for agency funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 51 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 53-117 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's proportionate share of the net pension liability/net pension asset for, and contributions to OPERS and OP&F, the proportionate share of the net OPEB liability for, and contributions to OPERS and OP&F, and net OPEB liability and contributions for the City's single employer plan. Required supplementary information can be found on pages 120-131 of this report.

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 134-179 of this report.

City of Cuyahoga Falls, Ohio

Government-wide Financial Analysis

City of Cuyahoga Falls, Ohio - Net Position						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 50,451,426	\$ 47,505,107	\$ 48,172,144	\$ 45,668,732	\$ 98,623,570	\$ 93,173,839
Net pension asset	78,462	96,632	76,631	94,378	155,093	191,010
Capital assets, net	121,262,659	115,358,561	110,063,980	109,454,575	231,326,639	224,813,136
Total Assets	171,792,547	162,960,300	158,312,755	155,217,685	330,105,302	318,177,985
Deferred Outflows of Resources						
Pension	15,860,780	7,212,761	5,190,684	2,497,862	21,051,464	9,710,623
Other postemployment benefits (OPEB)	3,832,423	3,495,187	632,373	500,854	4,464,796	3,996,041
Advance refunding of debt	-	-	183,249	193,430	183,249	193,430
	19,693,203	10,707,948	6,006,306	3,192,146	25,699,509	13,900,094
Liabilities						
Current and other liabilities	10,994,257	5,713,483	10,532,370	12,013,238	21,526,627	17,726,721
Long-term liabilities:						
Net pension liability	57,837,132	41,229,592	17,219,975	9,953,199	75,057,107	51,182,791
Net other postemployment benefits (OPEB) liability	21,768,106	44,107,007	8,004,832	6,740,756	29,772,938	50,847,763
Other long-term liabilities outstanding	22,897,774	23,255,279	10,934,842	11,993,743	33,832,616	35,249,022
Total Liabilities	113,497,269	114,305,361	46,692,019	40,700,936	160,189,288	155,006,297
Deferred Inflows of Resources						
Revenues levied for the next year	10,169,209	10,034,796	-	-	10,169,209	10,034,796
Pension	1,108,811	3,790,875	332,654	2,396,939	1,441,465	6,187,814
Other post employment benefits (OPEB)	3,511,922	2,464,770	91,262	531,233	3,603,184	2,996,003
	14,789,942	16,290,441	423,916	2,928,172	15,213,858	19,218,613
Net Position						
Net investment in capital assets	100,145,441	98,770,561	98,236,082	94,348,339	198,381,523	193,118,900
Restricted (temporarily restricted)	9,500,303	9,209,057	-	-	9,500,303	9,209,057
Permanent fund purpose - Cemetery Perpetual Care (permanently restricted)	248,996	245,319	-	-	248,996	245,319
Unrestricted	(46,696,201)	(65,152,491)	18,967,044	20,432,384	(27,729,157)	(44,720,107)
Total Net Position	\$ 63,198,539	\$ 43,072,446	\$ 117,203,126	\$ 114,780,723	\$ 180,401,665	\$ 157,853,169

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$180,401,665 at the close of the most recent fiscal year.

The largest portion of the City's total net position (110.0 percent) reflects its net investments in capital assets (e.g. land, construction in progress, 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 net 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, 5.3 percent of the City's net position represents resources that have been restricted on how they may be used. Another portion of the City's net position (less than one percent) represents the Cemetery Perpetual Care Permanent Fund. The remaining balance of unrestricted net position is a negative \$27,729,157, which is due to the implementation of GASB 68 in recent years and the adoption of GASB 75 in this reporting period.

At the end of the current fiscal year, the City of Cuyahoga Falls is able to report positive balances in three of the four categories of net position, for the government as a whole and as well as for its separated governmental activities net investments in capital assets, restricted and permanent fund purpose and business-type activities. The only exception being governmental activities unrestricted net position which was negative \$46,696,201 due to the recording of GASB 68 and GASB 75 as previously discussed.

Overall, net position of the City increased by \$22,548 million in 2019. Net position for governmental activities increased by \$20.126 million and net position for business-type activities increased \$2.442 million.

City of Cuyahoga Falls, Ohio

The net position increase for governmental activities was primarily due to the following:

The effect of recording the City's proportionate share of GASB 75 net OPEB liability. The City's proportionate share of OP&F net other postemployment benefits (OPEB) liability recorded in governmental activities in 2019 decreased \$24.168 million, which was offset by an increase in OPERS and the City's single-employer defined benefit plan in the amount of \$1.294 million and \$535,047, respectively, for a total net decrease of \$22.339 million in net other postemployment benefits (OPEB) liability of \$44.107 million at 2018.

Deferred outflows of resources for pension increased \$8.648 million due to the increase in the City's proportionate share relating to pension for OPERS and OP&F in the amount of \$2.757 million and \$5.891 million, respectively, of which \$2.553 million of OP&F relates to subsequent contributions.

Deferred inflows of resources for pension decreased \$2.682 million, due to the decrease in the City's proportionate share relating to pension for OPERS and OP&F in the amount of \$2.114 million and \$568,475, respectively.

Capital assets increased \$5.904 million, which was due to net additions of nondepreciable and depreciable capital asset items in the amount of \$3.701 and \$2.203 million, respectively. Construction in progress in the nondepreciable category had additions of \$6.979 million from new construction, offset by a reduction of \$3.476 million from placing previous construction in progress items in to service. Machinery and Equipment in the depreciable category had additions of \$3.674 million, and transfers to of \$162,629, offset by deletions of \$1.671 million. See major capital asset events during 2019 later in this analysis for more details.

The above noted significant items attributable to the increase in net position was offset by the following items:

GASB 68 net pension liability increased \$16.608 million, due to City's proportionate share for OPERS and OP&F in the amount of \$7.441 million and \$9.167 million, respectively.

Current and other liabilities increased \$5.281 million. As discussed in the financial highlights above, this was mostly due primarily to the issuance of notes in the amount of \$6.800 million in anticipation of the issuance of bonds, of which \$5.200 million related to governmental activities.

Significant changes in business-types activities are as follows:

Total current and other assets increased \$2.503 million. The combination of equity in pooled cash and cash equivalents, and investments increased \$3.827 million in 2019. The segment activity reflects and increase in Electric, Leisure time and Storm Drainage Utility in the amounts of \$3.464 million, \$488,236 and \$525,405, respectively, due to positive cash basis operations during 2019. Conversely, Sewage and Disposal, Water and Sanitation had decreases of \$177,737, \$202,289 and \$270,858, respectively, from negative cash basis operations. This increase was offset by a decrease in accounts receivable in 2019 in the amount of \$1,108,730. This was primarily due to the decrease in Electric in the amount of \$1.204 million. The accrual for the Electric Power Cost Factor decreased \$1.012 million for 2019.

Deferred outflows of resources for pension increased \$2.693 million due to the increase in the City's proportionate share relating to pension for OPERS.

Deferred inflows of resources for pension decreased \$2.064 million, due to the decrease in the City's proportionate share relating to pension for OPERS.

The decrease in current and other liabilities in the amount of \$1.481 million was primarily due to the pay off of the City's 2008 lease agreement for water and electric meter replacement and fixed base automated meter reading (AMR) installation, lighting retrofits and building envelope improvements in 2019. An amount of \$2.053 million was paid from business-type activities on this capital lease in 2019, therefore current capital leases liability decreased accordingly.

The effect of recording the City's proportionate share of GASB 68 net pension liability. The liability increased \$7.267 million in 2019.

City of Cuyahoga Falls, Ohio

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year. This table contains the 2018 fiscal year figures for comparison purposes.

City of Cuyahoga Falls, Ohio - Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 4,875,382	\$ 3,887,628	\$ 74,121,426	\$ 75,987,554	\$ 78,996,808	\$ 79,875,182
Operating grants and contributions	3,398,152	3,236,003	59,507	62,561	3,457,659	3,298,564
Capital grants and contributions	1,403,924	1,175,902	864,701	135,555	2,268,625	1,311,457
General revenues:						
Property and other local taxes	13,450,229	13,414,658	-	-	13,450,229	13,414,658
Income taxes	26,340,231	22,600,501	-	-	26,340,231	22,600,501
Grants and entitlements not restricted to specific programs						
	2,941,401	2,673,128	-	-	2,941,401	2,673,128
Other	1,569,890	527,228	-	-	1,569,890	527,228
Total Revenues	53,979,209	47,515,048	75,045,634	76,185,670	129,024,843	123,700,718
Expenses						
Security of persons and property	4,078,743	24,114,641	-	-	4,078,743	24,114,641
Leisure time activities	4,138,896	3,078,332	-	-	4,138,896	3,078,332
Community environment	2,581,048	2,139,383	-	-	2,581,048	2,139,383
Street maintenance	10,209,740	8,549,215	-	-	10,209,740	8,549,215
General government	10,324,863	7,422,900	-	-	10,324,863	7,422,900
Interest and fiscal charges	552,870	415,082	-	-	552,870	415,082
Sewage and disposal	-	-	8,997,990	8,187,532	8,997,990	8,187,532
Water	-	-	4,697,602	4,222,943	4,697,602	4,222,943
Electric	-	-	48,454,543	51,099,787	48,454,543	51,099,787
Sanitation	-	-	4,190,654	3,604,209	4,190,654	3,604,209
Leisure time activities	-	-	7,183,886	6,233,165	7,183,886	6,233,165
Storm Drainage Utility	-	-	1,065,512	1,364,938	1,065,512	1,364,938
Total Expenses	31,886,160	45,719,553	74,590,187	74,712,574	106,476,347	120,432,127
Increase in net position before transfers	22,093,049	1,795,495	455,447	1,473,096	22,548,496	3,268,591
Transfers	(1,966,956)	(2,277,103)	1,966,956	2,277,103	-	-
Changes in net position	20,126,093	(481,608)	2,422,403	3,750,199	22,548,496	3,268,591
Net position-beginning	43,072,446	43,554,054	114,780,723	111,030,524	157,853,169	154,584,578
Net position-ending	\$ 63,198,539	\$ 43,072,446	\$ 117,203,126	\$ 114,780,723	\$ 180,401,665	\$ 157,853,169

Governmental activities. Governmental activities increased the City's net position by \$20.126 million. Key elements of the changes in net position are as follows:

- ❖ Revenues exceeded expenses by \$22.093 million.
- ❖ Income taxes increased \$3.740 million.
- ❖ Other revenue increased \$1.043 million.
- ❖ Security of persons and property expense decreased \$20.036 million.

Income tax revenue increased \$3.740 million or 16.6 percent and was mostly due to a net increase of accrued revenue in the amount of \$3.465 million, which includes reversing entries of prior year accruals. The current year-end accrual for 2019 exceeded the prior year by \$2.790 million. The City contract with the Regional Income Tax Agency (RITA) for the purpose of administration and collection of municipal income taxes became effective January 1, 2019. There is a processing time difference between RITA and prior activity by the City. RITA's income tax receivable includes two periods worth of receivables, where there was only one month when processed by the City. Revenue from November 2019 was not processed by RITA and distributed to the City until January 2020, where in the past November was processed in December of each year. Another factor in the increase in receivable amount at 2019 year-end provided by RITA relates to an increase in tax collection that the Agency historically has with new members.

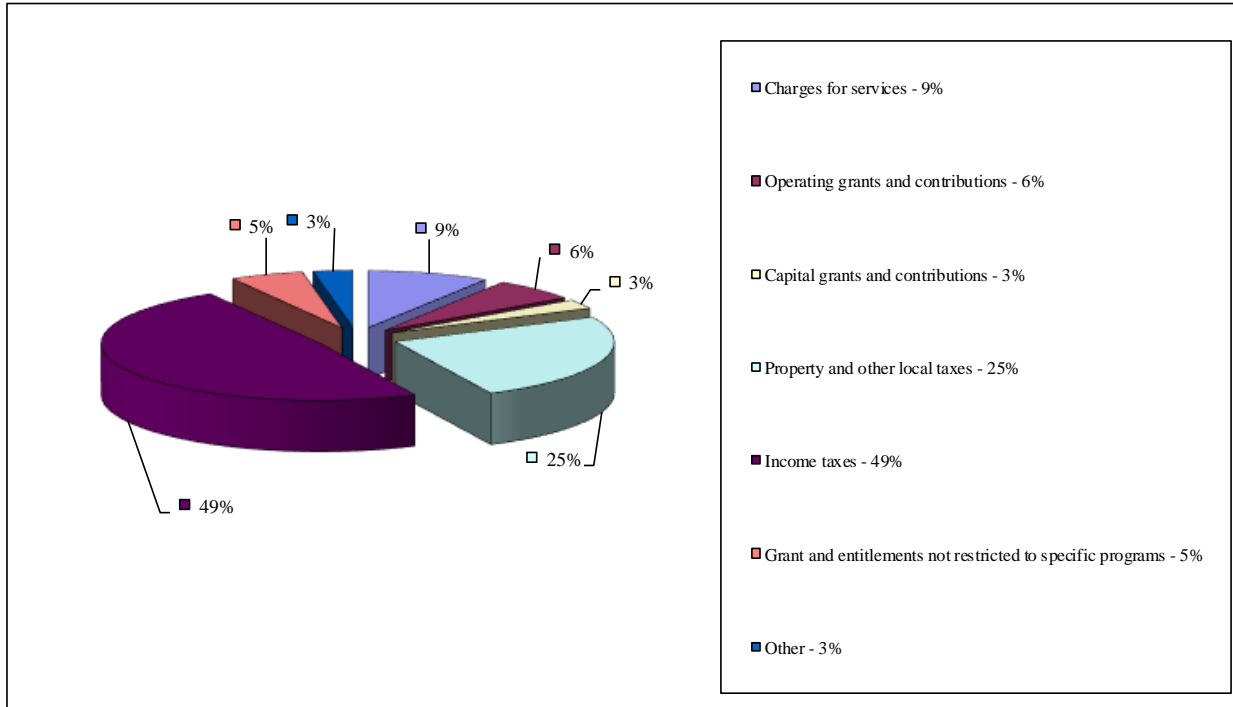
Other revenue increased \$1.043 million or 197.8 percent in 2019. This category consists of investment earnings and gain on sale of capital assets. The increase is mostly due to investment earnings, which increased \$191,029 on a cash basis in 2019, of which \$9,896 relates to the Workers' Compensation Internal Service Fund, which is consolidated with governmental activities on an entity-wide basis. In addition, net accrued investment earnings increased \$886,111 in 2019. The main factor for the increase was in 2018, the market value of the City's investment was \$371,924 less than amortized cost, while conversely it was \$165,637 higher in 2019.

Security of persons and property expense decreased \$20.036 million or 83.1 percent, which is mainly due to the expense recording of the City's proportionate share of GASB 75 net other postemployment benefits (OPEB) liability relating to OP&F. The expense for this was \$24.168 million less than 2018. This decrease is attributable to the OP&F making a change to its health care model. Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, OP&F management expects that it will be able to provide stipends to eligible participants for the next 15 years.

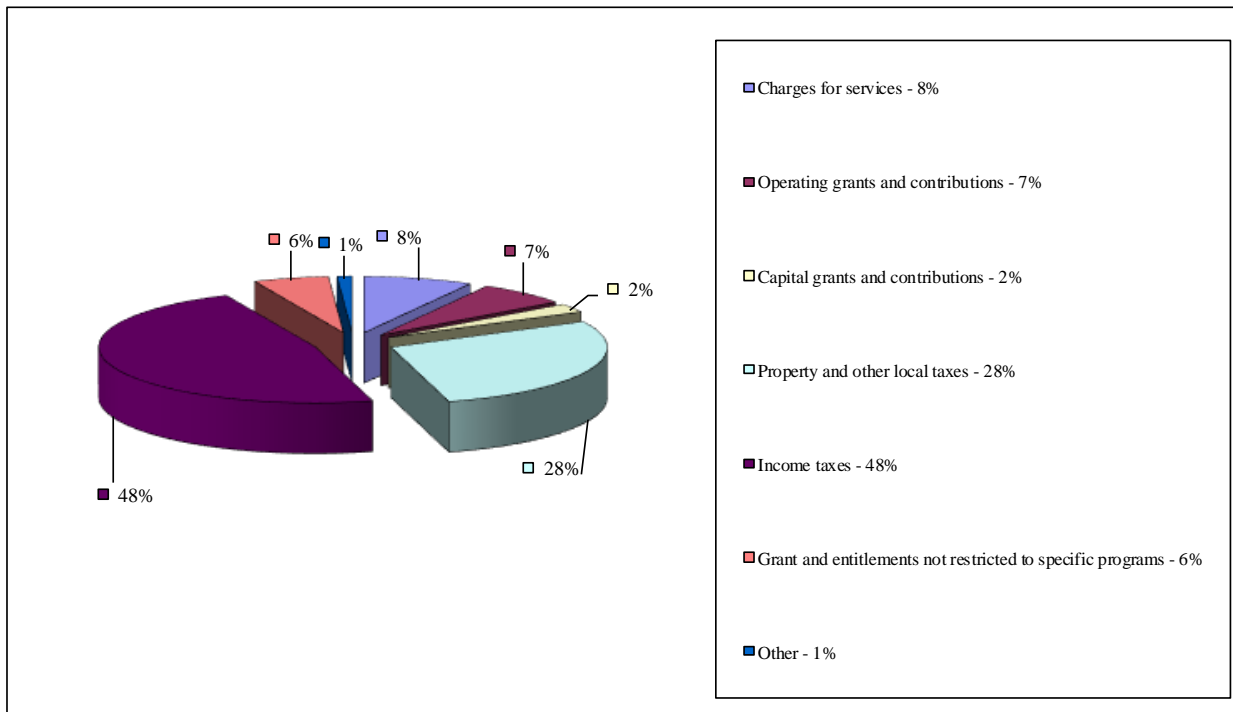
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City of Cuyahoga Falls, Ohio

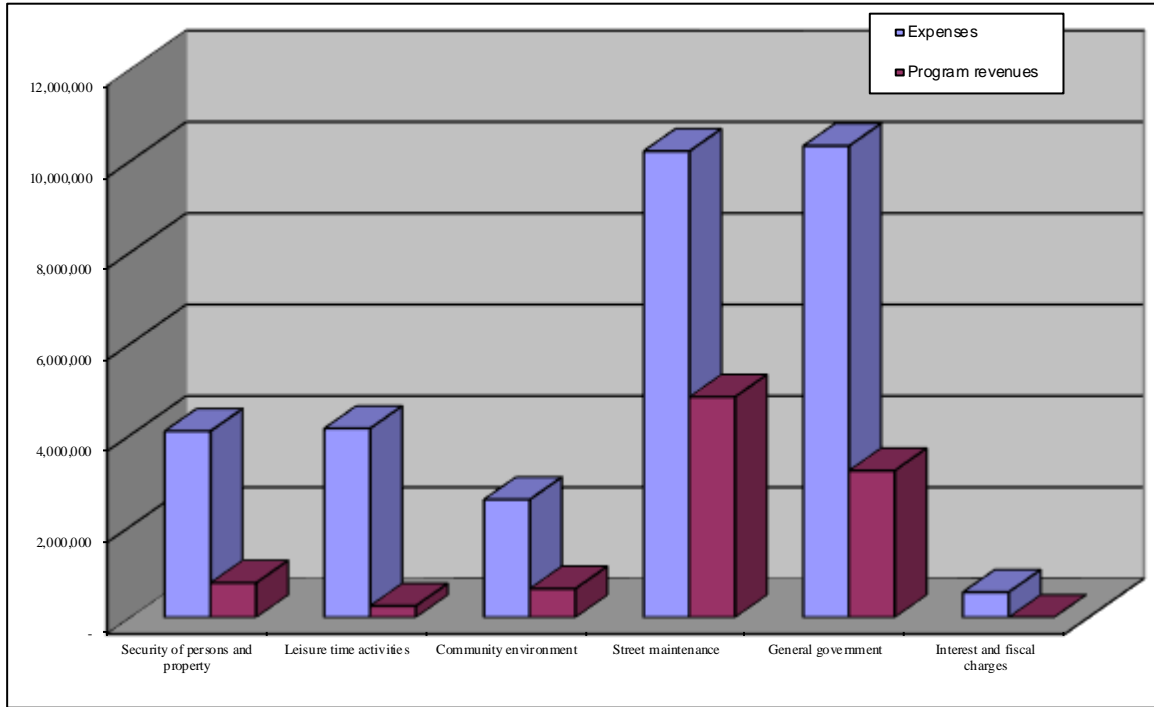
2019 Revenues by Source – Governmental Activities



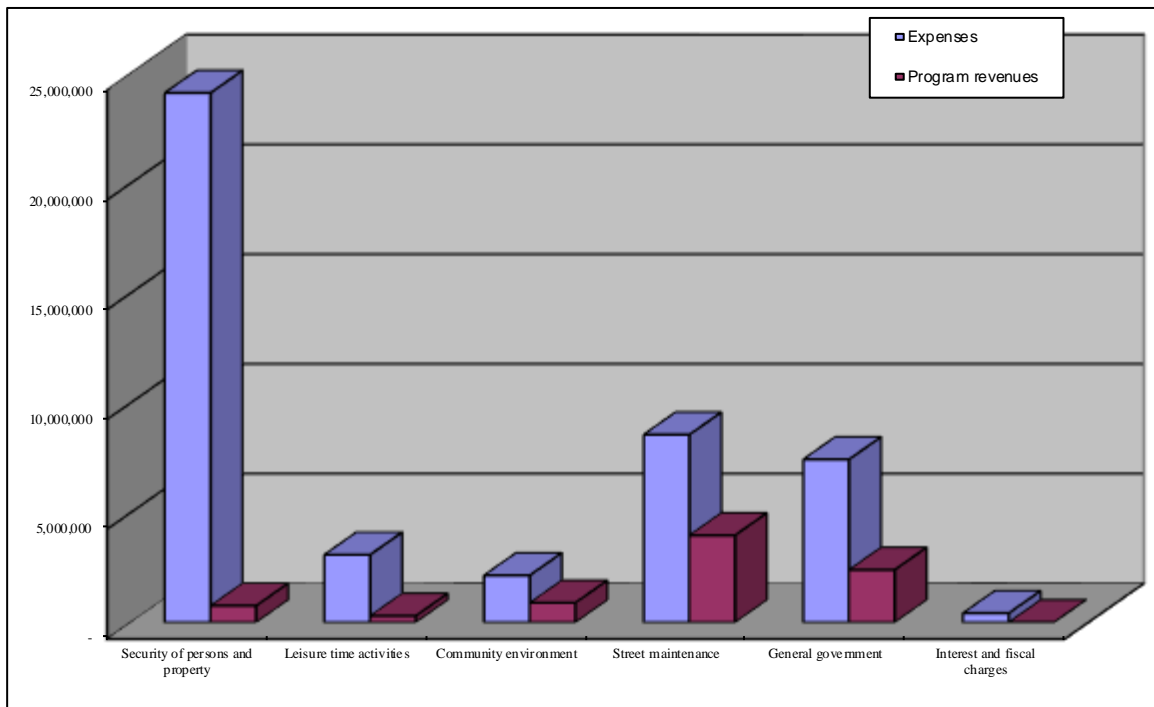
2018 Revenues by Source – Governmental Activities



2019 Expenses and Program Revenues – Governmental Activities



2018 Expenses and Program Revenues – Governmental Activities



City of Cuyahoga Falls, Ohio

Business-type activities. Business-type activity net position increased by \$2.422 million. Key elements of changes in net position are as follows:

- ❖ Revenues exceeded expenses by \$455,447. In addition, \$1,966,956 was transferred to business-type activities from governmental activities.
- ❖ Electric charges for services decreased by \$1,739,310 or 3.44 percent.
- ❖ Water charges for services decreased by \$375,080 or 6.64 percent.
- ❖ Capital grants and contributions increased \$729,146 or 538.0 percent.
- ❖ Electric expenses decreased by \$2.645 million or 5.2 percent.

Electric charges for services decrease is a result of cash transactions being \$513,874 lower in 2019. In addition, net accruals decreased from 2018 to 2019 in the amount of \$969,826. The decrease in cash basis charges for services is due to a decrease in consumption billed of 28,348,896 kWh, or 6.44 percent. The main factor for the decrease in net accruals was related to the accrual for the Electric Power Cost Factor, which decreased \$1.012 million for 2019. This was based in part to the total kWh sold which is used in the formula for the accrual being 1.114 million less than that of 2018.

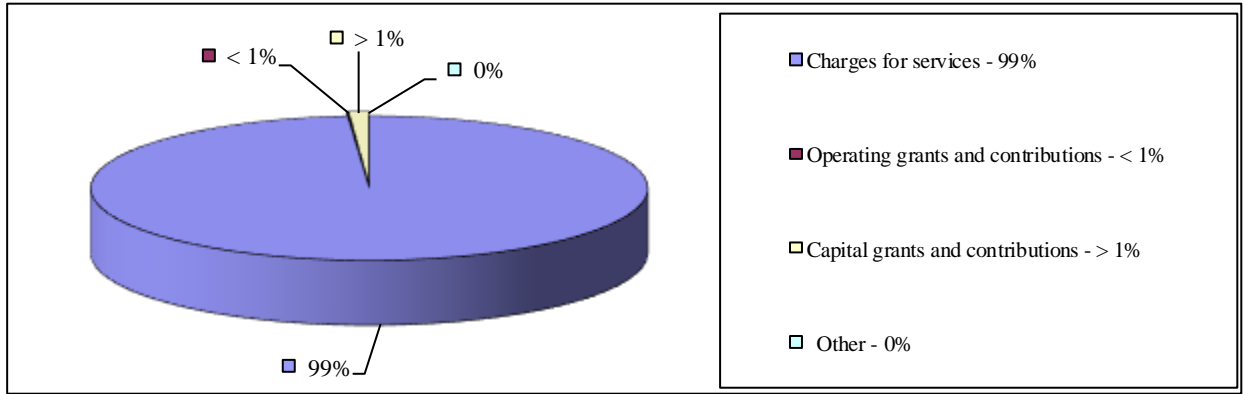
Water charges for services decrease is a result of cash transactions being \$386,227 lower in 2019. This was primarily due to the decrease in surcharge high pressure charges associated with new construction of \$407,352 in 2019.

Capital Grants and Contributions were significantly more in 2019 than 2018 for a couple of reasons. The City received grant revenue of \$340,785 from the Ohio Public Works Commission toward the Bailey Road waterline replacement. In addition, the Storm Drainage Utility received contributions in the form of capital assets from a private developer in the amount of \$523,916, for improvements made to East, West and South Woodland Drives in the City's Woodlands Subdivision.

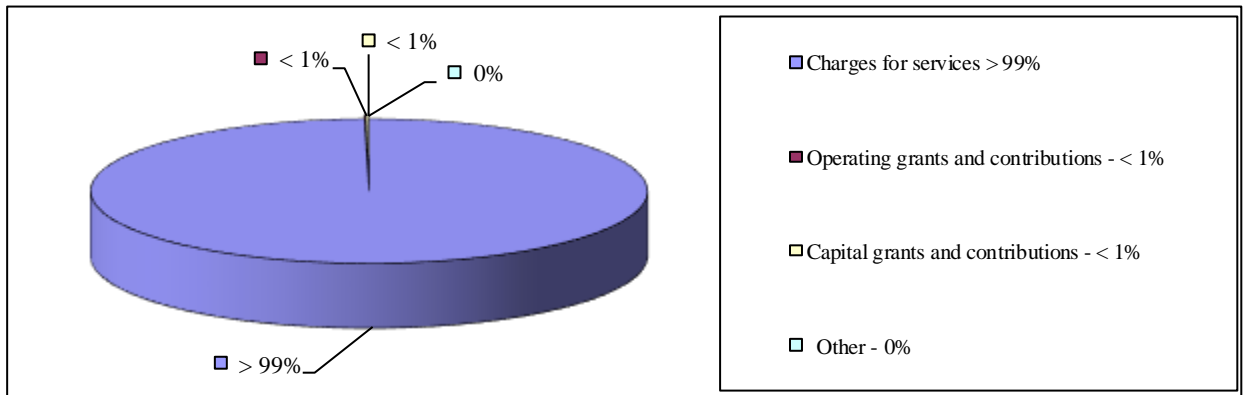
Electric expenses decrease is mostly due to purchased power cash transactions being \$2.695 million lower in 2019.

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2019 Revenue by Source – Business-type Activities

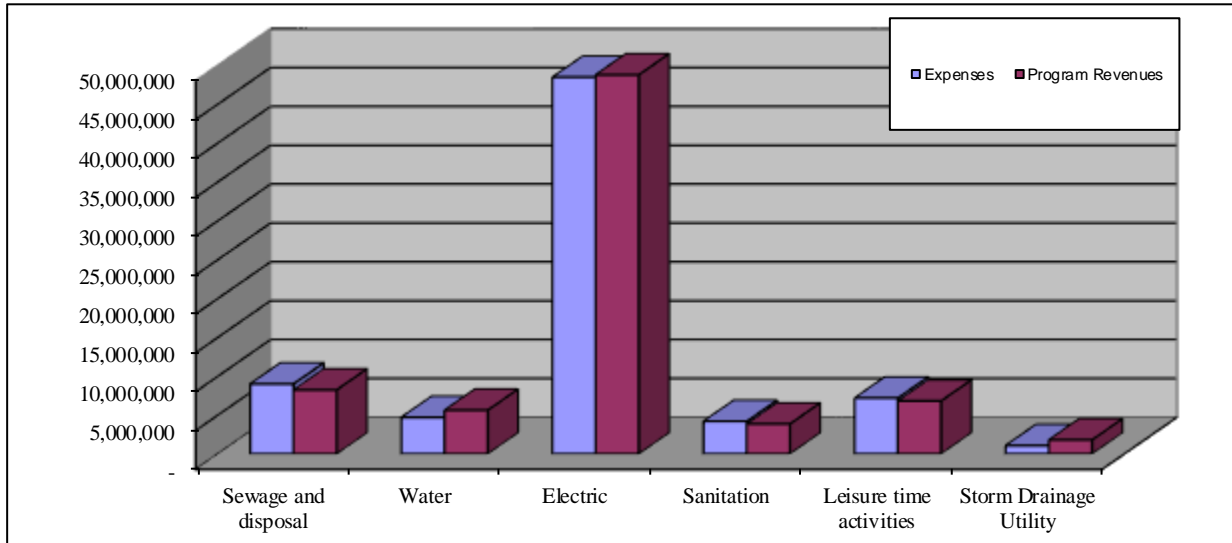


2018 Revenue by Source – Business-type Activities

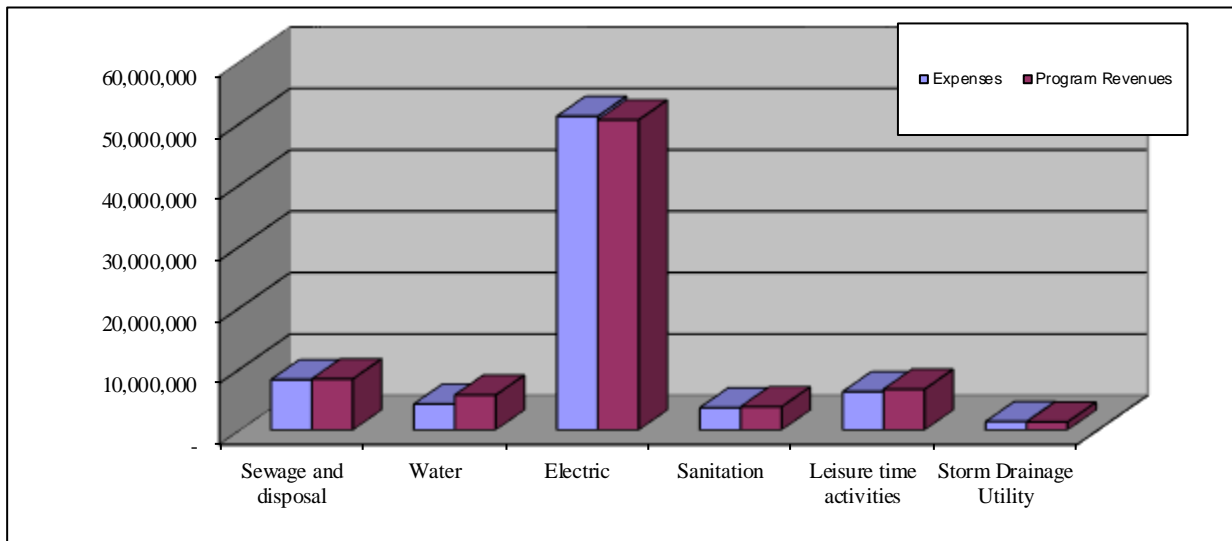


City of Cuyahoga Falls, Ohio

2019 Expenses and Program Revenues – Business-type Activities



2018 Expenses and Program Revenues – Business-type Activities



Financial Analysis of 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, unassigned 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, 2019, the City's governmental funds reported combined ending fund balances of \$18.208 million, which represents a decrease of \$5.998 million in comparison with the prior year. This decrease is primarily due to expenditures plus other financing uses, such as transfers, being in excess of revenues \$6.187 million. Some of the factors contributing to this are as follows:

Capital Projects Fund expenditures were \$13.669 million in 2019, which exceeded that of the prior year by \$2.062 million, or 17.8 percent. Expenditures in the Capital Projects Fund are tracked using project accounting. The significant increase in spending was due to several items: The City's street resurfacing program spending was \$422,398 higher in 2019 than the prior year; concrete street repair was \$464,573 higher, and several projects had significant spending, such as Woodlands Subdivision improvements \$1.380 million, State of the Art Police Training Facility \$2.138 million, and Fire Station #3 Rebuild \$2.539 million.

Security of persons and property expenditures were \$1.188 million more in 2019 than 2018, \$1.575 million of which pertains to cash basis transactions being higher in the General Fund, Police Pension Fund and Fire Pension Funds. An increase of \$1.307 million was attributable to salary and benefits for Police, Firefighters, Technical Services and Communications department employees. The increases on the cash basis was offset by a decrease in net accrued liability in the amount of \$660,025, which was due to the recording of accrued payroll relating to retroactive pay from cost of living increases associated with bargaining agreements in 2018, which was reversed in 2019, the year in which the retroactive payments were made.

General government expenditures were \$736,540 more in 2019 than 2018, \$765,564 of which pertains to cash basis transactions being higher in the General Fund. An amount of \$386,910 was attributable to salary and benefits for administrative and general purpose employees. In addition to the increases on the cash basis, accrued payroll for general government was \$386,910 higher in 2019, which was primarily related to increases associated with the new union bargaining agreements and non bargaining wage scales which were effective July 1, 2018 and paid in 2019.

Income tax revenue decreased \$891,700 or 3.9 percent and was due to an increase in cash collections of \$275,061, coupled with the increase in net accrued revenue in the amount of \$616,639, primarily due to processing time difference between RITA and prior activity by the City, as previously mentioned.

In regard to the current combined ending fund balances, \$7.704 million is unassigned fund balance, which is available for spending at the City's discretion. The next largest fund balance classification comprising of approximately \$7.602 million constitutes restricted fund balance, which is legally restricted for use based on constraints externally imposed, typically through grant agreements, State statute and debt covenants.

City of Cuyahoga Falls, Ohio

The General Fund is the chief operating fund of the City. At December 31, 2019, unassigned fund balance of the General Fund was \$7.761 million, while total fund balance was \$9.533 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures, including transfers out. Unassigned fund balance represents 22.5 percent of total general fund expenditures, including transfers out, while total fund balance represents 27.6 percent of the same amount.

The fund balance of the City's General Fund decreased by \$1.306 million during 2019. Revenues, including transfers in were \$1.320 million less than expenditures, including transfers out. This fund balance decrease was due to several factors:

- ❖ The General Fund revenues were \$4.252 million greater than expenditures in 2019.
- ❖ The General Fund portion of municipal income taxes increased \$686,385 or 4.7 percent, primarily due to processing time difference between RITA and prior activity by the City, as previously mentioned.
- ❖ Interest earnings increased \$1.023 million, or 213.6 percent.

The fund balance of the City's Capital Projects Fund decreased by \$5.013 million during 2019. This is due to expenditures exceeding revenues by the same amount. Revenues decrease \$365,084 from the prior year, while expenditures increased \$2.062 million from 2018.

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

Unrestricted net position at the end of the year amounted to \$627,049, \$2.631 million, \$17.668 million, negative \$143,772, negative \$1.437 million, and \$274,117 for the Sewage and Disposal, Water, Electric, Sanitation, Leisure Time, and Storm Drainage Utility Funds, respectively.

The Sewer, Water, Electric, Sanitation, Leisure Time and Storm Drainage Utility Funds total net position decreased \$719,602, or 3.8 percent, increased \$439,532, or 2.2 percent, increased \$2.544 million, or 5.9 percent, decreased \$284,509, or 8.5 percent, decreased \$240,038, or 1.3 percent, and increased \$757,625, or 6.2 percent, respectively, from 2018 to 2019.

Many of the changes to the proprietary funds parallel that of business-type activities, with the exception of the elimination of some charges between business-type activities functions. The changes were discussed in that analysis.

General Fund Budgetary Highlights

The final amended General Fund budget had total appropriations of \$467,500 less than the original budget. The total original appropriations, including those for transfers out, were \$39,430,946, while the final appropriations were \$38,963,446. Ordinances 12-2019 and 74-2019 provided for supplemental appropriations during the year of \$60,000 and \$40,000 for Police (security of persons and property) and Law (general government) departments, for a settlement agreement relating to the Munroe Falls shooting range which the Police department used, and for legal services related to employee disciplines, resolving contract disputes through mediation, and other similar legal matters for the Law department. Ordinance 95-2019, which is considered the City's clean-up ordinance, reduced appropriations in the General Fund by \$217,500 and the Municipal Income Tax Fund by \$350,000, which is blended with the General Fund for financial reporting purposes. The reduction in the General Fund was related to several departments and was primarily due to savings from personal services from less part-time staffing, full-time staffing vacancies, and for operational items not purchased during the year, offset by some small increases for unbudgeted retroactive pay. The reduction in the Municipal Tax Fund was related to a reduction in tax refund activity. The final revenue budget was \$384,931 less than the original primarily due to municipal income tax collections relating to individual and net profit being \$467,000 less than anticipated, offset by General Fund local government revenue, charges for services, and intergovernmental revenue being higher than estimated, the total of which was \$53,500.

Capital Asset and Debt Administration

Capital assets. The City’s investment in capital assets for governmental and business-type activities as of December 31, 2019, amounts to \$231.326 million (net of accumulated depreciation). This investment in capital assets include land, construction in progress, buildings, improvements, machinery and equipment, as well as, infrastructure (from 1980 to current), including roads, sidewalks, bridges, curbs and gutters. The total increase in the City’s investment in capital assets for 2019 was \$6,641,932 which amounts to 2.95 percent.

City of Cuyahoga Falls Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 12,319,338	\$ 12,121,374	\$ 3,589,128	\$ 3,589,128	\$ 15,908,466	\$ 15,710,502
Construction in Progress	7,542,723	4,039,855	2,090,270	854,716	\$ 9,632,993	4,894,571
Buildings	20,808,936	18,738,781	25,327,393	26,049,342	\$ 46,136,329	44,788,123
Improvements	7,169,389	7,419,859	71,667,078	72,488,101	\$ 78,836,467	79,907,960
Machinery and Equipment	11,389,613	10,122,102	7,390,111	6,473,288	\$ 18,779,724	16,595,390
Infrastructure	62,032,660	62,916,590	-	-	\$ 62,032,660	62,916,590
Total	\$ 121,262,659	\$ 115,358,561	\$ 110,063,980	\$ 109,454,575	\$ 231,326,639	\$ 224,813,136

Major capital asset events during 2019 were as follows:

In 2019, the City made substantial investments for Safety Forces out of the Capital Projects Fund. The Police Firing Range was capitalized with total costs of \$2,625,000. The Police department also received two new patrol SUVs totaling \$101,000. The Fire department continued work on Fire Station #3, pushing total costs in CIP for the new station to \$2,983,000. New vehicles were also purchased for Station #3 when it becomes operational, specifically a Pierce 110 foot ladder truck for \$990,000 and 2019 Ford E-450 Braun Chief XL Ambulance for \$262,000. The Communications department also capitalized costs for five dispatch station upgrades totaling \$848,000. These upgrades will enable the City to be on the same network/system as other municipalities across the County for enhanced protection and collaboration.

Several LED lighting projects were undertaken, mostly for various areas of the Downtown that will translate into energy savings while also enhancing the Downtown appearance. \$120,000 was spent on upgrades for Downtown and for the exterior of City Hall. The Natatorium also undertook \$32,000 in LED lighting upgrades. The Electric department continued the city-wide streetlight upgrade project to LED with costs of \$447,000.

The Water Fund capitalized a large waterline project on Bailey Road for \$708,000 and continued construction on Campbell Street water line with costs of \$239,000. The Sewer Fund on the other hand had costs of \$433,000 on the Campbell Street sewer line, which is also still in CIP. The Sewer, Water and Storm Water Funds combined to purchase a new Vacall Sewer Jet Truck for \$372,000.

The Sanitation Fund purchased a new 28-yd side-loader and front loader for \$315,000 and \$368,000, respectively. They also have adopted a new RFID system installed on all the sanitation trucks in the fleet for \$50,000.

The Electric Fund continued construction on the Peaking Generator Project with \$743,000 in costs which will help to save the City energy costs in the long-run. A notable disposal in the Electric Fund was the partial selling of the Theiss and Valley Substation lines and infrastructure as part of the bulk electric system 138kv assets to ATSI, a subsidiary of First Energy, for \$1,622,000.

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

Assets held for resale. As of December 31, 2019, the City currently does not have any interest in development projects held for resale.

City of Cuyahoga Falls, Ohio

Long-term debt. At December 31, 2019, the City had \$26.420 million of long-term bonds and capital leases outstanding.

City of Cuyahoga Falls General Obligation Bonds and Capital Leases Outstanding						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
G. O. bonds	\$ 15,773,885	\$ 16,464,565	\$ 10,302,764	\$ 11,446,655	\$ 26,076,649	\$ 27,911,220
Capital leases	50,586	113,912	292,707	2,053,011	343,293	2,166,923
Total	\$ 15,824,471	\$ 16,578,477	\$ 10,595,471	\$ 13,499,666	\$ 26,419,942	\$ 30,078,143

The balance of outstanding capital leases decreased \$1,823,630 in 2019. This was primarily due the retirement of a lease agreement, offset by the commencement of a new lease agreement.

In 2019, the city made the final payment on the City's 2008 lease agreement for water and electric meter replacement and fixed base automated meter reading (AMR) installation, lighting retrofits and building envelope improvements.

The City entered into a lease agreement on May 10, 2019 for a Vacall AJV 1215 Combination Jet/Vac Sewer Cleaner for use by the Water Department in the amount of \$372,000, in which a principal payment of \$79,293 was made on the lease commencement date.

More detailed information regarding the City's capital leases and long-term debt activity is available in Note 11 and Note 13 on page 97, and pages 99-107, respectively.

Economic Factors and Next Year's Budget

The City of Cuyahoga Falls' elected and appointed officials consider many factors through a lengthy budget process. The economic state of the State and Nation obviously have a direct impact on municipalities. The City prioritizes each department's basic mission. The City recently completed the process of negotiating multi-year employee bargaining agreements with the various unions which expire on June 30, 2021. The outcome of these negotiations provided reasonable cost of living increases while capping the growth of health care costs. The City's plan is to be able to forecast far enough into the future to have the ability and time to handle any financial situation that may occur. The novel coronavirus has had a profound impact on all economies of the world. The City's management continues to closely monitor both the local economy and national economy to prepare for the 2021 budget. We continue to work with our state officials, as well as our congressional representatives to get through this crisis.

The administration realizes the only meaningful way to grow revenue will be through development, both residential and commercial, job creation and expansion, and maintaining our housing stock and municipal infrastructure. The City is currently working with developers for residential growth. Two new residential developments, Enclave at Mill Pond and The Preserve at Salt Creek have recently been completed. Three additional developments are underway including Woodland Preserves, Redwood and The Villages at Sycamore. An additional housing development, The Towns at Steels Corners, just received preliminary approval and should be underway soon. These added residents will be a catalyst for future economic activity.

The City continues to work with companies looking to relocate or expand within its borders. The Portage Crossing project is a valuable asset and will provide an economic boost to the City for years to come. Attracting new businesses, such as Menards, which opened in 2018, and promoting expansion, such as what has occurred in recent years with Kyocera-SGS Precision Tools and Harbor Castings continue to be a focus of the Mayor and the administration. The City completed the Downtown Circulation Project in 2018, which included constructing and reopening a portion of Front Street, which had been closed to vehicular traffic as a pedestrian mall for over 40 years, and parking deck upgrades, which includes structural improvements to the three downtown parking decks (Red, Blue, and Green) which are free of charge to the public. Front Street was reopened to traffic on February 3, 2018.

City of Cuyahoga Falls, Ohio

Downtown Cuyahoga Falls continues to be a hotbed of economic activity. New boutique stores and gift shops, restaurants, and entertainment along the Front Street Corridor attract people Downtown. As new businesses continue to open Downtown will continue to be a place for economic prosperity. The Community Development Department has a diligent housing division along with the assistance of Community Development Block Grant funds to assist the needy to maintain the City's housing stock. To maintain City infrastructure, the City transfers 29.33 percent of net income tax dollars into the Capital Projects Fund to maintain our infrastructure.

In conclusion, the recording of GASB Statement No. 68 and 75 requires the reader to perform additional calculations to determine the City's total net position at December 31, 2019 without the recording of GASB Statement No. 68 and 75, regarding the State Pension Systems. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold and distributes pensions and other postemployment benefits to our employees, not the City of Cuyahoga Falls. These calculations are as follows and adjusts for the City's defined benefit single employer OPEB plan:

City of Cuyahoga Falls, Ohio - Implementation of GASB 68 and 75 effect on Net Position			
	Governmental Activities	Business-type Activities	Total
Total net position at December 31, 2019 (With GASB 68 and 75)	\$ 63,198,539	\$ 117,331,555	\$ 180,530,094
GASB 68 and 75 calculations:			
Add:			
Deferred Inflows related to pension	1,108,811	332,654	1,441,465
Deferred Inflows related to other post employment benefits (OPEB)	3,511,922	91,262	3,603,184
Less: City defined single employer OPEB Plan	(1,471,852)	-	(1,471,852)
Net pension liability	57,837,132	17,219,975	75,057,107
Net other post employment benefits (OPEB)	21,768,106	8,004,832	29,772,938
Less: City defined single employer OPEB Plan	(9,086,587)	-	(9,086,587)
Less:			
Deferred outflows related to pensions	(15,860,780)	(5,190,684)	(21,051,464)
Deferred outflows related to other post employment benefits (OPEB)	(3,832,423)	(632,373)	(4,464,796)
Plus: City defined single employer OPEB Plan	537,631	-	537,631
Net pension asset	(78,462)	(76,631)	(155,093)
Total net position at December 31, 2018 (Without GASB 68 and 75 - State Pension Systems)	<u>117,632,037</u>	<u>137,080,590</u>	<u>254,712,627</u>

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

City of Cuyahoga Falls, Ohio

Statement of Net Position December 31, 2019

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		CIC of Cuyahoga Falls
Assets				
Equity in pooled cash and cash equivalents	\$ 13,902,708	\$ 17,821,336	\$ 31,724,044	19,794
Cash and cash equivalents - restricted accounts	-	-	-	11,048
Investments	10,214,959	12,881,682	23,096,641	-
Accounts receivable (net of allowance for uncollectibles)	1,160,715	9,835,052	10,995,767	-
Loans receivable	2,806,797	-	2,806,797	-
Taxes receivable	16,144,188	-	16,144,188	-
Special assessments receivable	99,141	216,780	315,921	-
Accrued interest receivable	61,195	-	61,195	-
Due from other governments	3,924,376	185,909	4,110,285	-
Inventory of supplies	1,127,806	4,378,230	5,506,036	-
Prepaid items	191,830	122,962	314,792	526
Internal balances	817,711	(817,711)	-	-
Investment in joint ventures	-	1,876,548	1,876,548	-
Regulated asset	-	1,671,356	1,671,356	-
Net pension asset	78,462	76,631	155,093	-
Nondepreciable capital assets	19,862,061	5,679,398	25,541,459	112,080
Depreciable capital assets	101,400,598	104,384,582	205,785,180	-
Total assets	171,792,547	158,312,755	330,105,302	143,448
Deferred Outflows of Resources				
Pension	15,860,780	5,190,684	21,051,464	-
Other postemployment benefits (OPEB)	3,832,423	632,373	4,464,796	-
Advance refunding of debt	-	183,249	183,249	-
Total deferred outflows of resources	19,693,203	6,006,306	25,699,509	-
Liabilities				
Accounts payable	938,286	4,103,285	5,041,571	3,290
Accrued salaries, wages and benefits	566,074	220,862	786,936	-
Accrued interest payable	141,948	40,178	182,126	-
Due to other governments	474,729	1,880,175	2,354,904	-
Unearned Revenue	-	79,069	79,069	-
Deposit held and due to others	-	1,276,816	1,276,816	-
Notes payable	5,200,000	1,600,000	6,800,000	-
Current portion of:				
Accrued compensated absences	2,367,069	-	2,367,069	-
Claims and judgments payable	505,565	-	505,565	-
Capital leases	50,586	69,663	120,249	-
Payable to AMP	-	167,322	167,322	-
Bonds payable	750,000	1,095,000	1,845,000	-
Long-term portion of:				
Net pension liability	57,837,132	17,219,975	75,057,107	-
Net other postemployment benefits (OPEB)	21,768,106	8,004,832	29,772,938	-
Accrued compensated absences	7,847,343	-	7,847,343	-
Claims and judgments payable	26,546	-	26,546	-
Capital leases	-	223,044	223,044	-
Payable to AMP	-	1,504,034	1,504,034	-
Bonds payable	15,023,885	9,207,764	24,231,649	-
Total liabilities	113,497,269	46,692,019	160,189,288	3,290
Deferred Inflows of Resources				
Revenues levied for the next year	10,169,209	-	10,169,209	-
Pension	1,108,811	332,654	1,441,465	-
Other postemployment benefits (OPEB)	3,511,922	91,262	3,603,184	-
Total deferred inflows of resources	14,789,942	423,916	15,213,858	-
Net Position				
Net investment in capital assets	100,145,441	98,236,082	198,381,523	112,080
Restricted for:				
Capital projects (temporarily restricted)	6,571,786	-	6,571,786	-
Special revenue - Community Development Block Grant (temporarily restricted)	2,928,517	-	2,928,517	-
CIC - Community Development (temporarily restricted)	-	-	-	11,048
Permanent fund purpose - Cemetery Perpetual Care (permanently restricted)	248,996	-	248,996	-
Unrestricted	(46,696,201)	18,967,044	(27,729,157)	17,030
Total net position	\$ 63,198,539	\$ 117,203,126	\$ 180,401,665	\$ 140,158

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Activities For the Year Ended December 31, 2019

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	\$ 4,078,743	\$ 652,409	\$ 103,776	\$ -
Leisure time activities	4,138,896	251,070	-	-
Community environment	2,581,048	100,850	402,147	124,999
Street maintenance	10,209,740	815,585	2,750,529	1,261,487
General government	10,324,863	3,055,468	141,700	17,438
Interest and fiscal charges	552,870	-	-	-
Total governmental activities	31,886,160	4,875,382	3,398,152	1,403,924
Business-type activities:				
Sewage and disposal	8,997,990	8,228,489	-	-
Water	4,697,602	5,276,484	-	340,785
Electric	48,454,543	48,761,592	1,505	-
Sanitation	4,190,654	3,786,521	58,002	-
Leisure time activities	7,183,886	6,794,450	-	-
Storm drainage utility	1,065,512	1,273,890	-	523,916
Total business-type activities	74,590,187	74,121,426	59,507	864,701
Total primary government	\$ 106,476,347	\$ 78,996,808	\$ 3,457,659	\$ 2,268,625
Component Unit - CIC of Cuyahoga Falls	\$ 332,185	444	50,000	-
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				
Investment earnings				
Transfers				
Total general revenue and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

See accompanying notes to the basic financial statements

Statement of Activities
For the Year Ended December 31, 2019

(Continued)

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	CIC of Cuyahoga Falls
\$ (3,322,558)	\$ -	\$ (3,322,558)	\$ -
(3,887,826)	-	(3,887,826)	-
(1,953,052)	-	(1,953,052)	-
(5,382,139)	-	(5,382,139)	-
(7,110,257)	-	(7,110,257)	-
(552,870)	-	(552,870)	-
(22,208,702)	-	(22,208,702)	-
-	(769,501)	(769,501)	-
-	919,667	919,667	-
-	308,554	308,554	-
-	(346,131)	(346,131)	-
-	(389,436)	(389,436)	-
-	732,294	732,294	-
-	455,447	455,447	-
(22,208,702)	455,447	(21,753,255)	-
-	-	-	(281,741)
11,858,448	-	11,858,448	-
1,591,781	-	1,591,781	-
16,507,424	-	16,507,424	-
2,107,217	-	2,107,217	-
7,725,590	-	7,725,590	-
2,941,401	-	2,941,401	-
1,569,890	-	1,569,890	12
(1,966,956)	1,966,956	-	-
42,334,795	1,966,956	44,301,751	12
20,126,093	2,422,403	22,548,496	(281,729)
43,072,446	114,780,723	157,853,169	421,887
\$ 63,198,539	\$ 117,203,126	\$ 180,401,665	\$ 140,158

City of Cuyahoga Falls, Ohio

Balance Sheet - Governmental Funds December 31, 2019

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in pooled cash and cash equivalents	4,298,792	\$ 3,575,758	\$ 2,223,711	\$ 10,098,261
Investments	3,265,480	2,584,642	1,608,113	7,458,235
Receivables				
Taxes	15,223,791	-	920,397	16,144,188
Accounts				
(net of allowance for uncollectibles)	149,853	572,590	237,967	960,410
Loans	29,399	-	2,777,398	2,806,797
Special assessments	-	99,141	-	99,141
Accrued interest	61,195	-	-	61,195
Due from other funds	139,072	22,054	120,000	281,126
Due from other governments	1,931,167	255,547	1,551,137	3,737,851
Inventory of supplies	139,332	-	742,292	881,624
Prepaid items	168,513	-	22,095	190,608
Total assets	25,406,594	\$ 7,109,732	\$ 10,203,110	\$ 42,719,436
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	71,792	\$ 517,099	\$ 258,565	\$ 847,456
Accrued salaries, wages and benefits	503,103	-	48,690	551,793
Due to other funds	102,395	-	9,997	112,392
Due to other governments	250,131	20,847	156,359	427,337
General obligation notes payable	-	5,200,000	-	5,200,000
Total liabilities	927,421	5,737,946	473,611	7,138,978
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	14,946,359	506,222	1,920,147	17,372,728
Fund Balances				
Nonspendable	307,845	-	1,013,383	1,321,228
Restricted	29,399	720,964	6,851,138	7,601,501
Committed	-	144,600	1,728	146,328
Assigned	1,434,461	-	-	1,434,461
Unassigned	7,761,109	-	(56,897)	7,704,212
Total fund balances	9,532,814	865,564	7,809,352	18,207,730
Total liabilities, deferred inflows and fund balances	25,406,594	\$ 7,109,732	\$ 10,203,110	\$ 42,719,436

See accompanying notes to the basic financial statements

**Reconciliation of Total Governmental Fund Balances to Net Position of
Governmental Activities
December 31, 2019**

Total Governmental Fund Balances \$ 18,207,730

Amounts reported for governmental activities in the statement of net position 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	\$ 19,840,101	
Depreciable capital assets	<u>101,329,811</u>	121,169,912

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

Investment earnings	22,953	
Delinquent property taxes	221,991	
Grants and entitlements	2,311,054	
Municipal income tax	3,716,008	
Special assessments	99,141	
Charges for services	<u>832,372</u>	7,203,519

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 position.

Internal service fund net position is: (14,053,891)

The net pension liability/asset (excluding internal service fund net pension liability/asset) is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:

Deferred outflows - pension	15,579,236	
Deferred inflows - pension	(1,090,769)	
Net pension liability	(56,903,120)	
Net pension asset	<u>74,306</u>	(42,340,347)

The net other post employment benefits liability (excluding internal service fund net other post employment benefits liability) is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred outflows - other post employment benefits	3,260,491	
Deferred inflows - other post employment benefits	(2,035,120)	
Net other post employment benefits liability	<u>(12,247,336)</u>	(11,021,965)

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

Accrued interest payable	(141,948)	
Unamortized bond premium	(28,677)	
Unamortized bond discount	14,792	
Capital leases	(50,586)	
Bonds Payable	<u>(15,760,000)</u>	(15,966,419)

Total Governmental Activities Net Position \$ 63,198,539

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Year Ended December 31, 2019

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 9,460,487	\$ -	\$ 545,798	\$ 10,006,285
Municipal income taxes	15,333,542	6,643,245	1,812,000	23,788,787
Other local taxes	2,315,940	-	1,041,333	3,357,273
State levied shared taxes	2,797,871	-	2,874,668	5,672,539
Intergovernmental	237,271	229,550	463,479	930,300
Charges for services	958,951	1,403,133	1,265	2,363,349
Fees, licenses and permits	169,589	-	649,324	818,913
Interest earnings	1,501,676	-	9,604	1,511,280
Fines and forfeitures	167,820	-	57,875	225,695
Special assessments	-	83,246	-	83,246
Other	295,232	296,838	481,409	1,073,479
Total revenues	<u>33,238,379</u>	<u>8,656,012</u>	<u>7,936,755</u>	<u>49,831,146</u>
Expenditures				
Current				
Security of persons and property	19,004,210	-	2,960,092	21,964,302
Leisure time activities	2,115,775	-	1,691,211	3,806,986
Community environment	1,233,672	-	968,179	2,201,851
Street maintenance	-	-	4,310,946	4,310,946
General government	6,632,714	-	4,882	6,637,596
Capital outlay	-	13,603,029	185,000	13,788,029
Debt Service				
Principal	-	63,326	720,000	783,326
Interest	-	2,854	555,168	558,022
Total expenditures	<u>28,986,371</u>	<u>13,669,209</u>	<u>11,395,478</u>	<u>54,051,058</u>
Excess (deficiency) of revenues				
Over (under) expenditures	<u>4,252,008</u>	<u>(5,013,197)</u>	<u>(3,458,723)</u>	<u>(4,219,912)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	3,605,000	3,605,000
Transfers out	<u>(5,571,956)</u>	<u>-</u>	<u>-</u>	<u>(5,571,956)</u>
Total other financing sources (uses)	<u>(5,571,956)</u>	<u>-</u>	<u>3,605,000</u>	<u>(1,966,956)</u>
Net change in fund balances	(1,319,948)	(5,013,197)	146,277	(6,186,868)
Fund balance at beginning of year	10,838,370	5,878,761	7,488,331	24,205,462
Change in nonspendable inventory	9,909	-	170,712	180,621
Change in nonspendable prepaid items	4,483	-	4,032	8,515
Fund balance at end of year	<u>\$ 9,532,814</u>	<u>\$ 865,564</u>	<u>\$ 7,809,352</u>	<u>\$ 18,207,730</u>

See accompanying notes to the basic financial statements

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (6,186,868)

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 additions exceeded depreciation in the current period.

Capital additions	\$ 11,986,981	
Current year depreciation	<u>(5,751,528)</u>	
		6,235,453

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 position differs from the change in fund balance by the cost of the assets. (340,002)

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. 189,136

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

Investment earnings	(2,113)	
Delinquent property taxes	85,245	
Grants and entitlements	248,871	
Municipal income tax	2,551,444	
Special assessments	23,814	
Charges for services	<u>445,985</u>	
		3,353,246

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred inflows/outflows. 11,072,056

Contractually required other post employment benefits (OPEB) contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred inflows/outflows. (1,394,415)

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (16,230,597)

Except for amounts reported as deferred inflows/outflows, changes in the net other post employment benefits (OPEB) liability are reported as pension expense in the statement of activities. 22,942,512

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 position. 783,326

In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds an interest expenditure is reported when due. 2,804

Premiums and discounts on bonds issued are recognized as revenues and expenses, respectively in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities. (29,320)

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. (271,238)

Change in Net Position of Governmental Activities \$ 20,126,093

See accompanying notes to the basic financial statements

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 9,463,407	\$ 9,457,049	\$ 9,460,487	\$ 3,438
Municipal income taxes	15,792,255	15,325,255	15,095,110	(230,145)
Other local taxes	2,494,950	2,310,022	2,312,963	2,941
State levied shared taxes	2,613,892	2,738,745	2,749,435	10,690
Intergovernmental	181,151	228,391	231,948	3,557
Charges for services	3,807,663	3,898,311	3,905,583	7,272
Fees, licenses, and permits	140,370	160,912	168,739	7,827
Interest earnings	1,000,000	1,000,000	991,197	(8,803)
Fines and forfeitures	224,500	162,510	165,744	3,234
Other	237,483	289,545	312,456	22,911
Total revenues	35,955,671	35,570,740	35,393,662	(177,078)
Expenditures				
Current				
Security of persons and property	19,781,073	19,761,073	19,392,915	368,158
Leisure time activities	2,545,521	2,465,521	2,433,318	32,203
Community environment	1,405,002	1,405,002	1,291,937	113,065
General government	10,032,618	9,655,118	9,195,423	459,695
Total expenditures	33,764,214	33,286,714	32,313,593	973,121
Excess (deficiency) of revenues over (under) expenditures	2,191,457	2,284,026	3,080,069	796,043
Other Financing (Uses)				
Transfers out	(5,666,732)	(5,676,732)	(5,571,956)	104,776
Total other financing (uses)	(5,666,732)	(5,676,732)	(5,571,956)	104,776
Net change in fund balances	(3,475,275)	(3,392,706)	(2,491,887)	900,819
Fund balance at beginning of year	9,277,670	9,277,670	9,277,670	-
Prior year encumbrances appropriated	367,030	367,030	367,030	-
Fund balance at end of year	\$ 6,169,425	\$ 6,251,994	\$ 7,152,813	\$ 900,819

See accompanying notes to the basic financial statements

Statement of Net Position - Proprietary Funds
December 31, 2019

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
Assets							
Current Assets							
Equity in pooled cash and cash equivalents	\$ 1,734,732	\$ 2,776,430	\$ 9,072,496	\$ 1,111,808	\$ 2,586,084	\$ 539,786	\$ 17,821,336
Investments	1,253,905	2,006,869	6,557,815	803,640	1,869,282	390,171	12,881,682
Receivables							
Accounts							
(net of allowance for uncollectibles)	1,004,250	663,190	7,662,603	314,478	74,055	116,476	9,835,052
Special assessments	43,610	29,330	-	-	-	143,840	216,780
Due from other funds	40,522	-	625,370	13,979	-	8,409	688,280
Due from other governments	185,909	-	-	-	-	-	185,909
Inventory of supplies	33,905	507,325	3,582,006	126,156	128,838	-	4,378,230
Prepaid items	10,342	14,501	31,601	17,643	42,517	6,358	122,962
Investment in joint ventures	-	-	1,876,548	-	-	-	1,876,548
Total current assets	4,307,175	5,997,645	29,408,439	2,387,704	4,700,776	1,205,040	48,006,779
Noncurrent Assets							
Net pension asset	6,144	11,371	25,611	8,769	21,341	3,395	76,631
Regulated asset	-	-	1,671,356	-	-	-	1,671,356
Capital Assets							
Land	93,459	135,605	530,756	152,781	1,787,907	888,620	3,589,128
Buildings	522,680	1,189,968	1,060,510	412,886	36,722,683	11,700	39,920,427
Improvements other than buildings	32,161,092	36,575,160	48,204,789	257,918	4,665,508	14,893,508	136,757,975
Equipment	1,571,630	2,111,422	8,056,881	5,427,665	790,986	679,582	18,638,166
CIP	-	-	2,031,036	-	9,248	49,986	2,090,270
Less: Accumulated depreciation	(16,335,517)	(19,703,686)	(32,106,950)	(3,055,184)	(15,920,840)	(3,809,809)	(90,931,986)
Total noncurrent assets	18,019,488	20,319,840	29,473,989	3,204,835	28,076,833	12,716,982	111,811,967
Total assets	22,326,663	26,317,485	58,882,428	5,592,539	32,777,609	13,922,022	159,818,746
Deferred Outflows of Resources							
Pension	416,198	770,230	1,734,809	593,979	1,445,531	229,937	5,190,684
Other postemployment benefits (OPEB)	50,705	93,835	211,349	72,364	176,107	28,013	632,373
Advance refunding of debt	-	-	-	-	183,249	-	183,249
Total deferred outflows of resources	466,903	864,065	1,946,158	666,343	1,804,887	257,950	6,006,306
Liabilities							
Current Liabilities							
Accounts payable	25,287	50,785	3,763,776	146,976	83,068	33,393	4,103,285
Accrued salaries, wages and benefits	18,048	35,798	84,053	32,642	46,527	3,794	220,862
Accrued compensated absences	-	-	-	-	-	-	-
Accrued interest payable	12,538	4,588	-	-	23,052	-	40,178
Unearned revenue	-	-	-	-	79,069	-	79,069
Due to other funds	124,943	221,842	2,473	86,948	399,515	18,289	854,010
Due to other governments	1,849,069	5,511	12,910	4,980	7,121	584	1,880,175
Deposits held and due to others	-	-	1,276,816	-	-	-	1,276,816
Claims and judgments payable	-	-	-	-	-	-	-
Capital lease obligations	23,221	23,221	-	-	-	23,221	69,663
Payable to American Municipal Power	-	-	167,322	-	-	-	167,322
General obligation notes payable	-	1,600,000	-	-	-	-	1,600,000
General obligation bonds payable	30,000	340,000	-	-	725,000	-	1,095,000
Total current liabilities	2,083,106	2,281,745	5,307,350	271,546	1,363,352	79,281	11,386,380
Noncurrent Liabilities							
Net pension liability	1,380,726	2,555,212	5,755,170	1,970,520	4,795,524	762,823	17,219,975
Net other postemployment benefits (OPEB) liability	641,841	1,187,809	2,675,333	916,011	2,229,234	354,604	8,004,832
Accrued compensated absences	-	-	-	-	-	-	-
Claims and judgments payable	-	-	-	-	-	-	-
Capital lease obligations	74,348	74,348	-	-	-	74,348	223,044
Payable to American Municipal Power	-	-	1,504,034	-	-	-	1,504,034
General obligation bonds payable	450,000	366,001	-	-	8,391,763	-	9,207,764
Total noncurrent liabilities	2,546,915	4,183,370	9,934,537	2,886,531	15,416,521	1,191,775	36,159,649
Total liabilities	4,630,021	6,465,115	15,241,887	3,158,077	16,779,873	1,271,056	47,546,029
Deferred Inflows of Resources							
Pension	26,672	49,361	111,177	38,068	92,639	14,737	332,654
Other postemployment benefits (OPEB)	7,318	13,542	30,501	10,443	25,414	4,044	91,262
Total deferred inflows of resources	33,990	62,903	141,678	48,511	118,053	18,781	423,916
Net Position							
Net investment in capital assets	17,502,506	18,022,492	27,777,022	3,196,066	19,121,978	12,616,018	98,236,082
Unrestricted	627,049	2,631,040	17,667,999	(143,772)	(1,437,408)	274,117	19,619,025
Total net position	\$ 18,129,555	\$ 20,653,532	\$ 45,445,021	\$ 3,052,294	\$ 17,684,570	\$ 12,890,135	\$ 117,855,107
Adjustment to consolidate the internal service fund activities related to enterprise funds.							(651,981)
Total net position of business-type activities							\$ 117,203,126

City of Cuyahoga Falls, Ohio

Statement of Net Position - Proprietary Funds December 31, 2019

(Continued)

	Governmental Activities - Internal Service Funds
Assets	
Current Assets	
Equity in pooled cash and cash equivalents	\$ 3,804,447
Investments	2,756,724
Receivables	
Accounts	
(net of allowance for uncollectibles)	200,305
Special assessments	-
Due from other funds	-
Due from other governments	186,525
Inventory of supplies	246,182
Prepaid items	1,222
Investment in joint ventures	-
Total current assets	<u>7,195,405</u>
Noncurrent Assets	
Net pension asset	4,156
Regulated asset	-
Capital Assets	
Land	21,960
Buildings	105,958
Improvements other than buildings	260,029
Equipment	186,215
CIP	-
Less: Accumulated depreciation	<u>(481,415)</u>
Total noncurrent assets	<u>96,903</u>
Total assets	<u>7,292,308</u>
Deferred Outflows of Resources	
Pension	281,544
Other postemployment benefits (OPEB)	571,932
Advance refunding of debt	-
Total deferred outflows of resources	<u>853,476</u>
Liabilities	
Current Liabilities	
Accounts payable	90,830
Accrued salaries, wages and benefits	14,281
Accrued compensated absences	2,367,069
Accrued interest payable	-
Unearned revenue	-
Due to other funds	3,004
Due to other governments	47,392
Deposits held and due to others	-
Claims and judgments payable	505,565
Capital lease obligations	-
Payable to AMP	-
General obligation notes payable	-
General obligation bonds payable	-
Total current liabilities	<u>3,028,141</u>
Noncurrent Liabilities	
Net pension liability	934,012
Net other postemployment benefits (OPEB) liability	9,520,770
Accrued compensated absences	7,847,343
Claims and judgments payable	26,546
Capital lease obligations	-
Payable to AMP	-
General obligation bonds payable	-
Total noncurrent liabilities	<u>18,328,671</u>
Total liabilities	<u>21,356,812</u>
Deferred Inflows of Resources	
Pension	18,042
Other postemployment benefits (OPEB)	1,476,802
Total deferred inflows of resources	<u>1,494,844</u>
Net Position	
Net investment in capital assets	92,747
Unrestricted	(14,798,619)
Total net position	<u>\$ (14,705,872)</u>

City of Cuyahoga Falls, Ohio

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
Operating Revenues							
Charges for services	\$ 8,089,970	\$ 4,953,536	\$ 48,881,197	\$ 3,692,140	\$ 5,574,221	\$ 1,200,058	\$ 72,391,122
Other	244,035	322,948	428,642	115,307	1,220,229	95,387	2,426,548
Total operating revenues	<u>8,334,005</u>	<u>5,276,484</u>	<u>49,309,839</u>	<u>3,807,447</u>	<u>6,794,450</u>	<u>1,295,445</u>	<u>74,817,670</u>
Operating Expenses							
Personal services	732,708	1,410,973	3,662,544	1,044,438	2,450,811	154,525	9,455,999
Fringe benefits	530,796	1,027,498	2,443,603	824,777	1,535,572	197,206	6,559,452
Purchased power	-	-	33,958,940	-	-	-	33,958,940
Materials and supplies	43,360	379,541	5,005,564	129,896	262,177	42,315	5,862,853
Utilities	57,203	315,981	39,525	17,413	180,982	583	611,687
Contractual services	6,197,502	125,526	310,379	947,646	39,412	63,661	7,684,126
Internal charges	276,431	276,806	1,232,549	706,497	579,215	74,922	3,146,420
Other	381,134	488,032	1,079,827	107,296	1,103,243	170,989	3,330,521
Depreciation	790,023	1,073,802	1,827,088	355,969	940,116	346,235	5,333,233
Total Operating Expenses	<u>9,009,157</u>	<u>5,098,159</u>	<u>49,560,019</u>	<u>4,133,932</u>	<u>7,091,528</u>	<u>1,050,436</u>	<u>75,943,231</u>
Net income (loss) from operations	<u>(675,152)</u>	<u>178,325</u>	<u>(250,180)</u>	<u>(326,485)</u>	<u>(297,078)</u>	<u>245,009</u>	<u>(1,125,561)</u>
Nonoperating Revenues (Expenses)							
Interest revenue	-	-	-	-	-	-	-
Interest expense	(48,440)	(81,133)	(42,847)	(1,363)	(235,003)	-	(408,786)
Gain (loss) from disposal of capital assets	3,990	1,555	1,149,412	(14,663)	11,311	(11,300)	1,140,305
Grants	-	-	1,505	58,002	-	-	59,507
Total nonoperating revenues (expenses)	<u>(44,450)</u>	<u>(79,578)</u>	<u>1,108,070</u>	<u>41,976</u>	<u>(223,692)</u>	<u>(11,300)</u>	<u>791,026</u>
Income (loss) before contributions and transfers	<u>(719,602)</u>	<u>98,747</u>	<u>857,890</u>	<u>(284,509)</u>	<u>(520,770)</u>	<u>233,709</u>	<u>(334,535)</u>
Capital Contributions	-	340,785	-	-	-	523,916	864,701
Transfers in	-	-	1,686,224	-	280,732	-	1,966,956
Changes in net position	<u>(719,602)</u>	<u>439,532</u>	<u>2,544,114</u>	<u>(284,509)</u>	<u>(240,038)</u>	<u>757,625</u>	<u>2,497,122</u>
Total net position - beginning	18,849,157	20,214,000	42,900,907	3,336,803	17,924,608	12,132,510	
Total net position - ending	<u>\$ 18,129,555</u>	<u>\$ 20,653,532</u>	<u>\$ 45,445,021</u>	<u>\$ 3,052,294</u>	<u>\$ 17,684,570</u>	<u>\$ 12,890,135</u>	
Adjustment to consolidate the internal service fund activities related to enterprise funds.							(74,719)
Change in net position of business-type activities							<u>\$ 2,422,403</u>

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Year Ended December 31, 2019

(Continued)

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for services	\$ 10,217,195
Other	1,093,410
Total operating revenues	<u>11,310,605</u>
Operating Expenses	
Personal services	1,756,045
Fringe benefits	8,163,883
Purchased power	-
Materials and supplies	1,163,561
Utilities	10,568
Contractual services	102,396
Internal charges	133,973
Other	387,432
Depreciation	3,734
Total Operating Expenses	<u>11,721,592</u>
Net income (loss) from operations	<u>(410,987)</u>
Nonoperating Revenues (Expenses)	
Interest revenue	60,723
Interest expense	-
Gain (loss) from disposal of capital assets	4,307
Grants	-
Total nonoperating revenues (expenses)	<u>65,030</u>
Income (loss) before contributions and transfers	<u>(345,957)</u>
Capital Contributions	-
Transfers in	-
Changes in net position	<u>(345,957)</u>
Total net position - beginning	(14,359,915)
Total net position - ending	<u>\$ (14,705,872)</u>

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
Cash Flows From Operating Activities							
Cash received from customers	\$ 8,336,954	\$ 5,387,941	\$ 51,327,027	\$ 3,868,021	\$ 6,793,866	\$ 1,298,781	\$ 77,012,590
Cash payments to employees for services	(744,859)	(1,431,833)	(3,710,798)	(1,058,923)	(2,456,688)	(156,790)	(9,559,891)
Cash payments to employees for benefits	(274,641)	(553,193)	(1,375,500)	(458,765)	(639,939)	(54,937)	(3,356,975)
Cash payments to suppliers for goods and services	(6,349,989)	(1,808,780)	(42,296,482)	(1,920,749)	(2,280,000)	(420,697)	(55,076,697)
Net cash provided by operating activities	967,465	1,594,135	3,944,247	429,584	1,417,239	666,357	9,019,027
Cash Flows From Non-Capital Financing Activities							
Grant proceeds	-	-	1,505	58,002	-	-	59,507
Transfers in	-	-	1,686,224	-	280,732	-	1,966,956
Net cash provided by non-capital financing activities	-	-	1,687,729	58,002	280,732	-	2,026,463
Cash Flows From Capital and Related Financing Activities							
Acquisition of capital assets	(427,809)	(1,075,223)	(2,764,320)	(731,167)	(204,960)	(114,618)	(5,318,097)
Grant proceeds	-	340,785	-	-	-	-	340,785
Proceeds from the sale of capital assets	1,355	535	1,622,330	5,361	-	97	1,629,678
Bond/note proceeds	-	1,609,744	-	-	-	-	1,609,744
Debt service							
Principal	(676,974)	(2,569,888)	(982,736)	(31,275)	(715,000)	(26,431)	(5,002,304)
Interest	(41,774)	(102,377)	(42,847)	(1,363)	(289,775)	-	(478,136)
Net cash provided by (used in) capital and related financing activities	(1,145,202)	(1,796,424)	(2,167,573)	(758,444)	(1,209,735)	(140,952)	(7,218,330)
Cash Flows from Investing Activities							
Interest revenue	-	-	-	-	-	-	-
Sale of investments	1,544,505	2,431,889	5,934,333	1,066,444	1,935,102	197,334	13,109,607
Purchase of investments	(1,253,905)	(2,006,869)	(6,557,815)	(803,640)	(1,869,282)	(390,171)	(12,881,682)
Net cash provided by (used in) investing activities	290,600	425,020	(623,482)	262,804	65,820	(192,837)	227,925
Net increase (decrease) in cash and cash equivalents	112,863	222,731	2,840,921	(8,054)	554,056	332,568	4,055,085
Cash and cash equivalents at Beginning of Year	1,621,869	2,553,699	6,231,575	1,119,862	2,032,028	207,218	13,766,251
Cash and cash equivalents at end of year	\$ 1,734,732	\$ 2,776,430	\$ 9,072,496	\$ 1,111,808	\$ 2,586,084	\$ 539,786	\$ 17,821,336

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2019

(Continued)

	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities	
Cash received from customers	\$ 11,181,155
Cash payments to employees for services	(1,129,843)
Cash payments to employees for benefits	(7,926,614)
Cash payments to suppliers for goods and services	<u>(1,776,486)</u>
Net cash provided by operating activities	348,212
Cash Flows From Non-Capital Financing Activities	
Grant proceeds	-
Transfers in	<u>-</u>
Net cash provided by non-capital financing activities	-
Cash Flows From Capital and Related Financing Activities	
Acquisition of capital assets	-
Grant Proceeds	-
Proceeds from the sale of capital assets	1,026
Bond/note proceeds	-
Debt service	-
Principal	-
Interest	<u>-</u>
Net cash provided by capital and related financing activities	1,026
Cash Flows from Investing Activities	
Interest revenue	60,723
Sale of investments	2,993,052
Purchase of investments	<u>(2,756,724)</u>
Net cash provided by (used in) investing activities	<u>297,051</u>
Net increase (decrease) in cash and cash equivalents	646,289
Cash and cash equivalents at Beginning of Year	<u>3,158,158</u>
Cash and cash equivalents at end of year	<u>\$ 3,804,447</u>

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2019

(Continued)

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
Reconciliation of Operating Income							
(Loss) to Net cash provided by							
Operating Activities							
Operating Income (Loss)	\$ (675,152)	\$ 178,325	\$ (250,180)	\$ (326,485)	\$ (297,078)	\$ 245,009	\$ (1,125,561)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	790,023	1,073,802	1,827,088	355,969	940,116	346,235	5,333,233
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:							
Receivables	(21,677)	(42,370)	1,203,812	6,897	5,048	(34,456)	1,117,254
Due from other funds	6,069	76	80,568	198	-	9,939	96,850
Due from other governments	(135,194)	-	-	-	-	-	(135,194)
Inventory of supplies	2,590	(30,259)	(103,376)	(6,857)	(9,688)	-	(147,590)
Prepaid items	289	(62)	(852)	(1,783)	(3,068)	111	(5,365)
Investment in joint ventures	-	-	331,167	-	-	-	331,167
Deferred outflows of resources - pension	(215,916)	(399,578)	(899,982)	(308,145)	(749,914)	(119,287)	(2,692,822)
Deferred outflows of resources - OPEB	(10,546)	(19,515)	(43,956)	(15,050)	(36,626)	(5,826)	(131,519)
Accounts payable							
- net of items affecting capital assets	(43,749)	(8,969)	(186,725)	64,292	(36,644)	(58,804)	(270,599)
Accrued salaries, wages and benefits	(12,106)	(20,785)	(47,984)	(14,410)	(4,992)	(2,235)	(102,512)
Due to other funds	(2,333)	(30,212)	(1,356)	(14,484)	(66,719)	18,258	(96,846)
Due to other governments	800,523	(3,218)	(7,407)	(2,228)	(827)	(345)	786,498
Deposits held and due to others	-	-	23,322	-	-	-	23,322
Claims and judgments payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	(5,632)	-	(5,632)
Deferred inflows of resources - pension	(165,520)	(306,311)	(689,916)	(236,218)	(574,875)	(91,445)	(2,064,285)
Deferred inflows of resources - OPEB	(35,277)	(65,286)	(147,045)	(50,347)	(122,527)	(19,489)	(439,971)
Net pension liability	584,085	1,080,925	2,434,596	833,584	2,028,638	322,695	7,284,523
Net OPEB liability	101,356	187,572	422,473	144,651	352,027	55,997	1,264,076
Total adjustments	1,642,617	1,415,810	4,194,427	756,069	1,714,317	421,348	10,144,588
Net cash provided by (used in)							
operating activities	\$ 967,465	\$ 1,594,135	\$ 3,944,247	\$ 429,584	\$ 1,417,239	\$ 666,357	\$ 9,019,027

During 2019, the Storm Drainage Utility Enterprise Funds received contributions in the form of capital assets from a private developer in the amount of \$523,916.

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2019

(Continued)

	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income	
(Loss) to Net cash provided by Operating Activities	
Operating Income (Loss)	\$ (410,987)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	3,734
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:	
Receivables	(88,357)
Due from other funds	6,159
Due from other governments	(47,252)
Inventory of supplies	(6,890)
Prepaid items	26
Investment in joint ventures	-
Deferred outflows of resources - pension	(146,058)
Deferred outflows of resources - OPEB	(544,765)
Accounts payable	
- net of items affecting capital assets	28,056
Accrued salaries, wages and benefits	626,632
Due to other funds	(285)
Due to other governments	32,889
Deposits held and due to others	-
Claims and judgments payable	148,289
Unearned revenue	-
Deferred inflows of resources - pension	(111,969)
Deferred inflows of resources - OPEB	(139,734)
Net pension liability	395,113
Net OPEB liability	603,611
Total adjustments	759,199
Net cash provided by (used in) operating activities	\$ 348,212

Statement of Fiduciary Net Position - Fiduciary Funds
December 31, 2019

	Agency Funds
Assets	
Current Assets	
Equity in pooled cash and cash equivalents	\$ 1,093,099
Cash and cash equivalents - restricted	500
Investments	790,117
Income taxes receivable	36,499
Due from other governments	145,192
Total assets	\$ 2,065,407
Liabilities	
Current Liabilities	
Due to other governments	\$ 1,138,508
Deposits held and due to others	926,899
Total liabilities	\$ 2,065,407

See accompanying notes to the basic financial statements

**NOTES TO THE FINANCIAL
STATEMENTS**

**Notes to the Financial Statements
December 31, 2019**

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, storm drainage utilities, 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, as amended by Statement No. 61, The Financial Reporting Entity: Omnibus, 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. In addition, certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. 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 by permitting the CIC to keep proceeds from the sale of City property for their operations and paying portions 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.

The City participates in the Akron Metropolitan Area Transportation Study and the Boston Township-City of Cuyahoga Falls Joint Economic Development District. These jointly governed organizations are discussed in Note 20 of the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (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 principles. The more significant of the City's accounting policies are described below.

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation

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

Government-wide Financial Statements

The statement of net position 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. Other activities from interfund services provided and used are not eliminated in the process of consolidation.

The statement of net position 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 business-type activities. 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 include 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, Sanitation, and Storm Drainage Utility have 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:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. In addition, Municipal Income Tax Fund activity has been blended with the General Fund for financial reporting, and is not separately reported.

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 position, 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 Fund

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

Water Fund

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

Electric Fund

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

Sanitation Fund

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

Leisure Time 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.

Storm Drainage Utility Fund

This fund accounts 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.

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, Self Insurance, Workers' Compensation and Compensated Absences. All of the City's internal service funds are nonmajor funds.

Fiduciary Funds

Fiduciary Fund reporting focuses on net position and changes in net position. 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, unclaimed monies, money on deposit with the Cuyahoga Falls Mayor's Court, donations for Partnership for Parks and activity of the Boston Township-City of Cuyahoga Falls Joint Economic Development District.

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 Position.

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 position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities. The agency funds do not report on measurement focus, as they do not report operations.

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 inflows of resources and deferred outflows of resources, and in the presentation of expenses versus expenditures.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Unearned revenue in the Leisure Time Fund relates to the open balance of gift cards at year-end, where products or services will be delivered at some point in the future.

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.

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:

City of Cuyahoga Falls, Ohio

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

City Charter, Article VI, Section 6. Estimated Budgets; Allotments, states before the beginning of each fiscal year, the head of each office and department shall submit to the Mayor, at a time designated by him, an estimated budget for the coming fiscal year, which estimate shall show the requested allotments of the appropriations and estimated income for such office or department for the entire calendar year. The Mayor shall then request Council to determine and approve the budget for each office or department and the aggregate of such allotments, as approved by Council, shall not exceed the total estimated funds available to all offices and departments for the fiscal year. In addition, Article VI, Section 7, states the Mayor shall file a copy of the budget as approved by the Council, with the Director of Finance, who shall authorize all expenditures for the offices, departments and agencies to be made from the appropriations on the basis of approved allocations and not otherwise. An approved appropriation may be revised during the fiscal year in the same manner as the original appropriation was made. If, at any time during the fiscal year, the Finance Director and the Mayor shall ascertain that the available income, plus balances, for the year will be less than the total appropriations, the Mayor shall request the Council to reconsider the budgets and appropriations so as to forestall the making of expenditures in excess of the said income.

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, Other Operations, Capital Outlay, Debt Service and Transfers) 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 Appropriation Ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources, as certified by the Commission.

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 2019.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 re-appropriated.

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 assigned, committed, or restricted 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 investments in order to provide improved cash management. The restricted cash and cash equivalents from the Evidence Deposit Agency Fund are not included in the City’s pooled cash and investments. These investments consist of State Treasury Asset Reserve of Ohio (STAR Ohio), and other government securities.

Investments maturing within three months of purchase and investments of the pool are included in “Equity in Pooled Cash and Cash Equivalents.” 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.

The City’s investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For 2019, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Invested monies are stated at fair value, with the exception of 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 General Fund in accordance with Ohio Revised Code, with the exception of the Debt Service Fund, Federal Law Enforcement Fund, Cemetery Perpetual Care Permanent Fund and Worker’s Compensation Internal Service Fund. Based on Ordinance 122-1992, interest generated by the Workers’ Compensation fund balance is to remain with the fund.

Inventory of Supplies

On Government-wide financial statements, inventories of supplies are presented at cost and inventories held for resale 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 non-spendable fund balance 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.

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, 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 is recorded as an expenditure when purchased. Reported prepaid items are equally offset by non-spendable fund balance, which indicates that it does not constitute “available spendable resources” even though it is a component of net current assets.

Capital Assets

General capital assets are those specifically associated with general governmental activities. These assets primarily result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position 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 position 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 acquisition value as of the date received. The City has a capitalization threshold to \$5,000. The City’s infrastructure consists of roads, bridges, culverts, City sidewalks 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 projects 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:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements	5-50
Machinery and Equipment	5-30
Infrastructure	25-50

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes investment earnings, delinquent property taxes, grants and entitlements, municipal income taxes, special assessments, and charges for services meeting the availability criteria. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide and proprietary funds statements of net position. (See Note 7 and 8).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflow of resources, represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide and proprietary funds statements of net position for a deferral on debt refunding, pension, and OPEB. A deferral on refunding results from from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Note 7 and 8.

Interfund Balances

On the fund financial statements, unpaid amounts for interfund services are reported as “Due to/from other funds.” Interfund loans, that are determined to be long-term, 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 position, 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 in the Compensated Absences Internal Service Fund and on the government-wide financial statements.

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.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension OPEB liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, which are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, and compensated absences 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications areas are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are not spendable in form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City's Council. Those committed amounts cannot be used for any other purpose unless the City's Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter, ordinance, or State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets 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 position is 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 position is 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, storm drainage utilities, internal service charges and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

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, grants or outside contributions of resources restricted to capital acquisition and construction or from contributions from governmental funds. During 2019, the Storm Drainage Utility Fund received contributions in the form of capital assets from a private developer in the amount of \$523,916.

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 non-operating 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.

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2019.

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 Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) for the General 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 restricted, committed, or assigned fund balance (GAAP).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General, which includes Municipal Income Tax Fund is as follows:

Net Change in Fund Balance – General Fund

GAAP Basis	\$(1,319,948)
Increase (decrease) due to:	
Net change in receivables and other assets not recognized on a budget basis	(3,892,657)
Net change in liabilities not recognized on a budget basis	2,973,965
Encumbrances	<u>(253,247)</u>
Budget Basis	<u><u>\$(2,491,887)</u></u>

NOTE 4 - RECEIVABLES

Receivables at December 31, 2019, 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, loans, 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.

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

The Summit County Fiscal Officer collects property taxes on behalf of all taxing districts in the County including the City of Cuyahoga Falls. The Summit County Fiscal Officer periodically remits to the City its portion of the taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively. The amounts of \$9,552,053 and \$551,080 are included 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, 2019.

The assessed values of real public utility and tangible personal property upon which 2019 property tax receipts were based are as follows:

Property Types	Valuation
Real Property	\$ 1,021,556,600
Public Utility Property	9,838,290
Total Valuation	\$ 1,031,394,890

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 expenditures 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. The Municipal Income Tax Special Revenue Fund is consolidated with the General Fund for financial statement reporting purposes.

City of Cuyahoga Falls, Ohio

NOTE 4 – RECEIVABLES (CONTINUED)

On a full accrual basis, municipal income tax revenue for 2019 for the City was \$26,340,231. The amount of \$5,671,738 has been recorded in the General Fund as taxes receivable (net of refunds) to reflect income taxes receivable recorded as of December 31, 2019.

Employers within the City are required to withhold income tax on employee compensation, remit this tax to the Regional Income Tax Agency, on behalf of 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.

The City passed legislation on April 23, 2018 to execute a contract with the Regional Income Tax Agency (RITA) for the purpose of administration and collection of municipal income taxes. This agreement became effective January 1, 2019.

Due From Other Governments

A summary of due from other governments follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Gasoline and Excise Tax	\$ 892,537
Homestead and Rollback	788,968
Local Government and Local Government Revenue Assistance	761,379
Regional Income Tax Agency	328,655
Highway Distribution	285,188
Bureau of Workers' Compensation	186,525
Motor Vehicle License Fees	166,566
In Lieu of Public Site	144,600
Permissive Motor Vehicle License Tax	89,097
Ohio Department of Transportation	59,760
EMS Transport Fees	56,875
License Surtax - Addition	56,428
Boston Township - City of Cuyahoga Falls JEDD	30,226
Unclaimed Monies Agency Fund	14,637
Other State Grants and Reimbursements	13,991
Federal Grants (Direct)	13,545
Liquor Permits	13,224
Enhanced 9-1-1 Wireless Distribution	4,401
Other Agencies	17,774
Total Governmental Activities	<u>\$ 3,924,376</u>
<u>Business-type Activities</u>	<u>Amounts</u>
Utilities Charges	\$ 185,909
Total Business-Type Activities	<u>\$ 185,909</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

Policies and Practices

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

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation or may participate in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. 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 2019, 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.

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.

City of Cuyahoga Falls, Ohio

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

1. Government securities

- Negotiable obligations of the U.S. Treasury, insofar as each investment complies with the City's Investment and Deposit policy criteria such as final maturity, delivery, etc.:
- Direct Obligations of the U.S. Treasury
 - i. Treasury Bills
 - ii. Treasury Notes
- Investment-grade obligations of the State of Ohio, or any municipal corporation, county, township or other political subdivisions of the State of Ohio rated in not less than the second highest rating category by a nationally recognized rating agency with respect to such bonds or notes as to which there is no default of principal, interest or coupons.

2. Nonnegotiable Interest Bearing Time Certificate of Deposit and Savings Accounts

- Nonnegotiable Interest Bearing Time Certificates of Deposit and savings accounts only in commercial banks organized under the laws of this State, national banks organized under the laws of the United States, doing business in and situated in or operating a full service branch office within the boundaries of the City of Cuyahoga Falls, provided that any such deposits and savings accounts are secured by collateral as prescribed in Section 15 of the Investment and Deposit Policy.

3. Star Ohio

- The State Treasury Asset Reserve of Ohio (Star Ohio) is an authorized investment, subject to the diversification requirements set forth in section 11 of the City's Investment and Deposit policy.

4. Now Accounts (Interest Bearing Negotiable Order of Withdrawal Accounts)

- NOW accounts, Super NOW accounts, or any other similar account authorized by the Federal Reserve's Depository Institutions Deregulation committee, provided that such accounts are secured by collateral as prescribed herein.

5. City of Cuyahoga Falls, Ohio Notes and Bonds

- Any obligation of the City of Cuyahoga Falls, Ohio, without regard to term-to-maturity or interest rate, is an authorized investment instrument.

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.

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

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 \$9,367,173 and the bank balance was \$10,453,944. Of the bank balance \$500,000 was covered by Federal depository insurance and \$9,953,944 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. The City has petty cash on hand of \$10,085 as of December 31, 2019.

At year-end, the carrying amount of the Community Improvement Corporation of Cuyahoga Falls, a component unit, deposits were \$30,842 and the bank balance was \$30,842. Information regarding the collateralization of the Community Improvement Corporation of Cuyahoga Falls can be obtained from the corporation's compilation report.

Investments

Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. STAR Ohio is reported at its share price (net asset value per share). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs). The chart below identifies the City's recurring fair value measurements as of December 31, 2019.

As of December 31, 2019 the City had the following investments:

	Measurement Amount	Credit Rating (*)	Maturity In Years		Fair Value Hierarchy
			< 1 Year	> 1 Year	
Net Asset Value (NAV) Per Share STAR Ohio	\$25,440,385	Aaam**	\$25,440,385	\$0	N/A
Fair Value:					
Federal Home Loan Mortgage	1,001,050	Aaa*	1,001,050	0	Level 1
United States Treasury Note	649,915	Aaa*	0	649,915	Level 1
Negotiable Certificates of Deposit	20,235,793		4,756,765	15,479,028	Level 1
Total	<u>\$47,327,143</u>		<u>\$31,198,200</u>	<u>\$16,128,943</u>	

* Ratings obtained from Moody's

** Ratings obtained from S&P

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.

Credit Risk

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

City of Cuyahoga Falls, Ohio

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

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 is exposed to custodial credit risk in that it is uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The United States Treasury Note is not exposed to custodial credit risk, and the City's investment in negotiable certificates of deposit is fully insured by the FDIC, and not exposed to credit risk. 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.

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 a limit on the amount it may invest in the State of Ohio Treasurer's Investment Pool (STAR Ohio), of no more than 50 percent of all deposits. The following is the City's risk allocation of deposits and investments as of December 31, 2019.

Type	Percentage of Total
Deposits	17.56%
STAR Ohio	44.32%
Federal Home Loan Mortgage	1.74%
United States Treasury Note	1.13%
Negotiable Certificates of Deposit	35.25%
Total	100.00%

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	<u>Balance 1/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance 12/31/2019</u>
Governmental Activities					
<i>Capital Assets Not Being Depreciated</i>					
Land	\$ 12,121,374	\$ 197,964	\$ -	\$ -	\$ 12,319,338
Construction In Progress	4,039,855	6,979,190	(3,476,322)	-	7,542,723
<i>Total Capital Assets Not Being Depreciated</i>	16,161,229	7,177,154	(3,476,322)	-	19,862,061
<i>Capital Assets Being Depreciated</i>					
Buildings	33,457,533	3,166,232	(184,793)	-	36,438,972
Improvements	9,209,467	306,110	-	-	9,515,577
Machinery and Equipment	32,383,073	3,673,626	(1,670,804)	162,629	34,548,524
Infrastructure					
Roads	83,338,703	1,096,737	-	-	84,435,440
Traffic Signals	317,144	51,484	-	-	368,628
Bridges	10,749,255	-	-	-	10,749,255
<i>Total Capital Assets Being Depreciated</i>	169,455,175	8,294,189	(1,855,597)	162,629	176,056,396
<i>Less Accumulated Depreciation</i>					
Buildings	(14,718,752)	(1,065,814)	154,530	-	(15,630,036)
Improvements	(1,789,608)	(556,580)	-	-	(2,346,188)
Machinery and Equipment	(22,260,971)	(2,100,717)	1,361,065	(158,288)	(23,158,911)
Infrastructure					
Roads	(28,257,442)	(1,808,584)	-	-	(30,066,026)
Traffic Signals	(206,419)	(17,961)	-	-	(224,380)
Bridges	(3,024,651)	(205,606)	-	-	(3,230,257)
<i>Total Accumulated Depreciation</i>	(70,257,843)	(5,755,262)	1,515,595	(158,288)	(74,655,798)
<i>Total Capital Assets Being Depreciated, Net</i>	99,197,332	2,538,927	(340,002)	4,341	101,400,598
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 115,358,561</u>	<u>\$ 9,716,081</u>	<u>\$ (3,816,324)</u>	<u>\$ 4,341</u>	<u>\$ 121,262,659</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 1,258,537
Security of Persons and Property	1,367,114
Community Environment	82,923
Leisure Time Activities	347,419
Street Maintenance	2,695,535
Garage	3,734
Grand Total	<u>\$ 5,755,262</u>

City of Cuyahoga Falls, Ohio

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>1/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>12/31/2019</u>
Business-Type Activities					
<i>Capital Assets Not Being Depreciated</i>					
Land	\$ 3,589,128	\$ -	\$ -	\$ -	\$ 3,589,128
Construction In Progress	854,716	1,908,336	(672,782)	-	2,090,270
<i>Total Capital Assets Not Being Depreciated</i>	4,443,844	1,908,336	(672,782)	-	5,679,398
<i>Capital Assets Being Depreciated</i>					
Buildings	39,776,047	144,380	-	-	39,920,427
Improvements	135,622,249	3,136,711	2,000,985	-	136,757,975
Machinery and Equipment	17,732,507	1,944,667	(912,146)	(126,862)	18,638,166
<i>Total Capital Assets Being Depreciated</i>	193,130,803	5,225,758	2,913,131	(126,862)	195,316,568
<i>Less Accumulated Depreciation</i>					
Buildings	(13,726,706)	(866,328)	-	-	(14,593,034)
Improvements	(63,134,148)	(3,503,448)	1,546,699	-	(65,090,897)
Machinery and Equipment	(11,259,219)	(963,457)	850,311	124,310	(11,248,055)
<i>Total Accumulated Depreciation</i>	(88,120,073)	(5,333,233)	2,397,010	124,310	(90,931,986)
<i>Total Capital Assets Being Depreciated, Net</i>	105,010,730	(107,475)	516,121	(2,552)	104,384,582
<i>Total Business-Type Capital Assets, Net</i>	<u>\$ 109,454,574</u>	<u>\$ 1,800,861</u>	<u>\$ 1,188,903</u>	<u>\$ (2,552)</u>	<u>\$ 110,063,980</u>
Depreciation expense was charged to business-type activities as follows:					
Sewage and Disposal					\$ 790,023
Water					1,073,802
Electric					1,827,088
Sanitation					355,969
Leisure Time					940,116
Storm Drainage					346,235
Grand Total					<u>\$ 5,333,233</u>

NOTE 7 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

The net pension liability/asset reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. City to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

City of Cuyahoga Falls, Ohio

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 62 with 60 months of service credit or Age 57 with 25 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

Funding Policy - The Ohio Revised Code (ORC) provides statutory City for member and employer contributions as follows:

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2019 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0
	14.0 %
Total Employer	14.0 %
 Employee	 10.0 %

* Member contributions within combined plan are not used to fund the defined benefit retirement allowance

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with remainder going to pension.

The City’s contractually required contributions was \$2,654,718 or fiscal year ending December 31, 2019. Of this amount, \$205,662 is reported as an intergovernmental payable.

Plan Description- Ohio Police & Fire Pension Fund (OP&F)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

City of Cuyahoga Falls, Ohio

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the members' base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2019 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,553,101 for 2019. Of this amount, \$301,453 is reported as an intergovernmental payable.

Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability/asset for OPERS was measured as of December 31, 2018, and the total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability/asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.128404%	0.14031%	0.2121145%	0.2936116%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.127250%</u>	<u>0.13870%</u>	<u>0.2051990%</u>	<u>0.2873610%</u>	
Change in Proportionate Share	<u>-0.001154%</u>	<u>-0.00162%</u>	<u>-0.006915%</u>	<u>-0.006251%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 34,851,195	\$ (155,093)	\$ 16,749,661	\$ 23,456,251	\$ 74,902,014
Pension Expense	\$ 7,725,601	\$ 44,300	\$ 2,210,096	\$ 3,050,865	\$ 13,030,862

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F Police	OP&F Fire	Total
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$4,763,689	\$2,063,543	\$2,889,791	\$9,717,023
Differences between expected and actual experience	1,609	688,176	963,723	1,653,508
Changes of assumptions	3,068,504	444,057	621,858	4,134,419
Changes in proportion and differences between City contributions and proportionate share of contributions	16,821	147,159	174,715	338,695
City contributions subsequent to the measurement date	<u>2,654,718</u>	<u>1,037,502</u>	<u>1,515,599</u>	<u>5,207,819</u>
Total Deferred Outflows of Resources	<u>\$10,505,341</u>	<u>\$4,380,437</u>	<u>\$6,165,686</u>	<u>\$21,051,464</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$520,959	\$15,641	\$21,902	\$558,502
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>152,288</u>	<u>309,956</u>	<u>420,719</u>	<u>882,963</u>
Total Deferred Inflows of Resources	<u>\$673,247</u>	<u>\$325,597</u>	<u>\$442,621</u>	<u>\$1,441,465</u>

\$5,207,819 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

City of Cuyahoga Falls, Ohio

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

Year Ending December 31:	OPERS	OP&F Police	OP&F Fire	Total
2020	\$3,070,829	\$972,131	\$1,317,221	\$5,360,181
2021	1,461,517	520,898	685,314	2,667,729
2022	439,360	607,069	856,909	1,903,338
2023	2,210,920	873,796	1,276,493	4,361,209
2024	(2,744)	43,444	71,529	112,229
Thereafter	(2,506)	-	-	(2,506)
Total	<u>\$7,177,376</u>	<u>\$3,017,338</u>	<u>\$4,207,466</u>	<u>\$14,402,180</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

The total pension asset in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 8.25 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the previously described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was at a loss of 2.94 percent for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

City of Cuyahoga Falls, Ohio

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	\$51,485,350	\$ 34,851,195	\$21,028,063
Combined Plan	(\$51,318)	\$ (155,093)	(\$230,235)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation.

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below:

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple, 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Mortality rates for active members were based on the RP2014 Total employee and Healthy Annuitant Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed January 1, 2017.

City of Cuyahoga Falls, Ohio

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	10 year Expected Real Rate of Return **	30 year Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	1.00 %	0.80 %
Domestic Equity	16.00	5.60	5.50
Non-US Equity	16.00	6.10	5.90
Core Fixed Income *	23.00	2.20	2.60
U.S. Inflation Linked Bonds *	17.00	1.30	2.30
High Yield Fixed Income	7.00	4.20	4.80
Real Estate	12.00	5.70	6.10
Private Markets	8.00	8.40	8.40
Master Limited Partnerships	8.00	6.70	6.40
Private Credit	5.00	8.30	7.50
Real Assets	8.00	7.00	7.00
Total	120.00 %		

Note: Assumptions are geometric

* levered 2x

** numbers are net of expected inflation

OP&F’s Board of Trustees has incorporated the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 52,847,900	\$ 40,205,912	\$ 29,641,704

NOTE 8 – POST-EMPLOYMENT BENEFITS

Defined Benefit OPEB Plans

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Ohio Public Employees Retirement System (OPERS)

Plan Description

Plan Description - The Ohio Public Employees Retirement System (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; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. During 2019, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$9,319 for 2019.

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Ohio Police and Fire Pension Fund

Plan Description

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

On January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$59,550 for 2019. Of this amount, \$6,839 is reported as an intergovernmental payable.

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability Prior Measurement Date	0.125630%	0.505726%	
Proportion of the Net OPEB Liability Current Measurement Date	<u>0.124262%</u>	<u>0.492561%</u>	
Change in Proportionate Share	<u>-0.001368%</u>	<u>-0.013165%</u>	
Proportionate Share of the Net OPEB Liability	\$ 16,200,831	\$ 4,485,520	\$ 20,686,351
OPEB Expense	\$ 1,411,030	\$ (22,160,106)	\$ (20,749,076)

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$5,485	\$0	\$5,485
Changes of assumptions	522,334	2,325,077	2,847,411
Net difference between projected and actual earnings on pension plan investments	742,712	151,838	894,550
Changes in proportion and differences between City contributions and proportionate share of contributions	0	110,850	110,850
City contributions subsequent to the measurement date	<u>9,319</u>	<u>59,550</u>	<u>68,869</u>
Total Deferred Outflows of Resources	<u><u>\$1,279,850</u></u>	<u><u>\$2,647,315</u></u>	<u><u>\$3,927,165</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$43,957	\$120,177	\$164,134
Changes of assumptions	0	1,241,804	1,241,804
Net difference between projected and actual earnings on OPEB plan investments	0	0	0
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>140,746</u>	<u>584,648</u>	<u>725,394</u>
Total Deferred Inflows of Resources	<u><u>\$184,703</u></u>	<u><u>\$1,946,629</u></u>	<u><u>\$2,131,332</u></u>

\$68,869 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$498,347	\$121,618	\$619,965
2021	92,643	121,618	214,261
2022	120,685	121,616	242,301
2023	374,153	167,542	541,695
2024	0	95,139	95,139
Thereafter	<u>0</u>	<u>13,603</u>	<u>13,603</u>
Total	<u><u>\$1,085,828</u></u>	<u><u>\$641,136</u></u>	<u><u>\$1,726,964</u></u>

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.71 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 5.60 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS’ primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	<u>100.00 %</u>	5.16 %

Discount Rate

A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$20,726,902	\$16,200,831	\$12,601,409

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$15,572,514	\$16,200,831	\$16,924,484

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.66 percent
Prior measurement date	3.24 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

Asset Class	Target Allocation	10 year Expected Real Rate of Return **	30 year Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Core Fixed Income *	23.00	2.20	2.60
U.S. Inflation Linked Bonds *	17.00	1.30	2.30
High Yield Fixed Income	7.00	4.20	4.80
Real Estate	12.00	5.70	6.10
Private Markets	8.00	8.40	8.40
Master Limited Partnerships	8.00	6.70	6.40
Private Credit	5.00	8.30	7.50
Real Assets	8.00	7.00	7.00
Total	120.00 %		

Note: Assumptions are geometric

* levered 2x

** numbers are net of expected inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

The total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$5,464,588	\$4,485,520	\$3,663,677

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Net OPEB liability is sensitive to changes in the health care cost trend rate because it is based on a medical benefit that is a flat dollar amount.

Changes between Measurement Date and Report Date

Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

City of Cuyahoga Falls, Ohio

NOTE 9 - COMPENSATED ABSENCES

Vacation leave is earned at rates, which vary depending upon length of service and standard workweek. 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 Patrol Officers	None Blue (OPBA)*
	Community Service Officers Various government employees	Blue (OPBA)* American Federation of State, County, and Municipal Employees (AFSCME)
	Electric employees Dispatchers	Utility Workers of America Local #399 Fraternal Order of Police-Ohio Labor Council, Inc. (FOP-OLC)
100% of accumulated sick leave up to a maximum of 1,500 hours	Police Sergeants/Lieutenants Police Captains/Chief	Gold (OPBA)* None
60.00% of accumulated sick leave up to a maximum of 2,704 hours as of	Firefighters	International Association of Firefighters Local #494 (IAFF)

* OPBA: Ohio Patrolman’s Benevolent Association

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.

Employees who have qualified for a service pension (OPBA-Gold, OPBA-Blue, Dispatchers) or who are within three years of qualifying for a service pension (Non-bargaining, 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.

In previous years, the City entered into an energy savings performance contract in which the City obtained a new electronic system for the automatic reading of the City's electric and water meters, as well as various hardware and software pieces. After the City became aware of nonperformance of the system, a dispute arose between the parties involved, resulting in a lawsuit and then mediation. No settlement was finalized as of the opinion date.

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, and property coverage with blanket limit per occurrence of \$163,277,792 with a deductible of \$10,000. In addition, the City has umbrella liability coverage with limits of \$10 million in the aggregate and \$10 million per occurrence.

D. Contingent Liabilities

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 50,000 kilowatts of a total 771,281 kilowatts, giving the City a 6.48 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them.

As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share at March 31, 2014 of the impaired costs is \$8,662,670. The City received a credit of \$2,484,523 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$2,261,243 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). The City also made payments of \$907,079 leaving a net impaired cost estimate of \$3,009,825. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its Electric Enterprise Fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

City of Cuyahoga Falls, Ohio

NOTE 10 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Since March 31, 2014, the City has made payments of \$1,745,489 to AMP toward its net impaired cost estimate. Also, since March 31, 2014, the City's allocation of additional costs incurred by the project is \$104,969 and interest expense incurred on AMP's line-of-credit of \$201,412, resulting in a net impaired cost estimate at December 31, 2019 of \$1,570,717. The City does have a Potential PHFU Liability of \$2,510,972 resulting in a net total potential liability of \$4,081,688, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The City intends to these costs and repay AMP over the next 9 ½ years through a power cost adjustment, thus this incurred cost has been capitalized and reported as a regulated asset, as allowed by GASB Statement No. 62. Of this liability, the scheduled monthly payments for 2019, which total \$167,322, is considered the current portion.

E. Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 11 - CAPITAL LEASES

In addition to existing agreements to lease equipment, the City entered into a lease agreement on May 10, 2019 for a Vacall AJV 1215 Combination Jet/Vac Sewer Cleaner for use by the Water Department in the amount of \$372,000, in which a principal payment of \$79,293 was made on the lease commencement date. 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 Position. The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Equipment (Street Sweeper)	\$ 257,877	\$ 0
Equipment (Sewer Jet Truck)	0	372,000
Less: Accumulated Depreciation	(89,827)	(41,230)
Total	<u>\$ 168,050</u>	<u>\$ 330,770</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2020	\$ 51,723	\$ 79,293
2021	0	79,293
2022	0	79,293
2023	0	79,293
Total	51,723	317,172
Less: Amount representing interest	(1,137)	(24,465)
Present value of minimum lease payments	<u>\$ 50,586</u>	<u>\$ 292,707</u>

NOTE 12 - SHORT-TERM OBLIGATIONS

A summary of the changes in the City's short-term obligations for the year ended December 31, 2019, was as follows:

	Balance January 1, <u>2019</u>	<u>Issued</u>	<u>Retired</u>	Balance December 31, <u>2019</u>
General Obligation Bond Anticipation Notes				
<u>Governmental Activities:</u>				
Capital Projects Fund Obligations:				
2.000% Various Purpose Notes, due 11/19/20	0	5,200,000	0	5,200,000
Total Governmental Activities	0	5,200,000	0	5,200,000
<u>Business-type Activities:</u>				
Water Fund Obligations:				
3.125% Various Purpose Notes, due 11/27/19	1,800,000	0	1,800,000	0
2.000% Various Purpose Notes, due 11/19/20	0	1,600,000	0	1,600,000
Total Business-Type Activities	1,800,000	1,600,000	1,800,000	1,600,000
Grand Total	\$ 1,800,000	\$ 6,800,000	\$ 1,800,000	\$ 6,800,000

On November 26, 2019, the City issued notes in the amount of \$6,800,000 in anticipation of the issuance of bonds, for the purpose of constructing waterlines in Graham Road, improving the municipal public infrastructure in the proposed Woodlands Subdivision, and improving the City's public safety facilities by acquiring, constructing, reconstructing, renovating, improving, furnishing and equipping a new fire station, and providing for the demolition, renovation and remodeling of existing facilities. The notes mature on November 19, 2020 and have a stated interest rate of 2 percent.

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>				
2001 Water Improvement ¹	08/01/2001	12/01/2021	3.25%-4.55%	5,175,000
2004 Recreation Improvement ²	04/08/2004	12/01/2024	2.00%-5.00%	8,000,000
2009 Various Purpose Refunding (Recreation) ³	10/14/2009	12/01/2037	2.00%-5.00%	8,040,000
2011 Various Purpose Refunding (2001 Water)	10/18/2011	12/01/2021	1.50%-3.00%	3,180,000
2012 Recreation Improvement Refunding	09/20/2012	12/01/2024	1.50%-2.50%	5,485,000
2016 Recreation Improvement Refunding	11/03/2016	12/01/2037	1.50%-4.00%	5,920,000
2018 Various Purpose Improvement Sewer System	08/07/2018	08/01/2033	2.92%	505,000
<u>Governmental Activities:</u>				
<u>Bonds Payable</u>				
Other General Obligation Bonds:				
2015 Land Acquisition and Improvement Bonds	08/05/2015	12/01/2042	0.85%-4.85%	6,185,000
2018 Various Purpose Improvement - Street	08/07/2018	08/01/2033	2.92%	6,885,000
2018 Various Purpose Improvement - Parking Facilities	08/07/2018	08/01/2033	2.92%	3,780,000

Notes:

¹ Issue was advanced refunded by the City, (2011 Various Purpose Refunding) and it is being paid by escrow. City Funds are no longer making payment on this issue. The balance of the defeased debt is \$755,000 as of December 31, 2019.

² Issue was advanced refunded by the City, (2012 Recreation Improvement Refunding) and it is being paid by escrow. City Funds are no longer making payment on this issue. The balance of the defeased debt is \$2,655,000 as of December 31, 2019.

³ Issue was advanced refunded by the City, (2016 Recreation Improvement Refunding) and it is being paid by escrow. City Funds are no longer making payment on this issue. The balance of the defeased debt is \$6,185,000 as of December 31, 2019.

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

A summary of the changes in the City's long-term obligations for the year ended December 31, 2019, was as follows:

	Balance January 1, 2019	Issued 2019	Retired 2019	Balance December 31, 2019	Amount Due Within One Year
Business-type Activities:					
<u>Enterprise Fund Obligations</u>					
<u>Bonds Payable</u>					
2011 Various Purpose Refunding (2001 Water)	1,020,000	0	330,000	690,000	340,000
2012 Recreation Improvement Refunding	3,085,000	0	485,000	2,600,000	495,000
2016 Recreation Improvement Refunding	5,905,000	0	230,000	5,675,000	230,000
2018 Various Purpose Improvement Sewer System	505,000	0	25,000	480,000	30,000
Unamortized Bond Discount	(44,347)	0	(6,956)	(37,391)	0
Unamortized Bond Premium	976,002	8,824	89,671	895,155	0
Total Business-type Activities Bonds Payable	<u>11,446,655</u>	<u>8,824</u>	<u>1,152,715</u>	<u>10,302,764</u>	<u>1,095,000</u>
<u>Other Obligations</u>					
Capital Lease Obligations (Note 11)	2,053,012	372,000	2,132,305	292,707	69,663
Payable to AMP (Note 10, D)	1,784,410	54,268	167,322	1,671,356	167,322
Compensated Absences (Note 9)	2,275,593	189,341	130,117	2,334,817	627,238
Net Pension Liability: OPERS (Note 7)	9,953,199	8,458,531	1,191,755	17,219,975	0
Net Other Postemployment Benefits Liability (OPEB) (Note 8)	6,740,756	1,278,468	14,392	8,004,832	0
Total Business-type Activities Other Obligations	<u>22,806,970</u>	<u>10,352,608</u>	<u>3,635,891</u>	<u>29,523,687</u>	<u>864,223</u>
Total Business-type Activities	<u>\$ 34,253,625</u>	<u>\$ 10,361,432</u>	<u>\$ 4,788,606</u>	<u>\$ 39,826,451</u>	<u>\$ 1,959,223</u>
Governmental Activities:					
<u>Bonds Payable</u>					
<u>Other General Obligation Bonds:</u>					
2015 Land Acquisition and Improvement Bonds	5,815,000	0	155,000	5,660,000	160,000
2018 Various Purpose Improvement - Street	6,885,000	0	365,000	6,520,000	380,000
2018 Various Purpose Improvement - Parking Facilities	3,780,000	0	200,000	3,580,000	210,000
Unamortized Bond Discount	(15,435)	0	(643)	(14,792)	0
Unamortized Bond Premium	0	28,677	0	28,677	0
Total Governmental Activities Bonds Payable	<u>16,464,565</u>	<u>28,677</u>	<u>719,357</u>	<u>15,773,885</u>	<u>750,000</u>
<u>Other Obligations</u>					
Capital Lease Obligations (Note 11)	113,912	0	63,326	50,586	50,586
Compensated absences (Note 9)	7,276,419	1,058,303	455,127	7,879,595	1,739,831
Claims and Judgments Payable (Note 15)	383,822	6,067,475	5,919,186	532,111	505,565
Net Pension Liability: OPERS (Note 7)	10,190,899	8,660,536	1,220,215	17,631,220	0
Net Pension Liability: OP&F (Note 7)	31,038,693	11,524,589	2,357,370	40,205,912	0
Net Other Postemployment Benefits Liability: OPERS (Note 8)	6,901,737	1,308,998	14,736	8,195,999	0
Net Other Postemployment Benefits Liability: OP&F (Note 8)	28,653,730	0	24,168,210	4,485,520	0
Net Other Postemployment Benefits Liability – City Defined Benefit Single Employer Plan (Note 19)	8,551,540	1,015,025	479,978	9,086,587	0
Total Governmental Activities Other Obligations	<u>93,110,752</u>	<u>29,634,926</u>	<u>34,678,148</u>	<u>88,067,530</u>	<u>2,295,982</u>
Total Governmental Activities	<u>\$ 109,575,317</u>	<u>\$ 29,663,603</u>	<u>\$ 35,397,505</u>	<u>\$ 103,841,415</u>	<u>\$ 3,045,982</u>

City of Cuyahoga Falls, Ohio

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

The above schedule of long-term obligations differs from liabilities reported on the government-wide statement of net position as a result of the compensated absences payable associated with business-type activities being included with the long-term liabilities of the governmental activities. The Compensated Absences Internal Service Fund is responsible for the payment of both governmental and business-type compensated absences liabilities. Since governmental activities are the primary user of the internal service fund, GAAP requires that the long-term liabilities of the internal service fund be reported among the governmental activities. A reconciliation of the schedule of long-term obligations to the statement of net position at December 31, 2019 were as follows:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Long-term obligations per schedule on previous page	\$ 103,841,415	\$ 39,826,451	\$ 143,667,866
Consolidation of compensated absences claim Internal service fund into governmental activities	<u>2,334,817</u>	<u>(2,334,817)</u>	<u>-</u>
Long-term obligations on government-wide statement of net position	<u>\$ 106,176,232</u>	<u>\$ 37,491,634</u>	<u>\$ 143,667,866</u>

Of the \$2,334,817 of business-type compensated absences to be paid from the Compensated Absences Internal Service Fund (which is consolidated with the governmental activities on the statement of net position), \$627,238 is due within one year.

As of December 31, 2019, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt without a vote of the electors) was \$40,971,846. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2019 (excluding capital leases) are as follows:

<u>Year</u>	Business-type Obligations		Governmental Activities Obligations	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,095,000	\$ 310,491	\$ 750,000	\$ 540,450
2021	1,125,000	286,915	765,000	519,142
2022	790,000	260,539	785,000	497,076
2023	810,000	237,063	815,000	473,940
2024	835,000	212,937	840,000	449,666
2025-2029	1,625,000	819,144	4,630,000	1,843,286
2030-2034	1,930,000	476,880	4,550,000	1,050,294
2035-2039	1,235,000	100,200	1,525,000	494,143
2040-2042	0	0	1,100,000	108,398
Total	<u>\$ 9,445,000</u>	<u>\$ 2,704,169</u>	<u>\$ 15,760,000</u>	<u>\$ 5,976,395</u>

All general obligation bonds and notes issued by the City are backed by its full faith and credit. This includes the general property taxing power permitted within the tax limitation of the City Charter.

NOTE 14 - INTERFUND TRANSFERS AND BALANCES

A. Transfers

As of December 31, 2019, interfund transfers were as follows:

Transfers Out	Transfers In			Total
	Nonmajor Governmental Funds	Electric Fund	Leisure Time Fund	
General Fund	\$ 3,605,000	\$ 1,686,224	\$ 280,732	\$ 5,571,956
Total	\$ 3,605,000	\$ 1,686,224	\$ 280,732	\$ 5,571,956

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 electric kWh tax for sales “inside” the City of Cuyahoga Falls, which is initially recorded as other local tax revenue in the General Fund and transferred to the Electric Fund for customer rate stability.

As of December 31, 2019, net transfers on the Statement of Activities is as follows:

	Electric kWh "Inside Sales"	Leisure Time Additional Resources	Total Statement of Activities Transfers
Governmental Activities Transfer Out	\$ (1,686,224)	\$ (280,732)	\$ (1,966,956)
Business-type Activities Transfer In	\$ 1,686,224	\$ 280,732	\$ 1,966,956

City of Cuyahoga Falls, Ohio

NOTE 14 - INTERFUND TRANSFERS AND BALANCES (CONTINUED)

B. Balances

Interfund balances represent utilities, workers' compensation contributions, and internal charges owed between funds at year-end.

Interfund balances, including advances, at December 31, 2019 are as follows:

	Due from Other Funds	Due to Other Funds
<u>Government Funds</u>		
General Fund	\$ 139,072	\$ 102,395
Special Revenue Funds:		
Street Construction, Maintenance and Repair	0	8,531
Recreation Levy	<u>120,000</u>	<u>1,466</u>
	<u>120,000</u>	<u>9,997</u>
Capital Projects	<u>22,054</u>	<u>0</u>
Total Governmental Funds:	<u>281,126</u>	<u>112,392</u>
<u>Proprietary Funds</u>		
Enterprise Funds:		
Sewage and Disposal	40,522	124,943
Water	0	221,842
Electric	625,370	2,473
Sanitation	13,979	86,948
Leisure Time	0	399,515
Storm Drainage Utility	<u>8,409</u>	<u>18,289</u>
	<u>688,280</u>	<u>854,010</u>
Internal Service Funds:		
Garage	<u>0</u>	<u>3,004</u>
	<u>0</u>	<u>3,004</u>
Total Proprietary Funds	<u>688,280</u>	<u>857,014</u>
Total All Funds	<u>\$ 969,406</u>	<u>\$ 969,406</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, 2007, the City changed healthcare coverage to Medical Mutual of Ohio (MMO). Claims are fully paid by the City for full-time employees and COBRA participants through the City's Self-Insurance Internal Service Fund, which provides funding for health-care coverage. MMO 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 January 1, 2016 through December 31, 2019, the City has purchased specific stop-loss coverage of \$250,000 per person. Aggregate stop-loss coverage was eliminated on June 1, 2010.

The Self-Insurance Fund generates revenues by charging an actuarially determined premium to each fund based on the number of full-time employees and COBRA participants enrolled for health-care coverage. Beginning January 1, 2016, City employees were offered more than one health care plan, including a high-deductible health plan with a Health Savings Account (HSA). In addition, this was the first year employee contributions were required.

Contributions are a percentage of budgeted health care costs. The budgeted health care costs include all costs in the self-insurance fund budget with the exception of dental and vision costs. The contribution percentages are 0 percent for the HSA plan, 5 percent for the PPO Base and 15 percent for the PPO Premium. In the event that budgeted health care costs, based on the City's health care consultant, are projected to increase by 10 percent or more, the Health Care Committee shall implement cost containment measures to keep budgeted health care cost increases at or below 10 percent per year. The Self-Insurance Fund pays all claims, stop-loss coverage and administrative fees for health-care coverage. A liability, in the amount of \$504,464 has been recorded to reflect the outstanding claims as of December 31, 2019. Most health insurance claims are presented for payment to the City within several months after services are rendered.

B. Workers' Compensation Internal Service Fund

As a result of the Ohio Bureau of Workers' Compensation (BWC) decision to change from retrospective to prospective premium charges in 2016, the City dropped out of the Individual Retrospective Rating Plan and joined the Ohio Municipal League Group Retrospective-Rating Plan effective January 1, 2015.

Under the Individual Retrospective Rating Plan, the City pays all claim-related expenses on an annual basis, for a period of ten years from the date of injury. 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. Due to the switch to Group, the City's liability under the Individual rating plan ends 12/31/2023.

For 2019, the workers' compensation premium paid by the City was \$439,648 and the total retroactive claims credit (2009-2014) was \$88,761 for a total of \$528,409. For 2020, the estimated premium is \$451,318.

City of Cuyahoga Falls, Ohio

NOTE 15 - RISK MANAGEMENT (CONTINUED)

As a participant in the Group Retrospective Rating Plan, the City is eligible to receive annual evaluation rebates. In 2019, the City received a \$43,687 rebate for the third evaluation for plan year 2015, a \$42,836 rebate for the second evaluation for plan year 2016 and a \$52,750 rebate for the first evaluation for plan year 2017. In 2020, the City will receive a third evaluation rebate for plan year 2016, and a second evaluation rebate for plan year 2017 and a first evaluation rebate for plan year 2018. In addition, the City received a one-time rebate of \$398,647 as part of the BWC's "Billion Dollar" rebate in 2019.

Participation in the Ohio Municipal League Group plan allows the risk to be spread over multiple organizations. Active management of each claim, from inception, also offers the City the opportunity to reduce the cost of each claim, thereby reducing the City's cost.

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.

	2017		2018		2019	
	Workers'		Workers'		Workers'	
	Self-Insurance	Compensation	Self-Insurance	Compensation	Self-Insurance	Compensation
Unpaid claims-January 1	\$ 397,713	\$ 243,717	\$ 610,428	\$ 67,698	\$ 273,694	\$ 110,128
Incurred claims (including IBNRs)	5,135,767	(99,321)	5,082,365	42,430	6,061,195	6,280
Claim payments made during the year	(4,923,052)	(76,698)	(5,419,099)	0	(5,830,425)	(88,761)
Unpaid claims-December 31	\$ 610,428	\$ 67,698	\$ 273,694	\$ 110,128	\$ 504,464	\$ 27,647

NOTE 16 - INVESTMENTS IN JOINT VENTURES

A. Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)

The City of Cuyahoga Falls is a Financing Participant and an Owner Participant with percentages of liability and ownership of 9.52 percent and 7.46 percent 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 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 & 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 percent of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2019, the City of Cuyahoga Falls has met its debt coverage obligation.

NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

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 bases. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP 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. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2019, the outstanding debt was \$0. The City's net investment in OMEGA JV2 was \$238,837 at December 31, 2019. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

C. Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)

The City of Cuyahoga Falls is a Financing Participant with an ownership percentage of 16.67 percent, 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.

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.

Also 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 percent of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2019, Cuyahoga Falls has met its debt coverage obligation.

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 percent of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

City of Cuyahoga Falls, Ohio

NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP 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. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

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 \$497,981 at December 31, 2019. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

D. Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6)

The City of Cuyahoga Falls is a Financing Participant with an ownership percentage of 25.00 percent, 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 nominal 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 percent of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2018, Cuyahoga Falls has met its debt coverage obligation.

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 percent of such non-defaulting Participant's Project share ("Step Up Power").

NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

OMEGA JV6 is managed by American Municipal Power, Inc., which acts as the joint venture’s agent. On July 30, 2004 AMP issued \$9,861,000 adjustable rate bonds that mature on August 15, 2019. The interest rate on the bonds will be set every six months until maturity. No fixed amortization schedule exists. The net proceeds of the bond issues were used to construct the OMEGA JV6 Project. On August 15, 2015 the remaining balance was paid on the OMEGA JV6 Bonds.

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 \$1,139,730 at December 31, 2019. Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor’s website at www.auditor.state.oh.us.

NOTE 17 – OTHER COMMITMENTS

Construction Commitments

As of December 31, 2019, the City had the following significant commitments with respect to projects requiring capital expenditures:

<u>Capital Project</u>	2019 Remaining Construction Contract	<u>Expected Date of Completion</u>
City Hall Roof Replacement	\$ 601,817	2020
Sourek Trail	\$ 227,178	2020
Barney's Busy Corners Traffic Study	\$ 278,562	2020
W Portage Trl Design	\$ 736,321	2020
Fire Station #3	\$ 1,208,382	2020
Front St Parking Expansion	\$ 1,436,930	2020
Peaking Generation	\$ 1,107,942	2020
Citywide LED Lighting	\$ 1,598,159	2020

Encumbrances

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the City’s commitments for encumbrances in governmental funds were as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 186,503
Capital Projects Fund	0
Other Governmental	<u>197,688</u>
Total Governmental Funds	<u>\$ 384,191</u>

City of Cuyahoga Falls, Ohio

NOTE 18 – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and / or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The constraints placed on fund balance for the major governmental funds and all other governmental funds are in the following presentation:

Fund Balances	General Fund	Capital Projects	Other Governmental Funds	Total
<i>Nonspendable</i>				
Inventory of supplies	\$ 139,332	\$ -	\$ 742,292	\$ 881,624
Prepaid items	168,513	-	22,095	190,608
Cemetery perpetual care	-	-	248,996	248,996
Total nonspendable	307,845	-	1,013,383	1,321,228
<i>Restricted for</i>				
Development federal programs	29,399	-	2,928,517	2,957,916
Debt service reserves	-	-	5,127	5,127
Streets and highways	-	-	2,007,794	2,007,794
Police pension	-	-	-	-
Fire pension	-	-	-	-
Parks and recreation improvements	-	-	1,503,333	1,503,333
Enterprise zone / community reinvestment area	-	-	75,894	75,894
Other law enforcement	-	-	330,473	330,473
Capital improvements and related debt	-	720,964	-	720,964
Tax increment finance district area uses	-	-	-	-
Total restricted	29,399	720,964	6,851,138	7,601,501
<i>Committed to</i>				
In lieu of public site subdivision regulations	-	144,600	-	144,600
Urban renewal area	-	-	1,728	1,728
Total committed	-	144,600	1,728	146,328
<i>Assigned to</i>				
Outstanding encumbrances:				
Security of persons and property	79,931	-	-	79,931
Leisure time activities	19,402	-	-	19,402
Community environment	24,928	-	-	24,928
General Government	62,242	-	-	62,242
Fiscal year 2020 appropriations	1,247,958	-	-	1,247,958
Total assigned	1,434,461	-	-	1,434,461
Unassigned	7,761,109	-	(56,897)	7,704,212
Total fund balances	\$ 9,532,814	\$ 865,564	\$ 7,809,352	\$ 18,207,730

NOTE 19 – DEFINED BENEFIT SINGLE EMPLOYER OPEB PLAN

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. OPEB is provided to an employee on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the actuarial present value of projected benefit payments attributable to past periods of service. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The City has control over the benefit terms through Council approved ordinances and is financed through the City’s Self-Insurance Fund; however, the City received the benefits of retiree’s services for the required number of years and the retirees have reached the eligible age that requires the City to provide this OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions comes solely and directly from the City for enrollee’s health care reimbursements and life insurance premiums are paid directly to the insurer on behalf of the cover retiree. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable.

Plan Description

The City provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through council-approved ordinance. The activity of the plan is reported in the City’s Self-Insurance.

Benefits Provided

The City provides post-employment health care and life insurance benefits (OPEB) to its retirees. In order to be eligible for the benefit, retiree must meet one of the following criteria:

General Employees. General employees hired prior to January 1, 2004 are eligible for the City’s explicit subsidy at the earlier of:

1. Age 60 with 20 years of service
2. 30 years of service

General employees hired on/after January 1, 2004 are not eligible for the City’s explicit subsidy.

Police Officers. Police Officers hired prior to April 1, 2006 are eligible for the City’s explicit subsidy at the earlier of:

1. Age 48 with 25 years of service; or
2. Age 62 with 15 years of service

Police Officers hired on/after April 1, 2006 are not eligible for the City’s explicit subsidy.

Firefighters. Firefighters hired prior to February 1, 2006 are eligible for the City’s explicit subsidy at the earlier of:

1. Age 48 with 25 years of service; or
2. Age 62 with 15 years of service

Firefighters hired on/after February 1, 2006 are not eligible for the City’s explicit subsidy.

City of Cuyahoga Falls, Ohio

NOTE 19 – DEFINED BENEFIT SINGLE EMPLOYER OPEB PLAN (CONTINUED)

Electric Union. Electric Union employees hired prior to January 1, 2009 are eligible for the City’s explicit subsidy at the earlier of:

1. Age 60 with 20 years of service; or
2. 30 years of service

Electric Union employees hired on/after January 1, 2009 are not eligible for City’s explicit subsidy.

Spouse Benefit

The City’s explicit subsidy will continue to surviving spouses of retirees of active employees eligible to retire, provided that the surviving spouse is receiving an ongoing pension health care benefit. The explicit subsidy will revert to a retiree explicit subsidy.

Retiree Cost Sharing

There is no retiree cost-sharing for the health care of life insurance benefits.

Health Care Benefit

All City employees enrolled in the health plans offered by the State of Ohio at retirement. The premium rates for these plans are determined based on the statewide poll experience and the City’s retirees represent a small portion of the State plans’ participants.

Life Insurance

Retirees, regardless of hire date, receive the following life insurance benefits that are fully subsidized by the City. All employees meeting the retirement eligibility above are eligible for this benefit.

Group	Life Insurance
Electric	\$ 4,000
Dispatch/FOP Gold	7,000
FOP Blue	9,000
Firefighters, AFSCME, Non-Union	10,000

Explicit Subsidy. For a select group of employees, the City reimburses:

1. A fixed dollar amount to reimburse retirees for their contributions paid into the State Health Plan (Premium Reimbursement Subsidy)
2. Up to fixed dollar amount for co-payments and deductibles that vary by employee group (Co-pay and Deductible Subsidy)

General Employees. Retired general employees receive one reimbursement amount that will cover both reimbursements regardless of coverage level. This benefit is payable until the younger of the retiree or spouse turns 65. This benefit will continue to a surviving spouse of retired or active employee eligible to retire until the date the benefit would have ceased.

The annual reimbursement amount effective January 1, 2020 is \$4,223.88 for retirees who have single or family coverage level. The reimbursement is increased 5.0 percent per year.

NOTE 19 – DEFINED BENEFIT SINGLE EMPLOYER OPEB PLAN (CONTINUED)

Police Officers. The 2020 annual subsidy amounts for police officers are as shown below:

	Premium Reimbursement		Co-pay and Deductible
	< 65	65+	All ages
Retiree	\$ 2,464.39	\$ 2,204.54	\$ 400
Spouse	\$ 3,715.60	\$ 3,897.09	N/A*

* The co-payment and deductible subsidy is the same for retirees with single or family coverage.

This benefit is payable until the younger of the retiree or spouse turns 65. This benefit will continue to a surviving spouse of retired or active employee eligible to retire until the date the benefit would have ceased.

Firefighters. The 2020 annual subsidy amounts for firefighters are as shown below:

	Premium Reimbursement		Co-pay and Deductible
	<65	65+	All Ages
Firefighters who retired prior to 2006			
Retiree	Varies, with healthcare plan selected and		unlimited
Spouse	OP&F stipend		
Firefighters who retired on/after 2006			
Retiree	\$ 2,464.39	\$ 2,464.39	\$700
Spouse	\$ 3,715.60	\$ 3,715.60	N/A*

* The co-payment and deductible subsidy is the same for retirees with single or family coverage.

This benefit is payable until the younger of the retiree or spouse turns 65. This benefit will continue to a surviving spouse of retired or active employee eligible to retire until the date the benefit would have ceased.

As of December 31, 2019, the City had 803 participants. Of that number, 399 were active employees and 404 were retirees and dependents that were currently receiving the post-employment mentioned above.

Funding Policy

The City’s annual contributions to the plan are made as a pay-as-you-go cash basis. The City’s contractually required contributions were \$479,978 for 2019. The plan does not require matching contributions from employees during their period of employment.

City of Cuyahoga Falls, Ohio

NOTE 19 – DEFINED BENEFIT SINGLE EMPLOYER OPEB PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of January 1, 2019, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The City's net OPEB liability was based on the aforementioned actuarial valuation. Following is information related to the Net OPEB Liability and OPEB expense:

Proportionate Share of the Net OPEB Liability	\$	9,086,587
OPEB Expense	\$	(118,454)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources		
Changes of assumptions	\$	537,631
		<hr/>
Total Deferred Outflows of Resources	\$	537,631
		<hr/> <hr/>
Deferred Inflows of Resources		
Differences between expected and actual experience	\$	1,005,348
Changes of assumptions		366,290
Changes in proportion and differences between City contributions and proportionate share of contributions		100,214
		<hr/>
Total Deferred Inflows of Resources	\$	1,471,852
		<hr/> <hr/>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:		
2020	\$	(255,364)
2021		(255,364)
2022		(255,364)
2023		(255,364)
2024		87,235
Total	\$	(934,221)
		<hr/> <hr/>

NOTE 19 – DEFINED BENEFIT SINGLE EMPLOYER OPEB PLAN (CONTINUED)

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC’s of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the OPEB and plan members. The total OPEB liability was determined by an actuarial valuation as of January 1, 2019, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Discount Rate	3.26 Percent
Annual Wage Inflation	3.25 Percent
Inflation Rate	3.25 Percent
Actuarial Cost Method	Entry Age Normal
Funding Policy	Pay-as-you-go
Annual Health Care Trend Rates	5.00 Percent

Mortality for healthy participants is based on the SOA RPH-2018 Total Dataset Mortality Table full generational using Scale MP-2018 (RPH-2018 table is created based on RPH-2014 mortality tables with 8 years of MP-2014 mortality improvement backed out, projected to 2018 using MP-2018 improvement. No disabilities are assumed for the active population.

The health care coverage election rate is considered to 100 percent for active employees with current coverage and 0 percent for active employees with no coverage. Inactive employees with current coverage the election rate is 100 percent and inactive employees with no coverage is 0 percent.

For current retirees, the actual elections as reported are used. Husbands are assumed to be two years older than wives for male employees and three years older for female employees.

Discount Rate

The total OPEB liability was calculated using the discount rate of 3.26 percent. Since the plan is funded by a “pay-as-you-go” system, the 20-year AA rated municipal bond rate was used as both the discount rate.

Sensitivity of the City's Net OPEB Liability to Changes in the Discount Rate. Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.26 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.26 percent), or one percentage point higher (4.26 percent) than the current rate.

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
City's proportionate share of the net OPEB liability	\$ 9,957,461	\$ 9,086,587	\$ 8,335,386

City of Cuyahoga Falls, Ohio

NOTE 19 – DEFINED BENEFIT SINGLE EMPLOYER OPEB PLAN (CONTINUED)

Sensitivity of the City’s Net OPEB Liability to Changes in the Health Care Cost Trend Rate. Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 8,510,106	\$ 9,086,587	\$ 9,741,369

Changes in the Net OPEB Liability

The following tables represent the changes in the Net OPEB Liability during the measurement period based on actuarial valuation date of January 1, 2019:

Reconciliation of Total OPEB Liability

1/1/19 Net OPEB Liability	\$ 8,551,540
Service Cost	143,998
Interest Cost	347,622
Contributions	(479,978)
New Inflow - experience	(121,752)
New Outflow - assumptions	645,157
12/31/19 Net OPEB Liability	<u>\$ 9,086,587</u>

Reconciliation of Fiduciary Net Position

1/1/19 Fiduciary Net Position	\$ -
Employer Contributions	(479,978)
Total Benefits paid	479,978
12/31/19 Fiduciary Net Position	<u>\$ -</u>

Net OPEB Liability

Total OPEB Liability	\$ 9,086,587
Fiduciary Net Position	-
Net OPEB Liability	<u>\$ 9,086,587</u>

Due to the plan using the pay-as-you-go method, there will be no Fiduciary Net Position.

NOTE 20 – JOINTLY GOVERNED ORGANIZATIONS

Boston Township-City of Cuyahoga Falls Joint Economic Development District (District)

The City of Cuyahoga Falls entered into a contractual agreement with Boston Township on March 1, 2004 to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the County, the City, the Township and the District. The District is directed by a six member Board of Directors, in which two members representing the City are appointed by the Mayor; two members representing the Township are appointed by the Township trustees; one member representing active businesses within the District, who shall be a resident of the Township, is appointed by the Township Trustees and one member representing the employees of active businesses within the District, who shall be a City resident is appointed by the Mayor. The territorial boundaries of the District is located in the Township and known as being a part of Township lots 7, 8 and 9. The agreement requires the Board of Directors of the District to impose an income tax equal to 2 percent of gross taxable income of persons working in the District, with said tax to increase or decrease to remain consistent with the Cuyahoga Falls income tax. Income tax revenues in excess of those provided to the District shall be paid or credited each quarter by the City's Tax Administrator without need of further action by the Treasurer of the Board in the following manner: forty Percent of that amount to be paid or credited to the Township and the remaining sixty Percent of that amount to be paid or credited to the City. The District distributes the income tax receipts to the City and Township in the month subsequent to receipt collection.

The revenues of that income tax shall be used for the purpose of the District and the contracting parties pursuant to the District's contract and may be used for any purpose not prohibited by law. The City is the fiscal agent for the District. Upon termination of the contract, any property, assets and obligations of the District shall be divided equally between the City and the Township; provided that the District shall first use any property or assets to reduce or settle any obligations of the District.

Akron Metropolitan Area Transportation Study

The City participates in the Akron Metropolitan Area Transportation Study (AMATS). The basic mission of AMATS is to provide quality transportation planning for an effective and efficient transportation system. The Akron metropolitan area includes Summit and Portage counties and a portion of Wayne County. AMATS is led by the AMATS Transportation Policy Committee. The City is a member of the 45 member Policy Committee that is responsible for the preparation of regional transportation policies, plans and programs that meet the areas present and future needs. In 2019, the City contributed \$9,893 to the Akron Metropolitan Area Transportation Study, which represents the City's formula share.

NOTE 21 – TAX ABATEMENT DISCLOSURES

The establishment of Community Reinvestment Areas gives the City the ability to attract, retain and expand businesses located in the City. Residential abatements are provided to encourage investment in certain areas of the City where repair of existing structures or construction of new structures has been discouraged.

Pursuant to the Ohio Revised Code Chapter 5709, the City established three (3) Community Reinvestment Areas. The areas were created after 1994. The City provides both commercial and residential abatements under certain circumstances outlined in the legislation.

The City authorizes business incentives through passage of public ordinances, based upon investment criteria and through a contractual application process. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvement(s). The City of Cuyahoga Falls offers businesses CRA property tax abatements based upon a project investment of at least \$250,000 and the creation or retention of jobs. The City also compensates, under certain circumstances, the various school districts for revenues lost due to tax exemptions as required by 5709.82 of the Ohio Revised Code.

City of Cuyahoga Falls, Ohio

NOTE 21 – TAX ABATEMENT DISCLOSURES (CONTINUED)

Certain residential projects are offered incentives through the passage of the public ordinances listed above. An application is submitted to the County. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvement(s). In both residential and commercial abatements, the amount of the abatement is deducted from the owners' property tax bill.

Total amount of taxes abated for projects for year ending 12/31/2019:

Commercial = \$ 1,076,335

Residential = \$ 407,137

NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES

The City has implemented the following Governmental Accounting Standards Board (GASB) Statement:

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Cuyahoga Falls, Ohio

Required Supplementary Information Schedule of City's Proportionate Share of Net Pension Liability/Net Pension Asset Ohio Public Employees Retirement System (OPERS) Last Five Years (1)

Traditional Plan	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.127250%	0.128404%	0.128688%	0.126127%	0.127518%
City's Proportionate Share of the Net Pension Liability	\$34,851,195	\$20,144,098	\$29,222,856	\$21,846,787	\$15,380,096
City's Covered Payroll	\$17,187,386	\$16,968,723	\$16,456,900	\$15,699,108	\$15,685,492
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.77%	118.71%	177.57%	139.16%	98.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%
Combined Plan	2019	2018	2017	2016	2015
City's Proportion of the Net Pension (Asset)	0.138696%	0.140312%	0.144536%	0.156700%	0.167910%
City's Proportionate Share of the Net Pension (Asset)	(\$155,093)	(\$191,010)	(\$80,444)	(\$76,256)	(\$64,650)
City's Covered Payroll	\$593,193	\$574,646	\$556,786	\$570,242	\$618,417
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	26.15%	33.24%	14.45%	13.37%	10.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	126.64%	137.28%	116.55%	116.90%	114.83%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

**Required Supplementary Information
Schedule of City's Proportionate Share of Net Pension Liability
Ohio Police and Fire Pension Fund (OP&F)
Last Five Years (1)**

Police	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.205199%	0.2121145%	0.2116715%	0.2069667%	0.2070668%
City's Proportionate Share of the Net Pension Liability	\$16,749,661	\$13,018,423	\$13,407,060	\$13,314,310	\$10,726,924
City's Covered Payroll	\$5,341,005	\$5,167,553	\$5,085,095	\$4,680,253	\$4,562,400
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	313.61%	251.93%	263.65%	284.48%	235.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	71.71%
Fire	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.287361%	0.2936116%	0.2909230%	0.2889364%	0.2967296%
City's Proportionate Share of the Net Pension Liability	\$23,456,251	\$18,020,270	\$18,426,768	\$18,587,481	\$15,371,831
City's Covered Payroll	\$5,967,660	\$5,818,443	\$5,708,877	\$5,285,672	\$5,343,464
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	393.06%	309.71%	322.77%	351.66%	287.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	71.71%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

City of Cuyahoga Falls, Ohio

Required Supplementary Information Schedule of City Contributions Ohio Public Employees Retirement System (OPERS) Last Six Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Contractually Required Contributions</u>						
Traditional Plan	2,568,595	2,406,234	2,205,934	1,974,828	1,883,893	1,882,259
Combined Plan	86,123	83,047	74,704	66,814	68,429	74,210
Total Required Contributions	\$2,654,718	\$2,489,281	\$2,280,638	\$2,041,642	\$1,952,322	\$1,956,469
Contributions in Relation to the Contractually Required Contribution	(\$2,654,718)	(\$2,489,281)	(\$2,280,638)	(\$2,041,642)	(\$1,952,322)	(\$1,956,469)
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered Payroll</u>						
Traditional Plan	\$18,347,107	\$17,187,386	\$16,968,723	\$16,456,900	\$15,699,108	\$15,685,492
Combined Plan	\$615,164	\$593,193	\$574,646	\$556,786	\$570,242	\$618,417
<u>Pension Contributions as a Percentage of Covered Payroll</u>						
Traditional Plan	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
Combined Plan	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

(1) Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund (OP&F)
Last Ten Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Contractually Required Contributions</u>					
Police	\$1,037,502	\$1,014,791	\$981,835	\$966,168	\$889,248
Fire	\$1,515,599	\$1,402,400	\$1,367,334	\$1,341,586	\$1,242,133
Total Required Contributions	\$2,553,101	\$2,417,191	\$2,349,169	\$2,307,754	\$2,131,381
Contributions in Relation to the Contractually Required Contribution	(\$2,553,101)	(\$2,417,191)	(\$2,349,169)	(\$2,307,754)	(\$2,131,381)
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered Payroll</u>					
Police	\$5,460,537	\$5,341,005	\$5,167,553	\$5,085,095	\$4,680,253
Fire	\$6,449,357	\$5,967,660	\$5,818,443	\$5,708,877	\$5,285,672
<u>Pension Contributions as a Percentage of Covered Payroll</u>					
Police	19.00%	19.00%	19.00%	19.00%	19.00%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Contractually Required Contributions</u>					
Police	\$866,856	\$896,782	\$928,627	\$908,086	\$975,614
Fire	\$1,255,714	\$1,250,169	\$1,285,282	\$1,255,091	\$1,253,837
Total Required Contributions	\$2,122,570	\$2,146,951	\$2,213,909	\$2,163,177	\$2,229,451
Contributions in Relation to the Contractually Required Contribution	(\$2,122,570)	(\$2,146,951)	(\$2,213,909)	(\$2,163,177)	(\$2,229,451)
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered Payroll</u>					
Police	\$4,562,400	\$5,701,093	\$7,283,349	\$7,122,243	\$7,651,875
Fire	\$5,343,464	\$6,179,778	\$7,450,910	\$7,275,890	\$7,268,620
<u>Pension Contributions as a Percentage of Covered Payroll</u>					
Police	19.00%	[1]	12.75%	12.75%	12.75%
Fire	23.50%	[1]	17.25%	17.25%	17.25%

City of Cuyahoga Falls, Ohio

Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System (OPERS)
Last Three Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.124262%	0.125630%	0.126370%
City's Proportionate Share of the Net OPEB Liability	\$ 16,200,831	\$ 13,642,493	\$ 12,763,799
City's Covered Payroll	\$ 18,022,907	\$ 17,794,450	\$ 17,463,164
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.89%	76.67%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

**Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund (OP&F)
Last Three Years (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.492561%	0.505726%	0.502590%
City's Proportionate Share of the Net OPEB Liability	\$ 4,485,520	\$ 28,653,730	\$ 23,856,817
City's Covered Payroll	\$ 11,308,665	\$ 10,985,996	\$ 10,793,972
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	39.66%	260.82%	221.02%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

City of Cuyahoga Falls, Ohio

Required Supplementary Information Schedule of the City's Contributions – OPEB Ohio Public Employees Retirement System (OPERS) Last Five Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 9,319	\$ 9,727	\$ 185,478	\$ 354,575	\$ 325,362
Contributions in Relation to the Contractually Required Contribution	<u>(9,319)</u>	<u>(9,727)</u>	<u>(185,478)</u>	<u>(354,575)</u>	<u>(325,362)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 19,195,254	\$ 18,022,907	\$ 17,794,450	\$ 17,463,164	\$ 16,563,817
Contributions as a Percentage of Covered Payroll	0.05%	0.05%	1.04%	2.03%	1.96%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**Required Supplementary Information
Schedule of the City's Contributions – OPEB
Ohio Police and Fire Pension Fund (OP&F)
Last Ten Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 59,550	\$ 56,543	\$ 54,930	\$ 54,074	\$ 53,855
Contributions in Relation to the Contractually Required Contribution	<u>(59,550)</u>	<u>(56,543)</u>	<u>(54,930)</u>	<u>(54,074)</u>	<u>(53,855)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 11,909,894	\$ 11,308,665	\$ 10,985,996	\$ 10,793,972	\$ 9,965,925
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually Required Contribution	\$ 53,163	\$ 357,020	\$ 682,934	\$ 667,331	\$ 690,355
Contributions in Relation to the Contractually Required Contribution	<u>(53,163)</u>	<u>(357,020)</u>	<u>(682,934)</u>	<u>(667,331)</u>	<u>(690,355)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 9,905,864	\$ 11,880,871	\$ 14,734,259	\$ 14,398,133	\$ 14,920,495
Contributions as a Percentage of Covered Payroll	0.50%	3.62%	6.75%	6.75%	6.75%

City of Cuyahoga Falls, Ohio

Required Supplementary Information
Schedule of the City's Net OPEB Liability
Other Post-Employment Benefits – Single Employer
Last Three Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability	\$ 9,086,587	\$ 8,551,540	\$ 10,445,503
Net OPEB Liability	\$ 9,086,587	\$ 8,551,540	\$ 10,445,503
City's Covered Payroll	\$ 32,891,596	\$ 29,089,244	\$ 28,529,365
City's Net OPEB Liability as a Percentage of its Covered Payroll	27.63%	29.40%	36.61%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**Required Supplementary Information
Schedule of the City's Contributions – OPEB
Other Post-Employment Benefit – Single Employer
Last Three Years (1)**

	2019	2018	2017
Contractually Required Contribution	\$ 479,978	\$ 554,591	\$ 535,413
Contributions in Relation to the Contractually Required Contribution	(479,978)	(554,591)	(535,413)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City Covered Payroll	\$ 32,891,596	\$ 29,089,244	\$ 28,529,365
Contributions as a Percentage of Covered Payroll	1.46%	1.91%	1.88%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

City of Cuyahoga Falls, Ohio

Notes to the Required Supplementary Information December 31, 2019

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00 percent to 7.50 percent, (b) the expected long-term average wage inflation rate was reduced from 3.75 percent to 3.25 percent, (c) the expected long-term average price inflation rate was reduced from 3.00 percent to 2.50 percent, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50 percent to 7.20 percent.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2019.

Changes in assumptions: For 2018, the single discount rate changed from 4.23 percent to 3.85 percent. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50 percent to 6.00 percent (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25 percent to 3.75 percent (c) the payroll increases was reduced from 3.75 percent to 3.25 percent (d) the inflation assumptions was reduced from 3.25 percent to 2.75 percent (e) the cost of living adjustments was reduced from 2.60 percent to 2.20 percent (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016. There have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018. See below regarding changes to stipend-based model.

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5 percent.

**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.

Capital Projects

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

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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	\$ 9,463,407	\$ 9,457,049	\$ 9,460,487	\$ 3,438
Income taxes	15,792,255	15,325,255	15,095,110	(230,145)
Other local taxes	2,494,950	2,310,022	2,312,963	2,941
State levied shared taxes	2,613,892	2,738,745	2,749,435	10,690
Intergovernmental	181,151	228,391	231,948	3,557
Charges for services	3,807,663	3,898,311	3,905,583	7,272
Fees, licenses, and permits	140,370	160,912	168,739	7,827
Interest earnings	1,000,000	1,000,000	991,197	(8,803)
Fines and forfeitures	224,500	162,510	165,744	3,234
Other	237,483	289,545	312,456	22,911
Total revenues	35,955,671	35,570,740	35,393,662	(177,078)
Expenditures				
Current				
Security of persons and property				
Police				
Personal services	7,840,234	7,840,234	7,798,110	42,124
Other operations	1,078,510	1,138,510	992,517	145,993
Total - Police	8,918,744	8,978,744	8,790,627	188,117
Fire				
Personal services	8,074,749	8,149,749	8,148,794	955
Other operations	898,049	813,049	743,512	69,537
Total - Fire	8,972,798	8,962,798	8,892,306	70,492
Technical Services				
Personal services	529,990	529,990	506,582	23,408
Other operations	91,298	91,298	66,849	24,449
Total - Technical Services	621,288	621,288	573,431	47,857
Communications				
Personal services	1,080,966	1,010,966	996,836	14,130
Other operations	187,277	187,277	139,715	47,562
Total - Communications	1,268,243	1,198,243	1,136,551	61,692
Total - Security of persons and property	19,781,073	19,761,073	19,392,915	368,158
Leisure time activities				
Parks & Recreation				
Personal services	1,735,868	1,655,868	1,651,352	4,516
Other operations	809,653	809,653	781,966	27,687
Total - Leisure time activities	2,545,521	2,465,521	2,433,318	32,203
Community environment				
Riverfront Centre District				
Other operations	127	127	127	-
Total - Riverfront Centre District	127	127	127	-
Community / Economic Development				
Personal services	822,188	822,188	781,260	40,928
Other operations	242,425	242,425	205,952	36,473
Total - Community / Economic Development	1,064,613	1,064,613	987,212	77,401
Neighborhood Excellence, Communications, And Community Outreach				
Personal services	282,539	283,839	283,809	30
Other operations	57,723	56,423	20,789	35,634
Total - Neighborhood Excellence, Communications, And Community Outreach	340,262	340,262	304,598	35,664
Total - Community environment	1,405,002	1,405,002	1,291,937	113,065

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Year Ended December 31, 2019**

(Continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
General government				
General Administration				
Other operations	\$ 1,061,644	\$ 1,061,644	\$ 904,551	\$ 157,093
Total - General Administration	<u>1,061,644</u>	<u>1,061,644</u>	<u>904,551</u>	<u>157,093</u>
Council				
Personal services	302,585	313,235	313,232	3
Other operations	2,881	2,881	1,271	1,610
Total - Council	<u>305,466</u>	<u>316,116</u>	<u>314,503</u>	<u>1,613</u>
Mayor				
Personal services	277,992	281,242	281,216	26
Other operations	8,623	8,623	5,922	2,701
Total - Mayor	<u>286,615</u>	<u>289,865</u>	<u>287,138</u>	<u>2,727</u>
Mayor's Court				
Personal services	161,318	161,318	161,290	28
Other operations	37,763	37,763	30,896	6,867
Total - Mayor's Court	<u>199,081</u>	<u>199,081</u>	<u>192,186</u>	<u>6,895</u>
Finance Director				
Personal services	826,817	828,717	828,640	77
Other operations	129,772	127,872	122,574	5,298
Total - Finance Director	<u>956,589</u>	<u>956,589</u>	<u>951,214</u>	<u>5,375</u>
Law Director				
Personal services	858,902	858,902	845,891	13,011
Other operations	167,598	207,598	193,901	13,697
Total - Law Director	<u>1,026,500</u>	<u>1,066,500</u>	<u>1,039,792</u>	<u>26,708</u>
Service Director				
Personal services	374,052	366,552	364,526	2,026
Other operations	16,463	23,963	18,826	5,137
Total - Service Director	<u>390,515</u>	<u>390,515</u>	<u>383,352</u>	<u>7,163</u>
Civil Service Commission				
Personal services	12,525	12,525	12,522	3
Other operations	39,830	39,830	25,616	14,214
Total - Civil Service Commission	<u>52,355</u>	<u>52,355</u>	<u>38,138</u>	<u>14,217</u>
Engineering				
Personal services	1,047,537	1,064,537	1,061,480	3,057
Other operations	76,584	68,584	66,105	2,479
Total - Engineering	<u>1,124,121</u>	<u>1,133,121</u>	<u>1,127,585</u>	<u>5,536</u>
Human Resources / Records				
Personal services	252,064	256,664	256,656	8
Other operations	24,166	24,166	23,826	340
Total - Human Resources / Records	<u>276,230</u>	<u>280,830</u>	<u>280,482</u>	<u>348</u>
Building and Grounds Maintenance				
Personal services	1,024,406	929,406	919,439	9,967
Other operations	712,560	712,560	666,277	46,283
Total - Building and Grounds Maintenance	<u>1,736,966</u>	<u>1,641,966</u>	<u>1,585,716</u>	<u>56,250</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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government (Continued)				
Municipal Income Tax				
Personal services	168,666	168,666	165,172	3,494
Other operations	1,537,755	1,187,755	1,080,308	107,447
Total - Municipal Income Tax	1,706,421	1,356,421	1,245,480	110,941
Information Services				
Personal services	764,792	764,792	730,351	34,441
Other operations	145,323	145,323	114,935	30,388
Total - Information Services	910,115	910,115	845,286	64,829
Total - General government	10,032,618	9,655,118	9,195,423	459,695
Total expenditures	33,764,214	33,286,714	32,313,593	973,121
Excess (deficiency) of revenues				
Over (under) expenditures	2,191,457	2,284,026	3,080,069	796,043
Other Financing (Uses)				
Transfers out	(5,666,732)	(5,676,732)	(5,571,956)	104,776
Total other financing (uses)	(5,666,732)	(5,676,732)	(5,571,956)	104,776
Net change in fund balances	(3,475,275)	(3,392,706)	(2,491,887)	900,819
Fund balance at beginning of year	9,277,670	9,277,670	9,277,670	-
Prior year encumbrances appropriated	367,030	367,030	367,030	-
Fund balance at end of year	\$ 6,169,425	\$ 6,251,994	\$ 7,152,813	\$ 900,819

**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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Income taxes	\$ 6,643,245	\$ 6,643,245	\$ 6,643,245	\$ -
Intergovernmental	1,637,389	182,586	199,470	16,884
Charges for services	1,325,000	1,383,736	1,345,873	(37,863)
Special assessments	80,100	77,065	83,246	6,181
Other	132,000	299,434	299,514	80
Total revenues	9,817,734	8,586,066	8,571,348	(14,718)
Expenditures				
Current				
Capital outlay	17,460,634	20,171,753	19,269,827	901,926
Debt service				
Principal	63,327	63,327	63,326	1
Interest	2,854	2,854	2,854	-
Total expenditures	17,526,815	20,237,934	19,336,007	901,927
Excess (deficiency) of revenues over (under) expenditures	(7,709,081)	(11,651,868)	(10,764,659)	887,209
Other Financing Sources				
Bond/note issuance	2,250,000	5,231,668	5,231,668	-
Total other financing sources	2,250,000	5,231,668	5,231,668	-
Net change in fund balances	(5,459,081)	(6,420,200)	(5,532,991)	887,209
Fund balance at beginning of year	2,483,796	2,483,796	2,483,796	-
Prior year encumbrances appropriated	3,964,346	3,964,346	3,964,346	-
Fund balance at end of year	<u>\$ 989,061</u>	<u>\$ 27,942</u>	<u>\$ 915,151</u>	<u>\$ 887,209</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, per codified ordinance. The revenue must be used for improvements made to parks and recreation facilities.

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.

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.

Enterprise Zone/Community Reinvestment Area

To account for fees collected from enterprises receiving a tax incentive through an enterprise zone agreement for the purpose of administering and monitoring the Enterprise Zone Agreement.

Drug Law Enforcement

To account for fines received by the City that are restricted under the Ohio Revised Code to subsidize law enforcement efforts that pertain to drug offenses.

Law Enforcement Trust

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

Nonmajor Governmental Funds (Continued)

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.
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.
Law Enforcement Assistance	To account for the reimbursement of professional training costs for law enforcement officers.
State Road Public Improvement Tax Increment Equivalent	To account for service payments and any associated rollback payments distributed to the City with respect to improvements on the property known as Portage Crossing. Moneys deposited in the fund shall be used to pay any and all planning, engineering, acquisition, construction, installation, financing costs and any other direct or indirect costs of the public improvement; interest and principal of bonds or notes; to reimburse the City, the State of Ohio or other governmental entity for any funds used to pay costs of the public improvement; and to compensated the school district pursuant to the School Agreement.
Debt Service Fund	To account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.
Debt Service Fund	To account for the accumulation of resources for and payment of general obligation principal, interest, and related expenditures.
Permanent Fund	To account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.
Cemetery Perpetual Care Permanent Fund	To account for monies received for the perpetual care of cemetery lots. The amounts received are held as a permanent fund, and the interest received on the invested monies is available for care of the cemetery lots.

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Governmental Funds December 31, 2019

	Nonmajor Special Revenue Funds	Debt Service Fund	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Assets				
Equity in pooled cash and cash equivalents	\$ 2,076,639	\$ 2,967	\$ 144,105	\$ 2,223,711
Investments	1,501,062	2,160	104,891	1,608,113
Receivables				
Taxes	920,397	-	-	920,397
Accounts				
(net of allowance for uncollectibles)	237,967	-	-	237,967
Loans	2,777,398	-	-	2,777,398
Due from other funds	120,000	-	-	120,000
Due from other governments	1,551,137	-	-	1,551,137
Inventory of supplies	742,292	-	-	742,292
Prepaid items	22,095	-	-	22,095
Total assets	\$ 9,948,987	\$ 5,127	\$ 248,996	\$ 10,203,110
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ 258,565	\$ -	\$ -	\$ 258,565
Accrued salaries, wages and benefits	48,690	-	-	48,690
Due to other funds	9,997	-	-	9,997
Due to other governments	156,359	-	-	156,359
Total liabilities	473,611	-	-	473,611
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	1,920,147	-	-	1,920,147
Fund Balances				
Nonspendable	764,387	-	248,996	1,013,383
Restricted	6,846,011	5,127	-	6,851,138
Committed	1,728	-	-	1,728
Unassigned	(56,897)	-	-	(56,897)
Total fund balances	7,555,229	5,127	248,996	7,809,352
Total liabilities, deferred inflows and fund balances	\$ 9,948,987	\$ 5,127	\$ 248,996	\$ 10,203,110

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended December 31, 2019**

	Nonmajor Special Revenue Funds	Debt Service Fund	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ 545,798	\$ -	\$ -	\$ 545,798
Municipal income taxes	1,812,000	-	-	1,812,000
Other local taxes	1,041,333	-	-	1,041,333
State levied shared taxes	2,874,668	-	-	2,874,668
Intergovernmental	463,479	-	-	463,479
Charges for services	-	-	1,265	1,265
Fees, licenses and permits	649,324	-	-	649,324
Interest earnings	286	2,024	7,294	9,604
Fines and forfeitures	57,875	-	-	57,875
Other	21,409	460,000	-	481,409
Total revenues	<u>7,466,172</u>	<u>462,024</u>	<u>8,559</u>	<u>7,936,755</u>
Expenditures				
Current				
Security of persons and property	2,960,092	-	-	2,960,092
Leisure time activities	1,691,211	-	-	1,691,211
Community environment	968,179	-	-	968,179
Street maintenance	4,310,946	-	-	4,310,946
General government	-	-	4,882	4,882
Capital outlay	185,000	-	-	185,000
Debt Service				
Principal	155,000	565,000	-	720,000
Interest	248,940	306,228	-	555,168
Total expenditures	<u>10,519,368</u>	<u>871,228</u>	<u>4,882</u>	<u>11,395,478</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,053,196)</u>	<u>(409,204)</u>	<u>3,677</u>	<u>(3,458,723)</u>
Other Financing Sources				
Transfers in	<u>3,205,000</u>	<u>400,000</u>	<u>-</u>	<u>3,605,000</u>
Total other financing sources	<u>3,205,000</u>	<u>400,000</u>	<u>-</u>	<u>3,605,000</u>
Net change in fund balances	151,804	(9,204)	3,677	146,277
Fund balance at beginning of year	7,228,681	14,331	245,319	7,488,331
Change in reserve for inventory	170,712	-	-	170,712
Change in reserve for prepaid items	4,032	-	-	4,032
Fund balance at end of year	<u>\$ 7,555,229</u>	<u>\$ 5,127</u>	<u>\$ 248,996</u>	<u>\$ 7,809,352</u>

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2019

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension
Assets				
Equity in pooled cash and cash equivalents	\$ 15,338	\$ 889,718	\$ 1,801	\$ 4,418
Investments	11,087	643,109	1,302	3,194
Receivables				
Taxes	-	-	275,540	275,540
Accounts				
(net of allowance for uncollectibles)	-	224,021	-	-
Loans	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	100,929	1,244,799	21,517	21,517
Inventory of supplies	-	742,292	-	-
Prepaid items	-	22,095	-	-
Total assets	<u>\$ 127,354</u>	<u>\$ 3,766,034</u>	<u>\$ 300,160</u>	<u>\$ 304,669</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 177,676	\$ -	\$ -
Accrued salaries, wages and benefits	-	47,008	-	-
Due to other funds	-	8,531	-	-
Due to other governments	-	7,242	27,730	39,882
Total liabilities	-	240,457	27,730	39,882
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	65,361	924,364	297,057	297,057
Fund Balances				
Nonspendable	-	764,387	-	-
Restricted	61,993	1,836,826	-	-
Committed	-	-	-	-
Unassigned	-	-	(24,627)	(32,270)
Total fund balances	<u>61,993</u>	<u>2,601,213</u>	<u>(24,627)</u>	<u>(32,270)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 127,354</u>	<u>\$ 3,766,034</u>	<u>\$ 300,160</u>	<u>\$ 304,669</u>

Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2019

(Continued)

	Recreation Levy	Permissive Tax	Community and Economic Development	Community Development Block Grant
Assets				
Equity in pooled cash and cash equivalents	\$ 843,931	\$ 1	\$ 1,003	\$ 87,795
Investments	610,013	1	725	63,460
Receivables				
Taxes	-	-	-	-
Accounts				
(net of allowance for uncollectibles)	-	-	-	-
Loans	-	-	-	2,777,398
Due from other funds	120,000	-	-	-
Due from other governments	-	89,097	-	13,545
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	\$ 1,573,944	\$ 89,099	\$ 1,728	\$ 2,942,198
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ 69,145	\$ -	\$ -	\$ 11,744
Accrued salaries, wages and benefits	-	-	-	1,682
Due to other funds	1,466	-	-	-
Due to other governments	-	-	-	255
Total liabilities	70,611	-	-	13,681
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	1,503,333	89,099	-	2,928,517
Committed	-	-	1,728	-
Unreserved - undesignated	-	-	-	-
Total fund balances	1,503,333	89,099	1,728	2,928,517
Total liabilities and fund balances	\$ 1,573,944	\$ 89,099	\$ 1,728	\$ 2,942,198

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2019

(Continued)

	Enterprise Zone / Community Reinvestment Area	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education
ASSETS				
Equity in pooled cash and cash equivalents	\$ 42,308	\$ 77,192	\$ 70,871	\$ 21,408
Investments	30,581	55,797	51,227	15,474
Receivables				
Taxes	-	-	-	-
Accounts				
(net of allowance for uncollectibles)	13,946	-	-	-
Loans	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	2,490	200	615
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 86,835</u>	<u>\$ 135,479</u>	<u>\$ 122,298</u>	<u>\$ 37,497</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries, wages and benefits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	10,941	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	75,894	135,479	122,298	37,497
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>75,894</u>	<u>135,479</u>	<u>122,298</u>	<u>37,497</u>
Total liabilities and fund balances	<u>\$ 86,835</u>	<u>\$ 135,479</u>	<u>\$ 122,298</u>	<u>\$ 37,497</u>

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2019

(Continued)

	Municipal Motor Vehicle License Tax	Federal Law Enforcement	Law Enforcement Assistance	State Road Public Improvement Tax Increment Equivalent	Total Nonmajor Special Revenue Funds
ASSETS					
Equity in pooled cash and cash equivalents	\$ 434	\$ 3,402	\$ 17,019	\$ -	\$ 2,076,639
Investments	314	2,477	12,301	-	1,501,062
Receivables					
Taxes	-	-	-	369,317	920,397
Accounts					
(net of allowance for uncollectibles)	-	-	-	-	237,967
Loans	-	-	-	-	2,777,398
Due from other funds	-	-	-	-	120,000
Due from other governments	56,428	-	-	-	1,551,137
Inventory of supplies	-	-	-	-	742,292
Prepaid items	-	-	-	-	22,095
Total assets	<u>\$ 57,176</u>	<u>\$ 5,879</u>	<u>\$ 29,320</u>	<u>\$ 369,317</u>	<u>\$ 9,948,987</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 258,565
Accrued salaries, wages and benefits	-	-	-	-	48,690
Due to other funds	-	-	-	-	9,997
Due to other governments	-	-	-	81,250	156,359
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,250</u>	<u>473,611</u>
Deferred Inflows of Resources					
Revenues levied for the next year and unavailable revenue	37,300	-	-	288,067	1,920,147
Fund Balances					
Nonspendable	-	-	-	-	764,387
Restricted	19,876	5,879	29,320	-	6,846,011
Committed	-	-	-	-	1,728
Unassigned	-	-	-	-	(56,897)
Total fund balances	<u>19,876</u>	<u>5,879</u>	<u>29,320</u>	<u>-</u>	<u>7,555,229</u>
Total liabilities and fund balances	<u>\$ 57,176</u>	<u>\$ 5,879</u>	<u>\$ 29,320</u>	<u>\$ 369,317</u>	<u>\$ 9,948,987</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, 2019

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension
Revenues				
Property taxes	\$ -	\$ -	\$ 272,899	\$ 272,899
Municipal income taxes	-	-	-	-
Other local taxes	-	262,488	294	294
State levied shared taxes	184,774	2,278,889	36,130	36,130
Intergovernmental	-	-	-	-
Fees, licenses, and permits	-	639,320	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Other	-	12,375	-	-
Total revenues	<u>184,774</u>	<u>3,193,072</u>	<u>309,323</u>	<u>309,323</u>
Expenditures				
Current				
Security of persons and property	-	-	1,072,516	1,555,557
Leisure time activities	-	-	-	-
Community environment	-	-	-	-
Street maintenance	150,000	4,035,946	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>150,000</u>	<u>4,035,946</u>	<u>1,072,516</u>	<u>1,555,557</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,774</u>	<u>(842,874)</u>	<u>(763,193)</u>	<u>(1,246,234)</u>
Other Financing Sources				
Transfers in	-	1,200,000	760,000	1,245,000
Total other financing sources	<u>-</u>	<u>1,200,000</u>	<u>760,000</u>	<u>1,245,000</u>
Net change in fund balances	34,774	357,126	(3,193)	(1,234)
Fund balance at beginning of year	27,219	2,069,343	(21,434)	(31,036)
Change in nonspendable inventory	-	170,712	-	-
Change in nonspendable prepaid items	-	4,032	-	-
Fund balance at end of year	<u>\$ 61,993</u>	<u>\$ 2,601,213</u>	<u>\$ (24,627)</u>	<u>\$ (32,270)</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund
Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019**

(Continued)

	Recreation Levy	Permissive Tax	Community and Economic Development	Community Development Block Grant
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	1,812,000	-	-	-
Other local taxes	-	-	-	-
State levied shared taxes	-	224,872	-	-
Intergovernmental	-	-	-	463,189
Fees, licenses, and permits	-	-	-	-
Interest earnings	-	-	-	117
Fines and forfeitures	-	-	-	-
Other	39	-	-	7,856
Total revenues	<u>1,812,039</u>	<u>224,872</u>	<u>-</u>	<u>471,162</u>
Expenditures				
Current				
Security of persons and property	-	-	-	-
Leisure time activities	1,691,211	-	-	-
Community environment	-	-	-	593,404
Street maintenance	-	-	-	-
Capital outlay	-	185,000	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,691,211</u>	<u>185,000</u>	<u>-</u>	<u>593,404</u>
Excess (deficiency) of revenues over (under) expenditures	<u>120,828</u>	<u>39,872</u>	<u>-</u>	<u>(122,242)</u>
Other Financing Sources				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	120,828	39,872	-	(122,242)
Fund balance at beginning of year	1,382,505	49,227	1,728	3,050,759
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	-	-	-	-
Fund balance at end of year	<u>\$ 1,503,333</u>	<u>\$ 89,099</u>	<u>\$ 1,728</u>	<u>\$ 2,928,517</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, 2019

(Continued)

	Enterprise Zone / Community Reinvestment Area	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-
Other local taxes	-	-	-	-
State levied shared taxes	-	-	-	-
Intergovernmental	-	-	290	-
Fees, licenses, and permits	10,004	-	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	41,616	9,025	7,234
Other	-	-	-	1,120
Total revenues	<u>10,004</u>	<u>41,616</u>	<u>9,315</u>	<u>8,354</u>
Expenditures				
Current				
Security of persons and property	-	4,636	317,258	-
Leisure time activities	-	-	-	-
Community environment	-	-	-	-
Street maintenance	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>4,636</u>	<u>317,258</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,004</u>	<u>36,980</u>	<u>(307,943)</u>	<u>8,354</u>
Other Financing Sources				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	10,004	36,980	(307,943)	8,354
Fund balance at beginning of year	65,890	98,499	430,241	29,143
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 75,894</u>	<u>\$ 135,479</u>	<u>\$ 122,298</u>	<u>\$ 37,497</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, 2019**

(Continued)

	Municipal Motor Vehicle License Tax	Federal Law Enforcement	Law Enforcement Assistance	State Road Public Improvement Tax Increment Equivalent	Total Nonmajor Special Revenue
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 545,798
Municipal income taxes	-	-	-	-	1,812,000
Other local taxes	-	-	-	778,257	1,041,333
State levied shared taxes	113,873	-	-	-	2,874,668
Intergovernmental	-	-	-	-	463,479
Fees, licenses, and permits	-	-	-	-	649,324
Interest earnings	-	169	-	-	286
Fines and forfeitures	-	-	-	-	57,875
Other	-	-	19	-	21,409
Total revenues	113,873	169	19	778,257	7,466,172
Expenditures					
Current					
Security of persons and property	-	-	10,125	-	2,960,092
Leisure time activities	-	-	-	-	1,691,211
Community environment	-	-	-	374,775	968,179
Street maintenance	125,000	-	-	-	4,310,946
Capital outlay	-	-	-	-	185,000
Debt service					
Principal	-	-	-	155,000	155,000
Interest	-	-	-	248,940	248,940
Total expenditures	125,000	-	10,125	778,715	10,519,368
Excess (deficiency) of revenues over (under) expenditures	(11,127)	169	(10,106)	(458)	(3,053,196)
Other Financing Sources					
Transfers in	-	-	-	-	3,205,000
Total other financing sources	-	-	-	-	3,205,000
Net change in fund balances	(11,127)	169	(10,106)	(458)	151,804
Fund balance at beginning of year	31,003	5,710	39,426	458	7,228,681
Change in nonspendable inventory	-	-	-	-	170,712
Change in nonspendable prepaid items	-	-	-	-	4,032
Fund balance at end of year	<u>\$ 19,876</u>	<u>\$ 5,879</u>	<u>\$ 29,320</u>	<u>\$ -</u>	<u>\$ 7,555,229</u>

City of Cuyahoga Falls, Ohio

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State levied shared taxes	\$ 145,255	\$ 172,255	\$ 171,066	\$ (1,189)
Total revenues	145,255	172,255	171,066	(1,189)
Expenditures				
Current				
Street maintenance				
Other operations	150,000	150,000	150,000	-
Total expenditures	150,000	150,000	150,000	-
Net change in fund balances	(4,745)	22,255	21,066	(1,189)
Fund balance at beginning of year	5,359	5,359	5,359	-
Fund balance at end of year	\$ 614	\$ 27,614	\$ 26,425	\$ (1,189)

**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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local taxes	\$ 265,500	\$ 265,500	\$ 259,985	\$ (5,515)
State levied shared taxes	1,799,900	2,126,900	2,109,815	(17,085)
Fees, licenses, and permits	607,500	645,500	641,153	(4,347)
Other	10,000	10,000	19,364	9,364
Total revenues	<u>2,682,900</u>	<u>3,047,900</u>	<u>3,030,317</u>	<u>(17,583)</u>
Expenditures				
Current				
Street maintenance				
Personal services	2,460,587	2,460,587	2,404,336	56,251
Other operations	2,039,473	2,039,472	1,709,404	330,068
Total expenditures	<u>4,500,060</u>	<u>4,500,059</u>	<u>4,113,740</u>	<u>386,319</u>
Excess (deficiency) of revenues				
over (under) expenditures	(1,817,160)	(1,452,159)	(1,083,423)	368,736
Other Financing Sources				
Transfers in	1,200,000	1,200,000	1,200,000	-
Total other financing sources	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>
Net change in fund balances	(617,160)	(252,159)	116,577	368,736
Fund balance at beginning of year	1,093,260	1,093,260	1,093,260	-
Prior year encumbrances appropriated	90,678	90,678	90,678	-
Fund balance at end of year	<u>\$ 566,778</u>	<u>\$ 931,779</u>	<u>\$ 1,300,515</u>	<u>\$ 368,736</u>

City of Cuyahoga Falls, Ohio

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 272,982	\$ 272,799	\$ 272,899	\$ 100
Other local taxes	360	360	294	(66)
State levied shared taxes	36,136	36,112	36,130	18
Total revenues	309,478	309,271	309,323	52
Expenditures				
Current				
Security of persons and property				
Personal services	1,070,643	1,092,643	1,092,836	(193)
Other operations	9,450	7,750	7,712	38
Total expenditures	1,080,093	1,100,393	1,100,548	(155)
Excess (deficiency) of revenues over (under) expenditures				
	(770,615)	(791,122)	(791,225)	(103)
Other Financing Sources				
Transfers in	760,000	765,000	760,000	(5,000)
Total other financing sources	760,000	765,000	760,000	(5,000)
Net change in fund balances	(10,615)	(26,122)	(31,225)	(5,103)
Fund balance at beginning of year	34,328	34,328	34,328	-
Fund balance at end of year	\$ 23,713	\$ 8,206	\$ 3,103	\$ (5,103)

**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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 272,982	\$ 272,799	\$ 272,899	\$ 100
Other local taxes	360	360	294	(66)
State levied shared taxes	36,136	36,112	36,130	18
Total revenues	<u>309,478</u>	<u>309,271</u>	<u>309,323</u>	<u>52</u>
Expenditures				
Current				
Security of persons and property				
Personal services	1,541,491	1,557,491	1,564,280	(6,789)
Other operations	9,450	7,750	7,711	39
Total expenditures	<u>1,550,941</u>	<u>1,565,241</u>	<u>1,571,991</u>	<u>(6,750)</u>
Excess (deficiency) of revenues				
over (under) expenditures	(1,241,463)	(1,255,970)	(1,262,668)	(6,698)
Other Financing Sources				
Transfers in	<u>1,235,000</u>	<u>1,245,000</u>	<u>1,245,000</u>	<u>-</u>
Total other financing sources	<u>1,235,000</u>	<u>1,245,000</u>	<u>1,245,000</u>	<u>-</u>
Net change in fund balances	(6,463)	(10,970)	(17,668)	(6,698)
Fund balance at beginning of year	25,280	25,280	25,280	-
Fund balance at end of year	<u>\$ 18,817</u>	<u>\$ 14,310</u>	<u>\$ 7,612</u>	<u>\$ (6,698)</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Recreation Levy Fund For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income taxes	\$ 1,812,000	\$ 1,812,000	\$ 1,812,000	\$ -
Other	-	20,271	20,310	39
Total revenues	1,812,000	1,832,271	1,832,310	39
Expenditures				
Current				
Leisure time activities				
Other operations	1,192,186	1,192,186	1,126,195	65,991
Capital outlay	954,516	954,516	677,069	277,447
Total expenditures	2,146,702	2,146,702	1,803,264	343,438
Net change in fund balances	(334,702)	(314,431)	29,046	343,477
Fund balance at beginning of year	1,079,609	1,079,609	1,079,609	-
Prior year encumbrances appropriated	176,630	176,630	176,630	-
Fund balance at end of year	\$ 921,537	\$ 941,808	\$ 1,285,285	\$ 343,477

**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, 2019**

	<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	\$ 185,000	\$ 185,000	\$ 185,000	\$ -
Total revenues	185,000	185,000	185,000	-
Expenditures				
Current				
Capital outlay	185,000	185,000	185,000	-
Total expenditures	185,000	185,000	185,000	-
Net change in fund balances	-	-	-	-
Fund balance at beginning of year	2	2	2	-
Fund balance at end of year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Current				
Community environment				
Other operations	1,700	1,700	-	1,700
Total expenditures	1,700	1,700	-	1,700
Net change in fund balances	(1,700)	(1,700)	-	1,700
Fund balance at beginning of year	1,728	1,728	1,728	-
Fund balance at end of year	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 1,728</u>	<u>\$ 1,700</u>

**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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 648,660	\$ 491,824	\$ 491,818	\$ (6)
Interest earnings	-	-	117	117
Other	-	121,636	121,351	(285)
Total revenues	<u>648,660</u>	<u>613,460</u>	<u>613,286</u>	<u>(174)</u>
Expenditures				
Current				
Community environment				
Personal services	87,913	91,913	91,757	156
Other operations	573,365	582,565	580,453	2,112
Capital outlay	100,000	125,000	125,000	-
Total expenditures	<u>761,278</u>	<u>799,478</u>	<u>797,210</u>	<u>2,268</u>
Net change in fund balances	(112,618)	(186,018)	(183,924)	2,094
Fund balance at beginning of year	177,719	177,719	177,719	-
Prior year encumbrances appropriated	112,618	112,618	112,618	-
Fund balance at end of year	<u>\$ 177,719</u>	<u>\$ 104,319</u>	<u>\$ 106,413</u>	<u>\$ 2,094</u>

City of Cuyahoga Falls, Ohio

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, licenses, and permits	\$ 9,000	\$ 10,942	\$ 10,942	\$ -
Total revenues	9,000	10,942	10,942	-
Expenditures				
Current				
Community environment				
Other operations	8,100	8,100	-	8,100
Total expenditures	8,100	8,100	-	8,100
Net change in fund balances	900	2,842	10,942	8,100
Fund balance at beginning of year	61,947	61,947	61,947	-
Fund balance at end of year	\$ 62,847	\$ 64,789	\$ 72,889	\$ 8,100

**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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 12,000	\$ 39,476	\$ 40,328	\$ 852
Other	-	-	-	-
Total revenues	12,000	39,476	40,328	852
Expenditures				
Current				
Security of persons and property				
Other operations	14,800	14,800	8,110	6,690
Total expenditures	14,800	14,800	8,110	6,690
Net change in fund balances	(2,800)	24,676	32,218	7,542
Fund balance at beginning of year	100,771	100,771	100,771	-
Fund balance at end of year	\$ 97,971	\$ 125,447	\$ 132,989	\$ 7,542

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 1,958	\$ 1,958
Fines and forfeitures	12,500	12,500	9,784	(2,716)
Total revenues	12,500	12,500	11,742	(758)
Expenditures				
Current				
Security of persons and property				
Other operations	29,178	29,178	17,258	11,920
Capital outlay	300,000	300,000	300,000	-
Total expenditures	329,178	329,178	317,258	11,920
Net change in fund balances	(316,678)	(316,678)	(305,516)	11,162
Fund balance at beginning of year	122,936	122,936	122,936	-
Prior year encumbrances appropriated	304,678	304,678	304,678	-
Fund balance at end of year	\$ 110,936	\$ 110,936	\$ 122,098	\$ 11,162

**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, 2019**

	<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	\$ 4,000	\$ 6,642	\$ 6,860	\$ 218
Other	1,500	1,120	1,120	-
Total revenues	<u>5,500</u>	<u>7,762</u>	<u>7,980</u>	<u>218</u>
Net change in fund balances	5,500	7,762	7,980	218
Fund balance at beginning of year	28,902	28,902	28,902	-
Fund balance at end of year	<u>\$ 34,402</u>	<u>\$ 36,664</u>	<u>\$ 36,882</u>	<u>\$ 218</u>

City of Cuyahoga Falls, Ohio

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State levied shared taxes	\$ 113,000	\$ 113,000	\$ 113,027	\$ 27
Total revenues	113,000	113,000	113,027	27
Expenditures				
Current				
Street maintenance				
Other operations	125,000	125,000	125,000	-
Total expenditures	125,000	125,000	125,000	-
Net change in fund balances	(12,000)	(12,000)	(11,973)	27
Fund balance at beginning of year	12,721	12,721	12,721	-
Fund balance at end of year	\$ 721	\$ 721	\$ 748	\$ 27

**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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest earnings	\$ 150	\$ 150	\$ 113	\$ (37)
Total revenues	150	150	113	(37)
Expenditures				
Current				
Security of persons and property				
Other operations	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Capital outlay	-	-	-	-
Total expenditures	5,000	5,000	-	5,000
Excess (deficiency) of revenues				
over (under) expenditures	(4,850)	(4,850)	113	4,963
Net change in fund balances				
	(4,850)	(4,850)	113	4,963
Fund balance at beginning of year				
	5,749	5,749	5,749	-
Fund balance at end of year				
	\$ 899	\$ 899	\$ 5,862	\$ 4,963

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Law Enforcement Assistance Fund For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ -	\$ -	\$ 19	\$ 19
Total revenues	-	-	19	19
Expenditures				
Current				
Security of persons and property				
Other operations	\$ 15,980	\$ 15,980	\$ 10,937	\$ 5,043
Total expenditures	15,980	15,980	10,937	5,043
Net change in fund balances	(15,980)	(15,980)	(10,918)	5,062
Fund balance at beginning of year	39,128	39,128	39,128	-
Prior year encumbrances appropriated	830	830	830	-
Fund balance at end of year	<u>\$ 23,978</u>	<u>\$ 23,978</u>	<u>\$ 29,040</u>	<u>\$ 5,062</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual (Non-GAAP Budgetary Basis) - State Road Public Improvement Tax
 Increment Equivalent Fund
 For the Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local tax	\$ 695,587	\$ 778,257	\$ 778,257	\$ -
Total revenues	695,587	778,257	778,257	-
Expenditures				
Current				
Community environment				
Other operations	291,615	374,775	374,775	-
Total - community environment	291,615	374,775	374,775	-
Debt service				
Principal	155,000	155,000	155,000	-
Interest	248,940	248,940	248,940	-
Total expenditures	695,555	778,715	778,715	-
Net change in fund balances	32	(458)	(458)	-
Fund balance at beginning of year	458	458	458	-
Fund balance at end of year	<u>\$ 490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Cuyahoga Falls, Ohio

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest earnings	\$ 300	\$ 2,583	\$ 1,911	\$ (672)
Other	\$ 460,000	\$ 460,000	\$ 460,000	\$ -
Total revenues	460,300	462,583	461,911	(672)
Expenditures				
Debt service				
Principal	565,000	565,000	565,000	-
Interest	306,228	306,228	306,228	-
Total expenditures	871,228	871,228	871,228	-
Excess (deficiency) of revenues over (under) expenditures				
	(410,928)	(408,645)	(409,317)	(672)
Other Financing Sources (Uses)				
Transfers in	400,000	400,000	400,000	-
Total other financing sources (uses)	400,000	400,000	400,000	-
Net change in fund balances	(10,928)	(8,645)	(9,317)	(672)
Fund balance at beginning of year	14,429	14,429	14,429	-
Fund balance at end of year	\$ 3,501	\$ 5,784	\$ 5,112	\$ (672)

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.

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. In addition, Ordinance 70-2012, authorized this fund to accumulate amounts through transfers, sufficient to meet the excess personal services associated with a twenty-seventh pay period in 2015.

City of Cuyahoga Falls, Ohio

Combining Statement of Net Position - Governmental Activities Internal Service Funds December 31, 2019

	Garage	Self Insurance	Workers' Compensation
Assets			
Current Assets			
Equity in pooled cash and cash equivalents	\$ 5,111	2,088,464	\$ 1,341,941
Investments	3,695	1,509,592	976,764
Receivables			
Accounts			
(net of allowance for uncollectibles)	3,605	191,261	5,439
Due from other governments	-	-	186,525
Inventory of supplies	246,182	-	-
Prepaid items	1,222	-	-
Total current assets	<u>259,815</u>	<u>3,789,317</u>	<u>2,510,669</u>
Noncurrent Assets			
Net pension asset	3,660	496	-
Capital Assets			
Land	21,960	-	-
Buildings	105,958	-	-
Improvements other than buildings	260,029	-	-
Equipment	186,215	-	-
Less: Accumulated depreciation	(481,415)	-	-
Total noncurrent assets	<u>96,407</u>	<u>496</u>	<u>-</u>
Total assets	<u>356,222</u>	<u>3,789,813</u>	<u>2,510,669</u>
Deferred Outflows of Resources			
Pension	247,928	33,616	-
Other postemployment benefits (OPEB)	30,205	541,727	-
Total deferred outflows of resources	<u>278,133</u>	<u>575,343</u>	<u>-</u>
Liabilities			
Current Liabilities			
Accounts payable	90,830	-	-
Accrued salaries, wages and benefits	12,881	1,400	-
Accrued compensated absences	-	-	-
Due to other funds	3,004	-	-
Due to other governments	1,980	194	45,218
Claims and judgments payable	-	504,464	1,101
Capital lease obligations	-	-	-
Total current liabilities	<u>108,695</u>	<u>506,058</u>	<u>46,319</u>
Noncurrent Liabilities			
Net pension liability	822,488	111,524	-
Net other postemployment benefits (OPEB) liability	382,340	9,138,430	-
Accrued compensated absences	-	-	-
Claims and judgments payable	-	-	26,546
Total Noncurrent Liabilities	<u>1,204,828</u>	<u>9,249,954</u>	<u>26,546</u>
Total liabilities	<u>1,313,523</u>	<u>9,756,012</u>	<u>72,865</u>
Deferred Inflows of Resources			
Pension	15,890	2,152	-
Other postemployment benefits (OPEB)	4,359	1,472,443	-
Total deferred inflows of resources	<u>20,249</u>	<u>1,474,595</u>	<u>-</u>
Net Position			
Net investment in capital assets	92,747	-	-
Unrestricted	(792,164)	(6,865,451)	2,437,804
Total net position	<u>\$ (699,417)</u>	<u>(6,865,451)</u>	<u>\$ 2,437,804</u>

**Combining Statement of Net Position -
Governmental Activities Internal Service Funds
December 31, 2019**

(Continued)

	<u>Compensated Absences</u>	<u>Total</u>
Assets		
Current Assets		
Equity in pooled cash and cash equivalents	\$ 368,931	\$ 3,804,447
Investments	266,673	2,756,724
Receivables		
Accounts		
(net of allowance for uncollectibles)	-	200,305
Due from other governments	-	186,525
Inventory of supplies	-	246,182
Prepaid items	-	1,222
Total current assets	<u>635,604</u>	<u>7,195,405</u>
Noncurrent Assets		
Net pension asset	-	4,156
Capital Assets		
Land	-	21,960
Buildings	-	105,958
Improvements other than buildings	-	260,029
Equipment	-	186,215
Less: Accumulated depreciation	-	(481,415)
Total noncurrent assets	<u>-</u>	<u>96,903</u>
Total assets	<u>635,604</u>	<u>7,292,308</u>
Deferred Outflows of Resources		
Pension	-	281,544
Other postemployment benefits (OPEB)	-	571,932
Total deferred outflows of resources	<u>-</u>	<u>853,476</u>
Liabilities		
Current Liabilities		
Accounts payable	-	90,830
Accrued salaries, wages and benefits	-	14,281
Accrued compensated absences	2,367,069	2,367,069
Due to other funds	-	3,004
Due to other governments	-	47,392
Claims and judgments payable	-	505,565
Capital lease obligations	-	-
Total current liabilities	<u>2,367,069</u>	<u>3,028,141</u>
Noncurrent Liabilities		
Net pension liability	-	934,012
Net other postemployment benefits (OPEB) liability	-	9,520,770
Accrued compensated absences	7,847,343	7,847,343
Claims and judgments payable	-	26,546
Total Noncurrent Liabilities	<u>7,847,343</u>	<u>18,328,671</u>
Total liabilities	<u>10,214,412</u>	<u>21,356,812</u>
Deferred Inflows of Resources		
Pension	-	18,042
Other postemployment benefits (OPEB)	-	1,476,802
Total deferred inflows of resources	<u>-</u>	<u>1,494,844</u>
Net Position		
Net investment in capital assets	-	92,747
Unrestricted	(9,578,808)	(14,798,619)
Total net position	<u>\$ (9,578,808)</u>	<u>\$ (14,705,872)</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Revenues, Expenses and Changes in Net Position - Governmental Activities Internal Service Funds For the Year Ended December 31, 2019

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>
Operating revenues			
Charges for services	\$ 2,385,151	\$ 7,179,800	\$ 152,244
Other	8,498	485,606	599,306
Total operating revenues	<u>2,393,649</u>	<u>7,665,406</u>	<u>751,550</u>
Operating Expenses			
Personal services	505,481	39,471	-
Fringe benefits	367,192	7,308,872	479,938
Materials and supplies	1,163,539	22	-
Utilities	10,568	-	-
Contractual services	17,574	64,422	20,400
Internal charges	133,973	-	-
Other	353,029	28,935	5,468
Depreciation	3,734	-	-
Total operating expenses	<u>2,555,090</u>	<u>7,441,722</u>	<u>505,806</u>
Net income (loss) from operations	<u>(161,441)</u>	<u>223,684</u>	<u>245,744</u>
Nonoperating Revenues			
Interest revenue	-	-	60,723
Gain from disposal of capital assets	4,307	-	-
Total nonoperating revenues	<u>4,307</u>	<u>-</u>	<u>60,723</u>
Changes in net position	<u>(157,134)</u>	<u>223,684</u>	<u>306,467</u>
Total net position - beginning	(542,283)	(7,089,135)	2,131,337
Total net position - ending	<u>\$ (699,417)</u>	<u>\$ (6,865,451)</u>	<u>\$ 2,437,804</u>

**Combining Statement of Revenues, Expenses and Changes in Net Position -
Governmental Activities Internal Service Funds
For the Year Ended December 31, 2019**

(Continued)

	<u>Compensated Absences</u>	<u>Total</u>
Operating revenues		
Charges for services	\$ 500,000	\$ 10,217,195
Other	-	1,093,410
Total operating revenues	<u>500,000</u>	<u>11,310,605</u>
Operating Expenses		
Personal services	1,211,093	1,756,045
Fringe benefits	7,881	8,163,883
Materials and supplies	-	1,163,561
Utilities	-	10,568
Contractual services	-	102,396
Internal charges	-	133,973
Other	-	387,432
Depreciation	-	3,734
Total operating expenses	<u>1,218,974</u>	<u>11,721,592</u>
Net income (loss) from operations	<u>(718,974)</u>	<u>(410,987)</u>
Nonoperating Revenues		
Interest revenue	-	60,723
Gain from disposal of capital assets	-	4,307
Total nonoperating revenues	<u>-</u>	<u>65,030</u>
Changes in net position	<u>(718,974)</u>	<u>(345,957)</u>
Total net position - beginning	(8,859,834)	(14,359,915)
Total net position - ending	<u>\$ (9,578,808)</u>	<u>\$ (14,705,872)</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2019

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>
Cash Flows From Operating Activities			
Activities			
Cash received from customers	\$ 2,391,124	\$ 7,585,013	\$ 705,018
Cash payments to employees for services	(511,842)	(40,638)	-
Cash payments to employees for benefits	(214,468)	(7,175,856)	(528,409)
Cash payments to suppliers for goods and services	(1,657,609)	(93,009)	(25,868)
Net cash provided (used in) by operating activities	7,205	275,510	150,741
Cash Flows From Capital and Related Financing Activities			
Proceeds from the sale of capital assets	1,026	-	-
Net cash used in capital and related financing activities	1,026	-	-
Cash Flows From Investing Activities			
Interest revenue	-	-	60,723
Sale of investments	280	1,620,684	1,020,470
Purchase of investments	(3,695)	(1,509,592)	(976,764)
Net cash used in investing activities	(3,415)	111,092	104,429
Net increase (decrease) in cash and cash equivalents	4,816	386,602	255,170
Cash and cash equivalents at beginning of year	295	1,701,862	1,086,771
Cash and cash equivalents at end of year	<u>\$ 5,111</u>	<u>\$ 2,088,464</u>	<u>\$ 1,341,941</u>

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds
For the Year Ended December 31, 2019**

(Continued)

	<u>Compensated Absences</u>	<u>Totals</u>
Cash Flows From Operating Activities		
Activities		
Cash received from customers	\$ 500,000	\$ 11,181,155
Cash payments to employees for services	(577,363)	(1,129,843)
Cash payments to employees for benefits	(7,881)	(7,926,614)
Cash payments to suppliers for goods and services	-	(1,776,486)
Net cash provided (used in) by operating activities	(85,244)	348,212
Cash Flows From Capital and Related Financing Activities		
Proceeds from the sale of capital assets	-	1,026
Net cash used in capital and related financing activities	-	1,026
Cash Flows From Investing Activities		
Interest revenue	-	60,723
Sale of investments	351,618	2,993,052
Purchase of investments	(266,673)	(2,756,724)
Net cash used in investing activities	84,945	297,051
Net increase (decrease) in cash and cash equivalents	(299)	646,289
Cash and cash equivalents at beginning of year	369,230	3,158,158
Cash and cash equivalents at end of year	<u>\$ 368,931</u>	<u>\$ 3,804,447</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2019

(Continued)

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:			
Operating income (loss)	\$ (161,441)	\$ 223,684	\$ 245,744
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:			
Depreciation	3,734	-	-
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:			
Receivables	(2,525)	(80,393)	(5,439)
Due from other funds	-	-	6,159
Due from other governments	-	-	(47,252)
Inventory of supplies	(6,890)	-	-
Prepaid items	26	-	-
Deferred outflows of resources - pension	(128,620)	(17,438)	-
Deferred outflows of resources - OPEB	(6,282)	(538,483)	-
Accounts payable			
- net of items affecting capital assets	28,056	-	-
Accrued salaries, wages and benefits	(6,301)	(797)	-
Due to other funds	(274)	(11)	-
Due to other governments	(976)	(145)	34,010
Claims payable	-	230,770	(82,481)
Deferred inflows of resources - pension	(98,599)	(13,370)	-
Deferred inflows of resources - OPEB	(21,015)	(118,719)	-
Net pension liability	347,935	47,178	-
Net OPEB liability	60,377	543,234	-
Total adjustments	<u>168,646</u>	<u>51,826</u>	<u>(95,003)</u>
Net cash provided by (used in) operating activities	<u>\$ 7,205</u>	<u>\$ 275,510</u>	<u>\$ 150,741</u>

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds
For the Year Ended December 31, 2019**

(Continued)

	Compensated Absences	Totals
Reconciliation of Operating Income (Loss) to Net		
Cash Provided (Used) By Operating Activities:		
Operating income (loss)	\$ (718,974)	\$ (410,987)
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:		
Depreciation	-	3,734
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:		
Receivables	-	(88,357)
Due from other funds	-	6,159
Due from other governments	-	(47,252)
Inventory of supplies	-	(6,890)
Prepaid items	-	26
Deferred outflows of resources - pension	-	(146,058)
Deferred outflows of resources - OPEB	-	(544,765)
Accounts payable		
- net of items affecting capital assets	-	28,056
Accrued salaries, wages and benefits	633,730	626,632
Due to other funds	-	(285)
Due to other governments	-	32,889
Claims payable	-	148,289
Deferred inflows of resources - pension	-	(111,969)
Deferred inflows of resources - OPEB	-	(139,734)
Net pension liability	-	395,113
Net OPEB liability	-	603,611
Total adjustments	633,730	759,199
Net cash provided by (used in) operating activities	\$ (85,244)	\$ 348,212

Fiduciary Funds – Agency Funds

Agency Funds	Agency funds are established to account for assets received and held by the City acting in the capacity of an agent or custodian.
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.
Evidence Deposits	To account for large amounts of seized money held in custody by the City in a non-interest bearing account until the appropriate court order is issued pursuant to Ohio Revised Code 2981.11 – 2981.14.
Partnership for Parks Donation	To account for the deposit of donations collected at City facilities on behalf of the Cuyahoga Falls Partnership for Parks Organization and remittance to the same.
Joint Economic Development District	To account for monies associated with the collection and contractual distributions of the income taxes of the Boston Township-City of Cuyahoga Falls Joint Economic Development District.

City of Cuyahoga Falls, Ohio

Combining Statement of Assets and Liabilities - Fiduciary Funds December 31, 2019

	Agency Funds							Totals
	Guarantee Deposits	Unclaimed Monies	Employee Withholding	State Cases Fines and Forfeitures	Evidence Deposits	Partnership For Parks Donation	Joint Economic Development District	
Assets								
Current Assets								
Equity in pooled cash and cash equivalents	\$ 536,263	\$ 64,299	\$ 474,542	\$ 11,531	\$ -	\$ -	\$ 6,464	\$ 1,093,099
Cash and cash equivalents - restricted	-	-	-	-	500	-	-	500
Investments	387,623	46,476	343,011	8,335	-	-	4,672	790,117
Income taxes receivable	-	-	-	-	-	-	36,499	36,499
Due from other governments	-	-	145,192	-	-	-	-	145,192
Total assets	\$ 923,886	\$ 110,775	\$ 962,745	\$ 19,866	\$ 500	\$ -	\$ 47,635	\$ 2,065,407
Liabilities								
Current Liabilities								
Due to other governments	\$ 144,600	\$ -	\$ 925,907	\$ 19,866	\$ 500	\$ -	\$ 47,635	\$ 1,138,508
Deposits held and due to others	779,286	110,775	36,838	-	-	-	-	926,899
Total liabilities	\$ 923,886	\$ 110,775	\$ 962,745	\$ 19,866	\$ 500	\$ -	\$ 47,635	\$ 2,065,407

City of Cuyahoga Falls, Ohio

Combining Statement of Changes in Assets and Liabilities - Fiduciary Funds For the Year Ended December 31, 2019

<u>Agency Funds</u>	<u>Balance 12/31/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/19</u>
Guarantee Deposits				
Assets				
Equity in pooled cash and cash equivalents	\$ 400,640	\$ (96,751)	\$ (232,374)	\$ 536,263
Investments	381,529	387,623	381,529	387,623
Total Assets	\$ 782,169	\$ 290,872	\$ 149,155	\$ 923,886
Liabilities				
Due to other governments	\$ 96,600	\$ 48,000	\$ -	\$ 144,600
Deposits held and due to others	685,569	242,952	149,235	779,286
Total Liabilities	\$ 782,169	\$ 290,952	\$ 149,235	\$ 923,886
Unclaimed Monies				
Assets				
Equity in pooled cash and cash equivalents	\$ 55,514	\$ (31,870)	\$ (40,655)	\$ 64,299
Investments	52,866	46,476	52,866	46,476
Total Assets	\$ 108,380	\$ 14,606	\$ 12,211	\$ 110,775
Liabilities				
Deposits held and due to others	\$ 108,380	\$ 14,606	\$ 12,211	\$ 110,775
Total Liabilities	\$ 108,380	\$ 14,606	\$ 12,211	\$ 110,775
Employee Withholding				
Assets				
Equity in pooled cash and cash equivalents	\$ 381,756	\$ 16,527,127	\$ 16,434,341	\$ 474,542
Investments	363,546	343,011	363,546	343,011
Due from other governments	228,316	145,192	228,316	145,192
Total Assets	\$ 973,618	\$ 17,015,330	\$ 17,026,203	\$ 962,745
Liabilities				
Due to other governments	\$ 944,791	\$ 14,483,129	\$ 14,502,013	\$ 925,907
Deposits held and due to others	28,827	2,536,212	2,528,201	36,838
Total Liabilities	\$ 973,618	\$ 17,019,341	\$ 17,030,214	\$ 962,745
State Cases Fines and Forfeitures				
Assets				
Equity in pooled cash and cash equivalents	\$ 7,519	\$ 144,083	\$ 140,071	\$ 11,531
Investments	7,160	8,335	7,160	8,335
Total Assets	\$ 14,679	\$ 152,418	\$ 147,231	\$ 19,866
Liabilities				
Due to other governments	\$ 14,679	\$ 152,418	\$ 147,231	\$ 19,866
Total Liabilities	\$ 14,679	\$ 152,418	\$ 147,231	\$ 19,866
Evidence Deposits				
Assets				
Cash and cash equivalents - restricted	\$ 500	\$ -	\$ -	\$ 500
Total Assets	\$ 500	\$ -	\$ -	\$ 500
Liabilities				
Due to other governments	\$ 500	\$ -	\$ -	\$ 500
Total Liabilities	\$ 500	\$ -	\$ -	\$ 500

City of Cuyahoga Falls, Ohio

**Combining Statement of Changes in Assets and Liabilities - Fiduciary Funds
For the Year Ended December 31, 2019**

(Continued)

<u>Agency Funds</u>	<u>Balance 12/31/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/19</u>
Partnership for Parks Donation				
Assets				
Equity in pooled cash and cash equivalents	\$ -	\$ 160	\$ 160	\$ -
Total Assets	\$ -	\$ 160	\$ 160	\$ -
Liabilities				
Deposits held and due to others	\$ -	\$ 160	\$ 160	\$ -
Total Liabilities	\$ -	\$ 160	\$ 160	\$ -
Joint Economic Development District				
Assets				
Equity in pooled cash and cash equivalents	\$ 22,288	\$ 211,874	\$ 227,698	\$ 6,464
Investments	21,224	4,672	21,224	4,672
Income taxes receivable	7,721	36,499	7,721	36,499
Total Assets	\$ 51,233	\$ 253,045	\$ 256,643	\$ 47,635
Liabilities				
Due to other governments	\$ 51,233	\$ 253,045	\$ 256,643	\$ 47,635
Total Liabilities	\$ 51,233	\$ 253,045	\$ 256,643	\$ 47,635
Total Agency Funds				
Equity in pooled cash and cash equivalents	\$ 867,717	\$ 16,754,623	\$ 16,529,241	\$ 1,093,099
Cash and cash equivalents - restricted	500	-	-	500
Investments	826,325	790,117	826,325	790,117
Income taxes receivable	7,721	36,499	7,721	36,499
Due from other governments	228,316	145,192	228,316	145,192
Total Assets	\$ 1,930,579	\$ 17,726,431	\$ 17,591,603	\$ 2,065,407
Liabilities				
Due to other governments	\$ 1,107,803	\$ 14,936,592	\$ 14,905,887	\$ 1,138,508
Deposits held and due to others	822,776	2,793,930	2,689,807	926,899
Total Liabilities	\$ 1,930,579	\$ 17,730,522	\$ 17,595,694	\$ 2,065,407

STATISTICAL SECTION

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>	179-187
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>	189-194
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>	195-199
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>	201-202
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>	203-206
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.

City of Cuyahoga Falls, Ohio

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

	2019	2018	2017**	2016	2015
Government activities					
Net investment in capital assets	\$ 100,145,441	\$ 98,770,561	\$ 97,475,296	\$ 93,128,745	\$ 92,335,053
Restricted:					
Capital projects	6,571,786	6,267,974	4,570,176	4,416,995	3,063,077
Debt service	-	(109,676)	14,198	14,048	13,914
Special revenue	2,928,517	3,050,759	2,746,843	2,458,304	2,306,040
Permanent fund purpose - Cemetery Perpetual Care	248,996	245,319	244,782	241,905	239,020
Unrestricted	(46,696,201)	(65,152,491)	(61,497,241)	(16,698,179)	(14,519,150)
Total governmental activities net position	63,198,539	43,072,446	43,554,054	83,561,818	83,437,954
Business-type activities					
Net investments in capital assets					
net of related debt	98,236,082	94,348,339	90,978,939	84,868,646	80,341,436
Unrestricted	18,967,044	20,432,384	20,051,585	26,898,604	25,645,833
Total business-type activities net position	117,203,126	114,780,723	111,030,524	111,767,250	105,987,269
Primary government					
Net investments in capital assets	198,381,523	193,118,900	188,454,235	177,997,391	172,676,489
Restricted	9,749,299	9,454,376	7,575,999	7,131,252	5,622,051
Unrestricted	(27,729,157)	(44,720,107)	(41,445,656)	10,200,425	11,126,683
Total primary government net position	\$ 180,401,665	\$ 157,853,169	\$ 154,584,578	\$ 195,329,068	\$ 189,425,223

* Restated from implementation of Governmental Accounting Standards Board Statements No. 68 and 71.

** Restated from implementation of Governmental Accounting Standards Board Statements No. 75.

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

(Continued)

	<u>2014*</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Government activities					
Net investment in capital assets	\$ 91,808,449	\$ 86,719,724	\$ 83,694,616	\$ 81,516,344	\$ 77,734,747
Restricted:					
Capital projects	-	-	11,336,227	9,728,552	8,287,795
Debt service	11,614	7,447	6,179	4,209	1,310
Special revenue	2,561,469	2,415,072	2,536,928	2,137,829	2,424,557
Permanent fund purpose - Cemetery Perpetual Care	234,555	231,846	229,900	227,586	225,240
Unrestricted	<u>(17,737,712)</u>	<u>14,813,406</u>	<u>14,753,611</u>	<u>12,554,686</u>	<u>13,316,106</u>
Total governmental activities net position	<u>76,878,375</u>	<u>104,187,495</u>	<u>112,557,461</u>	<u>106,169,206</u>	<u>101,989,755</u>
Business-type activities					
Net investment in capital assets					
net of related debt	74,625,126	70,628,251	65,775,358	63,255,627	59,152,090
Unrestricted	<u>26,508,592</u>	<u>31,698,133</u>	<u>31,349,820</u>	<u>26,317,573</u>	<u>27,381,062</u>
Total business-type activities net position	<u>101,133,718</u>	<u>102,326,384</u>	<u>97,125,178</u>	<u>89,573,200</u>	<u>86,533,152</u>
Primary government					
Net investments in capital assets					
Restricted	2,807,638	2,654,365	14,109,234	12,098,176	10,938,902
Unrestricted	<u>8,770,880</u>	<u>46,511,539</u>	<u>46,103,431</u>	<u>38,872,259</u>	<u>40,697,168</u>
Total primary government net position	<u>\$ 178,012,093</u>	<u>\$ 206,513,879</u>	<u>\$ 209,682,639</u>	<u>\$ 195,742,406</u>	<u>\$ 188,522,907</u>

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio Changes in Net Position Last Ten Years (Accrual Basis Accounting)

	2019	2018	2017	2016	2015
Program revenue					
Governmental activities:					
Charges for services:					
Security of persons and property	\$ 652,409	\$ 614,054	\$ 519,205	\$ 536,856	\$ 520,733
Leisure time activities	251,070	236,311	12,324	27,226	33,132
Community environment	100,850	92,344	125,102	152,871	227,326
Street maintenance	815,585	750,500	811,739	770,054	965,856
General government	3,055,468	2,194,419	2,303,281	2,418,428	2,209,681
Total charges for services	4,875,382	3,887,628	3,771,651	3,905,435	3,956,728
Operating grants & contributions:					
Security of persons and property	103,776	128,359	137,148	131,381	45,917
Leisure time activities	-	-	(7,500)	7,500	23,250
Community environment	402,147	768,692	557,547	580,500	355,300
Street maintenance	2,750,529	2,186,107	2,053,235	2,026,745	2,131,622
General government	141,700	152,845	121,619	125,533	7,195
Total operating grants & contributions	3,398,152	3,236,003	2,862,049	2,871,659	2,563,284
Capital grants & contributions:					
Security of persons and property	-	13,738	240,465	-	100,475
Leisure time activities	-	59,114	153,197	116,203	109,859
Community environment	124,999	29,680	1,548,283	73,843	1,245,257
Street maintenance	1,261,487	1,027,891	849,573	1,175,784	4,658,370
General government	17,438	45,479	-	-	102,823
Total capital grants & contributions	1,403,924	1,175,902	2,791,518	1,365,830	6,216,784
Total governmental activities program revenue	9,677,458	8,299,533	9,425,218	8,142,924	12,736,796
Business-type activity:					
Charges for service:					
Sewage and disposal	8,228,489	8,291,227	8,333,630	7,902,309	7,001,712
Water	5,276,484	5,651,564	5,647,624	5,143,261	5,345,330
Electric	48,761,592	50,500,902	48,079,266	46,579,605	41,872,912
Sanitation	3,786,521	3,721,057	3,715,767	3,667,882	3,634,212
Leisure time activities	6,794,450	6,630,504	7,465,484	7,426,456	6,642,300
Storm Drainage Utility	1,273,890	1,192,300	1,204,178	1,081,159	1,174,989
Total charges for services	74,121,426	75,987,554	74,445,949	71,800,672	65,671,455
Operating Grants & Contributions:					
Sewage and disposal	-	-	-	-	-
Water	-	-	-	-	10,276
Electric	1,505	4,263	4,183	11,000	18,538
Sanitation	58,002	58,298	56,972	45,207	68,946
Storm Drainage Utility	-	-	-	-	398,396
Total operating grants & contributions	59,507	62,561	61,155	56,207	496,156
Capital grants & contributions:					
Sewage and disposal	-	16,225	273,475	201,244	96,435
Water	340,785	24,735	318,725	333,695	192,015
Electric	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Storm Drainage Utility	523,916	94,595	315,940	446,567	419,806
Total capital grants & contributions	864,701	135,555	908,140	981,506	708,256
Total business-type activities	75,045,634	76,185,670	75,415,244	72,838,385	66,875,867
Total primary government program revenue	\$ 84,723,092	\$ 84,485,203	\$ 84,840,462	\$ 80,981,309	\$ 79,612,663

City of Cuyahoga Falls, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis Accounting)

(Continued)

	2014	2013	2012	2011	2010
Program revenue					
Governmental activities:					
Charges for services:					
Security of persons and property	\$ 866,918	\$ 464,166	\$ 488,609	\$ 450,004	\$ 841,421
Leisure time activities	20,790	235,225	234,159	258,260	257,082
Community environment	201,372	160,817	549,529	467,296	244,959
Street maintenance	1,339,543	713,510	918,403	1,028,191	752,876
General government	2,500,922	4,962,276	4,863,081	5,135,984	4,585,060
Total charges for services	4,929,545	6,535,994	7,053,781	7,339,735	6,681,398
Operating grants & contributions:					
Security of persons and property	348,575	278,024	38,835	22,000	103,795
Leisure time activities	-	-	-	-	-
Community environment	535,716	300,219	1,527,648	896,296	1,117,721
Street maintenance	2,064,694	2,038,054	2,015,210	2,039,513	2,076,788
General government	-	-	-	-	-
Total operating grants & contributions	2,948,985	2,616,297	3,581,693	2,957,809	3,298,304
Capital grants & contributions:					
Security of persons and property	107,891	110,983	154,752	209,009	202,401
Leisure time activities	-	-	-	-	-
Community environment	-	721,956	276,683	672,090	2,414,054
Street maintenance	1,540,628	3,568,526	2,595,489	2,557,716	1,520,007
General government	-	-	-	-	-
Total capital grants & contributions	1,648,519	4,401,465	3,026,924	3,438,815	4,136,462
Total governmental activities program revenue	9,527,049	13,553,756	13,662,398	13,736,359	14,116,164
Business-type activity:					
Charges for service:					
Sewage and disposal	6,405,741	5,883,183	6,560,233	6,172,519	6,078,591
Water	5,867,593	5,997,979	6,287,031	5,401,541	5,024,010
Electric	42,147,397	40,671,375	40,256,836	39,341,257	41,058,338
Sanitation	3,793,133	3,769,257	3,668,307	3,716,577	3,662,532
Leisure time activities	5,558,640	5,690,602	6,046,646	5,910,168	5,952,524
Storm Drainage Utility	1,208,453	1,221,761	1,184,081	1,145,213	1,164,926
Total charges for services	64,980,957	63,234,157	64,003,134	61,687,275	62,940,921
Operating Grants & Contributions:					
Sewage and disposal	-	-	-	-	-
Water	-	-	-	122,379	35,892
Electric	-	-	-	8,392	28,669
Sanitation	52,994	45,248	40,199	47,815	48,857
Storm Drainage Utility	-	-	-	-	-
Total operating grants & contributions	52,994	45,248	40,199	178,586	113,418
Capital grants & contributions:					
Sewage and disposal	176,485	60,999	30,008	-	-
Water	282,859	709,571	130,039	-	-
Electric	37,500	-	34,866	-	-
Leisure time activities	-	-	-	-	-
Storm Drainage Utility	533,588	978,980	122,488	-	-
Total capital grants & contributions	1,030,432	1,749,550	317,401	-	-
Total business-type activities	66,064,383	65,028,955	64,360,734	61,865,861	63,054,339
Total primary government program revenue	\$ 75,591,432	\$ 78,582,711	\$ 78,023,132	\$ 75,602,220	\$ 77,170,503

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio Changes in Net Position Last Ten Years (Accrual Basis Accounting)

(Continued)

	2019	2018	2017	2016	2015
Expenses					
Governmental activities:					
Security of persons and property	\$ 4,078,743	\$ 24,114,641	\$ 23,275,147	\$ 23,211,263	\$ 20,818,302
Leisure time activities	4,138,896	3,078,332	4,339,549	4,073,716	2,407,489
Community environment	2,581,048	2,139,383	2,271,132	2,128,007	2,101,857
Street maintenance	10,209,740	8,549,215	8,762,258	8,646,272	8,117,963
General government	10,324,863	7,422,900	6,958,634	6,159,167	6,536,478
Interest and fiscal charges	552,870	415,082	303,622	364,476	116,030
Total governmental activities expenses	31,886,160	45,719,553	45,910,342	44,582,901	40,098,119
Business-type activity:					
Sewage and disposal	8,997,990	8,187,532	7,934,156	7,527,436	6,803,595
Water	4,697,602	4,222,943	4,427,961	4,003,814	3,991,995
Electric	48,454,543	51,099,787	48,275,772	46,856,466	43,879,705
Sanitation	4,190,654	3,604,209	3,886,703	3,463,757	3,298,991
Leisure time activities	7,183,886	6,233,165	6,381,113	6,303,759	5,986,173
Storm Drainage Utility	1,065,512	1,364,938	1,413,989	1,247,600	1,209,296
Total business-type activities expenses	74,590,187	74,712,574	72,319,694	69,402,832	65,169,755
Total primary government program expenses	106,476,347	120,432,127	118,230,036	113,985,733	105,267,874
Net (expense)/revenue					
Governmental activity	(22,208,702)	(37,420,020)	(37,610,809)	(36,439,977)	(27,361,323)
Business-type activity	455,447	1,473,096	3,865,976	3,435,553	1,706,112
Total primary government net expense	\$ (21,753,255)	\$ (35,946,924)	\$ (33,744,833)	\$ (33,004,424)	\$ (25,655,211)
General revenues and other changes in net position					
Governmental activities					
Property and other local taxes Levied for:					
General purposes	\$ 11,858,448	\$ 11,916,154	\$ 11,332,985	\$ 11,288,348	\$ 10,966,622
Special revenue	1,591,781	1,498,504	1,424,679	1,423,873	787,954
Income tax levied for:					
General purposes	16,507,424	14,163,734	14,735,011	14,452,530	13,730,190
Special revenue	2,107,217	1,808,040	1,880,965	1,844,905	1,769,939
Capital projects	7,725,590	6,628,727	6,896,088	6,763,886	6,489,034
Grants and entitlements not restricted to specific programs	2,941,401	2,673,128	2,617,007	2,574,287	2,856,650
Gain or (loss) on sale of capital assets	-	24,582	-	86,531	103,390
Investment earnings	1,569,890	502,646	584,060	473,909	364,562
Transfers	(1,966,956)	(2,277,103)	(2,382,672)	(2,344,428)	(3,147,439)
Total governmental activities	42,334,795	36,938,412	37,088,123	36,563,841	33,920,902
Business-type activity					
Investment earnings	-	-	-	-	-
Transfers	1,966,956	2,277,103	2,382,672	2,344,428	3,147,439
Total Business-type activity	1,966,956	2,277,103	2,382,672	2,344,428	3,147,439
Total primary government general revenue and other changes in net position	44,301,751	39,215,515	39,470,795	38,908,269	37,068,341
Change in net position					
Governmental Activities	20,126,093	(481,608)	(522,686)	123,864	6,559,579
Business Type Activities	2,422,403	3,750,199	6,248,648	5,779,981	4,853,551
Total primary government change in net position	\$ 22,548,496	\$ 3,268,591	\$ 5,725,962	\$ 5,903,845	\$ 11,413,130

**City of Cuyahoga Falls, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis Accounting)**

(Continued)

	2014	2013	2012	2011	2010
Expenses					
Governmental activities:					
Security of persons and property	\$ 19,807,646	\$ 19,226,088	\$ 18,943,973	\$ 20,176,824	\$ 20,486,414
Leisure time activities	2,244,079	2,448,177	2,404,181	2,582,822	2,412,432
Community environment	1,785,142	15,185,794	2,815,456	2,698,449	4,220,657
Street maintenance	8,034,324	7,527,258	6,666,398	7,635,326	8,110,272
General government	6,139,797	8,189,412	9,011,136	7,809,403	7,648,904
Interest and fiscal charges	163,316	213,290	290,053	364,645	425,181
Total governmental activities expenses	38,174,304	52,790,019	40,131,197	41,267,469	43,303,860
Business-type activity:					
Sewage and disposal	6,686,370	6,024,160	6,034,476	6,480,165	5,497,927
Water	4,273,858	4,050,811	4,078,386	4,215,863	4,266,999
Electric	41,358,326	43,174,472	37,381,756	38,945,071	38,965,035
Sanitation	3,443,262	3,277,406	3,411,871	3,635,573	3,081,240
Leisure time activities	5,951,069	6,268,527	6,903,412	6,551,561	6,328,933
Storm Drainage Utility	1,467,434	1,052,954	1,125,601	1,124,710	951,755
Total business-type activities expenses	63,180,319	63,848,330	58,935,502	60,952,943	59,091,889
Total primary government program expenses	101,354,623	116,638,349	99,066,699	102,220,412	102,395,749
Net (expense)/revenue					
Governmental activity	(28,647,255)	(39,236,263)	(26,468,799)	(27,531,110)	(29,187,696)
Business-type activity	2,884,064	1,180,625	5,425,232	912,918	3,962,450
Total primary government net expense	\$ (25,763,191)	\$ (38,055,638)	\$ (21,043,567)	\$ (26,618,192)	\$ (25,225,246)
General revenues and other changes in net position					
Governmental activities					
Property and other local taxes Levied for:					
General purposes	\$ 9,176,770	\$ 9,176,765	\$ 8,908,341	\$ 9,965,744	\$ 10,429,421
Special revenue	807,157	791,351	792,443	831,460	811,514
Income tax levied for:					
General purposes	12,961,239	12,697,834	12,631,773	11,727,223	12,171,153
Special revenue	1,654,537	1,620,915	1,612,480	1,497,013	1,553,682
Capital projects	6,065,951	5,942,676	5,911,758	5,488,423	5,696,184
Grants and entitlements not restricted to specific programs	1,955,857	4,427,998	4,885,357	4,028,813	4,955,712
Gain or (loss) on sale of capital assets	-	92,019	48,447	-	98,731
Investment earnings	203,039	137,320	193,201	299,015	272,491
Transfers	(2,375,534)	(2,047,509)	(2,126,746)	(2,127,130)	(2,056,701)
Total governmental activities	30,449,016	32,839,369	32,857,054	31,710,561	33,932,187
Business-type activity					
Investment earnings	-	-	-	-	141
Transfers	2,375,534	2,047,509	2,126,746	2,127,130	2,056,701
Total Business-type activity	2,375,534	2,047,509	2,126,746	2,127,130	2,056,842
Total primary government general revenue and other changes in net position	32,824,550	34,886,878	34,983,800	33,837,691	35,989,029
Change in net position					
Governmental Activities	1,801,761	(6,396,894)	6,388,255	4,179,451	4,744,491
Business Type Activities	5,259,598	3,228,134	7,551,978	3,040,048	6,019,292
Total primary government change in net position	\$ 7,061,359	\$ (3,168,760)	\$ 13,940,233	\$ 7,219,499	\$ 10,763,783

City of Cuyahoga Falls, Ohio

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund					
Nonspendable	\$ 307,845	\$ 293,453	\$ 301,579	\$ 281,751	\$ 262,073
Restricted	29,399	36,458	45,769	55,270	181,734
Assigned	1,434,461	3,359,765	1,070,830	1,438,859	1,153,447
Unassigned	7,761,109	7,148,694	10,262,546	9,480,089	9,429,461
Total General Fund	<u>9,532,814</u>	<u>10,838,370</u>	<u>11,680,724</u>	<u>11,255,969</u>	<u>11,026,715</u>
All Other Governmental Funds					
Nonspendable	1,013,383	834,962	1,061,814	1,094,121	989,641
Restricted	7,572,102	9,308,710	6,100,378	9,049,950	7,785,858
Committed	146,328	98,328	1,703	2,178	1,553
Assigned	-	3,177,562	-	932,268	400,114
Unassigned	(56,897)	(52,470)	(3,000,477)	-	-
Total All Other Governmental Funds	<u>8,674,916</u>	<u>13,367,092</u>	<u>4,163,418</u>	<u>11,078,517</u>	<u>9,177,166</u>
Total Governmental Funds	<u>\$ 18,207,730</u>	<u>\$ 24,205,462</u>	<u>\$ 15,844,142</u>	<u>\$ 22,334,486</u>	<u>\$ 20,203,881</u>

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

(Continued)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund					
Nonspendable	\$ 266,459	\$ 237,732	\$ 201,219	\$ 194,207	\$ 222,918
Restricted	21,505	110,459	113,975	94,208	-
Assigned	2,144,241	1,559,926	2,127,354	1,074,608	47,921
Unassigned	8,583,242	9,139,036	6,755,367	7,785,411	7,829,712
Total General Fund	<u>11,015,447</u>	<u>11,047,153</u>	<u>9,197,915</u>	<u>9,148,434</u>	<u>8,100,551</u>
All Other Governmental Funds					
Nonspendable	955,104	789,122	13,549,608	13,568,594	12,721,630
Restricted	5,798,849	4,967,993	5,215,817	4,079,672	4,125,179
Committed	126,528	318,248	561,494	592,770	457,652
Assigned	-	-	-	795,506	689,041
Unassigned	(4,953,474)	721,889	(6,183,050)	(6,812,087)	(7,194,449)
Total All Other Governmental Funds	<u>1,927,007</u>	<u>6,797,252</u>	<u>13,143,869</u>	<u>12,224,455</u>	<u>10,799,053</u>
Total Governmental Funds	<u>\$ 12,942,454</u>	<u>\$ 17,844,405</u>	<u>\$ 22,341,784</u>	<u>\$ 21,372,889</u>	<u>\$ 18,899,604</u>

Note: In 2011, the City implemented GASB Statement No. 54. As a result, the 2010 fund balances were reclassified to reflect the effects of this pronouncement.

City of Cuyahoga Falls, Ohio

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

	2019	2018	2017	2016	2015
Revenues					
Property taxes	\$ 10,006,285	\$ 9,973,154	\$ 9,401,904	\$ 9,285,230	\$ 9,221,515
Municipal income taxes	23,788,787	22,897,087	24,028,703	22,629,679	22,229,725
Other local taxes	3,357,273	3,563,198	3,319,930	3,431,145	2,573,609
State levied shared taxes	5,672,539	4,956,279	4,837,157	4,850,181	4,988,263
Intergovernmental	930,300	1,951,991	2,257,668	1,521,781	3,251,801
Charges for services	2,363,349	2,418,825	2,192,481	2,306,029	2,432,354
Fees, licenses, and permits	818,913	827,524	655,697	814,644	844,119
Interest earnings	1,511,280	529,491	598,492	461,673	336,444
Fines and forfeitures	225,695	225,823	253,389	304,782	251,164
Special assessments	83,246	69,888	74,240	99,105	96,116
Other	1,073,479	475,254	529,001	545,916	683,351
Total revenues	\$ 49,831,146	\$ 47,888,514	\$ 48,148,662	\$ 46,250,165	\$ 46,908,461
Expenditures					
Current					
Security of persons and property	\$ 21,964,302	\$ 20,776,624	\$ 19,999,874	\$ 19,278,402	\$ 18,867,260
Leisure time activities	3,806,986	3,181,843	3,776,947	3,492,399	2,470,729
Community environment	2,201,851	1,948,516	1,797,905	1,953,752	2,941,270
Street maintenance	4,310,946	3,542,925	3,367,710	3,424,531	3,798,443
General government	6,637,596	5,901,056	5,119,131	5,242,688	5,062,773
Capital outlay	13,788,029	11,771,223	17,043,474	7,459,829	8,370,123
Debt service					
Principal	783,326	323,774	954,399	893,315	1,188,631
Interest	558,022	384,421	297,310	397,366	151,112
Total expenditures	\$ 54,051,058	\$ 47,830,382	\$ 52,356,750	\$ 42,142,282	\$ 42,850,341
Excess (deficiency) of revenues over (under) expenditures	\$ (4,219,912)	\$ 58,132	\$ (4,208,088)	\$ 4,107,883	\$ 4,058,120
Other financing sources (uses)					
Bond Note proceeds	-	10,665,000	-	-	6,185,000
Premium on various purpose refunding bonds	-	-	-	-	-
Payment to bond escrow account	-	-	-	-	-
Refunding bond issuance cost	-	-	-	-	-
Capital lease	-	-	-	245,877	-
Transfers in	3,605,000	3,210,000	2,935,000	2,680,000	3,459,711
Transfers out	(5,571,956)	(5,336,297)	(5,201,593)	(5,024,428)	(6,590,583)
Total other financing sources (uses)	(1,966,956)	8,538,703	(2,266,593)	(2,098,551)	3,054,128
Net change in fund balance	\$ (6,186,868)	\$ 8,596,835	\$ (6,474,681)	\$ 2,009,332	\$ 7,112,248
Debt service as a percentage of noncapital expenditures	3.2%	1.9%	3.4%	3.5%	4.0%

City of Cuyahoga Falls, Ohio

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

(Continued)

	2014	2013	2012	2011	2010
Revenues					
Property taxes	\$ 9,278,950	\$ 9,421,294	\$ 9,233,359	\$ 10,213,088	\$ 10,686,762
Municipal income taxes	21,337,597	20,178,112	19,433,228	18,672,207	19,370,713
Other local taxes	696,319	640,938	640,969	488,319	480,317
State levied shared taxes	4,417,200	6,387,862	7,237,038	6,736,036	7,125,346
Intergovernmental	3,624,099	4,444,274	3,728,442	3,914,492	5,035,728
Charges for services	2,038,438	5,250,240	5,197,180	5,052,585	4,945,171
Fees, licenses, and permits	940,841	727,918	885,612	828,291	1,022,270
Interest earnings	176,526	133,941	180,908	310,736	237,865
Fines and forfeitures	652,005	352,468	308,788	342,541	325,243
Special assessments	121,022	165,842	184,556	267,848	255,811
Other	1,334,924	486,470	873,766	1,317,232	662,765
Total revenues	\$ 44,617,921	\$ 48,189,359	\$ 47,903,846	\$ 48,143,375	\$ 50,147,991
Expenditures					
Current					
Security of persons and property	\$ 18,555,134	\$ 18,835,729	\$ 18,284,008	\$ 18,750,985	\$ 19,798,139
Leisure time activities	2,068,837	2,270,656	2,217,158	2,214,325	2,100,748
Community environment	1,534,194	1,623,736	2,637,217	2,605,718	2,422,133
Street maintenance	3,711,222	3,457,639	3,037,778	3,751,166	3,629,866
General government	5,079,261	7,450,906	7,324,776	6,941,671	6,797,451
Capital outlay	9,322,999	21,999,635	8,627,407	7,999,729	7,808,944
Debt service					
Principal	7,748,929	1,114,980	1,156,470	1,138,254	1,289,820
Interest	191,604	261,071	282,810	400,074	471,807
Total expenditures	\$ 48,212,180	\$ 57,014,352	\$ 43,567,624	\$ 43,801,922	\$ 44,318,908
Excess (deficiency) of revenues over (under) expenditures	\$ (3,594,259)	\$ (8,824,993)	\$ 4,336,222	\$ 4,341,453	\$ 5,829,083
Other financing sources (uses)					
Bond/Note proceeds	-	6,600,000	-	-	-
Premium on various purpose refunding bonds	-	-	-	-	-
Payment to bond escrow account	-	-	-	-	-
Refunding bond issuance cost	-	-	-	-	-
Capital lease	-	-	-	-	-
Transfers in	4,778,527	4,580,803	22,953,663	22,624,856	23,240,546
Transfers out	(6,278,503)	(6,839,411)	(26,268,896)	(24,633,580)	(25,247,635)
Total other financing sources (uses)	(1,499,976)	4,341,392	(3,315,233)	(2,008,724)	(2,007,089)
Net change in fund balance	\$ (5,094,235)	\$ (4,483,601)	\$ 1,020,989	\$ 2,332,729	\$ 3,821,994
Debt service as a percentage of noncapital expenditures	18.6%	2.7%	4.0%	4.0%	4.3%

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio Assessed Valuation 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
2019	\$ 776,295,070	\$ 245,261,530	\$ 2,918,733,143	\$ 9,838,290	\$ 11,179,875		
2018	771,819,810	236,556,730	2,881,075,829	10,022,340	11,389,023		
2017	710,687,960	244,652,170	2,729,543,229	9,666,340	10,984,477		
2016	707,180,150	244,859,310	2,720,112,743	8,986,090	10,211,466	-	-
2015	701,837,420	234,800,490	2,676,108,314	8,783,580	9,981,341	-	-
2014	717,638,140	233,258,230	2,716,846,771	8,510,780	9,671,341	-	-
2013	715,103,780	229,827,490	2,699,803,629	7,862,230	8,934,352	-	-
2012	715,700,850	228,184,860	2,696,816,314	7,284,710	8,278,080	-	-
2011	764,081,830	265,853,240	2,942,671,629	6,922,010	7,865,920	-	-
2010	761,306,820	252,733,190	2,897,257,171	6,701,350	7,615,170	979,800	3,919,200

Collection Year	Total			Ratio	Tax Rate (per \$1,000 of Assessed Value)
	Assessed Value	Estimated Actual Value	Estimated Actual Value		
2019	\$ 1,031,394,890	\$ 2,929,913,018	\$ 2,929,913,018	35.20%	11.00
2018	1,018,398,880	2,892,464,851	2,892,464,851	35.21%	11.00
2017	965,006,470	2,740,527,706	2,740,527,706	35.21%	11.00
2016	961,025,550	2,730,324,209	2,730,324,209	35.20%	11.00
2015	945,616,820	2,686,089,655	2,686,089,655	35.20%	11.00
2014	959,407,150	2,726,518,112	2,726,518,112	35.19%	11.00
2013	952,793,500	2,708,737,981	2,708,737,981	35.17%	11.00
2012	951,170,420	2,705,094,394	2,705,094,394	35.16%	11.00
2011	1,036,857,080	2,950,537,549	2,950,537,549	35.14%	11.00
2010	1,021,721,160	2,908,791,542	2,908,791,542	35.13%	11.00

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 20017, 2008 and 2009 both types of general business tangible property were assessed at 12.5 percent, 6.25 percent and zero, respectively.

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.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	0.0000	0.0000
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Voted Millage	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
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	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Millage	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000
Overlapping Rates by Taxing District										
City School District	83.7100	73.8900	74.6600	69.9500	69.9100	69.9600	69.8900	69.9200	69.8800	69.8800
Residential/Agricultural Real	52.7700	42.9442	43.6703	41.7900	41.7304	41.7600	41.1984	41.1898	41.1139	34.6521
Commercial/Industrial and Public Utility Real	61.4700	51.9024	52.6224	47.9600	47.2351	47.2300	46.9312	46.7903	46.8903	41.0287
General Business and Public Utility Personal	83.7100	73.8900	74.6600	69.9500	69.9100	69.9600	69.8900	69.9200	69.8800	69.8800
Summit County	15.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600
Residential/Agricultural Real	14.2800	13.2759	13.2658	14.1000	14.0991	14.1000	14.0816	14.0805	14.0793	14.0201
Commercial/Industrial and Public Utility Real	15.0100	14.0365	14.0950	13.8800	13.9081	13.8800	14.1574	14.1534	14.1443	13.6240
General Business and Public Utility Personal	15.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600
Special Taxing Districts-Cuyahoga Falls Library	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.3000	1.3000
Residential/Agricultural Real	1.7500	1.7533	1.7509	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.2993
Commercial/Industrial and Public Utility Real	1.8900	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.8935	1.9000	1.2618
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.3000	1.3000

Source: Summit County Fiscal Office and Ohio Department of Taxation

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 2019 and 2010

<u>Name of Taxpayer</u>	2019	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Western Reserve Hospital LLC	\$ 5,836,580	0.57%
Newpart Limited Partnership	5,250,110	0.51%
Riverside Community Urban Redevelopment	4,919,350	0.48%
Yorkshire Woods Apartments LTD	4,620,450	0.45%
DFG Chapel Hill LLC	3,976,010	0.39%
Mark Spagnuolo LLC	3,765,140	0.37%
Akron Jupiter LLC	3,151,230	0.31%
Bath Road Property LLC	2,995,970	0.29%
Cuyahoga Falls Property II LLC	2,929,190	0.28%
Menard Inc.	2,845,350	0.28%
Totals	<u>\$ 40,289,380</u>	<u>3.93%</u>
Total Assessed Valuation	<u>\$ 1,031,394,890</u>	

<u>Name of Taxpayer</u>	2010	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Newpart Limited Partnership	\$ 6,448,700	0.64%
Yorkshire Woods Apartments LTD	5,687,520	0.56%
Riverside Community Urban Redevelopment	5,249,650	0.52%
Niederst Portage Towers LLC & Wynn	4,374,490	0.43%
Plaza Chapel Hill	3,500,320	0.35%
Heslop Inc.	3,167,790	0.31%
Sams Real Estate Business Trust	2,905,630	0.29%
Dayton Hudson Corporation	2,770,580	0.27%
Niederst Wyoga Lke, LLC	2,734,750	0.27%
Inland Western Cuyahoga Falls LLC	2,691,240	0.27%
Totals	<u>\$ 39,530,670</u>	<u>3.90%</u>
Total Assessed Valuation	<u>\$ 1,014,040,010</u>	

Source: Summit County Fiscal Office

(1) The amounts presented represent the assessed values upon which 2019 and 2010 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
2019	\$ 11,346,197	\$ 11,094,120	97.8%	\$ 170,934	11,265,054	99.3%	\$ 352,802	3.1%
2018	11,202,383	10,985,702	98.1%	73,238	11,058,940	98.7%	308,859	2.8%
2017	10,647,234	10,377,946	97.5%	236,262	10,614,208	99.7%	362,892	3.4%
2016	10,571,320	10,343,036	97.8%	219,706	10,562,742	99.9%	331,614	3.1%
2015	10,401,824	10,174,711	97.8%	227,113	10,401,824	100.0%	348,924	3.4%
2014	10,553,518	10,256,163	97.2%	297,355	10,553,518	100.0%	425,771	4.0%
2013	10,480,780	10,183,515	97.2%	500,160	10,683,675	101.9%	439,076	4.2%
2012	10,462,926	10,058,116	96.1%	421,477	10,479,593	100.2%	610,223	5.8%
2011	11,405,477	10,856,794	95.2%	400,743	11,257,537	98.7%	908,284	8.0%
2010	11,231,439	10,775,300	95.9%	321,773	11,097,073	98.8%	730,635	6.5%

Source: Summit County Fiscal Officer

Note: The City is aware of the requirement to report delinquent tax collections by levy year rather than collection year. However, the County is unable to provide delinquent collections by levy year. This presentation will be updated as new information becomes available.

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio Income Tax Revenue Base and Collections Last 10 Years

Tax Year	Tax Rate	Total Tax Collected (1)	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
2019	2.00%	\$ 23,833,437	\$ 18,074,487	76%	\$ 2,883,372	12%	\$ 2,875,579	12%
2018	2.00%	23,243,188	17,788,114	77%	2,763,623	12%	2,691,451	12%
2017	2.00%	23,940,612	17,640,902	74%	3,030,723	13%	3,268,987	14%
2016	2.00%	22,799,767	16,974,692	74%	2,739,541	12%	3,085,533	14%
2015	2.00%	22,212,557	16,405,895	74%	2,964,688	13%	2,841,974	13%
2014	2.00%	20,848,103	15,670,167	75%	2,774,059	13%	2,403,878	12%
2013	2.00%	20,116,462	15,019,091	75%	2,624,468	13%	2,472,903	12%
2012	2.00%	19,252,832	14,682,742	76%	2,172,464	11%	2,397,626	12%
2011	2.00%	18,423,570	13,928,426	76%	2,158,632	12%	2,336,512	13%
2010	2.00%	19,244,149	14,877,452	77%	2,025,820	11%	2,340,877	12%

(1) 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 2019 and 2010

Tax Year 2019

Taxpayers	Income Tax Withholding Collections Ranking	Percent Of Income Tax Withholding Collections
GOJO Industries Inc.	1	4.73%
Western Reserve Hospital Llc	2	4.21%
Associated Bldg Supplies Inc	3	3.94%
City Of Cuyahoga Falls	4	3.53%
Cuyahoga Falls Board Of Education	5	3.07%
Americhem Inc	6	2.87%
Woodridge Local School District	7	1.68%
Summa Western Reserve Hospital Physicians Inc	8	1.34%
Summit County Board Of Education	9	1.28%
Prospect Mold Die Co	10	1.06%
		27.72%

Tax Year 2010

Taxpayers	Income Tax Withholding Collections Ranking	Percent Of Income Tax Withholding Collections
Associated Materials LLC	1	9.25%
GOJO Industries Inc.	2	3.65%
City of Cuyahoga Falls	3	2.96%
Cuyahoga Falls Board of Education	4	2.84%
Summa Health System Hospitals	5	2.22%
Summa Western Reserve Hospital	6	1.32%
Woodridge Local School District	7	1.21%
Americhem Inc.	8	1.20%
Koosharem Corporation	9	1.11%
Summit County Board of Education	10	0.91%
		26.67%

Source: The City's Income Tax Department

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	Capital Leases	General Obligation Bonds	Capital Leases					
2019	\$ 15,773,885	\$ -	\$ 50,586	\$ 10,302,764	\$ 292,707	\$ 26,419,942	\$ 1,454,952,888	1.82%	49,272	h \$ 536
2018	16,464,565	-	113,912	11,446,655	2,053,011	30,078,143	1,396,644,920	2.15%	49,247	g 611
2017	6,062,137	-	218,685	12,593,276	4,066,260	22,940,358	1,354,690,386	1.69%	49,206	f 466
2016	6,627,326	-	600,146	14,490,226	5,999,194	27,716,892	1,325,320,182	2.09%	49,146	e 564
2015	7,121,208	-	771,949	15,936,579	7,867,113	31,696,849	1,321,731,390	2.40%	49,210	d 644
2014	1,894,899	-	960,735	17,962,670	9,480,748	30,299,052	1,300,747,334	2.33%	49,267	d 615
2013	9,366,761	-	1,264,246	19,931,127	11,156,092	41,718,226	1,288,676,919	3.24%	49,267	c 847
2012	3,440,742	-	1,566,828	21,309,265	12,754,077	39,070,912	1,251,027,745	3.12%	49,255	b 793
2011	4,237,456	-	1,662,121	22,652,551	14,213,016	42,765,144	1,227,000,224	3.49%	49,652	a 861
2010	5,013,033	52,000	1,972,798	24,261,972	15,672,230	46,972,033	1,119,652,600	4.20%	49,652	a 946

Sources:

- (1) U. S. Bureau of Census, Census of Population
 - (a) 2010 U.S. Census Bureau Estimate
 - (b) 2012 U.S. Census Bureau Estimate
 - (c) 2013 U.S. Census Bureau Estimate
 - (d) 2014 U.S. Census Bureau Estimate
 - (e) 2015 U.S. Census Bureau Estimate
 - (f) 2016 U.S. Census Bureau Estimate
 - (g) 2017 U.S. Census Bureau Estimate
 - (h) 2018 U.S. Census Bureau Estimate

City of Cuyahoga Falls, Ohio

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 Total Bonded Debt to Estimated True Value of Taxable Property	Total Bonded Debt per Capita
			Governmental Activities	Business-type Activities	Total Primary Government		
2019	49,272 h	\$ 2,929,913,018	\$ 15,773,885	\$ 10,302,764	\$ 26,076,649	0.89%	\$ 529
2018	49,247 g	2,892,464,851	16,464,565	11,446,655	27,911,220	0.96%	567
2017	49,206 f	2,740,527,706	6,062,137	12,593,276	18,655,413	0.68%	379
2016	49,146 e	2,730,324,209	6,627,326	14,490,226	21,117,552	0.77%	430
2015	49,210 d	2,686,089,655	7,121,208	15,936,579	23,057,787	0.86%	469
2014	49,267 c	2,726,518,112	1,894,899	17,962,670	19,857,569	0.73%	403
2013	49,267 c	2,708,737,981	9,366,761	19,931,127	29,297,888	1.08%	595
2012	49,255 b	2,705,094,394	3,440,742	21,309,265	24,750,007	0.91%	502
2011	49,652 a	2,950,537,549	4,237,456	22,652,551	26,890,007	0.91%	542
2010	49,652 a	2,908,791,542	5,013,033	24,261,972	29,275,005	1.01%	590

Sources:

- (1) U. S. Bureau of Census, Census of Population
 (a) 2010 U.S. Census Bureau Estimate
 (b) 2012 U.S. Census Bureau Estimate
 (c) 2013 U.S. Census Bureau Estimate
 (d) 2014 U.S. Census Bureau Estimate
 (e) 2015 U.S. Census Bureau Estimate
 (f) 2016 U.S. Census Bureau Estimate
 (g) 2017 U.S. Census Bureau Estimate
 (h) 2018 U.S. Census Bureau Estimate

(2) Summit County Fiscal 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 108,296,463	\$ 106,931,882	\$ 101,325,679	\$ 100,907,683	\$ 99,289,766
Net debt within 10.5 % limitations	<u>15,754,873</u>	<u>16,465,669</u>	<u>6,019,802</u>	<u>6,592,952</u>	<u>7,069,086</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 92,541,590</u>	<u>\$ 90,466,213</u>	<u>\$ 95,305,877</u>	<u>\$ 94,314,731</u>	<u>\$ 92,220,680</u>
Total net debt applicable to the limit as a percentage of debt limit	14.55%	15.40%	5.94%	6.53%	7.12%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 56,726,719	\$ 56,011,938	\$ 53,075,356	\$ 52,856,405	\$ 52,008,925
Net debt within 5.5% limitations	<u>15,754,873</u>	<u>16,465,669</u>	<u>6,019,802</u>	<u>6,592,952</u>	<u>7,069,086</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 40,971,846</u>	<u>\$ 39,546,269</u>	<u>\$ 47,055,554</u>	<u>\$ 46,263,453</u>	<u>\$ 44,939,839</u>
Total net debt applicable to the limit as a percentage of debt limit	27.77%	29.40%	11.34%	12.47%	13.59%

Legal Debt Margin Calculation for Fiscal Year 2019

	Unvoted Margin <u>Within 5.5%</u>	Overall Margin <u>Within 10.5%</u>
Assessed property value	<u>\$ 1,031,394,890</u>	<u>\$ 1,031,394,890</u>
Overall debt limitation (% of assessed valuation)	\$ 56,726,719	\$ 108,296,463
Gross indebtedness	25,205,000	25,205,000
Less:		
(Self-supporting as defined in O.R.C. 133.05)		
General sewer and sanitary improvements	(480,000)	(480,000)
Water utility	(690,000)	(690,000)
Recreation facilities	(8,275,000)	(8,275,000)
Debt Service Fund Balance	(5,127)	(5,127)
Net debt within limitations	<u>\$ 15,754,873</u>	<u>\$ 15,754,873</u>
Legal debt margin within limitations	<u>\$ 40,971,846</u>	<u>\$ 92,541,590</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 100,737,751	\$ 100,043,318	\$ 99,872,894	\$ 108,869,993	\$ 107,280,722
Net debt within 10.5 % limitations	<u>1,759,101</u>	<u>2,607,674</u>	<u>3,430,477</u>	<u>4,227,891</u>	<u>5,008,006</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 98,978,650</u>	<u>\$ 97,435,644</u>	<u>\$ 96,442,417</u>	<u>\$ 104,642,102</u>	<u>\$ 102,272,716</u>
Total net debt applicable to the limit as a percentage of debt limit	1.75%	2.61%	3.43%	3.88%	4.67%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 52,767,393	\$ 52,403,643	\$ 52,314,373	\$ 57,027,139	\$ 56,194,664
Net debt within 5.5% limitations	<u>1,759,101</u>	<u>2,607,674</u>	<u>3,430,477</u>	<u>4,227,891</u>	<u>5,008,006</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 51,008,292</u>	<u>\$ 49,795,969</u>	<u>\$ 48,883,896</u>	<u>\$ 52,799,248</u>	<u>\$ 51,186,658</u>
Total net debt applicable to the limit as a percentage of debt limit	3.33%	4.98%	6.56%	7.41%	8.91%

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	
2010	6,151,949	5,170,687	981,262	251,000	80,826	331,826	2.96
2011	6,231,058	6,215,572	15,486	265,000	66,472	331,472	0.05
2012	6,621,540	5,850,125	771,415	271,000	61,172	332,172	2.32
2013	5,941,960	5,892,984	48,976	277,000	54,622	331,622	0.15
2014	6,460,514	6,481,696	(21,182)	284,000	48,284	332,284	(0.06)
2015	7,064,315	6,684,578	379,737	292,000	40,606	332,606	1.14
2016	7,967,007	7,433,436	533,571	305,000	28,926	335,926	1.59
2017	8,443,990	7,871,744	572,246	317,000	16,998	333,998	1.71
2018	8,403,385	8,273,610	129,775	161,000	4,830	165,830	0.78
2019	8,334,005	9,009,157	(675,152)	25,000	14,500	39,500	(17.09)

WATER FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	5,024,010	4,286,337	737,673	603,000	288,110	891,110	0.83
2011	5,401,541	4,144,762	1,256,779	634,000	262,280	896,280	1.40
2012	6,287,031	4,291,942	1,995,089	683,000	168,246	851,246	2.34
2013	5,997,979	4,333,335	1,664,644	707,000	145,856	852,856	1.95
2014	5,867,593	4,371,985	1,495,608	720,000	131,084	851,084	1.76
2015	5,345,330	4,219,067	1,126,263	738,000	115,309	853,309	1.32
2016	5,143,261	4,264,236	879,025	764,000	93,539	857,539	1.03
2017	5,647,624	4,746,199	901,425	785,000	69,683	854,683	1.05
2018	5,651,564	4,828,054	823,510	655,000	45,313	700,313	1.18
2019	5,276,484	5,098,159	178,325	330,000	28,100	358,100	0.50

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	
2010	5,952,524	5,679,883	272,641	548,333	335,957	884,290	0.31
2011	5,910,168	5,897,621	12,547	745,423	635,873	1,381,296	0.01
2012	6,046,646	5,921,461	125,185	769,286	613,005	1,382,291	0.09
2013	5,690,602	5,947,555	(256,953)	873,148	457,140	1,330,288	(0.19)
2014	5,558,640	5,622,153	(63,513)	900,238	428,735	1,328,973	(0.05)
2015	6,642,300	959,662	5,682,638	925,873	413,952	1,339,825	4.24
2016	7,426,456	5,993,124	1,433,332	7,100,000	380,621	7,480,621	0.19
2017	7,465,484	6,179,831	1,285,653	690,000	341,541	1,031,541	1.25
2018	6,630,504	6,238,613	391,891	725,000	304,100	1,029,100	0.38
2019	6,794,450	7,091,528	(297,078)	715,000	289,775	1,004,775	(0.30)

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, 2019

<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	\$ 15,773,885	100.00%	\$ 15,773,885
Capital Leases	50,586	100.00%	50,586
Total Direct Debt	15,824,471		15,824,471
Overlapping			
School Districts			
Woodridge Local	31,790,000	59.66%	18,965,914
Hudson City	77,600,000	3.62%	2,809,120
Revere Local	60,840,645	0.78%	474,557
Stow-Munroe Falls City	2,911,810	0.23%	6,697
County			
Summit County	31,755,000	8.23%	2,613,437
Other Units			
Akron-Summit County Library District	5,135,000	3.66%	187,941
Total Overlapping Debt	210,032,455		25,057,666
Total	\$ 225,856,926		\$ 40,882,137

Source: Ohio Municipal Advisory Council

(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			
2019	49,272 h	\$ 1,454,952,888	\$ 54,250	\$ 29,529	4.0%	3.8%	27.8	\$ 165,160	39.3
2018	49,247 g	1,396,644,920	52,936	28,360	4.7%	4.6%	27.8	151,692	39.3
2017	49,206 f	1,354,690,386	51,586	27,531	4.8%	4.5%	27.8	142,969	39.7
2016	49,146 e	1,325,320,182	50,832	26,967	5.0%	4.8%	27.8	136,923	39.7
2015	49,210 d	1,321,731,390	49,188	26,859	4.8%	4.6%	27.8	137,751	39.5
2014	49,267 c	1,300,747,334	49,438	26,402	4.9%	4.7%	27.8	138,814	39.4
2013	49,267 c	1,288,676,919	48,606	26,157	6.4%	6.6%	27.8	134,556	38.8
2012	49,255 b	1,251,027,745	46,450	25,399	6.1%	6.6%	27.8	128,421	38.8
2011	49,652 a	1,227,000,224	47,071	24,712	7.4%	7.6%	27.8	124,634	38.8
2010	49,652 a	1,119,652,600	52,372	22,550	7.3%	10.0%	27.8	127,338	37.2

Sources:

(1) U. S. Bureau of Census, Census of Population

- (a) 2010 U.S. Census Bureau Estimate
- (c) 2012 U.S. Census Bureau Estimate
- (c) 2013 U.S. Census Bureau Estimate
- (d) 2014 U.S. Census Bureau Estimate
- (e) 2015 U.S. Census Bureau Estimate
- (f) 2016 U.S. Census Bureau Estimate
- (g) 2017 U.S. Census Bureau Estimate
- (h) 2018 U.S. Census Bureau Estimate

(2) Summit County Fiscal Office

(3) Ohio Bureau of Employment Services; U.S. Department of Labor, Bureau of Labor Statistics, Ohio Labor Market Information

(4) City Records

(5) Computation of per capita income multiplied by population

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio Principal Employers 2018 and Ten Years Ago

2018*

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Western Reserve Hospital LLC	Hospital	1,053	4.00%
Go Jo Industries Inc.	Manufacturer	1,038	3.95%
City of Cuyahoga Falls	Government	907	3.45%
Associated Materials	Manufacturer	770	2.93%
Cuyahoga Falls Board of Education	Education	737	2.80%
Woodridge Local School District	Education	560	2.12%
Hometown Care LLC	Healthcare	511	1.94%
Bemis Company, Inc.	Manufacturer	465	1.77%
Tamarkin Company	Grocer	455	1.73%
The Fred Albrecht Company	Grocer	355	1.35%
Total		6,851	26.04%
Total Employment Within the City		26,300	

2010

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Cuyahoga Falls Board of Education	Education	930	3.68%
City of Cuyahoga Falls	Government	914	3.61%
Summa Health System Hospitals	Hospital	895	3.54%
Summa Western Reserve Hospitals	Hospital	753	2.98%
B T L Payroll	Payroll Services	518	2.05%
GMRI	Restaurant	505	2.00%
Associated Materials	Manufacturer	488	1.93%
Woodridge Local School District	Education	478	1.89%
Go Jo Industries Inc.	Manufacturer	362	1.43%
The Fred W. Albrecht Company	Grocer	344	1.35%
Total		6,187	24.46%
Total Employment Within the City		25,300	

Source: City Financial Records and estimate for Total Employment within the City from Ohio Labor Market Information (OhioLMI.com)

* 2019 data was not available at the time this report was issued

**Capital Asset Statistics By Function/Program
Last Ten Years**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Engineering										
Vehicles	9	9	9	9	9	10	9	8	9	10
Parking Facilities										
City Lots and Decks	14	14	14	14	14	14	14	14	14	14
Square Feet	312,467	312,467	312,467	312,467	312,467	312,467	312,467	312,467	312,467	312,467
Spaces	1,273	1,287	1,312	1,312	1,312	1,312	1,312	1,312	1,312	1,312
Recreation Lots	27	27	27	27	26	25	25	25	25	25
Square Feet	700,560	700,560	700,560	700,560	694,023	644,237	644,237	644,237	644,237	644,237
Spaces	2,010	2,010	2,010	2,010	1,995	1,955	1,955	1,955	1,955	1,955
Building and Grounds										
Vehicles	22	39	39	38	41	42	39	40	41	42
Stations	1	1	1	1	1	1	1	1	1	1
Grounds Maintenance										
Vehicles	6	16	14	14	13	13	12	13	14	14
Police										
Vehicles	39	39	39	38	41	42	39	40	41	42
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Vehicles	28	28	28	27	29	27	27	28	29	28
Stations	5	5	5	5	5	5	5	5	5	5
Recreation										
Number of Parks	24	24	24	24	24	24	24	24	24	24
Vehicles	28	31	22	25	36	38	38	37	39	41
Number of Tennis Courts	10	8	8	8	8	8	8	8	8	17
Number of Baseball Diamonds	30	35	35	35	35	35	35	35	35	35
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	507	507	507	507
Swimming Pools	12	12	12	12	12	12	12	12	12	12
Community Development										
Vehicles	3	3	4	4	4	4	4	4	4	4
Information Services										
Vehicles	5	6	6	6	6	6	6	6	7	6
Highways and Streets										
Streets (miles)	241.87*	241.43*	241.43*	234.02*	234.02*	233.52*	233.03*	232.58*	232.26*	232.19*
Streetslights	6,019	5,977	6,006	6,214	5,965	5,919	5,898	5,637	5,627	5,624
Traffic Signals	80	79	79	79	79	79	72	72	78	78
Vehicles	42	37	40	36	55	53	52	53	52	52
Sewer										
Sanitary Sewer Lines (miles)	151	151	152	152	152	152	152	152	152	152
Storm Sewer Lines (miles)	151	151	152	152	160	160	151	151	160	151
Vehicles	13	11	13	12	11	13	13	13	13	13
Water										
Water Mains (miles)	200	200	200	200	200	200	200	200	200	200
Fire Hydrants	2,117	2,117	2,114	2,117	2,114	2,114	2,114	2,114	2,111	2,111
Vehicles	17	15	15	16	19	19	20	20	20	19
Electric										
Substations	13	13	13	13	13	13	13	13	12	13
Miles of Service Lines	343	340	339	339	339	339	336	335	313	310
Vehicles	30	27	29	27	33	28	26	27	27	27
Sanitation										
Vehicles	25	23	22	24	27	25	22	22	18	26
Number of Routes	7	7	7	7	7	9	9	7	6	6
Garage										
Vehicles	6	6	4	4	2	4	4	5	9	9
Utility Billing										
Vehicles	3	3	3	3	2	1	1	1	1	2

Source: City Departments

City of Cuyahoga Falls, Ohio

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

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Council	6	6	6	6	6	6	6	6	6	6
Mayor	2	2	2	2	2	2	2	2	2	2
Mayor's Court	2	2	2	2	1	2.5	2.5	2.5	2.5	2
Finance	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Law Director	6.5	7.5	7	7.5	7.5	7.5	6	7.5	8	8
Service Director	3	2	3	3	4	4	4	4.5	4	4.5
Civil Service	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Engineering	10	10	10	10	10	10	10	10	11	11
HR	3	3	3	3	3	3	3	3	4	4
Building & Grounds	8.5	12.5	10	8.5	8	9	9	8	12	11.5
NECCO	4	4								
Income Tax	2	2	3.5	4	4.5	3.5	4	4	5	5
Information Services	8	8	8	7	7	7	8	8	8	7
Security of Persons & Property										
Building	0	0	0	0	0	0	0	0	0	4.5
Police	80.5	77.5	79.5	79	79.5	74.5	77.5	78	76	84
Crossing Guards	0	0.5	1	1.5	1.5	3	2	2	3	4
Fire	75.5	74.5	73.5	75.5	75.5	72.5	75.5	72.5	76.5	83
Technical Services	4	4	4	4	4	4	4	4	4	5
Communications	13	12.5	13	14.5	13.5	14.5	13.5	13	15	14
Community Environment										
Community Development	8.5	8	11.5	13.5	13	10.5	12	12	13	13
Leisure Time										
Parks & Recreation	151.5	132.5	123.5	130.5	132	131.5	127	132	136.5	141
Transportation										
Streets	28	29	28	25.5	26	27	27	27	29	32
Storm Water	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3	3
Sewage and Disposal	12.5	13	13	13	12.5	12	12	12	12	12
Water	20.5	19.5	19.5	20.5	20	20.5	20	20	22	17
Electric	46.5	49	45	43	45	44.5	42	42	45	45
Sanitation	17	14.5	17.5	18.5	19	17	14.5	16.5	14.5	14.5
Garage	8	8	8	7	7	7	5.5	6.5	8	8

Notes:

All part-time employees and City Council Members were counted as .5 full-time equivalents for the purposes of this table.

Effective January 1, 2009, the Municipal Courts and Clerk of Courts moved to Stow, Ohio. Due to this move, a Mayor's Court was created.

A Communications Division was created in 2009 when dispatching functions were separated from policing functions.

Effective January 1, 2012, The City's Building Department merged with Summit County's Building Department. The City's Building Department employees then became employees of Summit County.

Source: Sick Leave Accrual Hours Register from last pay of each year indicated.

City of Cuyahoga Falls, Ohio

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Policepersons and Officers	71	70	71	72	73	70	70	71	71	76
Total Calls	38,375	37,547	35,534	36,044	33,812	29,221	28,608	28,291	29,657	27,838
Criminal Charges	379	412	455	487	434	466	573	467	366	419
Traffic Citations	5,164	5,094	7,914	6,699	6,108	5,843	9,655	8,527	8,538	6,528
Fire										
Firefighters and Officers	73	73	71	73	73	70	73	74	77	79
Total Calls	8,892	8,892	8,553	8,375	8,377	7,778	7,677	7,836	7,789	7,789
Inspections	1,715	1,713	1,730	1,715	1,899	1,310	1,039	1,082	910	1,069
Smoke Detectors Installed	50	194	200	120	138	224	297	297	587	221
Highways and Streets										
Potholes repaired	12,580	13,026	11,467	6,128	16,930	18,028	5,646	8,331	11,773	7,591
Rock Salt Used (Tons)	6,802	7,851	11,781	9,024	13,683	13,613	8,796	4,897	8,085	12,401
Senior Snow Watch Participants	46	49	53	38	32	29	0*	0*	0*	1,265
Leaf Program (Cubic Yards)	11,040	12,320	12,080	14,615	15,040	14,120	12,120	16,160	10,433	10,433
Recreation										
Brookledge-Number of Rounds	34,530	31,578	32,507	32,071	32,084	32,498	35,835	37,655	34,732	35,789
Waterworks-Daily Admissions	69,741	63,930	63,704	68,473	78,775	64,532	61,604	88,814	82,014	88,588
Natatorium-Daily Admissions	687,652	710,242	721,918	723,521	704,736	644,182	634,459	686,254	711,104	713,997
Water										
Average Daily Pumped (Gallons)	5,336,000	5,190,000	4,494,808	5,343,000	5,300,000	5,120,000	5,482,000	5,682,000	5,965,000	6,469,000
Water Main Breaks	87	104	72	65	96	113	84	64	83	97
New Water Taps	117	38	174	110	137	122	68	26	44	31
Sewer										
Average Daily Sewage Transportation (Gallons)	4,810,000	4,300,000	4,633,092	5,479,000	5,400,000	4,400,000	4,460,000	4,350,000	5,300,000	4,141,641
Sanitary Sewers Cleaned (Feet)	8,725	17,940	18,462	51,602	51,602	52,744	91,832	100,300	114,904	92,707
Storm Sewers Cleaned (Feet)	980	825	700	1,500	1,500	650	2,812	2,658	658	1,450
Electric										
Average Daily Consumption (in KWH)	1,128,981	1,206,649	1,246,120	1,157,910	1,178,000	1,258,890	1,262,680	1,284,044	1,281,885	1,291,895
Light Bulbs Issued	1,725	636	1,005	1,394	2,656	2,046	1,791	2,164	4,880	5,528
Green Energy Participants	154	154		180	127	156	173	192	207	234
Sanitation										
Refuse Collected (tons/year)	16,425	16,065	15,815	15,449	15,348	15,562	15,144	15,217	16,096	16,687
Recyclables collected (tons/year)	4,497	4,821	5,093	5,038	5,052	4,301	3,952	3,887	3,355	3,237
Yardwaste Collected (tons/year)	3,865	3,164	2,984	3,038	3,550	3,468	2,049	1,753	2,439	2,154
Building										
Residential Building Permits Issued	0**	0**	0**	0**	0**	0**	0**	0**	0**	2,806
Commercial Building Permits Issued	0**	0**	0**	0**	0**	0**	0**	0**	0**	413
Miscellaneous Building Permits Issued	0**	0**	0**	0**	0**	0**	0**	0**	0**	568

Note: N/A indicates that data is not available.

* Senior Snow Watch Program ended in 2011 and restarted in January of 2014 with new restrictions for eligible residents.

** Building Department outsourced to Summit County January 1, 2011.

Source: City records