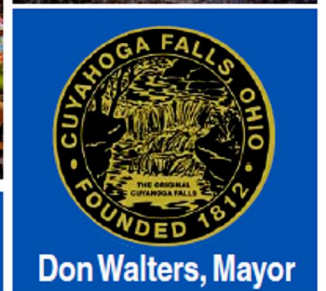


Comprehensive Annual Financial Report

for the year ended December 31, 2015



CITY OF CUYAHOGA FALLS, OHIO



About the Cover:

The City of Cuyahoga Falls is committed to economic growth and opportunity, understanding the vital role that businesses, both big and small play in moving the City forward. We work hard to adhere to our Economic Development philosophy of retaining, creating and promoting redevelopment of the community through our exceptional public and private sector relationships, maintaining a positive outlook and growth for the City. By investing in doing what is best for our city, we are building and sustaining more successful and promising business districts. We invite and encourage development opportunities. With over 50,000 residents the City of Cuyahoga Falls continues to pursue aggressive growth strategies. Featuring turn-of-the-century homes and new upscale housing developments, our community offers a variety of housing options for young professionals, growing families, empty nesters and everyone in between.

The beautiful Cuyahoga River is the focal point of our city center. Residents and visitors alike enjoy Falls River Square, our magnificent public festival and special event site located in the heart of downtown. We are also the summer home of Blossom Music Center that hosts the internationally renowned Cleveland Orchestra and a variety of nationally acclaimed music performers. Other exciting attractions include our incredible state-of-the-art Natatorium & Wellness Center, renowned 18-hole Brookledge Golf Club, our outdoor Water Works Family Aquatic Center, and over 48,000 acres of Cuyahoga Valley National Park.

We are a committed city of residents, involved community members, service providers, and business leaders who come together every day to work to improve the quality of life and that of those around us. We give our time and money to ensure that life truly is better here in the great City of Cuyahoga Falls.

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

Sandra R. Dimengo

Jennifer M. Evans

Scott K. Fitzsimmons

Wendy J. Foster

Laura K. Jarvis

Matthew D. Miller

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Marguerite M. Tauber

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Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2015



City of Cuyahoga Falls, Ohio

Mayor Don Walters

Issued by the Department of Finance

Bryan J. Hoffman, Finance Director



Printed on Recycled Paper

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**

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

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

Bryan J. Hoffman
Finance Director

Scott K. Fitzsimmons
Deputy Finance Director

August 30, 2016

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, 2015, 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.

City of Cuyahoga Falls, Ohio

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 the Auditor of State. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2015, 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 49,210 based on the 2014 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.

City of Cuyahoga Falls, Ohio

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.

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 15th most populous combined statistical area in the United States with a population of 3,515,646. (Rankings are based on 2014 census estimates).

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 2015, ten major employers in the City collectively accounted for approximately 26.7 percent of the \$16,405,895 withholding taxes remitted to the City.

2014 U.S. Census estimate reports, the most current available, indicate that median household income for Cuyahoga Falls is slightly higher than 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	\$49,188
Summit County	\$50,082
State of Ohio	\$48,849
USA	\$53,482

City of Cuyahoga Falls, Ohio

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. New building and redevelopment permit valuation, a reliable indicator of a community's condition, averaged nearly \$34 million over the last five years.

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. Initial figures showed that even at the 22 percent piece of the TIF, the school district would receive \$171,500 annually, which would have been approximately 11 percent more than they received with the old center.

The Riverwalk area has also seen private development that includes residential and commercial retail projects. Watermark, a residential housing and commercial retail 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 dollars and was completed in 2014. 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 retail space for restaurants and retail space. 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 dollars in a redevelopment of a designated historic structure that was completed in 2015.

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.

A deal was reached in 2014 to bring a Menard's to the city. The home improvement superstore will be utilizing property that was vacated by a Giant Eagle grocery store that moved to the Portage Crossing development. Menard's is estimated to be a \$10.5 million dollar facility with annual payroll of \$2.5 million.

Plans are underway to open Front Street back up 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. The Mayor and his administration have worked tirelessly to study and begin implementation of constructing a new road to spur economic development. Studies have shown that redevelopment of this area would support and additional 215,350 square feet of retail and restaurant development, generating \$60.4 million in new revenue.

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.

In 2015, the City constructed an approximately 1,500 foot sewer in an area that was once residential but has since been zoned commercial/light industrial. This has opened up approximately twenty-eight acres of land for development for commercial use. The high interest in the land will be a bright spot for future growth.

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 of 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 more than five percent of the City's two main sources of income. The City's administration also places a high emphasis on keeping Cuyahoga Falls a positive place to live and work. This can best be seen in the unemployment rates for the City consistently being two percentage points lower than the Summit County rate coupled with local home sales and the real estate market, which are generally ahead of the national trends. Employment within an area is expected to remain positive with wage increases slightly higher than cost of living trends. 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.

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

Five of the city's six unions had contracts that expired December 31, 2013. With cooperation with the bargaining units, the administration extended those contracts with a 2.25 percent wage increase through June 30, 2015. The sixth contract with the Electric bargaining unit expired December 31, 2014. With cooperation from the Electric union that contract was also extended until June 30, 2015. The City and all six of its bargaining units reached

agreements that began on July 1, 2015 and end June 30, 2018. Each unit received periodic cost of living increases. Those agreements also included an overhaul of the City's health insurance program. For the first time, employees now contribute to their health insurance premium. The City is engaged in ongoing negotiations using an interest based bargaining approach.

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, 2014. 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 31 consecutive years (fiscal years ended 1984-2014). 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

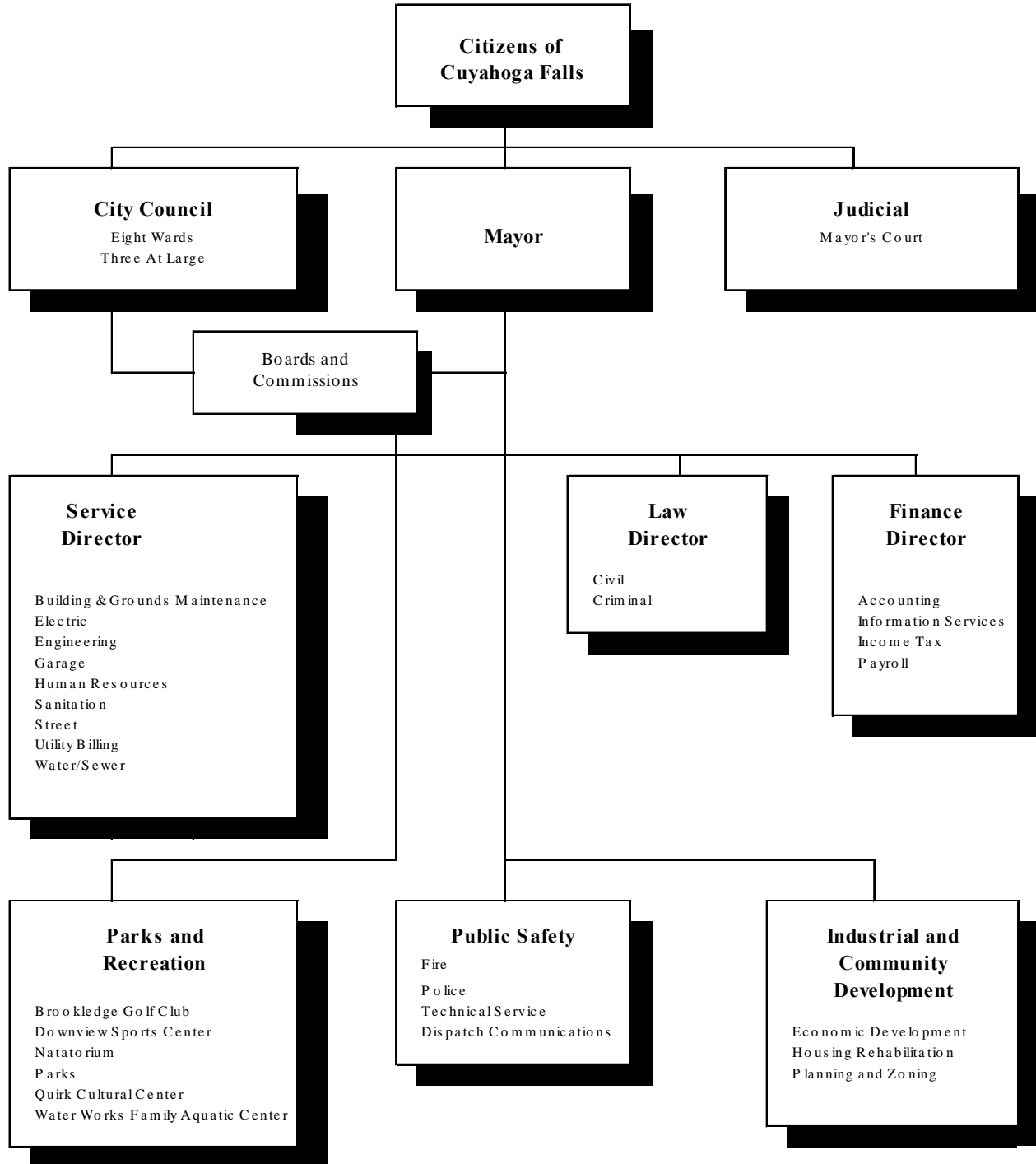
**City of Cuyahoga Falls
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

Organizational Chart



City Officials

Cabinet of the Mayor:

Mayor Don Walters	Eric M. Czetli	Service Director
	Bryan J. Hoffman	Finance Director
	Russell W. Balthis	Law Director
	Diane M. Sheridan	Community Development Director

At Large Council:

Paul V. Colavecchio
Carol A. Klinger
Jeffrey G. Iula

Ward Council:

Vincent J. Rubino	Ward 1
Mary Ellen Pyke	Ward 2 (Council Pres. At 12/31/15)
Victor J. Pallotta	Ward 3
Robert A. Weinhardt	Ward 4
Michael A. Brillhart	Ward 5
Gary G. DeRemer	Ward 6
Jerry L. James	Ward 7
Terry L. Mader	Ward 8

FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Cuyahoga Falls
Summit County
2310 Second Street
Cuyahoga Falls, Ohio 44221

To the Honorable Mayor and City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Cuyahoga Falls, Summit County, Ohio (the City), as of and for the year ended December 31, 2015, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider 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 to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

City of Cuyahoga Falls
Summit County
Independent Auditor's Report
Page 2

Opinion

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, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Cuyahoga Falls, Summit County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 21 to the financial statements, during the year ended December 31, 2015 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. In addition, the City restated the Governmental Activities Net Position and fund balance of the General Fund as of December 31, 2014 due to an error reporting the Joint Economic Development District activity. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls
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Page 3

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2016 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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.



Dave Yost
Auditor of State
Columbus, Ohio

August 30, 2016

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, 2015. 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 thirteenth 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 2015 by \$189,425,223. Of this amount, \$11,126,683 is considered unrestricted. The unrestricted net position of the City's governmental activities has a balance of negative \$14,519,150 due to the implementation of GASB 68, described below. The unrestricted net position of the City's business-type activities was \$25,645,833 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 \$11,413,130 or 6.41 percent in 2015, in comparison to restated net position as of December 31, 2014. Net position of governmental activities increased \$6,559,579, which represents an 8.53 percent increase from the restated amount as of December 31, 2014. Net position of business-type activities increased \$4,853,551 or 4.80 percent from the restated amount as of December 31, 2014.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$20,203,881, in comparison to \$12,851,826 in the prior year. On a combined basis \$1,251,714 is considered nonspendable, \$7,967,592 is restricted for specific purposes, \$1,553 has been committed by City Council and \$1,553,561 has been assigned to specific purposes by management.

New Accounting Standard

During 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement 27 and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" and An Amendment of GASB Statement No. 68," which significantly revises accounting for pension 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 the net pension liability to the reported net position and subtracting deferred outflows and the net pension/asset related to pension. Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements. The City contributes to two statewide pension systems: Ohio Public Employees Retirement System (OPERS) and Ohio Police and Fire Pension Plan (OP&F).

City of Cuyahoga Falls, Ohio

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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. For OPERS and OP&F, 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 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 pension system. **In Ohio, there is no legal means to enforce the unfunded liability of the pension system 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 plan.

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. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, 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 pension 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows and outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014 from \$105,989,256 to \$76,878,375 for governmental activities and \$107,585,982 to \$101,133,718.

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 33-35 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 Capital Improvement Reserve Capital Projects Fund was closed at December 31, 2015 due to a consolidation of funds, and a residual equity transfer in an amount of \$357,451 was made to the General Fund.

The City adopts an annual appropriated budget for its General Fund and all Special Revenue, Debt Service, Capital Projects, Enterprise and Internal Service Fund types. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 36-40 of this report.

City of Cuyahoga Falls, Ohio

Proprietary funds. The City maintains two different types of proprietary funds ó 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, office and custodial supplies purchase and distribution, medical self-insurance, worker's compensation coverage and compensated absences payments to terminated and retired employees. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. While the Utility Billing Fund is considered an Internal Service Fund, it is not reported separately. It has been consolidated in the applicable Enterprise Funds for statement purposes. The Office Supply Internal Service Fund was closed at December 31, 2015, due to changes in office supply procurement methods and a residual equity transfer in an amount of \$2,809 was made to the General Fund.

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 41-48 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 49 of this report. As described in Note 21 A to the financial statements, during 2015, Boston Township-City of Cuyahoga Falls Joint Economic Development activity previously recorded in the City's General Fund, was recorded as a Joint Economic Development District Agency Fund based on Auditor of State Technical Bulletin guidance. The effects of this restatement can be found in Note 21 B.

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 50-101 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 for and contributions to OPERS and OP&F. Required supplementary information can be found on pages 102 to 106 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 107-154 of this report.

Government-wide Financial Analysis

City of Cuyahoga Falls, Ohio - Net Position						
	Governmental Activities		Business-type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
Assets						
Current and other assets	\$ 42,743,174	\$ 42,221,016	\$ 41,960,778	\$ 42,195,799	\$ 84,703,952	\$ 84,416,815
Net pension asset	32,708	8,914	31,944	8,706	64,652	17,620
Capital assets, net	100,311,868	95,559,447	109,245,128	107,968,544	209,556,996	203,527,991
Total Assets	143,087,750	137,789,377	151,237,850	150,173,049	294,325,600	287,962,426
Deferred Outflows of Resources						
Pension	4,661,045	3,112,346	1,372,069	966,692	6,033,114	4,079,038
	4,661,045	3,112,346	1,372,069	966,692	6,033,114	4,079,038
Liabilities						
Current and other liabilities	4,847,530	12,383,408	15,246,621	15,328,111	20,094,151	27,711,519
Long-term liabilities:						
Net pension liability	33,879,546	32,141,513	7,599,305	7,427,662	41,478,851	39,569,175
Other long term liabilities outstanding	16,266,028	10,486,280	23,633,473	27,250,250	39,899,501	37,736,530
Total Liabilities	54,993,104	55,011,201	46,479,399	50,006,023	101,472,503	105,017,224
Deferred Inflows of Resources						
Revenues levied for the next year	9,171,064	9,012,147	-	-	9,171,064	9,012,147
Pension	146,673	-	143,251	-	289,924	-
	9,317,737	9,012,147	143,251	-	9,460,988	9,012,147
Net Position						
Net investment in capital assets	92,335,053	91,808,449	80,341,436	74,625,126	172,676,489	166,433,575
Restricted	5,383,031	2,573,083	-	-	5,383,031	2,573,083
Permanent Fund Purpose	239,020	234,555	-	-	239,020	234,555
Unrestricted	(14,519,150)	(17,737,712)	25,645,833	26,508,592	11,126,683	8,770,880
Total Net Position	\$ 83,437,954	\$ 76,878,375	\$ 105,987,269	\$ 101,133,718	\$ 189,425,223	\$ 178,012,093

* Restated.

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 \$189,425,223 at the close of the most recent fiscal year.

The largest portion of the City’s total net position (91 percent) reflects its 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, slightly less than three 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, which used to be a non-expendable trust fund. The remaining balance of unrestricted net position \$11,126,683 may be used to meet the government’s on-going obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Cuyahoga Falls is able to report positive balances in all 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 \$14,519,150 due to the implementation of GASB 68 as previously discussed.

City of Cuyahoga Falls, Ohio

Overall, net position of the City increased by \$11.413 million in 2015, after taking into account prior period restatement of adjustments for 2014. Net position for governmental activities increased by \$6.560 million and net position for business-type activities increased \$4.854 million. The net position increase for governmental activities is primarily due to \$4,568,265 increase in capital grants and contributions, \$1,307,436 increase in income tax revenue and \$900,793 increase in grants and entitlements not restricted to specific programs in 2015. Of the \$4,568,265 increase in capital grants and contributions, an amount of \$1,511,693 is related to the State Road widening project being administered by the Ohio Department of Transportation and \$2,364,816 is related to the Graham Road widening project being administered by the City of Stow, Ohio.

The net position increase for business-type activities is due to the fact that revenue exceeded expenses by \$1.706 million in 2015 before transfers, primarily due to an increase in program revenue of \$811,484, which is primarily due to increases in charges for services for sewer and leisure time activities in the amounts of \$595,971 and \$1,083,660, respectively. In addition, operating grants and contributions increased \$443,162 from 2014 to 2015, due to proceeds from the Ohio Emergency Management Agency State Disaster Relief Program from overtime, debris removal and non-capitalized road and storm drainage repairs relating to the May 27, 2014 flood.

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 2014 fiscal year figures for comparison purposes.

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City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio - Changes in Net Position							
	Governmental		Business-type		Total		
	Activities		Activities				
	2015	2014	2015	2014	2015	2014	
Revenues							
Program revenues:							
Charges for services	\$ 3,956,728	\$ 4,929,545	\$ 65,671,455	\$ 64,980,957	\$ 69,628,183	\$ 69,910,502	
Operating grants and contributions	2,563,284	2,948,985	496,156	52,994	3,059,440	3,001,979	
Capital grants and contributions	6,216,784	1,648,519	708,256	1,030,432	6,925,040	2,678,951	
General revenues:							
Property and other local taxes	11,754,576	9,983,927	-	-	11,754,576	9,983,927	
Income taxes	21,989,163	20,681,727	-	-	21,989,163	20,681,727	
Grants and entitlements not							
restricted to specific programs	2,856,650	1,955,857	-	-	2,856,650	1,955,857	
Other	467,952	203,039	-	-	467,952	203,039	
Total Revenues	49,805,137	42,351,599	66,875,867	66,064,383	116,681,004	108,415,982	
Expenses							
Security of persons and property	20,818,302	19,807,646	-	-	20,818,302	19,807,646	
Leisure time activities	2,407,489	2,244,079	-	-	2,407,489	2,244,079	
Community environment	2,101,857	1,785,142	-	-	2,101,857	1,785,142	
Street maintenance	8,117,963	8,034,324	-	-	8,117,963	8,034,324	
General government	6,536,478	6,139,797	-	-	6,536,478	6,139,797	
Interest and fiscal charges	116,030	163,316	-	-	116,030	163,316	
Sewage and disposal	-	-	6,803,595	6,686,370	6,803,595	6,686,370	
Water	-	-	3,991,995	4,273,858	3,991,995	4,273,858	
Electric	-	-	43,879,705	41,358,326	43,879,705	41,358,326	
Sanitation	-	-	3,298,991	3,443,262	3,298,991	3,443,262	
Leisure time activities	-	-	5,986,173	5,951,069	5,986,173	5,951,069	
Storm Drainage Utility	-	-	1,209,296	1,467,434	1,209,296	1,467,434	
Total Expenses	40,098,119	38,174,304	65,169,755	63,180,319	105,267,874	101,354,623	
Increase in net position before transfers	9,707,018	4,177,295	1,706,112	2,884,064	11,413,130	7,061,359	
Transfers	(3,147,439)	(2,375,534)	3,147,439	2,375,534	-	-	
Changes in net position	6,559,579	1,801,761	4,853,551	5,259,598	11,413,130	7,061,359	
Net position-beginning, as restated	76,878,375	104,187,495	101,133,718	102,326,384	178,012,093	206,513,879	
Net position-ending	\$ 83,437,954	\$ 105,989,256	\$ 105,987,269	\$ 107,585,982	\$ 189,425,223	\$ 213,575,238	

City of Cuyahoga Falls, Ohio

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$4,079,039 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$4,282,195. Consequently, in order to compare 2015 program expenses to 2014, the following adjustments are needed:

City of Cuyahoga Falls, Ohio - Change in Program Expenses Not Related to Pensions			
	Governmental Activities	Business-type Activities	Total
Total program expenses under GASB 68	\$ 40,098,119	\$ 65,169,755	\$ 105,267,874
Pension expense under GASB 68	(3,431,273)	(850,922)	(4,282,195)
2015 contractually required contributions	3,119,060	964,643	4,083,703
Adjusted 2015 program expenses	39,785,906	65,283,476	105,069,382
Total 2014 program expenses under GASB 27	38,174,304	63,180,319	101,354,623
Increase in program expenses not related to pension	1,611,602	2,103,157	3,714,759

Governmental activities. Governmental activities increased the City's net position by \$6.560 million. Key elements of the changes in net position are as follows:

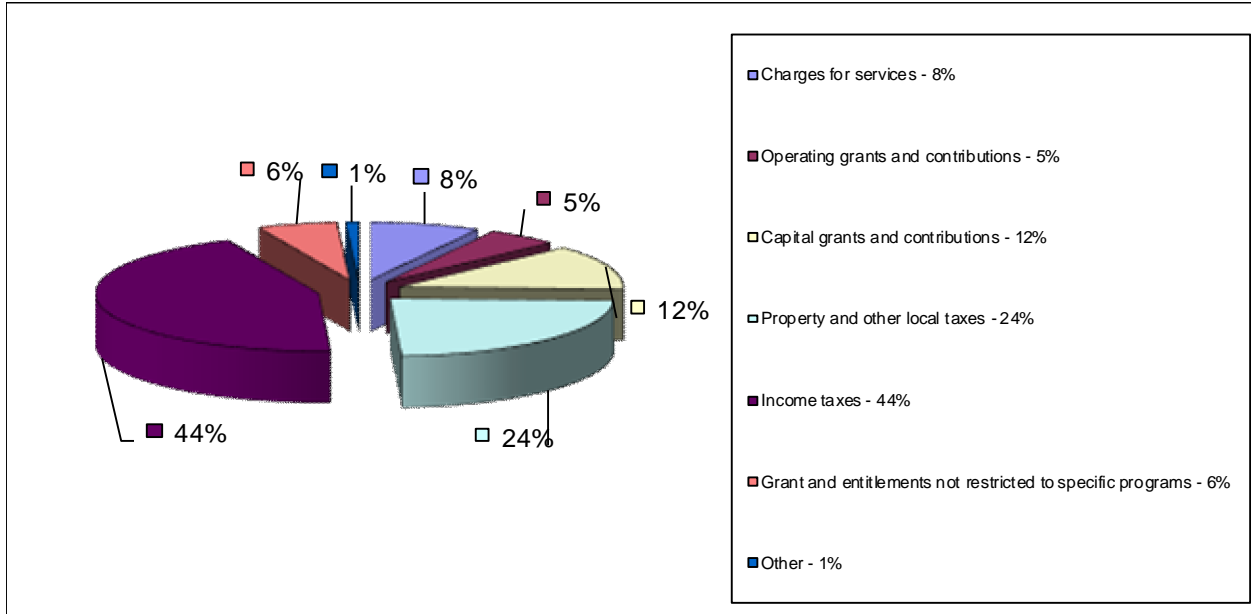
- ❖ Revenues exceeded expenses by \$9,707,018.
- ❖ Capital grants and contributions increased by \$4,568,265.
- ❖ Security of persons and property expenses increased \$1,010,656.

Although there were overall increases in each governmental activities expense functions other than interest and fiscal charges, the largest being security of persons and property \$1,010,656. Approximately half of the increase in security of persons and property (\$576,806) is related to cash basis expenses being higher in 2015 than 2014. Due to timing of employee bi-weekly pay periods, there were 27 pay periods in 2015 as opposed to the typical 26 in 2014 causing personal services expense to exceed that of the prior year.

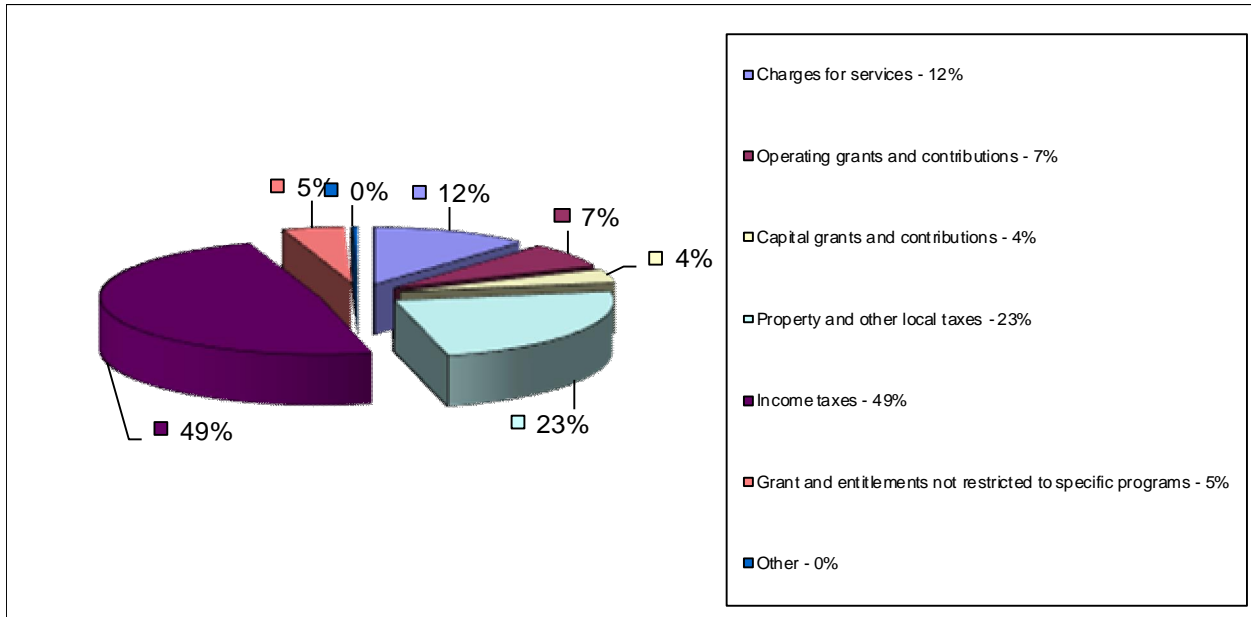
The increase in revenues, primarily relating to the increase in capital grants in contributions offset the increase in expenditures.

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2015 Revenues by Source – Governmental Activities

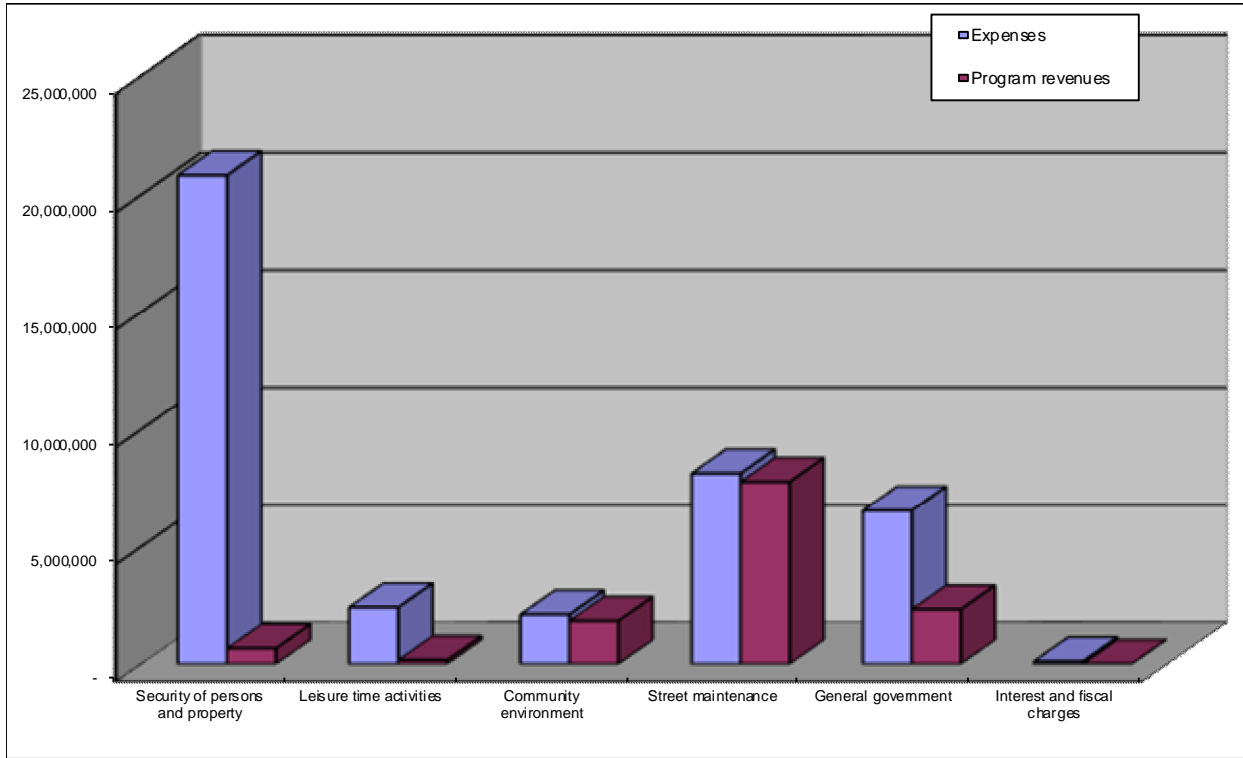


2014 Revenues by Source – Governmental Activities

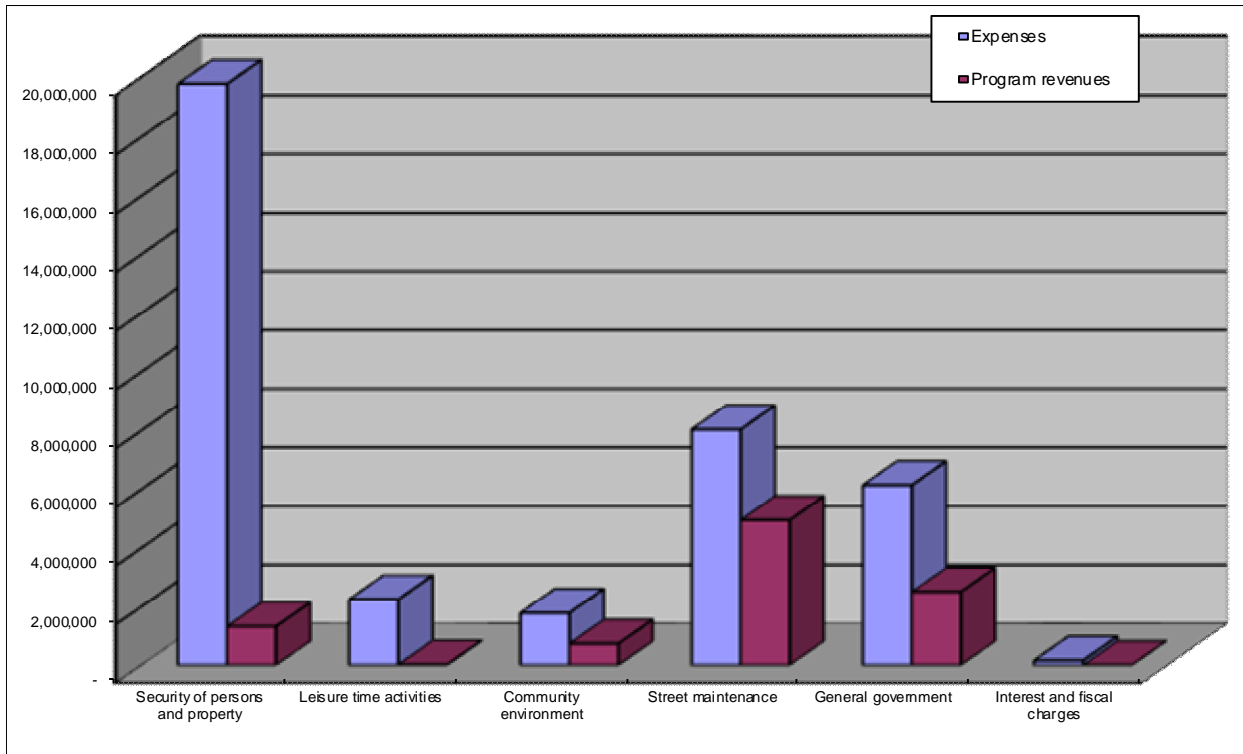


City of Cuyahoga Falls, Ohio

2015 Expenses and Program Revenues – Governmental Activities



2014 Expenses and Program Revenues – Governmental Activities



Business-type activities. Business-type activity net position increased by \$4.854 million. Key elements of changes in net position are as follows:

- ❖ Sewer charges for services increased by \$595,971 or 9.3 percent.
- ❖ Leisure time activities charges for services increased by \$1,083,660 or 19.5 percent.
- ❖ Water expenses decreased by \$281,863 or 6.6 percent.
- ❖ Sanitation expenses decreased by \$141,271 or 6.6 percent.
- ❖ Storm drainage utility expenses decreased by \$258,138 or 17.6 percent.

Sewer charges for services increase is a result of cash transactions being \$745,347 higher in 2015 due to an increase in metered activity and rates, offset by a decrease in net accrued revenue of \$141,546, due to accrual entries in 2015 being \$82,178 less than that of the prior year.

Leisure time activities charges for services increase is a result of cash transactions being \$1,044,446 higher in 2015 coupled with an increase in net accrued revenue of \$39,214. The increase is primarily due cash basis reimbursements, which are recorded as charges for services in the government-wide statements being \$730,429 higher than in 2014.

Water expense decrease is attributable to a decrease in net expense accruals in the amount of \$257,403 offset by an increase of \$44,077 in cash transaction in 2015. This is primarily due to the elimination of utility billing charges, during consolidation of the Utility Billing Fund in the amount of \$150,433, which was not being done properly prior to 2015.

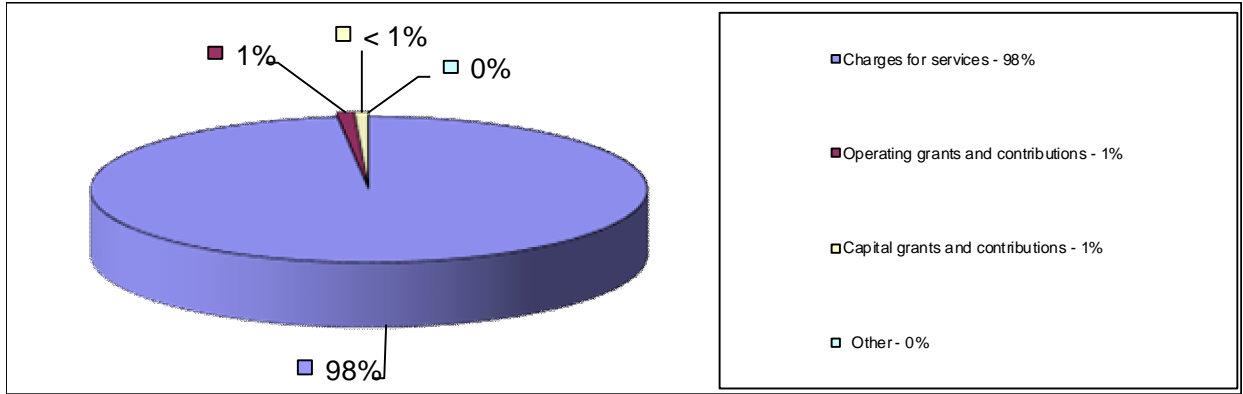
Sanitation expense decrease is attributable to a decrease in net expense accruals in the amount of \$27,150 offset by an increase of \$108,830 in cash transaction in 2015. This is primarily due to the effect of reversing entries of the prior year being \$43,262 less in 2015 and the elimination of utility billing charges, during consolidation of the Utility Billing Fund in the amount of \$52,324, which was not being done properly prior to 2015.

Storm drainage utility expense decrease is attributable to a decrease in cash transactions in the amount of \$172,970. This is primarily due to the non-capital repairs made to storm sewers relating to the May 27, 2014 flood.

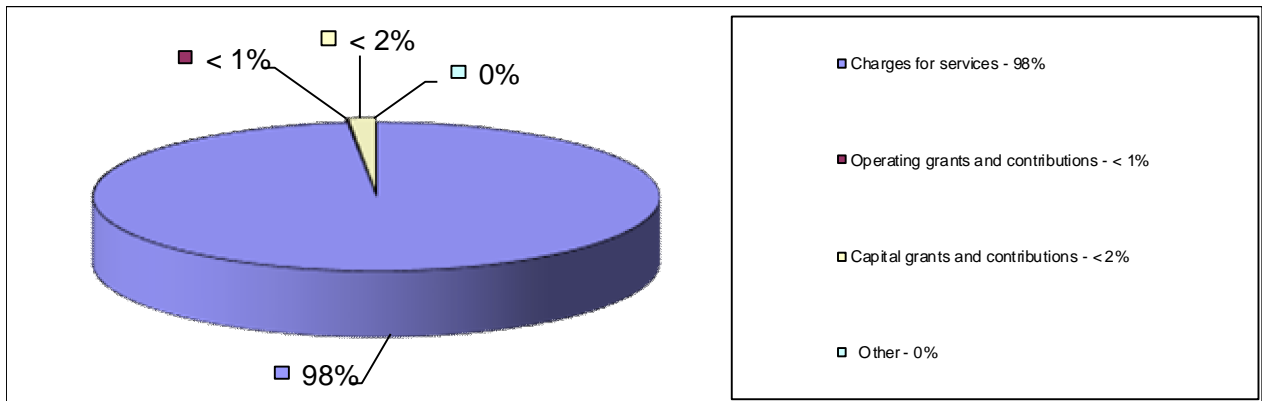
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City of Cuyahoga Falls, Ohio

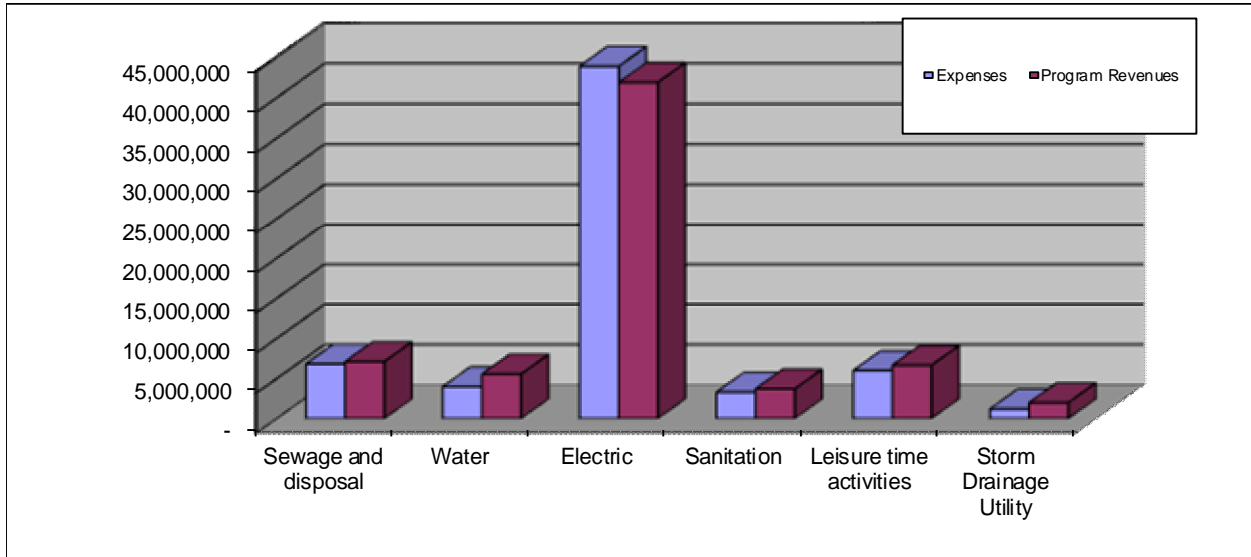
2015 Revenue by Source – Business-type Activities



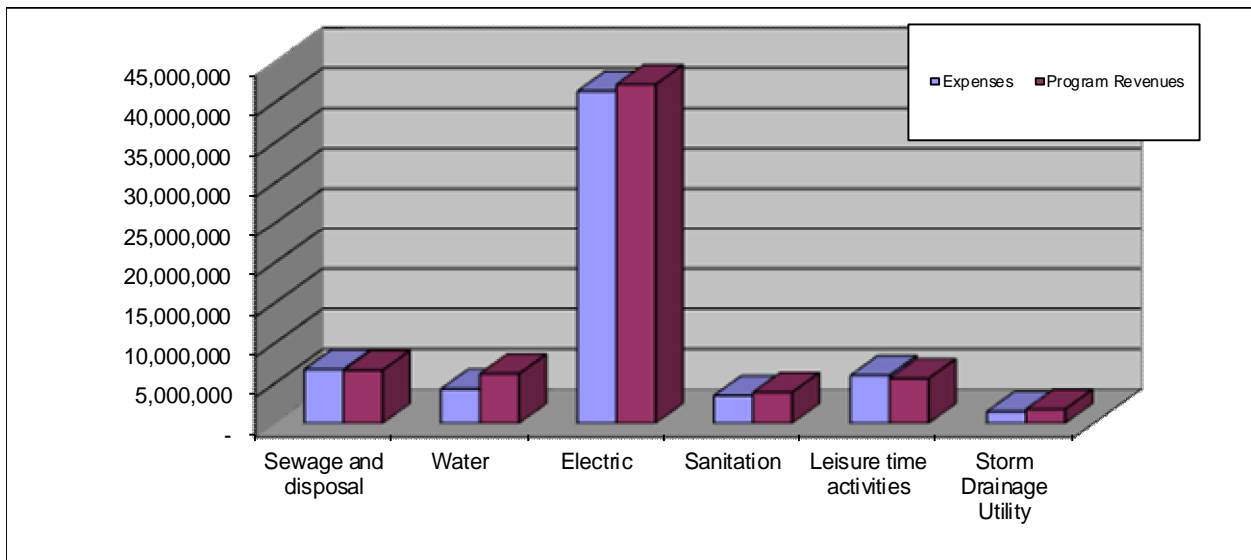
2014 Revenue by Source – Business-type Activities



2015 Expenses and Program Revenues – Business-type Activities



2014 Expenses and Program Revenues – Business-type Activities



City of Cuyahoga Falls, Ohio

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, 2015, the City's governmental funds reported combined ending fund balances of \$20.204 million, which represents an increase of \$7.112 million in comparison with the prior year. This increase is mostly due to bond proceeds from the issuance of \$6,185,000 Acquisition and Improvement Bonds, from which the proceeds were recorded in the Capital Projects Fund. This bond issuance in part retired the general obligation notes payable liability of \$7,400,000 recorded in the Capital Projects Fund as of December 31, 2014. Since the liability is a long-term obligation recorded in government-wide financial statements, no liability is recorded in the Capital Projects Fund as of December 31, 2015.

In regard to the current combined ending fund balances, \$9.429 million is unassigned fund balance, which is available for spending at the City's discretion. The next largest fund balance classification comprising of approximately \$7.968 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.

The General Fund is the chief operating fund of the City. At December 31, 2015, unassigned fund balance of the General Fund was \$9.429 million, while total fund balance was \$11.027 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 30.99 percent of total general fund expenditures, including transfers out, while total fund balance represents 36.24 percent of the same amount.

The fund balance of the City's General Fund increased by \$101,896 during 2015. Revenues, including transfers in were \$106,282 greater than expenditures, including transfers out. This fund balance decrease was due to several factors:

- ❖ The General Fund revenues were \$5,229,154 greater than expenditures in 2015.
- ❖ The General Fund portion of income taxes increased by \$743,594 or 5.48 percent, primarily due to increase in delinquent collections in 2015, based on a more aggressive approach to handling of delinquent accounts.
- ❖ Total other financing sources, which consist of transfers in and transfers out, were (\$5,122,872) in 2015 compared to (\$2,384,736) in 2014 for a negative swing of \$2,738,136. This is primarily due to elimination of transfers in from the Electric Fund to the General Fund relating to total kWh tax. Amounts previously transferred from the Electric Fund to the General Fund were recorded directly to other local taxes in 2015, which caused a significant increase in that line item from 2014 to 2015.

The fund balance of the City's Capital Projects Fund increased by \$7,537,367 during 2015. As mentioned previously, this increase is mostly due to bond proceeds from the issuance of \$6,185,000 Acquisition and Improvement Bonds which were recorded in the fund. This bond issuance retired the general obligation notes payable liability of \$7,400,000 recorded in the fund as of December 31, 2014. Since the liability is a long-term obligation recorded in government-wide financial statements, no liability is recorded in the fund as of December 31, 2015.

City of Cuyahoga Falls, Ohio

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

Unrestricted net position at the end of the year amounted to \$2.226 million, \$3.517 million, \$18.523 million, \$1.427 million, \$539,664, and \$613,753 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 increased \$323,774, or 1.8 percent, \$1.151 million, or 6.75 percent, \$206,188, or .53 percent, \$409,975, or 12.3 percent, \$1.952 million, or 13.7 percent, and \$822,485, or 7.5 percent, respectively, from 2014 to 2015.

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.

It should be noted the Sanitation Fund has again seen an improvement in unrestricted net position, as noted above, due to the cost saving measures of continuing to standardize refuse containers, which has reduced the number of personnel per route with an ultimate goal of full automation in the future.

General Fund Budgetary Highlights

The final amended General Fund budget had total appropriations of approximately \$719,489 greater than the original budget. The total original appropriations, including those for transfers out, were \$34,021,825, while the final appropriations were \$34,741,314. This was mostly due to additional operating transfers to several funds: Street Construction, Maintenance, and Repair Fund \$200,000, Debt Service Fund \$221,172, and Capital Projects Fund \$357,452. In addition, appropriations were reduced due to savings in personal services and/or related pension fund transfers from employee retirements and vacancies in the Police and Fire Departments and savings in personal services from salaries, wages and benefits being less than anticipated in the Law, Communications, Parks and Recreation, Community Development and Mayor's Court departments. The variance between the final budget and actual results for revenues, including transfers in and expenditures, including transfers out represents approximately .06 percent and 2.63 percent of actual results, respectively, and were not considered significant enough for analysis.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for governmental and business-type activities as of December 31, 2015, amounts to \$209.557 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 2015 was \$6,029,005, which amounted to approximately 3 percent.

City of Cuyahoga Falls Capital Assets (Net of Depreciation)							
	Governmental Activities		Business-type Activities		Total		
	2015	2014	2015	2014	2015	2014	
Land	\$ 10,365,235	\$ 8,813,394	\$ 3,589,128	\$ 3,589,128	\$ 13,954,363	\$ 12,402,522	
Construction in Progress	438,064	10,393,926	1,900,461	1,383,969	\$ 2,338,525	11,777,895	
Buildings	15,909,605	16,200,815	27,630,972	28,441,502	\$ 43,540,577	44,642,317	
Improvements	7,561,769	1,351,506	69,908,333	69,237,275	\$ 77,470,102	70,588,781	
Machinery and Equipment	8,511,955	8,132,777	6,216,234	5,316,670	\$ 14,728,189	13,449,447	
Infrastructure	57,525,240	50,667,029	-	-	\$ 57,525,240	50,667,029	
Total	<u>\$ 100,311,868</u>	<u>\$ 95,559,447</u>	<u>\$ 109,245,128</u>	<u>\$ 107,968,544</u>	<u>\$ 209,556,996</u>	<u>\$ 203,527,991</u>	

City of Cuyahoga Falls, Ohio

Major capital asset events during 2015 were as follows:

In 2015, the City outfitted the Safety Forces with additional equipment out of the Capital Projects Fund, namely ten new LifePak Defibrillators/Heart Monitors at \$241k for the Fire Department's first responders. In addition, the Police Department received twenty-two new Mobile Data Terminals for inside the cruisers totaling \$126k.

Three large infrastructure projects were also moved out of construction-in-progress in the Capital Projects Fund in 2015. The State Road Project ó Bath to Steels Corners was capitalized for a total of \$7.117 million ó of which \$534k was spent for land right-of-way purchases and \$6.583 for road infrastructure costs. The Graham Road Project, Bath to Route 8, was also capitalized for a total of \$3.281 million. This project also required land right-of-way purchases for \$258k and road widening costs came in at \$3.023 million. Both of these projects received State funding through ODOT. A third substantial project that was completed was the Portage Crossing Infrastructure for the new shopping center. This project was capitalized for \$3.985 million.

Some of the major asset activity out of Enterprise Funds included the following: Water Fund - capital repairs to the Bailey Road Water Tank for \$347k and Schiller Avenue and Chestnut Boulevard Waterlines for \$308k and \$293k, respectively; Storm Drainage Fund ó Hardy Road Slope Stabilization for \$264k resulting from flood damage, as well as, leasing four new leaf machines for \$182k; Electric Fund ó capitalized two large projects, namely the 2nd Phase of 23KV System Upgrade for \$524k and the 12.5 KV System Upgrade for \$463k; and lastly, the Sanitation Fund purchased two new Durapack Side Loaders for garbage collection for \$262k each.

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, 2015, the City currently does not have any interest in development projects held for resale.

Long-term debt. At December 31, 2015, the City had \$31.697 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	
	2015	2014	2015	2014	2015	2014
G. O. bonds	\$ 7,121,208	\$ 1,894,899	\$ 15,936,579	\$ 17,962,670	\$ 23,057,787	\$ 19,857,569
Capital leases	771,949	960,735	7,867,113	9,480,748	8,639,062	10,441,483
Total	\$ 7,893,157	\$ 2,855,634	\$ 23,803,692	\$ 27,443,418	\$ 31,696,849	\$ 30,299,052

On August 5, 2015, the City issued \$6,185,000 Land Acquisition and Improvement Bonds for the purpose of revitalizing State Road Redevelopment area by acquiring, clearing and improving certain properties in that area. The interest rate on the bonds range from 0.85 ó 4.85 percent and the maturity date is December 1, 2042.

The City entered into lease agreements in February 2015 for Tactical Mobile Computers for use by the Police Department in the amount of \$126,073, and in April 2015 for Leaf Collectors for use by the Leaf Pick-up Program in the amount of \$181,763. 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, respectively in the Statement of Net Position.

More detailed information regarding the City's capital leases and long-term debt activity is available in Note 11 and Note 13 on page 84, and pages 86-88, respectively.

Economic Factors and Next Year’s Budget

The City of Cuyahoga Falls’s 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. A system was put in place to review each job position when it became vacant through retirement or separation. Losses from funding cuts that were put in place in previous state budgets have now been realized. Further cuts in funds from the state level are not expected. These losses have been taken into account and the five-year forecast has been adjusted. In 2015, the City negotiated employee bargaining agreements with multi-year contracts with the various unions, which includes various pay increases ranging from 1.5 to 3.33%, and includes employee contributions toward health care. 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 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. 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, and promoting expansion, such as SGS Tool and Harbor Castings continue to be a focus of the Mayor and the administration. 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% of net income tax dollars into the Capital Projects Fund to maintain our infrastructure.

In conclusion, the implementation of GASB Statement No. 68 requires the reader to perform additional calculations to determine the City’s total net position at December 31, 2015 without the implementation of GASB Statement No. 68. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold and distributes pensions to our employees, not the City of Cuyahoga Falls. These calculations are as follows:

City of Cuyahoga Falls, Ohio - Implementation of GASB 68 effect on Net Position				
	Governmental Activities	Business-type Activities	Total	
Total net position at December 31, 2015 (With GASB 68)	\$ 83,437,954	\$ 105,987,269	\$ 189,425,223	
GASB 68 calculations:				
Add:				
Deferred Inflows related to pension	146,673	143,251	289,924	
Net pension liability	33,879,546	7,599,305	41,478,851	
Less:				
Deferred outflows related to pensions	(4,661,045)	(1,372,069)	(6,033,114)	
Net pension asset	(32,708)	(31,944)	(64,652)	
Total net position at December 31, 2015 (Without GASB 68)	112,770,420	112,325,812	225,096,232	

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

**Statement of Net Position
December 31, 2015**

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		CIC of Cuyahoga Falls
Assets				
Equity in pooled cash and cash equivalents	\$ 18,376,588	\$ 22,518,527	\$ 40,895,115	\$ 21,438
Cash and cash equivalents - restricted accounts	237,000	-	237,000	35,546
Investments	2,157,952	2,665,331	4,823,283	-
Accounts receivable (net of allowance for uncollectibles)	802,948	7,293,451	8,096,399	-
Loans receivable	2,061,184	-	2,061,184	22,880
Taxes receivable	13,127,916	-	13,127,916	-
Special assessments receivable	105,294	219,224	324,518	-
Accrued interest receivable	57,549	-	57,549	184
Due from other governments	3,080,600	483,436	3,564,036	-
Inventory of supplies	1,134,615	4,007,621	5,142,236	-
Prepaid items	152,443	128,583	281,026	317
Internal balances	1,449,085	(1,449,085)	-	-
Investment in joint ventures	-	3,251,263	3,251,263	-
Regulated asset	-	2,842,427	2,842,427	-
Net pension asset	32,708	31,944	64,652	-
Nondepreciable capital assets	10,803,299	5,489,589	16,292,888	-
Depreciable capital assets	89,508,569	103,755,539	193,264,108	-
Total assets	143,087,750	151,237,850	294,325,600	80,365
Deferred Outflows of Resources				
Pension	4,661,045	1,372,069	6,033,114	-
Total deferred outflows of resources	4,661,045	1,372,069	6,033,114	-
Liabilities				
Accounts payable	618,285	4,000,949	4,619,234	-
Accrued salaries, wages and benefits	544,821	214,181	759,002	-
Accrued interest payable	37,646	46,116	83,762	-
Due to other governments	384,792	810,550	1,195,342	-
Unearned Revenue	-	88,908	88,908	-
Deposit held and due to others	-	1,206,676	1,206,676	-
Notes payable	-	5,100,000	5,100,000	-
Current portion of:				
Accrued compensated absences	1,865,563	-	1,865,563	-
Claims and judgments payable	552,854	-	552,854	-
Capital leases	367,569	1,867,919	2,235,488	-
Payable to AMP	-	167,322	167,322	-
Bonds payable	476,000	1,744,000	2,220,000	-
Long-term portion of:				
Net pension liability	33,879,546	7,599,305	41,478,851	-
Accrued compensated absences	6,705,872	-	6,705,872	-
Claims and judgments payable	232,007	-	232,007	-
Other post-employment benefit obligation	2,278,561	-	2,278,561	-
Capital leases	404,380	5,999,194	6,403,574	-
Payable to Joint Venture	-	766,595	766,595	-
Payable to AMP	-	2,675,105	2,675,105	-
Bonds payable	6,645,208	14,192,579	20,837,787	-
Total liabilities	54,993,104	46,479,399	101,472,503	-
Deferred Inflows of Resources				
Revenues levied for the next year	9,171,064	-	9,171,064	-
Pension	146,673	143,251	289,924	-
Total deferred inflows of resources	9,317,737	143,251	9,460,988	-
Net Position				
Net investment in capital assets	92,335,053	80,341,436	172,676,489	-
Restricted for:				
Capital projects	3,063,077	-	3,063,077	-
Debt service	13,914	-	13,914	-
Special revenue - Community Development Block Grant	2,306,040	-	2,306,040	-
CIC - Community Development	-	-	-	35,546
Permanent fund purpose - Cemetery Perpetual Care	239,020	-	239,020	-
Unrestricted	(14,519,150)	25,645,833	11,126,683	44,819
Total net position	\$ 83,437,954	\$ 105,987,269	\$ 189,425,223	\$ 80,365

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Activities For the Year Ended December 31, 2015

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	\$ 20,818,302	\$ 520,733	\$ 45,917	\$ 100,475
Leisure time activities	2,407,489	33,132	23,250	109,859
Community environment	2,101,857	227,326	355,300	1,245,257
Street maintenance	8,117,963	965,856	2,131,622	4,658,370
General government	6,536,478	2,209,681	7,195	102,823
Interest and fiscal charges	116,030	-	-	-
Total governmental activities	40,098,119	3,956,728	2,563,284	6,216,784
Business-type activities:				
Sewage and disposal	6,803,595	7,001,712	-	96,435
Water	3,991,995	5,345,330	10,276	192,015
Electric	43,879,705	41,872,912	18,538	-
Sanitation	3,298,991	3,634,212	68,946	-
Leisure time activities	5,986,173	6,642,300	-	-
Storm drainage utility	1,209,296	1,174,989	398,396	419,806
Total business-type activities	65,169,755	65,671,455	496,156	708,256
Total primary government	\$ 105,267,874	\$ 69,628,183	\$ 3,059,440	\$ 6,925,040
Component Unit - CIC of Cuyahoga Falls	\$ 143,622	-	-	-
General revenues:				
Property and other local taxes levied for:				
General purposes				
Special revenue				
Income tax levied for:				
General purposes				
Special revenue				
Capital projects				
Grants and entitlements not restricted to specific programs				
Gain on sale of capital assets				
Investment earnings				
Transfers				
Total general revenue and transfers				
Change in net position				
Net position - beginning, as restated				
Net position - ending				

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

(Continued)

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit CIC of Cuyahoga Falls
Governmental Activities	Business-type Activities	Total	
\$ (20,151,177)	\$ -	\$ (20,151,177)	\$ -
(2,241,248)	-	(2,241,248)	-
(273,974)	-	(273,974)	-
(362,115)	-	(362,115)	-
(4,216,779)	-	(4,216,779)	-
(116,030)	-	(116,030)	-
(27,361,323)	-	(27,361,323)	-
-	294,552	294,552	-
-	1,555,626	1,555,626	-
-	(1,988,255)	(1,988,255)	-
-	404,167	404,167	-
-	656,127	656,127	-
-	783,895	783,895	-
-	1,706,112	1,706,112	-
(27,361,323)	1,706,112	(25,655,211)	-
-	-	-	(143,622)
10,966,622	-	10,966,622	-
787,954	-	787,954	-
13,730,190	-	13,730,190	-
1,769,939	-	1,769,939	-
6,489,034	-	6,489,034	-
2,856,650	-	2,856,650	-
103,390	-	103,390	-
364,562	-	364,562	1,295
(3,147,439)	3,147,439	-	-
33,920,902	3,147,439	37,068,341	1,295
6,559,579	4,853,551	11,413,130	(142,327)
76,878,375	101,133,718	178,012,093	222,692
\$ 83,437,954	\$ 105,987,269	\$ 189,425,223	\$ 80,365

City of Cuyahoga Falls, Ohio

Balance Sheet - Governmental Funds December 31, 2015

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in pooled cash and cash equivalents	\$ 7,645,759	\$ 2,480,922	\$ 2,560,273	\$ 12,686,954
Investments	888,665	293,641	303,026	1,485,332
Cash and cash equivalents - restricted	-	-	237,000	237,000
Receivables				
Taxes	12,615,178	-	512,738	13,127,916
Accounts (net of allowance for uncollectibles)	96,466	438,518	241,728	776,712
Loans	181,734	-	1,879,450	2,061,184
Special assessments	-	105,294	-	105,294
Accrued interest	57,242	-	307	57,549
Due from other funds	231,784	-	200,000	431,784
Due from other governments	1,483,926	182,681	1,413,976	3,080,583
Inventory of supplies	139,256	-	723,905	863,161
Prepaid items	122,817	4,998	22,025	149,840
Total assets	\$ 23,462,827	\$ 3,506,054	\$ 8,094,428	\$ 35,063,309
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ 73,290	\$ 438,573	\$ 48,017	\$ 559,880
Accrued salaries, wages and benefits	488,590	-	43,501	532,091
Due to other funds	172,293	-	11,358	183,651
Due to other governments	33,964	4,404	70,330	108,698
Total liabilities	768,137	442,977	173,206	1,384,320
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	11,667,975	474,186	1,332,947	13,475,108
Fund Balances				
Nonspendable	262,073	4,998	984,643	1,251,714
Restricted	181,734	2,183,779	5,602,079	7,967,592
Committed	-	-	1,553	1,553
Assigned	1,153,447	400,114	-	1,553,561
Unassigned	9,429,461	-	-	9,429,461
Total fund balances	11,026,715	2,588,891	6,588,275	20,203,881
Total liabilities, deferred inflows and fund balances	\$ 23,462,827	\$ 3,506,054	\$ 8,094,428	\$ 35,063,309

See accompanying notes to the basic financial statements

**Reconciliation of Total Governmental Fund Balances to Net Position of
Governmental Activities
December 31, 2015**

Total Governmental Fund Balances		\$ 20,203,881
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	\$ 10,781,339	
Depreciable capital assets	<u>89,446,445</u>	100,227,784
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds:		
Investment earnings	57,549	
Property taxes	229,137	
Grants and entitlements	1,944,933	
Income tax	1,546,146	
Special assessments	107,025	
Charges for services	<u>419,254</u>	4,304,044
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:		(4,378,716)
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	4,586,624	
Deferred inflows - pension	(138,903)	
Net pension liability	(33,467,358)	
Net pension asset	<u>30,974</u>	(28,988,663)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable	(37,646)	
Unamortized bond premium	(55,572)	
Unamortized bond discount	17,364	
Capital leases	(771,522)	
Bonds Payable	<u>(7,083,000)</u>	(7,930,376)
Total Governmental Activities Net Position		<u><u>\$ 83,437,954</u></u>

City of Cuyahoga Falls, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Year Ended December 31, 2015

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 8,712,697	\$ -	\$ 508,818	\$ 9,221,515
Municipal income taxes	14,320,862	6,213,955	1,694,908	22,229,725
Other local taxes	2,294,032	-	279,577	2,573,609
State levied shared taxes	2,653,609	-	2,334,654	4,988,263
Intergovernmental	140,208	1,689,549	1,422,044	3,251,801
Charges for services	915,581	1,512,113	4,660	2,432,354
Fees, licenses and permits	110,284	-	733,835	844,119
Interest earnings	313,545	-	22,899	336,444
Fines and forfeitures	231,954	-	19,210	251,164
Special assessments	-	96,116	-	96,116
Other	482,899	108,486	91,966	683,351
Total revenues	<u>30,175,671</u>	<u>9,620,219</u>	<u>7,112,571</u>	<u>46,908,461</u>
Expenditures				
Current				
Security of persons and property	16,569,106	-	2,298,154	18,867,260
Leisure time activities	1,968,234	-	502,495	2,470,729
Community environment	1,293,013	-	1,648,257	2,941,270
Street maintenance	-	-	3,798,443	3,798,443
General government	5,061,475	-	1,298	5,062,773
Capital outlay	-	8,370,123	-	8,370,123
Debt Service				
Principal	51,981	262,168	874,482	1,188,631
Interest	2,708	81,840	66,564	151,112
Total expenditures	<u>24,946,517</u>	<u>8,714,131</u>	<u>9,189,693</u>	<u>42,850,341</u>
Excess (deficiency) of revenues				
Over (under) expenditures	5,229,154	906,088	(2,077,122)	4,058,120
Other Financing Sources (Uses)				
Proceeds from the issuance of debt	-	6,185,000	-	6,185,000
Transfers in	360,260	446,279	2,653,172	3,459,711
Transfers out	(5,483,132)	-	(1,107,451)	(6,590,583)
Total other financing sources (uses)	<u>(5,122,872)</u>	<u>6,631,279</u>	<u>1,545,721</u>	<u>3,054,128</u>
Net change in fund balances	106,282	7,537,367	(531,401)	7,112,248
Fund balance at beginning of year, as restated	10,924,819	(4,953,474)	6,880,481	12,851,826
Change in nonspendable inventory	(7,146)	-	239,425	232,279
Change in nonspendable prepaid items	2,760	4,998	(230)	7,528
Fund balance at end of year	<u>\$ 11,026,715</u>	<u>\$ 2,588,891</u>	<u>\$ 6,588,275</u>	<u>\$ 20,203,881</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, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 7,112,248

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

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

Capital additions	\$ 9,488,525	
Current year depreciation	<u>(4,440,341)</u>	5,048,184

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. (283,701)

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. 239,807

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

Investment earnings	9,907	
Property taxes	(43,977)	
Grants and entitlements	220,587	
Income tax	(240,562)	
Special assessments	(29,370)	
Charges for services	<u>(93,156)</u>	(176,571)

The long-term liability for net pension liability is not recorded in governmental funds. A portion of the current year change is recorded as deferred inflows and deferred outflows. This year the deferred amounts are amortized and the current year net pension expense was recorded in the statement of activities.

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 3,066,738

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,385,119)

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. 1,188,631

Issuance of long-term debt and capital leases in governmental funds increased long-term liabilities in the statement of net position. (6,311,073)

In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds an interest expenditure is reported when due. (32,100)

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. 84,564

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. 7,971

Change in Net Position of Governmental Activities \$ 6,559,579

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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 8,520,575	\$ 8,700,415	\$ 8,712,697	\$ 12,282
Income taxes	13,841,364	14,434,314	14,308,202	(126,112)
Other local taxes	489,200	512,200	2,295,846	1,783,646
State levied shared taxes	2,668,621	2,638,781	2,655,889	17,108
Intergovernmental	65,265	65,265	131,732	66,467
Charges for services	3,650,505	3,650,505	3,622,299	(28,206)
Fees, licenses, and permits	115,200	115,200	108,884	(6,316)
Interest earnings	-	331,000	329,788	(1,212)
Fines and forfeitures	256,000	256,000	232,308	(23,692)
Other	285,590	405,590	498,109	92,519
Total revenues	<u>29,892,320</u>	<u>31,109,270</u>	<u>32,895,754</u>	<u>1,786,484</u>
Expenditures				
Current				
Security of persons and property	17,595,679	17,170,680	16,906,039	264,641
Leisure time activities	2,287,811	2,257,811	2,193,807	64,004
Community environment	1,378,426	1,606,426	1,539,484	66,942
General government	8,005,761	8,137,797	7,675,309	462,488
Debt Service				
Principal	51,983	51,983	51,981	2
Interest	2,715	2,715	2,708	7
Total expenditures	<u>29,322,375</u>	<u>29,227,412</u>	<u>28,369,328</u>	<u>858,084</u>
Excess (deficiency) of revenues over (under) expenditures	569,945	1,881,858	4,526,426	2,644,568
Other Financing Sources (Uses)				
Transfers in	1,800,000	2,167,255	360,260	(1,806,995)
Transfers out	(4,699,450)	(5,513,902)	(5,483,132)	30,770
Total other financing sources (uses)	<u>(2,899,450)</u>	<u>(3,346,647)</u>	<u>(5,122,872)</u>	<u>(1,776,225)</u>
Net change in fund balances	(2,329,505)	(1,464,789)	(596,446)	868,343
Fund balance at beginning of year, as restated	8,673,461	8,673,461	8,673,461	-
Prior year encumbrances appropriated	212,067	212,067	212,067	-
Fund balance at end of year	<u>\$ 6,556,023</u>	<u>\$ 7,420,739</u>	<u>\$ 8,289,082</u>	<u>\$ 868,343</u>

See accompanying notes to the basic financial statements

Statement of Net Position - Proprietary Funds
December 31, 2015

	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	\$ 2,426,216	\$ 3,631,508	\$ 11,522,005	\$ 2,162,362	\$ 2,603,012	\$ 173,424	\$ 22,518,527
Investments	287,166	429,825	1,363,785	255,937	308,092	20,526	2,665,331
Receivables							
Accounts							
(net of allowance for uncollectibles)	820,001	634,668	5,488,035	184,482	65,529	100,736	7,293,451
Special assessments	9,549	9,840	-	-	-	199,835	219,224
Due from other funds	36,782	-	869,552	14,581	-	14,127	935,042
Due from other governments	83,083	307	8,946	-	912	390,188	483,436
Inventory of supplies	39,613	471,099	3,316,409	90,307	89,835	358	4,007,621
Prepaid items	13,885	20,526	37,849	8,741	47,151	431	128,583
Investment in joint ventures	-	-	3,251,263	-	-	-	3,251,263
Total current assets	3,716,295	5,197,773	25,857,844	2,716,410	3,114,531	899,625	41,502,478
Noncurrent Assets							
Net pension asset	2,563	4,741	10,675	3,655	8,895	1,415	31,944
Regulated asset	-	-	2,842,427	-	-	-	2,842,427
Capital Assets							
Land	93,459	135,605	530,756	152,781	1,787,907	888,620	3,589,128
Buildings	501,757	1,056,766	1,005,179	330,817	35,987,688	11,700	38,893,907
Improvements other than buildings	30,062,838	32,595,373	45,375,027	257,918	4,771,786	12,292,612	125,355,554
Equipment	1,504,390	1,919,508	6,606,938	4,506,680	871,218	697,915	16,106,649
CIP	72,277	1,521,482	212,536	6,049	41,250	46,867	1,900,461
Less: Accumulated depreciation	(13,414,256)	(15,877,477)	(29,192,597)	(2,817,101)	(12,692,021)	(2,607,119)	(76,600,571)
Total noncurrent assets	18,823,028	21,355,998	27,390,941	2,440,799	30,776,723	11,332,010	112,119,499
Total assets	22,539,323	26,553,771	53,248,785	5,157,209	33,891,254	12,231,635	153,621,977
Deferred Outflows of Resources							
Pension	110,014	203,596	458,566	157,009	382,102	60,782	1,372,069
Total deferred outflows of resources	110,014	203,596	458,566	157,009	382,102	60,782	1,372,069
Liabilities							
Current Liabilities							
Accounts payable	4,704	454,352	3,127,948	393,048	20,196	701	4,000,949
Accrued salaries, wages and benefits	18,460	34,286	99,107	25,078	33,495	3,755	214,181
Accrued compensated absences	-	-	-	-	-	-	-
Accrued interest payable	2,411	9,274	-	-	34,431	-	46,116
Unearned revenue	-	-	-	-	88,908	-	88,908
Due to other funds	172,131	235,807	3,943	143,319	628,192	14	1,183,500
Due to other governments	784,004	4,134	14,410	2,941	4,447	614	810,456
Deposits held and due to others	-	1,990	1,204,686	-	-	-	1,206,676
Claims and judgments payable	-	-	-	-	-	-	-
Capital lease obligations	551,744	367,266	870,105	27,867	7,048	43,889	1,867,919
Payable to AMP	-	-	167,322	-	-	-	167,322
General obligation notes payable	-	1,800,000	-	-	3,300,000	-	5,100,000
General obligation bonds payable	305,000	764,000	-	-	675,000	-	1,744,000
Total current liabilities	1,838,454	3,671,109	5,487,521	592,253	4,791,717	48,973	16,430,027
Noncurrent Liabilities							
Net pension liability	609,325	1,127,634	2,539,800	869,605	2,116,301	336,640	7,599,305
Accrued compensated absences	-	-	-	-	-	-	-
Claims and judgments payable	-	-	-	-	-	-	-
Other post-employment benefit obligation	-	-	-	-	-	-	-
Capital lease obligations	1,799,552	1,189,865	2,827,681	90,018	1,196	90,882	5,999,194
Payable to joint venture	-	-	766,595	-	-	-	766,595
Payable to AMP	-	-	2,675,105	-	-	-	2,675,105
General obligation bonds payable	516,267	2,548,489	-	-	11,127,823	-	14,192,579
Total noncurrent liabilities	2,925,144	4,865,988	8,809,181	959,623	13,245,320	427,522	31,232,778
Total liabilities	4,763,598	8,537,097	14,296,702	1,551,876	18,037,037	476,495	47,662,805
Deferred Inflows of Resources							
Pension	11,486	21,256	47,877	16,393	39,894	6,345	143,251
Total deferred inflows of resources	11,486	21,256	47,877	16,393	39,894	6,345	143,251
Net Position							
Net investment in capital assets	15,647,902	14,681,637	20,840,053	2,319,259	15,656,761	11,195,824	80,341,436
Unrestricted	2,226,351	3,517,377	18,522,719	1,426,690	539,664	613,753	26,846,554
Total net position	\$ 17,874,253	\$ 18,199,014	\$ 39,362,772	\$ 3,745,949	\$ 16,196,425	\$ 11,809,577	\$ 107,187,990
Adjustment to consolidate the internal service fund activities related to enterprise funds.							(1,200,721)
Total net position of business-type activities							\$ 105,987,269

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Net Position - Proprietary Funds December 31, 2015

(Continued)

	Governmental Activities - Internal Service Funds
Assets	
Current Assets	
Equity in pooled cash and cash equivalents	\$ 5,689,634
Investments	672,620
Receivables	
Accounts	
(net of allowance for uncollectibles)	26,236
Special assessments	-
Due from other funds	3,346
Due from other governments	17
Inventory of supplies	271,454
Prepaid items	2,603
Investment in joint ventures	-
Total current assets	<u>6,665,910</u>
Noncurrent Assets	
Net pension asset	1,734
Regulated asset	-
Capital Assets	
Land	21,960
Buildings	105,958
Improvements other than buildings	260,029
Equipment	165,744
CIP	-
Less: Accumulated depreciation	<u>(469,607)</u>
Total noncurrent assets	<u>85,818</u>
Total assets	<u>6,751,728</u>
Deferred Outflows of Resources	
Pension	74,421
Total deferred outflows of resources	<u>74,421</u>
Liabilities	
Current Liabilities	
Accounts payable	58,405
Accrued salaries, wages and benefits	12,730
Accrued compensated absences	1,865,563
Accrued interest payable	-
Unearned revenue	-
Due to other funds	3,115
Due to other governments	276,094
Deposits held and due to others	-
Claims and judgments payable	552,854
Capital lease obligations	365
Payable to AMP	-
General obligation notes payable	-
General obligation bonds payable	-
Total current liabilities	<u>2,769,126</u>
Noncurrent Liabilities	
Net pension liability	412,188
Accrued compensated absences	6,705,872
Claims and judgments payable	232,007
Other post-employment benefit obligation	2,278,561
Capital lease obligations	62
Payable to joint venture	-
Payable to AMP	-
General obligation bonds payable	-
Total noncurrent liabilities	<u>9,628,690</u>
Total liabilities	<u>12,397,816</u>
Deferred Inflows of Resources	
Pension	7,770
Total deferred inflows of resources	<u>7,770</u>
Net Position	
Net investment in capital assets	83,657
Unrestricted	(5,663,094)
Total net position	<u>\$ (5,579,437)</u>

City of Cuyahoga Falls, Ohio

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
Operating Revenues							
Charges for services	\$ 6,879,048	\$ 5,077,909	\$ 42,008,461	\$ 3,481,514	\$ 5,412,499	\$ 1,133,063	\$ 63,992,494
Other local taxes	-	-	8,622	-	-	-	8,622
Other	185,267	267,421	289,438	174,984	1,229,801	65,906	2,212,817
Total operating revenues	<u>7,064,315</u>	<u>5,345,330</u>	<u>42,306,521</u>	<u>3,656,498</u>	<u>6,642,300</u>	<u>1,198,969</u>	<u>66,213,933</u>
Operating Expenses							
Personal services	672,472	1,249,421	2,829,402	957,865	2,335,873	378,694	8,423,727
Fringe benefits	257,241	461,415	1,018,041	356,010	520,500	170,666	2,783,873
Purchased power	-	-	30,146,385	-	-	-	30,146,385
Materials and supplies	40,940	346,869	5,798,305	220,310	186,066	36,637	6,629,127
Utilities	31,167	322,576	50,714	14,228	192,687	613	611,985
Contractual services	4,299,623	75,112	135,605	749,677	82,692	103,287	5,445,996
Internal charges	243,743	284,432	1,119,759	318,440	480,378	54,883	2,501,635
Other	357,221	514,045	974,964	298,403	905,751	156,062	3,206,446
Depreciation	782,171	965,197	1,656,216	405,745	959,662	307,591	5,076,582
Total Operating Expenses	<u>6,684,578</u>	<u>4,219,067</u>	<u>43,729,391</u>	<u>3,320,678</u>	<u>5,663,609</u>	<u>1,208,433</u>	<u>64,825,756</u>
Net income (loss) from operations	<u>379,737</u>	<u>1,126,263</u>	<u>(1,422,870)</u>	<u>335,820</u>	<u>978,691</u>	<u>(9,464)</u>	<u>1,388,177</u>
Nonoperating Revenues (Expenses)							
Interest revenue	-	-	-	-	-	-	-
Interest expense	(152,398)	(177,862)	(197,368)	(6,293)	(387,719)	(11)	(921,651)
Gain (loss) from disposal of capital assets	-	-	38,657	11,502	(3,228)	-	46,931
Grants	-	10,276	18,538	68,946	-	398,396	496,156
Total nonoperating revenues (expenses)	<u>(152,398)</u>	<u>(167,586)</u>	<u>(140,173)</u>	<u>74,155</u>	<u>(390,947)</u>	<u>398,385</u>	<u>(378,564)</u>
Income (loss) before contributions and transfers	<u>227,339</u>	<u>958,677</u>	<u>(1,563,043)</u>	<u>409,975</u>	<u>587,744</u>	<u>388,921</u>	<u>1,009,613</u>
Capital Contributions	96,435	192,015	-	-	-	433,564	722,014
Transfers in	-	-	1,769,231	-	1,364,450	-	3,133,681
Transfers out	-	-	-	-	-	-	-
Changes in net position	<u>323,774</u>	<u>1,150,692</u>	<u>206,188</u>	<u>409,975</u>	<u>1,952,194</u>	<u>822,485</u>	<u>4,865,308</u>
Total net position - beginning, as restated	17,550,479	17,048,322	39,156,584	3,335,974	14,244,231	10,987,092	
Total net position - ending	<u>\$ 17,874,253</u>	<u>\$ 18,199,014</u>	<u>\$ 39,362,772</u>	<u>\$ 3,745,949</u>	<u>\$ 16,196,425</u>	<u>\$ 11,809,577</u>	
Adjustment to consolidate the internal service fund activities related to enterprise funds.							(11,757)
Change in net position of business-type activities							<u>\$ 4,853,551</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, 2015

(Continued)

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for services	\$ 8,609,382
Other local taxes	-
Other	185,682
Total operating revenues	<u>8,795,064</u>
Operating Expenses	
Personal services	1,205,501
Fringe benefits	6,131,636
Purchased power	-
Materials and supplies	861,024
Utilities	10,811
Contractual services	77,174
Internal charges	152,888
Other	385,937
Depreciation	12,062
Total Operating Expenses	<u>8,837,033</u>
Net income (loss) from operations	<u>(41,969)</u>
Nonoperating Revenues (Expenses)	
Interest revenue	16,365
Interest expense	(18)
Gain (loss) from disposal of capital assets	1,625
Grants	23,020
Total nonoperating revenues (expenses)	<u>40,992</u>
Income (loss) before contributions and transfers	<u>(977)</u>
Capital Contributions	-
Transfers in	-
Transfers out	(2,809)
Changes in net position	<u>(3,786)</u>
Total net position - beginning, as restated	(5,575,651)
Total net position - ending	<u>\$ (5,579,437)</u>

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2015

	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	\$ 7,146,890	\$ 5,490,209	\$ 42,927,207	\$ 3,757,903	\$ 6,638,418	\$ 1,229,892	\$ 67,190,519
Cash payments to employees for services	(684,743)	(1,273,511)	(2,855,486)	(980,908)	(2,382,504)	(381,019)	(8,558,171)
Cash payments to employees for benefits	(269,106)	(483,462)	(1,061,196)	(373,556)	(560,315)	(176,254)	(2,923,889)
Cash payments to suppliers for goods and services	(5,086,721)	(1,658,935)	(38,100,116)	(1,686,967)	(1,861,693)	(404,883)	(48,799,315)
Net cash provided by (used in) operating activities	1,106,320	2,074,301	910,409	716,472	1,833,906	267,736	6,909,144
Cash Flows From Non-Capital Financing Activities							
Grant proceeds	-	10,158	9,619	68,946	-	8,208	96,931
Transfers in	-	-	1,769,231	-	1,364,450	-	3,133,681
Transfers out	-	-	-	-	-	-	-
Net cash provided by (used in) non-capital financing activities	-	10,158	1,778,850	68,946	1,364,450	8,208	3,230,612
Cash Flows From Capital and Related Financing Activities							
Acquisition of capital assets	(219,253)	(2,487,815)	(1,401,663)	(548,259)	(41,250)	(447,213)	(5,145,453)
Grant proceeds	-	-	-	-	-	189,343	189,343
Proceeds from the sale of capital assets	-	-	18,657	11,502	-	-	30,159
Bond/note proceeds	-	1,812,528	-	-	3,322,968	-	5,135,496
Debt service							
Principal	(820,703)	(2,139,960)	(833,808)	(26,705)	(5,782,714)	(47,381)	(9,651,271)
Interest	(166,127)	(208,907)	(197,368)	(6,293)	(453,808)	(11)	(1,032,514)
Net cash provided by (used in) capital and related financing activities	(1,206,083)	(3,024,154)	(2,414,182)	(569,755)	(2,954,804)	(305,262)	(10,474,240)
Cash Flows from Investing Activities							
Interest revenue	-	-	-	-	-	-	-
Sale of investments	533,056	947,633	2,389,572	417,372	505,468	42,307	4,835,408
Purchase of investments	(287,166)	(429,825)	(1,363,785)	(255,937)	(308,092)	(20,526)	(2,665,331)
Net cash provided by investing activities	245,890	517,808	1,025,787	161,435	197,376	21,781	2,170,077
Net increase (decrease) in cash and cash equivalents	146,127	(421,887)	1,300,864	377,098	440,928	(7,537)	1,835,593
Cash and cash equivalents at Beginning of Year	2,280,089	4,053,395	10,221,141	1,785,264	2,162,084	180,961	20,682,934
Cash and cash equivalents at end of year	\$ 2,426,216	\$ 3,631,508	\$ 11,522,005	\$ 2,162,362	\$ 2,603,012	\$ 173,424	\$ 22,518,527

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, 2015

(Continued)

	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities	
Cash received from customers	\$ 8,787,864
Cash payments to employees for services	(800,933)
Cash payments to employees for benefits	(5,701,667)
Cash payments to suppliers for goods and services	<u>(1,602,818)</u>
Net cash provided by (used in) operating activities	682,446
Cash Flows From Non-Capital Financing Activities	
Grant proceeds	23,020
Transfers in	-
Transfers out	<u>(2,809)</u>
Net cash provided by (used in) non-capital financing activities	20,211
Cash Flows From Capital and Related Financing Activities	
Acquisition of capital assets	-
Grant Proceeds	-
Proceeds from the sale of capital assets	1,625
Bond/note proceeds	-
Debt service	-
Principal	(355)
Interest	<u>(18)</u>
Net cash provided by (used in) capital and related financing activities	1,252
Cash Flows from Investing Activities	
Interest revenue	16,365
Sale of investments	1,068,190
Purchase of investments	<u>(672,620)</u>
Net cash provided by investing activities	<u>411,935</u>
Net increase (decrease) in cash and cash equivalents	1,115,844
Cash and cash equivalents at Beginning of Year	<u>4,573,790</u>
Cash and cash equivalents at end of year	<u>\$ 5,689,634</u>

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2015

(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 (Used in) Operating Activities							
Operating Income (Loss)	\$ 379,737	\$ 1,126,263	\$ (1,422,870)	\$ 335,820	\$ 978,691	\$ (9,464)	\$ 1,388,177
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	782,171	965,197	1,656,216	405,745	959,662	307,591	5,076,582
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:							
Receivables	(64,077)	(6,529)	(203,079)	47,493	(4,098)	3,753	(226,537)
Due from other funds	(3,338)	-	(16,586)	693	-	18	(19,213)
Due from other governments	(443)	955	69	895	588	-	2,064
Inventory of supplies	(2,276)	(2,077)	193,495	(15,868)	(3,212)	(89)	169,973
Prepaid items	49	204	348	105	539	8	1,253
Investment in joint ventures	-	-	276,222	-	-	-	276,222
Deferred outflows of resources - pension	(110,014)	(203,596)	(458,566)	(157,008)	(382,102)	(60,782)	(1,372,068)
Accounts payable							
- net of items affecting capital assets	3,758	24,981	477,300	(15,188)	(13,681)	(25,877)	451,293
Accrued salaries, wages and benefits	(12,271)	(24,090)	(26,084)	(23,043)	(46,631)	(2,325)	(134,444)
Due to other funds	551	13,721	(496)	(1,053)	1,977	(16)	14,684
Due to other governments	31,578	(7,188)	(17,530)	(6,115)	(7,888)	(824)	(7,967)
Deposits held and due to others	-	(260)	31,410	-	-	-	31,150
Other post-employment benefit							
obligation	-	-	-	-	-	-	-
Claims and judgments payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	(372)	-	(372)
Deferred inflows of resources - pension	11,486	21,256	47,877	16,393	39,894	6,345	143,251
Net pension liability	89,409	165,464	372,683	127,603	310,539	49,398	1,115,096
Total adjustments	726,583	948,038	2,333,279	380,652	855,215	277,200	5,520,967
Net cash provided by (used in) operating activities	\$ 1,106,320	\$ 2,074,301	\$ 910,409	\$ 716,472	\$ 1,833,906	\$ 267,736	\$ 6,909,144

During 2015, the Sewage and Disposal, Water, and Storm Drainage Utility Enterprise Funds received contributions in the form of capital assets from private developers in the amount of \$96,435, \$192,015, and \$433,564, respectively. In addition, the Storm Drainage Utility Fund received contributions in the form of engineering services relating to storm drainage improvements in the amount of \$13,758 from the Capital Projects Fund.

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2015

(Continued)

	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income	
(Loss) to Net cash provided by	
(Used in) Operating Activities	
Operating Income (Loss)	\$ (41,969)
Adjustments to reconcile operating	
income (loss) to net cash provided by	
(used in) operating activities:	
Depreciation	12,062
Decrease (increase) in operating assets and	
increase (decrease) in operating liabilities:	
Receivables	(9,824)
Due from other funds	2,641
Due from other governments	(17)
Inventory of supplies	(111,063)
Prepaid items	(162)
Investment in joint ventures	-
Deferred outflows of resources - pension	(74,421)
Accounts payable	
- net of items affecting capital assets	(7,688)
Accrued salaries, wages and benefits	404,568
Due to other funds	2,304
Due to other governments	(9,696)
Deposits held and due to others	-
Other post-employment benefit	
obligation	351,664
Claims and judgments payable	95,794
Unearned revenue	-
Deferred inflows of resources - pension	7,770
Net pension liability	60,483
Total adjustments	<u>724,415</u>
Net cash provided by (used in)	
operating activities	<u>\$ 682,446</u>

Statement of Fiduciary Net Position - Fiduciary Funds
December 31, 2015

	Agency Funds
Assets	
Current Assets	
Equity in pooled cash and cash equivalents	\$ 1,443,793
Cash and cash equivalents - restricted	500
Investments	170,887
Income taxes receivable	11,756
Due from other governments	127,561
Total assets	\$ 1,754,497
Liabilities	
Current Liabilities	
Due to other governments	\$ 1,021,335
Deposits held and due to others	733,162
Total liabilities	\$ 1,754,497

See accompanying notes to the basic financial statements

**NOTES TO THE FINANCIAL
STATEMENTS**

**Notes to the Financial Statements
December 31, 2015**

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 6 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, Office Supply, Self Insurance, Workers' Compensation and Compensated Absences. All of the City's internal service funds are nonmajor funds. Due to a change in the method of ordering, purchasing and delivery of office supplies and custodial products, the Office Supply Fund was closed at December 31, 2015, and a residual equity transfer of \$2,809 was made to the General Fund.

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, money on deposit with the Cuyahoga Falls Mayor's Court, 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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2015.

Lapsing of Appropriations

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year end are reported as 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 short-term investments in order to provide improved cash management. The restricted cash and investments from the following funds are not included in the City's pooled cash and investments: Debt Service Fund and Cemetery Perpetual Care Permanent Fund. These short-term investments consist of repurchase agreements, U.S. Treasury Notes, money market accounts and other governmental bonds. Investments maturing within three months of purchase and investments of the pool are included in "Equity in Pooled Cash and Cash Equivalents." For purposes of the statements of cash flows, cash and cash equivalents consist of cash and highly liquid short-term investments with original maturities of three months or less.

Invested monies are stated at fair value, with the exception of money market investments and participating interest-earning contracts that have a remaining maturity at time of purchase of one year or less, which are reported at amortized cost. For reporting purposes, interest earned by the cash and investment pool has been reported as interest income by the Capital Improvement Reserve Capital Projects Fund in accordance with local ordinance, with the exception of the Workers' 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 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 nonspendable 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, 2015, 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 nonspendable 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 fair market values as of the date received. The City has a capitalization threshold to \$5,000. The City's infrastructure consists of roads, bridges, culverts, 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:

Assets	Years
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, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 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 delinquent property taxes, intergovernmental receivables, uncollected assessments, miscellaneous receivables, interest, and income taxes not 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 are reported on the government-wide statement of net position. (See Note 7 and 13).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 statement of net position. For deferred charges on refunding, based on analysis of prior years' debt refundings, the City does not feel these transactions are significant enough for recognition and future amortization.

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

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

Accrued Liabilities and Long-Term Obligations

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

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 ó 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 ñnot in spendable formö 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 ó 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 ó 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 ó 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 ó 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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 nonoperating.

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 2015, the Sewage and Disposal, Water, and Storm Drainage Utility Funds received contribution of capital from private developers in the amount of \$96,435, \$192,015, and \$433,564 respectively. The Storm Drainage Utility Fund received contributions of capital in the amounts of \$13,758 from governmental activities for engineering services relating to storm drainage improvements. In addition, governmental activities received contributions in the form of capital assets in the amount of \$42,850 from the Workers' Compensation Internal Service Fund for safety equipment for the Street Department which was purchased in part with Ohio Bureau of Workers' Compensation safety intervention grant proceeds.

Interfund Activity

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

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

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 2015.

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).
- D. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

Net Change in Fund Balance ó General Fund

GAAP Basis	\$106,282
Increase (decrease) due to:	
Net change in receivables and other assets not recognized on a budget basis	(119,480)
Net change in liabilities not recognized on a budget basis	(321,663)
Encumbrances	<u>(261,585)</u>
Budget Basis	<u>\$(596,446)</u>

NOTE 4 - RECEIVABLES

Receivables at December 31, 2015, 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 \$8,887,463 and \$512,738 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, 2015.

The assessed values of real public utility and tangible personal property upon which 2015 property tax receipts were based are as follows:

Property Types	Valuation
Real Property ó 2014 Tax Valuation	\$ 945,616,820
Public Utility Property ó 2013 Tax Valuation	8,783,580
Total Valuation	\$ 954,400,400

City of Cuyahoga Falls, Ohio

NOTE 4 – RECEIVABLES (CONTINUED)

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.

On a full accrual basis, municipal income tax revenue for 2015 for the City was \$22,124,221. The amount of \$3,727,715 has been recorded in the General Fund as taxes receivable (net of refunds) to reflect income taxes receivable recorded as of December 31, 2015.

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

Due From Other Governments

A summary of due from other governments follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Local Government and Local Government Revenue	
Assistance	\$ 690,104
Municipal Income Tax	63,666
Homestead and Rollback	700,109
Gasoline and Excise Tax	523,136
Motor Vehicle License Fees	149,945
Permissive Motor Vehicle License Tax	245,436
EMS Transport Fees	74,373
Highway Distribution	262,923
Liquor Permits	15,582
Enhanced 9-1-1 Wireless Distribution	8,060
Federal Grants	36,450
Other State Grants and Reimbursements	278,657
Other Agencies	32,159
Total Governmental Activities	<u>\$ 3,080,600</u>
Business-type Activities	
Utilities Charges	\$ 82,333
Other Agencies	401,103
Total Business-Type Activities	<u>\$ 483,436</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 pledge a pool of government securities the face value of which is at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the City's name.

During 2015, 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 \$42,565,923 and the bank balance was \$44,193,372. Of the bank balance \$16,506,075 was covered by Federal depository insurance and \$27,687,297 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 \$10,485 as of December 31, 2015.

At year-end, the carrying amount of the Community Improvement Corporation of Cuyahoga Falls, a component unit, deposits were \$56,984 and the bank balance was \$59,979. Information regarding the collateralization of the Community Improvement Corporation of Cuyahoga Falls can be obtained from the corporation's compilation report.

Investments

Investments are reported at fair value. As of December 31, 2015 the City had the following investments:

	Fair Value	Credit Rating (*)		
			< 1	> 1
Repurchase Agreements:				
Federal Home Loan Mortgage	\$ 1,995,340	Aaa*	-	\$ 1,995,340
United States Treasury Note	2,998,830	Aaa*	\$ 2,998,830	-
Total	\$ 4,994,170		\$ 2,998,830	\$ 1,995,340

* 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, Federal National Mortgage Association Note, and Federal Home Loan Mortgage Note are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

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 (STAROhio), of no more than 25% of total investments. The following is the City's risk allocation on deposit and investment as of December 31, 2015.

Investment Issuer	Percentage of Investment
Federal Home Loan Mortgage	39.95%
United States Treasury Note	60.05%
Total	100.00%

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	<u>Balance 1/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2015</u>
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 8,813,394	\$ 1,551,841	\$ -	\$ 10,365,235
Construction In Progress	10,393,926	3,298,229	(13,254,091)	438,064
<i>Total Capital Assets Not Being Depreciated</i>	19,207,320	4,850,070	(13,254,091)	10,803,299
<i>Capital Assets Being Depreciated</i>				
Buildings	28,680,007	395,208	(298,756)	28,776,459
Improvements	2,037,305	6,406,578	-	8,443,883
Machinery and Equipment	29,315,544	2,427,458	(1,332,955)	30,410,047
Infrastructure				
Roads	63,479,863	8,607,052	-	72,086,915
Traffic Signals	235,519	-	-	235,519
Bridges	10,656,180	56,250	-	10,712,430
<i>Total Capital Assets Being Depreciated</i>	134,404,418	17,892,546	(1,631,711)	150,665,253
<i>Less Accumulated Depreciation</i>				
Buildings	(12,479,192)	(673,945)	286,283	(12,866,854)
Improvements	(685,799)	(196,315)	-	(882,114)
Machinery and Equipment	(21,182,767)	(1,777,052)	1,061,727	(21,898,092)
Infrastructure				
Roads	(21,367,159)	(1,581,011)	-	(22,948,170)
Traffic Signals	(131,045)	(20,827)	-	(151,872)
Bridges	(2,206,329)	(203,253)	-	(2,409,582)
<i>Total Accumulated Depreciation</i>	(58,052,291)	(4,452,403)	1,348,010	(61,156,684)
<i>Total Capital Assets Being Depreciated, Net</i>	76,352,127	13,440,143	(283,701)	89,508,569
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 95,559,447</u>	<u>\$ 18,290,213</u>	<u>\$ (13,537,792)</u>	<u>\$ 100,311,868</u>
*Depreciation expense was charged to governmental functions as follows:				
General Government				\$ 460,622
Security of Persons and Property				1,198,740
Community Environment				222,144
Leisure Time Activities				211,569
Street Maintenance				2,347,266
Garage				12,062
Grand Total				<u><u>\$ 4,452,403</u></u>

City of Cuyahoga Falls, Ohio

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	<u>Balance 1/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2015</u>
Business -type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 3,589,128	\$ -	\$ -	\$ 3,589,128
Construction In Progress	1,383,969	2,794,151	(2,277,659)	1,900,461
<i>Total Capital Assets Not Being Depreciated</i>	4,973,097	2,794,151	(2,277,659)	5,489,589
<i>Capital Assets Being Depreciated</i>				
Buildings	38,878,886	15,021	-	38,893,907
Improvements	121,454,793	3,907,393	(6,632)	125,355,554
Machinery and Equipment	14,835,194	2,033,271	(761,816)	16,106,649
<i>Total Capital Assets Being Depreciated</i>	175,168,873	5,955,685	(768,448)	180,356,110
<i>Less Accumulated Depreciation</i>				
Buildings	(10,437,384)	(825,551)	-	(11,262,935)
Improvements	(52,217,518)	(3,236,335)	6,632	(55,447,221)
Machinery and Equipment	(9,518,524)	(1,014,696)	642,805	(9,890,415)
<i>Total Accumulated Depreciation</i>	(72,173,426)	(5,076,582)	649,437	(76,600,571)
<i>Total Capital Assets Being Depreciated, Net</i>	102,995,447	879,103	(119,011)	103,755,539
<i>Total Business-Type Capital Assets, Net</i>	<u>\$ 107,968,544</u>	<u>\$ 3,673,254</u>	<u>\$ (2,396,670)</u>	<u>\$ 109,245,128</u>

*Depreciation expense was charged to business-type activities as follows:

Sewage and Disposal	\$ 782,171
Water	965,197
Electric	1,656,216
Sanitation	405,745
Leisure Time	959,662
Storm Drainage	307,591
Total	<u>\$ 5,076,582</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 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 any net pension 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 or net pension asset, respectively*, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

Plan Description - Ohio Police and Fire Pension Fund (OPERS)

Plan Description - City employees, other than full-time police and firefighters, 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's traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority 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's 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’s CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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 57 with 25 years of service credit or Age 62 with 5 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.

When a 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.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member’s FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. 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 member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the member’s contributions, vested employer contributions and investment gains or losses resulting from the member’s investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0 %
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution for both the Traditional Pension Plan and the Combined Plan was \$1,952,322 for 2015. Of this amount, \$62,361 is reported as a due to other government.

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 that 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.

City of Cuyahoga Falls, Ohio

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

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.

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 retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

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

	<u>Police</u>	<u>Firefighters</u>
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	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 \$2,131,381 for 2015. Of this amount, \$65,200 is reported as a due to other government.

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability or asset was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability or 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:

	<u>Traditional Pension Plan</u>	<u>Combined Pension Plan</u>	<u>OPF Police</u>	<u>OPF Fire</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability/(Asset)	\$15,380,096	(\$64,652)	\$10,726,924	\$ 15,371,831	\$41,414,199
Proportion of the Net Pension Liability/Asset	0.127518%	0.167910%	0.2070668%	0.2967296%	
Pension Expense	1,679,207	42,960	1,046,657	1,513,371	4,282,195

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OPF Police</u>	<u>OPF Fire</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences between expected and actual experience	\$824,581	\$462,320	\$662,512	\$1,949,413
City contributions subsequent to the measurement date	<u>1,952,322</u>	<u>889,248</u>	<u>1,242,133</u>	<u>4,083,703</u>
Total Deferred Outflows of Resources	<u><u>\$2,776,903</u></u>	<u><u>\$1,351,568</u></u>	<u><u>\$1,904,645</u></u>	<u><u>\$6,033,116</u></u>
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	<u><u>\$289,925</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$289,925</u></u>

\$4,083,703 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, 2016. 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	OPF Police	OPF Fire	Total
	2016	\$79,129	\$115,580	\$165,628
2017	79,129	115,580	165,628	360,337
2018	182,942	115,580	165,628	464,150
2019	203,799	115,580	165,628	485,007
2020	(2,346)	0	0	(2,346)
Thereafter	(7,997)	0	0	(7,997)
Total	<u>\$534,656</u>	<u>\$462,320</u>	<u>\$662,512</u>	<u>\$1,659,488</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, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 8.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

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 four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust 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 and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

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 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

Discount Rate

The discount rate used to measure the total pension liability/asset was 8 percent for both the Traditional Pension Plan and the Combined Plan. 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 statutorily required rates. 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.

City of Cuyahoga Falls, Ohio

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

The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Traditional Pension Plan	\$28,294,969	\$15,380,096	\$4,502,661
Combined Plan	\$8,396	(\$64,650)	(\$122,574)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, 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. 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

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, 2014 are summarized below:

NOTE 7 – DEFINED BENEFITS PENSION PLANS (CONTINUED)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

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 8.25 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 8.25 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.

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 8.25 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 (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$36,098,525	\$26,098,755	\$17,631,988

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description

Ohio Public Employee 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 two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 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 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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 in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.00 percent of earnable salary, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees 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 2.0% during calendar year 2015. As recommended by OPERS's actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The 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 to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

The City's actual employer contributions for December 31, 2015, 2014 and 2013 which were used to fund post-employment benefits were \$331,145, 329,947, and \$161,601, respectively; 92.6 percent has been contributed for 2015 and 100 percent has been contributed for 2014 and 2013.

Ohio Police and Fire Pension Fund

Plan Description

The City of Cuyahoga Falls contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing, multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement 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 GASB Statement 45.

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. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 and is also available on OP&F's website at www.op-f.org.

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 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 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. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

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. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2015 through December 31, 2015. 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 also is 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.

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

The City's annual contributions for December 31, 2015, 2014, and 2013 that were used to fund post-employment benefits were \$25,429 for police and \$28,456 for fire, \$24,381 for police and \$28,782 for fire, and \$167,289 for police and \$189,731 for fire, respectively; For 2015, 92.5 percent for police and 100 percent for firefighters, respectively, has been contributed. For 2014, 92.5 percent for police and 93.2 percent for firefighters, respectively, has been contributed. The full amount has been contributed for 2013.

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	Utility Workers of America Local #399
		Dispatchers	Fraternal Order of Police-Ohio Labor Council, Inc. (FOP-OLC)
100%	of accumulated sick leave up to a maximum of 1,500 hours	Police Sergeants/Lieutenants	Gold (OPBA)*
		Police Captains/Chief	None
46.67%	of accumulated sick leave up to a maximum of 2,704 hours	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.

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 \$145,216,526 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, and 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.

Since March 31, 2014, the City has made payments of \$829,859 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 \$66,469 and interest expense incurred on AMP's line-of-credit of \$35,992, resulting in a net impaired cost estimate at December 31, 2015 of \$2,282,427.

The City began to recover these costs and repay AMP over 15 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 2016, which total \$167,322, is considered the current portion.

City of Cuyahoga Falls, Ohio

NOTE 11 - CAPITAL LEASES

In addition to existing agreements to lease equipment, the City entered into lease agreements in February 2015 for Tactical Mobile Computers for use by the Police Department in the amount of \$126,073, and in April 2015 for Leaf Collectors for use by the Leaf Pick-up Program in the amount of \$181,763. 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 (Dispatch Center Equipment)	\$ 2,441,577	\$ 0
Improvements (Building Lighting / Envelope)	115,267	16,902,526
Equipment (Copiers / Printers)	253,204	81,931
Equipment (Police Tactical Mobile Computers)	126,073	0
Equipment (Leaf Collectors)	0	181,763
Less: Accumulated Depreciation	(1,985,907)	(4,898,786)
Total	<u>\$ 950,214</u>	<u>\$ 12,267,434</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015, were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2016	\$ 394,762	\$ 2,208,045
2017	348,568	2,192,780
2018	58,698	2,189,727
2019	14,457	2,142,522
Total	816,485	8,733,074
Less: Amount representing interest	(44,534)	(865,961)
Present value of minimum lease payments	<u>\$ 771,951</u>	<u>\$ 7,867,113</u>

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NOTE 12 - SHORT-TERM OBLIGATIONS

A summary of the changes in the City's short-term obligations for the year ended December 31, 2015, was as follows:

	Balance January 1, <u>2015</u>	<u>Issued</u>	<u>Retired</u>	Balance December 31, <u>2015</u>
General Obligation Bond Anticipation Notes				
<u>Governmental Activities:</u>				
Capital Projects Fund Obligations:				
1.00% Taxable Land Acquisition and Improvement Note, due 8/13/15	\$ 6,600,000	\$ 0	\$ 6,600,000	\$ 0
1.50% Street Improvement Note, due 9/23/15	500,000	0	500,000	0
1.00% Various Purpose Notes, due 12/03/15	300,000	0	300,000	0
Total Governmental Activities	<u>\$ 7,400,000</u>	<u>\$ 0</u>	<u>\$ 7,400,000</u>	<u>\$ 0</u>
<u>Business-type Activities:</u>				
Leisure Time Fund Obligations:				
1.00% Various Purpose Notes, due 12/03/15	\$ 4,850,000	\$ 0	\$ 4,850,000	\$ 0
1.20% Various Purpose Notes, due 12/01/16	0	3,300,000	0	3,300,000
Water Fund Obligations:				
1.00% Various Purpose Notes, due 12/03/15	1,050,000	0	1,050,000	0
1.20% Various Purpose Notes, due 12/01/16		1,800,000		1,800,000
Total Business-Type Activities	<u>\$ 5,900,000</u>	<u>\$ 5,100,000</u>	<u>\$ 5,900,000</u>	<u>\$ 5,100,000</u>
Grand Total	<u>\$ 13,300,000</u>	<u>\$ 5,100,000</u>	<u>\$ 13,300,000</u>	<u>\$ 5,100,000</u>

On December 1, 2015, the City issued notes in the amount of \$5,100,000 in anticipation of the issuance of bonds, for the following purposes: constructing a community recreation center, acquiring real estate and interests in real estate, and constructing improvements to portions of State Road and Portage Trail, including constructing or replacing sidewalks and curbs, installing water and sewer lines, constructing turning lanes, installing traffic signals and lighting and all related improvements, and constructing waterlines in Graham Road.

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City of Cuyahoga Falls, Ohio

NOTE 13 - LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<u>Business-type Activities:</u>				
Enterprise Fund Obligations				
<u>Bonds Payable</u>				
1995 Recreation Facilities*	03/01/1995	12/01/2015	4.40%-6.00%	\$ 3,426,217
1997 Sewer Improvement**	08/01/1997	12/01/2017	3.80%-5.25%	2,329,412
1997 Water Improvement**	08/01/1997	12/01/2017	3.80%-5.25%	2,070,588
1998 Sewer Improvement**	12/01/1998	12/01/2018	3.05%-4.70%	2,415,000
1998 Water Improvement**	12/01/1998	12/01/2018	3.05%-4.70%	4,925,000
2001 Water Improvement***	08/01/2001	12/01/2021	3.25%-4.55%	5,175,000
2004 Recreation Improvement****	04/08/2004	12/01/2024	2.00%-5.00%	8,000,000
2004 Various Purpose Refunding (Recreation)	04/08/2004	12/01/2015	2.00%-4.00%	2,407,037
2009 Various Purpose Refunding (Recreation)	10/14/2009	12/01/2037	2.00%-5.00%	8,040,000
2009 Various Purpose Refunding (1997)	10/14/2009	12/01/2017	2.00%-5.00%	2,177,000
2009 Various Purpose Refunding (1998)	10/14/2009	12/01/2018	2.00%-5.00%	3,895,000
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
<u>Governmental Activities:</u>				
<u>Bonds Payable</u>				
Other General Obligation Bonds:				
1995 Various Purpose Improvement*	03/01/1995	12/01/2015	4.40%-6.00%	6,238,783
1997 Various Purpose Improvement**	08/01/1997	12/01/2017	3.80%-5.25%	5,150,000
1998 Various Purpose Improvement**	12/01/1998	12/01/2018	3.05%-4.70%	1,025,000
2004 Various Purpose Refunding	04/08/2004	12/01/2015	2.00%-4.00%	4,382,963
2009 Various Purpose Refunding (1997)	10/14/2009	12/01/2017	2.00%-5.00%	2,548,000
2009 Various Purpose Refunding (1998)	10/14/2009	12/01/2018	2.00%-5.00%	545,000
2015 Land Acquisition and Improvement Bonds	08/05/2015	12/01/2042	0.85%-4.85%	6,185,000

Notes:

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

**Issue was advanced refunded by the City, (2009 Various Purpose Refunding) and it is being paid by escrow. City Funds are no longer making payment on this issue.

***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.

****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.

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

A summary of the changes in the City's long-term obligations for the year ended December 31, 2015, was as follows:

	Restated Balance January 1, 2015	Issued 2015	Retired 2015	Balance December 31, 2015	Amount Due Within One Year
Business-type Activities:					
Enterprise Fund Obligations					
<u>Bonds Payable</u>					
2004 Various Purpose Refunding (Recreation)	\$ 265,873	\$ 0	\$ 265,873	\$ 0	\$ 0
2009 Various Purpose Refunding (1997 Sewer)	462,000	0	148,000	314,000	154,000
2009 Various Purpose Refunding (1998 Sewer)	613,000	0	144,000	469,000	151,000
2009 Various Purpose Refunding (1997 Water)	416,000	0	133,000	283,000	139,000
2009 Various Purpose Refunding (1998 Water)	1,256,000	0	295,000	961,000	310,000
2009 Various Purpose Refunding (Recreation)	7,290,000	0	205,000	7,085,000	210,000
2011 Various Purpose Refunding (2001 Water)	2,290,000	0	310,000	1,980,000	315,000
2012 Recreation Improvement Refunding	4,955,000	0	455,000	4,500,000	465,000
Unamortized Bond Discount	(87,969)	0	(10,904)	(77,065)	0
Unamortized Bond Premium	502,766	35,496	116,618	421,644	0
Total Business-type Activities Bonds Payable	<u>17,962,670</u>	<u>35,496</u>	<u>2,061,587</u>	<u>15,936,579</u>	<u>1,744,000</u>
<u>Other Obligations</u>					
Capital Lease Obligations (Note 11)	9,480,748	181,763	1,795,398	7,867,113	1,867,918
Payable to Joint Venture (Note 16)	1,278,676	0	512,081	766,595	380,400
Payable to AMP (Note 10, D)	2,399,905	609,844	167,322	2,842,427	167,322
Compensated Absences (Note 9)	2,022,051	178,724	69,118	2,131,657	379,844
Net Pension Liability: OPERS	7,427,662	171,643	0	7,599,305	0
Total Business-type Activities Other Obligations	<u>22,609,042</u>	<u>1,141,974</u>	<u>2,543,919</u>	<u>21,207,097</u>	<u>2,795,484</u>
Total Business-type Activities	<u>\$ 40,571,712</u>	<u>\$ 1,177,470</u>	<u>\$ 4,605,506</u>	<u>\$ 37,143,676</u>	<u>\$ 4,539,484</u>
Governmental Activities:					
<u>Bonds Payable</u>					
Other General Obligation Bonds:					
2004 Various Purpose Refunding	\$ 484,127	\$ 0	\$ 484,127	\$ 0	\$ 0
2009 Various Purpose Refunding (-97 Rec)	1,027,000	0	329,000	698,000	342,000
2009 Various Purpose Refunding (-98 Rec)	261,000	0	61,000	200,000	64,000
2015 Land Acquisition and Improvement Bonds	0	6,185,000	0	6,185,000	70,000
Unamortized Bond Discount	0	(17,364)	0	(17,364)	0
Unamortized Bond Premium	122,772	0	67,200	55,572	0
Total Governmental Activities Bonds Payable	<u>1,894,899</u>	<u>6,167,636</u>	<u>941,327</u>	<u>7,121,208</u>	<u>476,000</u>
<u>Other Obligations</u>					
Capital Lease Obligations (Note 11)	960,735	126,073	314,857	771,951	367,569
Compensated absences (Note 9)	6,139,261	568,979	268,462	6,439,778	1,485,719
Claims and Judgments Payable (Note 15)	689,067	4,296,979	4,201,185	784,861	552,854
Other post-employment benefit obligation (Note 19)	1,926,897	876,266	524,602	2,278,561	609,457
Net Pension Liability: OPERS	7,605,048	175,743	0	7,780,791	0
Net Pension Liability: OP&F	24,536,465	1,562,290	0	26,098,755	0
Total Governmental Activities Other Obligations	<u>41,857,473</u>	<u>7,606,330</u>	<u>5,309,106</u>	<u>44,154,697</u>	<u>3,015,599</u>
Total Governmental Activities	<u>\$ 43,752,372</u>	<u>\$ 13,773,966</u>	<u>\$ 6,250,433</u>	<u>\$ 51,275,905</u>	<u>\$ 3,491,599</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, 2015 were as follows:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Long-term obligations per schedule above	\$ 51,275,905	\$ 37,143,676	\$ 88,419,581
Consolidation of compensated absences claim			
Internal service fund into governmental activities	<u>2,131,657</u>	<u>(2,131,657)</u>	<u>-</u>
Long-term obligations on government-wide statement of net position	<u>\$ 53,407,562</u>	<u>\$ 35,012,019</u>	<u>\$ 88,419,581</u>

Of the \$2,131,657 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), \$379,844 is due within one year.

On August 5, 2015, the City issued \$6,185,000 Land Acquisition and Improvement Bonds for the purpose of revitalizing State Road Redevelopment area by acquiring, clearing and improving certain properties in that area. The interest rate on the bonds range from 0.85 ó 4.85 percent and the maturity date is December 1, 2042.

As of December 31, 2015, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt without a vote of the electors) was \$44,939,839. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2015 (excluding capital leases) are as follows:

Year	Enterprise Fund Obligations		Other General Obligations	
	Principal	Interest	Principal	Interest
2016	\$ 1,744,000	\$ 503,084	\$ 476,000	\$ 369,893
2017	1,792,000	451,926	573,000	271,558
2018	1,526,000	394,986	219,000	253,560
2019	1,055,000	358,844	155,000	248,940
2020	1,080,000	333,694	160,000	245,530
2021-2025	3,810,000	1,270,300	855,000	1,157,810
2026-2030	1,645,000	840,119	1,030,000	991,235
2031-2035	2,010,000	469,444	1,265,000	748,113
2036-2040	930,000	61,469	1,600,000	421,050
2041-2042	<u>0</u>	<u>0</u>	<u>750,000</u>	<u>55,048</u>
Total	<u>\$ 15,592,000</u>	<u>\$ 4,683,866</u>	<u>\$ 7,083,000</u>	<u>\$ 4,762,737</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.

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NOTE 14 - INTERFUND TRANSFERS AND BALANCES

A. Transfers

As of December 31, 2015, interfund transfers were as follows:

Transfers Out	Transfers In					Total
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Electric Fund	Leisure Time Fund	
General Fund		\$ 446,279	\$ 2,653,172	\$ 1,769,231	\$ 614,450	\$ 5,483,132
Nonmajor Governmental Funds	\$ 357,451				750,000	1,107,451
Internal Service Funds	2,809					2,809
Total	\$ 360,260	\$ 446,279	\$ 2,653,172	\$ 1,769,231	\$ 1,364,450	\$ 6,593,392

The General Fund transfers to the Capital Projects Fund, 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.

The Nonmajor Funds transfer to the General Fund was made as a residual equity transfer to close the Capital Improvement Reserve Nonmajor Fund, which was no longer deemed necessary. The Nonmajor Governmental Funds transfer to the Leisure Time Fund was made to provide additional resources from the Recreation Levy Special Revenue Fund.

The Internal Service Funds transfer to the General Fund was made as a residual equity transfer to close the Office Supply Internal Service Fund, which was no longer needed for operations.

As of December 31, 2015, net transfers on the Statement of Activities is as follows:

	Electric kWh "Inside Sales"	Leisure Time Additional Resources	Storm Drainage Capital Contribution	Total Statement of Activities Transfers
Governmental Activities Transfer Out	\$ (1,769,231)	\$ (1,364,450)	\$ (13,758)	\$ (3,147,439)
Business-type Activities Transfer In	\$ 1,769,231	\$ 1,364,450	\$ 13,758	\$ 3,147,439

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City of Cuyahoga Falls, Ohio

NOTE 14 - INTERFUND TRANSFERS AND BALANCES (CONTINUED)

B. Balances

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

Interfund balances, including advances, at December 31, 2015 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Government Funds</u>		
General Fund	\$ 231,784	\$ 172,293
Special Revenue Funds:		
Street Construction, Maintenance and Repair	0	8,547
Recreation Levy	200,000	2,802
Community Development Block Grant	<u>0</u>	<u>9</u>
	<u>200,000</u>	<u>11,358</u>
Total Governmental Funds:	<u>431,784</u>	<u>183,651</u>
 <u>Proprietary Funds</u>		
Enterprise Funds:		
Sewage and Disposal	36,782	172,131
Water	0	235,807
Electric	869,552	3,943
Sanitation	14,581	143,319
Leisure Time	0	628,192
Storm Drainage Utility	<u>14,127</u>	<u>14</u>
	<u>935,042</u>	<u>1,183,406</u>
Internal Service Funds:		
Garage	0	3,109
Self Insurance	0	6
Workersø Compensation	<u>3,346</u>	<u>0</u>
	<u>3,346</u>	<u>3,115</u>
Total Proprietary Funds	<u>938,388</u>	<u>1,186,521</u>
Total All Funds	<u>\$ 1,370,172</u>	<u>\$ 1,370,172</u>

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NOTE 15 - RISK MANAGEMENT

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

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

A. Self-Insurance Internal Service Fund

On April 1, 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, 2015 through December 31, 2015, 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. The Self-Insurance Fund pays all claims, stop-loss coverage and administrative fees for health-care coverage. A liability, in the amount of \$280,665 has been recorded to reflect the outstanding claims as of December 31, 2015. 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 of December 31, 2015, the City completed its twenty-third consecutive year of participation with the Ohio Bureau of Workers' Compensation (BWC) Retrospective Rating Plan. This Plan requires the City to pay the BWC a minimum premium charge of only 27 to 34 percent of the experience-rated premium, in addition to BWC administrative assessments and Disabled Workers' Relief Fund costs. In exchange, the City accepts a maximum individual claim liability between \$300,000 and \$400,000 and an aggregate claims liability of \$1,275,540. Additionally, the BWC bills for all claim-related medical and other 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.

As a result of the BWC's decision to change from retrospective to prospective premium charges in 2016, the City joined the Ohio Municipal League Group Retrospective Rating Plan effective January 1, 2015. For 2015, the group retrospective rating minimum premium paid by the City was \$282,969 and the total medical and other expenses paid was \$93,852 for a total of \$376,820.

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

City of Cuyahoga Falls, Ohio

NOTE 15 - RISK MANAGEMENT (CONTINUED)

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

	2013		2014		2015	
	Workers'		Workers'		Workers'	
	Self-Insurance	Compensation	Self-Insurance	Compensation	Self-Insurance	Compensation
Unpaid claims-January 1	\$ 309,461	\$ 755,508	\$ 423,486	\$ 429,309	\$ 318,832	\$ 370,235
Incurred claims (including IBNRs)	3,949,911	86,371	4,202,646	61,780	4,188,181	108,798
Claim payments made during the year	(3,835,886)	(412,570)	(4,307,300)	(120,854)	(4,107,333)	(93,852)
Unpaid claims-December 31	\$ 423,486	\$ 429,309	\$ 318,832	\$ 370,235	\$ 399,680	\$ 385,181

NOTE 16 - INVESTMENTS IN JOINT VENTURES

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

The City's Electric Enterprise Fund participates in a joint venture agreement with 20 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV1) for the purpose of providing electric power and energy to its participants on a cooperative basis. The electric generating facilities of OMEGA JV1, known as the Eagle Units, are located in the City. Title to these six diesel-powered generating units was transferred to the 21 municipal electric systems from American Municipal Power, Incorporated (AMP), a non-profit trade association and wholesale power supplier for 132 members in nine states. Each member has a contract, which provides for AMP-Ohio to purchase the right to each participant's share of power and energy that is made available through the joint venture contract. The City's net investment and its share of the operating results of OMEGA JV-1 are reported in the City's statement of net position as investment in joint ventures. The city's equity interest in OMEGA JV-1 was \$76,592 at December 31, 2015. Complete financial statements for OMEGA JV-1 can be obtained from AMP-Ohio or from the City's Finance Director.

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

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

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

NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

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% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2015, the City of Cuyahoga Falls has met their debt coverage obligation.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership 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, 2015, the outstanding debt was \$8,052,470. The City's net obligation for this amount at December 31, 2015 was \$766,595. The City's net investment in OMEGA JV2 was \$1,237,151 at December 31, 2015. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

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

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

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

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% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2015 Cuyahoga Falls has met their debt coverage obligation.

City of Cuyahoga Falls, Ohio

NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts (Step Up Power) provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP, 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. Due to scheduled principal repayments, the resulting note receivable has been reduced at December 31, 2015 to \$49,803,187.* AMP will continue to collect debt service from the OMEGA JV5 participants until the note is paid in full.

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 \$498,081 at December 31, 2015. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

*Subsequent to year end, on January 19, 2016, OMEGA JV5 issued the Beneficial Interest Refunding Certificates, Series 2016 (the 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.

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

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

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

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

NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess funds shall be paid to the Participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2015, Cuyahoga Falls has met their 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% of such non-defaulting Participant's Project share (Step Up Power).

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. The City's net obligation for these bonds at December 31, 2014 was \$0 (Including amounts withheld for Debt Service Reserve, amounts held in the Bond Fund, previous billings to members, interest payable and debt service paid and collected).

The City's net investment and its share of operating results of OMEGA JV6 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV6 was \$ \$1,439,439 at December 31, 2015. Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

NOTE 17 – OTHER COMMITMENTS

Construction Commitments

As of December 31, 2015, the City had the following significant commitments with respect to projects requiring capital expenditures:

<u>Capital Project</u>	2015 Remaining Construction Contract	Expected Date of Completion
(2) 2015 Braun Ford E450 ambulances	\$ 314,258	2016
Howe Ave. Rebuild	206,501	2016
Cochran Road Connection	228,632	2016
Waterline- Graham Road (State-Bath)	479,922	2016
Substation # 5	221,662	2016
Digger Derrick	274,130	2016
28-Yard Heil Odyssey Residential Front Loader	<u>306,300</u>	2016
Total Capital Projects	<u>\$ 2,031,405</u>	

City of Cuyahoga Falls, Ohio

NOTE 17 – OTHER COMMITMENTS (Continued)

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	\$ 205,455
Capital Projects Fund	400,114
Other Governmental	<u>268,025</u>
Total Capital Projects	<u>\$ 873,594</u>

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:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Nonspendable</i>				
Inventory of supplies	\$ 139,256	\$ -	\$ 723,905	\$ 863,161
Prepaid items	122,817	4,998	22,025	149,840
Cemetery perpetual care	-	-	238,713	238,713
<i>Total nonspendable</i>	<u>262,073</u>	<u>4,998</u>	<u>984,643</u>	<u>1,251,714</u>
<i>Restricted for</i>				
Development federal programs	181,734	-	2,306,040	2,487,774
Debt service reserves	-	-	13,914	13,914
Streets and highways	-	-	1,496,047	1,496,047
Police pension	-	-	3,591	3,591
Fire pension	-	-	(1,355)	(1,355)
Parks and recreation improvements	-	-	1,144,819	1,144,819
Enterprise zone / community reinvestment area	-	-	42,197	42,197
Other law enforcement	-	-	596,826	596,826
Capital improvements and related debt	-	2,183,779	-	2,183,779
<i>Total restricted</i>	<u>181,734</u>	<u>2,183,779</u>	<u>5,602,079</u>	<u>7,967,592</u>
<i>Committed to</i>				
Urban renewal area	-	-	1,553	1,553
<i>Total committed</i>	<u>-</u>	<u>-</u>	<u>1,553</u>	<u>1,553</u>
<i>Assigned to</i>				
<i>Outstanding encumbrances:</i>				
Security of persons and property	77,821	-	-	77,821
Leisure time activities	6,963	-	-	6,963
Community environment	62,041	-	-	62,041
General Government	58,630	-	-	58,630
Capital Outlay	-	400,114	-	400,114
Fiscal year 2015 appropriations	947,992	-	-	947,992
<i>Total assigned</i>	<u>1,153,447</u>	<u>400,114</u>	<u>-</u>	<u>1,553,561</u>
Unassigned	9,429,461	-	-	9,429,461
Total fund balances	<u>\$ 11,026,715</u>	<u>\$ 2,588,891</u>	<u>\$ 6,588,275</u>	<u>\$ 20,203,881</u>

NOTE 19 – OTHER POST-EMPLOYMENT BENEFITS

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 benefit, benefit levels, and employer contributions are governed by the City and can be amended by the City through its union contracts and City Council. The activity of the plan, including pay-as-you-go expenses are made from and reported in the City's Self Insurance Internal Service Fund.

Benefits Provided

The City provides post-employment life insurance benefits to its retirees having at least five years of continuous service and health care benefits to its retirees having a minimum of 12 years of continuous full-time service with the City immediately before the date of retirement. The City has historically funded its retiree health care benefits on a pay-as-you-go basis. For the year ended December 31, 2015, the City contributed \$524,602 to the 255 retirees and/or family members receiving benefits. Eligibility and description of benefits are as follows:

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; or
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.

For eligible retirees of employees, the City reimburses:

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

City of Cuyahoga Falls, Ohio

NOTE 19 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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, 2015 is \$3,309.51 for retirees who have single or family coverage level. The reimbursement is increased 5.0% per year.

Police Officers. The 2015 annual subsidy amounts for police officers are as follows:

	<u>Premium Reimbursement</u>		<u>Co-pay and Deductible</u>
	<u><65</u>	<u>65+</u>	<u>All ages</u>
Retiree	\$1,930.92	\$1,727.31	\$400
Spouse	\$2,911.26	\$3,053.48	N/A*

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

Firefighters. The 2015 annual subsidy amounts for firefighters are as follows:

	<u>Premium Reimbursement</u>		<u>Co-pay and Deductible</u>
	<u><65</u>	<u>65+</u>	<u>All ages</u>
Firefighters who retired prior to 2006			
Retiree	\$3,396.96	\$1,439.40	Unlimited
Spouse	\$7,432.92	N/A	

Firefighters who retired on/after 2006

Retiree	\$1,930.92	\$1,930.92	\$700
Spouse	\$2,911.26	\$2,911.26	N/A*

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

Annual OPEB Costs and Net OPEB Obligation

The City had an actuarial valuation performed for the plan as of December 31, 2014 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC), and an update for Net OPEB Obligation as December 31, 2015. As of December 31, 2015, the annual required contribution (ARC) was \$929,344 and the City's annual employer contribution for pay-as-you-go cost was \$524,604, leaving an adjusted Net OPEB Obligation of \$2,278,561 as of the end of the year. This liability is recorded in the Self Insurance Internal Service Fund statement as well as within governmental activities in the City's Statement of Net Position.

NOTE 19 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2015, was as follows:

As of	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Percentage of Covered Payroll
Dec 31, 2015	\$0	\$9,998,770	\$9,998,770	0.0%	\$28,363,172	35.3%
Dec 31, 2014	0	9,998,770	9,998,770	0.0%	27,913,586	35.8%
Dec 31, 2013	0	9,754,116	9,754,116	0.0%	27,015,748	36.1%

Actuarial Methods and 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 health care cost trend. Amounts determined regarding the funded status of the plan and the ARCs 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 financing reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

In the December 31, 2014 actuarial valuation (the most recent information), the Projected Unit Credit with linear proportion to decrement method was used. The actuarial assumptions include a discount rate of 4.5 percent unfunded, 8 percent fully-funded, a projected payroll growth rate of 3 percent, a health care cost trend rate of 5 percent and a rate of inflation of 3 percent. The actuarial value of assets was zero. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of pay over twenty years based on a closed group.

The table below presents the annual post-employment benefit cost, percentage of the annual post-employment benefit cost contributed, and the net pension obligation/net other post-employment benefit obligation for both the current year and the two preceding years.

As of	Annual Required Contribution (ARC)	Interest on Net OPEB	Adjustment to the ARC	Annual OPEB Cost	Employer Contributions	Other adjustments	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	Increase/ (Decrease) in the Net OPEB
Dec 31, 2015	\$929,344	\$86,710	(\$139,788)	\$876,266	\$524,602	\$0	59.9%	\$2,278,561	\$351,664
Dec 31, 2014	929,344	69,351	(111,802)	886,893	501,123	0	56.5%	1,926,897	385,770
Dec 31, 2013	634,176	53,194	(50,384)	636,986	439,267	(2,810)	69.0%	1,541,127	194,909

City of Cuyahoga Falls, Ohio

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). This organization is responsible for fulfilling the area's continuous, cooperative and comprehensive transportation planning process. The AMATS service area consists of Summit, Portage, and Chippewa Township of Wayne County. AMATS is led by the AMATS Transportation Policy Committee. The City is a member of the 48 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 2015, the City contributed \$8,659 to the Akron Metropolitan Area Transportation Study, which represents the City's formula share.

NOTE 21 – CHANGES IN ACCOUNTING PRINCIPALS AND RESTATEMENT OF

A. Change in Accounting Principals

For year 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and an amendment of GASB Statement No. 27 and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of these pronouncements had the following effect on net position as reported December 31, 2014 as noted below in Section B:

During 2015, Boston Township-City of Cuyahoga Falls Joint Economic Development District activity previously recorded in the City's General Fund, was recorded as a Joint Economic Development District Agency Fund based on Auditor of State Technical Bulletin guidance. The change had the following effect on fund balance of the General Fund and total assets of the Agency Fund, and Governmental Activities net position as reported December 31, 2014 as noted below in Section B:

NOTE 21 – CHANGES IN ACCOUNTING PRINCIPALS (Continued)

B. Restatement of Net Position and Fund Balances / Agency Fund Assets/Liabilities:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position December 31, 2014	\$ 105,989,256	\$ 107,585,982
Adjustments relating to implementation of GASB No. 68:		
Net pension liability	(32,132,599)	(7,418,957)
Deferred outflows-payments made subsequent to measurement date	3,112,346	966,693
Joint Economic Development District Balance at December 31, 2014	(90,628)	-
Restated net position December 31, 2014	<u>\$ 76,878,375</u>	<u>\$ 101,133,718</u>

	<u>Sewage and Disposal</u>	<u>Water</u>	<u>Electric</u>	<u>Sanitation</u>	<u>Leisure Time Activities</u>	<u>Storm Drainage Utility</u>	<u>Total Enterprise Funds</u>
Net position December 31, 2014	\$ 18,067,832	\$ 18,005,751	\$ 41,313,026	\$ 4,074,320	\$ 16,041,098	\$ 11,272,919	\$ 108,774,946
Adjustments relating to implementation of GASB No. 68:							
Net pension liability	(594,864)	(1,100,873)	(2,479,524)	(848,967)	(2,066,077)	(328,652)	(7,418,957)
Deferred outflows-payments made subsequent to measurement date	77,511	143,444	323,082	110,621	269,210	42,825	966,693
Restated net position December 31, 2014	<u>\$ 17,550,479</u>	<u>\$ 17,048,322</u>	<u>\$ 39,156,584</u>	<u>\$ 3,335,974</u>	<u>\$ 14,244,231</u>	<u>\$ 10,987,092</u>	<u>\$ 102,322,682</u>

	<u>General Fund</u>	<u>Joint Economic Development District Agency Fund</u>
Fund Balance / Total Assets, Liabilities at December 31, 2014	\$ 11,015,447	\$ -
Joint Economic Development District Balance at December 31, 2014	(90,628)	90,628
Adjusted Fund Balance / Total Assets, Liabilities at December 31, 2014	<u>\$ 10,924,819</u>	<u>\$ 90,628</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

Traditional Plan	2014	2013
City's Proportion of the Net Pension Liability	0.127518%	0.127518%
City's Proportionate Share of the Net Pension Liability	\$15,380,096	\$15,032,710
City's Covered-Employee Payroll	\$15,685,492	\$15,313,362
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	98.05%	98.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%
Combined Plan	2014	2013
City's Proportion of the Net Pension (Asset)	0.167910%	0.167910%
City's Proportionate Share of the Net Pension (Asset)	(\$64,650)	(\$17,619)
City's Covered-Employee Payroll	\$618,417	\$494,446
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	10.45%	3.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.83%	104.33%

(1) Information prior to 2013 is not available.

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

City of Cuyahoga Falls, Ohio

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

Police	2014	2013
City's Proportion of the Net Pension Liability	0.2070668%	0.2070668%
City's Proportionate Share of the Net Pension Liability	\$10,726,924	\$10,084,803
City's Covered-Employee Payroll	\$4,562,400	\$5,701,093
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	235.12%	176.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%
Fire	2014	2013
City's Proportion of the Net Pension Liability	0.2967296%	0.2967296%
City's Proportionate Share of the Net Pension Liability	\$15,371,831	\$14,451,662
City's Covered-Employee Payroll	\$5,343,464	\$6,179,778
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	287.68%	233.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

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

**Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System (OPERS)
Last Two Measurement Years**

	2015	2014	2013
<u>Contractually Required Contributions</u>			
Traditional Plan	\$1,883,893	\$1,882,259	\$1,990,737
Combined Plan	\$68,429	\$74,210	\$64,278
Total Required Contributions	\$1,952,322	\$1,956,469	\$2,055,015
Contributions in Relation to the Contractually Required Contribution	(\$1,952,322)	(\$1,956,469)	(\$2,055,015)
Contribution Deficiency / (Excess)	\$0	\$0	\$0
<u>City's Covered-Employee Payroll</u>			
Traditional Plan	\$15,699,108	\$15,685,492	\$15,313,362
Combined Plan	\$570,242	\$618,417	\$494,446
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>			
Traditional Plan	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

City of Cuyahoga Falls, Ohio

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Contractually Required Contributions</u>					
Police	\$889,248	\$866,856	\$896,782	\$928,627	\$908,086
Fire	<u>\$1,242,133</u>	<u>\$1,255,714</u>	<u>\$1,250,169</u>	<u>\$1,285,282</u>	<u>\$1,255,091</u>
Total Required Contributions	\$2,131,381	\$2,122,570	\$2,146,951	\$2,213,909	\$2,163,177
Contributions in Relation to the Contractually Required Contribution	(\$2,131,381)	(\$2,122,570)	(\$2,146,951)	(\$2,213,909)	(\$2,163,177)
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>					
Police	\$4,680,253	\$4,562,400	\$5,701,093	\$7,283,349	\$7,122,243
Fire	\$5,285,672	\$5,343,464	\$6,179,778	\$7,450,910	\$7,275,890
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>					
Police	19.00%	19.00%	[2]	12.75%	12.75%
Fire	23.50%	23.50%	[2]	17.25%	17.25%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Contractually Required Contributions</u>					
Police	\$975,614	\$1,101,570	\$924,258	\$701,681	\$641,134
Fire	<u>\$1,253,837</u>	<u>\$1,296,683</u>	<u>\$1,237,338</u>	<u>\$918,495</u>	<u>\$876,333</u>
Total Required Contributions	\$2,229,451	\$2,398,253	\$2,161,596	\$1,620,176	\$1,517,467
Contributions in Relation to the Contractually Required Contribution	(\$2,229,451)	(\$2,398,253)	(\$2,161,596)	(\$1,620,176)	(\$1,517,467)
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>					
Police	\$7,651,875	\$8,639,765	\$7,249,082	\$5,503,380	\$5,456,460
Fire	\$7,268,620	\$7,517,003	\$7,172,974	\$5,324,609	\$5,392,818
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>					
Police	12.75%	12.75%	12.75%	12.75%	11.75%
Fire	17.25%	17.25%	17.25%	17.25%	16.25%

[2] ó The portion of the City's contributions to fund pension obligations from January 1, 2013 thru May 31, 2013, for both police officers and firefighters was 14.81 percent and 19.31 percent, respectively. The portion of the City's contributions to fund pension obligations from June 1, 2013 thru December 31, 2013 for both police officers and firefighters was 16.65 percent and 21.15 percent, respectively.

**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.

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 8,520,575	\$ 8,700,415	\$ 8,712,697	\$ 12,282
Income taxes	13,841,364	14,434,314	14,308,202	(126,112)
Other local taxes	489,200	512,200	2,295,846	1,783,646
State levied shared taxes	2,668,621	2,638,781	2,655,889	17,108
Intergovernmental	65,265	65,265	131,732	66,467
Charges for services	3,650,505	3,650,505	3,622,299	(28,206)
Fees, licenses, and permits	115,200	115,200	108,884	(6,316)
Interest earnings	-	331,000	329,788	(1,212)
Fines and forfeitures	256,000	256,000	232,308	(23,692)
Other	285,590	405,590	498,109	92,519
Total revenues	29,892,320	31,109,270	32,895,754	1,786,484
Expenditures				
Current				
Security of persons and property				
Police				
Personal services	6,867,504	6,767,504	6,735,308	32,196
Other operations	1,026,623	1,026,623	925,008	101,615
Total - Police	7,894,127	7,794,127	7,660,316	133,811
Fire				
Personal services	7,154,766	6,929,766	6,858,701	71,065
Other operations	842,068	842,068	824,834	17,234
Total - Fire	7,996,834	7,771,834	7,683,535	88,299
Technical Services				
Personal services	420,299	428,299	425,187	3,112
Other operations	65,084	67,085	60,744	6,341
Total - Technical Services	485,383	495,384	485,931	9,453
Communications				
Personal services	1,072,571	962,571	934,023	28,548
Other operations	146,764	146,764	142,234	4,530
Total - Communications	1,219,335	1,109,335	1,076,257	33,078
Total - Security of persons and property	17,595,679	17,170,680	16,906,039	264,641
Leisure time activities				
Parks & Recreation				
Personal services	1,563,140	1,533,140	1,516,962	16,178
Other operations	724,671	724,671	676,845	47,826
Total - Leisure time activities	2,287,811	2,257,811	2,193,807	64,004
Community environment				
Riverfront Centre District				
Personal services	281,577	281,577	270,603	10,974
Other operations	278,526	278,526	237,366	41,160
Total - Riverfront Centre District	560,103	560,103	507,969	52,134
Community / Economic Development				
Personal services	692,467	675,592	662,698	12,894
Other operations	125,856	370,731	368,817	1,914
Total - Community / Economic Development	818,323	1,046,323	1,031,515	14,808
Total - Community environment	1,378,426	1,606,426	1,539,484	66,942

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government				
General Administration				
Other operations	\$ 946,405	\$ 946,405	\$ 694,142	\$ 252,263
Total - General Administration	946,405	946,405	694,142	252,263
Council				
Personal services	268,852	268,852	261,157	7,695
Other operations	1,734	1,734	203	1,531
Total - Council	270,586	270,586	261,360	9,226
Mayor				
Personal services	234,488	234,488	234,382	106
Other operations	7,307	7,307	2,734	4,573
Total - Mayor	241,795	241,795	237,116	4,679
Mayor's Court				
Personal services	157,866	134,866	125,988	8,878
Other operations	36,653	39,653	32,461	7,192
Total - Mayor's Court	194,519	174,519	158,449	16,070
Finance Director				
Personal services	764,487	764,487	761,122	3,365
Other operations	84,936	84,937	81,981	2,956
Total - Finance Director	849,423	849,424	843,103	6,321
Law Director				
Personal services	724,894	723,412	717,096	6,316
Other operations	166,612	196,612	168,580	28,032
Total - Law Director	891,506	920,024	885,676	34,348
Service Director				
Personal services	329,037	337,555	335,611	1,944
Other operations	15,532	15,532	13,517	2,015
Total - Service Director	344,569	353,087	349,128	3,959
Civil Service Commission				
Personal services	13,008	13,008	13,004	4
Other operations	33,601	33,601	25,093	8,508
Total - Civil Service Commission	46,609	46,609	38,097	8,512
Engineering				
Personal services	961,831	961,831	951,009	10,822
Other operations	84,143	84,143	74,123	10,020
Total - Engineering	1,045,974	1,045,974	1,025,132	20,842
Human Resources / Records				
Personal services	216,746	218,746	216,913	1,833
Other operations	9,473	7,473	6,905	568
Total - Human Resources / Records	226,219	226,219	223,818	2,401

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Year Ended December 31, 2015**

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government (Continued)				
Building and Grounds Maintenance				
Personal services	\$ 677,854	\$ 679,354	\$ 679,338	\$ 16
Other operations	444,132	442,632	414,055	28,577
Total - Building and Grounds Maintenance	1,121,986	1,121,986	1,093,393	28,593
Municipal Income Tax				
Personal services	327,403	323,403	304,870	18,533
Other operations	747,306	866,305	832,337	33,968
Total - Municipal Income Tax	1,074,709	1,189,708	1,137,207	52,501
Information Services				
Personal services	622,655	622,655	608,967	13,688
Other operations	128,806	128,806	119,721	9,085
Total - Information Services	751,461	751,461	728,688	22,773
Total - General government	8,005,761	8,137,797	7,675,309	462,488
Debt Service				
Principal	51,983	51,983	51,981	2
Interest	2,715	2,715	2,708	7
Total expenditures	29,322,375	29,227,412	28,369,328	858,084
Excess (deficiency) of revenues				
Over (under) expenditures	569,945	1,881,858	4,526,426	2,644,568
Other Financing Sources (Uses)				
Transfers in	1,800,000	2,167,255	360,260	(1,806,995)
Transfers out	(4,699,450)	(5,513,902)	(5,483,132)	30,770
Total other financing sources (uses)	(2,899,450)	(3,346,647)	(5,122,872)	(1,776,225)
Net change in fund balances	(2,329,505)	(1,464,789)	(596,446)	868,343
Fund balance at beginning of year, as restated	8,673,461	8,673,461	8,673,461	-
Prior year encumbrances appropriated	212,067	212,067	212,067	-
Fund balance at end of year	\$ 6,556,023	\$ 7,420,739	\$ 8,289,082	\$ 868,343

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Projects Fund For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income taxes	\$ 5,983,320	\$ 6,213,955	\$ 6,213,955	\$ -
Intergovernmental	370,000	358,075	182,876	(175,199)
Charges for services	1,403,000	1,455,150	1,487,584	32,434
Special assessments	100,635	95,960	96,116	156
Other	50,000	108,890	110,101	1,211
Total revenues	7,906,955	8,232,030	8,090,632	(141,398)
Expenditures				
Current				
Capital outlay	7,245,021	7,995,021	7,532,093	462,928
Debt service				
Principal	8,412,168	7,662,168	7,662,168	-
Interest	109,419	109,419	109,419	-
Total expenditures	15,766,608	15,766,608	15,303,680	462,928
Excess (deficiency) of revenues over (under) expenditures	(7,859,653)	(7,534,578)	(7,213,048)	321,530
Other Financing Sources (Uses)				
Bond/note proceeds	6,000,000	6,185,000	6,185,000	-
Transfers in	-	446,280	446,279	(1)
Advances out	-	(214,316)	(214,316)	-
Total other financing sources (uses)	6,000,000	6,416,964	6,416,963	(1)
Net change in fund balances	(1,859,653)	(1,117,614)	(796,085)	321,529
Fund balance at beginning of year	1,316,645	1,316,645	1,316,645	-
Prior year encumbrances appropriated	1,426,739	1,426,739	1,426,739	-
Fund balance at end of year	\$ 883,731	\$ 1,625,770	\$ 1,947,299	\$ 321,529

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.
Debt Service Fund	To account for the accumulation of resources for and payment of general obligation principal, interest, and related expenditures.
Capital Improvement Reserve	To account for interest income which must be used to fund capital projects in accordance with local law and to account for income from royalties associated with City owned oil and gas wells.
Cemetery Perpetual Care Permanent Fund	To account for monies received for the perpetual care of cemetery lots. The amounts received are held as a permanent fund, and the interest received on the invested monies is available for care of the cemetery lots.

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Debt Service Fund	Capital Improvement Reserve Fund	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	\$ 2,546,295	\$ 12,446	\$ -	\$ 1,532	\$ 2,560,273
Investments	301,377	1,468	-	181	303,026
Cash and cash equivalents - restricted	-	-	-	237,000	237,000
Receivables					
Taxes	512,738	-	-	-	512,738
Accounts (net of allowance for uncollectibles)	241,728	-	-	-	241,728
Loans	1,879,450	-	-	-	1,879,450
Accrued interest	-	-	-	307	307
Due from other funds	200,000	-	-	-	200,000
Due from other governments	1,413,976	-	-	-	1,413,976
Inventory of supplies	723,905	-	-	-	723,905
Prepaid items	22,025	-	-	-	22,025
Total assets	\$ 7,841,494	\$ 13,914	\$ -	\$ 239,020	\$ 8,094,428
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities					
Accounts payable	\$ 48,017	\$ -	\$ -	\$ -	\$ 48,017
Accrued salaries, wages and benefits	43,501	-	-	-	43,501
Due to other funds	11,358	-	-	-	11,358
Due to other governments	70,330	-	-	-	70,330
Total liabilities	173,206	-	-	-	173,206
Deferred Inflows of Resources					
Revenues levied for the next year and unavailable revenue	1,332,640	-	-	307	1,332,947
Fund Balances					
Nonspendable	745,930	-	-	238,713	984,643
Restricted	5,588,165	13,914	-	-	5,602,079
Committed	1,553	-	-	-	1,553
Total fund balances	6,335,648	13,914	-	238,713	6,588,275
Total liabilities, deferred inflows and fund balances	\$ 7,841,494	\$ 13,914	\$ -	\$ 239,020	\$ 8,094,428

City of Cuyahoga Falls, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Debt Service Fund	Capital Improvement Reserve Fund	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Property taxes	\$ 508,818	\$ -	\$ -	\$ -	\$ 508,818
Municipal income taxes	1,694,908	-	-	-	1,694,908
Other local taxes	279,577	-	-	-	279,577
State levied shared taxes	2,334,654	-	-	-	2,334,654
Intergovernmental	1,422,044	-	-	-	1,422,044
Charges for services	-	-	-	4,660	4,660
Fees, licenses and permits	733,835	-	-	-	733,835
Interest earnings	2,654	787	18,160	1,298	22,899
Fines and forfeitures	19,210	-	-	-	19,210
Other	91,966	-	-	-	91,966
Total revenues	<u>7,087,666</u>	<u>787</u>	<u>18,160</u>	<u>5,958</u>	<u>7,112,571</u>
Expenditures					
Current					
Security of persons and property	2,298,154	-	-	-	2,298,154
Leisure time activities	502,495	-	-	-	502,495
Community environment	1,648,257	-	-	-	1,648,257
Street maintenance	3,798,443	-	-	-	3,798,443
General government	-	-	-	1,298	1,298
Capital outlay	-	-	-	-	-
Debt Service					
Principal	390,355	484,127	-	-	874,482
Interest	49,620	16,944	-	-	66,564
Advance refunding escrow	-	-	-	-	-
Total expenditures	<u>8,687,324</u>	<u>501,071</u>	<u>-</u>	<u>1,298</u>	<u>9,189,693</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,599,658)</u>	<u>(500,284)</u>	<u>18,160</u>	<u>4,660</u>	<u>(2,077,122)</u>
Other Financing Sources (Uses)					
Transfers in	2,152,000	501,172	-	-	2,653,172
Transfers out	(750,000)	-	(357,451)	-	(1,107,451)
Total other financing sources (uses)	<u>1,402,000</u>	<u>501,172</u>	<u>(357,451)</u>	<u>-</u>	<u>1,545,721</u>
Net change in fund balances	(197,658)	888	(339,291)	4,660	(531,401)
Fund balance at beginning of year	6,294,111	13,026	339,291	234,053	6,880,481
Change in reserve for inventory	239,425	-	-	-	239,425
Change in reserve for prepaid items	(230)	-	-	-	(230)
Fund balance at end of year	<u>\$ 6,335,648</u>	<u>\$ 13,914</u>	<u>\$ -</u>	<u>\$ 238,713</u>	<u>\$ 6,588,275</u>

Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2015

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension
Assets				
Equity in pooled cash and cash equivalents	\$ 11,942	\$ 660,373	\$ 26,265	\$ 34,034
Investments	1,413	78,162	3,109	4,028
Receivables				
Taxes	-	-	256,369	256,369
Accounts				
(net of allowance for uncollectibles)	-	241,554	-	-
Loans				
Due from other funds	-	-	-	-
Due from other governments	70,200	913,477	19,094	19,094
Inventory of supplies	-	723,905	-	-
Prepaid items	-	22,025	-	-
Total assets	<u>\$ 83,555</u>	<u>\$ 2,639,496</u>	<u>\$ 304,837</u>	<u>\$ 313,525</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 1,525	\$ -	\$ -
Accrued salaries, wages and benefits	-	41,384	-	-
Due to other funds	-	8,547	-	-
Due to other governments	-	4,845	25,783	39,417
Total liabilities	-	56,301	25,783	39,417
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	47,245	632,316	275,463	275,463
Fund Balances				
Nonspendable	-	745,930	-	-
Restricted	36,310	1,204,949	3,591	(1,355)
Committed	-	-	-	-
Total fund balances	<u>36,310</u>	<u>1,950,879</u>	<u>3,591</u>	<u>(1,355)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 83,555</u>	<u>\$ 2,639,496</u>	<u>\$ 304,837</u>	<u>\$ 313,525</u>

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2015

(Continued)

	Recreation Levy	Permissive Tax	Community and Economic Development	Community Development Block Grant
Assets				
Equity in pooled cash and cash equivalents	\$ 847,236	\$ 2	\$ 1,389	\$ 392,974
Investments	100,278	-	164	46,513
Receivables				
Taxes	-	-	-	-
Accounts				
(net of allowance for uncollectibles)	174	-	-	-
Loans	-	-	-	1,879,450
Due from other funds	200,000	-	-	-
Due from other governments	101,653	245,436	-	35,939
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 1,249,341</u>	<u>\$ 245,438</u>	<u>\$ 1,553</u>	<u>\$ 2,354,876</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ 67	\$ -	\$ -	\$ 46,425
Accrued salaries, wages and benefits	-	-	-	2,117
Due to other funds	2,802	-	-	9
Due to other governments	-	-	-	285
Total liabilities	<u>2,869</u>	<u>-</u>	<u>-</u>	<u>48,836</u>
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	101,653	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	1,144,819	245,438	-	2,306,040
Committed	-	-	1,553	-
Total fund balances	<u>1,144,819</u>	<u>245,438</u>	<u>1,553</u>	<u>2,306,040</u>
Total liabilities and fund balances	<u>\$ 1,249,341</u>	<u>\$ 245,438</u>	<u>\$ 1,553</u>	<u>\$ 2,354,876</u>

Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2015

(Continued)

	Enterprise Zone / Community Reinvestment Area	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education
ASSETS				
Equity in pooled cash and cash equivalents	\$ 36,613	\$ 63,241	\$ 402,780	\$ 21,286
Investments	4,334	7,485	47,673	2,519
Receivables				
Taxes	-	-	-	-
Accounts (net of allowance for uncollectibles)	-	-	-	-
Loans	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	1,750	1,243	200	530
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 42,697</u>	<u>\$ 71,969</u>	<u>\$ 450,653</u>	<u>\$ 24,335</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	-	-	-	-
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	500	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	42,197	71,969	450,653	24,335
Committed	-	-	-	-
Total fund balances	<u>42,197</u>	<u>71,969</u>	<u>450,653</u>	<u>24,335</u>
Total liabilities and fund balances	<u>\$ 42,697</u>	<u>\$ 71,969</u>	<u>\$ 450,653</u>	<u>\$ 24,335</u>

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2015

(Continued)

	Municipal Motor Vehicle License Tax	Federal Law Enforcement	Law Enforcement Assistance	Total Nonmajor Special Revenue Funds
ASSETS				
Equity in pooled cash and cash equivalents	\$ 8,361	\$ 22,584	\$ 17,215	\$ 2,546,295
Investments	989	2,673	2,037	301,377
Receivables				
Taxes	-	-	-	512,738
Accounts (net of allowance for uncollectibles)	-	-	-	241,728
Loans	-	-	-	1,879,450
Due from other funds	-	-	-	200,000
Due from other governments	-	-	5,360	1,413,976
Inventory of supplies	-	-	-	723,905
Prepaid items	-	-	-	22,025
Total assets	<u>\$ 9,350</u>	<u>\$ 25,257</u>	<u>\$ 24,612</u>	<u>\$ 7,841,494</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 48,017
Accrued salaries, wages and benefits	-	-	-	43,501
Due to other funds	-	-	-	11,358
Due to other governments	-	-	-	70,330
Total liabilities	-	-	-	173,206
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	-	-	-	1,332,640
Fund Balances				
Nonspendable	-	-	-	745,930
Restricted	9,350	25,257	24,612	5,588,165
Committed	-	-	-	1,553
Total fund balances	<u>9,350</u>	<u>25,257</u>	<u>24,612</u>	<u>6,335,648</u>
Total liabilities and fund balances	<u>\$ 9,350</u>	<u>\$ 25,257</u>	<u>\$ 24,612</u>	<u>\$ 7,841,494</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, 2015**

	<u>State Highway Improvement</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Police Pension</u>	<u>Fire Pension</u>
Revenues				
Property taxes	\$ -	\$ -	\$ 254,409	\$ 254,409
Municipal income taxes	-	-	-	-
Other local taxes	-	278,815	381	381
State levied shared taxes	144,973	1,788,009	34,270	34,270
Intergovernmental	-	12,806	371	333
Fees, licenses, and permits	-	724,085	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Other	-	69,657	1,797	1,682
Total revenues	<u>144,973</u>	<u>2,873,372</u>	<u>291,228</u>	<u>291,075</u>
Expenditures				
Current				
Security of persons and property	-	-	935,451	1,298,180
Leisure time activities	-	-	-	-
Community environment	-	-	-	-
Street maintenance	144,000	3,545,443	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	355	-	-
Interest	-	18	-	-
Total expenditures	<u>144,000</u>	<u>3,545,816</u>	<u>935,451</u>	<u>1,298,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>973</u>	<u>(672,444)</u>	<u>(644,223)</u>	<u>(1,007,105)</u>
Other Financing Sources (Uses)				
Transfers in	-	600,000	595,000	957,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>600,000</u>	<u>595,000</u>	<u>957,000</u>
Net change in fund balances	973	(72,444)	(49,223)	(50,105)
Fund balance at beginning of year	35,337	1,784,128	52,814	48,750
Change in nonspendable inventory	-	239,425	-	-
Change in nonspendable prepaid items	-	(230)	-	-
Fund balance at end of year	<u>\$ 36,310</u>	<u>\$ 1,950,879</u>	<u>\$ 3,591</u>	<u>\$ (1,355)</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, 2015

(Continued)

	Recreation Levy	Permissive Tax	Community and Economic Development	Community Development Block Grant
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	1,694,908	-	-	-
Other local taxes	-	-	-	-
State levied shared taxes	-	221,417	-	-
Intergovernmental	23,250	-	-	1,379,924
Fees, licenses, and permits	-	-	-	-
Interest earnings	-	-	-	225
Fines and forfeitures	-	-	-	-
Other	315	-	-	12,650
Total revenues	<u>1,718,473</u>	<u>221,417</u>	<u>-</u>	<u>1,392,799</u>
Expenditures				
Current				
Security of persons and property	-	-	-	-
Leisure time activities	502,495	-	-	-
Community environment	-	-	-	1,648,228
Street maintenance	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	390,000	-	-	-
Interest	49,602	-	-	-
Total expenditures	<u>942,097</u>	<u>-</u>	<u>-</u>	<u>1,648,228</u>
Excess (deficiency) of revenues over (under) expenditures	<u>776,376</u>	<u>221,417</u>	<u>-</u>	<u>(255,429)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(750,000)	-	-	-
Total other financing sources (uses)	<u>(750,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	26,376	221,417	-	(255,429)
Fund balance at beginning of year	1,118,443	24,021	1,553	2,561,469
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	-	-	-	-
Fund balance at end of year	<u>\$ 1,144,819</u>	<u>\$ 245,438</u>	<u>\$ 1,553</u>	<u>\$ 2,306,040</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund
Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015**

(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	-	-	-	-
Fees, licenses, and permits	9,750	-	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	12,523	3,121	3,566
Other	-	-	4,100	1,765
Total revenues	<u>9,750</u>	<u>12,523</u>	<u>7,221</u>	<u>5,331</u>
Expenditures				
Current				
Security of persons and property	-	37,106	19,240	-
Leisure time activities	-	-	-	-
Community environment	29	-	-	-
Street maintenance	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>29</u>	<u>37,106</u>	<u>19,240</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,721</u>	<u>(24,583)</u>	<u>(12,019)</u>	<u>5,331</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	9,721	(24,583)	(12,019)	5,331
Fund balance at beginning of year	32,476	96,552	462,672	19,004
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	-	-	-	-
Fund balance at end of year	<u>\$ 42,197</u>	<u>\$ 71,969</u>	<u>\$ 450,653</u>	<u>\$ 24,335</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, 2015

(Continued)

	Municipal Motor Vehicle License Tax	Federal Law Enforcement	Law Enforcement Assistance	Total Nonmajor Special Revenue
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 508,818
Municipal income taxes	-	-	-	1,694,908
Other local taxes	-	-	-	279,577
State levied shared taxes	111,715	-	-	2,334,654
Intergovernmental	-	-	5,360	1,422,044
Fees, licenses, and permits	-	-	-	733,835
Interest earnings	-	2,429	-	2,654
Fines and forfeitures	-	-	-	19,210
Other	-	-	-	91,966
Total revenues	<u>111,715</u>	<u>2,429</u>	<u>5,360</u>	<u>7,087,666</u>
Expenditures				
Current				
Security of persons and property	-	8,177	-	2,298,154
Leisure time activities	-	-	-	502,495
Community environment	-	-	-	1,648,257
Street maintenance	109,000	-	-	3,798,443
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	390,355
Interest	-	-	-	49,620
Total expenditures	<u>109,000</u>	<u>8,177</u>	<u>-</u>	<u>8,687,324</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,715</u>	<u>(5,748)</u>	<u>5,360</u>	<u>(1,599,658)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	2,152,000
Transfers out	-	-	-	(750,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,402,000</u>
Net change in fund balances	2,715	(5,748)	5,360	(197,658)
Fund balance at beginning of year	6,635	31,005	19,252	6,294,111
Change in nonspendable inventory	-	-	-	239,425
Change in nonspendable prepaid items	-	-	-	(230)
Fund balance at end of year	<u>\$ 9,350</u>	<u>\$ 25,257</u>	<u>\$ 24,612</u>	<u>\$ 6,335,648</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - State Highway Improvement Fund
For the Year Ended December 31, 2015**

	<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	\$ 144,300	\$ 148,300	\$ 146,007	\$ (2,293)
Total revenues	144,300	148,300	146,007	(2,293)
Expenditures				
Current				
Street maintenance				
Other operations	144,000	144,000	144,000	-
Total expenditures	144,000	144,000	144,000	-
Excess (deficiency) of revenues over (under) expenditures	300	4,300	2,007	(2,293)
Net change in fund balances	300	4,300	2,007	(2,293)
Fund balance at beginning of year	11,348	11,348	11,348	-
Fund balance at end of year	<u>\$ 11,648</u>	<u>\$ 15,648</u>	<u>\$ 13,355</u>	<u>\$ (2,293)</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Street Construction, Maintenance and Repair Fund For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other local taxes	\$ 276,700	\$ 282,100	\$ 282,048	\$ (52)
State levied shared taxes	1,786,850	1,810,750	1,800,749	(10,001)
Intergovernmental	1,380	12,780	12,806	26
Fees, licenses, and permits	685,000	721,000	721,020	20
Other	7,500	70,800	71,621	821
Total revenues	2,757,430	2,897,430	2,888,244	(9,186)
Expenditures				
Current				
Street maintenance				
Personal services	1,896,945	1,738,945	1,700,806	38,139
Other operations	1,727,086	2,048,086	2,014,726	33,360
Total - street maintenance	3,624,031	3,787,031	3,715,532	71,499
Debt service				
Principal	355	355	355	-
Interest	19	19	18	1
Total expenditures	3,624,405	3,787,405	3,715,905	71,500
Excess (deficiency) of revenues over (under) expenditures	(866,975)	(889,975)	(827,661)	62,314
Other Financing Sources (Uses)				
Transfers in	400,000	600,000	600,000	-
Total other financing sources (uses)	400,000	600,000	600,000	-
Net change in fund balances	(466,975)	(289,975)	(227,661)	62,314
Fund balance at beginning of year	799,791	799,791	799,791	-
Prior year encumbrances appropriated	100,002	100,002	100,002	-
Fund balance at end of year	\$ 432,818	\$ 609,818	\$ 672,132	\$ 62,314

**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, 2015**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property taxes	\$ 232,622	\$ 254,408	\$ 254,409	\$ 1
Other local taxes	245	245	381	136
State levied shared taxes	51,063	34,270	34,270	-
Intergovernmental	371	371	371	-
Other	-	-	1,797	1,797
Total revenues	<u>284,301</u>	<u>289,294</u>	<u>291,228</u>	<u>1,934</u>
Expenditures				
Current				
Security of persons and property				
Personal services	958,200	948,200	945,597	2,603
Other operations	10,950	10,950	7,297	3,653
Total expenditures	<u>969,150</u>	<u>959,150</u>	<u>952,894</u>	<u>6,256</u>
Excess (deficiency) of revenues				
over (under) expenditures	(684,849)	(669,856)	(661,666)	8,190
Other Financing Sources (Uses)				
Transfers in	<u>605,000</u>	<u>595,000</u>	<u>595,000</u>	<u>-</u>
Total other financing sources (uses)	<u>605,000</u>	<u>595,000</u>	<u>595,000</u>	<u>-</u>
Net change in fund balances	(79,849)	(74,856)	(66,666)	8,190
Fund balance at beginning of year	96,040	96,040	96,040	-
Fund balance at end of year	<u>\$ 16,191</u>	<u>\$ 21,184</u>	<u>\$ 29,374</u>	<u>\$ 8,190</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Fire Pension Fund For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 232,622	\$ 254,408	\$ 254,409	\$ 1
Other local taxes	245	245	381	136
State levied shared taxes	51,063	34,270	34,270	-
Intergovernmental	333	333	333	-
Other	-	-	1,682	1,682
Total revenues	284,263	289,256	291,075	1,819
Expenditures				
Current				
Security of persons and property				
Personal services	1,362,413	1,319,413	1,312,182	7,231
Other operations	10,950	10,950	7,296	3,654
Total expenditures	1,373,363	1,330,363	1,319,478	10,885
Excess (deficiency) of revenues over (under) expenditures	(1,089,100)	(1,041,107)	(1,028,403)	12,704
Other Financing Sources (Uses)				
Transfers in	1,000,000	957,000	957,000	-
Total other financing sources (uses)	1,000,000	957,000	957,000	-
Net change in fund balances	(89,100)	(84,107)	(71,403)	12,704
Fund balance at beginning of year	109,465	109,465	109,465	-
Fund balance at end of year	\$ 20,365	\$ 25,358	\$ 38,062	\$ 12,704

**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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Income taxes	\$ 1,632,000	\$ 1,694,908	\$ 1,694,908	\$ -
Intergovernmental	193,762	125,326	23,250	(102,076)
Other	-	-	141	141
Total revenues	<u>1,825,762</u>	<u>1,820,234</u>	<u>1,718,299</u>	<u>(101,935)</u>
Expenditures				
Current				
Leisure time activities				
Other operations	187,297	187,297	139,800	47,497
Capital outlay	517,053	517,053	372,806	144,247
Total - leisure time activities	<u>704,350</u>	<u>704,350</u>	<u>512,606</u>	<u>191,744</u>
Debt service				
Principal	390,000	390,000	390,000	-
Interest	49,602	49,602	49,602	-
Total expenditures	<u>1,143,952</u>	<u>1,143,952</u>	<u>952,208</u>	<u>191,744</u>
Excess (deficiency) of revenues over (under) expenditures	681,810	676,282	766,091	89,809
Other Financing Sources (Uses)				
Transfers out	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
Net change in fund balances	(68,190)	(73,718)	16,091	89,809
Fund balance at beginning of year	914,044	914,044	914,044	-
Prior year encumbrances appropriated	17,266	17,266	17,266	-
Fund balance at end of year	<u>\$ 863,120</u>	<u>\$ 857,592</u>	<u>\$ 947,401</u>	<u>\$ 89,809</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Permissive Tax Fund For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State levied shared taxes	\$ 218,000	\$ -	\$ -	\$ -
Total revenues	218,000	-	-	-
Expenditures				
Current				
Capital outlay	218,000	-	-	-
Total expenditures	218,000	-	-	-
Net change in fund balances	-	-	-	-
Fund balance at beginning of year	2	2	2	-
Fund balance at end of year	\$ 2	\$ 2	\$ 2	\$ -

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual (Non-GAAP Budgetary Basis) - Community and Economic
 Development Fund
 For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current				
Community environment				
Other operations	\$ 1,552	\$ 1,552	\$ -	\$ 1,552
Total expenditures	<u>1,552</u>	<u>1,552</u>	<u>-</u>	<u>1,552</u>
Net change in fund balances	(1,552)	(1,552)	-	1,552
Fund balance at beginning of year	1,553	1,553	1,553	-
Fund balance at end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1,553</u>	<u>\$ 1,552</u>

City of Cuyahoga Falls, Ohio

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 605,000	\$ 1,361,290	\$ 1,361,299	\$ 9
Interest earnings	-	220	225	5
Other	-	140,490	142,572	2,082
Total revenues	605,000	1,502,000	1,504,096	2,096
Expenditures				
Current				
Community environment				
Personal services	88,108	88,108	81,434	6,674
Other operations	611,390	720,659	518,317	202,342
Capital outlay	1,077,745	1,028,107	1,025,323	2,784
Total expenditures	1,777,243	1,836,874	1,625,074	211,800
Net change in fund balances	(1,172,243)	(334,874)	(120,978)	213,896
Fund balance at beginning of year	(559,020)	(559,020)	(559,020)	-
Prior year encumbrances appropriated	897,151	897,151	897,151	-
Fund balance at end of year	\$ (834,112)	\$ 3,257	\$ 217,153	\$ 213,896

**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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, licenses, and permits	\$ 5,000	\$ 9,000	\$ 9,500	\$ 500
Total revenues	5,000	9,000	9,500	500
Expenditures				
Current				
Community environment				
Other operations	8,100	8,100	29	8,071
Total expenditures	8,100	8,100	29	8,071
Net change in fund balances	(3,100)	900	9,471	8,571
Fund balance at beginning of year	31,476	31,476	31,476	-
Fund balance at end of year	<u>\$ 28,376</u>	<u>\$ 32,376</u>	<u>\$ 40,947</u>	<u>\$ 8,571</u>

City of Cuyahoga Falls, Ohio

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 15,000	\$ 11,000	\$ 12,286	\$ 1,286
Total revenues	15,000	11,000	12,286	1,286
Expenditures				
Current				
Security of persons and property				
Other operations	11,240	11,240	8,466	2,774
Capital outlay	20,000	32,000	28,640	3,360
Total expenditures	31,240	43,240	37,106	6,134
Net change in fund balances	(16,240)	(32,240)	(24,820)	7,420
Fund balance at beginning of year	95,546	95,546	95,546	-
Fund balance at end of year	\$ 79,306	\$ 63,306	\$ 70,726	\$ 7,420

**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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 2,500	\$ 415,500	\$ 415,520	\$ 20
Other	-	4,000	4,100	100
Total revenues	2,500	419,500	419,620	120
Expenditures				
Current				
Security of persons and property				
Other operations	21,823	21,823	19,240	2,583
Capital outlay	-	-	-	-
Total expenditures	21,823	21,823	19,240	2,583
Net change in fund balances	(19,323)	397,677	400,380	2,703
Fund balance at beginning of year	50,073	50,073	50,073	-
Fund balance at end of year	\$ 30,750	\$ 447,750	\$ 450,453	\$ 2,703

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Enforcement and Education Fund For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 4,500	\$ 3,240	\$ 3,441	\$ 201
Other	2,000	1,360	1,660	300
Total revenues	6,500	4,600	5,101	501
Expenditures				
Current				
Security of persons and property				
Other operations	1,000	1,000	-	1,000
Total expenditures	1,000	1,000	-	1,000
Net change in fund balances	5,500	3,600	5,101	1,501
Fund balance at beginning of year	18,704	18,704	18,704	-
Fund balance at end of year	\$ 24,204	\$ 22,304	\$ 23,805	\$ 1,501

**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, 2015**

	<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	\$ 109,000	\$ 110,650	\$ 111,715	\$ 1,065
Total revenues	109,000	110,650	111,715	1,065
Expenditures				
Current				
Street maintenance				
Other operations	109,000	109,000	109,000	-
Total expenditures	109,000	109,000	109,000	-
Net change in fund balances	-	1,650	2,715	1,065
Fund balance at beginning of year	6,635	6,635	6,635	-
Fund balance at end of year	<u>\$ 6,635</u>	<u>\$ 8,285</u>	<u>\$ 9,350</u>	<u>\$ 1,065</u>

City of Cuyahoga Falls, Ohio

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest earnings	\$ -	\$ 2,400	\$ 2,429	\$ 29
Total revenues	-	2,400	2,429	29
Expenditures				
Current				
Security of persons and property				
Other operations	\$ 23,000	\$ 23,000	\$ 8,177	\$ 14,823
Total expenditures	23,000	23,000	8,177	14,823
Net change in fund balances	(23,000)	(20,600)	(5,748)	14,852
Fund balance at beginning of year	31,005	31,005	31,005	-
Fund balance at end of year	\$ 8,005	\$ 10,405	\$ 25,257	\$ 14,852

**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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 5,400	\$ 5,440	40
Total revenues	-	5,400	5,440	40
Expenditures				
Current				
Security of persons and property				
Other operations	\$ 7,700	\$ 7,700	\$ -	\$ 7,700
Total expenditures	7,700	7,700	-	7,700
Net change in fund balances	(7,700)	(2,300)	5,440	7,740
Fund balance at beginning of year	13,812	13,812	13,812	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 6,112</u>	<u>\$ 11,512</u>	<u>\$ 19,252</u>	<u>\$ 7,740</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest earnings	\$ 218,117	\$ -	\$ 786	\$ 786
Total revenues	218,117	-	786	786
Expenditures				
Current				
General government				
Other operations	100	100	-	100
Total - general government	100	100	-	100
Debt service				
Principal	484,127	484,127	484,127	-
Interest	16,945	16,945	16,944	1
Total expenditures	501,172	501,172	501,071	101
Excess (deficiency) of revenues over (under) expenditures				
	(283,055)	(501,172)	(500,285)	887
Other Financing Sources (Uses)				
Transfers in	280,000	501,172	501,172	-
Total other financing sources (uses)	280,000	501,172	501,172	-
Net change in fund balances	(3,055)	-	887	887
Fund balance at beginning of year	13,032	13,032	13,032	-
Fund balance at end of year	\$ 9,977	\$ 13,032	\$ 13,919	\$ 887

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Capital Improvement Reserve Fund
For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Transfers out	-	(357,452)	(357,451)	1
Advances in	-	214,317	214,316	(1)
Total other financing sources (uses)	-	(143,135)	(143,135)	-
Net change in fund balances	-	(143,135)	(143,135)	-
Fund balance at beginning of year	143,135	143,135	143,135	-
Fund balance at end of year	<u>\$ 143,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Internal Service Funds

Internal Service Funds	To account for the financing of goods or services provided by one department of the City to other departments of the City on a cost reimbursement basis.
Garage	To account for the cost of maintenance facility for automotive equipment used by various City departments. The costs of services provided are billed to the various user departments.
Office Supply	To account for the cost of central purchasing of office supplies and custodial products used by various City departments.
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.

**Combining Statement of Net Position - Governmental Activities Internal Service Funds
December 31, 2015**

	<u>Garage</u>	<u>Office Supply</u>	<u>Self Insurance</u>	<u>Workers' Compensation</u>
Assets				
Current Assets				
Equity in pooled cash and cash equivalents	\$ 14,916	\$ -	\$ 3,162,584	\$ 1,996,020
Investments	1,766	-	374,323	235,444
Receivables				
Accounts				
(net of allowance for uncollectibles)	503	-	25,733	-
Due from other funds	-	-	-	3,346
Due from other governments	17	-	-	-
Inventory of supplies	271,454	-	-	-
Prepaid items	2,603	-	-	-
Total current assets	291,259	-	3,562,640	2,234,810
Noncurrent Assets				
Net pension asset	1,527	-	207	-
Capital Assets				
Land	21,960	-	-	-
Buildings	105,958	-	-	-
Improvements other than buildings	260,029	-	-	-
Equipment	165,744	-	-	-
Less: Accumulated depreciation	(469,607)	-	-	-
Total noncurrent assets	85,611	-	207	-
Total assets	376,870	-	3,562,847	2,234,810
Deferred Outflows of Resources				
Pension	65,535	-	8,886	-
Total deferred outflows of resources	65,535	-	8,886	-
Liabilities				
Current Liabilities				
Accounts payable	58,405	-	-	-
Accrued salaries, wages and benefits	11,172	-	1,558	-
Accrued compensated absences	-	-	-	-
Due to other funds	3,109	-	6	-
Due to other governments	1,333	-	184	274,577
Claims and judgments payable	-	-	399,680	153,174
Capital lease obligations	365	-	-	-
Total current liabilities	74,384	-	401,428	427,751
Noncurrent Liabilities				
Net pension liability	362,971	-	49,217	-
Accrued compensated absences	-	-	-	-
Claims and judgments payable	-	-	-	232,007
Other post-employment benefit obligation	-	-	2,278,561	-
Capital lease obligations	62	-	-	-
Total Noncurrent Liabilities	363,033	-	2,327,778	232,007
Total liabilities	437,417	-	2,729,206	659,758
Deferred Inflows of Resources				
Pension	6,842	-	928	-
Total deferred inflows of resources	6,842	-	928	-
Net Position				
Net investment in capital assets	83,657	-	-	-
Unrestricted	(85,511)	-	841,599	1,575,052
Total net position	\$ (1,854)	\$ -	\$ 841,599	\$ 1,575,052

City of Cuyahoga Falls, Ohio

Combining Statement of Net Position - Governmental Activities Internal Service Funds (Continued) December 31, 2015

	<u>Compensated Absences</u>	<u>Total</u>
Assets		
Current Assets		
Equity in pooled cash and cash equivalents	\$ 516,114	\$ 5,689,634
Investments	61,087	672,620
Receivables		
Accounts		
(net of allowance for uncollectibles)	-	26,236
Due from other funds	-	3,346
Due from other governments	-	17
Inventory of supplies	-	271,454
Prepaid items	-	2,603
Total current assets	<u>577,201</u>	<u>6,665,910</u>
Noncurrent Assets		
Net pension asset	-	1,734
Capital Assets		
Land	-	21,960
Buildings	-	105,958
Improvements other than buildings	-	260,029
Equipment	-	165,744
Less: Accumulated depreciation	-	(469,607)
Total noncurrent assets	<u>-</u>	<u>85,818</u>
Total assets	<u>577,201</u>	<u>6,751,728</u>
Deferred Outflows of Resources		
Pension	-	74,421
Total deferred outflows of resources	<u>-</u>	<u>74,421</u>
Liabilities		
Current Liabilities		
Accounts payable	-	58,405
Accrued salaries, wages and benefits	-	12,730
Accrued compensated absences	1,865,563	1,865,563
Due to other funds	-	3,115
Due to other governments	-	276,094
Claims and judgments payable	-	552,854
Capital lease obligations	-	365
Total current liabilities	<u>1,865,563</u>	<u>2,769,126</u>
Noncurrent Liabilities		
Net pension liability	-	412,188
Accrued compensated absences	6,705,872	6,705,872
Claims and judgments payable	-	232,007
Other post-employment benefit obligation	-	2,278,561
Capital lease obligations	-	62
Total Noncurrent Liabilities	<u>6,705,872</u>	<u>9,628,690</u>
Total liabilities	<u>8,571,435</u>	<u>12,397,816</u>
Deferred Inflows of Resources		
Pension		7,770
Total deferred inflows of resources	<u>-</u>	<u>7,770</u>
Net Position		
Net investment in capital assets	-	83,657
Unrestricted	(7,994,234)	(5,663,094)
Total net position	<u>\$ (7,994,234)</u>	<u>\$ (5,579,437)</u>

**Combining Statement of Revenues, Expenses and Changes in Net Position -
Governmental Activities Internal Service Funds
For the Year Ended December 31, 2015**

	<u>Garage</u>	<u>Office Supply</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>
Operating revenues				
Charges for services	\$ 1,999,212	\$ -	\$ 5,726,047	\$ 134,123
Other	603	-	175,428	9,651
Total operating revenues	<u>1,999,815</u>	<u>-</u>	<u>5,901,475</u>	<u>143,774</u>
Operating Expenses				
Personal services	399,658	-	58,140	-
Fringe benefits	153,580	-	5,594,527	381,391
Materials and supplies	848,787	12,237	-	-
Utilities	10,811	-	-	-
Contractual services	20,639	-	38,163	18,372
Internal charges	152,888	-	-	-
Other	272,436	-	64,705	48,796
Depreciation	12,062	-	-	-
Total operating expenses	<u>1,870,861</u>	<u>12,237</u>	<u>5,755,535</u>	<u>448,559</u>
Net income (loss) from operations	<u>128,954</u>	<u>(12,237)</u>	<u>145,940</u>	<u>(304,785)</u>
Nonoperating Revenues (Expenses)				
Interest revenue	-	-	-	16,365
Interest expense	(18)	-	-	-
Gain from disposal of capital assets	1,625	-	-	-
Grants	-	-	-	23,020
Total nonoperating revenues (expenses)	<u>1,607</u>	<u>-</u>	<u>-</u>	<u>39,385</u>
Income (loss) before contributions and transfers	<u>130,561</u>	<u>(12,237)</u>	<u>145,940</u>	<u>(265,400)</u>
Transfers out	-	(2,809)	-	-
Changes in net position	<u>130,561</u>	<u>(15,046)</u>	<u>145,940</u>	<u>(265,400)</u>
Total net position - beginning, as restated	(132,415)	15,046	695,659	1,840,452
Total net position - ending	<u>\$ (1,854)</u>	<u>\$ -</u>	<u>\$ 841,599</u>	<u>\$ 1,575,052</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, 2015

(Continued)

	Compensated Absences	Total
Operating revenues		
Charges for services	\$ 750,000	\$ 8,609,382
Other	-	185,682
Total operating revenues	<u>750,000</u>	<u>8,795,064</u>
Operating Expenses		
Personal services	747,703	1,205,501
Fringe benefits	2,138	6,131,636
Materials and supplies	-	861,024
Utilities	-	10,811
Contractual services	-	77,174
Internal charges	-	152,888
Other	-	385,937
Depreciation	-	12,062
Total operating expenses	<u>749,841</u>	<u>8,837,033</u>
Net income (loss) from operations	<u>159</u>	<u>(41,969)</u>
Nonoperating Revenues (Expenses)		
Interest revenue	-	16,365
Interest expense	-	(18)
Gain from disposal of capital assets	-	1,625
Grants	-	23,020
Total nonoperating revenues (expenses)	<u>-</u>	<u>40,992</u>
Income (loss) before contributions and transfers	<u>159</u>	<u>(977)</u>
Transfers out	-	(2,809)
Changes in net position	<u>159</u>	<u>(3,786)</u>
Total net position - beginning, as restated	(7,994,393)	(5,575,651)
Total net position - ending	<u>\$ (7,994,234)</u>	<u>\$ (5,579,437)</u>

City of Cuyahoga Falls, Ohio

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds
For the Year Ended December 31, 2015**

	<u>Garage</u>	<u>Office Supply</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>
Cash Flows From Operating Activities				
Activities				
Cash received from customers	\$ 1,999,295	\$ -	\$ 5,892,154	\$ 146,415
Cash payments to employees for services	(406,771)	-	(56,582)	-
Cash payments to employees for benefits	(160,550)	-	(5,164,142)	(374,837)
Cash payments to suppliers for goods and services	(1,433,390)	(973)	(101,287)	(67,168)
Net cash provided (used in) by operating activities	(1,416)	(973)	570,143	(295,590)
Cash Flows From Non-Capital Financing Activities				
Grant proceeds	-	-	-	23,020
Transfers out	-	(2,809)	-	-
Net cash provided by (used in) non-capital financing activities	-	(2,809)	-	23,020
Cash Flows From Capital and Related Financing Activities				
Proceeds from the sale of capital assets	1,625	-	-	-
Debt service				
Principal	(355)	-	-	-
Interest	(18)	-	-	-
Net cash used in capital and related financing activities	1,252	-	-	-
Cash Flows From Investing Activities				
Interest revenue	-	-	-	16,365
Sale of investments	3,192	717	562,165	470,487
Purchase of investments	(1,766)	-	(374,323)	(235,444)
Net cash used in investing activities	1,426	717	187,842	251,408
Net increase (decrease) in cash and cash equivalents	1,262	(3,065)	757,985	(21,162)
Cash and cash equivalents at beginning of year	13,654	3,065	2,404,599	2,017,182
Cash and cash equivalents at end of year	<u>\$ 14,916</u>	<u>\$ -</u>	<u>\$ 3,162,584</u>	<u>\$ 1,996,020</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2015

(Continued)

	<u>Compensated Absences</u>	<u>Totals</u>
Cash Flows From Operating Activities		
Activities		
Cash received from customers	\$ 750,000	\$ 8,787,864
Cash payments to employees for services	(337,580)	(800,933)
Cash payments to employees for benefits	(2,138)	(5,701,667)
Cash payments to suppliers for goods and services	-	(1,602,818)
Net cash provided (used in) by operating activities	410,282	682,446
Cash Flows From Non-Capital		
Financing Activities		
Grant proceeds	-	23,020
Transfers out	-	(2,809)
Net cash provided by (used in) non-capital financing activities	-	20,211
Cash Flows From Capital and Related Financing Activities		
Proceeds from the sale of capital assets	-	1,625
Debt service		
Principal	-	(355)
Interest	-	(18)
Net cash used in capital and related financing activities	-	1,252
Cash Flows From Investing Activities		
Interest revenue	-	16,365
Sale of investments	31,629	1,068,190
Purchase of investments	(61,087)	(672,620)
Net cash used in investing activities	(29,458)	411,935
Net increase (decrease) in cash and cash equivalents	380,824	1,115,844
Cash and cash equivalents at beginning of year	135,290	4,573,790
Cash and cash equivalents at end of year	<u>\$ 516,114</u>	<u>\$ 5,689,634</u>

City of Cuyahoga Falls, Ohio

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds
For the Year Ended December 31, 2015**

(Continued)

	<u>Garage</u>	<u>Office Supply</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)	\$ 128,954	\$ (12,237)	\$ 145,940	\$ (304,785)
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:				
Depreciation	12,062	-	-	-
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:				
Receivables	(503)	-	(9,321)	-
Due from other funds	-	-	-	2,641
Due from other governments	(17)	-	-	-
Inventory of supplies	(122,327)	11,264	-	-
Prepaid items	(162)	-	-	-
Deferred outflows of resources - pension	(65,535)	-	(8,886)	-
Accounts payable				
- net of items affecting capital assets	(7,688)	-	-	-
Accrued salaries, wages and benefits	(7,113)	-	1,558	-
Due to other funds	2,298	-	6	-
Due to other governments	(1,488)	-	184	(8,392)
Other post-employment benefit obligation	-	-	351,664	-
Claims payable	-	-	80,848	14,946
Deferred inflows of resources - pension	6,842	-	928	-
Net pension liability	53,261	-	7,222	-
Total adjustments	(130,370)	11,264	424,203	9,195
Net cash provided by (used in) operating activities	<u>\$ (1,416)</u>	<u>\$ (973)</u>	<u>\$ 570,143</u>	<u>\$ (295,590)</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2015

(Continued)

	<u>Compensated Absences</u>	<u>Totals</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Operating income (loss)	\$ 159	\$ (41,969)
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:		
Depreciation	-	12,062
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:		
Receivables	-	(9,824)
Due from other funds	-	2,641
Due from other governments	-	(17)
Inventory of supplies	-	(111,063)
Prepaid items	-	(162)
Deferred outflows of resources - pension		(74,421)
Accounts payable		
- net of items affecting capital assets	-	(7,688)
Accrued salaries, wages and benefits	410,123	404,568
Due to other funds	-	2,304
Due to other governments	-	(9,696)
Other post-employment benefit obligation	-	351,664
Claims payable	-	95,794
Deferred inflows of resources - pension		7,770
Net pension liability		60,483
Total adjustments	<u>410,123</u>	<u>724,415</u>
Net cash provided by (used in) operating activities	<u>\$ 410,282</u>	<u>\$ 682,446</u>

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 ó 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, 2015

	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	\$ 550,172	\$ 47,767	\$ 778,400	\$ 16,532	\$ -	\$ 5	\$ 50,917	\$ 1,443,793
Cash and cash equivalents - restricted	-	-	-	-	500	-	-	500
Investments	65,118	5,654	92,131	1,957	-	1	6,026	170,887
Income taxes receivable	-	-	-	-	-	-	11,756	11,756
Due from other governments	-	-	127,561	-	-	-	-	127,561
Total assets	615,290	53,421	998,092	18,489	500	6	68,699	1,754,497
Liabilities								
Current Liabilities								
Due to other governments	-	-	933,647	18,489	500	-	68,699	1,021,335
Deposits held and due to others	615,290	53,421	64,445	-	-	6	-	733,162
Total liabilities	615,290	53,421	998,092	18,489	500	6	68,699	1,754,497

**Combining Statement of Changes in Assets and Liabilities - Fiduciary Funds
For the Year Ended December 31, 2015**

<u>Agency Funds</u>	<u>Balance 12/31/14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/15</u>
Guarantee Deposits				
Assets				
Equity in pooled cash and cash equivalents	\$ 970,333	\$ 69,272	\$ 489,433	\$ 550,172
Investments	226,852	65,118	226,852	65,118
Due from other governments	10,040	-	10,040	-
Total Assets	\$ 1,207,225	\$ 134,390	\$ 726,325	\$ 615,290
Liabilities				
Due to other governments	\$ -	\$ -	\$ -	\$ -
Deposits held and due to others	1,207,225	139,665	731,600	615,290
Total Liabilities	\$ 1,207,225	\$ 139,665	\$ 731,600	\$ 615,290
Unclaimed Monies				
Assets				
Equity in pooled cash and cash equivalents	\$ 36,663	\$ 12,875	\$ 1,771	\$ 47,767
Investments	8,571	5,654	8,571	5,654
Total Assets	\$ 45,234	\$ 18,529	\$ 10,342	\$ 53,421
Liabilities				
Deposits held and due to others	\$ 45,234	\$ 18,529	\$ 10,342	\$ 53,421
Total Liabilities	\$ 45,234	\$ 18,529	\$ 10,342	\$ 53,421
Employee Withholding				
Assets				
Equity in pooled cash and cash equivalents	\$ 424,437	\$ 14,774,666	\$ 14,420,703	\$ 778,400
Investments	99,228	92,131	99,228	92,131
Due from other governments	224,500	127,561	224,500	127,561
Total Assets	\$ 748,165	\$ 14,994,358	\$ 14,744,431	\$ 998,092
Liabilities				
Due to other governments	\$ 716,067	\$ 12,874,807	\$ 12,657,227	\$ 933,647
Deposits held and due to others	32,098	2,119,875	2,087,528	64,445
Total Liabilities	\$ 748,165	\$ 14,994,682	\$ 14,744,755	\$ 998,092
State Cases Fines and Forfeitures				
Assets				
Equity in pooled cash and cash equivalents	\$ 15,211	\$ 196,935	\$ 195,614	\$ 16,532
Investments	3,556	1,957	3,556	1,957
Total Assets	\$ 18,767	\$ 198,892	\$ 199,170	\$ 18,489
Liabilities				
Due to other governments	\$ 18,767	\$ 198,255	\$ 198,533	\$ 18,489
Total Liabilities	\$ 18,767	\$ 198,255	\$ 198,533	\$ 18,489
Evidence Deposits				
Assets				
Cash and cash equivalents - restricted	\$ 762,538	\$ 500	\$ 762,538	\$ 500
Total Assets	\$ 762,538	\$ 500	\$ 762,538	\$ 500
Liabilities				
Due to other governments	\$ 611,258	\$ 500	\$ 611,258	\$ 500
Deposits held and due to others	151,280	-	151,280	-
Total Liabilities	\$ 762,538	\$ 500	\$ 762,538	\$ 500

City of Cuyahoga Falls, Ohio

Combining Statement of Changes in Assets and Liabilities - Fiduciary Funds For the Year Ended December 31, 2015

(Continued)

<u>Agency Funds</u>	<u>Balance 12/31/14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/15</u>
Partnership for Parks Donation				
Assets				
Equity in pooled cash and cash equivalents	\$ -	\$ 491	\$ 486	\$ 5
Investments	-	1	-	1
Total Assets	\$ -	\$ 492	\$ 486	\$ 6
Liabilities				
Deposits held and due to others	\$ -	\$ 492	\$ 486	\$ 6
Total Liabilities	\$ -	\$ 492	\$ 486	\$ 6
Joint Economic Development District				
Assets				
	<i>As restated</i>			
Equity in pooled cash and cash equivalents	\$ 73,455	\$ 129,032	\$ 151,570	\$ 50,917
Investments	17,173	6,026	17,173	6,026
Income taxes receivable	-	11,756	-	11,756
Total Assets	\$ 90,628	\$ 146,814	\$ 168,743	\$ 68,699
Liabilities				
	<i>As restated</i>			
Due to other governments	\$ 90,628	\$ 146,814	\$ 168,743	\$ 68,699
Total Liabilities	\$ 90,628	\$ 146,814	\$ 168,743	\$ 68,699
Total Agency Funds				
Equity in pooled cash and cash equivalents	\$ 1,520,099	\$ 15,183,271	\$ 15,259,577	\$ 1,443,793
Cash and cash equivalents - restricted	762,538	500	762,538	500
Investments	355,380	170,887	355,380	170,887
Income taxes receivable	-	11,756	-	11,756
Due from other governments	234,540	127,561	234,540	127,561
Total Assets	\$ 2,872,557	\$ 15,493,975	\$ 16,612,035	\$ 1,754,497
Liabilities				
Due to other governments	\$ 1,436,720	\$ 13,220,376	\$ 13,635,761	\$ 1,021,335
Deposits held and due to others	1,435,837	2,278,561	2,981,236	733,162
Total Liabilities	\$ 2,872,557	\$ 15,498,937	\$ 16,616,997	\$ 1,754,497

STATISTICAL SECTION

City of Cuyahoga Falls, Ohio

STATISTICAL SECTION

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

Contents	Pages
<i>Financial Trends</i> í ..157-166 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> í 167-172 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> í 173-179 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> í ..180-181 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> í .182-184 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
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)**

	2015	2014*	2013	2012	2011
Government activities					
Net investment in capital assets	\$ 92,335,053	\$ 91,808,449	\$ 86,719,724	\$ 83,694,616	\$ 81,516,344
Restricted:					
Capital projects	3,063,077	-	-	11,336,227	9,728,552
Debt service	13,914	11,614	7,447	6,179	4,209
Special revenue	2,306,040	2,561,469	2,415,072	2,536,928	2,137,829
Permanent fund purpose - Cemetery Perpetual Care	239,020	234,555	231,846	229,900	227,586
Unrestricted	(14,519,150)	(17,737,712)	14,813,406	14,753,611	12,554,686
Total governmental activities net position	83,437,954	76,878,375	104,187,495	112,557,461	106,169,206
Business-type activities					
Invested in capital assets, net of related debt	80,341,436	74,625,126	70,628,251	65,775,358	63,255,627
Unrestricted	25,645,833	26,508,592	31,698,133	31,349,820	26,317,573
Total business-type activities net position	105,987,269	101,133,718	102,326,384	97,125,178	89,573,200
Primary government					
Net investments in capital assets	172,676,489	166,433,575	157,347,975	149,469,974	144,771,971
Restricted	5,622,051	2,807,638	2,654,365	14,109,234	12,098,176
Unrestricted	11,126,683	8,770,880	46,511,539	46,103,431	38,872,259
Total primary government net position	\$ 189,425,223	\$ 178,012,093	\$ 206,513,879	\$ 209,682,639	\$ 195,742,406

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

City of Cuyahoga Falls, Ohio

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

(Continued)

	2010	2009	2008	2007	2006**
Government activities					
Net investment in capital assets	\$ 77,734,747	\$ 78,407,401	\$ 74,834,451	\$ 72,851,175	\$ 63,756,095
Restricted:					
Capital projects	8,287,795	6,260,920	8,757,570	7,666,526	7,652,709
Debt service	1,310	5,846	109,044	187,018	273,777
Special revenue	2,424,557	5,960,254	7,237,562	7,717,100	7,701,388
Permanent fund purpose - Cemetery Perpetual Care	225,240	221,674	219,104	211,778	206,323
Unrestricted	13,316,106	6,389,169	8,315,681	6,880,274	4,394,906
Total governmental activities net position	101,989,755	97,245,264	99,473,412	95,513,871	83,985,198
Business-type activities					
Invested in capital assets,					
net of related debt	59,152,090	57,049,158	54,994,967	52,366,850	42,747,830
Unrestricted	27,381,062	23,464,702	23,217,163	23,613,766	19,945,749
Total business-type activities net position	86,533,152	80,513,860	78,212,130	75,980,616	62,693,579
Primary government					
Net investments in capital assets	136,886,837	135,456,559	129,829,418	125,218,025	106,503,925
Restricted	10,938,902	12,448,694	16,323,280	15,782,422	15,834,197
Unrestricted	40,697,168	29,853,871	31,532,844	30,494,040	24,340,655
Total primary government net position	\$ 188,522,907	\$ 177,759,124	\$ 177,685,542	\$ 171,494,487	\$ 146,678,777

** Restated from deferred implementation of Governmental Accounting Standards Board Statement No. 34, relating to infrastructure capital assets.

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

	2015	2014	2013	2012	2011
Program revenue					
Governmental activities:					
Charges for services:					
Security of persons and property	\$ 520,733	\$ 866,918	\$ 464,166	\$ 488,609	\$ 450,004
Leisure time activities	33,132	20,790	235,225	234,159	258,260
Community environment	227,326	201,372	160,817	549,529	467,296
Street maintenance	965,856	1,339,543	713,510	918,403	1,028,191
General government	2,209,681	2,500,922	4,962,276	4,863,081	5,135,984
Total charges for services	3,956,728	4,929,545	6,535,994	7,053,781	7,339,735
Operating grants & contributions:					
Security of persons and property	45,917	348,575	278,024	38,835	22,000
Leisure time activities	23,250	-	-	-	-
Community environment	355,300	535,716	300,219	1,527,648	896,296
Street maintenance	2,131,622	2,064,694	2,038,054	2,015,210	2,039,513
General government	7,195	-	-	-	-
Total operating grants & contributions	2,563,284	2,948,985	2,616,297	3,581,693	2,957,809
Capital grants & contributions:					
Security of persons and property	100,475	107,891	110,983	154,752	209,009
Leisure time activities	109,859	-	-	-	-
Community environment	1,245,257	-	721,956	276,683	672,090
Street maintenance	4,658,370	1,540,628	3,568,526	2,595,489	2,557,716
General government	102,823	-	-	-	-
Total capital grants & contributions	6,216,784	1,648,519	4,401,465	3,026,924	3,438,815
Total governmental activities program revenue	12,736,796	9,527,049	13,553,756	13,662,398	13,736,359
Business-type activity:					
Charges for service:					
Sewage and disposal	7,001,712	6,405,741	5,883,183	6,560,233	6,172,519
Water	5,345,330	5,867,593	5,997,979	6,287,031	5,401,541
Electric	41,872,912	42,147,397	40,671,375	40,256,836	39,341,257
Sanitation	3,634,212	3,793,133	3,769,257	3,668,307	3,716,577
Leisure time activities	6,642,300	5,558,640	5,690,602	6,046,646	5,910,168
Storm Drainage Utility	1,174,989	1,208,453	1,221,761	1,184,081	1,145,213
Total charges for services	65,671,455	64,980,957	63,234,157	64,003,134	61,687,275
Operating Grants & Contributions:					
Sewage and disposal	-	-	-	-	-
Water	10,276	-	-	-	122,379
Electric	18,538	-	-	-	8,392
Sanitation	68,946	52,994	45,248	40,199	47,815
Storm Drainage Utility	398,396	-	-	-	-
Total operating grants & contributions	496,156	52,994	45,248	40,199	178,586
Capital grants & contributions:					
Sewage and disposal	96,435	176,485	60,999	30,008	-
Water	192,015	282,859	709,571	130,039	-
Electric	-	37,500	-	34,866	-
Leisure time activities	-	-	-	-	-
Storm Drainage Utility	419,806	533,588	978,980	122,488	-
Total capital grants & contributions	708,256	1,030,432	1,749,550	317,401	-
Total business-type activities	66,875,867	66,064,383	65,028,955	64,360,734	61,865,861
Total primary government program revenue	\$ 79,612,663	\$ 75,591,432	\$ 78,582,711	\$ 78,023,132	\$ 75,602,220

City of Cuyahoga Falls, Ohio

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

(Continued)

	2010	2009	2008	2007	2006*
Program revenue					
Governmental activities:					
Charges for services:					
Security of persons and property	\$ 841,421	\$ 825,083	\$ 930,710	\$ 1,023,881	\$ 978,736
Leisure time activities	257,082	268,330	279,860	250,371	255,650
Community environment	244,959	286,740	513,776	279,550	130,823
Street maintenance	752,876	802,949	839,217	687,752	582,229
General government	4,585,060	3,393,691	7,968,738	7,733,297	7,596,686
Total charges for services	6,681,398	5,576,793	10,532,301	9,974,851	9,544,124
Operating grants & contributions:					
Security of persons and property	103,795	21,614	71,412	19,000	25,022
Leisure time activities	-	-	-	-	-
Community environment	1,117,721	1,088,129	775,617	703,273	697,364
Street maintenance	2,076,788	2,036,360	2,131,732	2,054,855	2,210,818
General government	-	169,851	50,209	402,570	34,564
Total operating grants & contributions	3,298,304	3,315,954	3,028,970	3,179,698	2,967,768
Capital grants & contributions:					
Security of persons and property	202,401	167,086	73,618	187,906	333,676
Leisure time activities	-	-	-	-	-
Community environment	2,414,054	1,505,326	989,980	961,320	-
Street maintenance	1,520,007	267,799	695,309	5,147,437	614,022
General government	-	-	30,000	-	-
Total capital grants & contributions	4,136,462	1,940,211	1,788,907	6,296,663	947,698
Total governmental activities program revenue	14,116,164	10,832,958	15,350,178	19,451,212	13,459,590
Business-type activity:					
Charges for service:					
Sewage and disposal	6,078,591	5,471,829	6,268,389	6,717,068	6,571,563
Water	5,024,010	4,858,853	5,125,578	4,850,997	5,165,054
Electric	41,058,338	36,663,940	34,032,741	35,463,844	35,085,559
Sanitation	3,662,532	3,603,540	3,781,680	3,918,962	3,853,452
Leisure time activities	5,952,524	5,770,797	5,881,339	5,700,915	5,427,157
Storm Drainage Utility	1,164,926	1,121,483	1,135,860	1,165,099	715,863
Total charges for services	62,940,921	57,490,442	56,225,587	57,816,885	56,818,648
Operating Grants & Contributions:					
Sewage and disposal	-	22,994	-	-	-
Water	35,892	-	217	-	-
Electric	28,669	-	7,217	-	-
Sanitation	48,857	43,633	52,870	50,515	47,900
Storm Drainage Utility	-	-	-	-	-
Total operating grants & contributions	113,418	66,627	60,304	50,515	47,900
Capital grants & contributions:					
Sewage and disposal	-	227,287	-	2,759,859	17,531
Water	-	-	-	1,790,259	-
Electric	-	-	-	435,852	-
Leisure time activities	-	49,767	210,320	45,348	38,245
Storm Drainage Utility	-	-	914	1,910,197	56,075
Total capital grants & contributions	-	277,054	211,234	6,941,515	111,851
Total business-type activities	63,054,339	57,834,123	56,497,125	64,808,915	56,978,399
Total primary government program revenue	\$ 77,170,503	\$ 68,667,081	\$ 71,847,303	\$ 84,260,127	\$ 70,437,989

* restated.

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

(Continued)

	2015	2014	2013	2012	2011
Expenses					
Governmental activities:					
Security of persons and property	\$ 20,818,302	\$ 19,807,646	\$ 19,226,088	\$ 18,943,973	\$ 20,176,824
Leisure time activities	2,407,489	2,244,079	2,448,177	2,404,181	2,582,822
Community environment	2,101,857	1,785,142	15,185,794	2,815,456	2,698,449
Basic utility services	-	-	-	-	-
Street maintenance	8,117,963	8,034,324	7,527,258	6,666,398	7,635,326
General government	6,536,478	6,139,797	8,189,412	9,011,136	7,809,403
Interest and fiscal charges	116,030	163,316	213,290	290,053	364,645
Total governmental activities expenses	40,098,119	38,174,304	52,790,019	40,131,197	41,267,469
Business-type activity:					
Sewage and disposal	6,803,595	6,686,370	6,024,160	6,034,476	6,480,165
Water	3,991,995	4,273,858	4,050,811	4,078,386	4,215,863
Electric	43,879,705	41,358,326	43,174,472	37,381,756	38,945,071
Sanitation	3,298,991	3,443,262	3,277,406	3,411,871	3,635,573
Leisure time activities	5,986,173	5,951,069	6,268,527	6,903,412	6,551,561
Storm Drainage Utility	1,209,296	1,467,434	1,052,954	1,125,601	1,124,710
Total business-type activities expenses	65,169,755	63,180,319	63,848,330	58,935,502	60,952,943
Total primary government program expenses	105,267,874	101,354,623	116,638,349	99,066,699	102,220,412
Net (expense)/revenue					
Governmental activity	(27,361,323)	(28,647,255)	(39,236,263)	(26,468,799)	(27,531,110)
Business-type activity	1,706,112	2,884,064	1,180,625	5,425,232	912,918
Total primary government net expense	\$ (25,655,211)	\$ (25,763,191)	\$ (38,055,638)	\$ (21,043,567)	\$ (26,618,192)
General revenues and other changes in net position					
Governmental activities					
Property and other local taxes Levied for:					
General purposes	\$ 10,966,622	\$ 9,176,770	\$ 9,176,765	\$ 8,908,341	\$ 9,965,744
Special revenue	787,954	807,157	791,351	792,443	831,460
Income tax levied for:					
General purposes	13,730,190	12,961,239	12,697,834	12,631,773	11,727,223
Special revenue	1,769,939	1,654,537	1,620,915	1,612,480	1,497,013
Capital projects	6,489,034	6,065,951	5,942,676	5,911,758	5,488,423
Grants and entitlements not restricted to specific programs	2,856,650	1,955,857	4,427,998	4,885,357	4,028,813
Gain or (loss) on sale of capital assets	103,390	-	92,019	48,447	-
Investment earnings	364,562	203,039	137,320	193,201	299,015
Transfers	(3,147,439)	(2,375,534)	(2,047,509)	(2,126,746)	(2,127,130)
Total governmental activities	33,920,902	30,449,016	32,839,369	32,857,054	31,710,561
Business-type activity					
Investment earnings	-	-	-	-	-
Transfers	3,147,439	2,375,534	2,047,509	2,126,746	2,127,130
Total Business-type activity	3,147,439	2,375,534	2,047,509	2,126,746	2,127,130
Total primary government general revenue and other changes in net position	37,068,341	32,824,550	34,886,878	34,983,800	33,837,691
Change in net position					
Governmental Activities	6,559,579	1,801,761	(6,396,894)	6,388,255	4,179,451
Business Type Activities	4,853,551	5,259,598	3,228,134	7,551,978	3,040,048
Total primary government change in net position	\$ 11,413,130	\$ 7,061,359	\$ (3,168,760)	\$ 13,940,233	\$ 7,219,499

City of Cuyahoga Falls, Ohio

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

(Continued)

	2010	2009	2008	2007	2006*
Expenses					
Governmental activities:					
Security of persons and property	\$ 20,486,414	\$ 23,430,589	\$ 20,885,650	\$ 21,077,044	\$ 22,964,331
Leisure time activities	2,412,432	2,644,714	2,811,353	2,693,863	2,582,070
Community environment	4,220,657	2,425,183	1,927,929	1,634,740	1,619,169
Basic utility services	-	-	-	-	20,035
Street maintenance	8,110,272	6,936,730	8,417,596	6,786,311	6,775,417
General government	7,648,904	9,098,070	11,286,008	10,875,233	10,153,078
Interest and fiscal charges	425,181	751,598	673,816	562,128	634,318
Total governmental activities expenses	43,303,860	45,286,884	46,002,352	43,629,319	44,748,418
Business-type activity:					
Sewage and disposal	5,497,927	5,190,156	5,445,620	5,440,729	5,262,109
Water	4,266,999	4,552,145	4,773,648	4,608,542	4,505,282
Electric	38,965,035	37,217,341	35,185,035	32,683,194	32,211,414
Sanitation	3,081,240	3,258,406	3,542,028	3,686,234	3,835,257
Leisure time activities	6,328,933	6,604,706	6,611,629	6,630,226	6,804,244
Storm Drainage Utility	951,755	789,037	427,802	309,254	337,388
Total business-type activities expenses	59,091,889	57,611,791	55,985,762	53,358,179	52,955,694
Total primary government program expenses	102,395,749	102,898,675	101,988,114	96,987,498	97,704,112
Net (expense)/revenue					
Governmental activity	(29,187,696)	(34,453,926)	(30,652,174)	(24,178,107)	(31,288,828)
Business-type activity	3,962,450	222,332	511,363	11,450,736	4,022,705
Total primary government net expense	\$ (25,225,246)	\$ (34,231,594)	\$ (30,140,811)	\$ (12,727,371)	\$ (27,266,123)
General revenues and other changes in net position					
Governmental activities					
Property and other local taxes Levied for:					
General purposes	\$ 10,429,421	\$ 10,414,278	\$ 10,440,198	\$ 10,465,304	\$ 10,446,887
Special revenue	811,514	796,234	824,016	833,685	595,591
Income tax levied for:					
General purposes	12,171,153	11,623,452	11,765,637	11,684,711	11,082,744
Special revenue	1,553,682	1,483,767	1,501,916	1,491,586	1,414,743
Capital projects	5,696,184	5,439,858	5,506,400	5,468,528	5,186,801
Grants and entitlements not restricted to specific programs	4,955,712	4,130,199	5,020,191	5,324,452	4,571,615
Gain or (loss) on sale of capital assets	98,731	(79,417)	54,372	116,724	31,310
Investment earnings	272,491	488,939	1,177,816	2,158,091	2,043,801
Transfers	(2,056,701)	(2,071,532)	(1,678,831)	(1,836,301)	(1,399,592)
Total governmental activities	33,932,187	32,225,778	34,611,715	35,706,780	33,973,900
Business-type activity					
Investment earnings	141	7,866	41,320	-	-
Transfers	2,056,701	2,071,532	1,678,831	1,836,301	1,399,592
Total Business-type activity	2,056,842	2,079,398	1,720,151	1,836,301	1,399,592
Total primary government general revenue and other changes in net position	35,989,029	34,305,176	36,331,866	37,543,081	35,373,492
Change in net position					
Governmental Activities	4,744,491	(2,228,148)	3,959,541	11,528,673	2,685,072
Business Type Activities	6,019,292	2,301,730	2,231,514	13,287,037	5,422,297
Total primary government change in net position	\$ 10,763,783	\$ 73,582	\$ 6,191,055	\$ 24,815,710	\$ 8,107,369

* restated.

City of Cuyahoga Falls, Ohio

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

	2015	2014	2013	2012	2011	2010
General Fund						
Nonspendable	\$ 262,073	\$ 266,459	\$ 237,732	\$ 201,219	\$ 194,207	\$ 222,918
Restricted	181,734	21,505	110,459	113,975	94,208	-
Assigned	1,153,447	2,144,241	1,559,926	2,127,354	1,074,608	47,921
Unassigned	9,429,461	8,583,242	9,139,036	6,755,367	7,785,411	7,829,712
Total General Fund	11,026,715	11,015,447	11,047,153	9,197,915	9,148,434	8,100,551
All Other Governmental Funds						
Nonspendable	989,641	955,104	789,122	13,549,608	13,568,594	12,721,630
Restricted	7,785,858	5,798,849	4,967,993	5,215,817	4,079,672	4,125,179
Committed	1,553	126,528	318,248	561,494	592,770	457,652
Assigned	400,114	-	-	-	795,506	689,041
Unassigned	-	(4,953,474)	721,889	(6,183,050)	(6,812,087)	(7,194,449)
Total All Other Governmental Funds	9,177,166	1,927,007	6,797,252	13,143,869	12,224,455	10,799,053
Total Governmental Funds	\$ 20,203,881	\$ 12,942,454	\$ 17,844,405	\$ 22,341,784	\$ 21,372,889	\$ 18,899,604

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 Fund Balances, Governmental Funds Last Ten Years (Modified Accrual Basis of Accounting)

(Continued)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund				
Reserved	\$ 342,641	\$ 444,478	\$ 442,794	\$ 425,783
Unreserved	6,280,496	7,599,834	6,465,868	4,676,968
Total General Fund	<u>6,623,137</u>	<u>8,044,312</u>	<u>6,908,662</u>	<u>5,102,751</u>
All Other Governmental Funds				
Reserved	15,367,539	15,005,000	3,674,630	4,187,560
Unreserved, Undesignated, Reported In:				
Special Revenue Funds	1,756,810	3,474,129	3,808,651	4,073,889
Capital Projects Funds	(8,546,288)	(8,009,938)	1,480,417	(220,613)
Total All Other Governmental Funds	<u>8,578,061</u>	<u>10,469,191</u>	<u>8,963,698</u>	<u>8,040,836</u>
Total Governmental Funds	<u>\$ 15,201,198</u>	<u>\$ 18,513,503</u>	<u>\$ 15,872,360</u>	<u>\$ 13,143,587</u>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues					
Property taxes	\$ 9,221,515	\$ 9,278,950	\$ 9,421,294	\$ 9,233,359	\$ 10,213,088
Municipal income taxes	22,229,725	21,337,597	20,178,112	19,433,228	18,672,207
Other local taxes	2,573,609	696,319	640,938	640,969	488,319
State levied shared taxes	4,988,263	4,417,200	6,387,862	7,237,038	6,736,036
Intergovernmental	3,251,801	3,624,099	4,444,274	3,728,442	3,914,492
Charges for services	2,432,354	2,038,438	5,250,240	5,197,180	5,052,585
Fees, licenses, and permits	844,119	940,841	727,918	885,612	828,291
Interest earnings	336,444	176,526	133,941	180,908	310,736
Fines and forfeitures	251,164	652,005	352,468	308,788	342,541
Special assessments	96,116	121,022	165,842	184,556	267,848
Other	683,351	1,334,924	486,470	873,766	1,317,232
Total revenues	\$ 46,908,461	\$ 44,617,921	\$ 48,189,359	\$ 47,903,846	\$ 48,143,375
Expenditures					
Current					
Security of persons and property	\$ 18,867,260	\$ 18,555,134	\$ 18,835,729	\$ 18,284,008	\$ 18,750,985
Leisure time activities	2,470,729	2,068,837	2,270,656	2,217,158	2,214,325
Community environment	2,941,270	1,534,194	1,623,736	2,637,217	2,605,718
Street maintenance	3,798,443	3,711,222	3,457,639	3,037,778	3,751,166
General government	5,062,773	5,079,261	7,450,906	7,324,776	6,941,671
Capital outlay	8,370,123	9,322,999	21,999,635	8,627,407	7,999,729
Debt service					
Principal	1,188,631	7,748,929	1,114,980	1,156,470	1,138,254
Interest	151,112	191,604	261,071	282,810	400,074
Total expenditures	\$ 42,850,341	\$ 48,212,180	\$ 57,014,352	\$ 43,567,624	\$ 43,801,922
Excess (deficiency) of revenues over (under) expenditures					
	\$ 4,058,120	\$ (3,594,259)	\$ (8,824,993)	\$ 4,336,222	\$ 4,341,453
Other financing sources (uses)					
Bond Note proceeds	6,185,000	-	6,600,000	-	-
Premium on various purpose refunding bonds	-	-	-	-	-
Payment to bond escrow account	-	-	-	-	-
Refunding bond issuance cost	-	-	-	-	-
Capital lease	-	-	-	-	-
Transfers in	3,459,711	4,778,527	4,580,803	22,953,663	22,624,856
Transfers out	(6,590,583)	(6,278,503)	(6,839,411)	(26,268,896)	(24,633,580)
Total other financing sources (uses)	3,054,128	(1,499,976)	4,341,392	(3,315,233)	(2,008,724)
Net change in fund balance	\$ 7,112,248	\$ (5,094,235)	\$ (4,483,601)	\$ 1,020,989	\$ 2,332,729
Debt service as a percentage of noncapital expenditures					
	4.0%	18.6%	2.7%	4.0%	4.0%

City of Cuyahoga Falls, Ohio

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

(Continued)

	2010	2009	2008	2007	2006*
Revenues					
Property taxes	\$ 10,686,762	\$ 10,712,398	\$ 10,757,164	\$ 10,879,771	\$ 10,870,777
Municipal income taxes	19,370,713	18,231,291	18,753,883	18,484,497	17,672,779
Other local taxes	480,317	840,228	560,210	390,387	141,586
State levied shared taxes	7,125,346	6,235,084	7,355,239	7,225,524	7,034,265
Intergovernmental	5,035,728	3,002,006	2,214,516	2,925,454	1,481,952
Charges for services	4,945,171	5,463,154	7,837,010	7,133,862	7,176,699
Fees, licenses, and permits	1,022,270	1,050,543	1,835,432	2,156,317	1,711,914
Interest earnings	237,865	497,505	1,051,158	2,054,768	1,762,970
Fines and forfeitures	325,243	225,377	303,492	421,121	368,506
Special assessments	255,811	345,121	364,614	289,373	306,689
Other	662,765	577,768	936,910	776,244	686,386
Total revenues	\$ 50,147,991	\$ 47,180,475	\$ 51,969,628	\$ 52,737,318	\$ 49,214,523
Expenditures					
Current					
Security of persons and property	\$ 19,798,139	\$ 22,414,019	\$ 20,770,690	\$ 19,989,704	\$ 21,125,740
Leisure time activities	2,100,748	2,324,009	2,253,973	2,204,179	2,360,444
Community environment	2,422,133	2,597,303	1,888,483	2,205,502	1,787,134
Street maintenance	3,629,866	4,007,068	4,128,506	4,110,655	3,779,794
General government	6,797,451	8,169,113	10,950,142	10,504,859	9,533,684
Capital outlay	7,808,944	7,020,469	6,127,721	9,124,330	8,903,056
Debt service					
Principal	1,289,820	1,443,696	1,533,985	1,304,266	970,431
Interest	471,807	762,215	670,189	590,418	704,293
Total expenditures	\$ 44,318,908	\$ 48,737,892	\$ 48,323,689	\$ 50,033,913	\$ 49,164,576
Excess (deficiency) of revenues over (under) expenditures	\$ 5,829,083	\$ (1,557,417)	\$ 3,645,939	\$ 2,703,405	\$ 49,947
Other financing sources (uses)					
Bond/Note proceeds	-	3,093,000	-	-	-
Premium on various purpose refunding bonds	-	166,722	-	-	-
Payment to bond escrow account	-	(3,215,098)	-	-	-
Refunding bond issuance cost	-	(44,624)	-	-	-
Capital lease	-	263,515	540,197	2,466,544	768,740
Transfers in	23,240,546	22,675,964	22,777,318	23,204,680	22,548,956
Transfers out	(25,247,635)	(24,747,496)	(24,223,202)	(25,040,981)	(23,948,548)
Total other financing sources (uses)	(2,007,089)	(1,808,017)	(905,687)	630,243	(630,852)
Net change in fund balance	\$ 3,821,994	\$ (3,365,434)	\$ 2,740,252	\$ 3,333,648	\$ (580,905)
Debt service as a percentage of noncapital expenditures	4.3%	5.1%	5.1%	4.5%	4.1%

* restated.

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
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
2009	759,030,430	257,923,860	2,905,583,686	6,457,810	7,338,420	1,978,649	7,914,596
2008	770,666,300	231,161,090	2,862,363,971	6,365,790	7,233,852	24,320,362	97,281,448
2007	755,457,020	229,254,980	2,813,462,857	12,525,300	14,233,295	44,666,313	178,665,252
2006	745,753,380	232,176,180	2,794,084,457	13,559,720	15,408,773	60,925,920	243,703,680

Collection Year	Total			Tax Rate (per \$1,000 of Assessed Value)
	Assessed Value	Estimated Actual Value	Ratio	
2015	\$ 945,616,820	2,686,089,655	35.20%	11.00
2014	959,407,150	2,726,518,112	35.19%	11.00
2013	952,793,500	2,708,737,981	35.17%	11.00
2012	951,170,420	2,705,094,394	35.16%	11.00
2011	1,036,857,080	2,950,537,549	35.14%	11.00
2010	1,021,721,160	2,908,791,542	35.13%	11.00
2009	1,025,390,749	2,920,836,702	35.11%	11.00
2008	1,032,513,542	2,966,879,272	34.80%	11.00
2007	1,041,903,613	3,006,361,405	34.66%	11.00
2006	1,052,415,200	3,053,196,910	34.47%	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 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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

Source: Summit County Fiscal Office

City of Cuyahoga Falls, Ohio

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
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	69.9100	69.9600	69.8900	69.9200	69.8800	69.8800	69.7800	69.8700	69.8800	70.0000
Residential/Agricultural Real	41.7304	41.7600	41.1984	41.1898	41.1139	34.6521	34.5665	34.5715	34.0468	34.4061
Commercial/Industrial and Public Utility Real	47.2351	47.2300	46.9312	46.7903	46.8903	41.0287	40.9014	40.5960	41.6074	40.5120
General Business and Public Utility Personal	69.9600	69.9600	69.8900	69.9200	69.8800	69.8800	69.7800	69.8700	69.8800	70.0000
Summit County	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.5700	13.0700
Residential/Agricultural Real	14.0991	14.1000	14.0816	14.0805	14.0793	14.0201	14.0192	14.0174	12.0570	9.7591
Commercial/Industrial and Public Utility Real	13.9081	13.8800	14.1574	14.1534	14.1443	13.6240	13.6449	13.4948	12.8620	10.7717
General Business and Public Utility Personal	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.5700	13.0700
Special Taxing Districts-Cuyahoga Falls Library	1.9000	1.9000	1.9000	1.9000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
Residential/Agricultural Real	1.9000	1.9000	1.9000	1.9000	1.9000	1.2993	1.3000	1.3000	1.2955	1.2955
Commercial/Industrial and Public Utility Real	1.9000	1.9000	1.9000	1.8935	1.9000	1.2618	1.2608	1.2467	1.3000	1.3000
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.9000	1.3000	1.3000	1.3000	1.3000	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
2015 and 2006**

<u>Name of Taxpayer</u>	<u>2015</u>	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Summa Akron City	\$ 5,919,390	0.63%
Newpart Limited Partnership	5,520,630	0.58%
Riverside Community Urban Redevelopment	5,043,230	0.53%
Yorkshire Woods Apartments LTD	4,856,530	0.51%
DFG Chapel Hill LLC	4,174,980	0.44%
Niederst Portage Towers LLC & Wynn	3,961,340	0.42%
Sams Real Estate Business Trust	2,762,090	0.29%
Trinity Square Acquisition LLC	2,508,500	0.27%
Heslop Inc.	2,315,140	0.24%
Cuyahoga Heights LP	2,174,510	0.23%
Totals	\$ 39,236,340	4.14%

Total Assessed Valuation	\$ 945,616,820	
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<u>Name of Taxpayer</u>	<u>2006</u>	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Yorkshire Woods Apartments	\$ 6,576,250	0.67%
Riverside Community Urban Redevelopment	4,915,410	0.50%
Newpart Ltd. Ptrshp.	3,450,780	0.35%
Plaza Chapel Hill, Co.	3,425,530	0.35%
Dayton Hudson Corporation	2,705,760	0.28%
Sams Real Estate Business Trust	2,632,720	0.27%
Inland Western Cuyahoga Falls LLC	2,174,980	0.22%
HD Development of Maryland, Inc.	1,889,960	0.19%
Go Jo Industries, Inc.	1,786,950	0.18%
Commercial Net Lease Realty, Inc.	1,750,040	0.18%
Totals	\$ 31,308,380	3.20%

Total Assessed Valuation	\$ 977,929,560	
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Source: Summit County Fiscal Office

(1) The amounts presented represent the assessed values upon which 2015 and 2006 collections were based.

City of Cuyahoga Falls, Ohio

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
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%
2009	11,257,584	10,807,318	96.0%	294,572	11,101,890	98.6%	607,847	5.4%
2008	11,115,759	10,783,277	97.0%	339,869	11,123,146	100.1%	441,761	4.0%
2007	10,969,717	10,543,768	96.1%	342,686	10,886,454	99.2%	510,428	4.7%
2006	10,906,413	10,555,764	96.8%	245,597	10,801,361	99.0%	435,846	4.0%

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
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
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%
2009	2.00%	18,146,139	13,350,667	74%	2,393,797	13%	2,401,675	13%
2008	2.00%	18,720,525	13,990,210	75%	2,197,352	12%	2,532,963	14%
2007	2.00%	18,643,599	14,102,614	76%	2,050,006	11%	2,490,979	13%
2006	2.00%	17,655,291	13,161,626	75%	1,998,464	11%	2,495,201	14%

(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 2015 and 2006

Tax Year 2015

Taxpayers	Income Tax Withholding Collections Ranking	Percent Of Income Tax Withholding Collections
Go Jo Industries, Inc.	1	5.17%
Summa Western Reserve Hospital	2	4.13%
Associated Materials LLC	3	4.02%
City of Cuyahoga Falls	4	3.43%
Cuyahoga Falls Board of Education	5	3.26%
Americhem, Inc.	6	1.66%
Woodridge Local School District	7	1.48%
Summit County Board of Education	8	1.30%
Accurate Staffing, Inc.	9	1.08%
Prospect-Akromold, Inc.	10	1.07%
		26.61%

Tax Year 2006

Taxpayers	Income Tax Withholding Collections Ranking	Percent Of Income Tax Withholding Collections
City of Cuyahoga Falls	1	4.74%
Summa Health System Hospitals	2	4.70%
Cuyahoga Falls Board of Education	3	3.63%
Associated Materials LLC	4	3.36%
Go Jo Industries, Inc.	5	3.31%
Americhem, Inc.	6	2.12%
Woodridge Local School District	7	1.40%
Manufacturers Group	8	1.38%
Accuride Cuyahoga Falls Inc.	9	1.37%
Adecco USA, Inc.	10	1.28%
		27.29%

Source: The City's Income Tax Department

**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					
2015	\$ 7,121,208	\$ -	\$ 771,949	\$ 15,936,579	\$ 7,867,113	\$ 31,696,849	\$ 1,321,731,390	2.40%	49,210	g \$ 644
2014	1,894,899	-	960,735	17,962,670	9,480,748	\$ 30,299,052	1,300,747,334	2.33%	49,267	f 615.00
2013	9,366,761	-	1,264,246	19,931,127	11,156,092	41,718,226	1,288,101,465	3.24%	49,267	f 847.00
2012	3,440,742	-	1,566,828	21,309,265	12,754,077	39,070,912	1,250,773,755	3.12%	49,255	e 793.00
2011	4,237,456	-	1,662,121	22,652,551	14,213,016	42,765,144	1,227,000,224	3.49%	49,652	d 861.00
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	d 946.00
2009	5,945,700	104,000	2,704,089	26,019,454	16,477,596	51,250,839	1,152,079,500	4.45%	51,090	c 1,003.00
2008	6,958,319	151,000	2,945,806	19,896,985	16,477,596	46,429,706	1,152,079,500	4.03%	51,090	c 909.00
2007	7,825,394	287,024	2,936,495	21,797,196	-	32,846,109	1,150,095,100	2.86%	51,002	b 644.00
2006	8,657,164	419,390	810,081	23,616,369	107,922	33,610,926	1,138,639,700	2.95%	50,494	a 666.00

Sources:

- (1) U. S. Bureau of Census, Census of Population
 - (a) July 1, 2005 U.S. Census Bureau Estimate
 - (b) July 1, 2007 U.S. Census Bureau Estimate
 - (c) July 1, 2008 U.S. Census Bureau Estimate
 - (d) 2010 U.S. Census Bureau
 - (e) 2012 U.S. Census Bureau Estimate
 - (f) 2013 U.S. Census Bureau Estimate
 - (g) 2014 U.S. Census Bureau Estimate

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		
2015	49,210 g	\$ 2,686,089,655	7,121,208	15,936,579	23,057,787	0.86%	\$ 469
2014	49,267 f	2,726,518,112	1,894,899	17,962,670	19,857,569	0.73%	403
2013	49,267 f	2,708,737,981	9,366,761	19,931,127	29,297,888	1.08%	595
2012	49,255 e	2,705,094,394	3,440,742	21,309,265	24,750,007	0.91%	502
2011	49,652 d	2,950,537,549	4,237,456	22,652,551	26,890,007	0.91%	542
2010	49,652 d	2,908,791,542	5,013,033	24,261,972	29,275,005	1.01%	590
2009	51,090 c	2,920,836,702	5,945,700	26,019,454	31,965,154	1.09%	626
2008	51,090 c	2,966,879,272	6,958,319	19,896,985	26,855,304	0.91%	526
2007	51,002 b	3,006,361,405	7,825,394	21,797,196	29,622,590	0.99%	581
2006	50,494 a	3,053,196,910	8,657,164	23,616,369	32,273,533	1.06%	639

Sources:

- (1) U. S. Bureau of Census, Census of Population
 (a) July 1, 2005 U.S. Census Bureau Estimate
 (b) July 1, 2007 U.S. Census Bureau Estimate
 (c) July 1, 2008 U.S. Census Bureau Estimate
 (d) 2010 U.S. Census Bureau
 (e) 2012 U.S. Census Bureau Estimate
 (f) 2013 U.S. Census Bureau Estimate
 (g) 2014 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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 99,289,766	\$ 100,737,751	\$ 100,043,318	\$ 99,872,894	\$ 108,869,993
Net debt within 10.5 % limitations	<u>7,069,086</u>	<u>1,759,101</u>	<u>2,607,674</u>	<u>3,430,477</u>	<u>4,227,891</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 92,220,680</u>	<u>\$ 98,978,650</u>	<u>\$ 97,435,644</u>	<u>\$ 96,442,417</u>	<u>\$ 104,642,102</u>
Total net debt applicable to the limit as a percentage of debt limit	7.12%	1.75%	2.61%	3.43%	3.88%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 52,008,925	\$ 52,767,393	\$ 52,403,643	\$ 52,314,373	\$ 57,027,139
Net debt within 5.5% limitations	<u>7,069,086</u>	<u>1,759,101</u>	<u>2,607,674</u>	<u>3,430,477</u>	<u>4,227,891</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 44,939,839</u>	<u>\$ 51,008,292</u>	<u>\$ 49,795,969</u>	<u>\$ 48,883,896</u>	<u>\$ 52,799,248</u>
Total net debt applicable to the limit as a percentage of debt limit	13.59%	3.33%	4.98%	6.56%	7.41%

Legal Debt Margin Calculation for Fiscal Year 2015

	Unvoted Margin <u>Within 5.5%</u>	Overall Margin <u>Within 10.5%</u>
Assessed property value	<u>\$ 945,616,820</u>	<u>\$ 945,616,820</u>
Overall debt limitation (% of assessed valuation)	\$ 52,008,925	\$ 99,289,766
Gross indebtedness	22,675,000	22,675,000
Less:		
(Self-supporting as defined in O.R.C. 133.05)		
General sewer and sanitary improvements	(783,000)	(783,000)
Water utility	(3,224,000)	(3,224,000)
Recreation facilities	(11,585,000)	(11,585,000)
Debt Service Fund Balance	(13,914)	(13,914)
Net debt within limitations	<u>\$ 7,069,086</u>	<u>\$ 7,069,086</u>
Legal debt margin within limitations	<u>\$ 44,939,839</u>	<u>\$ 92,220,680</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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 107,280,722	\$ 107,666,029	\$ 108,413,922	\$ 109,399,879	\$ 110,503,596
Net debt within 10.5 % limitations	<u>5,008,006</u>	<u>5,936,842</u>	<u>6,938,515</u>	<u>7,805,008</u>	<u>8,634,075</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 102,272,716</u>	<u>\$ 101,729,187</u>	<u>\$ 101,475,407</u>	<u>\$ 101,594,871</u>	<u>\$ 101,869,521</u>
Total net debt applicable to the limit as a percentage of debt limit	4.67%	5.51%	6.40%	7.13%	7.81%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 56,194,664	\$ 56,396,491	\$ 56,788,245	\$ 57,304,699	\$ 57,882,836
Net debt within 5.5% limitations	<u>5,008,006</u>	<u>5,936,842</u>	<u>6,938,515</u>	<u>7,805,008</u>	<u>8,634,075</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 51,186,658</u>	<u>\$ 50,459,649</u>	<u>\$ 49,849,730</u>	<u>\$ 49,499,691</u>	<u>\$ 49,248,761</u>
Total net debt applicable to the limit as a percentage of debt limit	8.91%	10.53%	12.22%	13.62%	14.92%

**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	
2006	\$ 6,677,822	\$ 5,074,626	\$ 1,603,196	\$ 210,485	\$ 160,392	\$ 370,877	4.32
2007	6,808,212	5,289,152	1,519,060	216,807	151,455	368,262	4.12
2008	6,343,298	5,289,153	1,054,145	228,903	142,132	371,035	2.84
2009	5,557,006	5,090,043	466,963	237,888	132,182	370,070	1.26
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

WATER FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	\$ 5,165,054	\$ 4,555,303	\$ 609,751	\$ 509,989	\$ 430,554	\$ 940,543	0.65
2007	4,850,997	4,736,833	114,164	527,269	409,756	937,025	0.12
2008	5,125,578	4,829,768	295,810	556,324	388,926	945,250	0.31
2009	4,858,853	4,655,041	203,812	577,633	366,518	944,151	0.22
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

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 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		
2006	\$ 5,427,157	\$ 5,822,693	\$ (395,536)	\$ 755,120	\$ 423,455	\$ 1,178,575	(0.34)	
2007	5,700,915	5,628,460	72,455	778,787	400,431	1,179,218	0.06	
2008	5,881,339	5,692,931	188,408	803,674	376,184	1,179,858	0.16	
2009	5,770,797	6,071,321	(300,524)	538,016	349,408	887,424	(0.34)	
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	

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, 2015

<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	\$ 7,121,208	100.00%	\$ 7,121,208
Capital Leases	771,949	100.00%	771,949
Total Direct Debt	<u>7,893,157</u>		<u>7,893,157</u>
Overlapping			
School Districts			
Cuyahoga Falls City	1,655,000	89.27%	1,477,419
Woodridge Local	5,005,000	59.75%	2,990,488
Hudson City	2,740,000	2.94%	80,556
Revere Local	2,365,564	0.82%	19,398
Stow-Munroe Falls City	3,747,385	0.27%	10,118
County			
Summit County	32,420,000	8.40%	2,723,280
Other Units			
Akron-Summit County Library District	23,590,000	3.59%	846,881
Total Overlapping Debt	<u>71,522,949</u>		<u>8,148,140</u>
Total	<u>\$ 79,416,106</u>		<u>\$ 16,041,297</u>

Source: Summit County Fiscal Office

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

City of Cuyahoga Falls, Ohio

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			
2015	49,210	g	\$ 1,321,731,390	\$ 49,188	\$ 26,859	4.8%	4.6%	27.8	\$ 137,751	39.5
2014	49,267	f	1,300,747,334	49,438	26,402	4.9%	4.7%	27.8	138,814	39.4
2013	49,267	f	1,288,676,919	48,606	26,157	6.4%	6.6%	27.8	134,556	38.8
2012	49,255	e	1,251,027,745	46,450	25,399	6.1%	6.6%	27.8	128,421	38.8
2011	49,652	d	1,227,000,224	47,071	24,712	7.4%	7.6%	27.8	124,634	38.8
2010	49,652	d	1,119,652,600	52,372	22,550	7.3%	10.0%	27.8	127,338	37.2
2009	51,090	c	1,152,079,500	52,372	22,550	9.8%	10.2%	27.8	129,051	37.2
2008	51,090	c	1,152,079,500	52,372	22,550	6.1%	6.5%	27.8	139,477	37.2
2007	51,002	b	1,150,095,100	52,372	22,550	5.4%	5.6%	27.8	133,734	37.2
2006	50,494	a	1,138,639,700	52,372	22,550	5.3%	5.5%	27.8	132,287	37.2

Sources:

- (1) U. S. Bureau of Census, Census of Population
 - (a) July 1, 2005 U.S. Census Bureau Estimate
 - (b) July 1, 2007 U.S. Census Bureau Estimate
 - (c) July 1, 2008 U.S. Census Bureau Estimate
 - (d) 2010 U.S. Census Bureau
 - (e) 2012 U.S. Census Bureau Estimate
 - (f) 2013 U.S. Census Bureau Estimate
 - (g) 2014 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 2015 and Ten Years Ago

2015

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Summa Western Reserve Hospital	Hospital	1,058	4.17%
Go Jo Industries Inc.	Manufacturer	1,000	3.94%
City of Cuyahoga Falls	Government	939	3.70%
Cuyahoga Falls Board of Education	Education	808	3.18%
Woodridge Local School District	Education	578	2.28%
B T L Payroll	Payroll Services	540	2.12%
The Fred Albrecht Company	Grocer	500	1.97%
Summit County Board of Education	Education	415	1.63%
GMRI	Restaurant	352	1.39%
Associated Materials	Manufacturer	160	0.63%
Total		6,350	25.01%
Total Employment Within the City		25,400	

2006

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Adecco USA	Employment Services	1,274	4.58%
City of Cuyahoga Falls	Government	1,085	3.90%
Cuyahoga Falls General Hospital	Hospital	959	3.45%
Cuyahoga Falls Board of Education	Education	834	3.00%
Go Jo Industries Inc.	Manufacturer	789	2.84%
GMRI	Restaurant	675	2.43%
B T L Payroll	Payroll Services	601	2.16%
Associated Materials	Manufacturer	547	1.97%
Woodridge Local Schools	Education	424	1.53%
Ebsco Industries	Telemarketing	198	0.70%
Total		7,386	26.56%
Total Employment Within the City		27,800	

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

City of Cuyahoga Falls, Ohio

Capital Asset Statistics By Function/Program Last Ten Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Vehicles	41	42	39	40	41	42	49	47	47	44
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Vehicles	29	27	27	28	29	28	28	28	27	31
Stations	5	5	5	5	5	5	5	5	5	5
Highways and Streets										
Streets(miles)	234.02*	233.52*	233.03*	232.58*	232.26*	232.19*	232.19*	232.19*	232.19*	231.28*
Streetslights	5,965	5,919	5,898	5,637	5,627	5,624	5,618	5,587	5,595	5,683
Traffic Signals	79	79	72	72	78	78	81	78	76	76
Vehicles	55	53	52	53	52	52	52	53	47	58
Recreation										
Number of Parks	24	24	24	24	24	24	24	24	24	24
Vehicles	36	38	38	37	39	41	40	40	38	39
Number of Tennis Courts	8	8	8	8	8	17	17	17	16	16
Number of Baseball Diamonds	35	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	5	5
Water										
Water Mains (miles)	200	200	200	200	200	200	200	200	200	200
Fire Hydrants	2,114	2,114	2,114	2,114	2,111	2,111	2,325	2,325	2,257	2,257
Vehicles	19	19	20	20	20	19	21	21	20	18
Sewer										
Sanitary Sewer Lines (miles)	152	152	152	152	152	152	152	152	160	160
Storm Sewer Lines (miles)	160	160	151	151	160	151	151	151	157	157
Vehicles	11	13	13	13	13	13	20	11	11	13
Electric										
Substations	13	13	13	13	12	13	13	13	13	13
Miles of Service Lines	339	339	336	335	313	310	309	307	306	256
Vehicles	33	28	26	27	27	27	27	27	27	27
Sanitation										
Vehicles	27	25	22	22	18	26	25	26	24	26
Number of Routes	7	9	9	7	6	6	6	6	8	9
Parking Facilities										
City Lots and Decks	14	14	14	14	14	14	14	16	16	17
Square Feet	312,467	312,467	312,467	312,467	312,467	312,467	312,467	360,686	360,686	389,236
Spaces	1,312	1,312	1,312	1,312	1,312	1,312	1,312	1,998	1,998	2,054
Recreation Lots	26	25	25	25	25	25	25	22	22	22
Square Feet	694,023	644,237	644,237	644,237	644,237	644,237	644,237	361,980	361,980	361,980
Spaces	1,995	1,955	1,955	1,955	1,955	1,955	1,955	1,886	1,886	1,886

* With new Geographic Information System advances more accurate statistics can be recorded.

Source: City Departments

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

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government										
Council	6	6	6	6	6	6	6	6	6	6
Mayor	2	2	2	2	2	2	2	2	3	3
Mayor's Court	1	2.5	2.5	2.5	2.5	2	1.5	0	0	0
Finance	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	9	8.5
Law Director	7.5	7.5	6	7.5	8	8	8.5	9.5	8	8
Service Director	4	4	4	4.5	4	4.5	4.5	4.5	4.5	4.5
Municipal Court	0	0	0	0	0	0	0	24	25	25
Clerk of Courts	0	0	0	0	0	0	0	23	23.5	22.5
Civil Service	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2
Engineering	10	10	10	10	11	11	11	11	10	10
HR	3	3	3	3	4	4	4	3	4	4
Print Shop	0	0	0	0	0	0	1	1	0.5	1
Building & Grounds	8	9	9	8	12	11.5	12	12	11	11
Income Tax	4.5	3.5	4	4	5	5	5	5	5	6
Information Services	7	7	8	8	8	7	8.5	8.5	9	8
Security of Persons & Property										
Building	0	0	0	0	0	4.5	7	7	8	8
Police	79.5	74.5	77.5	78	76	84	93	109.5	112.5	118
Crossing Guards	1.5	3	2	2	3	4	4.5	5.5	7	10.5
Fire	75.5	72.5	75.5	72.5	76.5	83	83	84.5	85	85
Technical Services	4	4	4	4	4	5	6	5	5	6
Communications	13.5	14.5	13.5	13	15	14	14.5	0	0	0
Community Environment										
Community Development	13	10.5	12	12	13	13	14	14	14	15.5
Leisure Time										
Parks & Recreation	132	131.5	127	132	136.5	141	142	137	128.5	124.5
Transportation										
Streets	26	27	27	27	29	32	32	33	34	35
Storm Water	2.5	2.5	2.5	2.5	3	3	2	1	1	1
Sewage and Disposal	12.5	12	12	12	12	12	12.5	15	15	13
Water	20	20.5	20	20	22	17	25.5	27	26	29.5
Electric	45	44.5	42	42	45	45	48	51	54	57.5
Sanitation	19	17	14.5	16.5	14.5	14.5	18	18.5	20	24.5
Garage	7	7	5.5	6.5	8	8	9	9	8	9.5

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Policepersons and Officers	73	70	70	71	71	76	83	83	89	93
Total Calls	33,812	29,221	28,608	28,291	29,657	27,838	29,249	44,836	36,343	38,872
Criminal Charges	434	466	573	467	366	419	340	309	433	723
Traffic Citations	6,108	5,843	9,655	8,527	8,538	6,528	6,103	5,555	9,350	6,321
Fire										
Firefighters and Officers	73	70	73	74	77	79	79	81	79	81
Total Calls	8,377	7,778	7,677	7,836	7,789	7,789	7,903	7,883	7,604	7,713
Inspections	1,899	1,310	1,039	1,082	910	1,069	1,775	1,770	1,793	1,560
Smoke Detectors Installed	138	224	297	297	587	221	110	534	671	439
Highways and Streets										
Potholes repaired	16,930	18,028	5,646	8,331	11,773	7,591	10,409	9,773	4,692	4,559
Rock Salt Used(Tons)	13,683	13,613	8,796	4,897	8,085	12,401	9,125	13,315	12,142	11,012
Senior Snow Watch Participants	32*	29*	0*	0*	0*	1,265	1,315	1,337	1,284	1,411
Leaf Program(Cubic Yards)	15,040	14,120	12,120	16,160	10,433	10,433	14,680	13,360	15,360	12,130
Recreation										
Brookledge-Number of Rounds	32,084	32,498	35,835	37,655	34,732	35,789	35,960	36,725	37,054	38,919
Waterworks-Daily Admissions	78,775	64,532	61,604	88,814	82,014	88,588	72,753	76,212	67,665	69,377
Natatorium-Daily Admissions	704,736	644,182	634,459	686,254	711,104	713,997	739,122	777,588	771,184	789,237
Water										
Average Daily Pumped (Gallons)	5,300,000	5,120,000	5,482,000	5,682,000	5,965,000	6,469,000	6,910,000	6,972,000	6,400,000	5,739,000
Water Main Breaks	96	113	84	64	83	97	111	84	116	62
New Water Taps	137	122	68	26	44	31	104	104	174	199
Sewer										
Average Daily Sewage Transportation (Gallons)	5,400,000	4,400,000	4,460,000	4,350,000	5,300,000	4,141,641	4,559,195	4,898,000	5,600,000	5,246,679
Sanitary Sewers Cleaned (Feet)	51,602	52,744	91,832	100,300	114,904	92,707	74,167	76,961	73,650	84,601
Storm Sewers Cleaned (Feet)	1,500	650	2,812	2,658	658	1,450	1,320	4,497	2,299	4,915
Electric										
Average Daily Consumption (in KWH)	1,178,000	1,258,890	1,262,680	1,284,044	1,281,885	1,291,895	1,218,272	1,277,561	1,179,000	1,248,528
Light Bulbs Issued	2,656	2,046	1,791	2,164	4,880	5,528	5,474	6,050	6,249	6,082
Green Energy Participants	127	156	173	192	207	234	236	263	287	180
Sanitation										
Refuse Collected (tons/year)	15,348	15,562	15,144	15,217	16,096	16,687	16,710	16,254	19,018	19,361
Recyclables collected (tons/year)	5,052	4,301	3,952	3,887	3,355	3,237	3,145	3,362	3,966	3,293
Yardwaste Collected (tons/year)	3,550	3,468	2,049	1,753	2,439	2,154	1,708	767	1,451	2,235
Building										
Residential Building Permits Issued	0**	0**	0**	0**	0**	2,806	1,943	1,433	1,235	1,410
Commercial Building Permits Issued	0**	0**	0**	0**	0**	413	508	303	652	353
Miscellaneous Building Permits Issued	0**	0**	0**	0**	0**	568	1,561	2,071	2,230	3,200

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