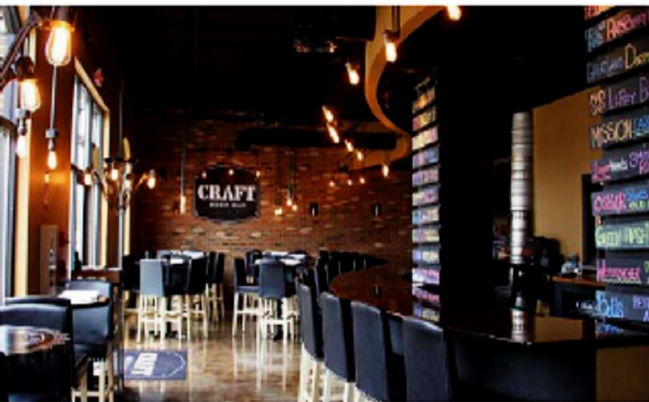
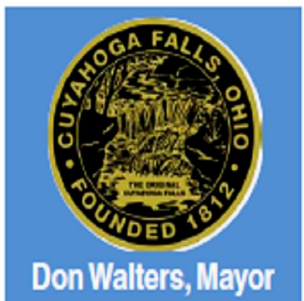




CITY OF CUYAHOGA FALLS, OHIO



Comprehensive Annual Financial Report for the year ended December 31, 2014



About the Cover:

The commitment to helping businesses locate in Cuyahoga Falls and thrive has long been a goal in our community. In 2014, the Chamber of Commerce joined City administration in welcoming a wide range of businesses to our City. Together, they attended 16 ribbon cutting ceremonies, which set a new record! These events are always happy occasions for the City, as they highlight the fact that Cuyahoga Falls is a desirable place for business to locate. Business is booming in our City, as we utilize partnerships and collaboration to create and retain the jobs that are so essential to a vibrant future.

Excellent working relationships between City administration, the Chamber of Commerce and business owners are credited with bringing Menards here, supporting the Portage Crossing shopping district and helping Harbor Castings and SGS Tool Company move to appropriate facilities, which both saved jobs and will create more. Plus, the local small businesses continue to enjoy a loyal customer base, keeping them in business for the long-term.

Collaboration and persistence brought forth a wide variety of inspiring economic development projects. From new, local, small businesses such as Harps & Thistles Yarn Emporium and Sisters Scented Candles, to the national franchises at Portage Crossing and the success with Menards, there is simply no question that business is better here in the 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

Paul D. Novelli

Marguerite M. Tauber

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Community Development Department

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Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2014



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

TABLE OF CONTENTS

	Page
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal.....	2
GFOA Certificate of Achievement.....	8
Organizational Chart	9
List of Elected and Appointed Officials	10
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report.....	12
Management's Discussion and Analysis.....	15
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	31
Statement of Activities.....	32
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds.....	34
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	35
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	37
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis) of General Fund.....	38
Statement of Net Position of Proprietary Funds	39
Statements of Revenues, Expenses, and Changes in Net Position of Proprietary Fund	41
Statement of Cash Flow - Proprietary Funds.....	43
Statement of Fiduciary Net Position of Fiduciary Funds	47
Notes to the Financial Statements.....	48
Combining Statements and Individual Fund Statements:	
Major Governmental Funds: Descriptions	91
Schedule of Revenues, Expenditures, and Changes in Fund Balance of Budget and Actual (Non-GAAP Budgetary Basis)	
General Fund.....	92
Capital Projects Fund.....	95
Nonmajor Governmental Funds: Description.....	96
Combining Balance Sheet of Nonmajor Governmental Funds	98

TABLE OF CONTENTS

	Page
Combining Statements and Individual Fund Statements (Continued):	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	99
Combining Balance Sheet - Nonmajor Special Revenue Funds	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	104
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis)	
State Highway Improvement Fund.....	108
Street Construction, Maintenance, and Repair Fund	109
Police Pension Fund	110
Fire Pension Fund	111
Recreation Levy Fund	112
Permissive Tax Fund.....	113
Community and Economic Development Fund	114
Community Development Block Grant Fund	115
Enterprise Zone/Community Reinvestment Area Fund.....	116
Drug Law Enforcement Fund	117
Law Enforcement Trust Fund	118
Enforcement and Education Fund	119
Municipal Motor Vehicle License Tax Fund	120
Federal Law Enforcement Fund.....	121
Law Enforcement Assistance Fund.....	122
Debt Service Fund.....	123
Capital Improvement Reserve Fund.....	124
 Internal Service Funds: Descriptions	 125
Combining Statement of Net Position ó Governmental Activities Internal Service Funds.....	126
Combining Statement of Revenues, Expenses, and Changes in Net Position Governmental Activities Internal Service Funds.....	128
Combining Statement of Cash Flows ó Governmental Activities Internal Service Funds.....	130
 Fiduciary Funds - Agency Funds: Descriptions.....	 134
Combining Statement of Assets and Liabilities ó Fiduciary Funds.....	135
Combining Statement of Changes in Assets and Liabilities ó Fiduciary Funds.....	136

STATISTICAL SECTION

Net Position By Component	140
Changes in Net Position.....	142
Fund Balances, Governmental Funds	146
Changes in Fund Balances, Governmental Funds	148
Assessed Valuation and Estimated Actual Values of Taxable Property	150
Property Tax Rates-Direct and Overlapping Governments.....	151
Principal Taxpayers ó Real Estate Tax	152
Property Tax Levies and Collections.....	153
Income Tax Revenue Base and Collections	154
Ten Largest Municipal Income Tax Withholding Accounts	155
Ratios of Outstanding Debt to Total Personal Income and Debt Per Capita.....	156

TABLE OF CONTENTS

	Page
<u>STATISTICAL SECTION (CONTINUED)</u>	
Ratio of General Obligation Bonded Debt to Estimated True Value of Taxable Property & Bonded Debt.....	157
Legal Debt Margin Information	158
Pledged Revenue Coverage	160
Computation of Direct and Overlapping Debt	162
Demographic and Economic Statistics	163
Principal Employers	164
Capital Assets Statistics By Function/Program.....	165
Full-Time Equivalent City Governmental Employees by Function/Program	166
Operating Indicators by Function/Program.....	167

INTRODUCTORY SECTION



**CITY OF CUYAHOGA FALLS
DEPARTMENT OF FINANCE**

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FAX (330) 971-8168*

Bryan J. Hoffman
Finance Director

Scott K. Fitzsimmons
Deputy Finance Director

June 30, 2015

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, 2014, 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 Summa Western Reserve Hospital. The City does not have financial accountability for the aforementioned entities. The City is responsible for establishing and maintaining an internal control system designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuations of costs and benefits require estimates and judgments by management. Management believes the internal control system is effective.

In accordance with Ohio law, each public office is required to have an independent audit at least once every two years unless an annual audit is required pursuant to the Single Audit Act of 1984. These audits are conducted by either the Auditor of State of Ohio, or if the Auditor permits, an independent public accounting firm. The current year audit has been completed by 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, 2014, 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 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 49,267 based on the 2013 U.S. Census Bureau estimate.

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 2010. 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 two appointed by the Cuyahoga Falls City School District Board of Education. The Mayor also appoints members to a number of other boards and commissions and appoints and removes, in accordance with Civil Service requirements, all appointed officers and employees, except Council officers and employees.

City of Cuyahoga Falls, Ohio

The City provides an extensive range of services including police and fire protection, emergency medical service, administration of justice 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, Capital Outlay, and Other Operations) with further restrictions prohibiting the transfer of funds between departments of a particular fund and limiting transfers of sums between line items of a department, at any time within the fiscal year which exceed in the aggregate seven percent of the amount originally appropriated in the line item from which the transfer is made, but not to exceed \$10,000. The City Finance Director is authorized by Charter to transfer funds already appropriated between funds and departments; however, any revisions that change the total fund appropriations or exceed the limits restricting transfers of sums between line items must be approved by City Council. 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 3,501,538. (Rankings are based on 2013 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 2014, ten major employers in the City collectively accounted for approximately 28 percent of the \$15,670,167 withholding taxes remitted to the City.

2013 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	\$49,438
Summit County	\$49,669
State of Ohio	\$48,308
USA	\$53,046

City of Cuyahoga Falls, Ohio

The 1986 merger between the City and Northampton Township (now Ward 8) has become a win-win situation for both parties. Due to increased land availability, the City has realized many new opportunities for industrial, commercial, and residential development. This growth continues to be stimulated by the expansion of water and sewer lines into Ward 8. At the same time, the residents of Ward 8 are benefiting by receiving city-based services, which should ultimately have had a positive impact on current property values.

The City is experiencing an accelerated pace of growth and development throughout the community. 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 school district is projected to receive \$265,144 per year while the TIF is in effect, which is 76 percent more than the old center. The developer plans to invest over \$60 million in the center. Nearly completed in 2014 bringing in almost 500 new jobs to the area, along with 185 construction jobs.

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 was also a total project investment of \$9.2 million dollars. Finally, Triad/Next Level is investing \$1.3 million dollars in a redevelopment of a designated historic structure that will be complete in late 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.

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.

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.

City of Cuyahoga Falls, Ohio

The State fixed a significant portion of their deficit by reducing monies currently sent to local governments. 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 am 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 City is engaged in ongoing negotiations and is currently pursuing an interest based bargaining approach. The sixth contract for the Electric Department expired December 31, 2014.

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, 2013. 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 30 consecutive years (fiscal years ended 1984-2013). 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

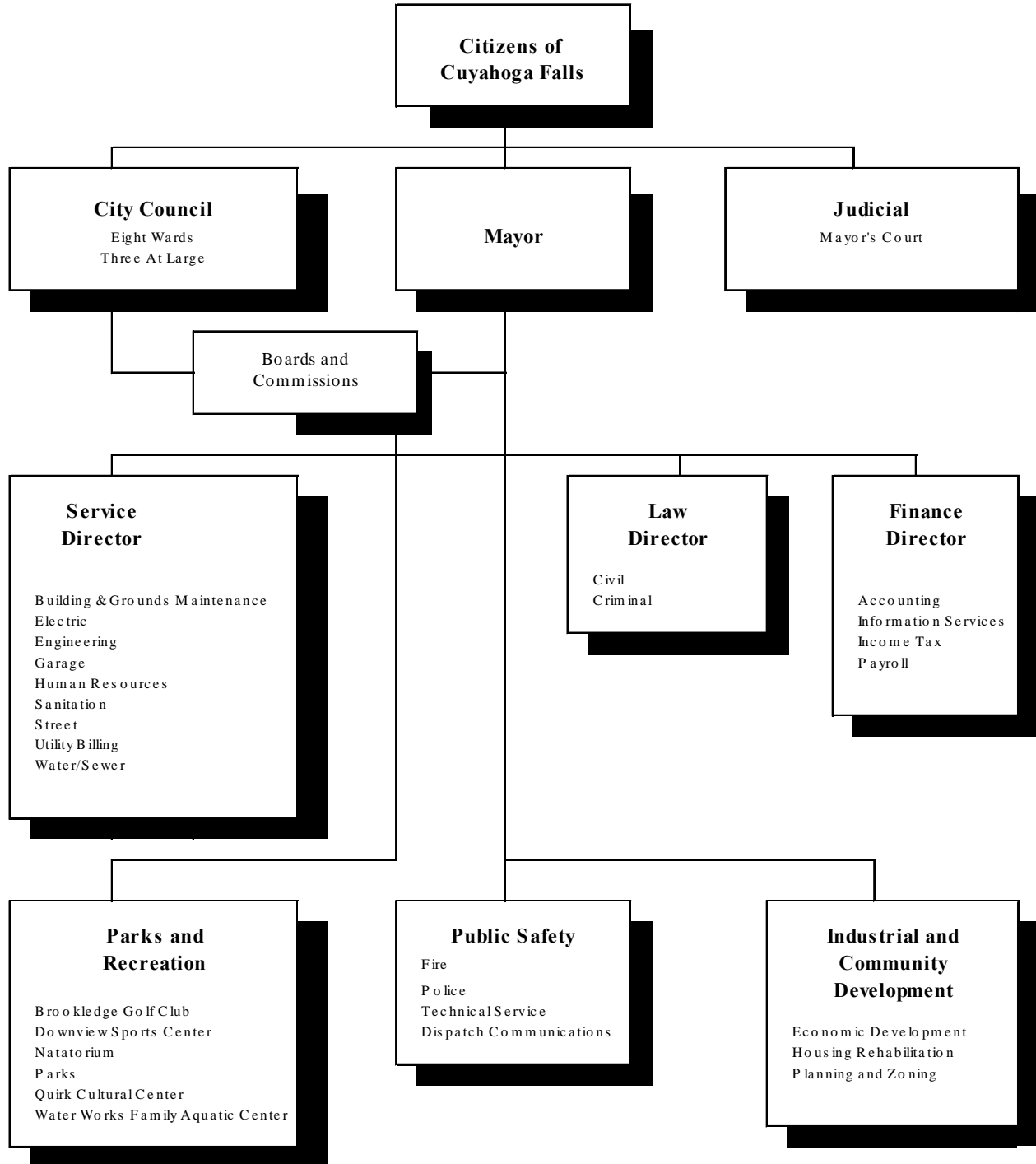
**City of Cuyahoga Falls
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

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:

Carrie Hummel Snyder
Carol A. Klinger
Jeffrey G. Iula

Ward Council:

Vincent J. Rubino	Ward 1
Mary Ellen Pyke	Ward 2 (Council Pres. At 12/31/14)
Victor J. Pallotta	Ward 3
Robert A. Weinhardt	Ward 4
Paul V. Colavecchio	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 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, 2014, 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.

101 Central Plaza South, 700 Chase Tower, Canton, Ohio 44702-1509
Phone: 330-438-0617 or 800-443-9272 Fax: 330-471-0001
www.ohioauditor.gov

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 discretely presented component unit and remaining fund information of the City of Cuyahoga Falls, Summit County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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*, 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.

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.

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls
Summit County
Independent Auditor's Report
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015, 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

June 30, 2015

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, 2014. 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 twelfth 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 exceeded total liabilities and deferred inflows of resources at the close of 2014 by \$213,575,238. Of this amount, \$44,334,025 is considered unrestricted. The unrestricted net position of the City's governmental activities has a balance of \$11,373,169, and may be used to meet the government's ongoing obligations, which does not include assets with externally imposed restrictions or restrictions imposed by law. The unrestricted net position of the City's business-type activities was \$32,960,856 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 \$7,061,359 or 3.42 percent in 2014. Net position of governmental activities increased \$1,801,761, which represents a 1.73 percent increase from 2013. Net position of business-type activities increased \$5,259,598 or 5.14 percent from 2013.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$12,942,454, in comparison to \$17,844,405 in the prior year. On a combined basis \$1,221,563 is considered nonspendable, \$5,820,354 is restricted for specific purposes, \$126,528 has been committed by City Council and \$2,144,241 has been assigned to specific purposes by management.

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, 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).

City of Cuyahoga Falls, Ohio

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 31-33 of this report.

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

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

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

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

The City adopts an annual appropriated budget for its General Fund and all Special Revenue, Debt Service, Capital Projects, Enterprise and Internal Service Fund types. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 34-38 of this report.

City of Cuyahoga Falls, Ohio

Proprietary funds. The City maintains two different types of proprietary funds – enterprise and internal service. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewage and disposal, water, electric, sanitation, leisure time operations and storm drainage utility. Internal Service Funds are an accounting device used to accumulate and allocate costs internally to the City’s various functions. The City uses Internal Service Funds to account for its vehicle maintenance, 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.

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 39-46 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 47 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-89 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to financial statements. Combining and individual fund statements and schedules can be found on pages 90-136 of this report.

Government-wide Financial Analysis

City of Cuyahoga Falls, Ohio - Net Position						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other Assets	\$ 42,311,644	\$ 44,716,488	\$ 42,195,799	\$ 42,187,999	\$ 84,507,443	\$ 86,904,487
Capital Assets	95,559,447	94,654,279	107,968,544	108,440,470	203,527,991	203,094,749
Total Assets	137,871,091	139,370,767	150,164,343	150,628,469	288,035,434	289,999,236
Liabilities						
Current and other liabilities	12,383,408	8,162,982	15,328,111	16,551,973	27,711,519	24,714,955
Long term liabilities outstanding	10,486,280	17,955,468	27,250,250	31,750,112	37,736,530	49,705,580
Total Liabilities	22,869,688	26,118,450	42,578,361	48,302,085	65,448,049	74,420,535
Deferred Inflows of Resources	9,012,147	9,064,822	-	-	9,012,147	9,064,822
Net Position						
Net investment in capital assets	91,808,449	86,719,724	74,625,126	70,628,251	166,433,575	157,347,975
Restricted	2,573,083	2,422,519	-	-	2,573,083	2,422,519
Permanent Fund Purpose	234,555	231,846	-	-	234,555	231,846
Unrestricted	11,373,169	14,813,406	32,960,856	31,698,133	44,334,025	46,511,539
Total Net Position	\$ 105,989,256	\$ 104,187,495	\$ 107,585,982	\$ 102,326,384	\$ 213,575,238	\$ 206,513,879

City of Cuyahoga Falls, Ohio

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities and deferred inflows of resources by \$213,575,238 at the close of the most recent fiscal year.

The largest portion of the City's total net position (78 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, a little more than one 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 \$44,334,025 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, both for the government as a whole, as well as for its separate governmental and business-type activities.

Overall, net position of the City increased by \$7.061 million in 2014. Net position for governmental activities increased by \$1.802 million and net position for business-type activities increased \$5.259 million. The net position increase for governmental activities is primarily due to significantly less community environment expenses in 2014, due to development projects previously reported as assets held for resale being sold for a loss in 2013. Therefore, revenues exceeded expenses before transfers by approximately \$4.177 million.

The net position increase for business-type activities is due to the fact that revenue exceeded expenses by \$2.884 million in 2014 before transfers, primarily due to an increase in charges for services for sewer and electric in the amounts of \$522,558 and \$1,476,022, respectively. In addition, the City's had a decrease in Electric expenses of \$1,816,146 from 2013 to 2014, primarily due to a decrease in purchased power of \$3.472 million.

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 2013 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				
	2014	2013	2014	2013	2014	2013	
Revenues							
Program revenues:							
Charges for services	\$ 4,929,545	\$ 6,535,994	\$ 64,980,957	\$ 63,234,157	\$ 69,910,502	\$ 69,770,151	
Operating grants and contributions	2,948,985	2,616,297	52,994	45,248	3,001,979	2,661,545	
Capital grants and contributions	1,648,519	4,401,465	1,030,432	1,749,550	2,678,951	6,151,015	
General revenues:							
Property and other local taxes	9,983,927	9,968,116	-	-	9,983,927	9,968,116	
Income taxes	20,681,727	20,261,425	-	-	20,681,727	20,261,425	
Grants and entitlements not							
restricted to specific programs	1,955,857	4,427,998	-	-	1,955,857	4,427,998	
Other	203,039	229,339	-	-	203,039	229,339	
Total Revenues	42,351,599	48,440,634	66,064,383	65,028,955	108,415,982	113,469,589	
Expenses							
Security of persons and property	19,807,646	19,226,088	-	-	19,807,646	19,226,088	
Leisure time activities	2,244,079	2,448,177	-	-	2,244,079	2,448,177	
Community environment	1,785,142	15,185,794	-	-	1,785,142	15,185,794	
Street maintenance	8,034,324	7,527,258	-	-	8,034,324	7,527,258	
General government	6,139,797	8,189,412	-	-	6,139,797	8,189,412	
Interest and fiscal charges	163,316	213,290	-	-	163,316	213,290	
Sewage and disposal	-	-	6,686,370	6,024,160	6,686,370	6,024,160	
Water	-	-	4,273,858	4,050,811	4,273,858	4,050,811	
Electric	-	-	41,358,326	43,174,472	41,358,326	43,174,472	
Sanitation	-	-	3,443,262	3,277,406	3,443,262	3,277,406	
Leisure time activities	-	-	5,951,069	6,268,527	5,951,069	6,268,527	
Storm Drainage Utility	-	-	1,467,434	1,052,954	1,467,434	1,052,954	
Total Expenses	38,174,304	52,790,019	63,180,319	63,848,330	101,354,623	116,638,349	
Increase in net position before transfers	4,177,295	(4,349,385)	2,884,064	1,180,625	7,061,359	(3,168,760)	
Transfers	(2,375,534)	(2,047,509)	2,375,534	2,047,509	-	-	
Changes in net position	1,801,761	(6,396,894)	5,259,598	3,228,134	7,061,359	(3,168,760)	
Net position-beginning, as restated	104,187,495	110,584,389	102,326,384	99,098,250	206,513,879	209,682,639	
Net position-ending	\$ 105,989,256	\$ 104,187,495	\$ 107,585,982	\$ 102,326,384	\$ 213,575,238	\$ 206,513,879	

City of Cuyahoga Falls, Ohio

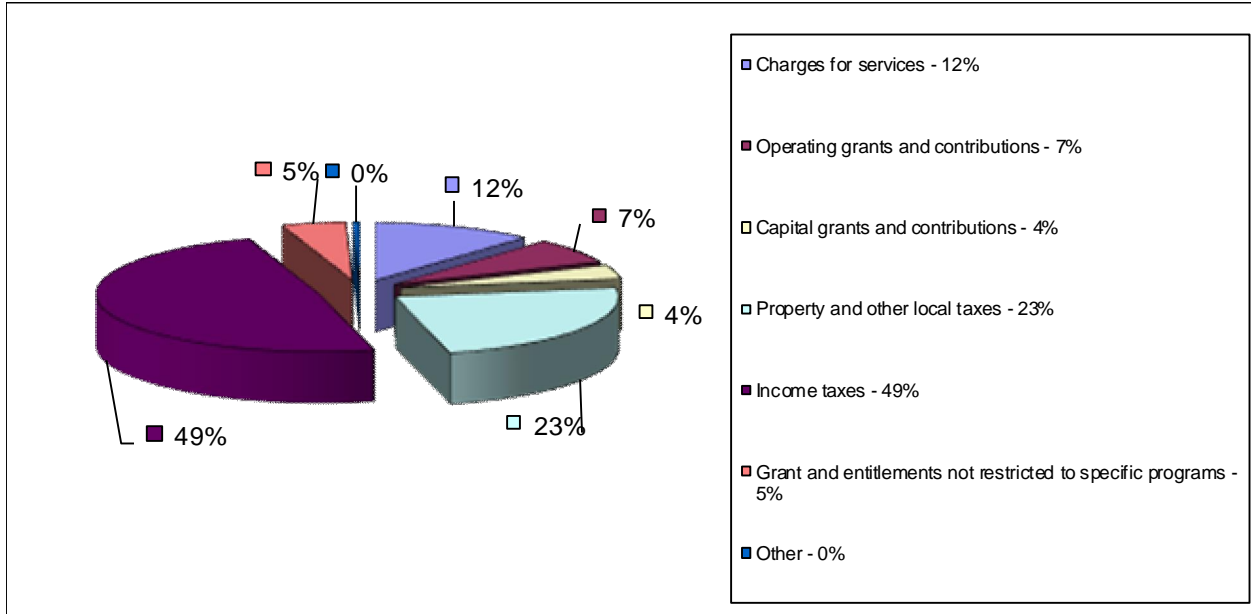
Governmental activities. Governmental activities increased the City's net position by \$1.802 million. Key elements of the changes in net position are as follows:

- ❖ Revenues exceeded expenses by \$4,177,295.
- ❖ Community environment expense decreased \$13,400,652 or 88.2 percent.

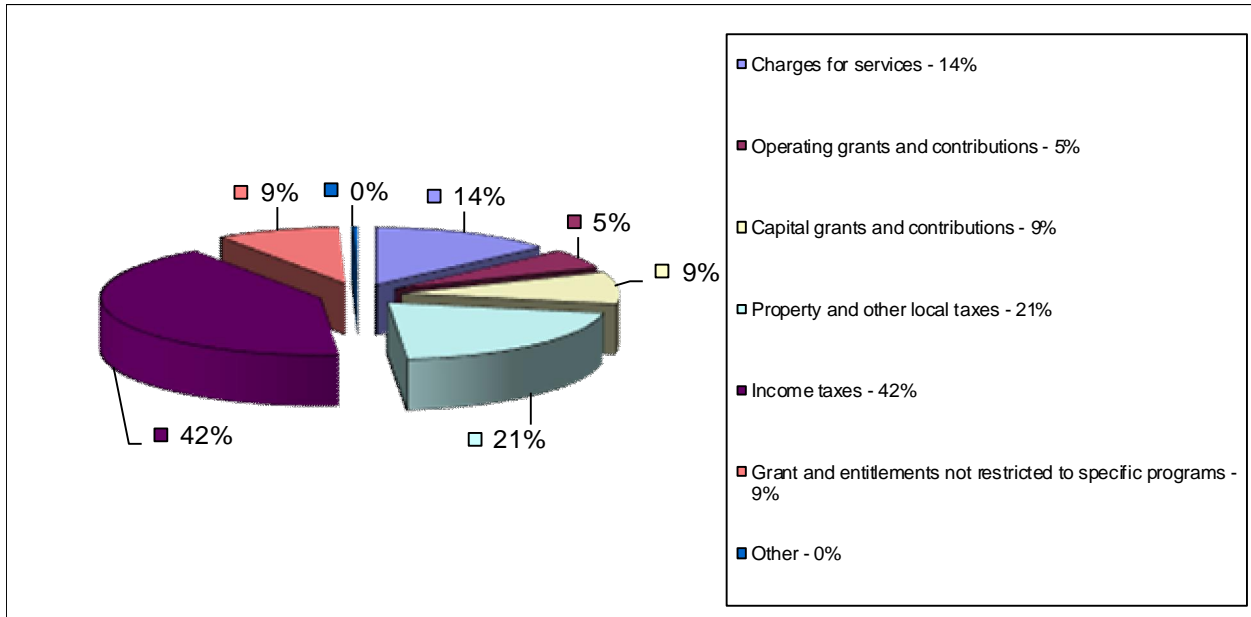
The decrease in community environment expense is primarily related to the expense recognition from the loss on the sale of land in 2013 from projects previously recorded as assets held for resale at December 31, 2012, and investments during 2013 in the amount of \$13,375,992. The most significant development resale project, the State Road Shopping Center property was sold in 2013 for \$3,783,000. However, the agreement with the developer for the sale of land stipulates that the proceeds from the sale of land be placed in escrow and remitted to Portage Crossing LLC for private improvement work. Therefore, the proceeds were placed in the Guarantee Deposits Agency Fund and balance of assets held for resale was expensed accordingly. This resulted in a total loss of \$13,178,081 on this project in 2013.

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2014 Revenues by Source – Governmental Activities

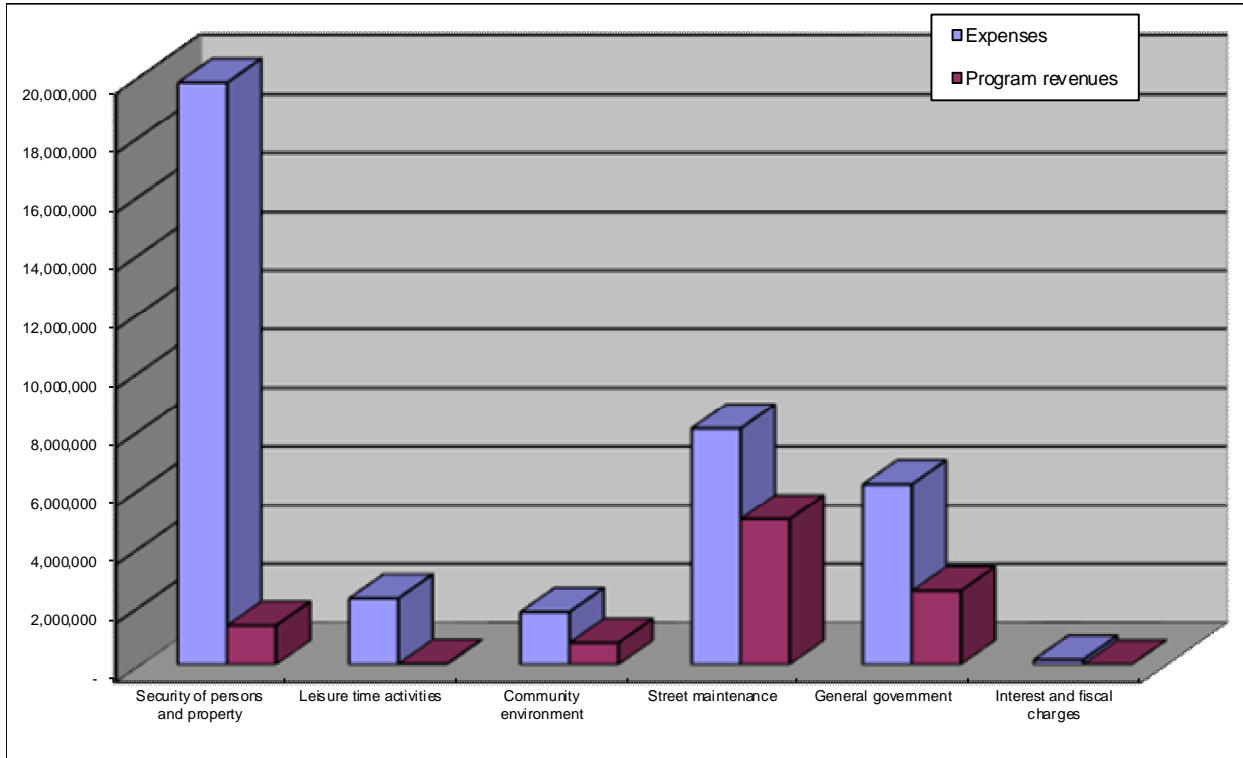


2013 Revenues by Source – Governmental Activities

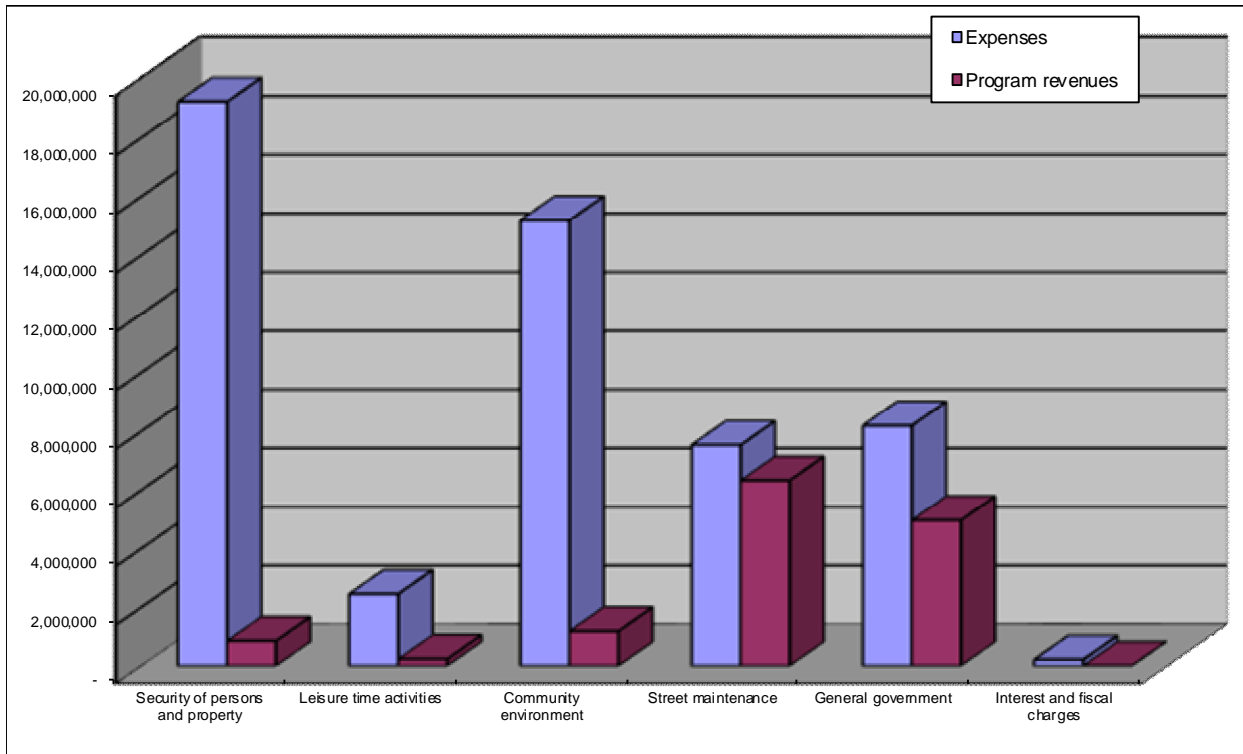


City of Cuyahoga Falls, Ohio

2014 Expenses and Program Revenues – Governmental Activities



2013 Expenses and Program Revenues – Governmental Activities



Business-type activities. Business-type activity net position increased by \$5.259 million. Key elements of changes in net position are as follows:

- ❖ Sewer charges for services increased by \$522,558 or 8.9 percent.
- ❖ Electric charges for services increased by \$1,476,022 or 3.6 percent.
- ❖ Electric expenses decreased by \$1,816,146 or 4.2 percent.
- ❖ Leisure time activities expenses decreased by \$317,458 or 5.1 percent.

Sewer charges for services increase is a result of cash transactions being \$266,033 higher in 2014 due to an increase in metered activity. In addition, net adjustments for accrued revenue was \$208,968 higher than in 2014, due to reversing entries in 2013 being \$146,596 higher than that of the current year.

Electric charges for services increase is a result of cash transactions being \$2,890,868 higher in 2014, offset by a decrease in net accrued revenue of \$1,422,190. This increase is due to the timing of a portion of the City's power cost factor from higher purchased power expenses in 2013 being collected in 2014.

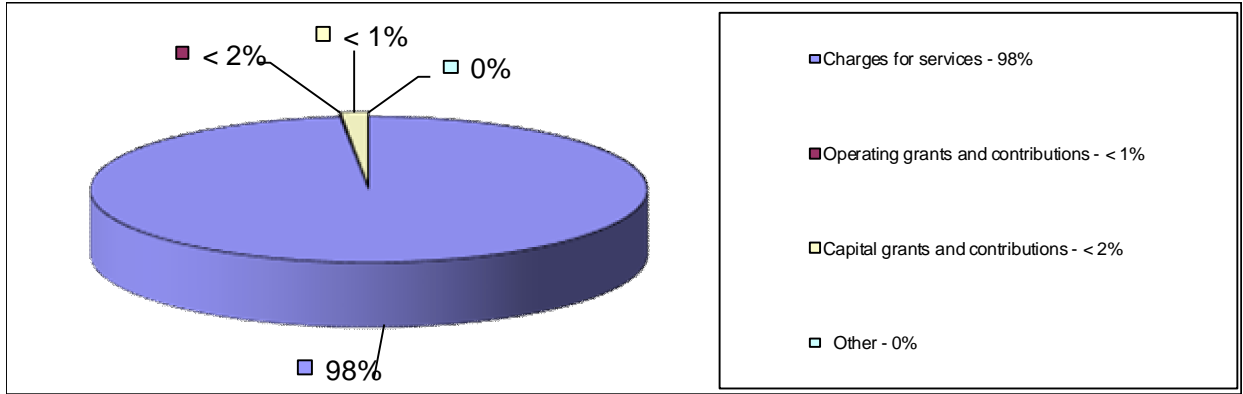
Electric expense decrease is mostly attributable to cash transactions relating to purchased power from American Municipal Power being \$2,301,221 less in 2014.

Leisure time activities decrease in expenses is a result of operational expense cash transactions being \$235,970 less in aggregate than 2013. Cash basis operational expenses were less in 2014 in every category except utilities due to continued cost containment. In addition, interest and fiscal charges included in the function on the Statement of Activities being \$40,232 less than in 2013.

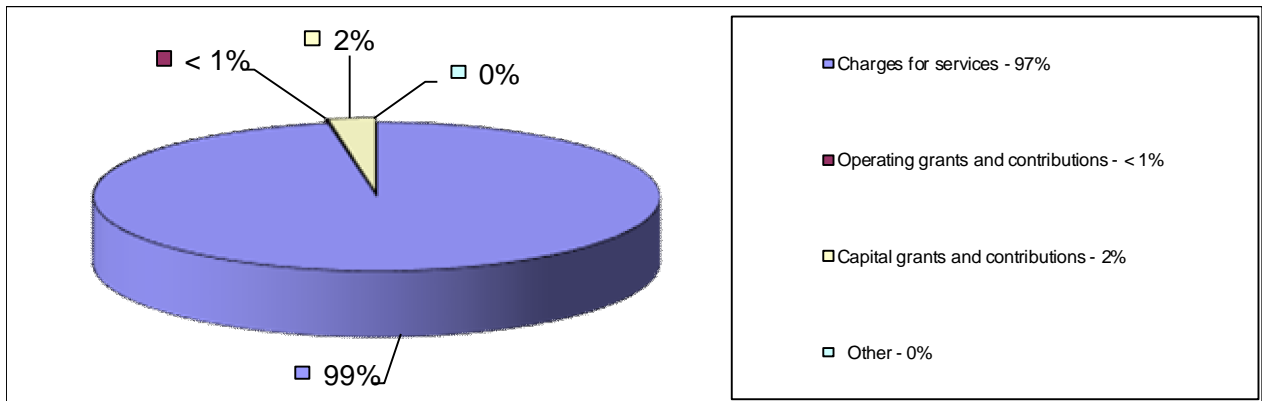
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City of Cuyahoga Falls, Ohio

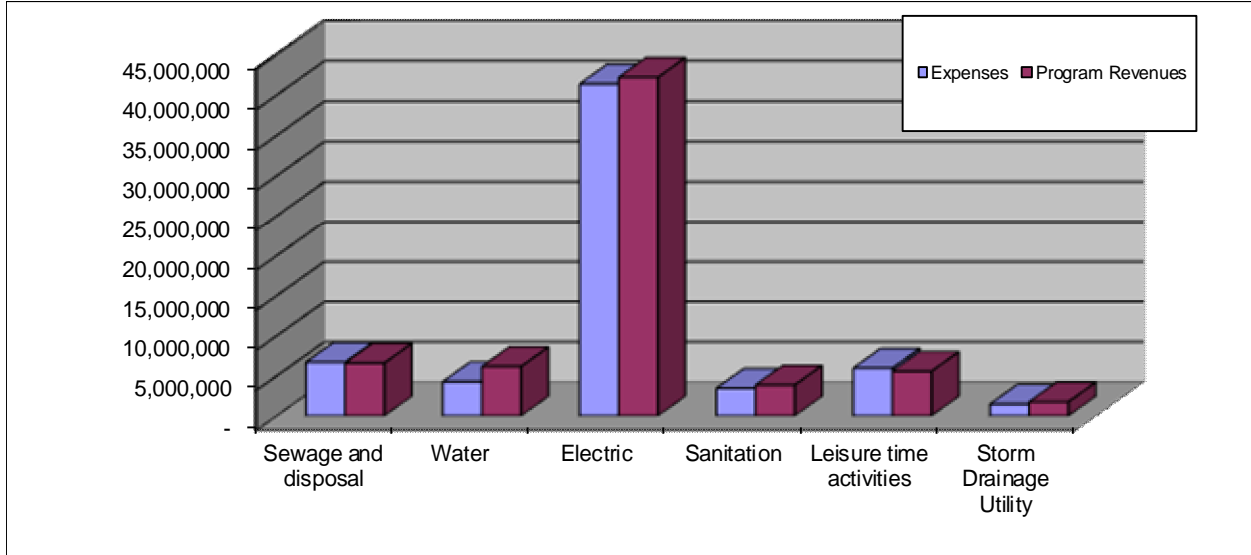
2014 Revenue by Source – Business-type Activities



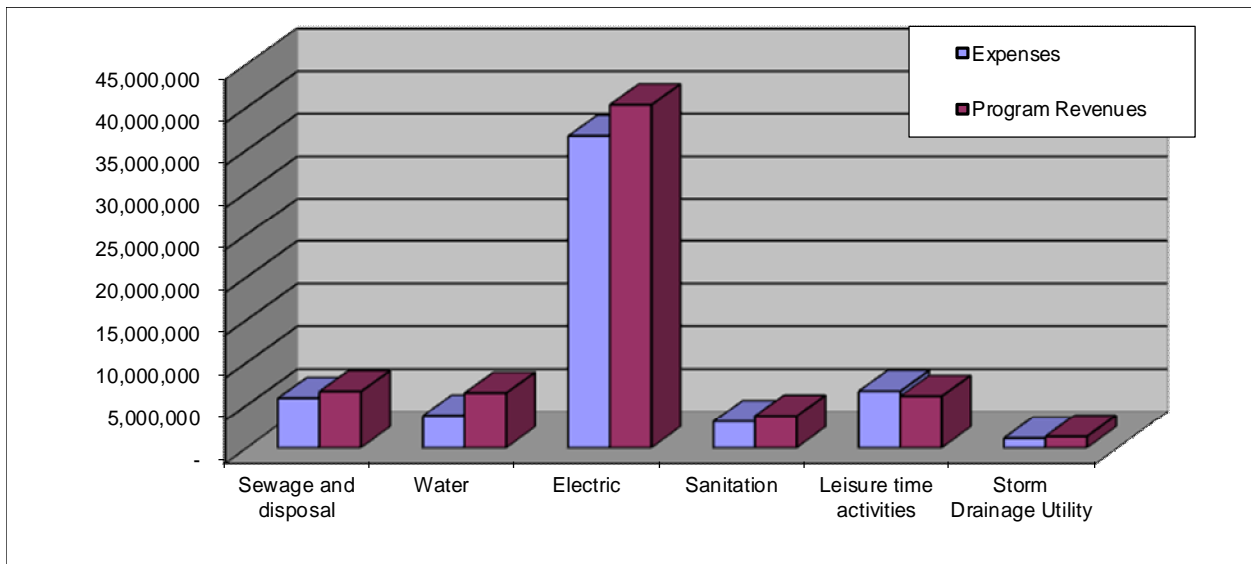
2013 Revenue by Source – Business-type Activities



2014 Expenses and Program Revenues – Business-type Activities



2013 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, 2014, the City's governmental funds reported combined ending fund balances of \$12.942 million, which represents a decrease of \$4.902 million in comparison with the prior year. This decrease is primarily due to an increase of \$6,609,431 in debt principal expenditures in the Capital Projects Fund in 2014. This increase in debt principal is a result of \$6,600,000 of \$7,600,000 in bond anticipation notes issued on August 15, 2013 being reclassified as long-term bonds in the entity-wide statements based on the timing of the audit being completed after the issuance of the debt in accordance with governmental accounting generally accepted accounting principles. In regard to the current combined ending fund balances, \$3.630 million is unassigned fund balance, which is available for spending at the City's discretion. The next largest fund balance classification comprising of approximately \$5.820 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, 2014, unassigned fund balance of the General Fund was \$8.583 million, while total fund balance was \$11.015 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 29.48 percent of total general fund expenditures, including transfers out, while total fund balance represents 37.83 percent of the same amount.

The fund balance of the City's General Fund decrease by \$31,706 during 2014. Revenues, including transfers in were \$60,433 less than expenditures, including transfers out. This fund balance decrease was due to several factors:

- ❖ State levied shared taxes decreased by \$2,201,909 or 51 percent, primarily due to inheritance tax collections in 2014 being \$1,124,187 less than 2013.
- ❖ Total other financing sources, which consist of transfers in and transfers out, were (\$2,384,736) in 2014 compared to (\$3,243,769) in 2013 for a positive swing of \$859,033. This is due to the elimination of a planned transfer of funds to the Compensated Absences Internal Service Fund for future employee personal service compensation in regard to the funding of a 27th pay period in fiscal year 2015, based on Auditor of State of Ohio recommendation. In addition to the elimination of the planned transfer out in 2014, the amount transferred to the Compensated Absences Fund in fiscal years 2012 and 2013 was returned in 2014.

The fund balance of the City's Capital Projects Fund decreased by \$5,916,519 during 2014. As mentioned previously, this decrease in fund balance is primarily due to an increase of \$6,609,431 in debt principal expenditures in the Capital Projects Fund in 2014. This increase in debt principal is a result of \$6,600,000 of \$7,600,000 in bond anticipation notes issued on August 15, 2013 being reclassified as long-term bonds in the entity-wide statements based on the timing of the audit being completed after the issuance of the debt in accordance with governmental accounting generally accepted accounting principles

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 \$2.787 million, \$5.511 million, \$21.127 million, \$2.231 million, \$1.985 million, and \$508,319 for the Sewage and Disposal, Water, Electric, Sanitation, Leisure Time, and Storm Drainage Utility Funds, respectively.

City of Cuyahoga Falls, Ohio

The Water, Electric, Sanitation, Leisure Time and Storm Drainage Utility Funds total net position increased \$1.610 million, or 9.8 percent, \$1.635 million, or 4.1 percent, \$554,997, or 15.8 percent, \$1.730 million, or 12.1 percent and \$337,779, or 3.1 percent, respectively, from 2013 to 2014. Conversely, the Sewage and Disposal Funds net position decreased \$6,777, or .04 percent from 2013 to 2014.

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 \$804,309 less than the original budget. The total original appropriations, including those for transfers out, were \$33,315,069, while the final appropriations were \$32,510,760. This was due to the elimination of the transfer to the Compensated Absences Internal Service fund, as previously mentioned. 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, Riverfront Centre District, Parks and Recreation, Community Development and Information Services departments. The variance between the final budget and actual results for revenues, including transfers in and expenditures, including transfers out represents approximately .20 percent and 1.56 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, 2014, amounts to \$203.528 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 2014 was \$433,239, which amounted to less than one percent.

City of Cuyahoga Falls Capital Assets (Net of Depreciation)							
	Governmental Activities		Business-type Activities		Total		
	2014	2013	2014	2013	2014	2013	
Land	\$ 8,813,394	\$ 8,813,394	\$ 3,589,128	\$ 3,426,570	\$ 12,402,522	\$ 12,239,964	
Construction in Progress	10,393,926	8,547,372	1,383,969	3,707,060	\$ 11,777,895	12,254,432	
Buildings	16,200,815	16,341,024	28,441,502	29,017,431	\$ 44,642,317	45,358,455	
Improvements	1,351,506	1,196,224	69,237,275	67,784,597	\$ 70,588,781	68,980,821	
Machinery and Equipment	8,132,777	7,991,208	5,316,670	4,504,815	\$ 13,449,447	12,496,023	
Infrastructure	50,667,029	51,765,057	-	-	\$ 50,667,029	51,765,057	
Total	\$ 95,559,447	\$ 94,654,279	\$ 107,968,544	\$ 108,440,473	\$ 203,527,991	\$ 203,094,752	

City of Cuyahoga Falls, Ohio

Major capital asset events during 2014 were as follows:

The City increased its crime-fighting abilities receiving delivery on three new police SUVs totaling \$98,500, a new SWAT van valued at \$76,000 and an outfitted K-9 vehicle for \$30,600.

The City continued work in 2014 on a couple large construction projects, out of the Capital Projects Fund, with some help from State funds, namely State Road Phase 1 ó Bath Road to Steels Corners, Graham Road ó Bath Road to Route 8, and Portage Crossing Infrastructure. This brings the total Construction-in-Progress totals to \$5,564,502 for State Road Phase 1, \$799,300 for Graham Road, and \$3,953,318 for Portage Crossing Infrastructure. In addition, the City capitalized the completed Steel Storage Building for the Street Department for \$344,300.

Two large projects were completed out of the Water Fund and Storm Drainage Fund in 2014, namely the Graham Road Waterline and Cuyahoga River Dam Removal Project, respectively. The Graham Road Waterline was capitalized for \$1,379,500. The Cuyahoga River Dam Removal Project, which eliminated the Sheraton Mill Dam and Lefever Powerhouse Dam, was capitalized for \$1,017,400. Both projects received State funding through grants.

In response to the May 12th flood in 2014, the City incurred several replacement costs from water damage, namely for the Information Services Department. The total capitalized costs, to bring the City-wide computer network back online in-house, totaled \$413,700.

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, 2014, the City currently does not have any interest in development projects held for resale.

Long-term debt. At December 31, 2014, the City had \$30.299 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	
	2014	2013	2014	2013	2014	2013
G. O. bonds	\$ 1,894,899	\$ 9,366,761	\$ 17,962,670	\$ 19,931,127	\$ 19,857,569	\$ 29,297,888
Capital leases	960,735	1,264,246	9,480,748	11,156,092	10,441,483	12,420,338
Total	\$ 2,855,634	\$ 10,631,007	\$ 27,443,418	\$ 31,087,219	\$ 30,299,052	\$ 41,718,226

The City did not enter into any lease agreements in 2014.

More detailed information regarding the City's long-term debt activity is available in Note 13 on pages 75-77.

Economic Factors and Next Year's Budget

The City of Cuyahoga Falls' elected and appointed officials consider many factors through a lengthy budget process. The economic state of the State and Nation obviously have a direct impact on municipalities. The City prioritizes each department's basic mission. 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 2014, the City negotiated employee bargaining agreements with one and a half year contracts with the various unions, and is currently negotiating new agreements through interest based bargaining for longer term contracts. 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.

Request for Information

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

BASIC FINANCIAL STATEMENTS

City of Cuyahoga Falls, Ohio

Statement of Net Position December 31, 2014

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		CIC of Cuyahoga Falls
Assets				
Equity in pooled cash and cash equivalents	\$ 16,433,760	\$ 20,682,934	\$ 37,116,694	\$ 19,449
Cash and cash equivalents - restricted accounts	111,973	-	111,973	35,486
Investments	3,820,880	4,835,408	8,656,288	
Accounts receivable (net of allowance for uncollectibles)	955,506	7,064,668	8,020,174	
Loans receivable	2,230,227	-	2,230,227	34,065
Taxes receivable	13,259,576	-	13,259,576	
Special assessments receivable	134,947	221,470	356,417	
Accrued interest receivable	47,651	-	47,651	235
Due from other governments	2,939,241	86,275	3,025,516	
Inventory of supplies	791,273	4,177,594	4,968,867	
Prepaid items	144,753	129,836	274,589	317
Internal balances	1,441,857	(1,441,857)	-	
Investment in joint venture	-	4,039,566	4,039,566	
Assets held for resale	-	-	-	137,500
Regulated asset	-	2,399,905	2,399,905	
Nondepreciable capital assets	19,207,320	4,973,097	24,180,417	
Depreciable capital assets	76,352,127	102,995,447	179,347,574	
Total assets	137,871,091	150,164,343	288,035,434	227,052
Liabilities				
Accounts payable	441,820	3,073,149	3,514,969	
Accrued salaries, wages and benefits	866,676	348,625	1,215,301	
Accrued interest payable	33,125	51,265	84,390	
Due to other governments	495,157	818,517	1,313,674	4,360
Unearned Revenue	-	89,280	89,280	
Deposit held and due to others	-	1,175,526	1,175,526	
Notes payable	7,400,000	5,900,000	13,300,000	
Current portion of:				
Accrued compensated absences	1,544,960	-	1,544,960	
Claims and judgments payable	412,684	-	412,684	
Capital leases	314,859	1,748,194	2,063,053	
Payable to AMP	-	167,682	167,682	
Bonds payable	874,127	1,955,873	2,830,000	
Long-term portion of:				
Accrued compensated absences	6,616,352	-	6,616,352	
Claims and judgments payable	276,383	-	276,383	
Other post-employment benefit obligation	1,926,897	-	1,926,897	
Capital leases	645,876	7,732,554	8,378,430	
Payable to Joint Venture	-	1,278,676	1,278,676	
Payable to AMP	-	2,232,223	2,232,223	
Bonds payable	1,020,772	16,006,797	17,027,569	
Total liabilities	22,869,688	42,578,361	65,448,049	4,360
Deferred Inflows of Resources				
Revenues levied for the next year	9,012,147	-	9,012,147	
Total deferred inflows of resources	9,012,147	-	9,012,147	-
Net Position				
Net investment in capital assets	91,808,449	74,625,126	166,433,575	
Restricted for:				
Debt service	11,614	-	11,614	
Special revenue - Community Development Block Grant	2,561,469	-	2,561,469	
CIC - Community Development	-	-	-	35,486
Permanent fund purpose:				
Nonexpendable - Cemetery Perpetual Care	234,555	-	234,555	
Unrestricted	11,373,169	32,960,856	44,334,025	187,206
Total net position	\$ 105,989,256	\$ 107,585,982	\$ 213,575,238	\$ 222,692

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Activities For the Year Ended December 31, 2014

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	\$ 19,807,646	\$ 866,918	\$ 348,575	\$ 107,891
Leisure time activities	2,244,079	20,790	-	-
Community environment	1,785,142	201,372	535,716	-
Street maintenance	8,034,324	1,339,543	2,064,694	1,540,628
General government	6,139,797	2,500,922	-	-
Interest and fiscal charges	163,316	-	-	-
Total governmental activities	38,174,304	4,929,545	2,948,985	1,648,519
Business-type activities:				
Sewage and disposal	6,686,370	6,405,741	-	176,485
Water	4,273,858	5,867,593	-	282,859
Electric	41,358,326	42,147,397	-	37,500
Sanitation	3,443,262	3,793,133	52,994	-
Leisure time activities	5,951,069	5,558,640	-	-
Storm drainage utility	1,467,434	1,208,453	-	533,588
Total business-type activities	63,180,319	64,980,957	52,994	1,030,432
Total primary government	\$ 101,354,623	\$ 69,910,502	\$ 3,001,979	\$ 2,678,951
Component Unit - CIC of Cuyahoga Falls	\$ 141,287			
General revenues:				
Property and other local taxes levied for:				
General purposes				
Special revenue				
Income tax levied for:				
General purposes				
Special revenue				
Capital projects				
Grants and entitlements not restricted to specific programs				
Investment earnings				
Transfers				
Total general revenue and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

See accompanying notes to the basic financial statements

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	
\$ (18,484,262)	\$ -	\$ (18,484,262)	\$ -
(2,223,289)	-	(2,223,289)	-
(1,048,054)	-	(1,048,054)	-
(3,089,459)	-	(3,089,459)	-
(3,638,875)	-	(3,638,875)	-
(163,316)	-	(163,316)	-
(28,647,255)	-	(28,647,255)	-
-	(104,144)	(104,144)	-
-	1,876,594	1,876,594	-
-	826,571	826,571	-
-	402,865	402,865	-
-	(392,429)	(392,429)	-
-	274,607	274,607	-
-	2,884,064	2,884,064	-
(28,647,255)	2,884,064	(25,763,191)	-
			(141,287)
9,176,770	-	9,176,770	-
807,157	-	807,157	-
12,961,239	-	12,961,239	-
1,654,537	-	1,654,537	-
6,065,951	-	6,065,951	-
1,955,857	-	1,955,857	-
203,039	-	203,039	2,442
(2,375,534)	2,375,534	-	-
30,449,016	2,375,534	32,824,550	2,442
1,801,761	5,259,598	7,061,359	(138,845)
104,187,495	102,326,384	206,513,879	361,537
\$ 105,989,256	\$ 107,585,982	\$ 213,575,238	\$ 222,692

City of Cuyahoga Falls, Ohio

Balance Sheet - Governmental Funds December 31, 2014

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in pooled cash and cash equivalents	\$ 7,275,286	\$ 2,223,547	\$ 2,361,137	\$ 11,859,970
Investments	1,700,870	519,837	531,983	2,752,690
Cash and cash equivalents - restricted	-	-	111,973	111,973
Receivables				
Taxes	12,753,106	-	506,470	13,259,576
Accounts (net of allowance for uncollectibles)	109,963	585,560	243,571	939,094
Loans	21,505	-	2,208,722	2,230,227
Special assessments	-	134,947	-	134,947
Accrued interest	-	-	47,651	47,651
Due from other funds	231,784	-	200,000	431,784
Due from other governments	1,414,249	101,928	1,423,064	2,939,241
Inventory of supplies	146,402	-	484,480	630,882
Prepaid items	120,057	-	22,255	142,312
Advances to other funds	-	-	214,316	214,316
Total assets	\$ 23,773,222	\$ 3,565,819	\$ 8,355,622	\$ 35,694,663
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ 42,355	\$ 243,366	\$ 90,006	\$ 375,727
Accrued salaries, wages and benefits	782,446	-	65,945	848,391
Accrued interest payable	-	27,579	-	27,579
Due to other funds	170,203	4,357	9,507	184,067
Due to other governments	53,679	41,653	114,035	209,367
Advances from other funds	-	214,316	-	214,316
General obligation notes payable	-	7,400,000	-	7,400,000
Total liabilities	1,048,683	7,931,271	279,493	9,259,447
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	11,709,092	588,022	1,195,648	13,492,762
Fund Balances				
Nonspendable	266,459	-	955,104	1,221,563
Restricted	21,505	-	5,798,849	5,820,354
Committed	-	-	126,528	126,528
Assigned	2,144,241	-	-	2,144,241
Unassigned	8,583,242	(4,953,474)	-	3,629,768
Total fund balances	11,015,447	(4,953,474)	6,880,481	12,942,454
Total liabilities, deferred inflows and fund balances	\$ 23,773,222	\$ 3,565,819	\$ 8,355,622	\$ 35,694,663

See accompanying notes to the basic financial statements

**Reconciliation of Total Governmental Fund Balances to Net Position of
Governmental Activities
December 31, 2014**

Total Governmental Fund Balances \$ 12,942,454

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

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

Nondepreciable capital assets	\$ 19,185,360	
Depreciable capital assets	<u>76,277,941</u>	95,463,301

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

Investment earnings	47,642	
Property taxes	273,114	
Grants and entitlements	1,724,346	
Income tax	1,786,708	
Special assessments	136,395	
Charges for services	<u>512,410</u>	4,480,615

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:

(4,036,716)

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

Accrued interest payable	(5,546)	
Unamortized bond premium	(122,772)	
Capital leases	(959,953)	
Bonds Payable	<u>(1,772,127)</u>	(2,860,398)

Total Governmental Activities Net Position \$ 105,989,256

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Year Ended December 31, 2014

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 8,761,174	\$ -	\$ 517,776	\$ 9,278,950
Municipal income taxes	13,577,268	6,097,253	1,663,076	21,337,597
Other local taxes	407,323	-	288,996	696,319
State levied shared taxes	2,064,029	-	2,353,171	4,417,200
Intergovernmental	272,406	2,781,435	570,258	3,624,099
Charges for services	870,013	1,166,000	2,425	2,038,438
Fees, licenses and permits	129,040	-	811,801	940,841
Interest earnings	-	-	176,526	176,526
Fines and forfeitures	222,754	-	429,251	652,005
Special assessments	-	121,022	-	121,022
Other	510,085	727,334	97,505	1,334,924
Total revenues	<u>26,814,092</u>	<u>10,893,044</u>	<u>6,910,785</u>	<u>44,617,921</u>
Expenditures				
Current				
Security of persons and property	16,337,401	-	2,217,733	18,555,134
Leisure time activities	1,880,639	-	188,198	2,068,837
Community environment	1,139,269	-	394,925	1,534,194
Street maintenance	-	-	3,711,222	3,711,222
General government	5,077,793	-	1,468	5,079,261
Capital outlay	-	9,112,999	210,000	9,322,999
Debt Service				
Principal	50,453	6,852,370	846,106	7,748,929
Interest	4,234	94,194	93,176	191,604
Total expenditures	<u>24,489,789</u>	<u>16,059,563</u>	<u>7,662,828</u>	<u>48,212,180</u>
Excess (deficiency) of revenues				
Over (under) expenditures	<u>2,324,303</u>	<u>(5,166,519)</u>	<u>(752,043)</u>	<u>(3,594,259)</u>
Other Financing Sources (Uses)				
Transfers in	2,243,767	-	2,534,760	4,778,527
Transfers out	(4,628,503)	(750,000)	(900,000)	(6,278,503)
Total other financing sources (uses)	<u>(2,384,736)</u>	<u>(750,000)</u>	<u>1,634,760</u>	<u>(1,499,976)</u>
Net change in fund balances	(60,433)	(5,916,519)	882,717	(5,094,235)
Fund balance at beginning of year	11,047,153	963,045	5,834,207	17,844,405
Change in nonspendable inventory	19,405	-	162,041	181,446
Change in nonspendable prepaid items	9,322	-	1,516	10,838
Fund balance at end of year	<u>\$ 11,015,447</u>	<u>\$ (4,953,474)</u>	<u>\$ 6,880,481</u>	<u>\$ 12,942,454</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, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (5,094,235)

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	\$ 5,406,220	
Current year depreciation	<u>(4,432,907)</u>	973,313

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. (109,617)

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. 192,284

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

Investment earnings	18,753	
Property taxes	7,064	
Grants and entitlements	(178,567)	
Income tax	(655,870)	
Special assessments	(48,216)	
Charges for services	<u>35,984</u>	(820,852)

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. 7,748,929

In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds an interest expenditure is reported when due. 2,217

Premiums on bonds issued are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities. 26,100

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. (1,116,378)

Change in Net Position of Governmental Activities \$ 1,801,761

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 8,634,416	\$ 8,763,540	\$ 8,761,174	\$ (2,366)
Income taxes	13,253,945	13,375,376	13,254,088	(121,288)
Other local taxes	358,000	358,000	391,911	33,911
State levied shared taxes	2,804,334	2,697,764	2,648,698	(49,066)
Intergovernmental	227,827	227,827	286,955	59,128
Charges for services	3,569,490	3,708,990	3,539,759	(169,231)
Fees, licenses, and permits	112,995	112,995	129,087	16,092
Fines and forfeitures	346,000	346,000	222,558	(123,442)
Other	278,170	278,170	588,911	310,741
Total revenues	29,585,177	29,868,662	29,823,141	(45,521)
Expenditures				
Current				
Security of persons and property	16,906,487	16,682,487	16,417,941	264,546
Leisure time activities	2,236,532	2,131,532	2,081,070	50,462
Community environment	1,368,184	1,226,184	1,196,573	29,611
General government	7,752,711	7,753,902	7,625,804	128,098
Debt Service				
Principal	50,464	50,464	50,453	11
Interest	4,241	4,241	4,234	7
Total expenditures	28,318,619	27,848,810	27,376,075	472,735
Excess (deficiency) of revenues over (under) expenditures	1,266,558	2,019,852	2,447,066	427,214
Other Financing Sources (Uses)				
Transfers in	1,936,003	2,261,994	2,243,767	(18,227)
Transfers out	(4,996,450)	(4,661,950)	(4,628,503)	33,447
Total other financing sources (uses)	(3,060,447)	(2,399,956)	(2,384,736)	15,220
Net change in fund balances	(1,793,889)	(380,104)	62,330	442,434
Fund balance at beginning of year	8,593,836	8,593,836	8,593,836	-
Prior year encumbrances appropriated	107,923	107,923	107,923	-
Fund balance at end of year	\$ 6,907,870	\$ 8,321,655	\$ 8,764,089	\$ 442,434

See accompanying notes to the basic financial statements

Statement of Net Position - Proprietary Funds
December 31, 2014

	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	\$ 2,280,089	\$ 4,053,395	\$ 10,221,141	\$ 1,785,264	\$ 2,162,084	\$ 180,961	\$ 20,682,934
Investments	533,056	947,633	2,389,572	417,372	505,468	42,307	4,835,408
Receivables							
Accounts							
(net of allowance for uncollectibles)	756,790	629,359	5,284,956	231,975	61,431	100,157	7,064,668
Special assessments	8,683	8,620	-	-	-	204,167	221,470
Due from other funds	33,444	-	852,966	15,274	-	14,145	915,829
Due from other governments	82,640	1,144	96	895	1,500	-	86,275
Inventory of supplies	37,337	469,022	3,509,904	74,439	86,623	269	4,177,594
Prepaid items	13,934	20,730	38,197	8,846	47,690	439	129,836
Unamortized bond discount	5,197	29,522	-	-	53,250	-	87,969
Investment in joint venture	-	-	4,039,566	-	-	-	4,039,566
Total current assets	3,751,170	6,159,425	26,336,398	2,534,065	2,918,046	542,445	42,241,549
Noncurrent Assets							
Regulated asset	-	-	2,399,905	-	-	-	2,399,905
Capital Assets							
Land	93,459	135,605	530,756	152,781	1,787,907	888,620	3,589,128
Buildings	501,757	1,041,745	1,005,179	330,817	35,987,688	11,700	38,878,886
Improvements other than buildings	29,841,966	30,867,551	44,352,220	257,499	4,771,786	11,363,771	121,454,793
Equipment	1,626,751	1,802,457	6,271,864	3,716,144	921,644	496,336	14,835,196
CIP	15,604	630,127	434,148	-	-	304,090	1,383,969
Less: Accumulated depreciation	(12,792,589)	(14,956,003)	(27,876,840)	(2,468,911)	(11,779,557)	(2,299,528)	(72,173,428)
Total noncurrent assets	19,286,948	19,521,482	27,117,232	1,988,330	31,689,468	10,764,989	110,368,449
Total assets	23,038,118	25,680,907	53,453,630	4,522,395	34,607,514	11,307,434	152,609,998
Liabilities							
Current Liabilities							
Accounts payable	946	314,229	2,595,583	101,936	33,877	26,578	3,073,149
Accrued salaries, wages and benefits	30,731	58,376	125,191	48,121	80,126	6,080	348,625
Accrued compensated absences	-	-	-	-	-	-	-
Accrued interest payable	3,384	10,415	-	-	37,466	-	51,265
Unearned revenue	-	-	-	-	89,280	-	89,280
Due to other funds	171,580	222,086	4,439	144,372	626,215	30	1,168,722
Due to other governments	752,426	11,322	31,940	9,056	12,335	1,438	818,517
Deposits held and due to others	-	2,250	1,173,276	-	-	-	1,175,526
Claims and judgments payable	-	-	-	-	-	-	-
Capital lease obligations	528,704	351,959	833,809	26,705	6,841	176	1,748,194
Payable to AMP	-	-	167,682	-	-	-	167,682
General obligation notes payable	-	1,050,000	-	-	4,850,000	-	5,900,000
General obligation bonds payable	292,000	738,000	-	-	925,873	-	1,955,873
Total current liabilities	1,779,771	2,758,637	4,931,920	330,190	6,662,013	34,302	16,496,833
Noncurrent Liabilities							
Accrued compensated absences	-	-	-	-	-	-	-
Claims and judgments payable	-	-	-	-	-	-	-
Other post-employment benefit obligation	-	-	-	-	-	-	-
Capital lease obligations	2,351,295	1,557,132	3,697,785	117,885	8,244	213	7,732,554
Payable to joint venture	-	-	1,278,676	-	-	-	1,278,676
Payable to AMP	-	-	2,232,223	-	-	-	2,232,223
Unamortized bond premium	56,220	135,387	-	-	311,159	-	502,766
General obligation bonds payable	783,000	3,224,000	-	-	11,585,000	-	15,592,000
Total noncurrent liabilities	3,190,515	4,916,519	7,208,684	117,885	11,904,403	213	27,338,219
Total liabilities	4,970,286	7,675,156	12,140,604	448,075	18,566,416	34,515	43,835,052
Net Position							
Net investment in capital assets	15,280,926	12,494,526	20,185,733	1,843,740	14,055,601	10,764,600	74,625,126
Unrestricted	2,786,906	5,511,225	21,127,293	2,230,580	1,985,497	508,319	34,149,820
Total net position	\$ 18,067,832	\$ 18,005,751	\$ 41,313,026	\$ 4,074,320	\$ 16,041,098	\$ 11,272,919	\$ 108,774,946
Adjustment to consolidate the internal service fund activities related to enterprise funds.							(1,188,964)
Total net position of business-type activities							\$ 107,585,982

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Net Position - Proprietary Funds December 31, 2014

(Continued)

	Governmental Activities - Internal Service Funds
Assets	
Current Assets	
Equity in pooled cash and cash equivalents	\$ 4,573,790
Investments	1,068,190
Receivables	
Accounts	
(net of allowance for uncollectibles)	16,412
Special assessments	-
Due from other funds	5,987
Due from other governments	-
Inventory of supplies	160,391
Prepaid items	2,441
Unamortized bond discount	-
Investment in joint venture	-
Total current assets	<u>5,827,211</u>
Noncurrent Assets	
AMP developmental fees receivable	-
Capital Assets	
Land	21,960
Buildings	105,958
Improvements other than buildings	260,029
Equipment	165,744
CIP	-
Less: Accumulated depreciation	<u>(457,545)</u>
Total noncurrent assets	<u>96,146</u>
Total assets	<u>5,923,357</u>
Liabilities	
Current Liabilities	
Accounts payable	66,093
Accrued salaries, wages and benefits	18,285
Accrued compensated absences	1,544,960
Accrued interest payable	-
Unearned revenue	-
Due to other funds	811
Due to other governments	285,790
Deposits held and due to others	-
Claims and judgments payable	412,684
Capital lease obligations	355
Payable to AMP	-
General obligation notes payable	-
General obligation bonds payable	-
Total current liabilities	<u>2,328,978</u>
Noncurrent Liabilities	
Accrued compensated absences	6,616,352
Claims and judgments payable	276,383
Other post-employment benefit obligation	1,926,897
Capital lease obligations	427
Payable to joint venture	-
Payable to AMP	-
Unamortized bond premium	-
General obligation bonds payable	-
Total noncurrent liabilities	<u>8,820,059</u>
Total liabilities	<u>11,149,037</u>
Net Position	
Net investment in capital assets	95,364
Unrestricted	<u>(5,321,044)</u>
Total net position	<u>\$ (5,225,680)</u>

City of Cuyahoga Falls, Ohio

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
Operating Revenues							
Charges for services	\$ 6,287,559	\$ 5,582,110	\$ 42,376,171	\$ 3,576,066	\$ 5,056,631	\$ 1,162,380	\$ 64,040,917
Other	172,955	285,483	236,521	245,419	502,009	69,752	1,512,139
Total operating revenues	6,460,514	5,867,593	42,612,692	3,821,485	5,558,640	1,232,132	65,553,056
Operating Expenses							
Personal services	630,860	1,212,863	2,819,628	925,799	2,307,142	388,937	8,285,229
Fringe benefits	243,554	459,450	1,092,839	355,022	573,684	180,199	2,904,748
Purchased power	-	-	26,859,640	-	-	-	26,859,640
Materials and supplies	43,788	403,526	5,991,322	239,060	176,231	40,986	6,894,913
Utilities	32,357	345,684	57,924	17,284	192,037	612	645,898
Contractual services	4,010,979	67,482	289,582	723,111	47,475	144,418	5,283,047
Internal charges	448,247	490,655	1,436,276	463,603	486,402	80,101	3,405,284
Other	282,596	461,036	749,482	252,060	863,014	327,405	2,935,593
Depreciation	789,315	931,289	1,563,075	363,820	976,168	269,118	4,892,785
Total Operating Expenses	6,481,696	4,371,985	40,859,768	3,339,759	5,622,153	1,431,776	62,107,137
Net income (loss) from operations	(21,182)	1,495,608	1,752,924	481,726	(63,513)	(199,644)	3,445,919
Nonoperating Revenues (Expenses)							
Interest revenue	-	-	-	-	-	-	-
Interest expense	(182,487)	(207,897)	(232,148)	(7,407)	(416,386)	(17)	(1,046,342)
Gain from disposal of capital assets	927	1,800	(169)	-	500	-	3,058
Grants	-	-	-	52,994	-	-	52,994
Total nonoperating revenues (expenses)	(181,560)	(206,097)	(232,317)	45,587	(415,886)	(17)	(990,290)
Income (loss) before contributions and transfers	(202,742)	1,289,511	1,520,607	527,313	(479,399)	(199,661)	2,455,629
Capital Contributions	176,485	282,859	37,500	-	35,470	533,588	1,065,902
Transfers in	19,480	37,462	1,825,085	27,684	2,174,274	3,852	4,087,837
Transfers out	-	-	(1,747,773)	-	-	-	(1,747,773)
Changes in net position	(6,777)	1,609,832	1,635,419	554,997	1,730,345	337,779	5,861,595
Total net position - beginning	18,074,609	16,395,919	39,677,607	3,519,323	14,310,753	10,935,140	
Total net position - ending	\$ 18,067,832	\$18,005,751	\$ 41,313,026	\$ 4,074,320	\$ 16,041,098	\$11,272,919	
Adjustment to consolidate the internal service fund activities related to enterprise funds.							(601,997)
Change in net position of business-type activities							\$ 5,259,598

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, 2014

(Continued)

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for services	\$ 8,902,565
Other	408,644
Total operating revenues	<u>9,311,209</u>
Operating Expenses	
Personal services	1,344,984
Fringe benefits	6,004,808
Purchased power	-
Materials and supplies	1,322,677
Utilities	7,494
Contractual services	168,615
Internal charges	168,701
Other	1,220,142
Depreciation	4,406
Total Operating Expenses	<u>10,241,827</u>
Net income (loss) from operations	<u>(930,618)</u>
Nonoperating Revenues (Expenses)	
Interest revenue	7,760
Interest expense	(29)
Gain from disposal of capital assets	-
Grants	-
Total nonoperating revenues (expenses)	<u>7,731</u>
Income (loss) before contributions and transfers	<u>(922,887)</u>
Capital Contributions	44,600
Transfers in	13,960
Transfers out	(854,048)
Changes in net position	<u>(1,718,375)</u>
Total net position - beginning	(3,507,305)
Total net position - ending	<u>\$ (5,225,680)</u>

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2014

	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	\$ 6,401,543	\$ 5,993,437	\$ 43,961,669	\$ 3,802,425	\$ 5,593,972	\$ 1,242,476	\$ 66,995,522
Cash payments to employees for services	(627,187)	(1,206,356)	(2,813,448)	(915,667)	(2,304,727)	(388,334)	(8,255,719)
Cash payments to employees for benefits	(243,546)	(459,573)	(1,094,814)	(354,363)	(575,244)	(180,202)	(2,907,742)
Cash payments to suppliers for goods and services	(4,753,304)	(1,770,955)	(35,537,490)	(1,662,647)	(1,757,348)	(566,590)	(46,048,334)
Net cash provided by (used in) operating activities	777,506	2,556,553	4,515,917	869,748	956,653	107,350	9,783,727
Cash Flows From Non-Capital Financing Activities							
Grant proceeds	-	-	-	52,994	-	-	52,994
Transfers in	19,480	37,462	1,825,085	27,684	2,174,274	3,852	4,087,837
Transfers out	-	-	(1,747,773)	-	-	-	(1,747,773)
Advances in	-	-	85,000	-	-	-	85,000
Advances out	(85,000)	-	-	-	-	-	(85,000)
Net cash provided by (used in) non-capital financing activities	(65,520)	37,462	162,312	80,678	2,174,274	3,852	2,393,058
Cash Flows From Capital and Related Financing Activities							
Acquisition of capital assets	(93,646)	(873,390)	(1,421,814)	(724,136)	(70,142)	(383,599)	(3,566,727)
Grant proceeds	-	139,077	37,500	-	-	222,497	399,074
Proceeds from the sale of capital assets	2,030	1,800	2,275	-	-	-	6,105
Bond/note proceeds	-	-	-	-	4,887,733	-	4,887,733
Refunding bonds issued	-	1,058,169	-	-	-	-	1,058,169
Debt service							
Principal	(790,625)	(1,782,291)	(799,027)	(25,591)	(6,906,878)	(170)	(10,304,582)
Interest	(195,883)	(236,100)	(232,148)	(7,407)	(489,293)	(17)	(1,160,848)
Net cash provided by (used in) capital and related financing activities	(1,078,124)	(1,692,735)	(2,413,214)	(757,134)	(2,578,580)	(161,289)	(8,681,076)
Cash Flows from Investing Activities							
Interest revenue	-	-	-	-	-	-	-
Purchase of investments	(533,056)	(947,633)	(2,389,572)	(417,372)	(505,468)	(42,307)	(4,835,408)
Net cash provided by investing activities	(533,056)	(947,633)	(2,389,572)	(417,372)	(505,468)	(42,307)	(4,835,408)
Net increase (decrease) in cash and cash equivalents	(899,194)	(46,353)	(124,557)	(224,080)	46,879	(92,394)	(1,339,699)
Cash and cash equivalents at Beginning of Year	3,179,283	4,099,748	10,345,698	2,009,344	2,115,205	273,355	22,022,633
Cash and cash equivalents at end of year	<u>\$ 2,280,089</u>	<u>\$ 4,053,395</u>	<u>\$ 10,221,141</u>	<u>\$ 1,785,264</u>	<u>\$ 2,162,084</u>	<u>\$ 180,961</u>	<u>\$ 20,682,934</u>

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, 2014

(Continued)

	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities	
Cash received from customers	\$ 9,329,703
Cash payments to employees for services	(1,329,801)
Cash payments to employees for benefits	(5,785,293)
Cash payments to suppliers for goods and services	<u>(2,907,901)</u>
Net cash provided by (used in) operating activities	(693,292)
Cash Flows From Non-Capital Financing Activities	
Grant proceeds	-
Transfers in	13,960
Transfers out	(854,048)
Advances in	-
Advances out	<u>-</u>
Net cash provided by (used in) non-capital financing activities	(840,088)
Cash Flows From Capital and Related Financing Activities	
Acquisition of capital assets	(1,278)
Grant Proceeds	-
Proceeds from the sale of capital assets	-
Bond/note proceeds	-
Refunding bonds issued	-
Debt service	
Principal	(344)
Interest	<u>(29)</u>
Net cash provided by (used in) capital and related financing activities	(1,651)
Cash Flows from Investing Activities	
Interest revenue	7,760
Purchase of investments	<u>(1,068,190)</u>
Net cash provided by investing activities	<u>(1,060,430)</u>
Net increase (decrease) in cash and cash equivalents	(2,595,461)
Cash and cash equivalents at Beginning of Year	<u>7,169,251</u>
Cash and cash equivalents at end of year	<u>\$ 4,573,790</u>

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2014

(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)	\$ (21,182)	\$ 1,495,608	\$ 1,752,924	\$ 481,726	\$ (63,513)	\$ (199,644)	\$ 3,445,919
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	789,315	931,289	1,563,075	363,820	976,168	269,118	4,892,785
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:							
Receivables	(8,426)	152,519	724,013	(21,978)	(36,747)	804	810,185
Due from other funds	(2,223)	-	19,439	2,101	-	442	19,759
Due from other governments	(48,322)	95,174	(44)	817	551	8,998	57,174
Inventory of supplies	3,950	8,166	(6,456)	(2,578)	(3,681)	139	(460)
Prepaid items	(881)	(385)	(507)	(593)	(1,493)	(37)	(3,896)
Investment in joint ventures	-	-	818,739	-	-	-	818,739
Accounts payable							
- net of items affecting capital assets	(1,207)	(118,082)	(437,768)	34,108	11,405	26,570	(484,974)
Accrued salaries, wages and benefits	3,673	6,507	6,180	10,132	2,415	603	29,510
Due to other funds	(3,868)	(16,972)	(3,743)	(1,093)	(348)	(135)	(26,159)
Due to other governments	66,677	3,319	13,597	3,286	368	1,338	88,585
Deposits held and due to others	-	(590)	66,468	-	-	(846)	65,032
Other post-employment benefit obligation	-	-	-	-	-	-	-
Claims and judgments payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	71,528	-	71,528
Total adjustments	798,688	1,060,945	2,762,993	388,022	1,020,166	306,994	6,337,808
Net cash provided by (used in) operating activities	\$ 777,506	\$ 2,556,553	\$ 4,515,917	\$ 869,748	\$ 956,653	\$ 107,350	\$ 9,783,727

During 2014, 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 \$176,485, \$239,730, and \$320,089, respectively. In addition, the Leisure Time Enterprise Fund and Garage Internal Service Fund received contributions in the form of capital assets in the amount of \$35,470 and \$44,600, respectively, from the Capital Projects Fund.

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2014

(Continued)

	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income	
(Loss) to Net cash provided by (Used in) Operating Activities	
Operating Income (Loss)	\$ (930,618)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	4,406
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:	
Receivables	(15,891)
Due from other funds	34,385
Due from other governments	-
Inventory of supplies	4,423
Prepaid items	(130)
Investment in joint ventures	-
Accounts payable	
- net of items affecting capital assets	(21,008)
Accrued salaries, wages and benefits	15,183
Due to other funds	(3,870)
Due to other governments	(2,214)
Deposits held and due to others	-
Other post-employment benefit obligation	385,770
Claims and judgments payable	(163,728)
Unearned revenue	-
Total adjustments	237,326
Net cash provided by (used in) operating activities	\$ (693,292)

Statement of Fiduciary Net Position - Fiduciary Funds
December 31, 2014

	Agency Funds
Assets	
Current Assets	
Equity in pooled cash and cash equivalents	\$ 1,446,644
Cash and cash equivalents - restricted	762,538
Investments	338,207
Due from other governments	234,540
Total assets	\$ 2,781,929
Liabilities	
Current Liabilities	
Due to other governments	\$ 1,346,092
Deposits held and due to others	1,435,837
Total liabilities	\$ 2,781,929

See accompanying notes to the basic financial statements

**NOTES TO THE FINANCIAL
STATEMENTS**

**Notes to the Financial Statements
December 31, 2014**

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.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

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.

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

C. Measurement Focus

Government-wide Financial Statements

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

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

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

The amounts reported as the original budgeted amounts reflect the original Appropriation Ordinance. The amounts reported as the final budgeted amounts represent the final Appropriation Ordinance, including all amendments and modifications passed by City Council in December 2014.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year end are reported as 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.

Prepaid items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, 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.

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

General capital assets are those specifically associated with general governmental activities. These assets primarily result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net 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:

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

Deferred Inflows of Resources

The City reports deferred inflows on its fund level balance sheet and government-wide statement of net position. Deferred inflows are items that were previously reported as deferred revenues and certain items that were previously recorded as assets and liabilities such as gains on defeasance of debt. Deferred inflows arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Certain intergovernmental receivables, uncollected assessments, miscellaneous receivables, interest, property taxes and income taxes not meeting the availability criteria have been deferred and will be realized in a subsequent period in the governmental funds.

Deferred Outflows of Resources

A deferred outflow is a consumption of net position in a future period, such as the loss on defeasance from debt refundings. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities, 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 – 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 nonspendable form criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Net Position

Net position represent 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, grants or outside contributions of resources restricted to capital acquisition and construction or from contributions from governmental funds. During 2014, the Sewage and Disposal, Water, and Storm Drainage Utility Funds received contribution of capital from private developers in the amount of \$176,485, \$239,730, and \$320,089, respectively. The Water and Storm Drainage Utility Funds received contributions of capital in the amounts of \$43,129 and \$213,499 from the State of Ohio for Issue II Ohio Public Works Commission Funding and the Northeast Ohio Regional Sewer District, respectively. The Electric Fund received contribution of capital in the amount of \$37,500 from American Public Power Association. In addition, the Leisure Time Fund received contributions in the form of capital assets in the amount of \$35,470 from governmental activities.

Interfund Activity

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

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

Extraordinary and special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2014.

Estimates

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

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) 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:

City of Cuyahoga Falls, Ohio

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

- 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	(\$60,433)
Increase (decrease) due to:	
Net change in receivables and other assets not recognized on a budget basis	1,125,498
Net change in liabilities not recognized on a budget basis	(790,668)
Encumbrances	<u>(212,067)</u>
Budget Basis	<u>\$ 62,330</u>

NOTE 4 - RECEIVABLES

Receivables at December 31, 2014, 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.

NOTE 4 – RECEIVABLES (CONTINUED)

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 \$8,778,791 and \$506,470 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, 2014.

The assessed values of real public utility and tangible personal property upon which 2014 property tax receipts were based are as follows:

Property Types	Valuation
Real Property ó 2013 Tax Valuation	\$ 950,896,370
Public Utility Property ó 2012 Tax Valuation	8,510,780
Total Valuation	\$ 959,407,150

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 2014 was \$20,681,727. The amount of \$3,974,315 has been recorded in the General Fund as taxes receivable (net of refunds) to reflect income taxes receivable recorded as of December 31, 2014.

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

City of Cuyahoga Falls, Ohio

NOTE 4 – RECEIVABLES (CONTINUED)

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Local Government and Local Government Revenue	
Assistance	\$ 644,431
Inheritance Tax	23,489
Municipal Income Tax	45,115
Homestead and Rollback	694,820
Gasoline and Excise Tax	516,043
Motor Vehicle License Fees	146,775
Permissive Motor Vehicle License Tax	24,019
EMS Transport Fees	107,676
Highway Distribution	259,668
Liquor Permits	10,610
Enhanced 9-1-1 Wireless Distribution	5,020
Federal Grants	17,609
Other State Grants	5,745
Evidence Deposits Agency Fund	412,599
Other Agencies	<u>25,622</u>
Total Governmental Activities	<u>\$ 2,939,241</u>
Business-type Activities	
Utilities Charges	\$ 82,640
Other Agencies	<u>3,635</u>
Total Business-Type Activities	<u>\$ 86,275</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.

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

During 2014, 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.

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.

City of Cuyahoga Falls, Ohio

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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 \$33,792,464 and the bank balance was \$34,289,590. Of the bank balance \$8,786,548 was covered by Federal depository insurance and \$25,503,042 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 \$10,385 as of December 31, 2014.

At year-end, the carrying amount of the Community Improvement Corporation of Cuyahoga Falls, a component unit, deposits were \$54,935 and the bank balance was \$168,704. Information regarding the collateralization of the Community Improvement Corporation of Cuyahoga Falls can be obtained from the corporation's independent audit report.

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

Investments are reported at fair value. As of December 31, 2014 the City had the following investments:

	Fair Value	Credit Rating (*)	Credit	
			< 1	> 1
Repurchase Agreements:				
Federal National Mortgage Association	\$ 9,122,230	AA+	\$ 5,635,000	\$ 3,487,230
Federal Home Loan Mortgage	2,509,125	Aaa*		2,509,125
United States Treasury Note	2,998,140	Aaa*		2,998,140
Total	\$ 14,629,495		\$ 5,635,000	\$ 8,994,495

* 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.

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, 2014.

Investment Issuer	Percentage of Investment
Federal National Mortgage Association	62.36%
Federal Home Loan Mortgage	17.15%
United States Treasury Note	20.49%
Total	100.00%

City of Cuyahoga Falls, Ohio

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance 1/1/2014	Additions	Deletions	Balance 12/31/2014
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 8,813,394	\$ -	\$ -	\$ 8,813,394
Construction In Progress	8,547,372	2,204,826	(358,272)	10,393,926
<i>Total Capital Assets Not Being Depreciated</i>	17,360,766	2,204,826	(358,272)	19,207,320
<i>Capital Assets Being Depreciated</i>				
Buildings	28,142,442	537,565	-	28,680,007
Improvements	1,808,491	228,814	-	2,037,305
Machinery and Equipment	28,637,048	2,221,912	(1,543,416)	29,315,544
Infrastructure				
Roads	62,888,640	591,223	-	63,479,863
Traffic Signals	209,489	26,030	-	235,519
Bridges	10,656,180	-	-	10,656,180
<i>Total Capital Assets Being Depreciated</i>	132,342,290	3,605,544	(1,543,416)	134,404,418
<i>Less Accumulated Depreciation</i>				
Buildings	(11,801,418)	(677,774)	-	(12,479,192)
Improvements	(612,267)	(73,532)	-	(685,799)
Machinery and Equipment	(20,645,840)	(1,970,726)	1,433,799	(21,182,767)
Infrastructure				
Roads	(19,873,552)	(1,493,607)	-	(21,367,159)
Traffic Signals	(112,030)	(19,015)	-	(131,045)
Bridges	(2,003,670)	(202,659)	-	(2,206,329)
<i>Total Accumulated Depreciation</i>	(55,048,777)	(4,437,313)	1,433,799	(58,052,291)
<i>Total Capital Assets Being Depreciated, Net</i>	77,293,513	(831,769)	(109,617)	76,352,127
<i>Governmental Activities Capital Assets, Net</i>	\$ 94,654,279	\$ 1,373,057	\$ (467,889)	\$ 95,559,447
*Depreciation expense was charged to governmental functions as follows:				
General Government				\$ 395,766
Security of Persons and Property				1,279,960
Community Environment				217,744
Leisure Time Activities				397,408
Street Maintenance				2,142,029
Garage				4,406
Grand Total				\$ 4,437,313

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	<u>Balance 1/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2014</u>
Business -type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 3,426,570	\$ 162,558	\$ -	\$ 3,589,128
Construction In Progress	3,707,060	1,411,671	(3,734,762)	1,383,969
<i>Total Capital Assets Not Being Depreciated</i>	7,133,630	1,574,229	(3,734,762)	4,973,097
<i>Capital Assets Being Depreciated</i>				
Buildings	\$ 38,632,938	\$ 245,948	-	\$ 38,878,886
Improvements	116,844,271	4,610,522	-	121,454,793
Machinery and Equipment	13,375,587	1,727,366	(267,757)	14,835,196
<i>Total Capital Assets Being Depreciated</i>	168,852,796	6,583,836	(267,757)	175,168,875
<i>Less Accumulated Depreciation</i>				
Buildings	(9,615,507)	(821,877)	-	(10,437,384)
Improvements	(49,059,674)	(3,157,844)	-	(52,217,518)
Machinery and Equipment	(8,870,772)	(913,064)	265,310	(9,518,526)
<i>Total Accumulated Depreciation</i>	(67,545,953)	(4,892,785)	265,310	(72,173,428)
<i>Total Capital Assets Being Depreciated, Net</i>	101,306,843	1,691,051	(2,447)	102,995,447
<i>Total Business-Type Capital Assets, Net</i>	<u>\$ 108,440,473</u>	<u>\$ 3,265,280</u>	<u>\$ (3,737,209)</u>	<u>\$ 107,968,544</u>

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

Sewage and Disposal	\$ 789,315
Water	931,289
Electric	1,563,075
Sanitation	363,820
Leisure Time	976,168
Storm Drainage	269,118
Total	<u>\$ 4,892,785</u>

City of Cuyahoga Falls, Ohio

NOTE 7 - PENSION PLANS

Ohio Public Employees Retirement System

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety officers participate in only the Traditional Pension Plan. The 2014 member contribution rates were 10.0 percent of earnable salary for members in state and local classifications. Public safety and law enforcement members contributed 12 percent and 13 percent, respectively. For state and local employers, the 2014 employer contribution rate was 14.00 percent of earnable salary. The law enforcement and public safety division employer contribution was 18.10 percent of earnable salary.

The City's required contributions for pension obligations to all of the plans for the years ended December 31, 2014, 2013, and 2012 were \$2,310,554, \$2,262,411, and \$2,414,463 respectively; 92.7 percent has been contributed for 2014, 100 percent for 2013 and 100 percent for 2012. Contributions to the Member-Directed Plan for 2014 were \$39,061 made by the City and \$27,901 made by the plan members.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215- 5164. The report is also available on OP&F's website at www.op-f.org.

From January 1, 2014 through July 1, 2014 plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.5 percent of their covered annual salary. Throughout 2014, employers were required to contribute 19.5 percent and 24 percent respectively for police officers and firefighters. The City's contributions for pension obligations to OP&F for police and firefighters were \$1,023,191 and \$1,463,117, respectively for the year ended December 31, 2014,

NOTE 7 - PENSION PLANS (CONTINUED)

\$896,782 and \$1,250,169 for the year ended December 31, 2013, and \$928,627 and \$1,285,282 for the year ended December 31, 2012. In 2013, the City elected to participate in the Deferral Option for Employer Contributions Program. The deferred payment program begins with the first quarter 2013 employer retirement liabilities, and spreads the due date for each third of the quarter's liabilities over a three-year period. The City paid one-third of the first quarter 2013 liabilities on December 31, 2013. The second third was paid on December 31, 2014, and the final third will be due on December 31, 2015. For 2014, 92.5 percent for police and 93.2 percent for firefighters, respectively, has been contributed. For 2013, 92.4 percent for police and 92.6 percent for firefighters, respectively, has been contributed. The full amount has been contributed for 2012.

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 a cost-sharing multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment 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 10 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. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB Plan 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/investments/cafr.shtml>, 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 post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2014, 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 the OPEB Plan.

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. The portion of employer contributions allocated to health care for members in the Traditional Plan was 2.0 percent during the calendar year

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.0 percent for both plans, as recommended by OPERS's actuary. The OPERS Board of Trustees 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 City's actual employer contributions for December 31, 2014, 2013 and 2012 which were used to fund post-employment benefits were \$329,947, \$161,601, and \$866,620, respectively; 92.7 percent has been contributed for 2014 and 100 percent has been contributed for 2013 and 2012.

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 are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to 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, 2014 through December 31, 2014. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees's primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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.

The City's annual contributions for December 31, 2014, 2013, and 2012 that were used to fund post-employment benefits were \$24,381 for police and \$28,782 for fire, \$167,289 for police and \$189,731 for fire, and \$321,448 for police and \$361,486 for fire, respectively; For 2014, 92.5 percent for police and 93.2 percent for firefighters, respectively, has been contributed. For 2013, 92.4 percent for police and 92.6 percent for firefighters, respectively, has been contributed. The full amount has been contributed for 2012

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.

City of Cuyahoga Falls, Ohio

NOTE 9 - COMPENSATED ABSENCES (CONTINUED)

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. 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.

NOTE 10 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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. The City paid \$662,537 on the net impaired cost estimate in 2014, leaving a balance of \$2,347,288 at December 31, 2014. Of this liability, the scheduled monthly payments for 2015, which total \$167,682, is considered the current portion.

NOTE 11 - CAPITAL LEASES

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	
Equipment (In Car Video / Mobile Data Terminals)	263,515	
Improvements	115,267	\$ 16,902,526
Equipment (Copiers / Printers)	240,830	81,931
Less: Accumulated Depreciation	<u>(1,947,320)</u>	<u>(4,057,326)</u>
Total	<u>\$ 1,113,869</u>	<u>\$ 12,927,131</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014, were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2015	350,521	2,160,840
2016	350,521	2,160,840
2017	304,326	2,145,575
2018	14,457	2,142,522
2019	14,457	2,142,522
Total	<u>1,034,282</u>	<u>10,752,299</u>
Less: Amount representing interest	<u>(73,547)</u>	<u>(1,271,553)</u>
Present value of minimum lease payments	<u>\$ 960,735</u>	<u>\$ 9,480,746</u>

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City of Cuyahoga Falls, Ohio

NOTE 12 - SHORT-TERM OBLIGATIONS

A summary of the changes in the City's short-term obligations for the year ended December 31, 2014, was as follows:

	Balance January 1, <u>2014</u>	<u>Issued</u>	<u>Retired</u>	Balance December 31, <u>2014</u>
General Obligation Bond Anticipation Notes				
<u>Governmental Activities:</u>				
Capital Projects Fund Obligations:				
1.05% Taxable Land Acquisition and Improvement Note, due 8/14/14	\$ 1,000,000	0	\$ 1,000,000	\$ 0
1.00% Taxable Land Acquisition and Improvement Note, due 8/13/15	0	6,600,000	0	6,600,000
1.60% Street Improvement Note, due 9/24/14	1,000,000	0	1,000,000	0
1.50% Street Improvement Note, due 9/23/15	0	500,000	0	500,000
1.00% Various Purpose Notes, due 12/04/14	750,000	0	750,000	0
1.00% Various Purpose Notes, due 12/03/15	0	300,000	0	300,000
Total Governmental Activities	<u>\$ 2,750,000</u>	<u>\$ 7,400,000</u>	<u>\$ 2,750,000</u>	<u>\$ 7,400,000</u>
<u>Business-type Activities:</u>				
Leisure Time Fund Obligations:				
1.00% Various Purpose Notes, due 12/04/14	\$ 6,000,000	\$ 0	\$ 6,000,000	\$ 0
1.00% Various Purpose Notes, due 12/03/15	0	4,850,000	0	4,850,000
Water Fund Obligations:				
1.00% Various Purpose Notes, due 12/04/14	725,000	0	725,000	0
1.00% Various Purpose Notes, due 12/03/15		1,050,000		1,050,000
Total Business-Type Activities	<u>\$ 6,725,000</u>	<u>\$ 5,900,000</u>	<u>\$ 6,725,000</u>	<u>\$ 5,900,000</u>
Grand Total	<u>\$ 9,475,000</u>	<u>\$ 13,300,000</u>	<u>\$ 9,475,000</u>	<u>\$ 13,300,000</u>

On August 13, 2014 the City issued a Taxable Land Acquisition and Improvement Note in the amount of \$6,600,000 for the purpose of revitalizing the State Road Redevelopment Area by acquiring, clearing and improving certain properties in that area.

On September 24, 2014 the City issued a Street Improvement Note in the amount of \$500,000 for the purpose of widening State Road from Graham Road to Quick Road, by constructing and installing sidewalks, bike lanes, curbs, storm water management improvements, signalization and street lighting, and other improvements.

On December 3, 2014, the City issued notes in the amount of \$6,200,000 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.

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*	3/01/1995	12/01/2015	4.40%-6.00%	\$ 3,426,217
1997 Sewer Improvement**	8/01/1997	12/01/2017	3.80%-5.25%	2,329,412
1997 Water Improvement**	8/01/1997	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***	8/01/2001	12/01/2021	3.25%-4.55%	5,175,000
2004 Recreation Improvement****	4/08/2004	12/01/2024	2.00%-5.00%	8,000,000
2004 Various Purpose Refunding (Recreation)	4/08/2004	12/01/2015	2.00%-4.00%	2,407,037
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	9/20/2012	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*	3/01/1995	12/01/2015	4.40%-6.00%	6,238,783
1997 Various Purpose Improvement**	8/01/1997	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	4/08/2004	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

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.

City of Cuyahoga Falls, Ohio

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

A summary of the changes in the City's long-term obligations for the year ended December 31, 2014, was as follows:

	Balance January 1, 2014	Issued 2014	Retired 2014	Balance December 31, 2014	Amount Due Within One Year
Business-type Activities:					
Enterprise Fund Obligations					
<u>Bonds Payable</u>					
2004 Various Purpose Refunding (Recreation)	\$ 521,117	\$ 0	\$ 255,244	\$ 265,873	\$ 265,873
2009 Various Purpose Refunding (1997 Sewer)	606,000	0	144,000	462,000	148,000
2009 Various Purpose Refunding (1998 Sewer)	753,000	0	140,000	613,000	144,000
2009 Various Purpose Refunding (1997 Water)	546,000	0	130,000	416,000	133,000
2009 Various Purpose Refunding (1998 Water)	1,541,000	0	285,000	1,256,000	295,000
2009 Various Purpose Refunding (Recreation)	7,485,000	0	195,000	7,290,000	205,000
2011 Various Purpose Refunding (2001 Water)	2,595,000	0	305,000	2,290,000	310,000
2012 Recreation Improvement Refunding	5,405,000	0	450,000	4,955,000	455,000
Unamortized Bond Discount	(98,873)	0	(10,904)	(87,969)	0
Unamortized Bond Premium	577,883	45,902	121,019	502,766	0
Total Business-type Activities Bonds Payable	<u>19,931,127</u>	<u>45,902</u>	<u>2,014,359</u>	<u>17,962,670</u>	<u>1,955,873</u>
<u>Other Obligations</u>					
Capital Lease Obligations (Note 11)	11,156,092	0	1,675,344	9,480,748	1,748,194
Payable to Joint Venture (Note 16)	1,895,186	0	616,510	1,278,676	633,984
Payable to AMP (Note 10, D)	3,009,825	52,617	662,537	2,399,905	167,682
Compensated absences (Note 9)	1,953,422	139,765	71,136	2,022,051	342,957
Total Business-type Activities Other Obligations	<u>18,014,525</u>	<u>193,282</u>	<u>3,025,527</u>	<u>15,181,380</u>	<u>2,892,817</u>
Total Business-type Activities	<u>\$ 37,945,652</u>	<u>\$ 238,284</u>	<u>\$ 5,039,886</u>	<u>\$33,144,050</u>	<u>\$4,848,690</u>
Governmental Activities:					
<u>Bonds Payable</u>					
Other General Obligation Bonds:					
2004 Various Purpose Refunding	\$ 948,889	\$ 0	\$ 464,762	\$ 484,127	\$ 484,127
2009 Various Purpose Refunding (-97 Rec)	1,348,000	0	321,000	1,027,000	329,000
2009 Various Purpose Refunding (-98 Rec)	321,000	0	60,000	261,000	61,000
2014 Taxable Land Acquisition and Improvement Notes	6,600,000	0	6,600,000	0	0
Unamortized Bond Premium	148,872	44,161	70,261	122,772	0
Total Governmental Activities Bonds Payable	<u>9,366,761</u>	<u>44,161</u>	<u>7,516,023</u>	<u>1,894,899</u>	<u>874,127</u>
<u>Other Obligations</u>					
Capital Lease Obligations (Note 11)	1,264,246	0	303,511	960,735	314,859
Compensated absences (Note 9)	6,197,525	869,588	927,852	6,139,261	1,202,003
Claims and Judgments Payable (Note 15)	852,795	4,264,426	4,428,154	689,067	412,684
Other post-employment benefit obligation (Note 19)	1,541,127	886,893	501,123	1,926,897	495,000
Total Governmental Activities Other Obligations	<u>9,855,693</u>	<u>6,020,907</u>	<u>6,160,640</u>	<u>9,715,960</u>	<u>2,424,546</u>
Total Governmental Activities	<u>\$ 19,222,454</u>	<u>\$ 6,065,068</u>	<u>\$ 13,676,663</u>	<u>\$ 11,610,859</u>	<u>\$ 3,298,673</u>

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, 2014 were as follows:

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Long-term obligations per schedule above	\$ 11,610,859	\$ 33,144,050	\$ 44,754,909
Consolidation of compensated absences claim			
Internal service fund into governmental activities	<u>2,022,051</u>	<u>(2,022,051)</u>	<u>-</u>
Long-term obligations on government-wide statement of net position	<u>\$ 13,632,910</u>	<u>\$ 31,121,999</u>	<u>\$ 44,754,909</u>

Of the \$2,022,051 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), \$342,957 is due within one year.

As of December 31, 2014, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt without a vote of the electors) was \$51,008,292. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2014 (excluding capital leases) are as follows:

<u>Year</u>	<u>Enterprise Fund Obligations</u>		<u>Other General Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$1,955,873	\$560,865	\$874,127	\$66,548
2016	1,744,000	503,084	406,000	34,003
2017	1,792,000	451,926	423,000	18,118
2018	1,526,000	394,986	69,000	2,070
2019	1,055,000	358,844	0	0
2020-2024	4,600,000	1,399,050	0	0
2025-2029	1,580,000	903,319	0	0
2030-2034	1,930,000	551,469	0	0
2035-2037	<u>1,365,000</u>	<u>121,188</u>	<u>0</u>	<u>0</u>
Total	\$ <u>17,547,873</u>	\$ <u>5,244,731</u>	\$ <u>1,772,127</u>	\$ <u>120,739</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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City of Cuyahoga Falls, Ohio

NOTE 14 - INTERFUND TRANSFERS AND BALANCES

A. Transfers

As of December 31, 2014, interfund transfers were as follows:

Transfers Out	Transfers In									Total
	General Fund	Nonmajor Governmental Funds	Sewer Fund	Water Fund	Electric Fund	Sanitation Fund	Leisure Time Fund	Storm Drainage Utility Fund	Internal Service Funds	
General Fund		\$ 2,275,000			\$ 1,739,053		\$ 614,450			\$ 4,628,503
Capital Projects Fund							750,000			750,000
Nonmajor Governmental Funds		150,000					750,000			900,000
Electric Fund	1,747,773									1,747,773
Internal Service Funds	495,994	109,760	19,480	37,462	86,032	27,684	59,824	3,852	13,960	854,048
Total	\$ 2,243,767	\$ 2,534,760	\$ 19,480	\$ 37,462	\$ 1,825,085	\$ 27,684	\$ 2,174,274	\$ 3,852	\$ 13,960	\$ 8,880,324

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

The Capital Projects Fund transfer to the Leisure Time fund was made as reimbursement for debt service payments related to the community wing of the Natatorium, which is used in part for general government functions.

The Nonmajor Funds transfer to other Nonmajor funds were made to provide additional resources to the Debt Service Fund from the Capital Improvement Reserve Fund. The Nonmajor Governmental Funds transfer to the Leisure Time Fund was made to provide additional resources from the Recreation Levy Special Revenue Fund.

Transfers from Internal Service Funds were made as repayment for amounts previously transferred to the Compensated Absences Internal Service Fund for future employee personal services compensation.

As of December 31, 2014, net transfers on the Statement of Activities is as follows:

Governmental Activities:		Business-type Activities:	
Transfers out:		Transfers In:	
Sewage and disposal	\$ (19,480)	Sewage and disposal	\$ 19,480
Water	(37,462)	Water	37,462
Electric	(1,825,085)	Electric	1,825,085
Sanitation	(27,684)	Sanitation	27,684
Leisure time activities	(2,174,274)	Leisure time activities	2,174,274
Storm drainage utility	(3,852)	Storm drainage utility	3,852
Leisure time activities (capital equipment)	(35,470)	Leisure time activities (capital equipment)	35,470
	<u>(4,123,307)</u>		<u>4,123,307</u>
Transfers In		Transfers out:	
Electric	<u>1,747,773</u>	Electric	<u>(1,747,773)</u>
	<u>1,747,773</u>		<u>(1,747,773)</u>
Transfer Out (net)	<u>\$ (2,375,534)</u>	Transfer In (net)	<u>\$ 2,375,534</u>

NOTE 14 - INTERFUND TRANSFERS AND BALANCES (CONTINUED)

B. Balances

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

Interfund balances, including advances, at December 31, 2014 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
<u>Government Funds</u>				
General Fund	\$ 231,784	\$ 170,203	\$ 0	\$ 0
Special Revenue Funds:				
Street Construction, Maintenance and Repair	0	6,538	0	0
Recreation Levy	200,000	2,957	0	0
Community Development Block Grant	<u>0</u>	<u>12</u>	<u>0</u>	<u>0</u>
	<u>200,000</u>	<u>9,507</u>	<u>0</u>	<u>0</u>
Capital Projects Funds				
Capital Projects	0	4,357	0	214,316
Capital Improvement Reserve	<u>0</u>	<u>0</u>	<u>214,316</u>	<u>0</u>
	<u>0</u>	<u>4,357</u>	<u>214,316</u>	<u>214,316</u>
Total Governmental Funds:	<u>431,784</u>	<u>184,067</u>	<u>214,316</u>	<u>214,316</u>
<u>Proprietary Funds</u>				
Enterprise Funds:				
Sewage and Disposal	33,444	171,580	0	0
Water	0	222,086	0	0
Electric	852,966	4,439	0	0
Sanitation	15,274	144,372	0	0
Leisure Time	0	626,215	0	0
Storm Drainage Utility	<u>14,145</u>	<u>30</u>	<u>0</u>	<u>0</u>
	<u>915,829</u>	<u>1,168,722</u>	<u>0</u>	<u>0</u>
Internal Service Funds:				
Garage	0	811	0	0
Workers' Compensation	<u>5,987</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>5,987</u>	<u>811</u>	<u>0</u>	<u>0</u>
Total Proprietary Funds	<u>921,816</u>	<u>1,169,533</u>	<u>0</u>	<u>0</u>
Total All Funds	<u>\$ 1,353,600</u>	<u>\$ 1,353,600</u>	<u>\$ 214,316</u>	<u>\$ 214,316</u>

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

<u>Year</u>	<u>Capital Projects</u>	<u>Total</u>
2015	\$ 214,316	\$ 214,316
	<u>\$ 214,316</u>	<u>\$ 214,316</u>

City of Cuyahoga Falls, Ohio

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, 2014 through December 31, 2014, 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 \$318,832 has been recorded to reflect the outstanding claims as of December 31, 2014. 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, 2014, the City completed its twenty-second consecutive year of participation with the Ohio Bureau of Workers' Compensation (BWC) Retrospective Rating Plan. This Plan requires the City to pay to the BWC only 27 to 32 percent of the experience-rated premium, in addition to BWC administrative assessments and Disabled Workers' Relief Fund costs, as our minimum premium charge. In exchange, the City accepts a maximum individual claim liability between \$300,000 and \$400,000 and an aggregate claims liability of \$1,143,596. In addition, the BWC bills for all claim related medical and other expenses on an annual basis, for a period of ten years. At the tenth year, the BWC actuarially determines the expected future cost (reserve) of all active ten-year-old claims and bills the City. The BWC then assumes all future liability for those claims. Active management of each claim, from inception, offers the City the opportunity to reduce the cost of each claim, thereby reducing the City's cost. For 2014, the retrospective rating minimum premium paid by the City was \$285,930 and the total medical and other expenses paid was \$120,854 for a total of \$406,784.

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.

	2012		2013		2014	
	Workers'		Workers'		Workers'	
	Self-Insurance	Compensation	Self-Insurance	Compensation	Self-Insurance	Compensation
Unpaid claims-January 1	\$ 336,336	\$ 1,205,928	\$ 309,461	\$ 755,508	\$ 423,486	\$ 429,309
Incurred claims (including IBNRs)	3,902,778	114,436	3,949,911	86,371	4,202,646	61,780
Claim payments made during the year	(3,929,653)	(564,856)	(3,835,886)	(412,570)	(4,307,300)	(120,854)
Unpaid claims-December 31	\$ 309,461	\$ 755,508	\$ 423,486	\$ 429,309	\$ 318,832	\$ 370,235

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 \$80,768 at December 31, 2014. 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.

City of Cuyahoga Falls, Ohio

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, 2014 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, 2014, the outstanding debt was \$11,938,283. The City's net obligation for this amount at December 31, 2014 was \$1,136,525. The City's net investment in OMEGA JV2 was \$1,473,504 at December 31, 2014. 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, 2014 Cuyahoga Falls has met their debt coverage obligation.

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, 2014 to \$57,679,473. 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, 2014. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

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.

City of Cuyahoga Falls, Ohio

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, 2014 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 \$142,151 (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 \$1,987,213 at December 31, 2014. 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, 2014, the City had the following significant commitments with respect to projects requiring capital expenditures:

	2014 Remaining Construction Contract	Expected Date of Completion
<u>Capital Project</u>		
Howe Avenue Rebuild	\$ 388,143	2015
Flood Damage Replacement Costs	253,199	2015
Mill Pond Property	241,156	2015
Waterline-Schiller Ave. (State - Portage)	310,000	2015
Bailey Road Water Tank	291,409	2015
Versalift Bucket Trucks and Equipment	400,920	2015
23KV System Upgrade	<u>366,515</u>	2015
Total Capital Projects	<u>\$ 2,251,342</u>	

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:

Fund	Amount
General	\$ 164,058
Capital Projects Fund	1,174,333
Other Governmental	930,913
Total Capital Projects	\$ 2,269,304

NOTE 18 – FUND BALANCES

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

Fund Balances	General Fund	Capital Projects	Other Governmental Funds	Total
<i>Nonspendable</i>				
Inventory of supplies	\$ 146,402	\$ -	\$ 484,480	\$ 630,882
Prepaid items	120,057	-	22,255	142,312
Advances to other funds	-	-	214,316	214,316
Cemetery perpetual care	-	-	234,053	234,053
<i>Total nonspendable</i>	266,459	-	955,104	1,221,563
<i>Restricted for</i>				
Development federal programs	21,505	-	2,561,469	2,582,974
Debt service reserves	-	-	13,026	13,026
Streets and highways	-	-	1,343,386	1,343,386
Police pension	-	-	52,814	52,814
Fire pension	-	-	48,750	48,750
Parks and recreation improvements	-	-	1,118,443	1,118,443
Enterprise zone / community reinvestment area	-	-	32,476	32,476
Other law enforcement	-	-	628,485	628,485
<i>Total restricted</i>	21,505	-	5,798,849	5,820,354
<i>Committed to</i>				
Interest earnings distribution	-	-	124,975	124,975
Urban renewal area	-	-	1,553	1,553
<i>Total committed</i>	-	-	126,528	126,528
<i>Assigned to</i>				
<i>Outstanding encumbrances:</i>				
Security of persons and property	43,554	-	-	43,554
Leisure time activities	4,062	-	-	4,062
Community environment	46,669	-	-	46,669
General Government	69,773	-	-	69,773
Fiscal year 2015 appropriations	1,980,183	-	-	1,980,183
<i>Total assigned</i>	2,144,241	-	-	2,144,241
Unassigned	8,583,242	(4,953,474)	-	3,629,768
Total fund balances	\$ 11,015,447	\$ (4,953,474)	\$ 6,880,481	\$ 12,942,454

City of Cuyahoga Falls, Ohio

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, 2014, the City contributed \$501,123 to the 242 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).

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, 2014 is \$3,151.91 for retirees who have single or family coverage level. The reimbursement is increased 5.0% per year.

Police Officers. The 2014 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	\$1,838.97	\$1,645.06	\$400
Spouse	\$2,772.63	\$3,101.99	N/A*

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

Firefighters. The 2014 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	\$3,294.48	\$1,743.16	Unlimited
Spouse	\$7,216.48	\$4,475.85	

Firefighters who retired on/after 2006

Retiree	\$1,838.97	\$1,838.97	\$700
Spouse	\$2,772.63	\$2,772.63	N/A*

*The 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). As of December 31, 2014, the annual required contribution (ARC) was \$929,344 and the City's annual employer contribution for pay-as-you-go cost was \$501,123, leaving an adjusted Net OPEB Obligation of \$1,926,897 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.

City of Cuyahoga Falls, Ohio

NOTE 19 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2014, 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, 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%
Dec 31, 2012	0	9,754,116	9,754,116	0.0%	27,596,971	35.3%

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 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, 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
Dec 31, 2012	634,176	53,194	(50,384)	636,986	472,846	(1,380)	74.2%	1,346,218	162,760

NOTE 20 - CHANGES IN ACCOUNTING PRINCIPALS

A. Change in Accounting Principals

GASB Statement Number 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013 and have been implemented by the City.

GASB Statement Number 69, *Government Combinations and Disposals of Government Operations*. The objective of this Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2013 and have been implemented by the City.

GASB Statement Number 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013 and have been implemented by the City.

These GASB Statements did not have an effect on the City's financial statements.

**COMBINING STATEMENTS AND
INDIVIDUAL FUND STATEMENTS**

Major Governmental Funds

General Fund

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

Capital Projects

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

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 8,634,416	\$ 8,763,540	\$ 8,761,174	\$ (2,366)
Income taxes	13,253,945	13,375,376	13,254,088	(121,288)
Other local taxes	358,000	358,000	391,911	33,911
State levied shared taxes	2,804,334	2,697,764	2,648,698	(49,066)
Intergovernmental	227,827	227,827	286,955	59,128
Charges for services	3,569,490	3,708,990	3,539,759	(169,231)
Fees, licenses, and permits	112,995	112,995	129,087	16,092
Fines and forfeitures	346,000	346,000	222,558	(123,442)
Other	278,170	278,170	588,911	310,741
Total Revenues	29,585,177	29,868,662	29,823,141	(45,521)
Expenditures				
Current				
Security of persons and property				
Police				
Personal services	6,626,109	6,386,869	6,365,060	21,809
Other operations	1,023,007	976,247	896,920	79,327
Capital outlay	117,000	104,000	98,516	5,484
Total - Police	7,766,116	7,467,116	7,360,496	106,620
Fire				
Personal services	6,834,490	6,834,490	6,775,793	58,697
Other operations	755,917	755,917	695,742	60,175
Total - Fire	7,590,407	7,590,407	7,471,535	118,872
Technical services				
Personal services	407,910	407,910	400,975	6,935
Other operations	65,588	65,588	48,574	17,014
Total - Technical services	473,498	473,498	449,549	23,949
Communications				
Personal services	918,683	994,683	994,432	251
Other operations	157,783	156,783	141,929	14,854
Total - Technical services	1,076,466	1,151,466	1,136,361	15,105
Total - Security of persons and property	16,906,487	16,682,487	16,417,941	264,546
Leisure time activities				
Parks & recreation				
Personal services	1,516,490	1,411,490	1,398,763	12,727
Other operations	720,042	720,042	682,307	37,735
Total - Leisure time activities	2,236,532	2,131,532	2,081,070	50,462
Community environment				
Riverfront Centre District				
Personal services	312,324	256,324	250,979	5,345
Other operations	265,753	249,753	238,426	11,327
Total - Riverfront Centre District	578,077	506,077	489,405	16,672
Community / economic development				
Personal services	697,132	627,132	620,447	6,685
Other operations	92,975	92,975	86,721	6,254
Total - Community / economic development	790,107	720,107	707,168	12,939
Total - Community environment	1,368,184	1,226,184	1,196,573	29,611

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Year Ended December 31, 2014**

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government				
General administration				
Other operations	\$ 815,260	\$ 835,260	\$ 834,569	\$ 691
Total - General administration	815,260	835,260	834,569	691
Council				
Personal services	237,873	263,873	262,423	1,450
Other operations	1,677	1,677	268	1,409
Total - Council	239,550	265,550	262,691	2,859
Mayor				
Personal services	231,764	231,764	223,857	7,907
Other operations	11,349	11,349	7,895	3,454
Total - Mayor	243,113	243,113	231,752	11,361
Mayor's Court				
Personal services	165,663	170,663	168,677	1,986
Other operations	40,206	40,206	29,350	10,856
Total - Mayor's Court	205,869	210,869	198,027	12,842
Finance director				
Personal services	728,733	731,983	731,872	111
Other operations	71,093	74,343	73,941	402
Total - Finance director	799,826	806,326	805,813	513
Law director				
Personal services	712,276	682,276	679,956	2,320
Other operations	164,030	164,030	125,069	38,961
Total - Law director	876,306	846,306	805,025	41,281
Service director				
Personal services	318,266	328,266	326,915	1,351
Other operations	12,779	12,769	10,977	1,792
Total - Service director	331,045	341,035	337,892	3,143
Civil service commission				
Personal services	12,795	12,795	11,831	964
Other operations	20,073	33,073	30,986	2,087
Total - Civil service commission	32,868	45,868	42,817	3,051
Engineering				
Personal services	911,605	926,605	925,464	1,141
Other operations	68,598	58,599	55,545	3,054
Total - Engineering	980,203	985,204	981,009	4,195
Human resources / records				
Personal services	278,234	283,534	283,446	88
Other operations	9,675	10,075	9,865	210
Total - Human resources / records	287,909	293,609	293,311	298

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, 2014

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government (Continued)				
Building and grounds maintenance				
Personal services	\$ 671,169	\$ 681,169	\$ 676,166	\$ 5,003
Other operations	436,970	436,970	417,298	19,672
Total - Building and grounds maintenance	1,108,139	1,118,139	1,093,464	24,675
Municipal Income Tax				
Personal services	276,992	266,992	262,590	4,402
Other operations	851,442	776,442	763,439	13,003
Total - Municipal Income Tax	1,128,434	1,043,434	1,026,029	17,405
Information Services				
Personal services	598,367	583,367	579,743	3,624
Other operations	105,822	135,822	133,662	2,160
Total - Information Services	704,189	719,189	713,405	5,784
Total - General government	7,752,711	7,753,902	7,625,804	128,098
Debt Service				
Principal	50,464	50,464	50,453	11
Interest	4,241	4,241	4,234	7
Total Expenditures	28,318,619	27,848,810	27,376,075	472,735
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,266,558	2,019,852	2,447,066	427,214
Other Financing Sources (Uses)				
Transfers in	1,936,003	2,261,994	2,243,767	(18,227)
Transfers out	(4,996,450)	(4,661,950)	(4,628,503)	33,447
Total Other Financing Sources (Uses)	(3,060,447)	(2,399,956)	(2,384,736)	15,220
Net change in fund balances	(1,793,889)	(380,104)	62,330	442,434
Fund Balance at Beginning of Year	8,593,836	8,593,836	8,593,836	-
Prior year encumbrances appropriated	107,923	107,923	107,923	-
Fund Balance at End of Year	\$ 6,907,870	\$ 8,321,655	\$ 8,764,089	\$ 442,434

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Income taxes	\$ 5,885,941	\$ 6,097,253	\$ 6,097,253	\$ -
Intergovernmental	163,492	163,492	250,949	87,457
Charges for services	1,553,000	1,553,000	1,517,291	(35,709)
Special assessments	121,923	121,923	121,022	(901)
Other	50,000	711,156	719,680	8,524
Total revenues	<u>7,774,356</u>	<u>8,646,824</u>	<u>8,706,195</u>	<u>59,371</u>
Expenditures				
Current				
Capital outlay	7,372,486	7,930,531	7,928,728	1,803
Debt service				
Principal	10,343,407	10,343,407	10,352,370	(8,963)
Interest	154,981	154,981	146,016	8,965
Total expenditures	<u>17,870,874</u>	<u>18,428,919</u>	<u>18,427,114</u>	<u>1,805</u>
Excess (deficiency) of revenues over (under) expenditures	(10,096,518)	(9,782,095)	(9,720,919)	61,176
Other Financing Sources (Uses)				
Bond/note proceeds	7,400,000	7,400,000	7,444,161	44,161
Transfers out	(139,500)	-	-	-
Advances out	-	-	-	-
Total other financing sources (uses)	<u>7,260,500</u>	<u>7,400,000</u>	<u>7,444,161</u>	<u>44,161</u>
Net change in fund balances	(2,836,018)	(2,382,095)	(2,276,758)	105,337
Fund balance at beginning of year	1,788,016	1,788,016	1,788,016	-
Prior year encumbrances appropriated	1,805,387	1,805,387	1,805,387	-
Fund balance at end of year	<u>\$ 757,385</u>	<u>\$ 1,211,308</u>	<u>\$ 1,316,645</u>	<u>\$ 105,337</u>

Nonmajor Governmental Funds

Special Revenue Funds	To account for specific revenues that are legally restricted to expenditure for particular purposes.
State Highway Improvement	Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees for maintenance of state highways within the City.
Street Construction, Maintenance and Repair	Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees for maintenance of streets within the City.
Police Pension	To accumulate property taxes and other monies for the payment of the current and accrued liability for police disability and pension benefits.
Fire Pension	To accumulate property taxes and other monies for the payment of the current and accrued liability for fire disability and pension benefits.
Recreation Levy	To account for income tax collections received, per codified ordinance. The revenue must be used for improvements made to parks and recreation facilities.
Permissive Tax	Required by the Ohio Revised Code to account for local vehicle license fees designated for the maintenance of streets within the City. These funds are controlled by the county and limited to non-residential connector streets.
Community and Economic Development	To account for monies received from the sale of City-owned properties in an urban renewal area.
Community Development Block Grant	To account for monies received from the federal government through the Department of Housing and Urban Development as a direct entitlement community. The funding received is to directly benefit low and moderate income persons in the community. Projects funded include housing rehabilitation, economic development activities, infrastructure projects, planning and administrative costs that meet the programs national objectives. Projects are approved via an annual action plan. Fund also accounts for repayments from previous activities related to participation in the Summit County program as a sub-recipient.
Enterprise Zone/Community Reinvestment Area	To account for fees collected from enterprises receiving a tax incentive through an enterprise zone agreement for the purpose of administering and monitoring the Enterprise Zone Agreement.
Drug Law Enforcement	To account for fines received by the City that are restricted under the Ohio Revised Code to subsidize law enforcement efforts that pertain to drug offenses.
Law Enforcement Trust	To account for proceeds from the sale of contraband that are restricted to subsidizing law enforcement efforts.

Nonmajor Governmental Funds (Continued)

Enforcement and Education	To account for proceeds realized from fines to pay only those costs incurred in enforcing Section 4511.19 of the Ohio Revised Code or a substantially similar municipal ordinance and in educating the public of laws governing the operation of a motor vehicle and the dangers of operation of a motor vehicle while under the influence of alcohol and other information relating to the operation of a motor vehicle and the consumption of alcoholic beverages.
Municipal Motor Vehicle License Tax	Required by the Ohio Revised Code to account for local vehicle license fees designated for the maintenance of certain streets within the City.
Federal Law Enforcement	To account for the subsidy received by the Police Department for its efforts pertaining to (1) complex investigations/prosecutions by the City's Police/Law Departments; (2) provision of technical training or expertise of a law enforcement nature for Police Department members; (3) provision of matching funds to obtain federal grants; and (4) for such other law enforcement purposes that are deemed appropriate.
Law Enforcement Assistance	To account for the reimbursement of professional training costs for law enforcement officers.
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.

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Governmental Funds December 31, 2014

	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	\$ 2,135,615	\$ 10,562	\$ 116,013	\$ 98,947	\$ 2,361,137
Investments	499,278	2,464	7,108	23,133	531,983
Cash and cash equivalents - restricted	-	-	-	111,973	111,973
Receivables					
Taxes	506,470	-	-	-	506,470
Accounts					
(net of allowance for uncollectibles)	241,726	-	1,845	-	243,571
Loans	2,208,722	-	-	-	2,208,722
Accrued interest	-	-	47,149	502	47,651
Due from other funds	200,000	-	-	-	200,000
Due from other governments	1,423,064	-	-	-	1,423,064
Inventory of supplies	484,480	-	-	-	484,480
Prepaid items	22,255	-	-	-	22,255
Advances to other funds	-	-	214,316	-	214,316
	<u>7,721,610</u>	<u>13,026</u>	<u>386,431</u>	<u>234,555</u>	<u>8,355,622</u>
Total assets	<u>\$ 7,721,610</u>	<u>\$ 13,026</u>	<u>\$ 386,431</u>	<u>\$ 234,555</u>	<u>\$ 8,355,622</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities					
Accounts payable	\$ 90,006	\$ -	\$ -	\$ -	\$ 90,006
Accrued salaries, wages and benefits	65,945	-	-	-	65,945
Due to other funds	9,507	-	-	-	9,507
Due to other governments	114,035	-	-	-	114,035
Total liabilities	279,493	-	-	-	279,493
Deferred Inflows of Resources					
Revenues levied for the next year and unavailable revenue	1,148,006	-	47,140	502	1,195,648
Fund Balances					
Nonspendable	506,735	-	214,316	234,053	955,104
Restricted	5,785,823	13,026	-	-	5,798,849
Committed	1,553	-	124,975	-	126,528
Total fund balances	6,294,111	13,026	339,291	234,053	6,880,481
Total liabilities, deferred inflows and fund balances	<u>\$ 7,721,610</u>	<u>\$ 13,026</u>	<u>\$ 386,431</u>	<u>\$ 234,555</u>	<u>\$ 8,355,622</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended December 31, 2014**

	Nonmajor Special Revenue Funds	Debt Service Fund	Capital Improvement Reserve Fund	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Property taxes	\$ 517,776	\$ -	\$ -	\$ -	\$ 517,776
Municipal income taxes	1,663,076	-	-	-	1,663,076
Other local taxes	288,996	-	-	-	288,996
State levied shared taxes	2,353,171	-	-	-	2,353,171
Intergovernmental	570,258	-	-	-	570,258
Charges for services	-	-	-	2,425	2,425
Fees, licenses and permits	811,801	-	-	-	811,801
Interest earnings	181	784	175,123	438	176,526
Fines and forfeitures	429,251	-	-	-	429,251
Other	72,162	-	25,343	-	97,505
Total revenues	<u>6,706,672</u>	<u>784</u>	<u>200,466</u>	<u>2,863</u>	<u>6,910,785</u>
Expenditures					
Current					
Security of persons and property	2,217,733	-	-	-	2,217,733
Leisure time activities	188,198	-	-	-	188,198
Community environment	394,925	-	-	-	394,925
Street maintenance	3,711,222	-	-	-	3,711,222
General government	-	-	1,030	438	1,468
Capital outlay	210,000	-	-	-	210,000
Debt Service					
Principal	381,344	464,762	-	-	846,106
Interest	59,965	33,211	-	-	93,176
Advance refunding escrow	-	-	-	-	-
Total expenditures	<u>7,163,387</u>	<u>497,973</u>	<u>1,030</u>	<u>438</u>	<u>7,662,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(456,715)</u>	<u>(497,189)</u>	<u>199,436</u>	<u>2,425</u>	<u>(752,043)</u>
Other Financing Sources (Uses)					
Transfers in	2,034,760	500,000	-	-	2,534,760
Transfers out	(750,000)	-	(150,000)	-	(900,000)
Total other financing sources (uses)	<u>1,284,760</u>	<u>500,000</u>	<u>(150,000)</u>	<u>-</u>	<u>1,634,760</u>
Net change in fund balances	828,045	2,811	49,436	2,425	882,717
Fund balance at beginning of year	5,302,509	10,215	289,855	231,628	5,834,207
Change in reserve for inventory	162,041	-	-	-	162,041
Change in reserve for prepaid items	1,516	-	-	-	1,516
Fund balance at end of year	<u>\$ 6,294,111</u>	<u>\$ 13,026</u>	<u>\$ 339,291</u>	<u>\$ 234,053</u>	<u>\$ 6,880,481</u>

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2014

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension
Assets				
Equity in pooled cash and cash equivalents	\$ 9,198	\$ 729,293	\$ 77,842	\$ 88,723
Investments	2,150	170,500	18,198	20,742
Receivables				
Taxes	-	-	253,235	253,235
Accounts				
(net of allowance for uncollectibles)	-	241,726	-	-
Loans				
Due from other funds	-	-	-	-
Due from other governments	69,186	853,300	18,950	18,950
Inventory of supplies	-	484,480	-	-
Prepaid items	-	22,255	-	-
Total assets	<u>\$ 80,534</u>	<u>\$ 2,501,554</u>	<u>\$ 368,225</u>	<u>\$ 381,650</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 80,096	\$ -	\$ -
Accrued salaries, wages and benefits	-	63,618	-	-
Due to other funds	-	6,538	-	-
Due to other governments	-	9,735	43,226	60,715
Total liabilities	-	159,987	43,226	60,715
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	45,197	557,439	272,185	272,185
Fund Balances				
Nonspendable	-	506,735	-	-
Restricted	35,337	1,277,393	52,814	48,750
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>35,337</u>	<u>1,784,128</u>	<u>52,814</u>	<u>48,750</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 80,534</u>	<u>\$ 2,501,554</u>	<u>\$ 368,225</u>	<u>\$ 381,650</u>

Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2014

(Continued)

	Recreation Levy	Permissive Tax	Community and Economic Development	Community Development Block Grant
Assets				
Equity in pooled cash and cash equivalents	\$ 754,838	\$ 2	\$ 1,259	\$ 274,059
Investments	176,472	-	294	64,072
Receivables				
Taxes	-	-	-	-
Accounts				
(net of allowance for uncollectibles)	-	-	-	-
Loans				
Due from other funds	200,000	-	-	2,208,722
Due from other governments	-	24,019	-	17,314
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 1,131,310</u>	<u>\$ 24,021</u>	<u>\$ 1,553</u>	<u>\$ 2,564,167</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ 9,910	\$ -	\$ -	\$ -
Accrued salaries, wages and benefits	-	-	-	2,327
Due to other funds	2,957	-	-	12
Due to other governments	-	-	-	359
Total liabilities	<u>12,867</u>	<u>-</u>	<u>-</u>	<u>2,698</u>
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	1,118,443	24,021	-	2,561,469
Committed	-	-	1,553	-
Assigned	-	-	-	-
Unreserved - undesignated	-	-	-	-
Total fund balances	<u>1,118,443</u>	<u>24,021</u>	<u>1,553</u>	<u>2,561,469</u>
Total liabilities and fund balances	<u>\$ 1,131,310</u>	<u>\$ 24,021</u>	<u>\$ 1,553</u>	<u>\$ 2,564,167</u>

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2014

(Continued)

	Enterprise Zone / Community Reinvestment Area	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education
ASSETS				
Equity in pooled cash and cash equivalents	\$ 25,512	\$ 77,441	\$ 40,585	\$ 15,160
Investments	5,964	18,105	9,488	3,544
Receivables				
Taxes	-	-	-	-
Accounts (net of allowance for uncollectibles)	-	-	-	-
Loans	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	2,000	1,006	412,599	300
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 33,476</u>	<u>\$ 96,552</u>	<u>\$ 462,672</u>	<u>\$ 19,004</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	1,000	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	32,476	96,552	462,672	19,004
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>32,476</u>	<u>96,552</u>	<u>462,672</u>	<u>19,004</u>
Total liabilities and fund balances	<u>\$ 33,476</u>	<u>\$ 96,552</u>	<u>\$ 462,672</u>	<u>\$ 19,004</u>

Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2014

(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	\$ 5,378	\$ 25,130	\$ 11,195	\$ 2,135,615
Investments	1,257	5,875	2,617	499,278
Receivables				
Taxes	-	-	-	506,470
Accounts (net of allowance for uncollectibles)	-	-	-	241,726
Loans	-	-	-	2,208,722
Due from other funds	-	-	-	200,000
Due from other governments	-	-	5,440	1,423,064
Inventory of supplies	-	-	-	484,480
Prepaid items	-	-	-	22,255
Total assets	<u>\$ 6,635</u>	<u>\$ 31,005</u>	<u>\$ 19,252</u>	<u>\$ 7,721,610</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 90,006
Accrued salaries, wages and benefits	-	-	-	65,945
Due to other funds	-	-	-	9,507
Due to other governments	-	-	-	114,035
Total liabilities	-	-	-	279,493
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	-	-	-	1,148,006
Fund Balances				
Nonspendable	-	-	-	506,735
Restricted	6,635	31,005	19,252	5,785,823
Committed	-	-	-	1,553
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>6,635</u>	<u>31,005</u>	<u>19,252</u>	<u>6,294,111</u>
Total liabilities and fund balances	<u>\$ 6,635</u>	<u>\$ 31,005</u>	<u>\$ 19,252</u>	<u>\$ 7,721,610</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, 2014

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension
Revenues				
Property taxes	\$ -	\$ -	\$ 258,888	\$ 258,888
Municipal income taxes	-	-	-	-
Other local taxes	-	288,865	65	66
State levied shared taxes	146,801	1,810,534	35,363	35,363
Intergovernmental	-	-	-	41,865
Fees, licenses, and permits	-	803,301	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Other	-	45,274	-	-
Total revenues	<u>146,801</u>	<u>2,947,974</u>	<u>294,316</u>	<u>336,182</u>
Expenditures				
Current				
Security of persons and property	-	-	899,968	1,292,554
Leisure time activities	-	-	-	-
Community environment	-	-	-	-
Street maintenance	142,000	3,461,222	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	344	-	-
Interest	-	29	-	-
Total expenditures	<u>142,000</u>	<u>3,461,595</u>	<u>899,968</u>	<u>1,292,554</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,801</u>	<u>(513,621)</u>	<u>(605,652)</u>	<u>(956,372)</u>
Other Financing Sources (Uses)				
Transfers in	-	450,230	634,536	948,036
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>450,230</u>	<u>634,536</u>	<u>948,036</u>
Net change in fund balances	4,801	(63,391)	28,884	(8,336)
Fund balance at beginning of year	30,536	1,683,962	23,930	57,086
Change in nonspendable inventory	-	162,041	-	-
Change in nonspendable prepaid items	-	1,516	-	-
Fund balance at end of year	<u>\$ 35,337</u>	<u>\$ 1,784,128</u>	<u>\$ 52,814</u>	<u>\$ 48,750</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund
Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014**

(Continued)

	Recreation Levy	Permissive Tax	Community and Economic Development	Community Development Block Grant
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	1,663,076	-	-	-
Other local taxes	-	-	-	-
State levied shared taxes	-	216,183	-	-
Intergovernmental	-	-	-	517,013
Fees, licenses, and permits	-	-	-	-
Interest earnings	-	-	-	181
Fines and forfeitures	-	-	-	-
Other	-	-	-	22,000
Total revenues	<u>1,663,076</u>	<u>216,183</u>	<u>-</u>	<u>539,194</u>
Expenditures				
Current				
Security of persons and property	-	-	-	-
Leisure time activities	188,198	-	-	-
Community environment	-	-	-	394,755
Street maintenance	-	-	-	-
Capital outlay	-	210,000	-	-
Debt service				
Principal	381,000	-	-	-
Interest	59,936	-	-	-
Total expenditures	<u>629,134</u>	<u>210,000</u>	<u>-</u>	<u>394,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,033,942</u>	<u>6,183</u>	<u>-</u>	<u>144,439</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,958
Transfers out	(750,000)	-	-	-
Total other financing sources (uses)	<u>(750,000)</u>	<u>-</u>	<u>-</u>	<u>1,958</u>
Net change in fund balances	283,942	6,183	-	146,397
Fund balance at beginning of year	834,501	17,838	1,553	2,415,072
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	-	-	-	-
Fund balance at end of year	<u>\$ 1,118,443</u>	<u>\$ 24,021</u>	<u>\$ 1,553</u>	<u>\$ 2,561,469</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, 2014

(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	-	-	5,940	-
Fees, licenses, and permits	8,500	-	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	12,586	412,599	4,066
Other	-	-	3,248	1,390
Total revenues	<u>8,500</u>	<u>12,586</u>	<u>421,787</u>	<u>5,456</u>
Expenditures				
Current				
Security of persons and property	-	2,988	21,698	-
Leisure time activities	-	-	-	-
Community environment	170	-	-	-
Street maintenance	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>170</u>	<u>2,988</u>	<u>21,698</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,330</u>	<u>9,598</u>	<u>400,089</u>	<u>5,456</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	8,330	9,598	400,089	5,456
Fund balance at beginning of year	24,146	86,954	62,583	13,548
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 32,476</u>	<u>\$ 96,552</u>	<u>\$ 462,672</u>	<u>\$ 19,004</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, 2014**

(Continued)

	Municipal Motor Vehicle License Tax	Federal Law Enforcement	Law Enforcement Assistance	Total Nonmajor Special Revenue
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 517,776
Municipal income taxes	-	-	-	1,663,076
Other local taxes	-	-	-	288,996
State levied shared taxes	108,927	-	-	2,353,171
Intergovernmental	-	-	5,440	570,258
Fees, licenses, and permits	-	-	-	811,801
Interest earnings	-	-	-	181
Fines and forfeitures	-	-	-	429,251
Other	-	250	-	72,162
Total revenues	<u>108,927</u>	<u>250</u>	<u>5,440</u>	<u>6,706,672</u>
Expenditures				
Current				
Security of persons and property	-	525	-	2,217,733
Leisure time activities	-	-	-	188,198
Community environment	-	-	-	394,925
Street maintenance	108,000	-	-	3,711,222
Capital outlay	-	-	-	210,000
Debt service				
Principal	-	-	-	381,344
Interest	-	-	-	59,965
Total expenditures	<u>108,000</u>	<u>525</u>	<u>-</u>	<u>7,163,387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>927</u>	<u>(275)</u>	<u>5,440</u>	<u>(456,715)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	2,034,760
Transfers out	-	-	-	(750,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,284,760</u>
Net change in fund balances	927	(275)	5,440	828,045
Fund balance at beginning of year	5,708	31,280	13,812	5,302,509
Change in nonspendable inventory	-	-	-	162,041
Change in nonspendable prepaid items	-	-	-	1,516
Fund balance at end of year	<u>\$ 6,635</u>	<u>\$ 31,005</u>	<u>\$ 19,252</u>	<u>\$ 6,294,111</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - State Highway Improvement Fund For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State levied shared taxes	\$ 142,775	\$ 141,425	\$ 145,896	\$ 4,471
Total revenues	142,775	141,425	145,896	4,471
Expenditures				
Current				
Street maintenance				
Other operations	142,000	142,000	142,000	-
Total expenditures	142,000	142,000	142,000	-
Excess (deficiency) of revenues over (under) expenditures	775	(575)	3,896	4,471
Net change in fund balances	775	(575)	3,896	4,471
Fund balance at beginning of year	7,452	7,452	7,452	-
Fund balance at end of year	\$ 8,227	\$ 6,877	\$ 11,348	\$ 4,471

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local taxes	\$ 275,000	\$ 275,000	\$ 286,499	\$ 11,499
State levied shared taxes	1,771,300	1,771,300	1,799,385	28,085
Fees, licenses, and permits	715,000	715,000	689,675	(25,325)
Other	3,600	3,600	43,507	39,907
Total revenues	<u>2,764,900</u>	<u>2,764,900</u>	<u>2,819,066</u>	<u>54,166</u>
Expenditures				
Current				
Street maintenance				
Personal services	1,838,134	1,808,134	1,788,674	19,460
Other operations	1,515,734	1,805,734	1,754,818	50,916
Total - street maintenance	<u>3,353,868</u>	<u>3,613,868</u>	<u>3,543,492</u>	<u>70,376</u>
Debt service				
Principal	-	345	344	1
Interest	29	29	29	-
Total expenditures	<u>3,353,897</u>	<u>3,614,242</u>	<u>3,543,865</u>	<u>70,377</u>
Excess (deficiency) of revenues				
over (under) expenditures	(588,997)	(849,342)	(724,799)	124,543
Other Financing Sources (Uses)				
Transfers in	400,000	450,230	450,230	-
Transfers out	(25,115)	-	-	-
Total other financing sources (uses)	<u>374,885</u>	<u>450,230</u>	<u>450,230</u>	<u>-</u>
Net change in fund balances	(214,112)	(399,112)	(274,569)	124,543
Fund balance at beginning of year	966,297	966,297	966,297	-
Prior year encumbrances appropriated	108,063	108,063	108,063	-
Fund balance at end of year	<u>\$ 860,248</u>	<u>\$ 675,248</u>	<u>\$ 799,791</u>	<u>\$ 124,543</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Police Pension Fund For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 249,069	\$ 258,990	\$ 258,888	\$ (102)
Other local taxes	245	245	65	(180)
State levied shared taxes	38,752	35,260	35,363	103
Other	-	-	1,092	1,092
Total revenues	288,066	294,495	295,408	913
Expenditures				
Current				
Security of persons and property				
Personal services	921,273	890,423	886,663	3,760
Other operations	9,450	10,300	10,298	2
Total expenditures	930,723	900,723	896,961	3,762
Excess (deficiency) of revenues				
over (under) expenditures	(642,657)	(606,228)	(601,553)	4,675
Other Financing Sources (Uses)				
Transfers in	670,000	634,536	634,536	-
Transfers out	(12,268)	-	-	-
Total other financing sources (uses)	657,732	634,536	634,536	-
Net change in fund balances	15,075	28,308	32,983	4,675
Fund balance at beginning of year	63,057	63,057	63,057	-
Fund balance at end of year	\$ 78,132	\$ 91,365	\$ 96,040	\$ 4,675

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 249,069	\$ 258,990	\$ 258,888	\$ (102)
Other local taxes	245	65	66	1
State levied shared taxes	38,752	35,260	35,363	103
Intergovernmental	41,549	45,204	45,203	(1)
Total revenues	<u>329,615</u>	<u>339,519</u>	<u>339,520</u>	<u>1</u>
Expenditures				
Current				
Security of persons and property				
Personal services	1,278,495	1,283,495	1,277,852	5,643
Other operations	9,450	10,450	10,299	151
Total expenditures	<u>1,287,945</u>	<u>1,293,945</u>	<u>1,288,151</u>	<u>5,794</u>
Excess (deficiency) of revenues				
over (under) expenditures	(958,330)	(954,426)	(948,631)	5,795
Other Financing Sources (Uses)				
Transfers in	925,000	948,036	948,036	-
Transfers out	(16,518)	-	-	-
Total other financing sources (uses)	<u>908,482</u>	<u>948,036</u>	<u>948,036</u>	<u>-</u>
Net change in fund balances	(49,848)	(6,390)	(595)	5,795
Fund balance at beginning of year	110,060	110,060	110,060	-
Fund balance at end of year	<u>\$ 60,212</u>	<u>\$ 103,670</u>	<u>\$ 109,465</u>	<u>\$ 5,795</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Recreation Levy Fund For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income taxes	\$ 1,548,000	\$ 1,663,076	\$ 1,663,076	\$ -
Other	-	-	-	-
Total revenues	1,548,000	1,663,076	1,663,076	-
Expenditures				
Current				
Leisure time activities				
Other operations	193,242	186,042	153,349	32,693
Capital outlay	52,667	59,867	59,800	67
Total - leisure time activities	245,909	245,909	213,149	32,760
Debt service				
Principal	381,000	381,000	381,000	-
Interest	59,936	59,936	59,936	-
Total expenditures	686,845	686,845	654,085	32,760
Excess (deficiency) of revenues over (under) expenditures	861,155	976,231	1,008,991	32,760
Other Financing Sources (Uses)				
Transfers out	(750,000)	(750,000)	(750,000)	-
Total other financing sources (uses)	(750,000)	(750,000)	(750,000)	-
Net change in fund balances	111,155	226,231	258,991	32,760
Fund balance at beginning of year	636,175	636,175	636,175	-
Prior year encumbrances appropriated	18,878	18,878	18,878	-
Fund balance at end of year	\$ 766,208	\$ 881,284	\$ 914,044	\$ 32,760

**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, 2014**

	<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	\$ 200,000	\$ 218,000	\$ 210,000	\$ (8,000)
Total revenues	200,000	218,000	210,000	(8,000)
Expenditures				
Current				
Capital outlay	200,000	210,000	210,000	-
Total expenditures	200,000	210,000	210,000	-
Net change in fund balances	-	8,000	-	(8,000)
Fund balance at beginning of year	2	2	2	-
Fund balance at end of year	<u>\$ 2</u>	<u>\$ 8,002</u>	<u>\$ 2</u>	<u>\$ (8,000)</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Community and Economic Development Fund For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Community environment				
Other operations	\$ 1,552	\$ 1,552	\$ -	\$ 1,552
Total expenditures	1,552	1,552	-	1,552
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	\$ 1	\$ 1	\$ 1,553	\$ 1,552

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 1,874,766	\$ 1,074,766	\$ 499,699	\$ (575,067)
Interest earnings	230	230	181	(49)
Other	178,576	178,576	131,900	(46,676)
Total revenues	<u>2,053,572</u>	<u>1,253,572</u>	<u>631,780</u>	<u>(621,792)</u>
Expenditures				
Current				
Community environment				
Personal services	79,140	79,140	79,128	12
Other operations	736,351	412,503	400,470	12,033
Capital outlay	387,888	986,736	966,297	20,439
Total expenditures	<u>1,203,379</u>	<u>1,478,379</u>	<u>1,445,895</u>	<u>32,484</u>
Excess (deficiency) of revenues				
over (under) expenditures	850,193	(224,807)	(814,115)	(589,308)
Other Financing Sources (Uses)				
Transfers in	-	1,958	1,958	-
Transfers out	(979)	-	-	-
Total other financing sources (uses)	<u>(979)</u>	<u>1,958</u>	<u>1,958</u>	<u>-</u>
Net change in fund balances	849,214	(222,849)	(812,157)	(589,308)
Fund balance at beginning of year	211,995	211,995	211,995	-
Prior year encumbrances appropriated	41,142	41,142	41,142	-
Fund balance at end of year	<u>\$ 1,102,351</u>	<u>\$ 30,288</u>	<u>\$ (559,020)</u>	<u>\$ (589,308)</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Zone/Community Reinvestment Area Fund For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, licenses, and permits	\$ 2,750	\$ 7,500	\$ 7,500	\$ -
Total revenues	2,750	7,500	7,500	-
Expenditures				
Current				
Community environment				
Other operations	23,100	23,100	170	22,930
Total expenditures	23,100	23,100	170	22,930
Net change in fund balances	(20,350)	(15,600)	7,330	22,930
Fund balance at beginning of year	24,146	24,146	24,146	-
Fund balance at end of year	\$ 3,796	\$ 8,546	\$ 31,476	\$ 22,930

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 15,000	\$ 12,850	\$ 12,808	\$ (42)
Total revenues	15,000	12,850	12,808	(42)
Expenditures				
Current				
Security of persons and property				
Other operations	10,800	10,800	3,068	7,732
Total expenditures	10,800	10,800	3,068	7,732
Excess (deficiency) of revenues				
over (under) expenditures	4,200	2,050	9,740	7,690
Net change in fund balances	4,200	2,050	9,740	7,690
Fund balance at beginning of year	85,806	85,806	85,806	-
Fund balance at end of year	<u>\$ 90,006</u>	<u>\$ 87,856</u>	<u>\$ 95,546</u>	<u>\$ 7,690</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Law Enforcement Trust Fund For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 5,940	\$ 5,940	\$ -
Fines and forfeitures	5,000	-	-	-
Other	-	3,247	3,248	1
Total revenues	5,000	9,187	9,188	1
Expenditures				
Current				
Security of persons and property				
Other operations	19,960	11,800	7,598	4,202
Capital outlay	-	14,100	14,100	-
Total expenditures	19,960	25,900	21,698	4,202
Excess (deficiency) of revenues over (under) expenditures	(14,960)	(16,713)	(12,510)	4,203
Net change in fund balances	(14,960)	(16,713)	(12,510)	4,203
Fund balance at beginning of year	62,583	62,583	62,583	-
Fund balance at end of year	\$ 47,623	\$ 45,870	\$ 50,073	\$ 4,203

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 4,500	\$ 4,230	\$ 4,234	\$ 4
Other	2,000	1,320	1,320	-
Total revenues	<u>6,500</u>	<u>5,550</u>	<u>5,554</u>	<u>4</u>
Expenditures				
Current				
Security of persons and property				
Other operations	1,000	1,000	-	1,000
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balances	5,500	4,550	5,554	1,004
Fund balance at beginning of year	13,150	13,150	13,150	-
Fund balance at end of year	<u>\$ 18,650</u>	<u>\$ 17,700</u>	<u>\$ 18,704</u>	<u>\$ 1,004</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Municipal Motor Vehicle License Tax Fund For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State levied shared taxes	\$ 108,000	\$ 108,925	\$ 108,927	\$ 2
Total revenues	108,000	108,925	108,927	2
Expenditures				
Current				
Street maintenance				
Other operations	108,000	108,000	108,000	-
Total expenditures	108,000	108,000	108,000	-
Net change in fund balances	-	925	927	2
Fund balance at beginning of year	5,708	5,708	5,708	-
Fund balance at end of year	\$ 5,708	\$ 6,633	\$ 6,635	\$ 2

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$ -	\$ 250	\$ 250	\$ -
Total revenues	-	250	250	-
Expenditures				
Current				
Security of persons and property				
Other operations	\$ 23,825	\$ 23,825	\$ 525	\$ 23,300
Total expenditures	23,825	23,825	525	23,300
Net change in fund balances	(23,825)	(23,575)	(275)	23,300
Fund balance at beginning of year	30,455	30,455	30,455	-
Prior year encumbrances appropriated	825	825	825	-
Fund balance at end of year	<u>\$ 7,455</u>	<u>\$ 7,705</u>	<u>\$ 31,005</u>	<u>\$ 23,300</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Law Enforcement Assistance Fund For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Security of persons and property				
Other operations	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Total expenditures	5,000	5,000	-	5,000
Net change in fund balances	(5,000)	(5,000)	-	5,000
Fund balance at beginning of year	13,812	13,812	13,812	-
Fund balance at end of year	\$ 8,812	\$ 8,812	\$ 13,812	\$ 5,000

**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, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest earnings	\$ 541	\$ 541	\$ 790	\$ 249
Special Assessments	-	-	-	-
Total revenues	541	541	790	249
Expenditures				
Current				
General government				
Other operations	100	100	-	100
Total - general government	100	100	-	100
Debt service				
Principal	464,762	464,762	464,762	-
Interest	33,212	33,212	33,211	1
Total expenditures	498,074	498,074	497,973	101
Excess (deficiency) of revenues over (under) expenditures	(497,533)	(497,533)	(497,183)	350
Other Financing Sources (Uses)				
Transfers in	500,000	500,000	500,000	-
Total other financing sources (uses)	500,000	500,000	500,000	-
Net change in fund balances	2,467	2,467	2,817	350
Fund balance at beginning of year	10,215	10,215	10,215	-
Fund balance at end of year	\$ 12,682	\$ 12,682	\$ 13,032	\$ 350

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Improvement Reserve Fund For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest earnings	\$ 125,000	\$ 175,000	\$ 201,391	\$ 26,391
Special assessments	-	-	-	-
Other	25,000	25,000	24,947	(53)
Total revenues	150,000	200,000	226,338	26,338
Expenditures				
Current				
General government				
Other operations	3,750	3,750	1,030	2,720
Total expenditures	3,750	3,750	1,030	2,720
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	146,250	196,250	225,308	29,058
Other Financing Sources (Uses)				
Transfers out	(150,000)	(150,000)	(150,000)	-
Total other financing sources (uses)	(150,000)	(150,000)	(150,000)	-
Net change in fund balances	(3,750)	46,250	75,308	29,058
Fund balance at beginning of year	67,827	67,827	67,827	-
Fund balance at end of year	\$ 64,077	\$ 114,077	\$ 143,135	\$ 29,058

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.

City of Cuyahoga Falls, Ohio

Combining Statement of Net Position - Governmental Activities Internal Service Funds December 31, 2014

	<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	\$ 13,654	\$ 3,065	\$ 2,404,599	\$ 2,017,182
Investments	3,192	717	562,165	470,487
Receivables				
Accounts				
(net of allowance for uncollectibles)	-	-	16,412	-
Due from other funds	-	-	-	5,987
Inventory of supplies	149,127	11,264	-	-
Prepaid items	2,441	-	-	-
Total current assets	<u>168,414</u>	<u>15,046</u>	<u>2,983,176</u>	<u>2,493,656</u>
Noncurrent Assets				
Capital Assets				
Land	21,960	-	-	-
Buildings	105,958	-	-	-
Improvements other than buildings	260,029	-	-	-
Equipment	165,744	-	-	-
Less: Accumulated depreciation	<u>(457,545)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>96,146</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>264,560</u>	<u>15,046</u>	<u>2,983,176</u>	<u>2,493,656</u>
Liabilities				
Current Liabilities				
Accounts payable	66,093	-	-	-
Accrued salaries, wages and benefits	18,285	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	811	-	-	-
Due to other governments	2,821	-	-	282,969
Claims and judgments payable	-	-	318,832	93,852
Capital lease obligations	355	-	-	-
Total current liabilities	<u>88,365</u>	<u>-</u>	<u>318,832</u>	<u>376,821</u>
Noncurrent Liabilities				
Accrued compensated absences	-	-	-	-
Claims and judgments payable	-	-	-	276,383
Other post-employment benefit obligation	-	-	1,926,897	-
Capital lease obligations	427	-	-	-
Total Noncurrent Liabilities	<u>427</u>	<u>-</u>	<u>1,926,897</u>	<u>276,383</u>
Total liabilities	<u>88,792</u>	<u>-</u>	<u>2,245,729</u>	<u>653,204</u>
Net Position				
Net investment in capital assets	95,364	-	-	-
Unrestricted	80,404	15,046	737,447	1,840,452
Total net position	<u>\$ 175,768</u>	<u>\$ 15,046</u>	<u>\$ 737,447</u>	<u>\$ 1,840,452</u>

**Combining Statement of Net Position - Governmental Activities Internal Service Funds
December 31, 2014**

(Continued)

	<u>Compensated Absences</u>	<u>Total</u>
Assets		
Current Assets		
Equity in pooled cash and cash equivalents	\$ 135,290	\$ 4,573,790
Investments	31,629	1,068,190
Receivables		
Accounts		
(net of allowance for uncollectibles)	-	16,412
Due from other funds	-	5,987
Inventory of supplies	-	160,391
Prepaid items	-	2,441
Total current assets	<u>166,919</u>	<u>5,827,211</u>
Noncurrent Assets		
Capital Assets		
Land	-	21,960
Buildings	-	105,958
Improvements other than buildings	-	260,029
Equipment	-	165,744
Less: Accumulated depreciation	<u>-</u>	<u>(457,545)</u>
Total noncurrent assets	<u>-</u>	<u>96,146</u>
Total assets	<u>166,919</u>	<u>5,923,357</u>
Liabilities		
Current Liabilities		
Accounts payable	-	66,093
Accrued salaries, wages and benefits	-	18,285
Accrued compensated absences	1,544,960	1,544,960
Due to other funds	-	811
Due to other governments	-	285,790
Claims and judgments payable	-	412,684
Capital lease obligations	-	355
Total current liabilities	<u>1,544,960</u>	<u>2,328,978</u>
Noncurrent Liabilities		
Accrued compensated absences	6,616,352	6,616,352
Claims and judgments payable	-	276,383
Other post-employment benefit obligation	-	1,926,897
Capital lease obligations	-	427
Total Noncurrent Liabilities	<u>6,616,352</u>	<u>8,820,059</u>
Total liabilities	<u>8,161,312</u>	<u>11,149,037</u>
Net Position		
Net investment in capital assets	-	95,364
Unrestricted	(7,994,393)	(5,321,044)
Total net position	<u>\$ (7,994,393)</u>	<u>\$ (5,225,680)</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, 2014

	Garage	Office Supply	Self- Insurance	Workers' Compensation
Operating revenues				
Charges for services	\$ 2,244,910	\$ 43,036	\$ 5,121,866	\$ 742,753
Other	765	-	152,842	255,037
Total operating revenues	<u>2,245,675</u>	<u>43,036</u>	<u>5,274,708</u>	<u>997,790</u>
Operating Expenses				
Personal services	335,631	-	-	-
Fringe benefits	132,818	-	5,527,240	344,750
Materials and supplies	1,276,939	45,738	-	-
Utilities	7,494	-	-	-
Contractual services	86,487	-	59,188	22,940
Internal charges	168,701	-	-	-
Other	230,983	-	24,633	5,505
Depreciation	4,406	-	-	-
Total operating expenses	<u>2,243,459</u>	<u>45,738</u>	<u>5,611,061</u>	<u>373,195</u>
Net income (loss) from operations	<u>2,216</u>	<u>(2,702)</u>	<u>(336,353)</u>	<u>624,595</u>
Nonoperating Revenues (Expenses)				
Interest revenue	-	-	-	7,760
Interest expense	(29)	-	-	-
Total nonoperating revenues (expenses)	<u>(29)</u>	<u>-</u>	<u>-</u>	<u>7,760</u>
Income (loss) before contributions and transfers	<u>2,187</u>	<u>(2,702)</u>	<u>(336,353)</u>	<u>632,355</u>
Capital Contributions	44,600	-	-	-
Transfers in	13,960	-	-	-
Transfers out	-	-	-	-
Changes in net position	<u>60,747</u>	<u>(2,702)</u>	<u>(336,353)</u>	<u>632,355</u>
Total net position - beginning	115,021	17,748	1,073,800	1,208,097
Total net position - ending	<u>\$ 175,768</u>	<u>\$ 15,046</u>	<u>\$ 737,447</u>	<u>\$ 1,840,452</u>

**Combining Statement of Revenues, Expenses and Changes in Net Position -
Governmental Activities Internal Service Funds
For the Year Ended December 31, 2014**

(Continued)

	<u>Compensated Absences</u>	<u>Total</u>
Operating revenues		
Charges for services	\$ 750,000	\$ 8,902,565
Other	-	408,644
Total operating revenues	<u>750,000</u>	<u>9,311,209</u>
Operating Expenses		
Personal services	1,009,353	1,344,984
Fringe benefits	-	6,004,808
Materials and supplies	-	1,322,677
Utilities	-	7,494
Contractual services	-	168,615
Internal charges	-	168,701
Other	959,021	1,220,142
Depreciation	-	4,406
Total operating expenses	<u>1,968,374</u>	<u>10,241,827</u>
Net income (loss) from operations	<u>(1,218,374)</u>	<u>(930,618)</u>
Nonoperating Revenues (Expenses)		
Interest revenue	-	7,760
Interest expense	-	(29)
Total nonoperating revenues (expenses)	<u>-</u>	<u>7,731</u>
Income (loss) before contributions and transfers	<u>(1,218,374)</u>	<u>(922,887)</u>
Capital Contributions	-	44,600
Transfers in	-	13,960
Transfers out	(854,048)	(854,048)
Changes in net position	<u>(2,072,422)</u>	<u>(1,718,375)</u>
Total net position - beginning	(5,921,971)	(3,507,305)
Total net position - ending	<u>\$ (7,994,393)</u>	<u>\$ (5,225,680)</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2014

	<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	\$ 2,245,675	\$ 43,036	\$ 5,258,817	\$ 1,032,175
Cash payments to employees for services	(330,813)	-	-	-
Cash payments to employees for benefits	(132,384)	-	(5,246,124)	(406,785)
Cash payments to suppliers for goods and services	<u>(1,790,387)</u>	<u>(46,227)</u>	<u>(83,821)</u>	<u>(28,445)</u>
Net cash provided (used in) by operating activities	(7,909)	(3,191)	(71,128)	596,945
Cash Flows From Non-Capital				
Financing Activities				
Transfers in	13,960	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) non-capital financing activities	13,960	-	-	-
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	(1,278)	-	-	-
Debt service				
Principal	(344)	-	-	-
Interest	<u>(29)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in capital and related financing activities	(1,651)	-	-	-
Cash Flows From Investing Activities				
Interest revenue	-	-	-	7,760
Purchase of investments	<u>(3,192)</u>	<u>(717)</u>	<u>(562,165)</u>	<u>(470,487)</u>
Net cash used in investing activities	(3,192)	(717)	(562,165)	(462,727)
Net increase (decrease) in cash and cash equivalents	1,208	(3,908)	(633,293)	134,218
Cash and cash equivalents at beginning of year	<u>12,446</u>	<u>6,973</u>	<u>3,037,892</u>	<u>1,882,964</u>
Cash and cash equivalents at end of year	<u>\$ 13,654</u>	<u>\$ 3,065</u>	<u>\$ 2,404,599</u>	<u>\$ 2,017,182</u>

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds
For the Year Ended December 31, 2014**

(Continued)

	Compensated Absences	Totals
Cash Flows From Operating Activities		
Activities		
Cash received from customers	\$ 750,000	\$ 9,329,703
Cash payments to employees for services	(998,988)	(1,329,801)
Cash payments to employees for benefits	-	(5,785,293)
Cash payments to suppliers for goods and services	(959,021)	(2,907,901)
Net cash provided (used in) by operating activities	(1,208,009)	(693,292)
Cash Flows From Non-Capital Financing Activities		
Transfers in	-	13,960
Transfers out	(854,048)	(854,048)
Net cash provided by (used in) non-capital financing activities	(854,048)	(840,088)
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	-	(1,278)
Debt service		
Principal	-	(344)
Interest	-	(29)
Net cash used in capital and related financing activities	-	(1,651)
Cash Flows From Investing Activities		
Interest revenue	-	7,760
Purchase of investments	(31,629)	(1,068,190)
Net cash used in investing activities	(31,629)	(1,060,430)
Net increase (decrease) in cash and cash equivalents	(2,093,686)	(2,595,461)
Cash and cash equivalents at beginning of year	2,228,976	7,169,251
Cash and cash equivalents at end of year	\$ 135,290	\$ 4,573,790

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2014

(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)	\$ 2,216	\$ (2,702)	\$ (336,353)	\$ 624,595
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:				
Depreciation	4,406	-	-	-
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:				
Receivables	-	-	(15,891)	-
Due from other funds	-	-	-	34,385
Inventory of supplies	4,912	(489)	-	-
Prepaid items	(130)	-	-	-
Accounts payable				
- net of items affecting capital assets	(21,008)	-	-	-
Accrued salaries, wages and benefits	4,818	-	-	-
Due to other funds	(3,870)	-	-	-
Due to other governments	747	-	-	(2,961)
Other post-employment benefit obligation	-	-	385,770	-
Claims payable	-	-	(104,654)	(59,074)
Total adjustments	<u>(10,125)</u>	<u>(489)</u>	<u>265,225</u>	<u>(27,650)</u>
Net cash provided by (used in) operating activities	<u>\$ (7,909)</u>	<u>\$ (3,191)</u>	<u>\$ (71,128)</u>	<u>\$ 596,945</u>

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds
For the Year Ended December 31, 2014**

(Continued)

	<u>Compensated Absences</u>	<u>Totals</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Operating income (loss)	\$ (1,218,374)	\$ (930,618)
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:		
Depreciation	-	4,406
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:		
Receivables	-	(15,891)
Due from other funds	-	34,385
Inventory of supplies	-	4,423
Prepaid items	-	(130)
Accounts payable	-	-
- net of items affecting capital assets	-	(21,008)
Accrued salaries, wages and benefits	10,365	15,183
Due to other funds	-	(3,870)
Due to other governments	-	(2,214)
Other post-employment benefit obligation	-	385,770
Claims payable	-	(163,728)
Total adjustments	<u>10,365</u>	<u>237,326</u>
Net cash provided by (used in) operating activities	<u>\$ (1,208,009)</u>	<u>\$ (693,292)</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.

**Combining Statement of Assets and Liabilities - Fiduciary Funds
December 31, 2014**

	Agency Funds					
	Guarantee Deposits	Unclaimed Monies	Employee Withholding	State Cases Fines and Forfeitures	Evidence Deposits	Totals
Assets						
Current Assets						
Equity in pooled cash and cash equivalents	\$ 970,333	\$ 36,663	\$ 424,437	\$ 15,211	\$ -	\$ 1,446,644
Cash and cash equivalents - restricted	-	-	-	-	762,538	762,538
Investments	226,852	8,571	99,228	3,556	-	338,207
Due from other governments	10,040	-	224,500	-	-	234,540
Total assets	\$ 1,207,225	\$ 45,234	\$ 748,165	\$ 18,767	\$ 762,538	\$ 2,781,929
Liabilities						
Current Liabilities						
Due to other governments	-	-	\$ 716,067	\$ 18,767	\$ 611,258	\$ 1,346,092
Deposits held and due to others	1,207,225	45,234	32,098	-	151,280	1,435,837
Total liabilities	\$ 1,207,225	\$ 45,234	\$ 748,165	\$ 18,767	\$ 762,538	\$ 2,781,929

City of Cuyahoga Falls, Ohio

Combining Statement of Changes in Assets and Liabilities - Fiduciary Funds For the Year Ended December 31, 2014

<u>Agency Funds</u>	<u>Balance 12/31/13</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/14</u>
Guarantee Deposits				
Assets				
Equity in pooled cash and cash equivalents	\$ 3,391,757	\$ -	\$ 2,421,424	\$ 970,333
Investments	-	226,852	-	226,852
Due from other governments	-	10,040	-	10,040
Total Assets	\$ 3,391,757	\$ 236,892	\$ 2,421,424	\$ 1,207,225
Liabilities				
Due to other governments	\$ 241,156	\$ -	\$ 241,156	\$ -
Deposits held and due to others	3,150,601	195,579	2,138,955	1,207,225
Total Liabilities	\$ 3,391,757	\$ 195,579	\$ 2,380,111	\$ 1,207,225
Unclaimed Monies				
Assets				
Equity in pooled cash and cash equivalents	\$ 210,580	\$ 5,068	\$ 178,985	\$ 36,663
Investments	-	8,571	-	8,571
Total Assets	\$ 210,580	\$ 13,639	\$ 178,985	\$ 45,234
Liabilities				
Deposits held and due to others	\$ 210,580	\$ 13,639	\$ 178,985	\$ 45,234
Total Liabilities	\$ 210,580	\$ 13,639	\$ 178,985	\$ 45,234
Employee Withholding				
Assets				
Equity in pooled cash and cash equivalents	\$ 977,077	\$ 14,673,128	\$ 15,225,768	\$ 424,437
Investments	-	99,228	-	99,228
Due from other governments	211,060	224,500	211,060	224,500
Total Assets	\$ 1,188,137	\$ 14,996,856	\$ 15,436,828	\$ 748,165
Liabilities				
Due to other governments	\$ 1,155,818	\$ 12,780,265	\$ 13,220,016	\$ 716,067
Deposits held and due to others	32,319	2,216,591	2,216,812	32,098
Total Liabilities	\$ 1,188,137	\$ 14,996,856	\$ 15,436,828	\$ 748,165
State Cases Fines and Forfeitures				
Assets				
Equity in pooled cash and cash equivalents	\$ 15,993	\$ 201,223	\$ 202,005	\$ 15,211
Investments	-	3,556	-	3,556
Total Assets	\$ 15,993	\$ 204,779	\$ 202,005	\$ 18,767
Liabilities				
Due to other governments	\$ 15,993	\$ 204,779	\$ 202,005	\$ 18,767
Total Liabilities	\$ 15,993	\$ 204,779	\$ 202,005	\$ 18,767
Evidence Deposits				
Assets				
Cash and cash equivalents - restricted	\$ -	\$ 762,538	\$ -	\$ 762,538
Total Assets	\$ -	\$ 762,538	\$ -	\$ 762,538
Liabilities				
Due to other governments	\$ -	\$ 611,258	\$ -	\$ 611,258
Deposits held and due to others	-	151,280	-	151,280
Total Liabilities	\$ -	\$ 762,538	\$ -	\$ 762,538
Total Agency Funds				
Equity in pooled cash and cash equivalents	\$ 4,595,407	\$ 14,879,419	\$ 18,028,182	\$ 1,446,644
Cash and cash equivalents - restricted	-	762,538	-	762,538
Investments	-	338,207	-	338,207
Due from other governments	211,060	234,540	211,060	234,540
Total Assets	\$ 4,806,467	\$ 16,214,704	\$ 18,239,242	\$ 2,781,929
Liabilities				
Due to other governments	\$ 1,412,967	\$ 13,596,302	\$ 13,663,177	\$ 1,346,092
Deposits held and due to others	3,393,500	2,577,089	4,534,752	1,435,837
Total Liabilities	\$ 4,806,467	\$ 16,173,391	\$ 18,197,929	\$ 2,781,929

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STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Pages
<p><i>Financial Trends</i> í ..140-149 These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</p> <p><i>Revenue Capacity</i>í 150-155 These schedules contain information to help the reader assess the City’s most significant local revenue, the property tax and the municipal income tax.</p> <p><i>Debt Capacity</i>í 156-162 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.</p> <p><i>Economic and Demographic Information</i> í ..163-164 These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.</p> <p><i>Operating Information</i> í .165-167 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.</p>	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial reports for the relevant year.

City of Cuyahoga Falls, Ohio

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

	2014	2013	2012	2011	2010
Government activities					
Net investment in capital assets	\$ 91,808,449	\$ 86,719,724	\$ 83,694,616	\$ 81,516,344	\$ 77,734,747
Restricted:					
Capital projects	-	-	11,336,227	9,728,552	8,287,795
Debt service	11,614	7,447	6,179	4,209	1,310
Special revenue	2,561,469	2,415,072	2,536,928	2,137,829	2,424,557
Permanent fund purpose:					
Nonexpendable - Cemetery					
Perpetual Care	234,555	231,846	229,900	227,586	225,240
Unrestricted	11,373,169	14,813,406	14,753,611	12,554,686	13,316,106
Total governmental activities net position	105,989,256	104,187,495	112,557,461	106,169,206	101,989,755
Business-type activities					
Invested in capital assets,					
net of related debt	74,625,126	70,628,251	65,775,358	63,255,627	59,152,090
Unrestricted	32,960,856	31,698,133	31,349,820	26,317,573	27,381,062
Total business-type activities net position	107,585,982	102,326,384	97,125,178	89,573,200	86,533,152
Primary government					
Net investments in capital assets	166,433,575	157,347,975	149,469,974	144,771,971	136,886,837
Restricted	2,807,638	2,654,365	14,109,234	12,098,176	10,938,902
Unrestricted	44,334,025	46,511,539	46,103,431	38,872,259	40,697,168
Total primary government net position	\$ 213,575,238	\$ 206,513,879	\$ 209,682,639	\$ 195,742,406	\$ 188,522,907

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

(Continued)

	2009	2008	2007	2006*	2005
Government activities					
Net investment in capital assets	\$ 78,407,401	\$ 74,834,451	\$ 72,851,175	\$ 63,756,095	\$ 38,207,868
Restricted:					
Capital projects	6,260,920	8,757,570	7,666,526	7,652,709	4,765,286
Debt service	5,846	109,044	187,018	273,777	404,311
Special revenue	5,960,254	7,237,562	7,717,100	7,701,388	6,374,529
Permanent fund purpose:					
Nonexpendable - Cemetery					
Perpetual Care	221,674	219,104	211,778	206,323	206,449
Unrestricted	6,389,169	8,315,681	6,880,274	4,394,906	5,502,764
Total governmental activities net position	97,245,264	99,473,412	95,513,871	83,985,198	55,461,207
Business-type activities					
Invested in capital assets,					
net of related debt	57,049,158	54,994,967	52,366,850	42,747,830	35,582,143
Unrestricted	23,464,702	23,217,163	23,613,766	19,945,749	17,179,978
Total business-type activities net position	80,513,860	78,212,130	75,980,616	62,693,579	52,762,121
Primary government					
Net investments in capital assets	135,456,559	129,829,418	125,218,025	106,503,925	73,790,011
Restricted	12,448,694	16,323,280	15,782,422	15,834,197	11,750,575
Unrestricted	29,853,871	31,532,844	30,494,040	24,340,655	22,682,742
Total primary government net position	\$ 177,759,124	\$ 177,685,542	\$ 171,494,487	\$ 146,678,777	\$ 108,223,328

* restated.

City of Cuyahoga Falls, Ohio

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

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

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

(Continued)

	2009	2008	2007	2006*	2005
Program revenue					
Governmental activities:					
Charges for services:					
Security of persons and property	\$ 825,083	\$ 930,710	\$ 1,023,881	\$ 978,736	\$ 684,768
Leisure time activities	268,330	279,860	250,371	255,650	239,984
Community environment	286,740	513,776	279,550	130,823	167,069
Basic utility services	-	-	-	-	709,400
Street maintenance	802,949	839,217	687,752	582,229	539,573
General government	3,393,691	7,968,738	7,733,297	7,596,686	7,560,416
Total charges for services	5,576,793	10,532,301	9,974,851	9,544,124	9,901,210
Operating grants & contributions:					
Security of persons and property	21,614	71,412	19,000	25,022	55,525
Community environment	1,088,129	775,617	703,273	697,364	795,079
Street maintenance	2,036,360	2,131,732	2,054,855	2,210,818	1,852,241
General government	169,851	50,209	402,570	34,564	-
Total operating grants & contributions	3,315,954	3,028,970	3,179,698	2,967,768	2,702,845
Capital grants & contributions:					
Security of persons and property	167,086	73,618	187,906	333,676	85,120
Community environment	1,505,326	989,980	961,320	-	-
Basic utility services	-	-	-	-	5,346
Street maintenance	267,799	695,309	5,147,437	614,022	991,656
General government	-	30,000	-	-	-
Total capital grants & contributions	1,940,211	1,788,907	6,296,663	947,698	1,082,122
Total governmental activities program revenue	10,832,958	15,350,178	19,451,212	13,459,590	13,686,177
Business-type activity:					
Charges for service:					
Sewage and disposal	5,471,829	6,268,389	6,717,068	6,571,563	6,403,396
Water	4,858,853	5,125,578	4,850,997	5,165,054	5,091,414
Electric	36,663,940	34,032,741	35,463,844	35,085,559	31,513,528
Sanitation	3,603,540	3,781,680	3,918,962	3,853,452	3,876,815
Leisure time activities	5,770,797	5,881,339	5,700,915	5,427,157	5,054,198
Storm Drainage Utility	1,121,483	1,135,860	1,165,099	715,863	-
Total charges for services	57,490,442	56,225,587	57,816,885	56,818,648	51,939,351
Operating Grants & Contributions:					
Sewage and disposal	22,994	-	-	-	-
Water	-	217	-	-	-
Electric	-	7,217	-	-	-
Sanitation	43,633	52,870	50,515	47,900	106,872
Storm Drainage Utility	-	-	-	-	-
Total operating grants & contributions	66,627	60,304	50,515	47,900	106,872
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	54,391
Storm Drainage Utility	-	914	1,910,197	56,075	-
Total capital grants & contributions	277,054	211,234	6,941,515	111,851	54,391
Total business-type activities	57,834,123	56,497,125	64,808,915	56,978,399	52,100,614
Total primary government program revenue	\$ 68,667,081	\$ 71,847,303	\$ 84,260,127	\$ 70,437,989	\$ 65,786,791

* restated.

City of Cuyahoga Falls, Ohio

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

(Continued)

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

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

(Continued)

	2009	2008	2007	2006*	2005
Expenses					
Governmental activities:					
Security of persons and property	\$ 23,430,589	\$ 20,885,650	\$ 21,077,044	\$ 22,964,331	\$ 21,496,125
Leisure time activities	2,644,714	2,811,353	2,693,863	2,582,070	2,760,272
Community environment	2,425,183	1,927,929	1,634,740	1,619,169	1,779,710
Basic utility services	-	-	-	20,035	234,855
Street maintenance	6,936,730	8,417,596	6,786,311	6,775,417	6,785,927
General government	9,098,070	11,286,008	10,875,233	10,153,078	10,302,655
Interest and fiscal charges	751,598	673,816	562,128	634,318	628,253
Total governmental activities expenses	45,286,884	46,002,352	43,629,319	44,748,418	43,987,797
Business-type activity:					
Sewage and disposal	5,190,156	5,445,620	5,440,729	5,262,109	5,502,949
Water	4,552,145	4,773,648	4,608,542	4,505,282	4,922,686
Electric	37,217,341	35,185,035	32,683,194	32,211,414	35,265,345
Sanitation	3,258,406	3,542,028	3,686,234	3,835,257	3,876,126
Leisure time activities	6,604,706	6,611,629	6,630,226	6,804,244	6,709,165
Storm Drainage Utility	789,037	427,802	309,254	337,388	-
Total business-type activities expenses	57,611,791	55,985,762	53,358,179	52,955,694	56,276,271
Total primary government program expenses	102,898,675	101,988,114	96,987,498	97,704,112	100,264,068
Net (expense)/revenue					
Governmental activity	(34,453,926)	(30,652,174)	(24,178,107)	(31,288,828)	(30,301,620)
Business-type activity	222,332	511,363	11,450,736	4,022,705	(4,175,657)
Total primary government net expense	\$ (34,231,594)	\$ (30,140,811)	\$ (12,727,371)	\$ (27,266,123)	\$ (34,477,277)
General revenues and other changes in net position					
Governmental activities					
Property and other local taxes Levied for:					
General purposes	\$ 10,414,278	\$ 10,440,198	\$ 10,465,304	\$ 10,446,887	\$ 9,614,843
Special revenue	796,234	824,016	833,685	595,591	546,928
Income tax levied for:					
General purposes	11,623,452	11,765,637	11,684,711	11,082,744	10,660,150
Special revenue	1,483,767	1,501,916	1,491,586	1,414,743	1,360,797
Capital projects	5,439,858	5,506,400	5,468,528	5,186,801	4,989,241
Grants and entitlements not restricted to specific programs	4,130,199	5,020,191	5,324,452	4,571,615	4,891,355
Gain or (loss) on sale of capital assets	(79,417)	54,372	116,724	31,310	-
Investment earnings	488,939	1,177,816	2,158,091	2,043,801	1,053,818
Transfers	(2,071,532)	(1,678,831)	(1,836,301)	(1,399,592)	(1,184,073)
Total governmental activities	32,225,778	34,611,715	35,706,780	33,973,900	31,933,059
Business-type activity					
Investment earnings	7,866	41,320	-	-	-
Transfers	2,071,532	1,678,831	1,836,301	1,399,592	1,184,073
Total Business-type activity	2,079,398	1,720,151	1,836,301	1,399,592	1,184,073
Total primary government general revenue and other changes in net position	34,305,176	36,331,866	37,543,081	35,373,492	33,117,132
Change in net position					
Governmental Activities	(2,228,148)	3,959,541	11,528,673	2,685,072	1,631,439
Business Type Activities	2,301,730	2,231,514	13,287,037	5,422,297	(2,991,584)
Total primary government change in net position	\$ 73,582	\$ 6,191,055	\$ 24,815,710	\$ 8,107,369	\$ (1,360,145)

* restated.

City of Cuyahoga Falls, Ohio

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

	2014	2013	2012	2011	2010
General Fund					
Nonspendable	\$ 266,459	\$ 237,732	\$ 201,219	\$ 194,207	\$ 222,918
Restricted	21,505	110,459	113,975	94,208	-
Assigned	2,144,241	1,559,926	2,127,354	1,074,608	47,921
Unassigned	8,583,242	9,139,036	6,755,367	7,785,411	7,829,712
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total General Fund	11,015,447	11,047,153	9,197,915	9,148,434	8,100,551
All Other Governmental Funds					
Nonspendable	955,104	789,122	13,549,608	13,568,594	12,721,630
Restricted	5,798,849	4,967,993	5,215,817	4,079,672	4,125,179
Committed	126,528	318,248	561,494	592,770	457,652
Assigned	-	-	-	795,506	689,041
Unassigned	(4,953,474)	721,889	(6,183,050)	(6,812,087)	(7,194,449)
Reserved	-	-	-	-	-
Unreserved, Undesignated, Reported In:					
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Total All Other Governmental Funds	1,927,007	6,797,252	13,143,869	12,224,455	10,799,053
Total Governmental Funds	\$ 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
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>	<u>2005</u>
General Fund					
Reserved	342,641	\$ 444,478	\$ 442,794	\$ 425,783	\$ 490,748
Unreserved	6,280,496	7,599,834	6,465,868	4,676,968	5,024,223
Total General Fund	<u>6,623,137</u>	<u>8,044,312</u>	<u>6,908,662</u>	<u>5,102,751</u>	<u>5,514,971</u>
All Other Governmental Funds					
Reserved	15,367,539	15,005,000	3,674,630	4,187,560	6,726,749
Unreserved, Undesignated, Reported In:					
Special Revenue Funds	1,756,810	3,474,129	3,808,651	4,073,889	2,921,274
Capital Projects Funds	(8,546,288)	(8,009,938)	1,480,417	(220,613)	(1,499,858)
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>	<u>8,148,165</u>
Total Governmental Funds	<u>\$ 15,201,198</u>	<u>\$ 18,513,503</u>	<u>\$ 15,872,360</u>	<u>\$ 13,143,587</u>	<u>\$ 13,663,136</u>

City of Cuyahoga Falls, Ohio

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

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

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

(Continued)

	2009	2008	2007	2006*	2005
Revenues					
Property taxes	\$ 10,712,398	\$ 10,757,164	\$ 10,879,771	\$ 10,870,777	\$ 10,028,515
Municipal income taxes	18,231,291	18,753,883	18,484,497	17,672,779	16,908,814
Other local taxes	840,228	560,210	390,387	141,586	138,864
State levied shared taxes	6,235,084	7,355,239	7,225,524	7,034,265	6,983,147
Intergovernmental	3,002,006	2,214,516	2,925,454	1,481,952	1,565,036
Charges for services	5,463,154	7,837,010	7,133,862	7,176,699	7,854,459
Fees, licenses, and permits	1,050,543	1,835,432	2,156,317	1,711,914	1,249,654
Interest earnings	497,505	1,051,158	2,054,768	1,762,970	1,547,004
Fines and forfeitures	225,377	303,492	421,121	368,506	441,608
Special assessments	345,121	364,614	289,373	306,689	312,840
Other	577,768	936,910	776,244	686,386	748,311
Total revenues	\$ 47,180,475	\$ 51,969,628	\$ 52,737,318	\$ 49,214,523	\$ 47,778,252
Expenditures					
Current					
Security of persons and property	\$ 22,414,019	\$ 20,770,690	\$ 19,989,704	\$ 21,125,740	\$ 20,017,544
Leisure time activities	2,324,009	2,253,973	2,204,179	2,360,444	2,745,067
Community environment	2,597,303	1,888,483	2,205,502	1,787,134	1,996,878
Street maintenance	4,007,068	4,128,506	4,110,655	3,779,794	4,478,915
General government	8,169,113	10,950,142	10,504,859	9,533,684	9,392,345
Capital outlay	7,020,469	6,127,721	9,124,330	8,903,056	5,139,395
Debt service					
Principal	1,443,696	1,533,985	1,304,266	970,431	998,006
Interest	762,215	670,189	590,418	704,293	687,090
Total expenditures	\$ 48,737,892	\$ 48,323,689	\$ 50,033,913	\$ 49,164,576	\$ 45,455,240
Excess (deficiency) of revenues over (under) expenditures	\$ (1,557,417)	\$ 3,645,939	\$ 2,703,405	\$ 49,947	\$ 2,323,012
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	22,675,964	22,777,318	23,204,680	22,548,956	22,441,447
Transfers out	(24,747,496)	(24,223,202)	(25,040,981)	(23,948,548)	(23,625,520)
Total other financing sources (uses)	(1,808,017)	(905,687)	630,243	(630,852)	(1,184,073)
Net change in fund balance	\$ (3,365,434)	\$ 2,740,252	\$ 3,333,648	\$ (580,905)	\$ 1,138,939
Debt service as a percentage of noncapital expenditures	5.1%	5.1%	4.5%	4.1%	4.2%

* restated.

City of Cuyahoga Falls, Ohio

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

Collection Year	Real Property			Tangible Personal Property			
	Assessed Value		Estimated Actual Value	Public Utility		General Business	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
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
2005	689,316,530	224,896,090	2,612,036,057	16,099,970	18,295,420	82,276,185	329,104,740

Collection Year	Total			Tax Rate (per \$1,000 of Assessed Value)
	Assessed Value	Estimated Actual Value	Ratio	
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
2005	1,012,588,775	2,959,436,217	34.22%	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
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of Assessed Value)
Last Ten Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
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	69.9600	69.8900	69.9200	69.8800	69.8800	69.7800	69.8700	69.8800	70.0000	62.0000
Residential/Agricultural Real	41.7600	41.1984	41.1898	41.1139	34.6521	34.5665	34.5715	34.0468	34.4061	28.4952
Commercial/Industrial and Public Utility Real	47.2300	46.9312	46.7903	46.8903	41.0287	40.9014	40.5960	41.6074	40.5120	33.5913
General Business and Public Utility Personal	69.9600	69.8900	69.9200	69.8800	69.8800	69.7800	69.8700	69.8800	70.0000	62.0000
Summit County	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.5700	13.0700	13.0700
Residential/Agricultural Real	14.1000	14.0816	14.0805	14.0793	14.0201	14.0192	14.0174	12.0570	9.7591	10.3625
Commercial/Industrial and Public Utility Real	13.8800	14.1574	14.1534	14.1443	13.6240	13.6449	13.4948	12.8620	10.7717	11.0857
General Business and Public Utility Personal	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.5700	13.0700	13.0700
Special Taxing Districts-Cuyahoga Falls Library	1.9000	1.9000	1.9000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	0.0000
Residential/Agricultural Real	1.9000	1.9000	1.9000	1.9000	1.2993	1.3000	1.3000	1.2955	1.2955	0.0000
Commercial/Industrial and Public Utility Real	1.9000	1.9000	1.8935	1.9000	1.2618	1.2608	1.2467	1.3000	1.3000	0.0000
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	0.0000

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 2014 and 2005

<u>Name of Taxpayer</u>	<u>2014</u>	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Green Cross General Hospital	\$ 9,772,400	1.03%
Newpart Limited Partnership	5,621,830	0.59%
Yorkshire Woods Apartments LTD	4,976,520	0.52%
Riverside Community Urban Redevelopment	4,563,790	0.48%
Niederst Portage Towers LLC & Wynn	3,752,440	0.39%
Plaza Chapel Hill	2,970,560	0.31%
Sams Real Estate Business Trust	2,575,050	0.27%
Trinity Square Acquisition LLC	2,450,000	0.26%
Dayton Hudson Corporation	2,409,090	0.25%
Heslop Inc.	2,319,890	0.24%
Totals	<u>\$ 41,411,570</u>	<u>4.34%</u>
Total Assessed Valuation	<u>\$ 950,896,370</u>	

<u>Name of Taxpayer</u>	<u>2005</u>	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Yorkshire Woods Apartments	\$ 9,594,960	1.05%
Newpart Limited Partnership	7,945,320	0.87%
Riverside Community Urban Redevelopment	4,848,480	0.53%
Portage Towers Apartments	4,024,990	0.44%
Heslop, Inc.	3,991,860	0.44%
State Road Associates	3,737,810	0.41%
Plaza Chapel Hill Co.	3,296,630	0.36%
HD Development of Maryland, Inc.	3,150,020	0.34%
Brookledge II	2,730,020	0.30%
Dayton Hudson Corporation	2,615,260	0.29%
Totals	<u>\$ 45,935,350</u>	<u>5.03%</u>
Total Assessed Valuation	<u>\$ 914,212,620</u>	

Source: Summit County Fiscal Office

(1) The amounts presented represent the assessed values upon which 2014 and 2005 collections were based.

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
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%
2005	10,236,024	9,912,456	96.8%	288,092	10,200,548	99.7%	427,563	4.2%

Source: Summit County Fiscal Officer

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

City of Cuyahoga Falls, Ohio

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

Tax Year	Tax Rate	Total Tax Collected (1)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
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%
2005	2.00%	17,811,319	13,697,101	77%	1,666,171	9%	2,448,047	14%

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

Source: The City's Income Tax Department

**City of Cuyahoga Falls, Ohio
Ten Largest Municipal Income Tax Withholding Accounts
Tax Years 2014 and 2005**

Tax Year 2014

Taxpayers	Income Tax Withholding Collections Ranking	Percent Of Income Tax Withholding Collections
Go Jo Industries, Inc.	1	5.27%
Summa Western Reserve Hospital	2	4.15%
Associated Materials LLC	3	3.58%
City of Cuyahoga Falls	4	3.50%
Cuyahoga Falls Board of Education	5	3.36%
Koosharem Corporation	6	2.50%
Americhem, Inc.	7	1.56%
Woodridge Local School District	8	1.46%
Summit County Board of Education	9	1.32%
Prospect-Akromold, Inc.	10	1.17%
		27.87%

Tax Year 2005

Taxpayers	Income Tax Withholding Collections Ranking	Percent Of Income Tax Withholding Collections
City of Cuyahoga Falls	1	3.96%
Summa Health System Hospitals	2	3.65%
Cuyahoga Falls Board of Education	3	3.23%
Associated Materials LLC	4	3.18%
Go Jo Industries, Inc.	5	2.61%
Americhem, Inc.	6	1.64%
Accuride, Inc.	7	1.13%
Woodridge Local School District	8	1.11%
Manufacturers Group	9	1.09%
Pechiney Plastic Packaging	10	1.01%
		22.61%

Source: The City's Income Tax Department

City of Cuyahoga Falls, Ohio

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

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Total Personal Income	Percentage of Personal Income	Population (1)	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	General Obligation Bonds	Capital Leases					
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
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
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
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
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
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
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
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
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
2005	9,466,081	541,878	80,367	25,373,273	212,448	35,674,047	1,138,639,700	3.13%	50,494	a \$ 707

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

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		
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
2005	50,494 a	2,959,436,217	9,466,081	25,373,273	34,839,354	1.18%	690

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

(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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 100,737,751	\$ 100,043,318	\$ 99,872,894	\$ 108,869,993	\$ 107,280,722
Net debt within 10.5 % limitations	<u>1,759,101</u>	<u>2,607,674</u>	<u>3,430,477</u>	<u>4,227,891</u>	<u>5,008,006</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 98,978,650</u>	<u>\$ 97,435,644</u>	<u>\$ 96,442,417</u>	<u>\$ 104,642,102</u>	<u>\$ 102,272,716</u>
Total net debt applicable to the limit as a percentage of debt limit	1.75%	2.61%	3.43%	3.88%	4.67%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 52,767,393	\$ 52,403,643	\$ 52,314,373	\$ 57,027,139	\$ 56,194,664
Net debt within 5.5% limitations	<u>1,759,101</u>	<u>2,607,674</u>	<u>3,430,477</u>	<u>4,227,891</u>	<u>5,008,006</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 51,008,292</u>	<u>\$ 49,795,969</u>	<u>\$ 48,883,896</u>	<u>\$ 52,799,248</u>	<u>\$ 51,186,658</u>
Total net debt applicable to the limit as a percentage of debt limit	3.33%	4.98%	6.56%	7.41%	8.91%

Legal Debt Margin Calculation for Fiscal Year 2014

	Unvoted Margin <u>Within 5.5%</u>	Overall Margin <u>Within 10.5%</u>
Assessed property value	<u>\$ 959,407,150</u>	<u>\$ 959,407,150</u>
Overall debt limitation (% of assessed valuation)	\$ 52,767,393	\$ 100,737,751
Gross indebtedness	19,320,000	19,320,000
Less:		
(Self-supporting as defined in O.R.C. 133.05)		
General sewer and sanitary improvements	(1,075,000)	(1,075,000)
Water utility	(3,962,000)	(3,962,000)
Recreation facilities	(12,510,873)	(12,510,873)
Debt Service Fund Balance	(13,026)	(13,026)
Net debt within limitations	<u>\$ 1,759,101</u>	<u>\$ 1,759,101</u>
Legal debt margin within limitations	<u>\$ 51,008,292</u>	<u>\$ 98,978,650</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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 107,666,029	\$ 108,413,922	\$ 109,399,879	\$ 110,503,596	\$ 106,321,821
Net debt within 10.5 % limitations	<u>5,936,842</u>	<u>6,938,515</u>	<u>7,805,008</u>	<u>8,634,075</u>	<u>9,399,996</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 101,729,187</u>	<u>\$ 101,475,407</u>	<u>\$ 101,594,871</u>	<u>\$ 101,869,521</u>	<u>\$ 96,921,825</u>
Total net debt applicable to the limit as a percentage of debt limit	5.51%	6.40%	7.13%	7.81%	8.84%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 56,396,491	\$ 56,788,245	\$ 57,304,699	\$ 57,882,836	\$ 55,692,383
Net debt within 5.5% limitations	<u>5,936,842</u>	<u>6,938,515</u>	<u>7,805,008</u>	<u>8,634,075</u>	<u>9,399,996</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 50,459,649</u>	<u>\$ 49,849,730</u>	<u>\$ 49,499,691</u>	<u>\$ 49,248,761</u>	<u>\$ 46,292,387</u>
Total net debt applicable to the limit as a percentage of debt limit	10.53%	12.22%	13.62%	14.92%	16.88%

City of Cuyahoga Falls, Ohio

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

SEWAGE AND DISPOSAL FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	\$ 6,513,205	\$ 5,287,553	\$ 1,225,652	\$ 199,833	\$ 168,778	\$ 368,611	3.33
2006	6,677,822	5,074,626	1,603,196	210,485	160,392	370,877	4.32
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)

WATER FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	\$ 5,091,414	\$ 4,831,739	\$ 259,675	\$ 488,877	\$ 450,342	\$ 939,219	0.28
2006	5,165,054	4,555,303	609,751	509,989	430,554	940,543	0.65
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

Notes: Debt Service requirements are reported on a cash basis.

Operating revenues and expenses are reported on a GAAP basis.

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

(Continued)

LEISURE TIME FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	\$ 5,054,198	\$ 5,707,055	\$ (652,857)	\$ 724,305	\$ 450,488	\$ 1,174,793	(0.56)
2006	5,427,157	5,822,693	(395,536)	755,120	423,455	1,178,575	(0.34)
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)

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, 2014

<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	\$ 1,894,899	100.00%	\$ 1,894,899
Capital Leases	960,735	100.00%	960,735
Total Direct Debt	2,855,634		2,855,634
Overlapping			
School Districts			
Cuyahoga Falls City	2,165,000	89.23%	1,931,830
Woodridge Local	6,250,000	59.69%	3,730,625
Hudson City	3,085,000	2.45%	75,583
Revere Local	2,580,615	0.83%	21,419
County			
Summit County	37,505,000	8.39%	3,146,670
Other Units			
Akron-Summit County Library District	27,695,000	3.55%	983,173
Total Overlapping Debt	79,280,615		9,889,300
Total	\$ 82,136,249		\$ 12,744,934

Source: Summit County Fiscal Office

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

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

Fiscal Year	Population (1)		Total Personal Income (5)	Median Family Income (1)	Per Capita Income (1)	Unemployment Rate (3)		City Square Miles (4)	Average Sales Price of Residential Property (2)	Median Age (1)
						Summit County	State of Ohio			
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
2005	50,494	a	1,138,639,700	52,372	22,550	5.7%	5.9%	27.8	131,737	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
- (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 2014 and Ten Years Ago

2014

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Summa Western Reserve Hospitals	Hospital	989	3.92%
Go Jo Industries Inc.	Manufacturer	981	3.89%
City of Cuyahoga Falls	Government	890	3.53%
Cuyahoga Falls Board of Education	Education	889	3.53%
B T L Payroll	Payroll Services	721	2.86%
GMRI	Resuarurant	508	2.01%
Associated Materials	Manufacturer	505	2.00%
The Fred W. Albrecht Company	Grocer	474	1.88%
Woodridge Local School District	Education	471	1.87%
Summit County Board of Eduation	Education	403	1.60%
Total		6,831	27.09%
Total Employment Within the City		25,200	

2005

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Adecco USA	Employment Services	1,273	4.68%
City of Cuyahoga Falls	Government	1,204	4.43%
Cuyahoga Falls Board of Education	Education	1,010	3.71%
Cuyahoga Falls General Hospital	Hospital	959	3.53%
Go Jo	Manufacturer	743	2.73%
B T L Payroll	Payroll Services	585	2.15%
Associated Materials	Manufacturer	547	2.01%
GMRI	Restaurant	467	1.72%
Woodridge Local Schools	Education	413	1.52%
Ebsco Industries	Telemarketing	189	0.68%
Total		7,390	27.16%
Total Employment Within the City		27,200	

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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police										
Vehicles	42	39	40	41	42	49	47	47	44	53
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Vehicles	27	27	28	29	28	28	28	27	31	28
Stations	5	5	5	5	5	5	5	5	5	4
Highways and Streets										
Streets(miles)	233.52*	233.03*	232.58*	232.26*	232.19*	232.19*	232.19*	232.19*	231.28*	282
Streetslights	5,919	5,898	5,637	5,627	5,624	5,618	5,587	5,595	5,683	5,647
Traffic Signals	79	72	72	78	78	81	78	76	76	77
Vehicles	53	52	53	52	52	52	53	47	58	54
Recreation										
Number of Parks	24	24	24	24	24	24	24	24	24	24
Vehicles	38	38	37	39	41	40	40	38	39	41
Number of Tennis Courts	8	8	8	8	17	17	17	16	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	5	5	5
Water										
Water Mains (miles)	200	200	200	200	200	200	200	200	200	207
Fire Hydrants	2,114	2,114	2,114	2,111	2,111	2,325	2,325	2,257	2,257	2,207
Vehicles	19	20	20	20	19	21	21	20	18	21
Sewer										
Sanitary Sewer Lines (miles)	152	152	152	152	152	152	152	160	160	160
Storm Sewer Lines (miles)	160	151	151	160	151	151	151	157	157	157
Vehicles	13	13	13	13	13	20	11	11	13	11
Electric										
Substations	13	13	13	12	13	13	13	13	13	12
Miles of Service Lines	339	336	335	313	310	309	307	306	256	256
Vehicles	28	26	27	27	27	27	27	27	27	29
Sanitation										
Vehicles	25	22	22	18	26	25	26	24	26	27
Number of Routes	9	9	7	6	6	6	6	8	9	9
Parking Facilities										
City Lots and Decks	14	14	14	14	14	14	16	16	17	16
Square Feet	312,467	312,467	312,467	312,467	312,467	312,467	360,686	360,686	389,236	387,236
Spaces	1,312	1,312	1,312	1,312	1,312	1,312	1,998	1,998	2,054	2,048
Recreation Lots	25	25	25	25	25	25	22	22	22	22
Square Feet	644,237	644,237	644,237	644,237	644,237	644,237	361,980	361,980	361,980	361,980
Spaces	1,955	1,955	1,955	1,955	1,955	1,955	1,886	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, Ohio

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
Council	6	6	6	6	6	6	6	6	6	6
Mayor	2	2	2	2	2	2	2	3	3	3
Mayor's Court	2.5	2.5	2.5	2.5	2	1.5	0	0	0	0
Finance	8.5	8.5	8.5	8.5	8.5	8.5	8.5	9	8.5	9.5
Law Director	7.5	6	7.5	8	8	8.5	9.5	8	8	9.5
Service Director	4	4	4.5	4	4.5	4.5	4.5	4.5	4.5	4.5
Municipal Court	0	0	0	0	0	0	24	25	25	19.5
Clerk of Courts	0	0	0	0	0	0	23	23.5	22.5	22.5
Civil Service	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2	2
Engineering	10	10	10	11	11	11	11	10	10	10
HR	3	3	3	4	4	4	3	4	4	4
Print Shop	0	0	0	0	0	1	1	0.5	1	1
Building & Grounds	9	9	8	12	11.5	12	12	11	11	12
Income Tax	3.5	4	4	5	5	5	5	5	6	6
Information Services	7	8	8	8	7	8.5	8.5	9	8	9
Security of Persons & Property										
Building	0	0	0	0	4.5	7	7	8	8	8
Police	74.5	77.5	78	76	84	93	109.5	112.5	118	123
Crossing Guards	3	2	2	3	4	4.5	5.5	7	10.5	15.5
Fire	72.5	75.5	72.5	76.5	83	83	84.5	85	85	87
Technical Services	4	4	4	4	5	6	5	5	6	6
Communications	14.5	13.5	13	15	14	14.5	0	0	0	0
Community Environment										
Community Development	10.5	12	12	13	13	14	14	14	15.5	17
Leisure Time										
Parks & Recreation	131.5	127	132	136.5	141	142	137	128.5	124.5	132.5
Transportation										
Streets	27	27	27	29	32	32	33	34	35	35
Storm Water	2.5	2.5	2.5	3	3	2	1	1	1	1
Sewage and Disposal	12	12	12	12	12	12.5	15	15	13	16.5
Water	20.5	20	20	22	17	25.5	27	26	29.5	26.5
Electric	44.5	42	42	45	45	48	51	54	57.5	58.5
Sanitation	17	14.5	16.5	14.5	14.5	18	18.5	20	24.5	25.5
Garage	7	5.5	6.5	8	8	9	9	8	9.5	9.5

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

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
Operating Indicators by Function/Program
Last Ten Years**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police										
Policepersons and Officers	70	70	71	71	76	83	83	89	93	96
Total Calls	29,221	28,608	28,291	29,657	27,838	29,249	44,836	36,343	38,872	39,497
Criminal Charges	466	573	467	366	419	340	309	433	723	771
Traffic Citations	5,843	9,655	8,527	8,538	6,528	6,103	5,555	9,350	6,321	8,257
Fire										
Firefighters and Officers	70	73	74	77	79	79	81	79	81	82
Total Calls	7,778	7,677	7,836	7,789	7,789	7,903	7,883	7,604	7,713	7,551
Inspections	1,310	1,039	1,082	910	1,069	1,775	1,770	1,793	1,560	1,637
Smoke Detectors Installed	224	297	297	587	221	110	534	671	439	611
Highways and Streets										
Potholes repaired	18,028	5,646	8,331	11,773	7,591	10,409	9,773	4,692	4,559	14,306
Rock Salt Used(Tons)	13,613	8,796	4,897	8,085	12,401	9,125	13,315	12,142	11,012	8,310
Senior Snow Watch Participants	29*	0*	0*	0*	1,265	1,315	1,337	1,284	1,411	1,370
Leaf Program(Cubic Yards)	14,120	12,120	16,160	10,433	10,433	14,680	13,360	15,360	12,130	12,400
Recreation										
Brookledge-Number of Rounds	32,498	35,835	37,655	34,732	35,789	35,960	36,725	37,054	38,919	39,013
Waterworks-Daily Admissions	64,532	61,604	88,814	82,014	88,588	72,753	76,212	67,665	69,377	75,277
Natorium-Daily Admissions	644,182	634,459	686,254	711,104	713,997	739,122	777,588	771,184	789,237	783,086
Water										
Average Daily Pumped (Gallons)	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	6,362,000
Water Main Breaks	113	84	64	83	97	111	84	116	62	100
New Water Taps	122	68	26	44	31	104	104	174	199	262
Sewer										
Average Daily Sewage Transportation (Gallons)	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	5,546,725
Sanitary Sewers Cleaned (Feet)	52,744	91,832	100,300	114,904	92,707	74,167	76,961	73,650	84,601	65,943
Storm Sewers Cleaned (Feet)	650	2,812	2,658	658	1,450	1,320	4,497	2,299	4,915	3,160
Electric										
Average Daily Consumption (in KWH)	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	1,274,495
Light Bulbs Issued	2,046	1,791	2,164	4,880	5,528	5,474	6,050	6,249	6,082	6,645
Green Energy Participants	156	173	192	207	234	236	263	287	180	192
Sanitation										
Refuse Collected (tons/year)	15,562	15,144	15,217	16,096	16,687	16,710	16,254	19,018	19,361	19,624
Recyclables collected (tons/year)	4,301	3,952	3,887	3,355	3,237	3,145	3,362	3,966	3,293	3,136
Yardwaste Collected (tons/year)	3,468	2,049	1,753	2,439	2,154	1,708	767	1,451	2,235	1,769
Building										
Residential Building Permits Issued	0**	0**	0**	0**	2,806	1,943	1,433	1,235	1,410	1,554
Commercial Building Permits Issued	0**	0**	0**	0**	413	508	303	652	353	259
Miscellaneous Building Permits Issued	0**	0**	0**	0**	568	1,561	2,071	2,230	3,200	2,939

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