

# Annual Comprehensive Financial Report

for the year ended December 31, 2023



**CITY OF CUYAHOGA FALLS, OHIO**

***About the Cover:***

*Cuyahoga Falls was recently named Best Hometown by Ohio Magazine due to the city's downtown revitalization, support of small businesses, and a strong sense of community, all of which are exemplified during the holiday season and throughout the year. The Cuyahoga Falls Municipal Building, located in the heart of downtown, serves as the central hub of city services to more than 51,000 residents. The municipal building is home of the annual Cuyahoga Falls Holiday Tree Lighting, a family-friendly event attended by thousands of residents and visitors. The holiday season is a truly festive in Cuyahoga Falls, with an outdoor ice skating rink, shopping and dining in the historic downtown area, and Parking Meters on Parade. This parking meter decorating competition offers free parking during the holiday season and has quickly become a Cuyahoga Falls tradition.*

*Two upcoming projects will continue the resurgence of downtown Cuyahoga Falls. The South Front Street Streetscape Project will increase walkability, add bike-friendly amenities, and install underground utilities. Additionally, the Riverloop project will highlight the beauty of the Cuyahoga River while expanding accessibility for all visitors. These projects will proceed the long-awaited Gorge Dam removal slated for 2026, which will restore historic free-flowing conditions to over 1.5 miles of the Cuyahoga River, which runs through the city center, and amplify the growing recreation tourism opportunities for residents and visitors.*

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

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We have reviewed the *Independent Auditor's Report* of the City of Cuyahoga Falls, Summit County, prepared by Zupka & Associates, for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Cuyahoga Falls is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

September 10, 2024

~~Members of City Council~~

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# Annual Comprehensive Financial Report

For Fiscal Year Ended December 31, 2023



City of Cuyahoga Falls, Ohio

Mayor Don Walters

**Issued by the Department of Finance**  
Bryan J. Hoffman, Finance Director

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# City of Cuyahoga Falls, Ohio

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## TABLE OF CONTENTS

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	2
GFOA Certificate of Achievement.....	10
Organizational Chart.....	11
List of Elected and Appointed Officials .....	12
<b>FINANCIAL SECTION</b>	
Independent Auditor’s Report .....	14
Management’s Discussion and Analysis .....	18
<b>Basic Financial Statements:</b>	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position .....	39
Statement of Activities .....	40
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds .....	42
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	43
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	44
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	45
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	46
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis) – Local Fiscal Recovery Special Revenue Fund .....	47
Statement of Net Position – Proprietary Funds .....	48
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	50
Statement of Cash Flow - Proprietary Funds .....	52
Statement of Fiduciary Net Position – Custodial Funds.....	56
Statement of Changes in Fiduciary Net Position – Custodial Funds .....	57
<b>Notes to the Financial Statements</b> .....	59
<b>Required Supplemental Information:</b>	
Schedule of City’s Proportionate Share of Net Pension Liability / Net Pension Asset - OPERS.....	128
Schedule of City’s Proportionate Share of Net Pension Liability / Net Pension Asset - OP&F.....	129
Schedule of City Contributions - OPERS.....	130
Schedule of City Contributions - OP&F.....	131
Schedule of the City’s Proportionate Share of the Net OPEB Liability - OPERS .....	132
Schedule of the City’s Proportionate Share of the Net OPEB Liability - OP&F .....	133
Schedule of the City’s Contributions OPEB - OPERS.....	134
Schedule of the City’s Contributions OPEB - OP&F.....	135
Schedule of the City’s Net OPEB Liability.....	136

**TABLE OF CONTENTS**

	<b>Page</b>
Schedule of the City’s Contributions - OPEB.....	137
Notes to the Required Supplemental Information .....	138
 <b>Combining Statements and Individual Fund Statements:</b>	
Major Governmental Funds: Descriptions.....	141
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	
General Fund .....	142
Local Fiscal Recovery Fund.....	145
Capital Projects Fund .....	146
Nonmajor Governmental Funds: Description.....	147
Combining Balance Sheet – Nonmajor Governmental Funds .....	150
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	151
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	152
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	157
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis)	
State Highway Improvement Fund .....	162
Street Construction, Maintenance, and Repair Fund .....	163
Police Pension Fund .....	164
Fire Pension Fund .....	165
Recreation Levy Fund.....	166
Permissive Tax Fund .....	167
Community and Economic Development Fund.....	168
Community Development Block Grant Fund .....	169
Enterprise Zone/Community Reinvestment Area Fund.....	170
Drug Law Enforcement Fund .....	171
Law Enforcement Trust Fund .....	172
Enforcement and Education Fund.....	173
Municipal Motor Vehicle License Tax Fund.....	174
Federal Law Enforcement Fund .....	175
Law Enforcement Assistance Fund .....	176
State Road Public Improvement Tax Increment Equivalent Fund.....	177
Mudbrook - Mill Pond Public Improvement Tax Increment Equivalent Fund.....	178
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual- OneOhio Opioid Settlement Fund .....	179
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual- Princeton Crossroads Tax Increment.....	180
Sourek Trail Tax Increment.....	181
Debt Service Fund .....	182
Cemetery Perpetual Care Fund .....	183
Internal Service Funds: Descriptions .....	184
Combining Statement of Net Position – Governmental Activities Internal Service Funds .....	185
Combining Statement of Revenues, Expenses, and Changes in Net Position	



# City of Cuyahoga Falls, Ohio

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## TABLE OF CONTENTS

	Page
Governmental Activities Internal Service Funds.....	187
Combining Statement of Cash Flows – Governmental Activities Internal Service Funds.....	189
Fiduciary Funds - Custodial Funds: Descriptions.....	193
Combining Statement of Fiduciary Net Position – Custodial Funds .....	194
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	195

## STATISTICAL SECTION

Net Position By Component .....	198
Changes in Net Position .....	200
Fund Balances, Governmental Funds .....	204
Changes in Fund Balances, Governmental Funds .....	206
Assessed Valuation and Estimated Actual Values of Taxable Property.....	208
Property Tax Rates-Direct and Overlapping Governments .....	209
Principal Taxpayers – Real Estate Tax.....	210
Property Tax Levies and Collections.....	211
Income Tax Revenue Base and Collections.....	212
Ten Largest Municipal Income Tax Withholding Accounts.....	213
Ratios of Outstanding Debt to Total Personal Income and Debt Per Capita .....	214
Ratio of General Obligation Bonded Debt to Estimated True Value of Taxable Property & Bonded Debt.....	215
Legal Debt Margin Information.....	216
Pledged Revenue Coverage .....	218
Computation of Direct and Overlapping Debt.....	220
Demographic and Economic Statistics .....	221
Principal Employers .....	222
Capital Assets Statistics By Function/Program .....	223
Full-Time Equivalent City Governmental Employees by Function/Program.....	224
Operating Indicators by Function/Program .....	225

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# **INTRODUCTORY SECTION**

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Bryan J. Hoffman  
*Finance Director*

Scott K. Fitzsimmons  
*Deputy Finance Director*

July 1, 2024

Honorable Mayor Don Walters,  
Members of City Council and the  
Citizens of the City of Cuyahoga Falls, Ohio

**T**he Annual Comprehensive Financial Report for the City of Cuyahoga Falls, Ohio (the “City”) for the year ended December 31, 2023, is hereby submitted. The responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the City’s management. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner, which fairly presents the financial position and results of operations of the various funds of the City. All disclosures necessary to gain an understanding of the City's financial activities have been included.

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

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

In accordance with Ohio law, each public office is required to have an independent audit at least once every two years unless an annual audit is required pursuant to the Single Audit Act of 1984. These audits are conducted by either the Auditor of State of Ohio, or if the Auditor permits, an independent public accounting firm.

The current year audit has been completed by an independent public accounting firm, James G. Zupka, CPA, Inc. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2023, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Independent Auditor's Report is presented as the first component of the financial section of this report.

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

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

### **PROFILE OF THE GOVERNMENT**

The City was incorporated as a village in 1868 and organized as a city after the 1920 census. The City is located in Summit County in northeastern Ohio, approximately 30 miles south of the City of Cleveland and lies on the northern border of the City of Akron. The City currently occupies a land area of 27.8 square miles and serves a population of 50,655 based on the 2022 U.S. Census Bureau estimate, the most current estimate available.

The City operates under and is governed by its Charter (first adopted by the voters in 1959). The Charter may be and has been amended by the voters. Every five years a Charter Review Commission is appointed to review the City's Charter and make any recommendations to be voted upon by its residents. The last Charter Review Commission took place in 2020. The City is also subject to certain general laws applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government, and police powers to an extent that is not in conflict with applicable general laws. The Charter provides for a Mayor-Council form of government. The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term. The Mayor also serves as the Public Safety Director. All elected officials, except the Mayor serve on a part-time basis. The Mayor may veto any legislation passed by the Council. However, a veto may be overridden by a two-thirds vote of all members of the Council.

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

## City of Cuyahoga Falls, Ohio

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The City provides an extensive range of services including police and fire protection, emergency medical service, administration of justice by the way of a mayor's court, community planning and development, recreational and cultural activities, street maintenance and environmental services. Outside of the normal governmental services, the City also provides entrepreneurial activities such as sewage disposal, water distribution, electric service, sanitation, storm drainage administration and leisure time activities, including a wellness center, golf course, outdoor water park and a sports center which includes miniature golf, batting cages and golf driving range.

The objective of budgetary controls is to ensure compliance with both the annual appropriated budget approved by City Council and the legal restrictions imposed by state and federal statutes as well. City Council must adopt an annual appropriations ordinance and budget resolution by December 31, of the preceding year. Appropriations may not exceed amounts certified by the County Budget Commission. The initial level of budgetary control is passed by City Council at the fund level, department and object level (Personal Services, Other Operations, Capital Outlay, Debt Service and Transfers) with further restrictions prohibiting the transfer of funds between departments of a particular fund and limiting transfers of sums between line items of a department, at any time within the fiscal year which exceed in the aggregate seven percent of the amount originally appropriated in the line item from which the transfer is made, but not to exceed \$10,000. The City Finance Director is authorized by Charter to transfer funds already appropriated between funds and departments; however, any revisions that change the total fund appropriations or exceed the limits restricting transfers of sums between line items must be approved by City Council. As a management tool, budgetary control is maintained in all funds at the department level by the encumbrance of estimated purchase amounts before the release of purchase orders to vendors. The City continually evaluates its accounting and reporting system in an effort to improve internal accounting controls.

### LOCAL ECONOMY

The Cleveland-Akron-Canton Combined Statistical Area (CSA) is the 17th most populous combined statistical area in the United States with a population of 3,732,803.

The City is currently the second largest city in Summit County and the fifteenth largest in the State of Ohio, based on the 2020 Census. 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 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 2023, ten major employers in the City collectively accounted for approximately 23.02 percent of the \$23,960,999 withholding taxes remitted to the City.

2023 U.S. Census estimate reports, the most current available, indicate that median household income for Cuyahoga Falls is slightly above the State of Ohio and Summit County, while only slightly trailing the United States as a whole. The following is a comparative breakout of those medians.

	<u>Median Income</u>
City of Cuyahoga Falls	\$67,922
Summit County	\$65,763
State of Ohio	\$65,720
USA	\$74,755

## City of Cuyahoga Falls, Ohio

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

The City is experiencing an accelerated pace of growth and development throughout the community. Investment in commercial and residential development continues to be strong, adding value and jobs to the community. The City utilizes property tax abatements as an economic development tool. The abatements vary on a project to project basis and provide incentives for businesses move into the city, or expand. It has been a helpful tool to keep and add jobs in the City.

Portage Crossing development, opened in 2014, consists of 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, Esporta Fitness and a Cinemark NextGen Theater. In 2017, two additions were added to the development. At approximately 4,000 square feet, the first building, Panda Express, is a fast casual venue offering American Chinese cuisine. The second building is approximately 9,728 square feet. Three separate tenants share this building: a dental office, Mattress Firm and Piada a fast casual Italian street food concept. With the addition of a major national retailer, LensCrafters, in 2020, and continued discussion additional expansion, the development continues to perform well. 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.

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

In the Front Street corridor, the City assisted with finding a new owner for the historic theatre in downtown that had been shuttered for over a decade and was slated for demolition. The theatre was restored using historic tax credits and opened in January of 2021 as The Workz. The value of the newly restored building will exceed \$1 million. Also in the corridor, a historic structure known as the Levinson's building on Front Street was recently renovated and has secured The Farmer's Rail, an artisanal butchery, as a first-floor tenant. The company employs at least 12 employees with an annual payroll of \$500,000. The top floor of the Levinson's building has been converted into office space, which will be occupied at a later date. In April of 2022, The Towne Centre building was purchased and is currently under construction to renovate a large office building into mix use high end apartments and office space. The project value is estimated to be \$10.3 million.

The City and businesses located along Front Street created the Downtown Cuyahoga Falls Partnership, a 501(c)(3) nonprofit organization whose organizational and financial structure is based upon the Heritage Ohio model. The Heritage Ohio model emphasizes that the Partnership is an independent organization and separate from the City. The annual budget is structured as follows: one third provided by the City, one third through membership subscriptions and one third from sponsored events hosted by the organization. The Partnership's main goal is to create a "vibrant" downtown – to bring patrons to the downtown area to shop, dine and participate in recreational activities and events. The Partnership has one full-time executive director who is responsible for the day-to-day activities of the organization, growing membership, organizing events/volunteers to promote the downtown businesses. Preliminary surveys suggest that patrons visiting the downtown area are residents beyond the city limits and even outside of the County.



## **City of Cuyahoga Falls, Ohio**

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Over the past several years, the public investment in the City is paying dividends. The Portage Crossing development is approaching 10 years of continued success and show no signs of slowing down. Other businesses, such as Menards, Kyocera-SGS Precision Tools and Harbor Castings all recently invested in Cuyahoga Falls and have indicated they are glad they did. In all, the City has seen over \$150 million in estimated investment in the last few years with new projects being discussed daily.

### **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.

In May of 2022, the Summit County Board of Developmental Disabilities is relocated its headquarters to the downtown area, resulting in 130 new jobs with approximately \$8 million of new payroll. The City constructed a public parking lot to accommodate employee parking during the day and public patrons in the area during the evening and weekend hours. That additional employees will provide a boost to the local shops and restaurants located in the downtown area.

The City continually looks for new investments to provide the necessary infrastructure to retain and attract new businesses. Due in part to the American Rescue Plan Act (ARPA), the City is investing over \$16 million in new public infrastructure. Renovations to the southern end of the Front Street Development are under development. Cochran Rd. redevelopment will open up over 1.5 million square feet of available commercial land for development.

If housing starts are an indication of people wanting to live in Cuyahoga Falls, then the future is bright. The City is currently working with developers for residential growth. Four new residential developments, Enclave at Mill Pond, The Preserve at Salt Creek, Woodland Preserves, and Redwood have recently been completed. Four additional developments are underway including, The Towns at Steels Corners, The Villages at Sycamore, Pine Ledges, and Princeton Place. These added residents will be a catalyst for future economic activity. The Glens townhome will add an additional 50 high end units along South Front Street and add additional residents to the downtown area that will boost local shops and restaurants.

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.

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

The Mayor and his staff spend considerable amounts of time maintaining the financial strength of the City. As businesses look to relocate or expand, City officials work overtime with these companies to accommodate their needs. These types of investments only strengthen the City's financial position. The City is also not reliant on one particular business for its main source of income taxes or property taxes. No one business represents over five percent of the City's two main sources of income. The City's administration also places a high emphasis on keeping Cuyahoga Falls a positive place to live and work. This can best be seen in the unemployment rates for the City consistently being lower than the Summit County rate coupled with local home sales and the real estate market, which are generally ahead of the national trends. Employment within an area is expected to remain positive. 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.

The City received \$16,493,877 from ARPA and is using these dollars to continue to invest in the community. Plans are underway to build upon the success of Front Street, and construction will begin soon to extend the streetscape and rebuild South Front Street to match other portions. This will open up additional economic development opportunities as well as provide extended walkability. These dollars will also allow the city to rebuild an aging fire station and add a state of the art fire training facility to keep the skills of our safety forces at their highest level.

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

A priority of the City is to be energy efficient. The Mayor started an energy efficiency program that provides the citizens of Cuyahoga Falls with tools they need to reduce power consumption which results in lower power bills and a smaller carbon footprint. The City recently completed an upgrade to all city owned street lights. Over 6,000 street lights, parking lot lights, and other lights are LED. 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 city recently completed a state of the art police training facility to keep our officers' skills at their highest level. 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 City is always looking for best practices. In December 2021 City Council approved the creation of a Council of Governments (COG) to provide dispatch services. The COG combines the dispatch centers of several surrounding communities and agencies to expand services and manage costs.

### **FINANCIAL INFORMATION**

The single largest cost to the City is personnel. The City has five bargaining units. The City is currently in negotiations with its bargaining units for multi-year contracts for a period starting July 1, 2024. The outcome of these negotiations are to provide reasonable cost of living increases commensurate with the market while. The City's plan is to be able to forecast far enough into the future to have the ability and time to handle any financial situation that may occur.

The City's Capital Project Fund has issued various notes and bonds for numerous infrastructure projects over the last several years. The debt funded various infrastructure projects that provide much needed investment the will have a financial return. The Administration's aim is to continually make meaningful investments that make Cuyahoga Falls an attractive place to live, work, and play.

## City of Cuyahoga Falls, Ohio

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### 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 has been 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 annual comprehensive financial report for the fiscal year ended December 31, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 38 consecutive years (fiscal years ended 1984-2022). 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 Annual Comprehensive Financial Report 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

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Cuyahoga Falls  
Ohio**

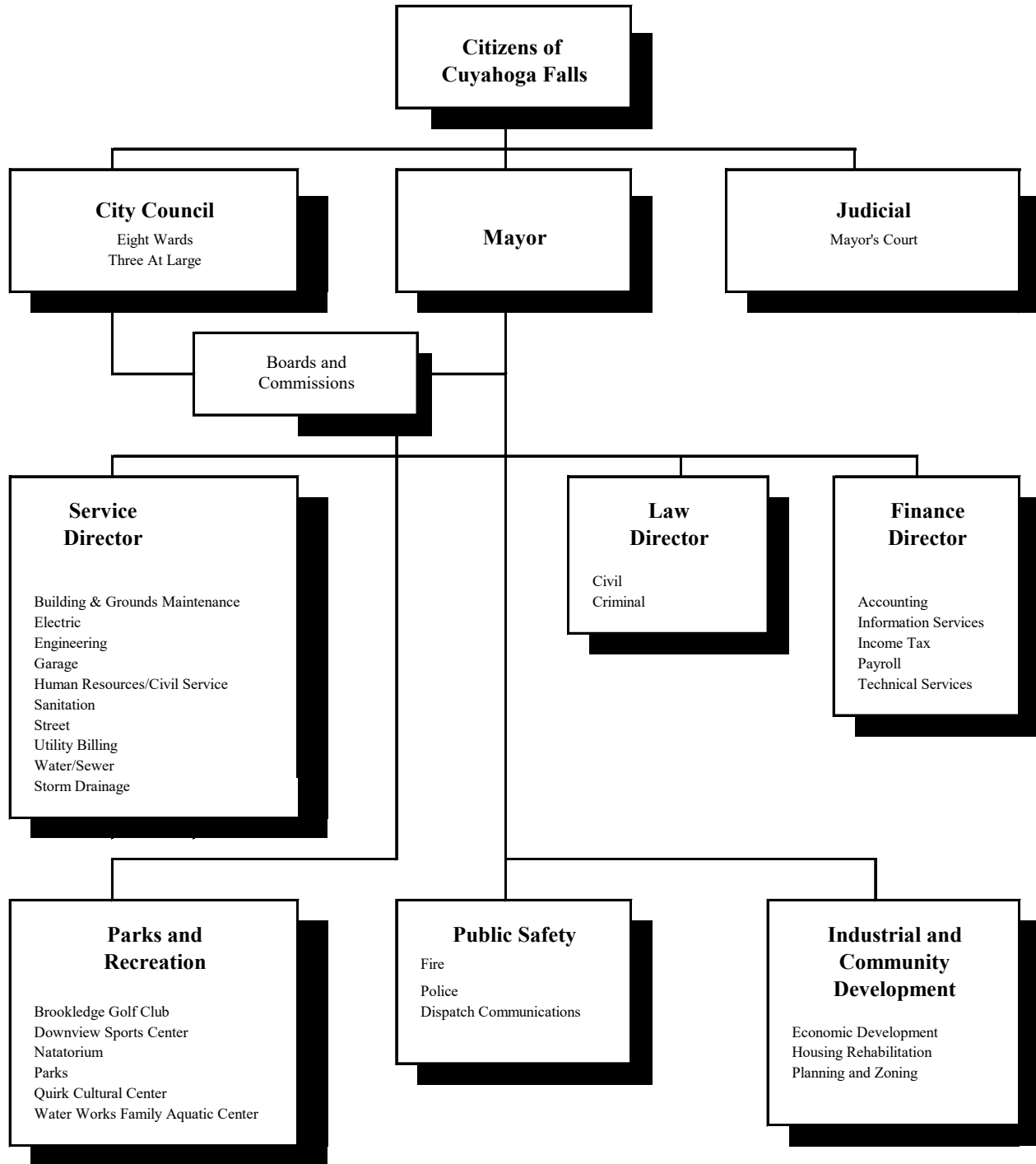
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO

Organizational Chart



**City Officials**

***Cabinet of the Mayor:***

<b>Mayor Don Walters</b>	Anthony Zumbo	Service Director
	Bryan Hoffman	Finance Director
	Janet Ciotola	Law Director
	Diana Colavecchio	Community Development Director

***At Large Council:***

Russ Balthis  
Mary Nichols-Rhodes  
Brian Ashton

***Ward Council:***

Rachel Loza	Ward 1
Susan Spinner	Ward 2
Meika Penta	Ward 3
Joe Siegferth	Ward 4
Michael Brillhart	Ward 5
Gary DeRemer	Ward 6
Jerry James	Ward 7
Frank Stams	Ward 8

# **FINANCIAL SECTION**





Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

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

To the Members of City Council:

**Report on the Financial Statements**

*Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cuyahoga Falls, Summit County, Ohio, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cuyahoga Falls as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Local Fiscal Recovery Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

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

# City of Cuyahoga Falls, Ohio

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

## *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

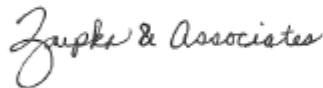
## *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.



Zupka & Associates  
Certified Public Accountants

July 1, 2024

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# City of Cuyahoga Falls, Ohio

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## Management's Discussion and Analysis

As management of the City of Cuyahoga Falls, Ohio (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. 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 twenty-first publication of an Annual Comprehensive Financial Report under the GASB 34 reporting model. Comparisons to prior financials are offered for this discussion and analysis.

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at the close of 2023 by \$256,073,146. Of this amount, \$28,301,484 is considered unrestricted. The unrestricted net position of the City's governmental activities has a balance of negative \$19,185,675 due to the implementation of GASB 68 and 75, described below. The unrestricted net position of the City's business-type activities was \$47,487,159 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 \$18,220,697 or 7.7 percent in 2023, in comparison to net position as of December 31, 2022. Net position of governmental activities increased \$12,717,747, which represents a 13.4 percent increase from the amount as of December 31, 2022. Net position of business-type activities increased \$5,502,950 or 3.8 percent from the amount as of December 31, 2022.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$50,567,145, in comparison to \$35,830,470 in the prior year. On a combined basis \$1,456,636 is considered nonspendable, \$19,793,906 is restricted for specific purposes, \$444,870 has been committed by City Council and \$536,416 has been assigned to specific purposes by management.
- At the end of the current year, unassigned fund balance for the general fund was \$29,588,622 or 63.4 percent of revenues, and 85.0 percent of expenditures.
- The City's total general obligation bonds increased by \$32,945,263 or 100.1 percent in 2023, and notes payable decreased \$2,940,000 or 56.1 percent. The increase in bonds is primarily due to the issuance of \$33,070,000 Various Purpose Bonds, Series 2023 and related premium for the purpose of paying the costs of construction of a new building for the electric utility, acquisition and installation of electric and water system meters, installation of windows and doors, and exterior renovations at Fire Station 1, HVAC equipment and improvement of skylights at the Natatorium, and public infrastructure improvements for the Glens improvement project, and for current refunding of a portion of the Woodland Subdivision bond anticipation notes outstanding at the end of 2022, offset by scheduled bond principal payments. The decrease in notes payable is related to the retirement of the Brookledge golf course clubhouse improvements, Woodland Subdivision improvement notes, offset by new note issuances for Wyoga Lake Road and Wyoga Lake / Seasons Road intersection improvements in the amount of \$700,000 and \$350,000, respectively.

## Governmental Accounting Standards Board Statements No. 68 and 75

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

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

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

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

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

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

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

## City of Cuyahoga Falls, Ohio

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

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

### Overview of the Financial Statements

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

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

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

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

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

The government wide financial statements include not only the City itself (known as the primary government) but also a legally separate community improvement corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 39-41 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-five 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, Local Fiscal Recovery Special Revenue Fund, and Capital Projects Fund, which are considered to be major funds. Data from the other nineteen 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, Permanent Fund, Enterprise and Internal Service Fund types. A budgetary comparison statement has been provided for the General Fund and Local Fiscal Recovery Special Revenue Fund to demonstrate compliance with this budget. Per Ohio Revised Code Section 5705.36, the actual unencumbered balance of the Cemetery Perpetual Care Permanent Fund is excluded from the unencumbered balances certified to the County. Therefore, only interest revenue, and use thereof is appropriated for this fund. The basic governmental fund financial statements can be found on pages 42-47 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds - enterprise and internal service. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewage and disposal, water, electric, sanitation, leisure time operations and storm drainage utility. Internal Service Funds are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City uses Internal Service Funds to account for its vehicle maintenance, medical self-insurance, workers' compensation coverage and compensated absences payments to terminated and retired employees. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. While the Utility Billing Fund is considered an Internal Service Fund, it is not reported separately. It has been consolidated in the applicable Enterprise Funds for statement purposes.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewage and Disposal Fund, Water Fund, Electric Fund, Sanitation Fund, Leisure Time Fund, and Storm Drainage Utility Fund, which are considered to be major funds. Conversely, the internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 48-55 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 56-57 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 59-126 of this report.



# City of Cuyahoga Falls, Ohio

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s proportionate share of the net pension liability/net pension asset for, and contributions to OPERS and OP&F, the proportionate share of the OPEB liability for, and contributions to OPERS and OP&F, and OPEB liability and contributions for the City’s single employer plan. Required supplementary information can be found on pages 128-139 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to financial statements. Combining and individual fund statements and schedules can be found on pages 141-192 of this report.

## Government-wide Financial Analysis

City of Cuyahoga Falls, Ohio - Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	Restated 2022	2023	Restated 2022	2023	Restated 2022
<b>Assets</b>						
Current and other assets	\$ 102,276,018	\$ 86,739,506	\$ 83,965,655	\$ 64,397,082	\$ 186,241,673	\$ 151,136,588
Net pension asset	131,173	236,043	122,252	222,382	253,425	458,425
Net other postemployment benefits (OPEB) asset	-	2,027,286	-	1,909,956	-	3,937,242
Capital assets, net	129,879,898	125,217,949	135,587,380	119,142,019	265,467,278	244,359,968
<b>Total Assets</b>	<b>232,287,089</b>	<b>214,220,784</b>	<b>219,675,287</b>	<b>185,671,439</b>	<b>451,962,376</b>	<b>399,892,223</b>
<b>Deferred Outflows of Resources</b>						
Pension	23,836,385	12,320,318	7,535,631	2,499,126	31,372,016	14,819,444
Other postemployment benefits (OPEB)	4,531,167	3,861,829	1,131,488	22,540	5,662,655	3,884,369
Advance refunding of debt	-	-	142,525	152,706	142,525	152,706
	<b>28,367,552</b>	<b>16,182,147</b>	<b>8,809,644</b>	<b>2,674,372</b>	<b>37,177,196</b>	<b>18,856,519</b>
<b>Liabilities</b>						
Current and other liabilities	23,030,101	26,059,609	12,971,581	10,799,509	36,001,682	36,859,118
Long-term liabilities:						
Net pension liability	67,013,341	36,491,792	18,170,895	5,475,678	85,184,236	41,967,470
Net other postemployment benefits (OPEB) liability	10,455,342	11,853,983	376,284	-	10,831,626	11,853,983
Other long-term liabilities outstanding	29,355,479	25,630,245	43,382,164	15,353,557	72,737,643	40,983,802
<b>Total Liabilities</b>	<b>129,854,263</b>	<b>100,035,629</b>	<b>74,900,924</b>	<b>31,628,744</b>	<b>204,755,187</b>	<b>131,664,373</b>
<b>Deferred Inflows of Resources</b>						
Revenues levied for the next year	16,721,934	12,857,270	-	-	16,721,934	12,857,270
Pension	3,348,321	18,230,046	214,420	6,906,954	3,562,741	25,137,000
Other post employment benefits (OPEB)	6,885,594	7,953,204	139,813	2,047,755	6,825,407	10,000,959
Leases	-	-	1,201,157	1,236,691	1,201,157	1,236,691
	<b>26,755,849</b>	<b>39,040,520</b>	<b>1,555,390</b>	<b>10,191,400</b>	<b>28,311,239</b>	<b>49,231,920</b>
<b>Net Position</b>						
Net investment in capital assets	105,450,806	101,267,757	104,317,241	108,121,042	209,768,047	209,388,799
Restricted (temporarily restricted)	17,526,238	10,506,505	224,217	-	17,750,455	10,506,505
Permanent fund purpose - Cemetery Perpetual Care (permanently restricted)	253,160	249,914	-	-	253,160	249,914
Unrestricted	(19,185,675)	(20,697,394)	47,487,159	38,404,625	28,301,484	17,707,231
<b>Total Net Position</b>	<b>\$ 104,044,529</b>	<b>\$ 91,326,782</b>	<b>\$ 152,028,617</b>	<b>\$ 146,525,667</b>	<b>\$ 256,073,146</b>	<b>\$ 237,852,449</b>

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The City’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$256,073,146 at the close of the most recent fiscal year.

The largest portion of the City’s total net position (81.9 percent) reflects its net investments in capital assets (e.g. land, construction in progress, buildings, improvements other than buildings, machinery and equipment, infrastructure, and intangible right to use assets for lease equipment and information technology subscriptions), less any debt, including retainages payable and accounts payable, that relates to the acquisition or construction of capital assets. 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, 6.9 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

## City of Cuyahoga Falls, Ohio

Permanent Fund. The remaining balance of unrestricted net position is \$28,301,484 may be used to meet the government's on-going obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Cuyahoga Falls is able to report positive balances in all four categories of net position, for the government as a whole and as well as for its separated governmental activities net investments in capital assets, restricted and permanent fund purpose and business-type activities. The only exception being governmental activities unrestricted net position which was negative \$19,185,675 due to the recording of GASB 68 and GASB 75.

Overall, net position of the City increased by \$18.221 million in 2023. Net position for governmental activities increased by \$12.718 million and net position for business-type activities increased \$5.503 million.

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

Current and other assets increased \$15.537 million. Of this category, equity in pooled cash and cash equivalents, and investments increased \$10.273 million, over the prior year, which also included cash and cash equivalents – escrow agent. The increase to equity in pooled cash and cash equivalents is a result of positive operations, in which total revenues exceeded expenses. This is mostly due to revenues exceeding expenses by \$13.650 million in 2023. One large contributing factor was in the other revenue category, which represents investment earnings on the Statement of Activities. This revenue source increased \$5.752 million, or 3,642.1 percent in 2023. Investments is a component of pooled cash and cash equivalents, and reflects the value of items which qualify as investments at year-end. Additionally, taxes receivable increased \$4.413 million, or 20.2 percent in 2023, which was primarily due to an increase in the property taxes accrual of \$3.934 million, or 29.5 percent due to a significant triennial update for tax year 2023 for County of Summit.

Deferred outflows of resources related to pension increased \$11.516 million in 2023. The majority of this increase relates to OP&F in the amount of \$6,083,226 primarily from the increase in the proportionate share of new plan-wide deferred outflows/inflows, offset by the reclassification of prior year deferral for investments to net outflow. The increase in the amount related to OPERS was \$5,432,841 mostly for the same reason.

Deferred inflows of resources related to pension decreased \$14.882 million, which is attributable to the decrease in the amount related to OP&F and OPERS in the amount of \$7,780,542 and \$7,101,183, respectively. These changes are mostly related to the reclassification of prior year deferral for investments to net outflow for both pension systems.

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

Net pension liability increased \$30.522 million, which is attributable to the increase in the amount related to OP&F and OPERS in the amount of \$16,836,805 and \$13,684,744, respectively. These changes are mainly attributable to the increase in the proportionate share of new plan-wide deferred outflows/inflows.

Deferred inflows of resources - revenues levied for the next year increased \$3.865 million. This increase is related to the increase in property taxes receivable noted above, but for the portion of revenue levied for the next year, in which there is an enforceable legal claim as of December 31, 2023, which were levied to finance year 2024 operations.

Significant changes in business-types activities are as follows:

Current and other assets increased \$19.569 million. Of this category, equity in pooled cash and cash equivalents, and investments increased \$19.464 million. The increase to equity in pooled cash and cash equivalents is a result of positive operations, in which total revenues exceeded expenses. This is mostly due to cash basis revenues exceeding expenses by \$18.467 million in 2023.

Deferred outflows of resources related to pension increased \$5.037 million in 2023. This increase relates to OPERS for business-type activities employees primarily from the increase in the proportionate share of new plan-wide deferred outflows/inflows, offset by the reclassification of prior year deferral for investments to net outflow.

## City of Cuyahoga Falls, Ohio

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Deferred inflows of resources related to pension decreased \$6.693 million, which is attributable to the decrease in the amount related to OPERS for business-type activities employees. These changes are mostly related to the reclassification of prior year deferral for investments to net outflow for both pension systems.

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

Other long-term liabilities outstanding increased \$28,029 million. As previously noted in the Financial Highlights section above, The City's issued \$33,070,000 Various Purpose Bonds, Series 2023 and related premium, of which \$28,440,000, and premium of \$2,077,913, was for business-type activities for construction of a new electric utility building, installation of water and electric system meters, and installation of HVAC equipment and improvements at the Natatorium. This bond issuance was offset by annual principal bond payments of \$2,404,623, recording of additional premium, and annual amortization of discounts and premiums, thereof.

Net pension liability increased \$12.695 million, which is attributable to the increase in the amount related to OPERS for business-type activities employees. These changes are mainly attributable to the increase in the proportionate share of new plan-wide deferred outflows/inflows.

In order to further understand what makes up the changes in net position for the current year, the following table provides readers further details regarding the results of activities for the current year. This table contains the 2022 fiscal year figures for comparison purposes.

## City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio - Changes in Net Position						
	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 7,273,854	\$ 5,727,561	\$ 75,248,842	\$ 77,850,598	\$ 82,522,696	\$ 83,578,159
Operating grants and contributions	4,742,577	6,144,123	258,075	46,525	5,000,652	6,190,648
Capital grants and contributions	4,376,615	2,922,794	639,988	2,244,357	5,016,603	5,167,151
General revenues:						
Property and other local taxes	17,027,743	16,266,514	-	-	17,027,743	16,266,514
Income taxes	33,044,584	31,823,387	-	-	33,044,584	31,823,387
Grants and entitlements not						
restricted to specific programs	3,777,258	3,551,498	-	-	3,777,258	3,551,498
Other	5,593,922	(157,927)	46,827	45,292	5,640,749	(112,635)
<b>Total Revenues</b>	<b>75,836,553</b>	<b>66,277,950</b>	<b>76,193,732</b>	<b>80,186,772</b>	<b>152,030,285</b>	<b>146,464,722</b>
<b>Expenses</b>						
Security of persons and property	30,737,768	26,078,999	-	-	30,737,768	26,078,999
Leisure time activities	5,286,794	4,054,265	-	-	5,286,794	4,054,265
Community environment	4,543,966	4,768,774	-	-	4,543,966	4,768,774
Street maintenance	10,695,584	11,227,751	-	-	10,695,584	11,227,751
General government	10,106,091	7,755,936	-	-	10,106,091	7,755,936
Interest	816,783	590,474	-	-	816,783	590,474
Sewage and disposal	-	-	10,059,469	10,051,270	10,059,469	10,051,270
Water	-	-	4,704,064	3,832,988	4,704,064	3,832,988
Electric	-	-	43,706,033	44,955,999	43,706,033	44,955,999
Sanitation	-	-	4,440,255	3,577,542	4,440,255	3,577,542
Leisure time activities	-	-	6,711,871	5,979,711	6,711,871	5,979,711
Storm Drainage Utility	-	-	2,000,910	1,192,540	2,000,910	1,192,540
<b>Total Expenses</b>	<b>62,186,986</b>	<b>54,476,199</b>	<b>71,622,602</b>	<b>69,590,050</b>	<b>133,809,588</b>	<b>124,066,249</b>
Increase in net position before transfers	13,649,567	11,801,751	4,571,130	10,596,722	18,220,697	22,398,473
Transfers	(931,820)	(2,252,622)	931,820	2,252,622	-	-
Changes in net position	12,717,747	9,549,129	5,502,950	12,849,344	18,220,697	22,398,473
<b>Net position-beginning</b>	<b>91,326,782</b>	<b>81,777,653</b>	<b>146,525,667</b>	<b>133,676,323</b>	<b>237,852,449</b>	<b>215,453,976</b>
<b>Net position-ending</b>	<b>\$ 104,044,529</b>	<b>\$ 91,326,782</b>	<b>\$ 152,028,617</b>	<b>\$ 146,525,667</b>	<b>\$ 256,073,146</b>	<b>\$ 237,852,449</b>

## City of Cuyahoga Falls, Ohio

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**Governmental activities.** Governmental activities increased the City's net position by \$12.718 million. Key elements of the changes in net position are as follows:

- ❖ Revenues exceeded expenses by \$13.650 million.
- ❖ Charges for services increased \$1.546 million.
- ❖ Capital grants and contributions increased \$1.454 million.
- ❖ Other revenue increased \$5.752 million.
- ❖ Security of persons and property increased \$4.659 million, or 17.9 percent.
- ❖ General government expenses increased \$2.350 million, or 30.3 percent

Charges for services increased \$1.546 million, or 27 percent in 2023. This increase is mainly due to increase of cash transactions related to charges for services for street maintenance in the amount of \$611,370 from reimbursement of \$1,000,000 from the Sourek Trail Incentive District Tax Increment Equivalent Fund for the City's pay down of notes that were converted into bonds for the City's accumulated Capital Projects Fund Expenditures incurred in prior years, coupled with an increase in net accrual entries of \$290,078.

Capital grants and contributions increased \$1,454 million or 49.7 percent in 2023. This increase is mainly due to an increase of \$992,478 in cash basis Community Development Block Grant funding from the U.S. Department of Housing and Urban Development which was used for capital related items that met certain HUD initiatives such as Americans with Disability Act compliance, senior activities and improvements in low to moderate income areas. This was coupled with an increase in cash basis grant funding for street maintenance in the amount of \$131,548, and net accruals \$501,460 net accruals for ODOT grants, permissive tax revenue, and release of prior year unearned revenue in the Local Fiscal Recovery Special Revenue Fund for grant use for street maintenance items.

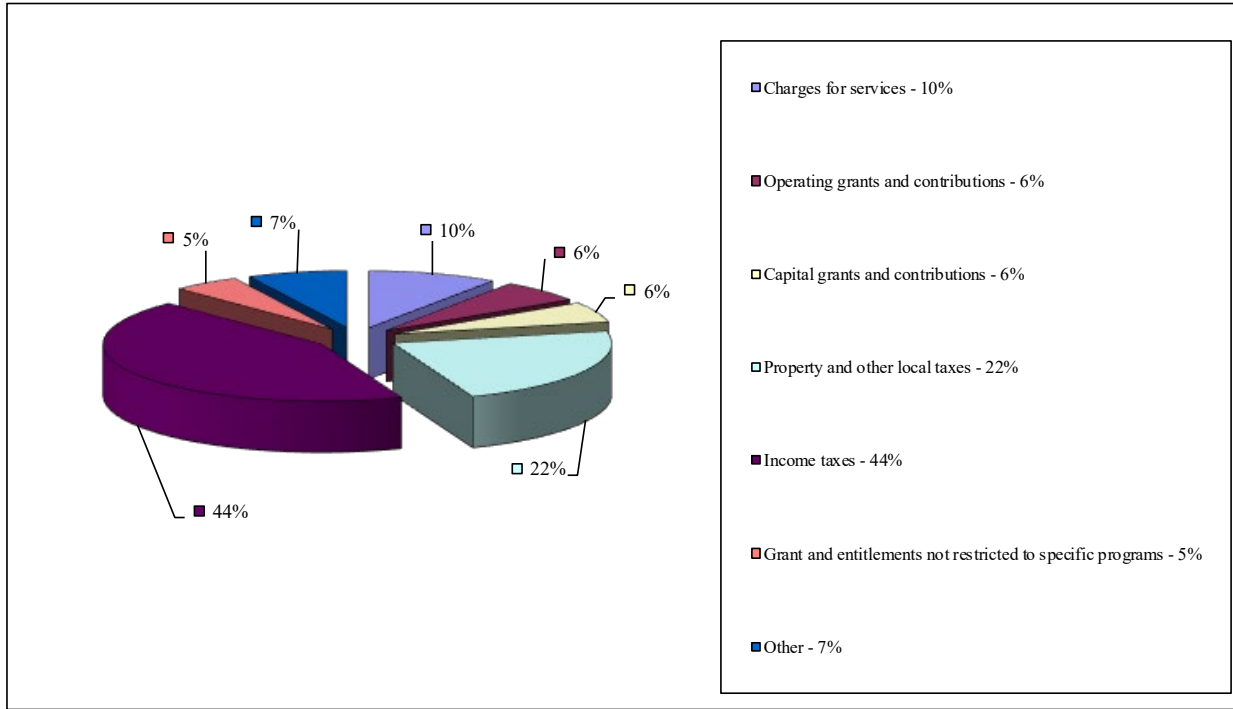
Other revenue increased \$5.752 million or 3,642.1 percent. Other revenue is related to investment earnings. Cash basis interest revenue increased \$3,313,632 when comparing 2023 to 2022 due to an increase in interest rates. Additionally, the accrual entry to adjust for fair value accounting in accordance with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, is a component of investments earnings, and was a write-down of investments to market value at the end of 2023 in the amount of \$707,716, compared to a write-down of \$1,505,163 for 2022, which caused negative investment earnings of (\$157,927) for 2022.

Security of persons and property expense increased \$4.659 million or 17.9 percent in 2023. Although cash basis expenditures were \$788,241 higher in 2023, the recording of the change in deferred outflows of resources - pension, net pension liability, and deferred inflows of resources - pension associated with OPERS increased expense \$3,518,679 for various factors noted for GASB 68 items above.

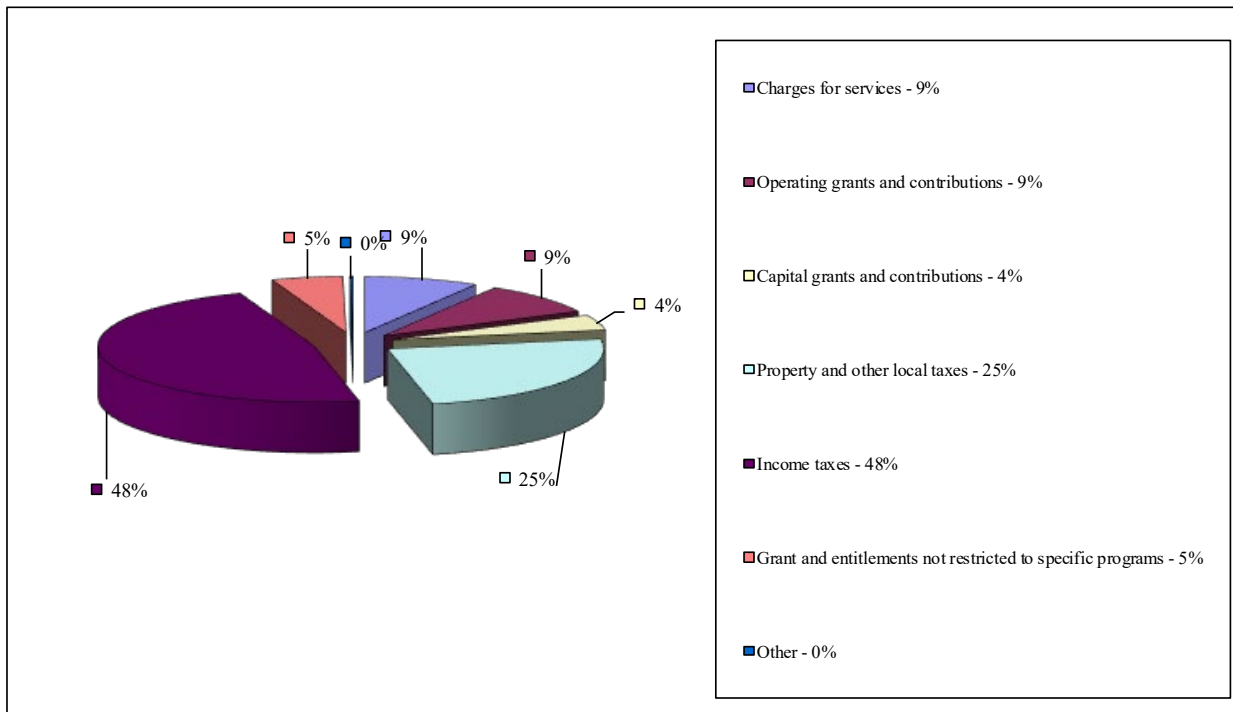
General government expense increased \$2.350 million or 30.3 percent in 2023. Many items are factored into this expense, and change thereof, but some of the large items are as follows: Loss on disposal of capital assets increased \$1,147,576 in 2023 and by rule is recorded in this expense; Noncash contributions from governmental activities to business activities is recognized as an operating transfer on entity-wide statements, and an expense of \$1,971,890 was reclassified to transfers out in 2022; the Community Improvement Corporation loan program expense of \$2,000,000 in 2022 was eliminated to avoid double recording on entity-wide basis, and recording of the change of deferred outflows of resources - pension, net pension liability, and deferred inflows of resources - pension associated with OPERS increased expense \$1,490,776 for various factors noted for GASB 68 items above.

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2023 Revenues by Source – Governmental Activities

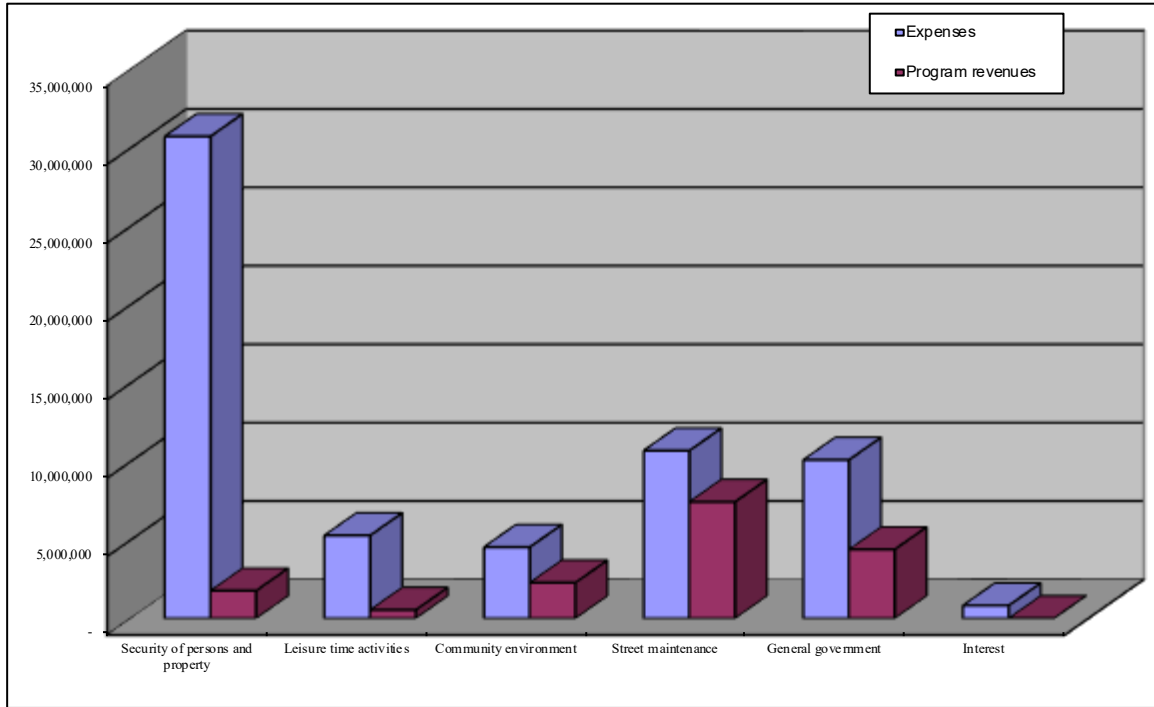


2022 Revenues by Source – Governmental Activities

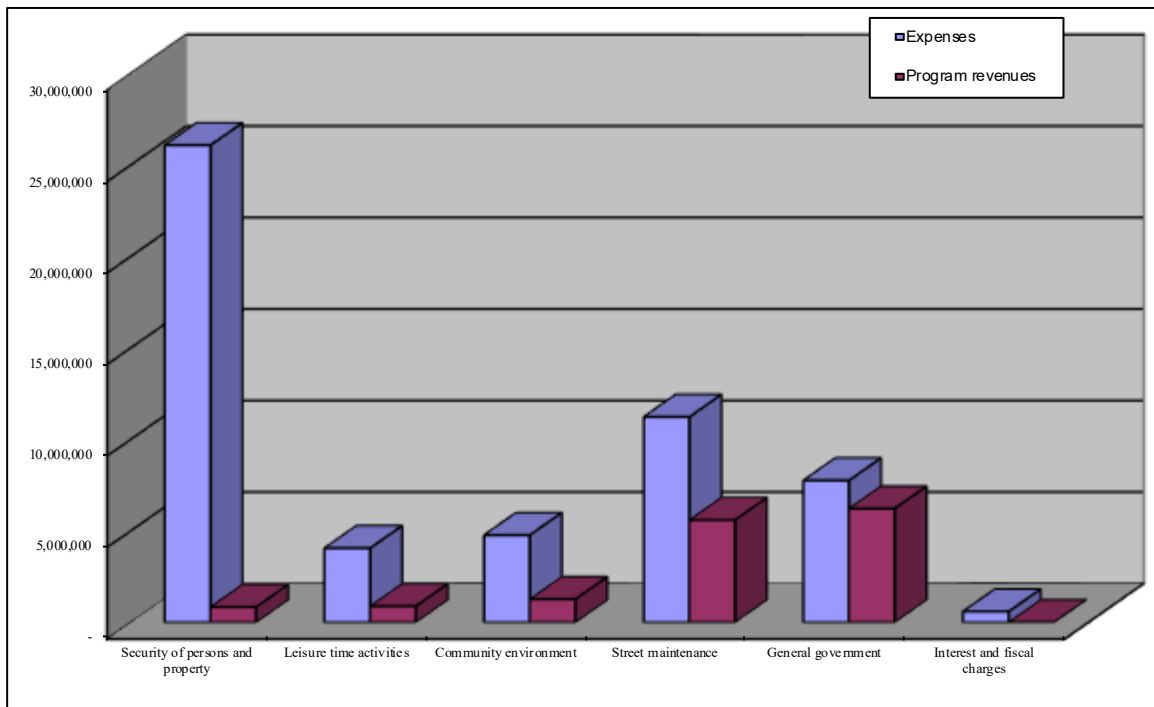


# City of Cuyahoga Falls, Ohio

## 2023 Expenses and Program Revenues – Governmental Activities



## 2022 Expenses and Program Revenues – Governmental Activities



**Business-type activities.** Business-type activity net position increased by \$5.503 million. Key elements of changes in net position are as follows:

- ❖ Revenues exceeded expenses by \$4.571 million.
- ❖ Capital grants and contributions decreased \$1.604 million.
- ❖ Water expenses increased \$871,016.
- ❖ Electric expenses decreased \$1.250 million.
- ❖ Storm drainage utility expenses increased by \$808,370.

Capital grants and contributions were \$1.604 million, or 71.5 percent less in 2023. In 2023, the City received capital grants and contributions for water segment in the amount of \$557,205 for an Ohio Public Works Commission grant for Loomis Avenue Magnolia Avenue Waterline replacement, and electric segment in the amount of \$82,783 for NOPEC Inc. for solar panel materials for use at the new electric building being constructed. Whereas, in the prior year, the City received contributions in the form of capital assets for sewage and disposal, water, electric, leisure time and storm drainage utility segments in the amount of \$400,550, \$1,192,492, \$246,022, \$68,575 and \$336,718 from other funds, Ohio Public Works Commission, and the American Rescue Plan Act federal grant.

Water expenses increased \$871,016, or 22.7 percent. Increase is primarily due to the negative fringe benefits expense recording of the change in deferred outflows of resources - pension, net pension liability, and deferred inflows of resources - pension (\$428,317), and deferred outflows of resources - OPEB, net OPEB liability, and deferred inflows of resources - OPEB (\$247,971) associated with OPERS in the 2022 Water Fund Statements, resulting in a negative fringe benefits expense of \$136,118. Current year fringe benefit expense is \$642,363.

Electric expenses decreased \$1.250 million, or 2.8 percent. Decrease is mostly related to 2023 operating cash transactions being \$1,152,617 less than 2022, in which purchased power was \$2,101,169 less, offset by increases in materials and supplies \$561,236 and contractual services \$203,862. Purchased power was lower in 2023 due to an approximately 5 percent reduction in consumption. Materials and supplies, and contractual services increases are market related.

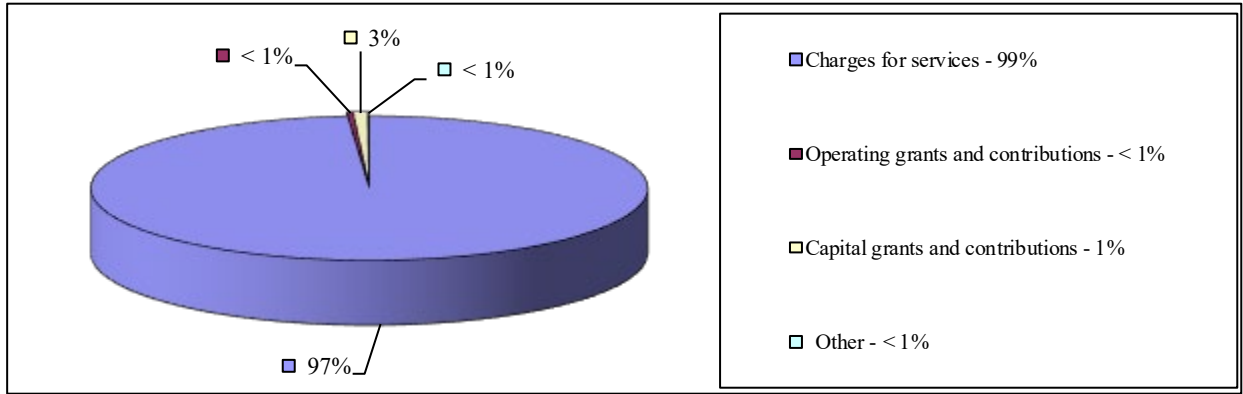
Storm Drainage Utility expenses increased \$808,370, or 67.8 percent. Increase is related to 2023 operating cash transactions being \$498,883 higher than 2022, in which contractual services was \$402,666 of the increase due to an increase in miscellaneous contractual services for items such as public good wetland restoration plantings, lead remediation, project partner expenses and various other items. In addition, fringe benefits expense for 2023 in the Storm Drainage Utility Fund was \$168,024 greater than 2022 due to the changes associated with the recording of the change in deferred outflows of resources - pension, net pension liability, and deferred inflows of resources - pension, and deferred outflows of resources - OPEB, net OPEB liability, and deferred inflows of resources.

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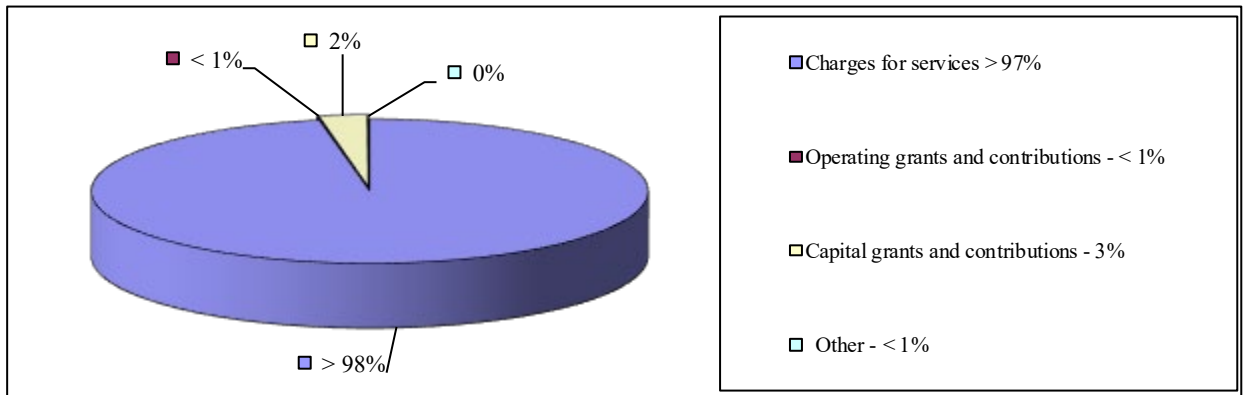


# City of Cuyahoga Falls, Ohio

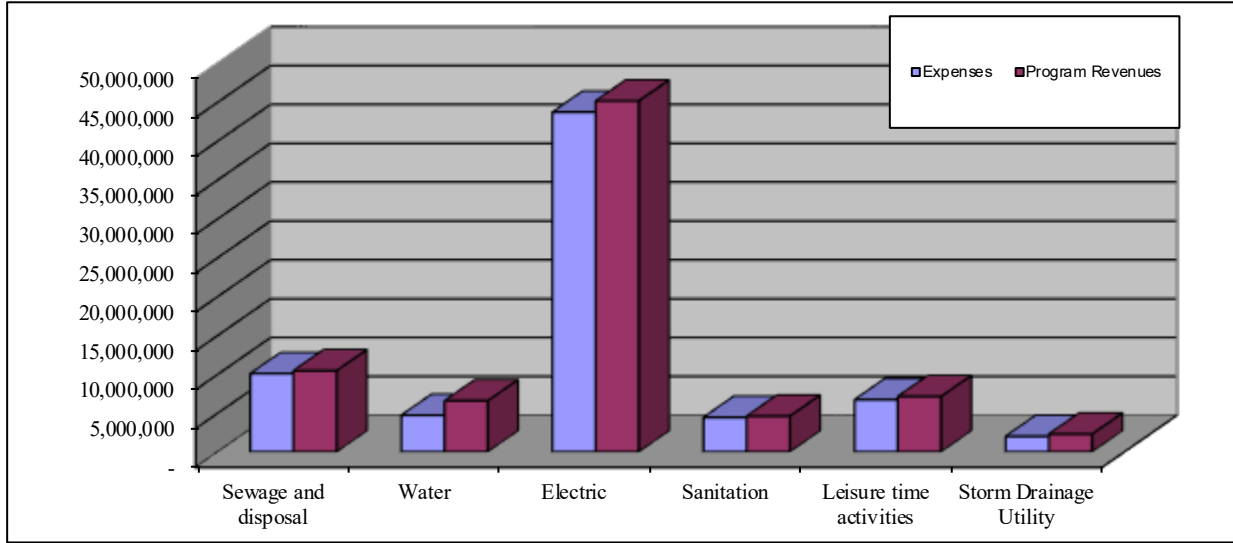
## 2023 Revenue by Source – Business-type Activities



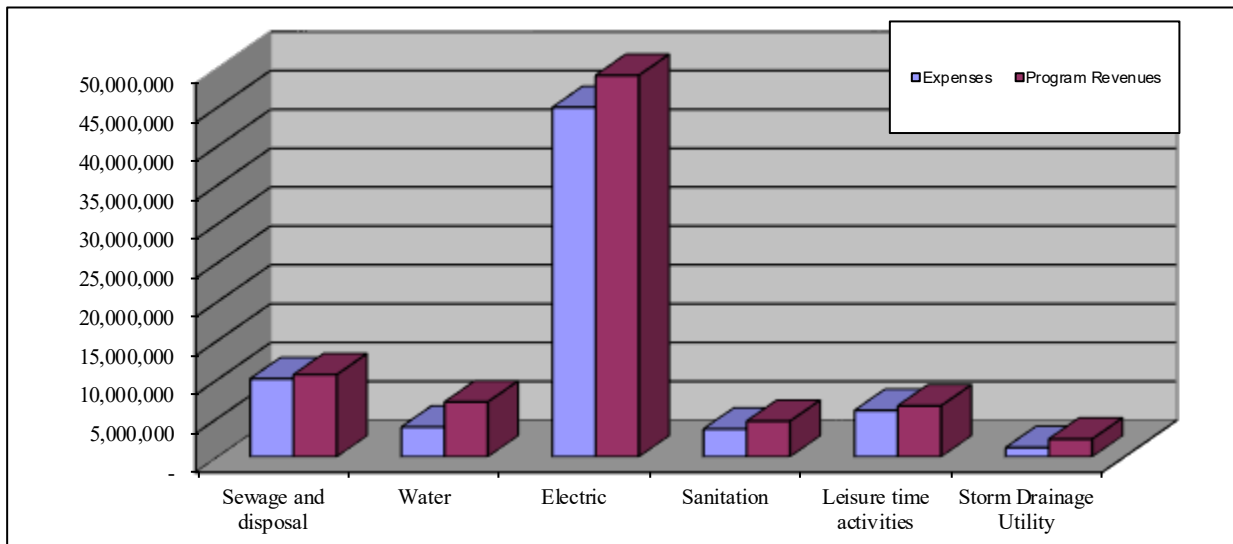
## 2022 Revenue by Source – Business-type Activities



**2023 Expenses and Program Revenues – Business-type Activities**



**2022 Expenses and Program Revenues – Business-type Activities**



# City of Cuyahoga Falls, Ohio

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## 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, 2023, the City's governmental funds reported combined ending fund balances of \$50.567 million, which represents an increase of \$14.737 million in comparison with the prior year. This increase is primarily due to revenues plus other financing sources being in excess of expenditures plus other financing uses, \$14.581 million. Some of the factors contributing to this are as follows:

Municipal income taxes increased \$1.366 million or 4.3 percent. This revenue source was the highest in the history of the City, and was due to the increase in cash basis collections exceeding 2022 by \$1.453 million. The category of withholding current, and individual current increased \$1.188 million, and \$322,816, respectively in 2023.

Interest earnings increased \$5.665 million or 3,571.1 percent. Cash basis interest revenue increased \$3,313,632 when comparing 2023 to 2022 due to an increase in interest rates. Additionally, the accrual entry to adjust for fair value accounting in accordance with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, is a component of investments earnings, and was a write-down of investments to market value at the end of 2023 in the amount of \$707,716, compared to a write-down of \$1,505,163 for 2022, which caused negative investment earnings of (\$158,642) for 2022.

Of the current combined ending fund balances, \$28.355 million is unassigned fund balance, which is available for spending at the City's discretion. The next largest fund balance classification comprising of approximately \$19.794 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 largest two largest components of the restricted fund balance relates to the Capital Projects Fund, and Debt Service Fund in the amount of \$8.249, and \$3.623 million, respectively.

The General Fund is the chief operating fund of the City. At December 31, 2023, unassigned fund balance of the General Fund was \$29.589 million, while total fund balance was \$30.503 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 69.9 percent of total general fund expenditures, including transfers out, while total fund balance represents 72.1 percent of the same amount.

In 2023, the fund balance of the City's General Fund increased by \$4.411 million, over the balance of 2022. Revenues were \$4.352 million more than expenditures, including transfers out. The General Fund does not receive transfers in. This fund balance increase was due to several factors:

- ❖ The General Fund revenues were \$4.678 million greater in 2023.
- ❖ Municipal income taxes allocated to the General Fund increased \$842,668, or 4.2 percent. This was due to a continued recovery from the COVID-19 global pandemic. Income tax revenue was the highest in the City's history.
- ❖ Interest earnings increased \$5.608 million, or 3,588.6 percent for similar reasons discussed for all government funds above. Based on Ohio Revised Code, interest is recorded in the General Fund, with a few small exceptions for Federal Law Enforcement Nonmajor Special Revenue Fund, Debt Service Nonmajor Fund, Workers' Compensation Internal Service Fund, and Cemetery Perpetual Nonmajor Permanent Fund.
- ❖ Expenditures were fairly comparable to the prior year, with the biggest increase seen in security of persons and property function \$1.308 million or 6.1 percent, and leisure time activities function \$574,777 or 20.4 percent, offset by a reduction in general government expense of \$1.733 million, or 19.5 percent.

The increase in security of persons and property function is mostly related to cash basis transactions in the Police, and Fire departments being higher in 2023 in the amount of \$244,954, and \$585,252, respectively, which is mostly related to personal services, and other operations and maintenance increases.

A good portion of increase in leisure time activities is related to cash basis transactions being higher in 2023 in the amount of \$261,902, which is mostly related to personal services.

The decrease in general government is mostly attributable to the \$2,000,000 funding of the Community Improvement Corporation of Cuyahoga Falls (CIC) small business loan program in 2022 for the creation and operation of a revolving loan program in support of economic development and job creation in the City.

The fund balance of the City's Capital Projects Fund increased by \$5.449 million during 2023, the majority of which is due to the principal portion of the City's issuance of \$33,070,000 Various Purpose Bonds, Series 2023 for the installation of windows and doors, and exterior renovations at Fire Station 1, HVAC equipment, public infrastructure improvements for the Glens improvement project, and for current refunding of a portion of the Woodland Subdivision bond anticipation notes outstanding at the end of 2022.

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

Unrestricted net position at the end of the year amounted to \$5.007 million, \$6.583 million, \$32.201 million, \$784,955, \$1.265 million, and \$1.696 million for the Sewage and Disposal, Water, Electric, Sanitation, Leisure Time, and Storm Drainage Utility Funds, respectively.

The Sewer, Water, Electric, Sanitation, Leisure Time and Storm Drainage Utility Funds total net position increased \$447,976, or 2.1 percent, \$1.393 million, or 4.6 percent, \$2.006 million, or 3.6 percent, \$248,742, or 5.2 percent, \$1.241 million, or 5.9 percent, and \$313,145, or 1.8 percent, respectively, from 2022 to 2023.

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

### General Fund Budgetary Highlights

The final amended General Fund budget had estimated revenues of \$5,167,330 greater than the original budget. The original estimated revenues were \$43,026,468, while final estimated revenues were \$48,193,798. This was mostly due to income taxes being \$2.654 million greater than originally anticipated due to the continued economic rebound from the worldwide COVID-19 pandemic being stronger than originally estimated, and interest earnings being \$2.405 million higher than anticipated due to an increase in interest rates.

The final amended General Fund budget had total appropriations of \$2,699,369 greater than the original budget. The total original appropriations, including those for transfers out, were \$44,394,540, while the final appropriations were \$47,093,909. Ordinance 73-2023 provided supplemental appropriations of \$2,115,000, the majority of which, was for the transfer of additional interest revenue to the Debt Service Fund for future debt requirements in the amount of \$2,080,000. Ordinance 102-2023 provided supplemental appropriations of \$302,184 for an Ohio Emergency Management Agency ARPA First Responder Wellness, Recruitment, Retention and Resiliency Grant for the Fire and Communications departments. Ordinance 128-2023, which is considered the City's clean-up ordinance, increased General Administration department other operations \$352,000 to encumber 1/3 of the extra 27<sup>th</sup> pay in 2026; Increased transfers to the Community Development Block Grant Fund \$173,655 for the difference between the HUD stated balance, and actual balance of the revolving loan fund; Increased transfers to the Fire department \$95,000 for additional pension obligations associated with the First Responder grant; Reduced personal services appropriations for Engineering, Building and Grounds, Police and Communications departments in the amount of \$175,000, \$175,000, \$67,656 and \$130,000, respectively for employment vacancies; Increased Mayor's Court department personal services \$17,000 for a change in employee health care benefit election change; and reduced Communications other operations \$90,000 cancellation of Dispatch 911 phone system renewal and equipment purchases due to the transition to the Summit Emergency Communications Center Council of Governments.

# City of Cuyahoga Falls, Ohio

## Capital Asset and Debt Administration

**Capital assets.** The City’s investment in capital assets for governmental and business-type activities as of December 31, 2023, amounts to \$265.467 million (net of accumulated depreciation). This investment in capital assets include land, construction in progress, buildings, improvements, machinery and equipment, infrastructure (from 1980 to current), including roads, sidewalks, bridges, curbs and gutters, and intangible right to use assets for lease equipment and IT subscriptions. The total increase in the City’s investment in capital assets in 2023 over restated 2022 capital assets was \$21,107,310 which amounts to 8.6 percent.

City of Cuyahoga Falls Capital Assets (Net of Depreciation)							
	Governmental Activities		Business-type Activities		Total		
	2023	2022	2023	2022	2023	2022	
		Restated		Restated		Restated	
Land	\$ 16,279,819	\$ 15,418,422	\$ 4,084,279	\$ 4,119,145	\$ 20,364,098	\$ 19,537,567	
Construction in Progress	7,725,047	3,165,883	20,886,176	5,139,509	\$ 28,611,223	8,305,392	
Buildings	23,887,593	24,563,116	24,515,775	23,220,478	\$ 48,403,368	47,783,594	
Improvements	14,747,009	13,643,897	76,139,500	78,013,645	\$ 90,886,509	91,657,542	
Machinery and Equipment	11,774,341	10,942,582	9,126,851	8,437,008	\$ 20,901,192	19,379,590	
Infrastructure	55,199,844	57,250,675	-	-	\$ 55,199,844	57,250,675	
Intangible Right to Use Asset - Lease Equipment	68,615	-	609,603	78,090	\$ 678,218	78,090	
Intangible Right to Use Asset - IT Subscriptions	197,630	233,374	225,196	134,144	\$ 422,826	367,518	
<b>Total</b>	<u>\$ 129,879,898</u>	<u>\$ 125,217,949</u>	<u>\$ 135,587,380</u>	<u>\$ 119,142,019</u>	<u>\$ 265,467,278</u>	<u>\$ 244,359,968</u>	

### Major capital asset events during 2023 were as follows:

In 2023, the City made significant investments in safety forces and street maintenance out of the Capital Projects Fund. First, the Fire department purchased a new Pierce Saber Rescue Truck and Equipment, for \$852,519, and the Police department received a Motorola Radio Upgrade, for \$317,288. The Street department purchased a new Elgin Street Sweeper for \$297,062.

One major Capital Project that was placed in service in 2023 was the Paddle Park, located at 2170 Front Street, for a total project cost of \$398,227. The unique seating area features a stage, solar umbrellas with charging stations and kayak seating in celebration of the Cuyahoga River. Work continued on the West Portage Trail Street Widening Project and on the Public Improvements on South Front Street, with another \$2.6 million and \$1.1 million, respectively, invested in the projects in 2023.

For the enterprise funds, work continued on several large infrastructure and building projects. In the Water Fund, work continued on the Waterline along Portage Trail from Valley Road to Northampton Road, with \$851,784 invested in the project in 2023. In the Electric Fund, the continuing major project is the Office/Warehouse Relocation, totaling over \$13.2 million to date. In the Sanitation Fund, two large vehicles were purchased, a new 28 Yard Heil Odyssey Front Loader for \$477,068 and a new Dennis Eagle Dual Drive with Sidewinder for \$370,482.

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, 2023, the City currently does not have any interest in development projects held for resale.

## City of Cuyahoga Falls, Ohio

**Long-term debt.** At December 31, 2023, the City had \$67.379 million of long-term bonds, leases, and SBITA outstanding.

<b>City of Cuyahoga Falls</b>						
<b>General Obligation Bonds, Financed Purchases Payable, and Leases Outstanding</b>						
	Governmental Activities		Business-type Activities		Total	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
General Obligation Bonds Payable	\$ 21,266,358	\$ 17,301,389	\$ 44,598,193	\$ 15,617,899	\$ 65,864,551	\$ 32,919,288
Financed Purchases Payable	267,825	398,293	165,370	323,113	433,195	721,406
Leases Payable	62,981	-	591,564	79,649	654,545	79,649
SBITA Payable	195,979	233,374	230,626	134,144	426,605	367,518
<b>Total</b>	<b>\$ 21,793,143</b>	<b>\$ 17,933,056</b>	<b>\$ 45,585,753</b>	<b>\$ 16,154,805</b>	<b>\$ 67,378,896</b>	<b>\$ 34,087,861</b>

The balance of outstanding bonds increased \$32,945,263 or 100.1 percent, which was primarily due to the issuance of \$33,070,000 Various Purpose Bonds, Series 2023 for the following: Current refunding a portion of the City's outstanding Various Purpose Improvement Notes, Series 2022, dated November 8, 2022 which were originally issued for the purpose of paying the costs of (a) improving municipal public infrastructure including Sourek Trail, Sand Hill Drive, Kubic Drive, West Woodland Drive, East Woodland Drive and South Woodland Drive between certain termini, including but not limited to the construction, reconstruction, installation or improving of public utility improvements, communication service facilities, stormwater and flood remediation improvements and facilities, bridges, streets and roadways, sidewalks, lighting systems, signalization and traffic controls, storm and sanitary sewers, and water lines, streetscape and landscape improvements, and acquisition of real estate or interests therein, and all related improvements and appurtenances, and (b) various road improvements including the construction, reconstruction, widening and improving of Sourek Trail from Sand Run Road to the intersection west of Sand Hill Drive, including improvements to the vertical profile, ditches, storm sewer and reconfiguration of the three-leg intersection at Sourek Trail, the acquisition and construction of waterlines on Sourek Trail, Sand Hill Drive and Kubic Drive, and the acquisition of real estate or interests therein, and all related improvements and appurtenances (\$2,380,000); paying the cost for constructing, improving, equipping and installing a new building for the electric utility, including acquisition of real estate, together with all necessary appurtenances (\$14,270,000); acquisition and installation of electric system meters (\$1,710,000), various energy improvements including but not limited to (i) the acquisition and installation of windows and doors, and exterior renovations at Fire Station 1 (\$770,000), and (ii) the acquisition and installation of HVAC equipment and improvements of skylights at the Natatorium (\$7,890,000), procured under a single energy improvement contract, together with all necessary appurtenances thereto; public infrastructure improvements including (i) the construction, extension, opening, improving, grading, draining, excavation, lighting, curbing, signalization and traffic controls along Front Street, 2nd Street, Chestnut Boulevard, Sackett Avenue and the two new public roadways to be constructed, (ii) the construction of two new roadways, (iii) the construction and installation of sanitary sewers along Front Street, 2nd Street, Chestnut Boulevard, Sackett Avenue and the two new public roadways, and (iv) the construction and installation of sidewalks, the construction and installation of stormwater sewers, and the acquisition and installation of electrical lines, each along Front Street, 2nd Street, Chestnut Boulevard, Sackett Avenue and the two new public roadways to be constructed (\$1,480,000); and acquisition and installation of water system meters for use by the water and sanitary sewer systems, together with all necessary appurtenances (\$4,570,000). This bond issuance was offset by annual principal bond payments of \$2,404,623, recording of additional premium, and annual amortization of discounts and premiums, thereof.

The balance of outstanding financed purchases payable decreased \$288,211 in 2023, which was due to payment of scheduled principal. No new financed purchase agreements were entered into in 2023. The Elgin Sweeper and Lubrication system which was previously delayed due to production issues was received on August 28, 2023, therefore the amount of \$297,062 previously held in escrow was released and recording of the capital asset was made.

The balance of leases payable increased \$574,896 in 2023, which was primarily due to a new lease for golf carts for Brookledge Golf Course for a period of six years in the amount of \$675,252.

## City of Cuyahoga Falls, Ohio

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For 2023, the City implemented Governmental Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). Therefore, existing IT subscriptions were recorded as a restatement of liabilities as of December 31, 2022 in governmental activities and business-type activities in the amount of \$233,374, and \$134,144, respectively for a total of \$367,518. New arrangements were recorded in 2023 in governmental activities, and business-type activities in the amount of \$33,900, and \$170,533, respectively. These issuances were offset by payments of \$71,295 and \$74,501 for governmental activities, and business-type activities, respectively.

More detailed information regarding the City's financed purchases payable and long-term debt activity is available in Note 11 and Note 13 on page 105, and pages 107-109, respectively.

### **Economic Factors and Next Year's Budget**

The City of Cuyahoga Falls' elected and appointed officials consider many factors through a lengthy budget process. The economic state of the State and Nation obviously have a direct impact on municipalities. The City prioritizes each department's basic mission. The City's contracts with its various unions run through June 30, 2024 and the City is currently in negotiations with all of the unions. The City does not anticipate material changes to the agreements and anticipates wage increases and compensation packages commensurate to the market. The City's plan is to be able to forecast far enough into the future to have the ability and time to handle any financial situation that may occur. The City's management continues to closely monitor both the local economy and national economy to prepare for the 2025 budget. We continue to work with our state officials, as well as our congressional representatives to work through the many challenges we face.

The administration continues to grow revenue through investment in the City. This includes 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. Four new developments have recently been completed, The Towns at Steels Corners, The Villages at Sycamore, Pine Ledges, and Princeton Place. Developments such as these continue to add residents and grow the City. The latest census showed growth in city population bringing total population to 51,014. These added residents will be a catalyst for future economic activity. While the demand for new developments show that Cuyahoga Falls is a place where people want to be, we must continue to not lose focus on maintaining the housing that already exists. 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.

The City continues to work with companies looking to relocate or expand within its borders. To maintain City infrastructure, the City transfers 29.33 percent of net income tax dollars into the Capital Projects Fund to maintain our infrastructure. Over the past several years, the public investment in the City is paying dividends. The Portage Crossing development is approaching 10 years of continued success and show no signs of slowing down. Other businesses, such as Menards, Kyocera-SGS Precision Tools and Harbor Castings all recently invested in Cuyahoga Falls and have indicated they are glad they did. In all, the City has seen over \$250 million in estimated investment in the last few years with new projects being discussed daily. The City completed the Downtown Circulation Project in 2018, which included constructing and reopening a portion of Front Street, which had been closed to vehicular traffic as a pedestrian mall for over 40 years, and parking deck upgrades, which includes structural improvements to the three downtown parking decks (Red, Blue, and Green) which are free of charge to the public. Front Street was reopened to traffic on February 3, 2018. Downtown Cuyahoga Falls continues to be a hotbed of economic activity. In 2022, the Summit County Development Disabilities Board relocated their headquarters to our Downtown area, moving over 100 jobs into the City. New boutique stores and gift shops, restaurants, and entertainment along the Front Street Corridor attract people Downtown and as crated an opportunity for the City to invest another estimated \$4.5 million in 2023 and 2024 to revitalize South Front Street and create additional opportunity for private investment in the Downtown. As new businesses continue to open, Downtown will continue to be a place for economic prosperity.

The City received a total of \$16,495,410 from the American Rescue Plan Act. These dollars are allowing the City to continue to invest in the community. In 2022, the City entered into a grant agreement to provide \$2,000,000 to the Community Improvements Corporation of Cuyahoga Falls for the creation and operation of a revolving loan

## City of Cuyahoga Falls, Ohio

program in support of economic development and job creation within the City, and constructed a waterline on State Road in the City of Cuyahoga Falls-Boston Township JEDD in the amount of \$377,609, as well as other uses. The remainder of these dollars are being used to continue updates to the downtown by providing attractions, road rebuilds and streetscapes for continued interest from visitors as well as prospective business owners. This money will also allow the city to rebuild an aging fire station and add a state of the art fire training facility to keep the skills of our safety forces at their highest level.

In conclusion, the recording of GASB Statement No. 68 and 75 requires the reader to perform additional calculations to determine the City's total net position at December 31, 2023 without the recording of GASB Statement No. 68 and 75, regarding the State Pension Systems. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold and distributes pensions and other postemployment benefits to our employees, not the City of Cuyahoga Falls. These calculations are as follows and adjusts for the City's defined benefit single employer OPEB plan:

City of Cuyahoga Falls, Ohio - Implementation of GASB 68 and 75 effect on Net Position			
	Governmental Activities	Business-type Activities	Total
Total net position at December 31, 2023 (With GASB 68 and 75)	\$ 104,044,529	\$ 152,028,617	\$ 256,073,146
GASB 68 and 75 calculations:			
Add:			
Deferred Inflows related to pension	3,348,321	214,420	3,562,741
Deferred Inflows related to other post employment benefits (OPEB)	6,685,594	139,813	6,825,407
Less: City defined single employer OPEB Plan	(2,603,673)	-	(2,603,673)
Net pension liability	67,013,341	18,170,895	85,184,236
Net other post employment benefits (OPEB)	10,455,342	376,284	10,831,626
Less: City defined single employer OPEB Plan	(6,490,145)	-	(6,490,145)
Less:			
Deferred outflows related to pensions	(23,836,385)	(7,535,631)	(31,372,016)
Deferred outflows related to other post employment benefits (OPEB)	(4,531,167)	(1,131,488)	(5,662,655)
Plus: City defined single employer OPEB Plan	792,860	-	792,860
Net pension asset	(131,173)	(122,252)	(253,425)
Net other postemployment benefits (OPEB) asset	-	-	-
Total net position at December 31, 2023 (Without GASB 68 and 75 - State Pension Systems)	154,747,444	162,140,658	316,888,102

### 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](http://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.

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# **BASIC FINANCIAL STATEMENTS**

# City of Cuyahoga Falls, Ohio

## Statement of Net Position December 31, 2023

	Primary Government			Component Unit CIC of Cuyahoga Falls
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 50,879,920	\$ 50,001,170	\$ 100,881,090	88,625
Cash and cash equivalents - restricted accounts	-	-	-	1,963,180
Investments	15,274,446	15,706,138	30,980,584	-
Accounts receivable (net of allowance for uncollectibles)	1,430,855	9,924,688	11,355,543	-
Loans receivable	1,982,665	-	1,982,665	-
Taxes receivable	26,215,517	-	26,215,517	-
Special assessments receivable	157,399	178,115	335,514	-
Accrued interest receivable	148,155	-	148,155	-
Leases receivable	-	1,258,583	1,258,583	-
Due from other governments	4,774,913	77,754	4,852,667	-
Inventory of supplies	1,119,719	4,870,715	5,990,434	-
Prepaid items	248,467	155,437	403,904	345
Internal balances	43,962	(43,962)	-	-
Investment in joint ventures	-	791,368	791,368	-
Regulated asset	-	1,045,649	1,045,649	-
Net pension asset	131,173	122,252	253,425	-
Nondepreciable capital assets	24,004,866	24,970,455	48,975,321	55,000
Depreciable capital assets	105,875,032	110,616,925	216,491,957	-
<b>Total assets</b>	<b>232,287,089</b>	<b>219,675,287</b>	<b>451,962,376</b>	<b>2,107,150</b>
<b>Deferred Outflows of Resources</b>				
Pension	23,836,385	7,535,631	31,372,016	-
Other postemployment benefits (OPEB)	4,531,167	1,131,488	5,662,655	-
Advance refunding of debt	-	142,525	142,525	-
<b>Total deferred outflows of resources</b>	<b>28,367,552</b>	<b>8,809,644</b>	<b>37,177,196</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable	858,888	4,366,522	5,225,410	-
Accrued salaries, wages and benefits	984,400	370,809	1,355,209	-
Accrued interest payable	136,188	162,472	298,660	-
Due to other governments	1,304,661	1,847,913	3,152,574	987
Retainage payable	480,328	1,167,298	1,647,626	-
Unearned Revenue	12,513,607	66,966	12,580,573	-
Deposit held and due to others	-	1,740,363	1,740,363	-
Notes payable	2,305,000	-	2,305,000	-
Current portion of:				
Accrued compensated absences	2,324,774	-	2,324,774	-
Claims and judgments payable	572,870	-	572,870	-
Financed purchases payable	132,750	82,110	214,860	-
Leases payable	62,981	107,128	170,109	-
SBITA payable	64,583	77,765	142,348	-
Payable to AMP	-	302,235	302,235	-
Bonds payable	1,289,071	2,680,000	3,969,071	-
Environmental remediation costs	-	-	-	259,030
Long-term portion of:				
Net pension liability	67,013,341	18,170,895	85,184,236	-
Net other postemployment benefits (OPEB) liability	10,455,342	376,284	10,831,626	-
Accrued compensated absences	9,111,721	-	9,111,721	-
Financed purchases payable	135,075	83,260	218,335	-
Leases payable	-	484,436	484,436	-
SBITA payable	131,396	152,861	284,257	-
Payable to AMP	-	743,414	743,414	-
Bonds payable	19,977,287	41,918,193	61,895,480	-
<b>Total liabilities</b>	<b>129,854,263</b>	<b>74,900,924</b>	<b>204,755,187</b>	<b>260,017</b>
<b>Deferred Inflows of Resources</b>				
Revenues levied for the next year	16,721,934	-	16,721,934	-
Pension	3,348,321	214,420	3,562,741	-
Other postemployment benefits (OPEB)	6,685,594	139,813	6,825,407	-
Leases	-	1,201,157	1,201,157	-
<b>Total deferred inflows of resources</b>	<b>26,755,849</b>	<b>1,555,390</b>	<b>28,311,239</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	105,450,806	104,317,241	209,768,047	55,000
Restricted for:				
Capital projects (temporarily restricted)	11,642,018	-	11,642,018	-
Debt service (temporarily restricted)	3,516,107	-	3,516,107	-
Special revenue - Community Development Block Grant (temporarily restricted)	2,127,533	-	2,127,533	-
CIC - Community Development (temporarily restricted)	-	-	-	2,018,180
Permanent fund purpose - Cemetery Perpetual Care (permanently restricted)	253,160	-	253,160	-
Pension	240,580	224,217	464,797	-
Unrestricted	(19,185,675)	47,487,159	28,301,484	(226,047)
<b>Total net position</b>	<b>\$ 104,044,529</b>	<b>\$ 152,028,617</b>	<b>\$ 256,073,146</b>	<b>\$ 1,847,133</b>

See accompanying notes to the basic financial statements

# City of Cuyahoga Falls, Ohio

## Statement of Activities For the Year Ended December 31, 2023

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental activities:</b>				
Security of persons and property	\$ 30,737,768	\$ 863,045	\$ 471,699	\$ 425,881
Leisure time activities	5,286,794	312,808	1,675	221,783
Community environment	4,543,966	616,650	559,177	1,098,808
Street maintenance	10,695,584	1,558,122	3,241,617	2,630,143
General government	10,106,091	3,923,229	468,409	-
Interest	816,783	-	-	-
<b>Total governmental activities</b>	<b>62,186,986</b>	<b>7,273,854</b>	<b>4,742,577</b>	<b>4,376,615</b>
<b>Business-type activities:</b>				
Sewage and disposal	10,059,469	10,442,611	-	-
Water	4,704,064	6,008,883	684	557,205
Electric	43,706,033	45,055,122	2,119	82,783
Sanitation	4,440,255	4,547,415	47,772	-
Leisure time activities	6,711,871	7,119,941	-	-
Storm drainage utility	2,000,910	2,074,870	207,500	-
<b>Total business-type activities</b>	<b>71,622,602</b>	<b>75,248,842</b>	<b>258,075</b>	<b>639,988</b>
<b>Total primary government</b>	<b>\$ 133,809,588</b>	<b>\$ 82,522,696</b>	<b>\$ 5,000,652</b>	<b>\$ 5,016,603</b>
<b>Component Unit - CIC of Cuyahoga Falls</b>	<b>\$ 790,360</b>	<b>46,854</b>	<b>1,869,851</b>	<b>-</b>
<b>General revenues:</b>				
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				
<b>Change in net position</b>				
<b>Net position - beginning</b>				
<b>Net position - ending</b>				

See accompanying notes to the basic financial statements

**Statement of Activities**  
**For the Year Ended December 31, 2023**

(Continued)

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	CIC of Cuyahoga Falls	
\$ (28,977,143)	\$ -	\$ (28,977,143)	\$ -	
(4,750,528)	-	(4,750,528)	-	
(2,269,331)	-	(2,269,331)	-	
(3,265,702)	-	(3,265,702)	-	
(5,714,453)	-	(5,714,453)	-	
(816,783)	-	(816,783)	-	
(45,793,940)	-	(45,793,940)	-	
-	383,142	383,142	-	
-	1,862,708	1,862,708	-	
-	1,433,991	1,433,991	-	
-	154,932	154,932	-	
-	408,070	408,070	-	
-	281,460	281,460	-	
-	4,524,303	4,524,303	-	
(45,793,940)	4,524,303	(41,269,637)	-	
-	-	-	1,126,345	
13,619,653	-	13,619,653	-	
3,408,090	-	3,408,090	-	
20,709,041	-	20,709,041	-	
2,643,567	-	2,643,567	-	
9,691,976	-	9,691,976	-	
3,777,258	-	3,777,258	-	
5,593,922	46,827	5,640,749	47,241	
(931,820)	931,820	-	-	
58,511,687	978,647	59,490,334	47,241	
12,717,747	5,502,950	18,220,697	1,173,586	
91,326,782	146,525,667	237,852,449	673,547	
\$ 104,044,529	\$ 152,028,617	\$ 256,073,146	\$ 1,847,133	

# City of Cuyahoga Falls, Ohio

## Balance Sheet - Governmental Funds December 31, 2023

	General	Local Fiscal Recovery Special Revenue	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in pooled cash and cash equivalents	\$20,347,086	\$ 9,563,797	\$ 7,829,183	\$ 7,242,252	\$ 44,982,318
Investments	5,712,724	3,004,135	2,459,267	2,253,996	13,430,122
Receivables					
Taxes	23,660,891	-	-	2,554,626	26,215,517
Accounts (net of allowance for uncollectibles)	137,428	-	1,119,889	100,111	1,357,428
Loans	9,302	-	-	1,973,363	1,982,665
Special assessments	-	-	157,399	-	157,399
Accrued interest	148,155	-	-	-	148,155
Due from other funds	46,360	-	-	40,000	86,360
Due from other governments	2,658,883	-	262,434	1,814,459	4,735,776
Inventory of supplies	158,792	-	-	797,645	956,437
Prepaid items	209,867	-	-	37,172	247,039
<b>Total assets</b>	<b>\$53,089,488</b>	<b>\$12,567,932</b>	<b>\$11,828,172</b>	<b>\$ 16,813,624</b>	<b>\$ 94,299,216</b>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 175,656	\$ 52,793	\$ 515,972	\$ 41,122	\$ 785,543
Accrued salaries, wages and benefits	885,666	-	-	75,005	960,671
Retainage payable	-	-	472,344	7,984	480,328
Unearned revenue	-	12,513,607	-	-	12,513,607
Due to other funds	78,140	-	1,188	10,102	89,430
Due to other governments	602,645	-	54,191	617,869	1,274,705
General obligation notes payable	-	-	1,050,000	1,255,000	2,305,000
<b>Total liabilities</b>	<b>1,742,107</b>	<b>12,566,400</b>	<b>2,093,695</b>	<b>2,007,082</b>	<b>18,409,284</b>
<b>Deferred Inflows of Resources</b>					
Revenues levied for the next year and unavailable revenue	20,844,382	-	1,042,333	3,436,072	25,322,787
<b>Fund Balances</b>					
Nonspendable	368,659	-	-	1,087,977	1,456,636
Restricted	9,302	1,532	8,249,002	11,534,070	19,793,906
Committed	-	-	443,142	1,728	444,870
Assigned	536,416	-	-	-	536,416
Unassigned	29,588,622	-	-	(1,253,305)	28,335,317
<b>Total fund balances</b>	<b>30,502,999</b>	<b>1,532</b>	<b>8,692,144</b>	<b>11,370,470</b>	<b>50,567,145</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$53,089,488</b>	<b>\$12,567,932</b>	<b>\$11,828,172</b>	<b>\$ 16,813,624</b>	<b>\$ 94,299,216</b>

See accompanying notes to the basic financial statements

**Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities  
December 31, 2023**

**Total Governmental Fund Balances** \$ 50,567,145

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	\$ 23,982,906	
Depreciable capital assets	<u>105,766,578</u>	129,749,484

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

Investment earnings	26,953	
Delinquent property taxes	354,080	
Grants and entitlements	2,515,292	
Municipal income tax	3,876,760	
Special assessments	157,399	
Charges for services	<u>1,670,369</u>	8,600,853

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:

(12,859,087)

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

Deferred outflows - pension	23,375,563	
Deferred inflows - pension	(3,335,208)	
Net pension liability	(65,902,144)	
Net pension asset	<u>123,697</u>	(45,738,092)

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

Deferred outflows - other post employment benefits	3,669,114	
Deferred inflows - other post employment benefits	(4,073,371)	
Net other post employment benefits liability	<u>(3,942,186)</u>	(4,346,443)

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

Accrued interest payable	(136,188)	
Unamortized bond premium	(797,035)	
Unamortized bond discount	12,220	
Financed purchases payable	(267,825)	
Bonds Payable	(20,481,543)	
Leases Payable	(62,981)	
SBITA Payable	<u>(195,979)</u>	(21,929,331)

**Total Governmental Activities Net Position** \$ 104,044,529

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, 2023

	General	Local Fiscal Recovery Special Revenue	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 11,099,015	\$ -	\$ -	\$ 640,328	\$ 11,739,343
Municipal income taxes	21,095,488	-	9,164,640	2,499,732	32,759,860
Other local taxes	2,454,558	-	-	2,758,070	5,212,628
State levied shared taxes	3,261,490	-	-	3,781,379	7,042,869
Intergovernmental	631,348	1,082,940	2,189,563	1,523,253	5,427,104
Charges for services	952,935	-	1,448,900	860	2,402,695
Fees, licenses and permits	163,650	-	-	426,051	589,701
Interest earnings	5,451,582	-	-	55,089	5,506,671
Fines and forfeitures	163,448	-	-	27,018	190,466
Special assessments	-	-	100,713	-	100,713
Other	1,216,282	-	2,436,689	76,316	3,729,287
<b>Total revenues</b>	<b>46,489,796</b>	<b>1,082,940</b>	<b>15,340,505</b>	<b>11,788,096</b>	<b>74,701,337</b>
<b>Expenditures</b>					
<b>Current</b>					
Security of persons and property	22,733,498	-	-	3,103,041	25,836,539
Leisure time activities	3,383,922	-	-	2,344,987	5,728,909
Community environment	1,541,071	-	-	3,627,286	5,168,357
Street maintenance	-	-	-	3,837,323	3,837,323
General government	7,151,922	1,082,940	-	59,909	8,294,771
Capital outlay	-	-	14,239,096	222,498	14,461,594
<b>Debt Service</b>					
Principal	-	-	130,468	939,623	1,070,091
Interest	-	-	164,191	693,172	857,363
<b>Total expenditures</b>	<b>34,810,413</b>	<b>1,082,940</b>	<b>14,533,755</b>	<b>14,827,839</b>	<b>65,254,947</b>
<b>Excess (deficiency) of revenues</b>					
Over (under) expenditures	11,679,383	-	806,750	(3,039,743)	9,446,390
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	-	-	4,630,000	-	4,630,000
Premium on debt issuance	-	-	12,317	321,613	333,930
Issuance of lease	137,231	-	-	-	137,231
Issuance of subscription based information technology arrangements	33,900	-	-	-	33,900
Transfers in	-	-	-	7,498,656	7,498,656
Transfers out	(7,498,656)	-	-	-	(7,498,656)
<b>Total other financing sources</b>	<b>(7,327,525)</b>	<b>-</b>	<b>4,642,317</b>	<b>7,820,269</b>	<b>5,135,061</b>
<b>Net change in fund balances</b>	<b>4,351,858</b>	<b>-</b>	<b>5,449,067</b>	<b>4,780,526</b>	<b>14,581,451</b>
Fund balance at beginning of year	26,092,048	1,532	3,243,077	6,493,813	35,830,470
Change in nonspendable inventory	62,528	-	-	94,936	157,464
Change in nonspendable prepaid items	(3,435)	-	-	1,195	(2,240)
<b>Fund balance at end of year</b>	<b>\$ 30,502,999</b>	<b>\$ 1,532</b>	<b>\$ 8,692,144</b>	<b>\$ 11,370,470</b>	<b>\$ 50,567,145</b>

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, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ 14,581,451

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

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

Capital additions	\$ 11,822,713	
Current year depreciation	<u>(6,775,954)</u>	5,046,759

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. (371,692)

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. 155,224

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

Investment earnings	5,349	
Delinquent property taxes	68,311	
Grants and entitlements	167,560	
Municipal income tax	284,724	
Special assessments	64,027	
Charges for services	<u>457,602</u>	1,047,573

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred inflows/outflows. 25,692,029

Contractually required other post employment benefits (OPEB) contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred inflows/outflows. 1,068,123

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (29,830,249)

Except for amounts reported as deferred inflows/outflows, changes in the net other post employment benefits (OPEB) liability are reported as pension expense in the statement of activities. (475,012)

Repayment of bond principal, financed purchases, lease and SBITA payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,215,636

Issuance of long-term debt and related premium, leases, and SBITA in governmental funds increased long-term liabilities in the statement of net position. (5,135,061)

In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds an interest expenditure is reported when due. (11,010)

Premiums and discounts on bonds issued are recognized as revenues and expenses, respectively in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities. 59,338

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. (325,362)

**Change in Net Position of Governmental Activities** \$ 12,717,747

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 11,149,823	\$ 11,086,775	\$ 11,099,015	\$ 12,240
Municipal income taxes	18,245,601	20,899,465	20,901,073	1,608
Other local taxes	2,588,681	2,453,881	2,453,121	(760)
State levied shared taxes	3,393,620	3,276,102	3,277,336	1,234
Intergovernmental	328,429	595,754	614,783	19,029
Charges for services	3,969,523	3,901,923	3,925,088	23,165
Fees, licenses, and permits	153,410	180,110	168,376	(11,734)
Interest earnings	2,150,000	4,555,000	4,566,729	11,729
Fines and forfeitures	191,300	152,000	161,753	9,753
Other	856,081	1,092,788	1,130,766	37,978
<b>Total revenues</b>	<b>43,026,468</b>	<b>48,193,798</b>	<b>48,298,040</b>	<b>104,242</b>
<b>Expenditures</b>				
<b>Current</b>				
Security of persons and property	23,112,991	23,127,519	22,539,072	588,447
Leisure time activities	3,937,833	3,937,833	3,685,393	252,440
Community environment	1,705,242	1,705,242	1,625,912	79,330
General government	10,488,474	10,824,658	10,243,087	581,571
<b>Total expenditures</b>	<b>39,244,540</b>	<b>39,595,252</b>	<b>38,093,464</b>	<b>1,501,788</b>
Excess (deficiency) of revenues over (under) expenditures	3,781,928	8,598,546	10,204,576	1,606,030
<b>Other Financing (Uses)</b>				
Transfers out	(5,150,000)	(7,498,657)	(7,498,656)	1
<b>Total other financing (uses)</b>	<b>(5,150,000)</b>	<b>(7,498,657)</b>	<b>(7,498,656)</b>	<b>1</b>
Net change in fund balances	(1,368,072)	1,099,889	2,705,920	1,606,031
Fund balance at beginning of year	22,754,134	22,754,134	22,754,134	-
Prior year encumbrances appropriated	308,657	308,657	308,657	-
<b>Fund balance at end of year</b>	<b>\$ 21,694,719</b>	<b>\$ 24,162,680</b>	<b>\$ 25,768,711</b>	<b>\$ 1,606,031</b>

See accompanying notes to the basic financial statements

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Local Fiscal Recovery Fund  
For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures</b>				
Current				
General government	12,556,800	12,556,800	2,845,054	9,711,746
Total expenditures	12,556,800	12,556,800	2,845,054	9,711,746
Excess (deficiency) of revenues over (under) expenditures	(12,556,800)	(12,556,800)	(2,845,054)	9,711,746
<b>Net change in fund balances</b>	(12,556,800)	(12,556,800)	(2,845,054)	9,711,746
Fund balance at beginning of year	13,716,168	13,716,168	13,716,168	-
Prior year encumbrances appropriated	10,800	10,800	10,800	-
Fund balance at end of year	<u>\$ 1,170,168</u>	<u>\$ 1,170,168</u>	<u>\$ 10,881,914</u>	<u>\$ 9,711,746</u>

# City of Cuyahoga Falls, Ohio

## Statement of Net Position - Proprietary Funds December 31, 2023

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
<b>Assets</b>							
<b>Current Assets</b>							
Equity in pooled cash and cash equivalents	\$ 6,863,278	\$ 7,609,426	\$ 25,176,201	\$ 1,359,299	\$ 7,522,031	\$ 1,470,935	\$ 50,001,170
Investments	2,155,861	2,390,237	7,908,232	426,977	2,362,786	462,045	15,706,138
Receivables							
Accounts							
(net of allowance for uncollectibles)	1,287,313	737,780	7,345,302	349,453	70,231	134,609	9,924,688
Special assessments	26,998	33,543	-	-	-	117,574	178,115
Leases	-	1,050,979	148,805	-	58,799	-	1,258,583
Due from other funds	75,668	-	344,250	13,662	-	19,217	452,797
Due from other governments	77,754	-	-	-	-	-	77,754
Inventory of supplies	34,937	734,748	3,787,143	221,453	92,434	-	4,870,715
Prepaid items	13,676	19,184	39,542	30,763	42,077	10,195	155,437
Investment in joint ventures	-	-	791,368	-	-	-	791,368
Total current assets	10,535,485	12,575,897	45,540,843	2,401,607	10,148,358	2,214,575	83,416,765
<b>Noncurrent Assets</b>							
Net pension asset	9,351	18,145	46,301	13,508	29,017	5,930	122,252
Regulated asset	-	-	1,045,649	-	-	-	1,045,649
Capital Assets							
Land	93,459	135,605	855,655	152,781	1,787,907	1,058,872	4,084,279
Buildings	525,330	1,299,284	1,070,762	406,686	39,379,680	11,700	42,693,442
Improvements other than buildings	34,108,772	41,020,752	56,822,347	257,918	5,350,125	17,988,634	155,548,548
Equipment	1,602,779	2,428,781	8,536,486	7,164,466	1,069,373	1,416,352	22,218,237
CIP	1,207,395	4,920,994	13,165,473	-	547,905	1,044,409	20,886,176
Intangible right-to-use leased equipment	-	-	-	-	675,252	-	675,252
Intangible right-to-use SBITA	54,322	90,724	127,191	7,903	-	24,537	304,677
Less: Accumulated depreciation	(19,344,196)	(23,582,412)	(38,668,381)	(4,028,606)	(19,903,681)	(5,295,955)	(110,823,231)
Total noncurrent assets	18,257,212	26,331,873	43,001,483	3,974,656	28,935,578	16,254,479	136,755,281
Total assets	28,792,697	38,907,770	88,542,326	6,376,263	39,083,936	18,469,054	220,172,046
<b>Deferred Outflows of Resources</b>							
Pension	576,420	1,118,472	2,853,979	832,606	1,788,619	365,535	7,535,631
Other postemployment benefits (OPEB)	86,550	167,942	428,530	125,017	268,564	54,885	1,131,488
Advance refunding of debt	-	-	-	-	142,525	-	142,525
Total deferred outflows of resources	662,970	1,286,414	3,282,509	957,623	2,199,708	420,420	8,809,644
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Accounts payable	44,902	216,996	3,823,726	90,400	88,775	101,723	4,366,522
Accrued salaries, wages and benefits	31,016	59,544	147,422	49,773	70,132	12,922	370,809
Accrued compensated absences	-	-	-	-	-	-	-
Accrued interest payable	19,167	17,889	75,672	-	49,744	-	162,472
Retainage payable	3,389	54,321	1,063,343	-	-	46,245	1,167,298
Unearned revenue	-	-	-	-	66,966	-	66,966
Due to other funds	47,140	201,829	5,127	30,443	162,601	-	447,140
Due to other governments	1,605,378	52,581	105,494	29,116	52,476	2,868	1,847,913
Deposits held and due to others	-	-	1,465,488	274,875	-	-	1,740,363
Claims and judgments payable	-	-	-	-	-	-	-
Financed purchases payable	27,370	27,370	-	-	-	27,370	82,110
Leases Payable	-	-	-	-	107,128	-	107,128
SBITA Payable	14,567	26,682	26,821	1,906	-	7,789	77,765
Payable to American Municipal Power	-	-	302,235	-	-	-	302,235
General obligation bonds payable	380,000	400,000	855,000	-	1,045,000	-	2,680,000
Total current liabilities	2,172,929	1,057,212	7,870,328	476,513	1,642,822	198,917	13,418,721
<b>Noncurrent Liabilities</b>							
Net pension liability	1,389,938	2,697,007	6,881,887	2,007,688	4,312,951	881,424	18,170,895
Net other postemployment benefits (OPEB) liability	28,783	55,850	142,510	41,575	89,313	18,253	376,284
Accrued compensated absences	-	-	-	-	-	-	-
Financed purchases payable	27,753	27,753	-	-	-	27,754	83,260
Leases Payable	-	-	-	-	484,436	-	484,436
SBITA Payable	25,873	38,993	74,329	4,146	-	9,520	152,861
Payable to American Municipal Power	-	-	743,414	-	-	-	743,414
General obligation bonds payable	4,217,252	5,101,197	19,336,946	-	13,262,798	-	41,918,193
Total noncurrent liabilities	5,689,599	7,920,800	27,179,086	2,053,409	18,149,498	936,951	61,929,343
Total liabilities	7,862,528	8,978,012	35,049,414	2,529,922	19,792,320	1,135,868	75,348,064
<b>Deferred Inflows of Resources</b>							
Pension	16,401	31,825	81,208	23,691	50,894	10,401	214,420
Other postemployment benefits (OPEB)	10,695	20,752	52,951	15,448	33,185	6,782	139,813
Leases	-	994,454	149,499	-	57,204	-	1,201,157
Total deferred inflows of resources	27,096	1,047,031	283,658	39,139	141,283	17,183	1,555,390
<b>Net Position</b>							
Net investment in capital assets	16,542,259	23,552,752	24,205,559	3,955,096	20,031,610	16,029,965	104,317,241
Restricted - Pension	17,151	33,279	84,918	24,774	53,219	10,876	224,217
Unrestricted	5,006,633	6,583,110	32,201,286	784,955	1,265,212	1,695,582	47,536,778
Total net position	\$ 21,566,043	\$ 30,169,141	\$ 56,491,763	\$ 4,764,825	\$ 21,350,041	\$ 17,736,423	\$ 152,078,236
Adjustment to consolidate the internal service fund activities related to enterprise funds.							(49,619)
Total net position of business-type activities							\$ 152,028,617

See accompanying notes to the basic financial statements

Statement of Net Position - Proprietary Funds  
December 31, 2023

(Continued)

	Governmental Activities - Internal Service Funds
<b>Assets</b>	
<b>Current Assets</b>	
Equity in pooled cash and cash equivalents	\$ 5,897,602
Investments	1,844,324
Receivables	
Accounts	
(net of allowance for uncollectibles)	73,427
Special assessments	-
Leases	-
Due from other funds	-
Due from other governments	39,137
Inventory of supplies	163,282
Prepaid items	1,428
Investment in joint ventures	-
Total current assets	<u>8,019,200</u>
<b>Noncurrent Assets</b>	
Net pension asset	7,476
Regulated asset	-
Capital Assets	
Land	21,960
Buildings	113,503
Improvements other than buildings	260,029
Equipment	321,977
CIP	-
Intangible right-to-use leased equipment	-
Intangible right-to-use SBITA	-
Less: Accumulated depreciation	<u>(587,055)</u>
Total noncurrent assets	<u>137,890</u>
Total assets	<u>8,157,090</u>
<b>Deferred Outflows of Resources</b>	
Pension	460,822
Other postemployment benefits (OPEB)	862,053
Advance refunding of debt	-
Total deferred outflows of resources	<u>1,322,875</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	73,345
Accrued salaries, wages and benefits	23,729
Accrued compensated absences	2,324,774
Accrued interest payable	-
Retainage payable	-
Unearned revenue	-
Due to other funds	2,587
Due to other governments	29,956
Deposits held and due to others	-
Claims and judgments payable	572,870
Financed purchases payable	-
Leases Payable	-
SBITA Payable	-
Payable to American Municipal Power	-
General obligation bonds payable	-
Total current liabilities	<u>3,027,261</u>
<b>Noncurrent Liabilities</b>	
Net pension liability	1,111,197
Net other postemployment benefits (OPEB) liability	6,513,156
Accrued compensated absences	9,111,721
Financed purchases payable	-
Leases Payable	-
SBITA Payable	-
Payable to American Municipal Power	-
General obligation bonds payable	-
Total noncurrent liabilities	<u>16,736,074</u>
Total liabilities	<u>19,763,335</u>
<b>Deferred Inflows of Resources</b>	
Pension	13,113
Other postemployment benefits (OPEB)	2,612,223
Leases	-
Total deferred inflows of resources	<u>2,625,336</u>
<b>Net Position</b>	
Net investment in capital assets	130,414
Restricted - Pension	13,712
Unrestricted	<u>(13,052,832)</u>
Total net position	<u>\$ (12,908,706)</u>

# City of Cuyahoga Falls, Ohio

## Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
<b>Operating Revenues</b>							
Charges for services	\$ 10,232,487	\$ 5,559,532	\$ 44,868,244	\$ 4,397,993	\$ 5,731,711	\$ 1,997,831	\$ 72,787,798
Leases	-	80,748	31,642	-	75,968	-	\$ 188,358
Other	308,429	368,603	707,054	169,760	1,312,262	114,321	2,980,429
Total operating revenues	10,540,916	6,008,883	45,606,940	4,567,753	7,119,941	2,112,152	75,956,585
<b>Operating Expenses</b>							
Personal services	780,465	1,519,719	3,837,456	1,137,463	2,434,535	497,061	10,206,699
Fringe benefits	330,708	642,363	1,509,993	548,999	538,473	252,489	3,823,025
Purchased power	-	-	26,789,476	-	-	-	26,789,476
Materials and supplies	46,426	531,372	5,269,427	154,075	354,944	67,661	6,423,905
Utilities	46,648	346,510	57,427	30,839	224,228	1,050	706,702
Contractual services	7,352,189	179,723	510,273	883,950	55,166	482,259	9,463,560
Internal charges	291,413	318,993	1,222,396	854,806	576,587	82,047	3,346,242
Other	290,210	555,581	1,764,879	139,070	1,027,943	168,359	3,946,042
Depreciation	851,813	987,193	2,279,624	603,370	1,249,038	452,853	6,423,891
Total Operating Expenses	9,989,872	5,081,454	43,240,951	4,352,572	6,460,914	2,003,779	71,129,542
Net income (loss) from operations	551,044	927,429	2,365,989	215,181	659,027	108,373	4,827,043
<b>Nonoperating Revenues (Expenses)</b>							
Interest revenue	-	35,261	7,258	-	4,308	-	46,827
Interest expense	(107,211)	(127,105)	(288,775)	(237)	(266,856)	(2,728)	(792,912)
Gain (loss) from disposal of capital assets	4,143	-	(163,191)	(13,974)	(87,791)	-	(260,813)
Grants	-	684	2,119	47,772	-	207,500	258,075
Total nonoperating revenues (expenses)	(103,068)	(91,160)	(442,589)	33,561	(350,339)	204,772	(748,823)
Income (loss) before contributions and transfers	447,976	836,269	1,923,400	248,742	308,688	313,145	4,078,220
Capital Contributions	-	557,205	82,783	-	932,391	-	1,572,379
Changes in net position	447,976	1,393,474	2,006,183	248,742	1,241,079	313,145	5,650,599
Total net position - beginning	21,118,067	28,775,667	54,485,580	4,516,083	20,108,962	17,423,278	
Total net position - ending	\$ 21,566,043	\$ 30,169,141	\$ 56,491,763	\$ 4,764,825	\$ 21,350,041	\$ 17,736,423	
Adjustment to consolidate the internal service fund activities related to enterprise funds.							(147,649)
Change in net position of business-type activities							\$ 5,502,950

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, 2023

(Continued)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 10,365,993
Leases	-
Other	554,972
Total operating revenues	10,920,965
<b>Operating Expenses</b>	
Personal services	2,099,924
Fringe benefits	7,375,796
Purchased power	-
Materials and supplies	1,457,161
Utilities	13,538
Contractual services	92,860
Internal charges	156,371
Other	267,111
Depreciation	13,118
Total Operating Expenses	11,475,879
Net income (loss) from operations	(554,914)
<b>Nonoperating Revenues (Expenses)</b>	
Interest revenue	81,903
Interest expense	-
Gain (loss) from disposal of capital assets	-
Grants	-
Total nonoperating revenues (expenses)	81,903
Income (loss) before contributions and transfers	(473,011)
<b>Capital Contributions</b>	
Changes in net position	(473,011)
Total net position - beginning	(12,435,695)
Total net position - ending	\$ (12,908,706)

# City of Cuyahoga Falls, Ohio

## Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
<b>Cash Flows From Operating Activities</b>							
Cash received from customers	\$ 10,562,226	\$ 6,071,939	\$ 46,374,907	\$ 4,680,541	\$ 7,148,636	\$ 2,105,314	\$ 76,943,563
Cash payments to employees for services	(779,160)	(1,517,894)	(3,826,585)	(1,133,682)	(2,430,473)	(493,710)	(10,181,504)
Cash payments to employees for benefits	(303,735)	(569,373)	(1,363,517)	(438,257)	(608,128)	(184,633)	(3,467,643)
Cash payments to suppliers for goods and services	(8,414,691)	(2,152,422)	(37,251,217)	(2,157,901)	(2,467,322)	(856,351)	(53,299,904)
Net cash provided by operating activities	1,064,640	1,832,250	3,933,588	950,701	1,642,713	570,620	9,994,512
<b>Cash Flows From Non-Capital Financing Activities</b>							
Grant proceeds	-	684	2,119	47,772	-	207,500	258,075
Net cash provided by non-capital financing activities	-	684	2,119	47,772	-	207,500	258,075
<b>Cash Flows From Capital and Related Financing Activities</b>							
Acquisition of capital assets	(336,530)	(2,894,442)	(12,585,156)	(1,014,756)	(2,116,856)	(1,103,768)	(20,051,508)
Grant proceeds	-	987,638	82,783	-	-	-	1,070,421
Proceeds from the sale of capital assets	8,950	-	-	6,175	-	-	15,125
Bond/note proceeds	2,462,252	2,462,252	17,136,946	-	8,456,463	-	30,517,913
Debt service							
Principal	(242,581)	(267,581)	(280,000)	-	(780,000)	(52,581)	(1,622,743)
Interest	(96,932)	(124,273)	(219,265)	-	(274,988)	(1,991)	(717,449)
Net cash provided by (used in) capital and related financing activities	1,795,159	163,594	4,135,308	(1,008,581)	5,284,619	(1,158,340)	9,211,759
<b>Cash Flows from Investing Activities</b>							
Interest revenue	-	-	-	-	-	-	-
Sale of investments	1,839,593	2,390,274	7,470,691	536,521	883,304	690,879	13,811,262
Purchase of investments	(2,155,861)	(2,390,237)	(7,908,232)	(426,977)	(2,362,786)	(462,045)	(15,706,138)
Net cash provided by (used in) investing activities	(316,268)	37	(437,541)	109,544	(1,479,482)	228,834	(1,894,876)
Net increase (decrease) in cash and cash equivalents	2,543,531	1,996,565	7,633,474	99,436	5,447,850	(151,386)	17,569,470
Cash and cash equivalents at Beginning of Year	4,319,747	5,612,861	17,542,727	1,259,863	2,074,181	1,622,321	32,431,700
Cash and cash equivalents at end of year	\$ 6,863,278	\$ 7,609,426	\$ 25,176,201	\$ 1,359,299	\$ 7,522,031	\$ 1,470,935	\$ 50,001,170

See accompanying notes to the basic financial statements

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended December 31, 2023**

(Continued)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash Flows From Operating Activities</b>	
Cash received from customers	\$ 10,927,067
Cash payments to employees for services	(1,471,342)
Cash payments to employees for benefits	(8,063,532)
Cash payments to suppliers for goods and services	<u>(1,882,706)</u>
Net cash provided by operating activities	(490,513)
<b>Cash Flows From Non-Capital Financing Activities</b>	
Grant proceeds	<u>-</u>
Net cash provided by non-capital financing activities	-
<b>Cash Flows From Capital and Related Financing Activities</b>	
Acquisition of capital assets	-
Grant Proceeds	-
Proceeds from the sale of capital assets	-
Bond/note proceeds	-
Debt service	-
Principal	-
Interest	<u>-</u>
Net cash provided by capital and related financing activities	-
<b>Cash Flows from Investing Activities</b>	
Interest revenue	81,903
Sale of investments	2,415,663
Purchase of investments	<u>(1,844,324)</u>
Net cash provided by (used in) investing activities	<u>653,242</u>
Net increase (decrease) in cash and cash equivalents	162,729
Cash and cash equivalents at Beginning of Year	<u>5,734,873</u>
Cash and cash equivalents at end of year	<u>\$ 5,897,602</u>



# City of Cuyahoga Falls, Ohio

## Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2023

(Continued)

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
<b>Reconciliation of Operating Income</b>							
<b>(Loss) to Net cash provided by</b>							
<b>Operating Activities</b>							
<b>Operating Income (Loss)</b>	\$ 551,044	\$ 927,429	\$ 2,365,989	\$ 215,181	\$ 659,027	\$ 108,373	\$ 4,827,043
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	851,813	987,193	2,279,624	603,370	1,249,038	452,853	6,423,891
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:							
Receivables	(119,098)	12,935	(223,105)	40,444	65,425	(34,513)	(257,912)
Due from other funds	(9,331)	-	86,601	(2,871)	-	310	74,709
Due from other governments	(1,313)	-	-	-	20,643	-	19,330
Inventory of supplies	(2,533)	(91,253)	(678,051)	19,057	43	-	(752,737)
Prepaid items	(1,182)	(1,325)	(1,654)	(482)	782	(3,045)	(6,906)
Investment in joint ventures	-	-	313,498	-	-	-	313,498
Deferred outflows of resources - pension	(385,289)	(752,696)	(1,909,658)	(574,502)	(1,157,012)	(257,348)	(5,036,505)
Deferred outflows of resources - OPEB	(84,826)	(164,643)	(420,013)	(122,689)	(262,867)	(53,910)	(1,108,948)
Accounts payable							
- net of items affecting capital assets	(27,645)	45,977	(566,353)	(32,216)	(171,777)	(23,234)	(775,248)
Accrued salaries, wages and benefits	1,378	2,018	8,547	3,921	4,782	3,473	24,119
Due to other funds	(17,085)	(22,783)	1,340	(14,935)	(58,222)	-	(111,685)
Due to other governments	(187,216)	3,003	14,268	3,152	1,001	(886)	(166,678)
Deposits held and due to others	-	-	60,730	8,490	-	-	69,220
Claims and judgments payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	13,744	-	13,744
Deferred inflows of resources - pension	(511,836)	(979,088)	(2,528,655)	(689,643)	(1,694,710)	(288,602)	(6,692,534)
Deferred inflows of resources - OPEB	(145,916)	(278,961)	(720,814)	(196,039)	(484,347)	(81,865)	(1,907,942)
Deferred inflows of resources - Leases	-	(100,931)	136,514	-	(71,117)	-	(35,534)
Net pension liability	978,820	1,909,981	4,850,574	1,451,632	2,956,261	648,079	12,795,347
Net OPEB liability	174,855	335,394	864,206	238,831	572,019	100,935	2,286,240
<b>Total adjustments</b>	<b>513,596</b>	<b>904,821</b>	<b>1,567,599</b>	<b>735,520</b>	<b>983,686</b>	<b>462,247</b>	<b>5,167,469</b>
Net cash provided by (used in)							
operating activities	\$ 1,064,640	\$ 1,832,250	\$ 3,933,588	\$ 950,701	\$ 1,642,713	\$ 570,620	\$ 9,994,512

During 2023, the Leisure Time Enterprise Fund received contributions in the form of capital assets - buildings, improvements other than buildings, and equipment from the Recreation Levy and Community Development Block Grant Special Revenue Funds in the amount of \$663,490, and 268,901, respectively.

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended December 31, 2023**

(Continued)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Reconciliation of Operating Income</b>	
<b>(Loss) to Net cash provided by Operating Activities</b>	
<b>Operating Income (Loss)</b>	\$ (554,914)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	13,118
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:	
Receivables	33,979
Due from other funds	-
Due from other governments	(27,877)
Inventory of supplies	134,656
Prepaid items	(148)
Investment in joint ventures	-
Deferred outflows of resources - pension	(314,511)
Deferred outflows of resources - OPEB	161,048
Accounts payable	
- net of items affecting capital assets	(30,085)
Accrued salaries, wages and benefits	628,687
Due to other funds	(193)
Due to other governments	(944)
Deposits held and due to others	-
Claims and judgments payable	(62,007)
Unearned revenue	-
Deferred inflows of resources - pension	(391,252)
Deferred inflows of resources - OPEB	(1,029,873)
Deferred inflows of resources - Leases	-
Net pension liability	796,170
Net OPEB liability	153,633
<b>Total adjustments</b>	<b>64,401</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (490,513)</b>

# City of Cuyahoga Falls, Ohio

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## Statement of Fiduciary Net Position - Custodial Funds December 31, 2023

	<u>Custodial Funds</u>
<b>Assets</b>	
Equity in pooled cash and cash equivalents	\$ 35,957
Investments	11,294
Income taxes receivable	57,681
Due from other governments	4,939
Total assets	<u>109,871</u>
<b>Liabilities</b>	
Due to other governments	95,964
Total liabilities	<u>95,964</u>
<b>Net Position</b>	
Restricted for:	
Individuals, organizations, and other governments	13,907
	<u>\$ 13,907</u>

See accompanying notes to the basic financial statements

**Statement of Changes in Fiduciary Net Position -  
Custodial Funds  
For the Year Ended December 31, 2023**

	<b>Custodial Funds</b>
<b>Additions</b>	
Court receipts	\$ 123,078
Income taxes	281,134
Other	5,320
Total additions	409,532
<b>Deductions</b>	
Court disbursements	109,171
Income tax disbursements, Boston Township	109,003
Income tax disbursements, City of Cuyahoga Falls	163,503
Contractual services	13,948
Total deductions	395,625
Net increase (decrease) in Fiduciary Net Position	13,907
Total net position - beginning	-
Total net position - ending	\$ 13,907

**NOTES TO THE FINANCIAL  
STATEMENTS**

**Notes to the Financial Statements  
December 31, 2023**

**NOTE 1 – REPORTING ENTITY**

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

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

The accompanying financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by Statement No. 61, The Financial Reporting Entity: Omnibus, and Statement No. 39, Determining Whether Certain Organizations are Component Units, in that the financial statements include those activities and functions in which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and either (1) the City’s ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City. In addition, certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. Based on this criteria, the City has one component unit.

Component unit – The Community Improvement Corporation of Cuyahoga Falls (CIC) is a not for profit corporation to advance, encourage, and promote the industrial, commercial, civic, and economic development of Cuyahoga Falls, Ohio, under the applicable sections of the Ohio Revised Code. The City has assumed a financial burden to the component unit by permitting the CIC to keep proceeds from the sale of City property for their operations, funding environmental remediation costs, and passing through ARPA grant funding for a small business lending program, of which the interest earned on the revolving loan money market account is permitted to be used for administrative and operational expenses of the Corporation. Since this funding represents a significant portion of CIC revenue, the organization is fiscally dependent on the City. Also, the majority of the CIC’s board is appointed by the City. The City has chosen the discrete method of presentation of CIC because it provides services to the primary government and the citizens of the City as opposed to only the primary government. The discrete method of presentation requires component unit data to be reported together with, but separately from the data of the primary government in the government-wide financial statements. Complete financial statement for the CIC may be obtained at the entity’s administrative offices, 2310 Second Street, Cuyahoga Falls, Ohio 44221.

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

## City of Cuyahoga Falls, Ohio

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. Basis of Presentation

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

##### **Government-wide Financial Statements**

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component unit. Interfund activity, and related interfund receivables and payables, have been eliminated in the government-wide statements. These eliminations remove the duplicating effect on assets, liabilities, revenues and expenses that would otherwise occur. Internal service fund balances, whether positive or negative, have been eliminated against governmental activity program expenses shown in the statement of activities. Other activities from interfund services provided and used are not eliminated in the process of consolidation.

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

##### **Fund Financial Statements**

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

#### B. Fund Accounting

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

##### **Governmental Funds**

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**General Fund**

This fund accounts for all financial resources of the City except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Cuyahoga Falls and/or the general laws of Ohio. In addition, Municipal Income Tax Fund activity has been blended with the General Fund for financial reporting, and is not separately reported.

**Local Fiscal Recovery Special Revenue Fund**

To account for American Rescue Plan Act grant revenue which is restricted for use according to Federal Guidelines.

**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**

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Internal Service Funds**

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

#### **Fiduciary Funds**

Fiduciary Fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The City has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's custodial funds account for money received by the City for money on deposit with the Cuyahoga Falls Mayor's Court for State cases fines and forfeitures, and activity of the Boston Township-City of Cuyahoga Falls Joint Economic Development District.

#### **C. Measurement Focus**

##### **Government-wide Financial Statements**

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

##### **Fund Financial Statements**

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

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

#### **D. Basis of Accounting**

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues - Exchange and Non-exchange Transactions**

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

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

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

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

**Expenses/Expenditures**

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

**Budgetary Data**

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

All funds other than custodial funds are legally required to be budgeted. 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 20<sup>th</sup> for all subdivisions excluding school districts, which file their form on or before January 20<sup>th</sup>. 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

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Levies inside and outside ten mill limitation, inclusive of debt levies.

Detailed statement of fund activity for the General Fund and any other fund that receives property tax.

Aggregate statement of fund activity for all other budgeted funds.

Unvoted general obligation debt.

Voted debt outside ten mill limit.

Tax anticipation notes.

#### Estimated Resources

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

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

#### Appropriations

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

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

The amounts reported as the original budgeted amounts reflect the original Appropriation Ordinance. The amounts reported as the final budgeted amounts represent the final Appropriation Ordinance, including all amendments and modifications passed by City Council in December 2023.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Lapsing of Appropriations

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

Encumbrances

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

**Equity in Pooled Cash and Cash Equivalents and Investments**

Cash balances of the City’s funds are pooled and invested in investments in order to provide improved cash management. These investments consist of State Treasury Asset Reserve of Ohio (STAR Ohio), and other government securities.

Investments maturing within three months of purchase and investments of the pool are included in “Equity in Pooled Cash and Cash Equivalents.” For purposes of the statements of cash flows, cash and cash equivalents consist of cash and highly liquid short-term investments with original maturities of three months or less.

The City’s investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For 2023, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Invested monies are stated at fair value, with the exception of participating interest-earning contracts that have a remaining maturity at time of purchase of one year or less, which are reported at amortized cost. For reporting purposes, interest earned by the cash and investment pool has been reported as interest income by the General Fund in accordance with Ohio Revised Code, with the exception of the Debt Service Fund, Federal Law Enforcement Fund, Cemetery Perpetual Care Permanent Fund and Worker’s Compensation Internal Service Fund. Based on Ordinance 122-1992, interest generated by the Workers’ Compensation fund balance is to remain with the fund.

**Inventory of Supplies**

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

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

# City of Cuyahoga Falls, Ohio

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## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items. On the government-wide and proprietary fund statements, prepaid items are recorded using the consumption method by recording a current asset for the prepaid amount and reflecting the expense in the year in which services are consumed. On the fund financial statements, the actual payment for these services is recorded as an expenditure when purchased. Reported prepaid items are equally offset by non-spendable fund balance, which indicates that it does not constitute “available spendable resources” even though it is a component of net current assets.

### Leases Receivable

The City’s lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee’s revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is recognized as revenue over the life of the lease term.

### Capital Assets

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

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

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

Assets	Years
Buildings	10-50
Improvements	5-50
Machinery and Equipment	5-30
Infrastructure	25-50

### Intangible Right to Use Assets

The City’s capital assets also include certain intangible right to use assets. These right to use assets arise in association with agreements where the City reports a lease (where the City serves as lessee) or agreements where the City reports an Information Technology (IT) Subscription in accordance with GAAP requirements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The intangible right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

The intangible right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The intangible right to use subscription assets should be amortized on a straight-line basis over the subscription term.

**Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, leases and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. The deferred inflow for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes investment earnings, delinquent property taxes, grants and entitlements, municipal income taxes, special assessments, and charges for services meeting the availability criteria. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide and proprietary funds statements of net position. (See Note 7 and 8).

**Deferred Outflows of Resources**

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

**Interfund Balances**

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

## City of Cuyahoga Falls, Ohio

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### 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 in the Compensated Absences Internal Service Fund and on the government-wide financial statements.

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

#### Pensions/Other Postemployment Benefits (OPEB)

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

#### 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. Total pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

#### Fund Balance

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

**Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**Grants and Intergovernmental Revenues**

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



## **City of Cuyahoga Falls, Ohio**

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sanitary sewer service, water, electric distribution, refuse collection, leisure time activities, storm drainage utilities, internal service charges and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

#### **Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, grants or outside contributions of resources restricted to capital acquisition and construction or from contributions from governmental funds. During 2023, the Water and Electric Funds received grant contributions for the construction of capital assets from the Ohio Public Works Commission, and NOPEC Incorporated in the amounts of \$557,205, and \$82,783, respectively. Additionally, the Leisure Time Enterprise Fund received contributions in the form of capital assets - buildings, improvements other than buildings, and equipment from the Recreation Levy and Community Development Block Grant Special Revenue Funds in the amount of \$663,490, and 268,901, respectively.

#### **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 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 2023.

#### **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.

#### **Accountability**

Fund balances at December 31, 2023 included an individual fund deficit in the Princeton Crossroads Tax Increment Equivalent Nonmajor Special Revenue Fund in the amount of (\$1,253,305). This deficit fund balance resulted from the issuance of short-term bond anticipation notes in the amount of \$1,255,000, which are reported as a fund liability. Future issuance of long-term bond proceeds, and payment in lieu of tax revenue will remedy this.

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

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

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

- A. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- B. Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when the liability is incurred (GAAP).
- C. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned fund balance (GAAP).

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

<u>Net Change in Fund Balance</u>	<u>General Fund</u>	<u>Local Fiscal Recovery Fund</u>
GAAP Basis	\$4,351,858	\$ 0
Increase (decrease) due to:		
Net change in receivables and other assets not recognized on a budget basis	(5,097,021)	0
Net change in liabilities not recognized on a budget basis	4,067,384	(1,159,036)
Encumbrances	<u>(616,301)</u>	<u>(1,686,018)</u>
Budget Basis	<u>\$ 2,705,920</u>	<u>\$ (2,845,054)</u>

**NOTE 4 - RECEIVABLES**

Receivables at December 31, 2023, 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, leases, 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.

## City of Cuyahoga Falls, Ohio

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### 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 \$14,697,556 and \$847,934 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, 2023.

The assessed values of real public utility and tangible personal property upon which 2023 property tax receipts were based are as follows:

<u>Property Types</u>	<u>Valuation</u>
Real Property	\$ 1,186,682,740
Public Utility Property	13,039,370
<b>Total Valuation</b>	<b>\$ 1,199,722,110</b>

### 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 2023 for the City was \$32,759,860. The amount of \$8,963,335 has been recorded in the General Fund as taxes receivable (net of refunds) to reflect income taxes receivable recorded as of December 31, 2023.

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

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

**NOTE 4 – RECEIVABLES (CONTINUED)**

**Due From Other Governments**

A summary of due from other governments follows:

<u><b>Governmental Activities</b></u>	<u><b>Amounts</b></u>
Gasoline and Excise Tax	\$ 992,800
Local Government and Local Government Revenue Assistance	929,230
Homestead and Rollback	883,938
Regional Income Tax Agency	560,756
Permissive Motor Vehicle License Tax	246,007
Gasoline Excise Tax - Added	241,676
Motor Vehicle License Fees	221,946
Ohio Department of Transportation	197,287
Ohio Department of Commerce	139,709
Other State Grants and Reimbursements	96,247
EMS Transport Fees	72,386
License Surtax - Addition	60,206
Boston Township - City of Cuyahoga Falls JEDD	57,578
Bureau of Workers' Compensation	39,137
Other Agencies	22,627
Ohio Division of Liquor Control	9,453
Federal Grants	3,930
Total Governmental Activities	<u>\$ 4,774,913</u>
<u><b>Business-type Activities</b></u>	<u><b>Amounts</b></u>
Utilities Charges	\$ 77,754
Total Business-Type Activities	<u>\$ 77,754</u>

## City of Cuyahoga Falls, Ohio

### NOTE 4 – RECEIVABLES (CONTINUED)

#### Leases Receivable

The City is reporting leases receivable of \$1,258,583 in the enterprise funds at December 31, 2023. For 2023, the City recognized lease revenue of \$164,651 and interest revenue of \$46,827 in the enterprise funds related to lease payments received. A description of the City's leasing arrangements is as follows:

Leases - The City has entered into various lease agreements for cell towers and other vendors with multiple companies at varying years and terms as follows:

Company	Lease Commencement Date	Years	Lease Ending Date	Payment Method
Western Reserve Hospital	2004	20	2024	Monthly
VoiceStream Columbus	2005	30	2035	Monthly
ALLTEL Ohio	2005	40	2045	Monthly
Involta	2007	20	2026	Yearly
New Cingular Wireless	2010	36	2046	Monthly
Sandy Bottom Bowls	2019	5	2024	Monthly
MCImetro Access Transmission Services Corp.	2019	5	2024	Yearly
TOWERCO 2013 LLC - OH0388	2020	7	2027	Monthly
TOWERCO 2013 LLC - OH0408	2023	5	2028	Monthly
Everstream Solutions LLC (2019)	2020	10	2030	Yearly
Crown Castle Fiber Technologies	2015	10	2025	Yearly
AT&T	1965	60	2025	Yearly
Everstream Solutions (2018)	2018	10	2028	Yearly
Zayo Group	2013	15	2028	Yearly
Charter Communications	2015	15	2030	Yearly

A summary of future lease revenue is as follows:

Year	Water		Electric		Leisure	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$62,134	\$34,262	\$34,288	\$5,952	\$58,799	\$1,021
2025	68,513	31,927	32,416	4,581	0	0
2026	76,109	29,292	33,959	3,284	0	0
2027	78,472	26,454	32,142	1,926	0	0
2028	47,502	24,124	12,444	640	0	0
2029-2033	249,355	97,838	3,556	142	0	0
2034-2038	198,793	57,449	0	0	0	0
2039-2043	174,625	30,643	0	0	0	0
2044-2046	95,476	3,787	0	0	0	0
	<u>\$1,050,979</u>	<u>\$335,776</u>	<u>\$148,805</u>	<u>\$16,525</u>	<u>\$58,799</u>	<u>\$1,021</u>

## NOTE 5 - DEPOSITS AND INVESTMENTS

### Policies and Practices

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

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

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation or may participate in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the City's name.

During 2023, the City believes it has complied with these statutes pertaining to the types of investments held and institutions in which deposits were made. The City was also in compliance with the provisions of the statutes concerning security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

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

## City of Cuyahoga Falls, Ohio

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### NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

**1. Government securities**

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

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

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

**3. Star Ohio**

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

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

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

**5. City of Cuyahoga Falls, Ohio Notes and Bonds**

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

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

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

#### 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 \$1,420,559 and the bank balance was \$2,251,679. Of the bank balance, \$497,166 was covered by Federal depository insurance and \$1,754,513 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 \$8,613 as of December 31, 2023.

**NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)**

At year-end, the carrying amount of the Community Improvement Corporation of Cuyahoga Falls, a component unit, deposits were \$2,051,805 and the bank balance was \$2,051,805. Information regarding the collateralization of the Community Improvement Corporation of Cuyahoga Falls can be obtained from the corporation's compilation report.

**Investments**

Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. STAR Ohio is reported at its share price (net asset value per share). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs). The chart below identifies the City's recurring fair value measurements as of December 31, 2023.

As of December 31, 2023 the City had the following investments:

	Measurement Amount	Credit Rating (*)	Maturity In Years		Fair Value Hierarchy
			< 1 Year	> 1 Year	
Net Asset Value (NAV) Per Share STAR Ohio	\$99,487,875	Aaam**	\$99,487,875	\$0	N/A
Fair Value:					
United States Treasury Note	18,629,450	Aaa*	12,054,131	6,575,319	Level 1
Negotiable Certificates of Deposit	12,362,428		4,094,186	8,268,242	Level 1
<b>Total</b>	<b>\$130,479,753</b>		<b>\$115,636,192</b>	<b>\$14,843,561</b>	

\* Ratings obtained from Moody's

\*\* Ratings obtained from S&P

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments.

**Credit Risk**

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



## City of Cuyahoga Falls, Ohio

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### NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

#### Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The United States Treasury Note is not exposed to custodial credit risk, and the City's investment in negotiable certificates of deposit is fully insured by the FDIC, and not exposed to credit risk. The City has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

#### Concentration of Credit Risk

Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent more invested in the securities of a single issuer. The City's investment policy places a limit on the amount it may invest in the State of Ohio Treasurer's Investment Pool (STAR Ohio), of no more than 75 percent of all deposits. The following is the City's risk allocation of deposits and investments as of December 31, 2023.

Type	Percentage of Total
Deposits	1.61%
STAR Ohio	75.02%
United States Treasury Note	14.05%
Negotiable Certificates of Deposit	9.32%
Total	<u>100.00%</u>

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023, was as follows:

	<b>Balance Restated 12/31/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Ending Balance 12/31/2023</b>
<b>Governmental Activities</b>					
<i>Capital Assets Not Being Depreciated</i>					
Land	\$ 15,418,422	\$ 1,250,820	\$ (389,423)	\$ -	\$ 16,279,819
Construction In Progress	3,165,883	6,601,876	(1,623,572)	(419,140)	7,725,047
<i>Total Capital Assets Not Being Depreciated</i>	18,584,305	7,852,696	(2,012,995)	(419,140)	24,004,866
<i>Capital Assets Being Depreciated / Amortized</i>					
Buildings	44,075,769	916,561	(314,300)	(57,024)	44,621,006
Improvements	17,438,387	2,066,644	(39,928)	(294,957)	19,170,146
Equipment	37,227,418	3,551,226	(3,688,255)	(162,009)	36,928,380
Infrastructure					-
Roads	86,196,791	210,580	-	-	86,407,371
Traffic Signals	496,122	-	-	-	496,122
Bridges	10,749,255	-	-	-	10,749,255
Intangible Right to Use Assets - Lease Equipment*	-	137,231	-	-	137,231
Intangible Right to Use Assets - IT Subscriptions**	233,374	33,900	-	-	267,274
<i>Total Capital Assets Being Depreciated / Amortized</i>	196,417,116	6,916,142	(4,042,483)	(513,990)	198,776,785
<i>Less Accumulated Depreciation / Amortization</i>					
Buildings	(19,512,653)	(1,398,540)	177,780	-	(20,733,413)
Improvements	(3,794,490)	(644,768)	16,121	-	(4,423,137)
Equipment	(26,284,836)	(2,346,093)	3,475,580	1,310	(25,154,039)
Infrastructure					-
Roads	(36,054,235)	(2,028,898)	-	-	(38,083,133)
Traffic Signals	(290,182)	(26,907)	-	-	(317,089)
Bridges	(3,847,076)	(205,606)	-	-	(4,052,682)
Intangible Right to Use Assets - Lease Equipment*	-	(68,616)	-	-	(68,616)
Intangible Right to Use Assets - IT Subscriptions**	-	(69,644)	-	-	(69,644)
<i>Total Accumulated Depreciation / Amortization</i>	(89,783,472)	(6,789,072)	3,669,481	1,310	(92,901,753)
<i>Total Capital Assets Being Depreciated, Net</i>	106,633,644	127,070	(373,002)	(512,680)	105,875,032
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 125,217,949</u>	<u>\$ 7,979,766</u>	<u>\$ (2,385,997)</u>	<u>\$ (931,820)</u>	<u>\$ 129,879,898</u>

Depreciation / Amortization expense was charged to governmental functions as follows:

General Government**	\$ 1,255,027
Security of Persons and Property**	1,808,607
Community Environment	81,648
Leisure Time Activities	654,669
Street Maintenance	2,976,003
Garage	13,118
Grand Total	<u>\$ 6,789,072</u>

\*Of the current year depreciation total of \$6,789,072, \$68,616, is presented as Security of Persons and Property expense on the Statement of Activities related to the City's intangible asset of Flock Cameras, which is included as an Intangible Right to Use Lease. With the implementation of Governmental Accounting Standards Board Statement No. 87, Leases, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

\*\*Of the current year depreciation total of \$6,789,072, \$58,344, and \$11,300 are presented as General Government and Security of Persons and Property expense, respectively, on the Statement of Activities related to the City's subscription assets of Harris, the Tip Line, and Vector Solutions, which are included as Intangible Right to Use Assets - IT Subscriptions. With the implementation of Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), a subscription meeting the criteria of this statement requires the subscriber to recognize the subscription liability and an intangible right to use asset.

# City of Cuyahoga Falls, Ohio

## NOTE 6 – CAPITAL ASSETS (CONTINUED)

	Restated Balance 12/31/2022	Additions	Deletions	Transfers	Ending Balance 12/31/2023
<b>Business-Type Activities</b>					
<i>Capital Assets Not Being Depreciated</i>					
Land	\$ 4,119,145	\$ -	\$ (34,866)	\$ -	\$ 4,084,279
Construction In Progress	5,139,509	15,782,441	(454,914)	419,140	20,886,176
<i>Total Capital Assets Not Being Depreciated</i>	9,258,654	15,782,441	(489,780)	419,140	24,970,455
<i>Capital Assets Being Depreciated/Amortized</i>					
Buildings	40,457,270	2,252,419	(73,271)	57,024	42,693,442
Improvements	154,481,603	1,626,868	(854,880)	294,957	155,548,548
Equipment	20,677,636	2,159,288	(780,696)	162,009	22,218,237
Intangible Right to Use Assets - Lease Equipment*	156,179	675,252	(156,179)	-	675,252
Intangible Right to Use Assets - IT Subscriptions**	134,144	170,533	-	-	304,677
<i>Total Capital Assets Being Depreciated/Amortized</i>	215,906,832	6,884,360	(1,865,026)	513,990	221,440,156
<i>Less Accumulated Depreciation/Amortization</i>					
Buildings	(17,236,792)	(976,182)	35,307	-	(18,177,667)
Improvements	(76,467,958)	(3,792,617)	851,527	-	(79,409,048)
Equipment	(12,240,628)	(1,477,424)	627,976	(1,310)	(13,091,386)
Intangible Right to Use Assets - Lease Equipment*	(78,089)	(98,187)	110,627	-	(65,649)
Intangible Right to Use Assets - IT Subscriptions**	-	(79,481)	-	-	(79,481)
<i>Total Accumulated Depreciation/Amortization</i>	(106,023,467)	(6,423,891)	1,625,437	(1,310)	(110,823,231)
<i>Total Capital Assets Being Depreciated/Amortized, Net</i>	109,883,365	460,469	(239,589)	512,680	110,616,925
<i>Total Business-Type Capital Assets, Net</i>	\$ 119,142,019	\$ 16,242,910	\$ (729,369)	\$ 931,820	\$ 135,587,380

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

Sewage and Disposal**	\$ 851,813
Water**	987,193
Electric**	2,279,624
Sanitation**	603,370
Leisure Time*	1,249,038
Storm Drainage**	452,853
Grand Total	<u>\$ 6,423,891</u>

\*Of the current year depreciation total of \$6,423,891, \$98,187 is presented as Leisure Time expense on the Statement of Activities related to the City's intangible asset of Golf Carts, which is included as an Intangible Right to Use Lease. With the implementation of Governmental Accounting Standards Board Statement No. 87, Leases, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

\*\*Of the current year depreciation total of \$6,423,891, \$14,912, \$27,046, \$27,711, \$1,976, and \$7,836 are presented as Sewage and Disposal, Water, Electric, Sanitation, and Storm Drainage expense, respectively, on the Statement of Activities related to the City's subscription assets of Harris, OpenGov, and Smart Energy, which are included as Intangible Right to Use Assets - IT Subscriptions. With the implementation of Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), a subscription meeting the criteria of this statement requires the subscriber to recognize the subscription liability and an intangible right to use asset.

**NOTE 7 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability/Asset***

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

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

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

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

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

## City of Cuyahoga Falls, Ohio

### NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 62 with 60 months of service credit or Age 57 with 25 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Cost-of-living adjustments for OPERS members in 2022 will be 3 percent for all those eligible to receive the annual benefit increase.

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

Beginning in 2022, the combined plan was consolidated under the traditional pension plan (defined benefit plan) and the combined plan is no longer available for new hires beginning in 2022.

**Funding Policy**

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

	State and Local
<b>2023 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2023 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

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

\*\* These pension and employer health care rates are for the traditional plan. Beginning July 1, 2022, the employer contribution rate for the combined plan is allocated 2 percent health care with the remainder going to pension. The employer contributions rate for the member-directed plan allocated 4 percent for health care with remainder going to pension.

## City of Cuyahoga Falls, Ohio

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### NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2023 for the Traditional plan. The portion of the employer's contribution allocated to health care was 2% for the Combined plan and 4% for the Member-Directed plan for 2023. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$2,894,821 for fiscal year ending December 31, 2023. Of this amount, \$226,868 is reported as an intergovernmental payable.

#### *Plan Description – Ohio Police & Fire Pension Fund (OP&F)*

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

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit. The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

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

**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Funding Policy**

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

	Police	Firefighters
<b>2023 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2023 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$2,986,738 for 2023. Of this amount, \$364,746 is reported as an intergovernmental payable.

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

The net pension liability/asset for OPERS was measured as of December 31, 2022, and the total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022 to December 31, 2022. The City's proportion of the net pension liability/asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Combined Total	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.129738%	0.116350%	0.4910784%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.127514%	0.107525%	0.5002252%	
Change in Proportionate Share	-0.002224%	-0.008825%	0.0091468%	
 Proportionate Share of the Net Pension Liability	 \$ 37,667,691	 \$ -	 \$ 47,516,544	 \$ 85,184,235
Proportionate Share of the Net Pension (Asset)	\$ -	\$ (253,425)	\$ -	\$ (253,425)
Pension Expense	\$ 5,173,939	\$ 42,780	\$ 5,959,775	\$ 11,176,494



## City of Cuyahoga Falls, Ohio

### NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Combined Total	Total
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$ 10,736,473	\$ 92,360	\$ 6,917,824	\$ 17,746,657
Differences between expected and actual experience	1,251,163	15,580	712,727	1,979,470
Changes of assumptions	397,932	16,778	4,285,829	4,700,539
Changes in proportion and differences between City contributions and proportionate share of contributions	146,767	69,248	847,775	1,063,790
City contributions subsequent to the measurement date	<u>2,835,648</u>	<u>59,173</u>	<u>2,986,738</u>	<u>5,881,559</u>
Total Deferred Outflows of Resources	<u>\$ 15,367,983</u>	<u>\$ 253,139</u>	<u>\$ 15,750,893</u>	<u>\$ 31,372,015</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$ -	\$ 36,216	\$ 1,082,567	\$ 1,118,783
Changes of assumptions	-	-	926,559	926,559
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>402,720</u>	<u>5,551</u>	<u>1,109,128</u>	<u>1,517,399</u>
Total Deferred Inflows of Resources	<u>\$ 402,720</u>	<u>\$ 41,767</u>	<u>\$ 3,118,254</u>	<u>\$ 3,562,741</u>

\$5,881,559 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Combined Total	Total
Year Ending December 31:				
2024	\$ 1,285,522	\$ 14,035	\$ 1,090,991	\$ 2,390,548
2025	2,424,352	27,073	2,290,358	4,741,783
2026	3,160,268	32,966	2,468,700	5,661,934
2027	5,259,473	48,935	3,860,073	9,168,481
2028	-	9,022	(64,221)	(55,199)
Thereafter	<u>-</u>	<u>20,168</u>	<u>-</u>	<u>20,168</u>
Total	<u>\$ 12,129,615</u>	<u>\$ 152,199</u>	<u>\$ 9,645,901</u>	<u>\$ 21,927,715</u>

**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

*Actuarial Assumptions - OPERS*

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

	<u>Traditional Pension Plan</u>	<u>Combined Plan</u>
<b>Wage Inflation</b>		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
<b>Future Salary Increases, including inflation</b>		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
<b>COLA or Ad Hoc COLA</b>		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple	3 percent, simple through 2022, then 2.05 percent simple
<b>Investment Rate of Return</b>		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

## City of Cuyahoga Falls, Ohio

### NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a Loss of 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

**Discount Rate** The discount rate used to measure the total pension liability was 6.9 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

***Sensitivity of the City’s Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate***

The following table presents the City’s proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.9 percent, as well as what the City’s proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Pension Plan	\$ 56,424,945	\$ 37,667,691	\$ 22,065,023
Combined Plan	\$ (132,256)	\$ (253,425)	\$ (349,456)

***Actuarial Assumptions – OP&F***

OP&F’s total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2022, are presented below:

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple

## City of Cuyahoga Falls, Ohio

### NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
International Equity	12.40	5.50
Core Fixed Income *	25.00	2.50
U.S. Inflation Linked Bonds *	15.00	2.00
High Yield Fixed Income	7.00	4.40
Private Real Estate	12.00	5.30
Private Markets	10.00	7.90
Midstream Energy Infrastructure	5.00	5.90
Private Credit	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Commodities	2.00	3.60
Total	125.00 %	

Note: Assumptions are geometric

\* levered 2.5x

\*\* Geometric mean, net of expected inflation

**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

OP&F’s Board of Trustees has incorporated the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 62,683,490	\$ 47,516,544	\$ 34,908,261

## City of Cuyahoga Falls, Ohio

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### NOTE 8 – POST-EMPLOYMENT BENEFITS

#### *Defined Benefit OPEB Plans*

#### *Net OPEB Liability/Asset*

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

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

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

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

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

#### *Plan Description – Ohio Public Employees Retirement System (OPERS)*

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Effective January 1, 2022 the Combined Plan is no longer available for member selection.

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

**NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)**

Currently, Medicare-eligible retirees can select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses, and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA.

For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

The base HRA allowance is determined by OPERS. Retirees receive a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022 or after must meet the following health care eligibility requirements to receive an HRA allowance:

1. **Medicare Retirees** – Medicare-eligible with a minimum of 20 years of qualifying service credit.
2. **Non-Medicare Retirees** – Non-Medicare retirees qualify based on the following age-and-service criteria:
  - a. Group A – 30 years of qualifying service credit at any age;
  - b. Group B – 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
  - c. Group C – 32 years of qualifying service credit and minimum age 55; or,
  - d. A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service. Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Retirement Date	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
December 1, 2014 or Prior	Any	10	Any	10	Any	10
January 1, 2015 through December 31, 2021	60	20	52	31	55	32
	Any	30	Any	32	60	20

The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS’ Annual Comprehensive Financial Report referenced below for additional information.

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



## City of Cuyahoga Falls, Ohio

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### NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of covered payroll. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate employer contributions to health care for members in the Traditional Pension Plan. Effective July 1, 2022, OPERS began allocating 2.0 percent of the employer contribution rate to health care funding for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$22,969 for 2023. Of this amount, \$11,212 is reported as an intergovernmental payable.

#### ***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) a cost-sharing, multiple-employer defined post-employment healthcare plan that provides various levels of health care to retired, disabled and beneficiaries, as well as their dependents. On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. A summary of the full benefit provisions can be found in OP&F's annual comprehensive financial report.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75. The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

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

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

**NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)**

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The City's contractually required contribution to OP&F was \$69,692 for 2023. Of this amount, \$8,486 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability/Asset			
Prior Measurement Date	0.125704%	0.4910784%	
Proportion of the Net OPEB Liability			
Current Measurement Date	0.123711%	0.5002252%	
Change in Proportionate Share	-0.001993%	0.0091468%	
Proportionate Share of the Net OPEB			
Liability	\$ 780,022	\$ 3,561,459	\$ 4,341,481
OPEB Expense	\$ (1,490,320)	\$ 214,843	\$ (1,275,477)

## City of Cuyahoga Falls, Ohio

### NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 212,526	\$ 212,526
Changes of assumptions	761,865	1,774,837	2,536,702
Net difference between projected and actual earnings on pension plan investments	1,549,148	305,467	1,854,615
Changes in proportion and differences between City contributions and proportionate share of contributions	11,558	161,733	173,291
City contributions subsequent to the measurement date	<u>22,969</u>	<u>69,692</u>	<u>92,661</u>
Total Deferred Outflows of Resources	<u>\$ 2,345,540</u>	<u>\$ 2,524,255</u>	<u>\$ 4,869,795</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 194,568	\$ 702,250	\$ 896,818
Changes of assumptions	62,688	2,912,981	2,975,669
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>32,569</u>	<u>316,678</u>	<u>349,247</u>
Total Deferred Inflows of Resources	<u>\$ 289,825</u>	<u>\$ 3,931,909</u>	<u>\$ 4,221,734</u>

\$92,661 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2024	\$ 239,708	\$ (129,348)	\$ 110,360
2025	561,598	(105,070)	456,528
2026	483,074	(148,942)	334,132
2027	748,366	(81,674)	666,692
2028	-	(306,427)	(306,427)
Thereafter	<u>-</u>	<u>(705,885)</u>	<u>(705,885)</u>
Total	<u>\$ 2,032,746</u>	<u>\$ (1,477,346)</u>	<u>\$ 555,400</u>

**NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)**

*Actuarial Assumptions - OPERS*

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	2.75 percent
Projected Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent, including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent, including wage inflation
Single Discount Rate:	
Current Measurement Date:	5.22 percent
Prior Measurement Date:	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current Measurement Date:	4.05 percent
Prior Measurement Date:	1.84 percent
Health Care Cost Trend Rate	
Current Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2036
Prior Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2034

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

## City of Cuyahoga Falls, Ohio

### NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

**Discount Rate** A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB asset on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

**NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)**

***Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate*** The following table presents the City’s proportionate share of the net OPEB asset calculated using the single discount rate of 5.22 percent, as well as what the City’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability	\$ 2,654,838	\$ 780,022	\$ (767,008)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 731,132	\$ 780,022	\$ 835,049

***Actuarial Assumptions – OP&F***

OP&F’s total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

## City of Cuyahoga Falls, Ohio

### NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.27 percent
Prior measurement date	2.84 percent
Cost of Living Adjustments	2.2 percent simple

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022, are summarized below:

**NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Core Fixed Income *	25.00	2.50
U.S. Inflation Linked Bonds *	15.00	2.00
High Yield Fixed Income	7.00	4.40
Private Real Estate	12.00	5.30
Private Markets	10.00	7.90
Midstream Energy Infrastructure	5.00	5.90
Private Credit	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: Assumptions are geometric  
\* levered 2.5x

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes in core fixed income and asset classes.

**Discount Rate** The total OPEB liability was calculated using the discount rate of 4.27 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, resulting in a discount rate of 4.27 percent.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	<u>1% Decrease (3.27%)</u>	<u>Current Discount Rate (4.27%)</u>	<u>1% Increase (5.27%)</u>
City's proportionate share of the net OPEB liability	\$ 4,385,601	\$ 3,561,459	\$ 2,865,670



## City of Cuyahoga Falls, Ohio

### NOTE 9 - COMPENSATED ABSENCES

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

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

Cash-out Limits	Employee Class	Affiliation
100% of accumulated sick leave up to a maximum of 960 hours	Non-bargaining employees Patrol Officers  Various government employees  Electric employees  Dispatchers	None Blue (OPBA)*  American Federation of State, County, and Municipal Employees (AFSCME) Utility Workers of America Local #399 Fraternal Order of Police-Ohio Labor Council, Inc. (FOP-OLC)
100% of accumulated sick leave up to a maximum of 1,500 hours	Police Sergeants/Lieutenants  Police Captains/Chief	Gold (OPBA)*  None
60.00% of accumulated sick leave up to a maximum of 2,704 hours as of	Firefighters	International Association of Firefighters Local #494 (IAFF)

\* OPBA: Ohio Patrolman's Benevolent Association

Sick leave may be accumulated beyond these cash-out limits, but can only be used when employees are absent from work due to illness. Compensatory time is earned by substantially all regular non-management employees.

Compensatory time that is not used per union contracts and/or City ordinances is paid in cash to the appropriate employees in accordance with the Fair Labor Standards Act.

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

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

## NOTE 10 - COMMITMENTS AND CONTINGENCIES

### A. Litigation

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

### B. Federal and State Grants

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

### C. Insurance Coverage

The City maintains a variety of liability insurance coverages with varying deductibles. Among these coverages are general liability with limits of \$2 million annually in the aggregate and \$1 million per occurrence, with a \$100,000 self-insurance retention, and property coverage with blanket limit per occurrence of \$167,904,176 with a deductible of \$10,000. In addition, the City has umbrella liability coverage with limits of \$10 million in the aggregate and \$10 million per occurrence.

### D. Contingent Liabilities

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

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

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

Since March 31, 2014, the City has made payments of \$2,414,776 to AMP toward its net impaired cost estimate. Also, since March 31, 2014, the City's allocation of additional costs incurred by the project is \$108,389 and interest expense incurred on AMP's line-of-credit of \$342,212, resulting in a net impaired cost estimate at December 31, 2022 of \$1,045,649.

## City of Cuyahoga Falls, Ohio

### NOTE 10 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

The City does have a Potential PHFU Liability of \$2,773,811 resulting in a net total potential liability of \$3,819,460, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The City pays a monthly amount of \$13,943 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. After consultation with AMP, the City determined to increase the monthly payment amount from \$13,943 to \$36,429 beginning with the July 2024 power invoice. Therefore, the scheduled monthly payments for 2024, is now \$302,235, which is considered the current portion of the liability. Repayment on the stranded cost is now estimated to be complete in a little over 2½ years, where it would have been 5½ under the current repayment format.

#### E. Subsequent Events

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

### NOTE 11 – FINANCED PURCHASES PAYMENT AGREEMENTS

The City finances various capital assets through purchase payment agreements. The following agreements were outstanding at December 31, 2023: 2019 Vacall Sewer Jet Truck (Business-type Activities); 2021 Vacall Sewer Jet Truck (Business-type Activities); 2021 Elgin Sweeper and Lubrication System (Governmental Activities); and 2021 Police Cruiser and Body Cameras (Governmental Activities). The Elgin Sweeper and Lubrication system which was previously delayed due to production issues was received on August 28, 2023, therefore the amount of \$297,062 previously held in escrow was released and recording of the capital asset was made.

The assets acquired through these financed purchase payment agreements are as follows:

<u>Asset</u>	Governmental Activities	Business-type Activities
2019 Vacall Sewer Jet Truck	\$ 0	\$ 372,000
2021 Vacall Sewer Jet Truck	0	410,629
2021 Police Cruiser and Body Cameras	365,892	0
2021 Elgin Sweeper and Lubrication System	297,062	0
Accumulated Depreciation	(150,798)	(421,473)
Total	<u>\$ 512,156</u>	<u>\$ 361,156</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2023, were as follows:

	Governmental Activities	Business-type Activities
2024	\$ 137,437	\$ 84,425
2025	137,437	84,425
Total	274,874	168,850
Less: Amount representing interest	(7,049)	(3,480)
Present value of minimum lease payments	<u>\$ 267,825</u>	<u>\$ 165,370</u>

**NOTE 12 - SHORT-TERM OBLIGATIONS**

A summary of the changes in the City's short-term obligations for the year ended December 31, 2023, was as follows:

	Balance January 1, <u>2023</u>		<u>Issued</u>	<u>Retired</u>	Balance December 31, <u>2023</u>
General Obligation Bond Anticipation Notes					
<u>Governmental Activities:</u>					
Recreation Levy Special Revenue Fund Obligations:					
4.500% Various Purpose Notes, due 11/08/2023	\$ 550,000	\$	0	\$	\$ 550,000
					\$ 0
Princeton Crossroads Tax Increment Equivalent Special Revenue Fund Obligations:					
4.500% Various Purpose Notes, due 11/08/2023	\$ 1,200,000	\$	0	\$	\$ 1,200,000
5.625% Various Purpose Notes, due 10/31/2024	\$ 0	\$	1,255,000	\$	\$ 0
					\$ 1,255,000
Capital Projects Fund Obligations:					
4.500% Various Purpose Notes, due 11/08/2023	\$ 3,495,000	\$	0	\$	\$ 3,495,000
5.625% Various Purpose Notes, due 10/31/2024	\$ 0	\$	1,050,000	\$	\$ 0
					\$ 1,050,000
Total Governmental Activities	<u>\$ 5,245,000</u>	<u>\$</u>	<u>2,305,000</u>	<u>\$</u>	<u>\$ 5,245,000</u>
					<u>\$ 2,305,000</u>
Grand Total	<u>\$ 5,245,000</u>	<u>\$</u>	<u>2,305,000</u>	<u>\$</u>	<u>\$ 5,245,000</u>
					<u>\$ 2,305,000</u>

On November 1, 2023, the City issued notes in the amount of \$2,305,000 in anticipation of the issuance of bonds, for the following purposes: Acquiring, constructing, reconstructing, improving, equipping and installing 3,400 lineal feet of sanitary sewer lines, 3,550 feet of water main lines and 8,000 lineal feet of electrical conduit wiring, related storm sewer lines and retention, erosion control and landscaping along Princeton Place Boulevard, Nottingham Trail, Bainbridge Trail and Kensington Court together with all related and necessary appurtenances, thereto (\$1,255,000); Construction, reconstruction, widening, improving, grading, draining and resurfacing of Wyoga Lake Road between Steels Corners Road, and Seasons Road, together with all necessary appurtenances, thereto (\$700,000); Design and engineering, construction, reconstruction, widening, improving, grading, draining and resurfacing of, and installation of traffic controls along, and the intersection of, State Road, Seasons Road and Wyoga Lake Road, and a traffic study of those roads and related areas, including but not limited to the extension, opening, improving, curbing or changing of the lines and traffic patterns of roads, medians and viaducts, providing signage, lighting systems, signalization, and installation of stormwater and flood remediation facilities, together with all related and necessary appurtenances thereto (\$350,000). The notes mature on October 31, 2024 and have a stated interest rate of 5.625 percent.

# City of Cuyahoga Falls, Ohio

## NOTE 13 - LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b><u>Business-type Activities:</u></b>				
Enterprise Fund Obligations				
<b><u>Bonds Payable</u></b>				
2004 Recreation Improvement <sup>1</sup>	04/08/2004	12/01/2024	2.00%-5.00%	\$ 8,000,000
2009 Various Purpose Refunding (Recreation) <sup>2</sup>	10/14/2009	12/01/2037	2.00%-5.00%	8,040,000
2012 Recreation Improvement Refunding	09/20/2012	12/01/2024	1.50%-2.50%	5,485,000
2016 Recreation Improvement Refunding	11/03/2016	12/01/2037	1.50%-4.00%	5,920,000
2018 Various Purpose Improvement Sewer System	08/07/2018	08/01/2033	2.92%	505,000
2020 Various Purpose Improvement Water System	11/17/2020	12/01/2040	1.00%-4.00%	1,260,000
2022 Various Purpose Bonds Water Meters (Sewer)	11/30/2022	12/01/2032	3.57%	1,935,000
2022 Various Purpose Bonds Water Meters (Water)	11/30/2022	12/01/2032	3.57%	1,940,000
2022 Various Purpose Bonds Electric Meters	11/30/2022	12/01/2032	3.57%	3,335,000
2023 Various Purpose Bonds Sewer Meters	10/16/2023	12/01/2033	5.00%	2,285,000
2023 Various Purpose Bonds Water Meters	10/16/2023	12/01/2033	5.00%	2,285,000
2023 Various Purpose Bonds Electric Meters	10/16/2023	12/01/2033	5.00%	1,710,000
2023 Various Purpose Bonds Electric System Building Improvements	10/16/2023	12/31/2043	5.00%	14,270,000
2023 Various Purpose Bonds Natatorium Building Improvements	10/16/2023	12/01/2043	5.00%	7,890,000
<b><u>Governmental Activities:</u></b>				
<b><u>Bonds Payable</u></b>				
Other General Obligation Bonds:				
2015 Land Acquisition and Improvement Bonds	08/05/2015	12/01/2042	0.85%-4.85%	\$ 6,185,000
2018 Various Purpose Improvement - Street	08/07/2018	08/01/2033	2.92%	6,885,000
2018 Various Purpose Improvement - Parking Facilities	08/07/2018	08/01/2033	2.92%	3,780,000
2020 Various Purpose Improvement Fire Station	11/17/2020	12/01/2040	1.00%-4.00%	3,950,000
2023 Various Purpose Bonds Sourek Trail Improvements	10/16/2023	12/01/2030	5.00%	2,380,000
2023 Various Purpose Bonds Glens Improvements	10/16/2023	12/01/2043	5.00%	1,480,000
2023 Various Purpose Bonds Fire Station 1 Improvements	10/16/2023	12/01/2043	5.00%	770,000

Notes:

<sup>1</sup> Issue was advanced refunded by the City, (2012 Recreation Improvement Refunding) and it is being paid by escrow. City Funds are no longer making payment on this issue. The balance of the defeased debt is \$585,000 as of December 31, 2023.

<sup>2</sup> Issue was advanced refunded by the City, (2016 Recreation Improvement Refunding) and it is being paid by escrow. City Funds are no longer making payment on this issue. The balance of the defeased debt is \$5,155,000 as of December 31, 2023.

**NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)**

A summary of the changes in the City's long-term obligations for the year ended December 31, 2023, was as follows:

	<b>Balance January 1 2023 <u>Restated</u></b>	<b>Issued 2023</b>	<b>Retired 2023</b>	<b>Balance December 31, 2023</b>	<b>Amount Due Within One Year</b>
<b>Business-type Activities:</b>					
<u>Enterprise Fund Obligations</u>					
<u>Bonds Payable</u>					
2012 Recreation Improvement Refunding	\$ 1,075,000	\$ 0	\$ 530,000	\$ 545,000	\$ 545,000
2016 Recreation Improvement Refunding	4,970,000	0	250,000	4,720,000	260,000
2018 Various Purpose Improvement Sewer System	390,000	0	30,000	360,000	30,000
2020 Various Purpose Improvement Water System	1,165,000	0	50,000	1,115,000	50,000
2022 Various Purpose Bonds Water Meters (Sewer)	1,935,000	0	160,000	1,775,000	170,000
2022 Various Purpose Bonds Water Meters (Water)	1,940,000	0	165,000	1,775,000	170,000
2022 Various Purpose Bonds Electric Meters	3,335,000	0	280,000	3,055,000	290,000
2023 Various Purpose Bonds Sewer Meters	0	2,285,000	0	2,285,000	180,000
2023 Various Purpose Bonds Water Meters	0	2,285,000	0	2,285,000	180,000
2023 Various Purpose Bonds Electric Meters	0	1,710,000	0	1,710,000	135,000
2023 Various Purpose Bonds Electric System Building Improvements	0	14,270,000	0	14,270,000	430,000
2023 Various Purpose Bonds Natatorium Building Improvements	0	7,890,000	0	7,890,000	240,000
Unamortized Bond Discount	(19,226)	0	(4,253)	(14,973)	0
Unamortized Bond Premium	827,125	2,077,913	76,872	2,828,166	0
<b>Total Business-type Activities Bonds Payable</b>	<b><u>15,617,899</u></b>	<b><u>30,517,913</u></b>	<b><u>1,537,619</u></b>	<b><u>44,598,193</u></b>	<b><u>2,680,000</u></b>
<u>Other Obligations</u>					
Finance Purchases Payable (Note 11)	323,113	0	157,743	165,370	82,110
Leases Payable	79,649	675,252	163,337	591,564	107,128
SBITA Payable	134,144	170,533	74,051	230,626	77,765
Payable to AMP (Note 10, D)	1,131,870	81,101	167,322	1,045,649	302,235
Compensated Absences (Note 9)	2,264,105	220,751	205,924	2,278,932	586,165
Net Pension Liability: OPERS (Note 7)	5,475,678	14,032,588	1,337,371	18,170,895	0
Net Other Postemployment Benefits Liability: OPERS (Note 7)	0	394,127	17,843	376,284	0
<b>Total Business-type Activities Other Obligations</b>	<b><u>9,408,559</u></b>	<b><u>15,574,352</u></b>	<b><u>2,123,591</u></b>	<b><u>22,859,320</u></b>	<b><u>1,155,403</u></b>
<b>Total Business-type Activities</b>	<b><u>\$25,026,458</u></b>	<b><u>\$46,092,265</u></b>	<b><u>\$ 3,661,210</u></b>	<b><u>\$ 67,457,513</u></b>	<b><u>\$ 3,835,403</u></b>
<b>Governmental Activities:</b>					
<u>Bonds Payable</u>					
<u>Other General Obligation Bonds:</u>					
2015 Land Acquisition and Improvement Bonds	\$ 5,175,000	\$ 0	\$ 170,000	\$ 5,005,000	\$ 175,000
2018 Various Purpose Improvement - Street	5,350,000	0	415,000	4,935,000	430,000
2018 Various Purpose Improvement - Parking Facilities	2,611,166	0	204,623	2,406,543	209,071
2020 Various Purpose Improvement Fire Station	3,655,000	0	150,000	3,505,000	155,000
2023 Various Purpose Bonds Sourek Trail Improvements	0	2,380,000	0	2,380,000	295,000
2023 Various Purpose Bonds Glens Improvements	0	1,480,000	0	1,480,000	0
2023 Various Purpose Bonds Fire Station 1 Building Improvements	0	770,000	0	770,000	25,000
Unamortized Bond Discount	(12,863)	0	(643)	(12,220)	0
Unamortized Bond Premium	523,086	333,930	59,981	797,035	0
<b>Total Governmental Activities Bonds Payable</b>	<b><u>17,301,389</u></b>	<b><u>4,963,930</u></b>	<b><u>998,961</u></b>	<b><u>21,266,358</u></b>	<b><u>1,289,071</u></b>
<u>Other Obligations</u>					
Finance Purchases Payable (Note 11)	398,293	0	130,468	267,825	132,750
Leases Payable	0	137,231	74,250	62,981	62,981
SBITA Payable	233,374	33,900	71,295	195,979	64,583
Compensated absences (Note 9)	8,543,934	1,263,200	649,571	9,157,563	1,738,609
Claims and Judgments Payable (Note 15)	634,877	5,747,998	5,810,005	572,870	572,870
Net Pension Liability: OPERS (Note 7)	5,812,053	15,119,701	1,434,957	19,496,797	0
Net Pension Liability: OP&F (Note 7)	30,679,739	19,716,480	2,879,675	47,516,544	0
Net Other Postemployment Benefits Liability: OP&F (Note 8)	5,382,642	370,924	2,192,107	3,561,459	0
Net Other Postemployment Benefits Liability: OPERS (Note 7)	0	422,884	19,146	403,738	0
Net Other Postemployment Benefits Liability – City Defined Benefit Single Employer Plan (Note 19)	6,471,341	384,109	365,305	6,490,145	0
<b>Total Governmental Activities Other Obligations</b>	<b><u>58,156,253</u></b>	<b><u>43,196,427</u></b>	<b><u>13,626,779</u></b>	<b><u>87,725,901</u></b>	<b><u>2,571,793</u></b>
<b>Total Governmental Activities</b>	<b><u>\$75,457,642</u></b>	<b><u>\$48,126,457</u></b>	<b><u>\$ 14,625,740</u></b>	<b><u>\$108,992,259</u></b>	<b><u>\$ 3,860,864</u></b>

## City of Cuyahoga Falls, Ohio

### NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

The above schedule of long-term obligations differs from liabilities reported on the government-wide statement of net position as a result of the compensated absences payable associated with business-type activities being included with the long-term liabilities of the governmental activities. The Compensated Absences Internal Service Fund is responsible for the payment of both governmental and business-type compensated absences liabilities. Since governmental activities are the primary user of the internal service fund, GAAP requires that the long-term liabilities of the internal service fund be reported among the governmental activities. A reconciliation of the schedule of long-term obligations to the statement of net position at December 31, 2023 were as follows:

	Governmental Activities	Business- Type Activities	<u>Total</u>
Long-term obligations per schedule on previous page	\$ 108,992,259	\$ 67,457,513	\$ 176,449,772
Consolidation of Compensated Absences Internal Service Fund into governmental activities	<u>2,278,932</u>	<u>(2,278,932)</u>	<u>-</u>
Long-term obligations on government-wide statement of net position	<u>\$ 111,271,191</u>	<u>\$ 65,178,581</u>	<u>\$ 176,449,772</u>

Of the \$2,278,932 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), \$586,165 is due within one year.

The balance of outstanding bonds increased \$32,945,263 or 100.1 percent, which was primarily due to the issuance of \$33,070,000 Various Purpose Bonds, Series 2023 for the following: Current refunding a portion of the City's outstanding Various Purpose Improvement Notes, Series 2022, dated November 8, 2022 which were originally issued for the purpose of paying the costs of (a) improving municipal public infrastructure including Sourek Trail, Sand Hill Drive, Kubic Drive, West Woodland Drive, East Woodland Drive and South Woodland Drive between certain termini, including but not limited to the construction, reconstruction, installation or improving of public utility improvements, communication service facilities, stormwater and flood remediation improvements and facilities, bridges, streets and roadways, sidewalks, lighting systems, signalization and traffic controls, storm and sanitary sewers, and water lines, streetscape and landscape improvements, and acquisition of real estate or interests therein, and all related improvements and appurtenances, and (b) various road improvements including the construction, reconstruction, widening and improving of Sourek Trail from Sand Run Road to the intersection west of Sand Hill Drive, including improvements to the vertical profile, ditches, storm sewer and reconfiguration of the three-leg intersection at Sourek Trail, the acquisition and construction of waterlines on Sourek Trail, Sand Hill Drive and Kubic Drive, and the acquisition of real estate or interests therein, and all related improvements and appurtenances (\$2,380,000); paying the cost for constructing, improving, equipping and installing a new building for the electric utility, including acquisition of real estate, together with all necessary appurtenances (\$14,270,000); acquisition and installation of electric system meters (\$1,710,000), various energy improvements including but not limited to (i) the acquisition and installation of windows and doors, and exterior renovations at Fire Station 1 (\$770,000), and (ii) the acquisition and installation of HVAC equipment and improvements of skylights at the Natatorium (\$7,890,000), procured under a single energy improvement contract, together with all necessary appurtenances thereto; public infrastructure improvements including (i) the construction, extension, opening, improving, grading, draining, excavation, lighting, curbing, signalization and traffic controls along Front Street, 2nd Street, Chestnut Boulevard, Sackett Avenue and the two new public roadways to be constructed, (ii) the construction of two new roadways, (iii) the construction and installation of sanitary sewers along Front Street, 2nd Street, Chestnut Boulevard, Sackett Avenue and the two new public roadways, and (iv) the construction and installation of sidewalks, the construction and installation of stormwater sewers, and the acquisition and installation of electrical lines, each along Front Street, 2nd Street, Chestnut Boulevard, Sackett Avenue and the two new public roadways to be constructed (\$1,480,000); and acquisition and installation of water system meters for use by the water and sanitary sewer systems, together with all necessary appurtenances (\$4,570,000). This bond issuance was offset by annual principal bond payments of \$2,404,623, recording of additional premium, and annual amortization of discounts and premiums, thereof.

**NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)**

There is no repayment schedule for net pension liability, and net other postemployment benefits (OPEB) liability; however, employer pension and OPEB contributions for Governmental Activities are made from the General Fund, Street Construction, Maintenance and Repair Special Revenue Fund, Police Pension Special Revenue Fund, Fire Pension Special Revenue Fund, Community Development Block Grant Special Revenue Fund, Garage Internal Service Fund, and Self Insurance Internal Service Fund. Business-type contributions are made from the Sewer, Water, Electric, Sanitation, Leisure Time, and Storm Drainage Utility Enterprise Funds. For additional information related to the net pension liability and net OPEB liability see Notes 7, 8 and 19.

As of December 31, 2023, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt without a vote of the electors) was \$49,447,085. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2023 (excluding financed purchases payable and leases) are as follows:

<u>Year</u>	Business-type Obligations		Governmental Activities Obligations	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,680,000	\$ 1,907,785	\$ 1,289,071	\$ 788,951
2025	2,225,000	1,801,643	1,373,520	746,877
2026	2,330,000	1,703,463	1,427,416	695,657
2027	2,440,000	1,600,643	1,486,313	642,401
2028	2,540,000	1,492,903	1,540,761	586,323
2029-2033	13,680,000	5,671,071	7,364,462	2,061,623
2034-2038	8,030,000	3,082,300	3,250,000	1,044,478
2039-2043	7,860,000	1,200,000	2,750,000	324,544
Total	\$ 41,785,000	\$ 18,459,808	\$ 20,481,543	\$ 6,890,854

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.

**Leases Payable**

The City entered into a lease agreement for Flock cameras for the Police department for two years in 2023. Due to the implementation of GASB Statement No. 87, the lease met the criteria of leases, thus requiring it to be recorded by the City. The lease will be amortized over the lease term since it is shorter than the useful life due to the City not taking ownership of the cameras. A summary of principal and interest amounts for the remaining lease is as follows:

<u>Year Ending Dec 31</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2024	\$62,981	\$2,519	\$65,500

The City entered into a lease agreement for golf carts for Brookledge Golf Course for six years in 2023. Due to the implementation of GASB Statement No. 87, the lease met the criteria of leases, thus requiring it to be recorded by the City. The lease will be amortized over the lease term since it is shorter than the useful life due to the City not taking ownership of the golf carts. A summary of principal and interest amounts for the remaining lease is as follows:



## City of Cuyahoga Falls, Ohio

### NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

<u>Year Ending Dec 31</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2024	\$107,128	\$22,149	\$129,277
2025	111,491	17,784	129,275
2026	116,034	13,242	129,276
2027	120,762	8,514	129,276
2028	<u>136,149</u>	<u>3,577</u>	<u>139,726</u>
	<u>591,564</u>	<u>65,266</u>	<u>656,830</u>

#### Subscription-Based Information Technology Arrangements

For the year ended December 31, 2023 the City implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The Statement provides a definition of IT subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

IT subscriptions in effect at the end of the prior fiscal year had their assets and liabilities initially measured at the present value of the subscription payments expected over the remaining term of the IT subscription after January 1, 2023. The City previously entered into multiple subscription-based information technology arrangements. An initial IT subscription liability was recorded in the amount of \$571,951. For the year ending December 31, 2023, the value of the IT subscription liability is \$426,605. The IT subscriptions have interest rates of 3.00%.

The future IT subscription obligations and the net present value of these IT subscription payments as of December 31, 2023 were as follows:

<u>Year Ending Dec 31</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2024	\$142,348	\$12,780	\$155,128
2025	151,057	8,528	159,585
2026	115,869	3,996	119,865
2027	<u>17,331</u>	<u>519</u>	<u>17,850</u>
	<u>\$426,605</u>	<u>\$25,823</u>	<u>\$452,428</u>

**NOTE 14 - INTERFUND TRANSFERS AND BALANCES**

**A. Transfers**

As of December 31, 2023, interfund transfers were as follows:

Transfers Out	Transfers In	
	Nonmajor Governmental Funds	Total
General Fund	\$ 7,498,656	\$ 7,498,656
Total	\$ 7,498,656	\$ 7,498,656

The General Fund transfers to the Nonmajor Governmental Funds were made to provide additional resources.

As of December 31, 2023, net transfers on the Statement of Activities is as follows:

	Business-type Activities		Governmental		Total
	Leisure Time Capital Contributions		Activities Capital Contributions		Statement of Activities Transfers
Governmental Activities Transfer Out	\$ (932,391)	\$	571	\$	(931,820)
Business-type Activities Transfer In	\$ 932,391	\$	(571)	\$	931,820

Business-type activities capital contributions from governmental activities relates to buildings, infrastructure, and equipment purchased from the Recreation Levy and Community Development Block Grant Special Revenue Funds and transferred to the Leisure Time Enterprise Fund in the amount of \$663,490, and \$268,901, respectively. Governmental activities capital contributions from business-type activities relates to the book value of a mower which was transferred from the Leisure Time Enterprise Fund to the Fire department.

# City of Cuyahoga Falls, Ohio

## NOTE 14 - INTERFUND TRANSFERS AND BALANCES (CONTINUED)

### B. Balances

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

Interfund balances, including advances, at December 31, 2023 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Government Funds</u>		
General Fund	\$ 46,360	\$ 78,140
Special Revenue Funds:		
Street Construction, Maintenance and Repair	0	7,726
Recreation Levy	<u>40,000</u>	<u>2,376</u>
	<u>40,000</u>	<u>10,102</u>
Capital Projects	<u>0</u>	<u>1,188</u>
Total Governmental Funds:	<u>86,360</u>	<u>89,430</u>
 <u>Proprietary Funds</u>		
Enterprise Funds:		
Sewage and Disposal	75,668	47,140
Water	0	201,829
Electric	344,250	5,127
Sanitation	13,662	30,443
Leisure Time	0	162,601
Storm Drainage Utility	<u>19,217</u>	<u>0</u>
	<u>452,797</u>	<u>447,140</u>
Internal Service Funds:		
Garage	<u>0</u>	<u>2,587</u>
	<u>0</u>	<u>2,587</u>
Total Proprietary Funds	<u>452,797</u>	<u>449,727</u>
Total All Funds	<u>\$ 539,157</u>	<u>\$ 539,157</u>

**NOTE 15 - RISK MANAGEMENT**

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

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

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

On April 1, 2007, the City changed healthcare coverage to Medical Mutual of Ohio (MMO). In 2023, MMO remained the third-party administrator for claims, network access, and stop-loss insurance coverage. 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 following the Summary Plan Description and claims are then paid by the Self-Insurance Fund. For the fiscal coverage year January 1, 2023, through December 31, 2023, the City has purchased specific stop-loss coverage at \$250,000 per person.

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 healthcare coverage. In 2023, City employees were offered four (4) healthcare plan options, including a high-deductible health plan with a Health Savings Account (HSA).

Employee contributions are a percentage of budgeted healthcare costs. The budgeted health care costs include all costs in the self-insurance fund budget with the exception of dental and vision costs. In the event that budgeted healthcare costs, based on the City's healthcare consultant, are projected to increase by 10 percent or more, the Healthcare Committee shall implement cost containment measures to keep budgeted healthcare cost increases at or below 10 percent per year. The Self-Insurance Fund pays all claims, stop-loss coverage, and administrative fees for healthcare coverage. A liability, in the amount of \$572,870 has been recorded to reflect the outstanding claims as of December 31, 2023. Most health insurance claims are presented for payment to the City within several months after services are rendered.

**B. Workers' Compensation Internal Service Fund**

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

Under the Individual Retrospective Rating Plan, the City pays all claim-related expenses on an annual basis, for a period of ten years from the date of injury. At the tenth year, the BWC actuarially determines the expected future cost (reserve) of all active ten-year-old claims and bills the City. The BWC then assumes all future liability for those claims. Due to the switch to Group, the City's liability under the Individual rating plan ended on December 31, 2023.

For 2023, the workers' compensation premium paid by the City was \$321,946. In addition the 2021 evaluation premium was \$1,194, the 2022 premium true-up was \$15,367 for a total of \$338,507. For 2024, the estimated premium is \$379,114.

## City of Cuyahoga Falls, Ohio

### NOTE 15 - RISK MANAGEMENT (CONTINUED)

As a participant in the Group Retrospective Rating Plan, the City is eligible to receive annual evaluation rebates. In 2023, the City received an \$11,260 rebate for the first evaluation for plan year 2022. In 2024, the City will receive a third evaluation rebate for plan year 2020, a second evaluation rebate for plan year 2021, and a first evaluation for the plan year 2022.

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

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

	2021		2022		2023	
	Self-Insurance	Workers' Compensation	Self-Insurance	Workers' Compensation	Self-Insurance	Workers' Compensation
Unpaid claims-January 1	\$ 358,892	\$ 45,559	\$ 606,094	\$ 17,087	\$ 634,877	\$ -
Incurred claims (including IBNRs)	5,239,558	17,087	5,933,251	(16,663)	5,747,998	-
Claim payments made during the year	(4,992,356)	(45,559)	(5,904,468)	(424)	(5,810,005)	-
Unpaid claims-December 31	\$ 606,094	\$ 17,087	\$ 634,877	\$ -	\$ 572,870	\$ -

### NOTE 16 - INVESTMENTS IN JOINT VENTURES

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

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

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

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110 percent of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2023, the City of Cuyahoga Falls has met its debt coverage obligation.

**NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)**

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership bases. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2023, the outstanding debt was \$0. The City's net investment in OMEGA JV2 was (\$146,945) at December 31, 2022. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

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

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

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

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

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System.

On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110 percent of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2022, Cuyahoga Falls has met its debt coverage obligation.

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

## City of Cuyahoga Falls, Ohio

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### NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The City's net investment and its share of operating results of OMEGA JV5 are reported in the City's Electric Fund (an enterprise fund). The City's net investment to date in OMEGA JV5 was \$497,981 at December 31, 2023. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

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

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

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

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

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess funds shall be paid to the Participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110 percent of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2023, Cuyahoga Falls has met its debt coverage obligation.

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

**NOTE 16 - INVESTMENTS IN JOINT VENTURES (CONTINUED)**

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

The City’s net investment and its share of operating results of OMEGA JV6 are reported in the City’s Electric Fund (an enterprise fund). The City’s net investment to date in OMEGA JV6 was \$440,332 at December 31, 2023, which was a \$245,575 decrease from the prior year. The decrease in the City’s net investment is directly related to asset impairment. During 2023, it was determined that the shutdown of Turbine #3 was other than a short-term shutdown. The costs associated with this turbine were written off with the assumption that there was no salvage value. In addition, it was determined that the remaining life of the remaining operating turbines was less than OMEGA JV6 had been depreciating the assets and that the net book value would be depreciated with a shorter remaining life than was previously expected beginning in 2023. Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor’s website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

**NOTE 17 – OTHER COMMITMENTS**

**Construction Commitments**

As of December 31, 2023, the City had the following significant commitments with respect to projects requiring capital expenditures:

<u>Capital Project</u>	2023 Remaining Construction <u>Contract</u>	Expected Date of <u>Completion</u>
Brookledge Clubhouse Renovation	\$ 309,563	2024
South Front Revitalization (Broad - Grant)	\$ 233,900	2025
2023 Braun Chief XL type III	\$ 297,715	2024
Fire Engine - Pierce Saber Pumper and Equipment	\$ 900,863	2024
Five-Ton Single Axle Hook Lift Truck/Plow	\$ 223,829	2024
Five-Ton Single Axle Hook Lift Truck/Plow	\$ 223,829	2024
Public Improvements at The Glens Townhomes	\$ 481,888	2024
333 Pleasant Meadow Blvd Brownfield Remediation	\$ 259,030	2024
Wyoga Lake Improvement	\$ 718,000	2024
Fire Station #1 Remodel - Leopardo Energy Savings	\$ 531,162	2024
Automated Meter Reading	\$ 3,170,192	2025
Automated Meter Reading	\$ 3,170,192	2025
Automated Meter Reading	\$ 4,876,652	2025
Water Treatment Plant Ion Exchange Softening Improvements	\$ 442,987	2024
12.5 KV System Upgrade	\$ 1,851,378	2024
Electric Dept Office/Warehouse Building	\$ 4,021,923	2024
Transformers	\$ 360,151	2024
Transformers	\$ 344,238	2024
Transformers	\$ 356,699	2024
Natorium HVAC Replacements - Leopardo Energy Savings	\$ 5,910,618	2024



# City of Cuyahoga Falls, Ohio

## NOTE 17 – OTHER COMMITMENTS (CONTINUED)

### Encumbrances

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

<u>Fund</u>	<u>Amount</u>
General	\$ 536,416
Capital Projects Fund	5,191,177
Other Governmental	<u>2,384,040</u>
Total Governmental Funds	<u>\$ 8,111,633</u>

## NOTE 18 – FUND BALANCES

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Local Fiscal Recovery Special Revenue</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Nonspendable</i>					
Inventory of supplies	\$ 158,792	\$ -	\$ -	\$ 797,645	\$ 956,437
Prepaid items	209,867	-	-	37,172	247,039
Cemetery perpetual care	-	-	-	253,160	253,160
<i>Total nonspendable</i>	<u>368,659</u>	<u>-</u>	<u>-</u>	<u>1,087,977</u>	<u>1,456,636</u>
<i>Restricted for</i>					
Development federal programs	9,302	-	-	2,119,549	2,128,851
Debt service reserves	-	-	-	3,623,497	3,623,497
Streets and highways	-	-	-	2,463,927	2,463,927
Police pension	-	-	-	62,704	62,704
Fire pension	-	-	-	56,640	56,640
Parks and recreation improvements	-	-	-	1,965,954	1,965,954
Enterprise zone / community reinvestment area	-	-	-	128,161	128,161
Other law enforcement	-	-	-	392,456	392,456
Capital improvements and related debt	-	-	8,249,002	-	8,249,002
Tax increment finance district area uses	-	-	-	635,289	635,289
Coronavirus State and Local Fiscal Recovery Funds	-	1,532	-	-	1,532
OneOhio Opioid Settlement uses	-	-	-	85,893	85,893
<i>Total restricted</i>	<u>9,302</u>	<u>1,532</u>	<u>8,249,002</u>	<u>11,534,070</u>	<u>19,793,906</u>
<i>Committed to</i>					
In lieu of public site subdivision regulations	-	-	443,142	-	443,142
Urban renewal area	-	-	-	1,728	1,728
<i>Total committed</i>	<u>-</u>	<u>-</u>	<u>443,142</u>	<u>1,728</u>	<u>444,870</u>
<i>Assigned to</i>					
Outstanding encumbrances:					
Security of persons and property	64,572	-	-	-	64,572
Leisure time activities	15,471	-	-	-	15,471
Community environment	91,544	-	-	-	91,544
General Government	364,829	-	-	-	364,829
<i>Total assigned</i>	<u>536,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,416</u>
Unassigned	29,588,622	-	-	(1,253,305)	28,335,317
<b>Total fund balances</b>	<u>\$ 30,502,999</u>	<u>\$ 1,532</u>	<u>\$ 8,692,144</u>	<u>\$ 11,370,470</u>	<u>\$ 50,567,145</u>

**NOTE 19 – DEFINED BENEFIT SINGLE EMPLOYER OPEB PLAN**

***Net OPEB Liability***

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

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

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

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

***Plan Description***

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

***Benefits Provided***

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

***Eligibility:***

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

**Police Officers:** Police officers hired prior to April 1, 2006 are eligible for 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 City’s explicit subsidy.

# City of Cuyahoga Falls, Ohio

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

**Firefighters:** Firefighters hired prior to February 1, 2006 are eligible for 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 City’s explicit subsidy.

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

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

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

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

**Retiree Cost Sharing:** There is no retiree cost-sharing for the health care of life insurance benefits.

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

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

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

**Explicit Subsidy:**

For a select group of employees, the City reimburses:

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

**General**

**Employees:**

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

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

The annual reimbursement amount effective January 1, 2024 is \$5,134.14 for retirees who have single or family coverage level. The reimbursement is increased 5.0% per year.

**Police Officers:**

The 2024 annual subsidy amounts for police officers are as shown below:

	<b>Premium Reimbursement</b>		<b>Co-pay and Deductible</b>
	<u>&lt; 65</u>	<u>65+</u>	<u>All ages</u>
Retiree	\$ 2,995.48	\$ 2,679.64	\$ 400
Spouse	\$ 4,516.33	\$ 4,736.95	N/A*

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

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

**Firefighters:**

The 2024 annual subsidy amounts for firefighters are as shown below:

	<b>Premium Reimbursement</b>		<b>Co-pay and Deductible</b>
	<u>&lt;65</u>	<u>65+</u>	<u>All Ages</u>
<b>Firefighters who retired prior to 2006</b>			
Retiree	Varies, with healthcare plan selected and		unlimited
Spouse	OP&F stipend		
<b>Firefighters who retired on/after 2006</b>			
Retiree	\$2,995.48	\$2,995.48	\$700
Spouse	\$4,516.30	\$4,516.30	N/A*

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

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

As of December 31, 2023, the City had 778 participants. Of that number, 397 were active employees and 381 were retirees and dependents that were currently receiving the post-employment mentioned above. In addition, there are two surviving spouses without life insurance that are currently not enrolled in a State of Ohio medical plan. It is assumed that they will not be rejoining the plan in the future and were excluded from the valuation.

**Funding Policy**

The City’s annual contributions to the plan are made as a pay-as-you-go cash basis. The City’s contractually required contributions were \$365,305 for 2023. The plan does not require matching contributions from employees during their period of employment.

## City of Cuyahoga Falls, Ohio

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

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of January 1, 2023, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The City's net OPEB liability was based on the aforementioned actuarial valuation. Following is information related to the Net OPEB Liability and OPEB expense:

	<u>OPERS</u>
Proportionate Share of the Net OPEB Liability	\$ 6,490,145
OPEB Expense	\$ (670,814)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
<b>Deferred Outflows of Resources</b>	
Changes of assumptions	\$ 792,860
Total Deferred Outflows of Resources	<u>\$ 792,860</u>
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$ 1,435,556
Changes of assumptions	1,164,242
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>3,875</u>
Total Deferred Inflows of Resources	<u>\$ 2,603,673</u>

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

	<u>OPERS</u>
Year Ending December 31:	
2024	\$ (315,899)
2025	(399,259)
2026	(577,931)
2027	(522,909)
2028	<u>5,185</u>
Total	<u>\$ (1,810,813)</u>

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

*Actuarial Assumptions*

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the OPEB and plan members. The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Discount Rate	4.00 Percent
Annual Wage Inflation	2.75 Percent
Inflation Rate	2.75 Percent
Actuarial Cost Method	Entry Age Normal
Funding Policy	Pay-as-you-go
Annual Health Care Trend Rates	5.00 Percent

General Actives and Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 Police and Fire Active Employees and Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021 Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

The plan does not have sufficient data to have credible experience. Therefore, mortality assumptions are set to reflect general population trends based upon Pub-2010 Mortality tables and the most recent generational projection scale MP-2021 released by the Society of Actuaries (SOA) for future mortality improvements.

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

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

***Discount Rate***

The total OPEB liability was calculated using the discount rate of 4.00 percent. Since the plan is funded by a “pay-as-you-go” system, the 20-year AA rated municipal bond rate was used as both the discount rate.

***Sensitivity of the City's Net OPEB Liability to Changes in the Discount Rate*** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.00 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.00 percent), or one percentage point higher (5.00 percent) than the current rate.

## City of Cuyahoga Falls, Ohio

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

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
City's proportionate share of the net OPEB liability	\$ 7,125,489	\$ 6,490,145	\$ 5,948,199

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 6,169,196	\$ 6,490,145	\$ 6,848,950

#### ***Changes in the Net OPEB Liability***

The following tables represent the changes in the Net OPEB Liability during the measurement period based on actuarial valuation date of January 1, 2023:

<u>Reconciliation of Total OPEB Liability</u>	
1/1/22 Net OPEB Liability	\$ 6,471,341
Service Cost	78,486
Interest Cost	274,508
Contributions	(365,305)
New Inflow - experience	(145,902)
New Outflow - assumptions	177,017
12/31/23 Net OPEB Liability	<u>\$ 6,490,145</u>

<u>Reconciliation of Fiduciary Net Position</u>	
1/1/22 Fiduciary Net Position	\$ -
Employer Contributions	(365,305)
Total Benefits paid	365,305
12/31/23 Fiduciary Net Position	<u>\$ -</u>

<u>Net OPEB Liability</u>	
Total OPEB Liability	\$ 6,490,145
Fiduciary Net Position	-
Net OPEB Liability	<u>\$ 6,490,145</u>

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

**NOTE 20 – JOINTLY GOVERNED ORGANIZATIONS**

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

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

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

**Akron Metropolitan Area Transportation Study**

The City participates in the Akron Metropolitan Area Transportation Study (AMATS). The basic mission of AMATS is to provide quality transportation planning for an effective and efficient transportation system. The Akron metropolitan area includes Summit and Portage counties and a portion of Wayne County. AMATS is led by the AMATS Transportation Policy Committee. The City is a member of the 46 member Policy Committee that is responsible for the preparation of regional transportation policies, plans and programs that meet the areas present and future needs. In 2023, the City contributed \$12,503 to the Akron Metropolitan Area Transportation Study, which represents the City's formula share.



## City of Cuyahoga Falls, Ohio

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### NOTE 21 – TAX ABATEMENT DISCLOSURES

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

Pursuant to the Ohio Revised Code Chapter 5709, the City established four (4) Community Reinvestment Areas. The areas were created after 1994. The City provides both commercial and residential abatements under certain circumstances outlined in the legislation.

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

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

Total amount of taxes abated for projects for year ending 12/31/2023:

Commercial = \$ 1,020,209.56

Residential = \$ 447,357.78

### NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES

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

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objectives of this statement is to establish the definitions of public-private and public-public partnerships (PPPs) and available payment arrangements (APAs) and uniform accounting and financial reporting guidance for arrangements and transactions that meet those definitions. This statement had no impact on the financial statements of the City.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objectives of this statement is to establish the definition for subscription-based information technology arrangements and the uniform accounting and financial reporting guidance for arrangements and transactions that meet those definitions. The City added intangible right-to-use SBITA assets, and SBITA payable liabilities as of January 1, 2023. These amounts offset each other and there was no impact on beginning net position.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

# City of Cuyahoga Falls, Ohio

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

<b>Traditional Plan</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
City's Proportion of the Net Pension Liability	0.127514%	0.129738%	0.129614%	0.132453%	0.127250%
City's Proportionate Share of the Net Pension Liability	\$ 37,667,691	\$ 11,287,731	\$ 19,193,012	\$ 26,180,234	\$ 34,851,195
City's Covered Payroll	\$ 19,507,021	\$ 18,255,386	\$ 18,347,107	\$ 17,187,386	\$ 17,187,386
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	193.10%	61.83%	104.61%	152.32%	202.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%
<b>Combined Plan</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
City's Proportion of the Net Pension (Asset)	0.107525%	0.116350%	0.140407%	0.140517%	0.138696%
City's Proportionate Share of the Net Pension (Asset)	\$ (253,425)	\$ (458,425)	\$ (405,304)	\$ (293,012)	\$ (155,093)
City's Covered Payroll	\$ 490,243	\$ 618,771	\$ 615,164	\$ 593,193	\$ 593,193
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	51.69%	74.09%	65.89%	49.40%	26.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	137.14%	169.88%	157.67%	145.28%	126.64%
<b>Traditional Plan</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.128404%	0.128688%	0.126127%	0.127518%	0.127518%
City's Proportionate Share of the Net Pension Liability	\$ 20,144,098	\$ 29,222,856	\$ 21,846,787	\$ 15,380,096	\$ 15,032,710
City's Covered Payroll	\$ 16,968,723	\$ 16,456,900	\$ 15,699,108	\$ 15,685,492	\$ 15,313,362
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.71%	177.57%	139.16%	98.05%	98.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension (Asset)	0.140312%	0.144536%	0.156700%	0.167910%	0.167910%
City's Proportionate Share of the Net Pension (Asset)	\$ (191,010)	\$ (80,444)	\$ (76,256)	\$ (64,650)	\$ (17,619)
City's Covered Payroll	\$ 574,646	\$ 556,786	\$ 570,242	\$ 618,417	\$ 494,446
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	33.24%	14.45%	13.37%	10.45%	3.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	137.28%	116.55%	116.90%	114.83%	104.33%

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

See accompanying notes to the required supplementary information

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

<b>Police</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
City's Proportion of the Net Pension Liability	0.2099969%	0.1995739%	0.2039786%	0.2124997%	0.2051990%
City's Proportionate Share of the Net Pension Liability	\$ 19,947,673	\$ 12,468,220	\$ 13,905,406	\$ 14,315,115	\$ 16,749,661
City's Covered Payroll	\$ 5,538,247	\$ 5,877,121	\$ 5,574,011	\$ 5,460,537	\$ 5,341,005
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	360.18%	212.15%	249.47%	262.16%	313.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%	63.07%
<b>Fire</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
City's Proportion of the Net Pension Liability	0.2902283%	0.2915046%	0.3009719%	0.2988112%	0.2873610%
City's Proportionate Share of the Net Pension Liability	\$ 27,568,871	\$ 18,211,519	\$ 20,517,522	\$ 20,129,519	\$ 23,456,251
City's Covered Payroll	\$ 6,178,323	\$ 6,943,157	\$ 6,572,396	\$ 6,449,357	\$ 5,967,660
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	446.22%	262.29%	312.18%	312.12%	393.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%	63.07%
<b>Police</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.2121145%	0.2116715%	0.2069667%	0.2070668%	0.2070668%
City's Proportionate Share of the Net Pension Liability	\$ 13,018,423	\$ 13,407,060	\$ 13,314,310	\$ 10,726,924	\$ 10,084,803
City's Covered Payroll	\$ 5,167,553	\$ 5,085,095	\$ 4,680,253	\$ 4,562,400	\$ 5,701,093
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	251.93%	263.65%	284.48%	235.12%	176.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%
<b>Fire</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
City's Proportion of the Net Pension Liability	0.2873610%	0.2909230%	0.2889364%	0.2967296%	0.2967296%
City's Proportionate Share of the Net Pension Liability	\$ 18,020,270	\$ 18,426,768	\$ 18,587,481	\$ 15,371,831	\$ 14,451,662
City's Covered Payroll	\$ 5,818,443	\$ 5,708,877	\$ 5,285,672	\$ 5,343,464	\$ 6,179,778
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	309.71%	322.77%	351.66%	287.68%	233.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%

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

See accompanying notes to the required supplementary information

# City of Cuyahoga Falls, Ohio

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Contractually Required Contributions</u>					
Traditional Plan	\$ 146,767	\$ 2,730,983	\$ 2,636,075	\$ 2,555,754	\$ 2,568,595
Combined Plan	69,248	68,634	74,261	86,628	86,123
Total Required Contributions	\$ 216,015	\$ 2,799,617	\$ 2,710,336	\$ 2,642,382	\$ 2,654,718
Contributions in Relation to the Contractually Required Contribution	<u>(216,015)</u>	<u>(2,799,617)</u>	<u>(2,710,336)</u>	<u>(2,642,382)</u>	<u>(2,654,718)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>City's Covered Payroll</u>					
Traditional Plan	\$ 1,048,336	\$ 19,507,021	\$ 18,829,107	\$ 18,255,386	\$ 18,347,107
Combined Plan	\$ 494,629	\$ 490,243	\$ 530,436	\$ 618,771	\$ 615,164
<u>Pension Contributions as a Percentage of Covered Payroll</u>					
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%	14.00%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Contractually Required Contributions</u>					
Traditional Plan	\$ 2,406,234	\$ 2,205,934	\$ 1,974,828	\$ 1,883,893	\$ 1,882,259
Combined Plan	83,047	74,704	66,814	68,429	74,210
Total Required Contributions	\$ 2,489,281	\$ 2,280,638	\$ 2,041,642	\$ 1,952,322	\$ 1,956,469
Contributions in Relation to the Contractually Required Contribution	<u>(2,489,281)</u>	<u>(2,280,638)</u>	<u>(2,041,642)</u>	<u>(1,952,322)</u>	<u>(1,956,469)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>City's Covered Payroll</u>					
Traditional Plan	\$ 17,187,386	\$ 16,968,723	\$ 16,456,900	\$ 15,699,108	\$ 15,685,492
Combined Plan	\$ 593,193	\$ 574,646	\$ 556,786	\$ 570,242	\$ 618,417
<u>Pension Contributions as a Percentage of Covered Payroll</u>					
Traditional Plan	14.00%	13.00%	12.00%	12.00%	12.00%
Combined Plan	14.00%	13.00%	12.00%	12.00%	12.00%

See accompanying notes to the required supplementary information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Contractually Required Contributions</u>					
Police	\$ 1,219,382	\$ 1,052,267	\$ 1,116,653	\$ 1,059,062	\$ 1,037,502
Fire	1,767,356	1,451,906	1,631,642	1,544,513	1,515,599
Total Required Contributions	\$ 2,986,738	\$ 2,504,173	\$ 2,748,295	\$ 2,603,575	\$ 2,553,101
Contributions in Relation to the Contractually Required Contribution	(2,986,738)	(2,504,173)	(2,748,295)	(2,603,575)	(2,553,101)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
<u>City's Covered Payroll</u>					
Police	\$ 6,417,800	\$ 5,538,247	\$ 5,877,121	\$ 5,574,011	\$ 5,460,537
Fire	\$ 7,520,664	\$ 6,178,323	\$ 6,943,157	\$ 6,572,396	\$ 6,449,357
<u>Pension Contributions as a Percentage of Covered Payroll</u>					
Police	19.00%	19.00%	19.00%	19.00%	19.00%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Contractually Required Contributions</u>					
Police	\$ 1,014,791	\$ 981,835	\$ 966,168	\$ 889,248	\$ 866,856
Fire	1,402,400	1,367,334	1,341,586	1,242,133	1,255,714
Total Required Contributions	\$ 2,417,191	\$ 2,349,169	\$ 2,307,754	\$ 2,131,381	\$ 2,122,570
Contributions in Relation to the Contractually Required Contribution	(2,417,191)	(2,349,169)	(2,307,754)	(2,131,381)	(2,122,570)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
<u>City's Covered Payroll</u>					
Police	\$ 5,341,005	\$ 5,167,553	\$ 5,085,095	\$ 4,680,253	\$ 4,562,400
Fire	\$ 5,967,660	\$ 5,818,443	\$ 5,708,877	\$ 5,285,672	\$ 5,343,464
<u>Pension Contributions as a Percentage of Covered Payroll</u>					
Police	19.00%	19.00%	19.00%	19.00%	19.00%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%

See accompanying notes to the required supplementary information

# City of Cuyahoga Falls, Ohio

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

	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability/Asset	0.123711%	0.125704%	0.126261%	0.129055%	0.124262%	0.125630%	0.126370%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 780,022	\$ (3,937,242)	\$ (2,249,441)	\$ 17,825,848	\$ 16,200,831	\$ 13,642,493	\$ 12,763,799
City's Covered Payroll	\$ 21,075,400	\$ 20,319,236	\$ 19,602,471	\$ 19,095,028	\$ 19,195,254	\$ 18,022,907	\$ 17,794,450
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	3.70%	-19.38%	-11.48%	93.35%	84.40%	75.70%	71.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.04%

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

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

See accompanying notes to the required supplementary information

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

	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.5002252%	0.4910784%	0.5049505%	0.5113109%	0.4925606%	0.5057261%	0.5025900%
City's Proportionate Share of the Net OPEB Liability	\$ 3,561,459	\$ 5,382,642	\$ 5,350,033	\$ 5,050,591	\$ 4,485,520	\$ 28,653,730	\$ 23,856,817
City's Covered Payroll	\$ 13,938,464	\$ 11,716,570	\$ 12,820,278	\$ 12,146,407	\$ 11,909,894	\$ 11,308,665	\$ 10,985,996
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	25.55%	45.94%	41.73%	41.58%	37.66%	253.38%	217.16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.59%	46.86%	45.42%	47.08%	46.57%	14.13%	15.96%

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

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

See accompanying notes to the required supplementary information



# City of Cuyahoga Falls, Ohio

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

	2023	2022	2021	2020	2019
Contractually Required Contribution	\$ 22,969	\$ 12,879	\$ 9,717	\$ 8,835	\$ 9,319
Contributions in Relation to the Contractually Required Contribution	(22,969)	(12,879)	(9,717)	(8,835)	(9,319)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City Covered Payroll	\$ 21,075,400	\$ 20,319,236	\$ 19,602,471	\$ 19,095,028	\$ 19,195,254
Contributions as a Percentage of Covered Payroll	0.11%	0.06%	0.05%	0.05%	0.05%
	2018	2017	2016	2015	
Contractually Required Contribution	\$ 9,727	\$ 185,478	\$ 354,575	\$ 325,362	
Contributions in Relation to the Contractually Required Contribution	(9,727)	(185,478)	(354,575)	(325,362)	
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	
City Covered Payroll	\$ 18,022,907	\$ 17,794,450	\$ 17,463,164	\$ 16,563,817	
Contributions as a Percentage of Covered Payroll	0.05%	1.04%	2.03%	1.96%	

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

See accompanying notes to the required supplementary information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 69,692	\$ 58,583	\$ 64,102	\$ 60,732	\$ 59,550
Contributions in Relation to the Contractually Required Contribution	<u>(69,692)</u>	<u>(58,583)</u>	<u>(64,102)</u>	<u>(60,732)</u>	<u>(59,550)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 13,938,464	\$ 11,716,570	\$ 12,820,278	\$ 12,146,407	\$ 11,909,894
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 56,543	\$ 54,930	\$ 54,074	\$ 53,855	\$ 53,163
Contributions in Relation to the Contractually Required Contribution	<u>(56,543)</u>	<u>(54,930)</u>	<u>(54,074)</u>	<u>(53,855)</u>	<u>(53,163)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 11,308,665	\$ 10,985,996	\$ 10,793,972	\$ 9,965,925	\$ 9,905,864
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information

# City of Cuyahoga Falls, Ohio

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

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability - beginning of year	6,471,341	9,830,547	10,182,507	9,086,587	8,551,540	10,445,503	(2)
Service Cost	78,486	214,422	213,890	185,695	143,998	211,322	(2)
Interest	274,508	219,030	215,644	294,891	347,622	354,573	(2)
Change of benefit terms	-	-	-	-	-	-	(2)
Change in assumptions	177,017	(1,650,674)	(127,587)	1,613,455	645,157	(549,434)	(2)
Differences between expected and actual experience	(145,902)	(1,517,901)	(202,564)	(541,393)	(121,752)	(1,205,511)	(2)
Benefit Payments	(365,305)	(624,083)	(451,343)	(456,728)	(479,978)	(704,913)	(2)
Net change in total OPEB liability	18,804	(3,359,206)	(351,960)	1,095,920	535,047	(1,893,963)	-
Total OPEB Liability - end of year	6,490,145	6,471,341	9,830,547	10,182,507	9,086,587	8,551,540	10,445,503
Net OPEB Liability	\$ 6,490,145	\$ 6,471,341	\$ 9,830,547	\$ 10,182,507	\$ 9,086,587	\$ 8,551,540	\$ 10,445,503
Covered-Employee Payroll	\$ 34,580,761	\$ 35,050,040	\$ 34,111,961	\$ 33,038,219	\$ 32,891,596	\$ 29,089,244	\$ 28,529,365
City's Net OPEB Liability as a Percentage of its Covered-Employee Payroll	18.77%	18.46%	28.82%	30.82%	27.63%	29.40%	36.61%

(1) Information prior to 2018 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

(2) Information not available for 2017.

Note: There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

See accompanying notes to the required supplementary information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 365,305	\$ 624,083	\$ 451,343	\$ 456,728	\$ 479,978	\$ 554,591	\$ 535,413
Contributions in Relation to the Contractually Required Contribution	<u>(365,305)</u>	<u>(624,083)</u>	<u>(451,343)</u>	<u>(456,728)</u>	<u>(479,978)</u>	<u>(554,591)</u>	<u>(535,413)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 34,580,761	\$ 35,050,040	\$ 34,111,961	\$ 33,038,219	\$ 32,891,596	\$ 29,089,244	\$ 28,529,365
Contributions as a Percentage of Covered-Employee Payroll	1.06%	1.78%	1.32%	1.38%	1.46%	1.91%	1.88%

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

See accompanying notes to the required supplementary information

## Notes to the Required Supplementary Information December 31, 2023

### OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

#### *Net Pension Liability*

**Changes in benefit terms:** There were no changes in benefit terms from the amounts reported for 2014-2023.

**Changes in assumptions:** There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023.

#### *Net OPEB Liability*

**Changes in benefit terms:** There were no changes in benefit terms from the amounts reported for 2018-2023.

**Changes in assumptions:** For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036.

## OHIO POLICE AND FIRE (OP&F) PENSION FUND

**Changes in benefit terms:** There were no changes in benefit terms from the amounts reported for 2014-2023.

**Changes in assumptions:** There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016. For 2019-2021, there have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date. For 2022, the investment rate of return was reduced from 8.00 percent to 7.50 percent. For 2023, Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates 68 adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below Medium Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

### **Net OPEB Liability**

**Changes in benefit terms:** There were no changes in benefit terms from the amounts reported for 2018 and 2020-2023. For 2019, see below regarding changes to stipend-based model.

**Changes in assumptions:** For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5% (c) the single discount rate changed from 3.24 percent to 4.66 percent. For 2020, the single discount rate changed from 4.66 to 3.56. For 2021, the single discount rate changed from 3.56 to 2.96. For 2022, the single discount rate changed from 2.96 to 2.84. For 2023, the changes of assumptions were: (a) the single discount rate changed from 2.84% to 4.27% (b) the depletion year of OPEB assets is projected in year 2036 (c) mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

**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.

**Local Fiscal Recovery Special Revenue**

To account for American Rescue Plan Act grant revenue which is restricted for use according to Federal Guidelines.



# 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, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property taxes	\$ 11,149,823	\$ 11,086,775	\$ 11,099,015	\$ 12,240
Income taxes	18,245,601	20,899,465	20,901,073	1,608
Other local taxes	2,588,681	2,453,881	2,453,121	(760)
State levied shared taxes	3,393,620	3,276,102	3,277,336	1,234
Intergovernmental	328,429	595,754	614,783	19,029
Charges for services	3,969,523	3,901,923	3,925,088	23,165
Fees, licenses, and permits	153,410	180,110	168,376	(11,734)
Interest earnings	2,150,000	4,555,000	4,566,729	11,729
Fines and forfeitures	191,300	152,000	161,753	9,753
Other	856,081	1,092,788	1,130,766	37,978
<b>Total revenues</b>	<b>43,026,468</b>	<b>48,193,798</b>	<b>48,298,040</b>	<b>104,242</b>
<b>Expenditures</b>				
Current				
<b>Security of persons and property</b>				
Police				
Personal services	8,929,460	8,861,804	8,728,427	133,377
Other operations	1,617,060	1,617,060	1,371,112	245,948
<b>Total - Police</b>	<b>10,546,520</b>	<b>10,478,864</b>	<b>10,099,539</b>	<b>379,325</b>
Fire				
Personal services	9,231,192	9,499,192	9,400,552	98,640
Other operations	1,214,498	1,214,498	1,133,375	81,123
<b>Total - Fire</b>	<b>10,445,690</b>	<b>10,713,690</b>	<b>10,533,927</b>	<b>179,763</b>
Technical Services				
Personal services	576,094	576,094	571,571	4,523
Other operations	97,101	97,101	80,772	16,329
<b>Total - Technical Services</b>	<b>673,195</b>	<b>673,195</b>	<b>652,343</b>	<b>20,852</b>
Communications				
Personal services	1,115,777	919,961	918,666	1,295
Other operations	331,809	341,809	334,597	7,212
<b>Total - Communications</b>	<b>1,447,586</b>	<b>1,261,770</b>	<b>1,253,263</b>	<b>8,507</b>
<b>Total - Security of persons and property</b>	<b>23,112,991</b>	<b>23,127,519</b>	<b>22,539,072</b>	<b>588,447</b>
<b>Leisure time activities</b>				
Parks & Recreation				
Personal services	2,766,648	2,766,648	2,607,849	158,799
Other operations	1,171,185	1,171,185	1,077,544	93,641
<b>Total - Leisure time activities</b>	<b>3,937,833</b>	<b>3,937,833</b>	<b>3,685,393</b>	<b>252,440</b>
<b>Community environment</b>				
Community / Economic Development				
Personal services	911,437	911,437	903,174	8,263
Other operations	406,502	406,502	375,761	30,741
<b>Total - Community / Economic Development</b>	<b>1,317,939</b>	<b>1,317,939</b>	<b>1,278,935</b>	<b>39,004</b>
Neighborhood Excellence, Communications, And Community Outreach				
Personal services	322,264	322,264	299,072	23,192
Other operations	65,039	65,039	47,905	17,134
<b>Total - Neighborhood Excellence, Communications, And Community Outreach</b>	<b>387,303</b>	<b>387,303</b>	<b>346,977</b>	<b>40,326</b>
<b>Total - Community environment</b>	<b>1,705,242</b>	<b>1,705,242</b>	<b>1,625,912</b>	<b>79,330</b>

## 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, 2023

(Continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>General government</b>				
General Administration				
Other operations	\$ 1,007,141	\$ 1,359,141	\$ 1,344,761	\$ 14,380
Total - General Administration	<u>1,007,141</u>	<u>1,359,141</u>	<u>1,344,761</u>	<u>14,380</u>
Council				
Personal services	334,747	334,747	330,726	4,021
Other operations	15,741	15,741	13,762	1,979
Total - Council	<u>350,488</u>	<u>350,488</u>	<u>344,488</u>	<u>6,000</u>
Mayor				
Personal services	290,133	290,974	290,974	-
Other operations	12,650	11,809	10,355	1,454
Total - Mayor	<u>302,783</u>	<u>302,783</u>	<u>301,329</u>	<u>1,454</u>
Mayor's Court				
Personal services	151,685	168,685	168,252	433
Other operations	47,828	47,828	35,736	12,092
Total - Mayor's Court	<u>199,513</u>	<u>216,513</u>	<u>203,988</u>	<u>12,525</u>
Finance Director				
Personal services	961,743	961,743	925,131	36,612
Other operations	145,097	145,097	139,540	5,557
Total - Finance Director	<u>1,106,840</u>	<u>1,106,840</u>	<u>1,064,671</u>	<u>42,169</u>
Law Director				
Personal services	963,567	963,567	913,004	50,563
Other operations	169,099	204,099	112,666	91,433
Total - Law Director	<u>1,132,666</u>	<u>1,167,666</u>	<u>1,025,670</u>	<u>141,996</u>
Service Director				
Personal services	429,038	429,038	404,246	24,792
Other operations	26,796	26,796	22,931	3,865
Total - Service Director	<u>455,834</u>	<u>455,834</u>	<u>427,177</u>	<u>28,657</u>
Civil Service Commission				
Personal services	12,471	12,471	11,931	540
Other operations	60,629	60,629	38,899	21,730
Total - Civil Service Commission	<u>73,100</u>	<u>73,100</u>	<u>50,830</u>	<u>22,270</u>
Engineering				
Personal services	1,187,131	997,131	961,927	35,204
Other operations	282,284	297,284	155,329	141,955
Total - Engineering	<u>1,469,415</u>	<u>1,294,415</u>	<u>1,117,256</u>	<u>177,159</u>
Human Resources / Records				
Personal services	174,166	174,166	156,778	17,388
Other operations	50,030	50,030	44,589	5,441
Total - Human Resources / Records	<u>224,196</u>	<u>224,196</u>	<u>201,367</u>	<u>22,829</u>
Building and Grounds Maintenance				
Personal services	832,741	832,741	799,409	33,332
Other operations	704,924	529,924	493,927	35,997
Total - Building and Grounds Maintenance	<u>1,537,665</u>	<u>1,362,665</u>	<u>1,293,336</u>	<u>69,329</u>

# City of Cuyahoga Falls, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund For the Year Ended December 31, 2023

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>General government (Continued)</b>				
Municipal Income Tax				
Personal services	197,927	197,927	187,418	10,509
Other operations	1,428,692	1,710,876	1,710,406	470
Total - Municipal Income Tax	1,626,619	1,908,803	1,897,824	10,979
Information Services				
Personal services	849,031	849,031	844,727	4,304
Other operations	153,183	153,183	125,663	27,520
Total - Information Services	1,002,214	1,002,214	970,390	31,824
Total - General government	10,488,474	10,824,658	10,243,087	581,571
Total expenditures	39,244,540	39,595,252	38,093,464	1,501,788
Excess (deficiency) of revenues				
Over (under) expenditures	3,781,928	8,598,546	10,204,576	1,606,030
<b>Other Financing (Uses)</b>				
Transfers out	(5,150,000)	(7,498,657)	(7,498,656)	1
Total other financing (uses)	(5,150,000)	(7,498,657)	(7,498,656)	1
Net change in fund balances	(1,368,072)	1,099,889	2,705,920	1,606,031
Fund balance at beginning of year	22,754,134	22,754,134	22,754,134	-
Prior year encumbrances appropriated	308,657	308,657	308,657	-
Fund balance at end of year	\$ 21,694,719	\$ 24,162,680	\$ 25,768,711	\$ 1,606,031

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Local Fiscal Recovery Fund  
For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures</b>				
Current				
General government				
Other operations	-	1,671,561	1,569,343	102,218
Capital outlay	12,556,800	10,885,239	1,275,711	9,609,528
Total expenditures	12,556,800	12,556,800	2,845,054	9,711,746
Excess (deficiency) of revenues over (under) expenditures	(12,556,800)	(12,556,800)	(2,845,054)	9,711,746
<b>Net change in fund balances</b>	(12,556,800)	(12,556,800)	(2,845,054)	9,711,746
Fund balance at beginning of year	13,716,168	13,716,168	13,716,168	-
Prior year encumbrances appropriated	10,800	10,800	10,800	-
Fund balance at end of year	<u>\$ 1,170,168</u>	<u>\$ 1,170,168</u>	<u>\$ 10,881,914</u>	<u>\$ 9,711,746</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Projects Fund For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Income taxes	\$ 7,986,610	\$ 9,164,639	\$ 9,164,640	\$ 1
Intergovernmental	4,650,000	2,357,007	2,357,014	7
Charges for services	1,335,000	1,450,200	1,446,108	(4,092)
Special assessments	89,144	103,094	100,713	(2,381)
Other	1,211,435	2,557,085	2,567,688	10,603
Total revenues	15,272,189	15,632,025	15,636,163	4,138
<b>Expenditures</b>				
Current				
Capital outlay	24,738,010	20,585,806	18,903,833	1,681,973
Debt service				
Principal	4,875,468	3,625,468	3,625,468	-
Interest	218,244	168,244	164,191	4,053
Total expenditures	29,831,722	24,379,518	22,693,492	1,686,026
Excess (deficiency) of revenues over (under) expenditures				
	(14,559,533)	(8,747,493)	(7,057,329)	1,690,164
<b>Other Financing Sources</b>				
Bond/note issuance	9,095,000	5,692,316	5,692,317	1
Total other financing sources	9,095,000	5,692,316	5,692,317	1
<b>Net change in fund balances</b>	(5,464,533)	(3,055,177)	(1,365,012)	1,690,165
Fund balance at beginning of year	1,650,540	1,650,540	1,650,540	-
Prior year encumbrances appropriated	4,664,145	4,664,145	4,664,145	-
Fund balance at end of year	\$ 850,152	\$ 3,259,508	\$ 4,949,673	\$ 1,690,165

## Nonmajor Governmental Funds

<b>Special Revenue Funds</b>	To account for specific revenues that are legally restricted to expenditure for particular purposes.
<b>State Highway Improvement</b>	Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees for maintenance of state highways within the City.
<b>Street Construction, Maintenance and Repair</b>	Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees for maintenance of streets within the City.
<b>Police Pension</b>	To accumulate property taxes and other monies for the payment of the current and accrued liability for police disability and pension benefits.
<b>Fire Pension</b>	To accumulate property taxes and other monies for the payment of the current and accrued liability for fire disability and pension benefits.
<b>Recreation Levy</b>	To account for income tax collections received, per codified ordinance. The revenue must be used for improvements made to parks and recreation facilities.
<b>Permissive Tax</b>	Required by the Ohio Revised Code to account for local vehicle license fees designated for the maintenance of streets within the City. These funds are controlled by the county and limited to non-residential connector streets.
<b>Community and Economic Development</b>	To account for monies received from the sale of City-owned properties in an urban renewal area.
<b>Community Development Block Grant</b>	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.
<b>Enterprise Zone/Community Reinvestment Area</b>	To account for fees collected from enterprises receiving a tax incentive through an enterprise zone agreement for the purpose of administering and monitoring the Enterprise Zone Agreement.
<b>Drug Law Enforcement</b>	To account for fines received by the City that are restricted under the Ohio Revised Code to subsidize law enforcement efforts that pertain to drug offenses.
<b>Law Enforcement Trust</b>	To account for proceeds from the sale of contraband that are restricted to subsidizing law enforcement efforts.

## **Nonmajor Governmental Funds (Continued)**

**Enforcement and Education**

To account for proceeds realized from fines to pay only those costs incurred in enforcing Section 4511.19 of the Ohio Revised Code or a substantially similar municipal ordinance and in educating the public of laws governing the operation of a motor vehicle and the dangers of operation of a motor vehicle while under the influence of alcohol and other information relating to the operation of a motor vehicle and the consumption of alcoholic beverages.

**Municipal Motor Vehicle License Tax**

Required by the Ohio Revised Code to account for local vehicle license fees designated for the maintenance of certain streets within the City.

**Federal Law Enforcement**

To account for the subsidy received by the Police Department for its efforts pertaining to (1) complex investigations/prosecutions by the City's Police/Law Departments; (2) provision of technical training or expertise of a law enforcement nature for Police Department members; (3) provision of matching funds to obtain federal grants; and (4) for such other law enforcement purposes that are deemed appropriate.

**Law Enforcement Assistance**

To account for the reimbursement of professional training costs for law enforcement officers.

**State Road Public Improvement Tax Increment Equivalent**

To account for service payments and any associated rollback payments distributed to the City with respect to improvements on the property known as Portage Crossing. Moneys deposited in the fund shall be used to pay any and all planning, engineering, acquisition, construction, installation, financing costs and any other direct or indirect costs of the public improvement; interest and principal of bonds or notes; to reimburse the City, the State of Ohio or other governmental entity for any funds used to pay costs of the public improvement; and to compensated the school district pursuant to the School Agreement.

**Mudbrook-Mill Pond Public Improvement Tax Increment Equivalent**

To account for service payments and any associated rollback payments distributed to the City with respect to improvements to the Mudbrook-Mill Pond Incentive District. Moneys deposited in the fund shall be used to pay any and all planning, engineering, acquisition, construction, installation, financing costs and any other direct or indirect costs of the public improvement; interest and principal of bonds or notes; to reimburse the City, the State of Ohio or other governmental entity for any funds used to pay costs of the public improvement.

## Nonmajor Governmental Funds (Continued)

**OneOhio Opioid Settlement**

To account for the local government share of OneOhio funds which must be used for evidence-based forward-looking strategies, programming and services used to (i) expand the availability of treatment for individuals affected by substance use disorders, (ii) develop, promote and provide evidence-based substance use prevention strategies, (iii) provide substance use avoidance and awareness education, (iv) decrease the oversupply of licit and illicit opioids, and (v) support recovery from addiction services performed by qualified and appropriately licensed providers.

**Princeton Crossroads Tax Increment Equivalent**

To account for service payments and any associated rollback payments distributed to the City for the purpose of reimbursing private parties for costs associated with the construction of public infrastructure improvements on the parcels.

**Debt Service Fund**

To account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Debt Service Fund**

To account for the accumulation of resources for and payment of general obligation principal, interest, and related expenditures.

**Permanent Fund**

To account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.

**Cemetery Perpetual Care Permanent Fund**

To account for monies received for the perpetual care of cemetery lots. A portion of lot sales received is held as a permanent fund, and the interest received on the invested monies is available for care of the cemetery lots. Per Ohio Revised Code Section 5705.36, the City does certify the principal balance and any additions to principal arising from sources other than the reinvestment of investment earnings arising from that fund to the County Fiscal Agent.



# City of Cuyahoga Falls, Ohio

## Combining Balance Sheet - Nonmajor Governmental Funds December 31, 2023

	Nonmajor Special Revenue Funds	Debt Service Fund	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 4,276,412	\$ 2,772,160	\$ 193,680	\$ 7,242,252
Investments	1,343,179	851,337	59,480	2,253,996
<b>Receivables</b>				
Taxes	2,554,626	-	-	2,554,626
<b>Accounts</b>				
(net of allowance for uncollectibles)	100,111	-	-	100,111
Loans	1,973,363	-	-	1,973,363
Due from other funds	40,000	-	-	40,000
Due from other governments	1,814,459	-	-	1,814,459
Inventory of supplies	797,645	-	-	797,645
Prepaid items	37,172	-	-	37,172
<b>Total assets</b>	<b>\$ 12,936,967</b>	<b>\$ 3,623,497</b>	<b>\$ 253,160</b>	<b>\$ 16,813,624</b>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 41,122	\$ -	\$ -	\$ 41,122
Accrued salaries, wages and benefits	75,005	-	-	75,005
Retainage payable	7,984	-	-	7,984
Due to other funds	10,102	-	-	10,102
Due to other governments	617,869	-	-	617,869
General obligation notes payable	1,255,000	-	-	1,255,000
<b>Total liabilities</b>	<b>2,007,082</b>	<b>-</b>	<b>-</b>	<b>2,007,082</b>
<b>Deferred Inflows of Resources</b>				
Revenues levied for the next year and unavailable revenue	3,436,072	-	-	3,436,072
<b>Fund Balances</b>				
Nonspendable	834,817	-	253,160	1,087,977
Restricted	7,910,573	3,623,497	-	11,534,070
Committed	1,728	-	-	1,728
Unassigned	(1,253,305)	-	-	(1,253,305)
<b>Total fund balances</b>	<b>7,493,813</b>	<b>3,623,497</b>	<b>253,160</b>	<b>11,370,470</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 12,936,967</b>	<b>\$ 3,623,497</b>	<b>\$ 253,160</b>	<b>\$ 16,813,624</b>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2023**

	Nonmajor Special Revenue Funds	Debt Service Fund	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 640,328	\$ -	\$ -	\$ 640,328
Municipal income taxes	2,499,732	-	-	2,499,732
Other local taxes	2,758,070	-	-	2,758,070
State levied shared taxes	3,781,379	-	-	3,781,379
Intergovernmental	1,523,253	-	-	1,523,253
Charges for services	-	-	860	860
Fees, licenses and permits	426,051	-	-	426,051
Interest earnings	1,931	40,476	12,682	55,089
Fines and forfeitures	27,018	-	-	27,018
Other	76,316	-	-	76,316
Total revenues	<u>11,734,078</u>	<u>40,476</u>	<u>13,542</u>	<u>11,788,096</u>
<b>Expenditures</b>				
Current				
Security of persons and property	3,103,041	-	-	3,103,041
Leisure time activities	2,344,987	-	-	2,344,987
Community environment	3,627,286	-	-	3,627,286
Street maintenance	3,837,323	-	-	3,837,323
General government	-	49,613	10,296	59,909
Capital outlay	222,498	-	-	222,498
Debt Service				
Principal	170,000	769,623	-	939,623
Interest	310,768	382,404	-	693,172
Total expenditures	<u>13,615,903</u>	<u>1,201,640</u>	<u>10,296</u>	<u>14,827,839</u>
Excess (deficiency) of revenues over (under) expenditures				
	<u>(1,881,825)</u>	<u>(1,161,164)</u>	<u>3,246</u>	<u>(3,039,743)</u>
<b>Other Financing Sources</b>				
Premium on debt issuance	14,721	306,892	-	321,613
Transfers in	3,268,656	4,230,000	-	7,498,656
Total other financing sources	<u>3,283,377</u>	<u>4,536,892</u>	<u>-</u>	<u>7,820,269</u>
Net change in fund balances	1,401,552	3,375,728	3,246	4,780,526
Fund balance at beginning of year	5,996,130	247,769	249,914	6,493,813
Change in reserve for inventory	94,936	-	-	94,936
Change in reserve for prepaid items	1,195	-	-	1,195
Fund balance at end of year	<u>\$ 7,493,813</u>	<u>\$ 3,623,497</u>	<u>\$ 253,160</u>	<u>\$ 11,370,470</u>

# City of Cuyahoga Falls, Ohio

## Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2023

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 175,651	\$ 1,170,428	\$ 163,888	\$ 220,750
Investments	55,175	367,649	51,479	69,340
Receivables				
Taxes	-	-	423,967	423,967
Accounts (net of allowance for uncollectibles)	-	98,578	-	-
Loans	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	109,232	1,347,190	24,107	24,107
Inventory of supplies	-	797,645	-	-
Prepaid items	-	37,172	-	-
Total assets	<u>\$ 340,058</u>	<u>\$ 3,818,662</u>	<u>\$ 663,441</u>	<u>\$ 738,164</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 33,061	\$ -	\$ -
Accrued salaries, wages and benefits	-	71,517	-	-
Retainage payable	-	-	-	-
Due to other funds	-	7,726	-	-
Due to other governments	-	54,801	152,663	233,450
General obligation notes payable	-	-	-	-
Total liabilities	-	167,105	152,663	233,450
<b>Deferred Inflows of Resources</b>				
Revenues levied for the next year and unavailable revenue	72,191	896,309	448,074	448,074
<b>Fund Balances</b>				
Nonspendable	-	834,817	-	-
Restricted	267,867	1,920,431	62,704	56,640
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>267,867</u>	<u>2,755,248</u>	<u>62,704</u>	<u>56,640</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 340,058</u>	<u>\$ 3,818,662</u>	<u>\$ 663,441</u>	<u>\$ 738,164</u>

**Combining Balance Sheet - Nonmajor Special Revenue Funds**  
**December 31, 2023**

(Continued)

	<u>Recreation Levy</u>	<u>Permissive Tax</u>	<u>Community and Economic Development</u>	<u>Community Development Block Grant</u>
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 1,474,650	\$ 2	\$ 1,315	\$ 112,776
Investments	463,210	-	413	35,425
Receivables				
Taxes	-	-	-	-
Accounts (net of allowance for uncollectibles)	1,533	-	-	-
Loans	-	-	-	1,973,363
Due from other funds	40,000	-	-	-
Due from other governments	-	246,007	-	2,002
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 1,979,393</u>	<u>\$ 246,009</u>	<u>\$ 1,728</u>	<u>\$ 2,123,566</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 2,821	\$ -	\$ -	\$ -
Accrued salaries, wages and benefits	-	-	-	3,488
Retainage payable	7,984	-	-	-
Due to other funds	2,376	-	-	-
Due to other governments	258	-	-	529
General obligation notes payable	-	-	-	-
Total liabilities	<u>13,439</u>	<u>-</u>	<u>-</u>	<u>4,017</u>
<b>Deferred Inflows of Resources</b>				
Revenues levied for the next year and unavailable revenue	-	-	-	-
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	1,965,954	246,009	-	2,119,549
Committed	-	-	1,728	-
Unassigned	-	-	-	-
Total fund balances	<u>1,965,954</u>	<u>246,009</u>	<u>1,728</u>	<u>2,119,549</u>
Total liabilities and fund balances	<u>\$ 1,979,393</u>	<u>\$ 246,009</u>	<u>\$ 1,728</u>	<u>\$ 2,123,566</u>

# City of Cuyahoga Falls, Ohio

## Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2023

(Continued)

	Enterprise Zone / Community Reinvestment Area	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 97,527	\$ 150,399	\$ 88,526	\$ 46,511
Investments	30,634	47,243	27,807	14,610
Receivables				
Taxes	-	-	-	-
Accounts (net of allowance for uncollectibles)	-	-	-	-
Loans	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	590	-	1,018
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 128,161</u>	<u>\$ 198,232</u>	<u>\$ 116,333</u>	<u>\$ 62,139</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 40	\$ -	\$ 5,200
Accrued salaries, wages and benefits	-	-	-	-
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
General obligation notes payable	-	-	-	-
Total liabilities	-	40	-	5,200
<b>Deferred Inflows of Resources</b>				
Revenues levied for the next year and unavailable revenue	-	-	-	-
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	128,161	198,192	116,333	56,939
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>128,161</u>	<u>198,192</u>	<u>116,333</u>	<u>56,939</u>
Total liabilities and fund balances	<u>\$ 128,161</u>	<u>\$ 198,232</u>	<u>\$ 116,333</u>	<u>\$ 62,139</u>

**Combining Balance Sheet - Nonmajor Special Revenue Funds**  
**December 31, 2023**

(Continued)

	Municipal Motor Vehicle License Tax	Federal Law Enforcement	Law Enforcement Assistance	State Road Public Improvement Tax Increment Equivalent
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 7,849	\$ 14,781	\$ 1,272	\$ 718
Investments	2,465	4,539	400	226
<b>Receivables</b>				
Taxes	-	-	-	800,762
<b>Accounts</b>				
(net of allowance for uncollectibles)	-	-	-	-
<b>Loans</b>				
Due from other funds	-	-	-	-
Due from other governments	60,206	-	-	-
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 70,520</u>	<u>\$ 19,320</u>	<u>\$ 1,672</u>	<u>\$ 801,706</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries, wages and benefits	-	-	-	-
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	176,168
General obligation notes payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,168</u>
<b>Deferred Inflows of Resources</b>				
Revenues levied for the next year and unavailable revenue	40,900	-	-	624,594
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	29,620	19,320	1,672	944
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>29,620</u>	<u>19,320</u>	<u>1,672</u>	<u>944</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 70,520</u>	<u>\$ 19,320</u>	<u>\$ 1,672</u>	<u>\$ 801,706</u>

# City of Cuyahoga Falls, Ohio

## Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2023

	Mudbrook - Mill Pond Public Improvement Tax Increment Equivalent	OneOhio Opioid Settlement	Princeton Crossroads Tax Increment Equivalent	Sourek Trail Incentive District Tax Increment Equivalent	Total Nonmajor Special Revenue Funds
<b>Assets</b>					
Equity in pooled cash and cash equivalents	\$ 253,249	\$ 65,362	\$ 1,290	\$ 229,468	\$ 4,276,412
Investments	79,549	20,531	405	72,079	1,343,179
Receivables					
Taxes	398,300	-	-	507,630	2,554,626
Accounts					
(net of allowance for uncollectibles)	-	-	-	-	100,111
Loans	-	-	-	-	1,973,363
Due from other funds	-	-	-	-	40,000
Due from other governments	-	-	-	-	1,814,459
Inventory of supplies	-	-	-	-	797,645
Prepaid items	-	-	-	-	37,172
Total assets	<u>\$ 731,098</u>	<u>\$ 85,893</u>	<u>\$ 1,695</u>	<u>\$ 809,177</u>	<u>\$ 12,936,967</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 41,122
Accrued salaries, wages and benefits	-	-	-	-	75,005
Retainage payable	-	-	-	-	7,984
Due to other funds	-	-	-	-	10,102
Due to other governments	-	-	-	-	617,869
General obligation notes payable	-	-	1,255,000	-	1,255,000
Total liabilities	-	-	1,255,000	-	2,007,082
<b>Deferred Inflows of Resources</b>					
Revenues levied for the next year and unavailable revenue	398,300	-	-	507,630	3,436,072
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	834,817
Restricted	332,798	85,893	-	301,547	7,910,573
Committed	-	-	-	-	1,728
Unassigned	-	-	(1,253,305)	-	(1,253,305)
Total fund balances	<u>332,798</u>	<u>85,893</u>	<u>(1,253,305)</u>	<u>301,547</u>	<u>7,493,813</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 731,098</u>	<u>\$ 85,893</u>	<u>\$ 1,695</u>	<u>\$ 809,177</u>	<u>\$ 12,936,967</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund  
Balances - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2023**

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 320,164	\$ 320,164
Municipal income taxes	-	-	-	-
Other local taxes	-	268,475	239	239
State levied shared taxes	235,500	2,904,500	39,400	39,400
Intergovernmental	-	3,517	-	-
Fees, licenses, and permits	-	418,797	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Other	-	24,205	-	-
Total revenues	<u>235,500</u>	<u>3,619,494</u>	<u>359,803</u>	<u>359,803</u>
<b>Expenditures</b>				
Current				
Security of persons and property	-	-	1,260,664	1,814,154
Leisure time activities	-	-	-	-
Community environment	-	-	-	-
Street maintenance	-	3,632,162	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>3,632,162</u>	<u>1,260,664</u>	<u>1,814,154</u>
Excess (deficiency) of revenues over (under) expenditures	<u>235,500</u>	<u>(12,668)</u>	<u>(900,861)</u>	<u>(1,454,351)</u>
<b>Other Financing Sources</b>				
Premium on debt issuance	-	-	-	-
Transfers in	-	650,000	935,000	1,510,000
Total other financing sources	<u>-</u>	<u>650,000</u>	<u>935,000</u>	<u>1,510,000</u>
Net change in fund balances	235,500	637,332	34,139	55,649
Fund balance at beginning of year	32,367	2,021,785	28,565	991
Change in nonspendable inventory	-	94,936	-	-
Change in nonspendable prepaid items	-	1,195	-	-
Fund balance at end of year	<u>\$ 267,867</u>	<u>\$ 2,755,248</u>	<u>\$ 62,704</u>	<u>\$ 56,640</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, 2023

(Continued)

	Recreation Levy	Permissive Tax	Community and Economic Development	Community Development Block Grant
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	2,499,732	-	-	-
Other local taxes	-	-	-	-
State levied shared taxes	-	333,285	-	-
Intergovernmental	-	-	-	1,519,736
Fees, licenses, and permits	-	-	-	-
Interest earnings	-	-	-	1,003
Fines and forfeitures	-	-	-	-
Other	12,277	-	-	3,582
Total revenues	<u>2,512,009</u>	<u>333,285</u>	<u>-</u>	<u>1,524,321</u>
<b>Expenditures</b>				
<b>Current</b>				
Security of persons and property	-	-	-	-
Leisure time activities	2,344,987	-	-	-
Community environment	-	-	-	1,829,154
Street maintenance	-	-	-	-
Capital outlay	-	222,498	-	-
Debt service				
Principal	-	-	-	-
Interest	24,750	-	-	-
Total expenditures	<u>2,369,737</u>	<u>222,498</u>	<u>-</u>	<u>1,829,154</u>
Excess (deficiency) of revenues over (under) expenditures	<u>142,272</u>	<u>110,787</u>	<u>-</u>	<u>(304,833)</u>
<b>Other Financing Sources</b>				
Premium on debt issuance	-	-	-	-
Transfers in	-	-	-	173,656
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,656</u>
Net change in fund balances	142,272	110,787	-	(131,177)
Fund balance at beginning of year	1,823,682	135,222	1,728	2,250,726
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	-	-	-	-
Fund balance at end of year	<u>\$ 1,965,954</u>	<u>\$ 246,009</u>	<u>\$ 1,728</u>	<u>\$ 2,119,549</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund  
Balances - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2023**

(Continued)

	Enterprise Zone / Community Reinvestment Area	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-
Other local taxes	-	-	-	-
State levied shared taxes	-	-	-	-
Intergovernmental	-	-	-	-
Fees, licenses, and permits	7,254	-	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	18,066	-	8,952
Other	-	-	-	1,050
Total revenues	7,254	18,066	-	10,002
<b>Expenditures</b>				
Current				
Security of persons and property	-	20,097	3,145	4,981
Leisure time activities	-	-	-	-
Community environment	-	-	-	-
Street maintenance	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	20,097	3,145	4,981
Excess (deficiency) of revenues over (under) expenditures	7,254	(2,031)	(3,145)	5,021
<b>Other Financing Sources</b>				
Premium on debt issuance	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	7,254	(2,031)	(3,145)	5,021
Fund balance at beginning of year	120,907	200,223	119,478	51,918
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	-	-	-	-
Fund balance at end of year	\$ 128,161	\$ 198,192	\$ 116,333	\$ 56,939

# 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, 2023

(Continued)

	Municipal Motor Vehicle License Tax	Federal Law Enforcement	Law Enforcement Assistance	State Road Public Improvement Tax Increment Equivalent
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-
Other local taxes	-	-	-	800,762
State levied shared taxes	119,677	-	-	-
Intergovernmental	-	-	-	-
Fees, licenses, and permits	-	-	-	-
Interest earnings	-	928	-	-
Fines and forfeitures	-	-	-	-
Other	-	-	-	-
Total revenues	<u>119,677</u>	<u>928</u>	<u>-</u>	<u>800,762</u>
<b>Expenditures</b>				
<b>Current</b>				
Security of persons and property	-	-	-	-
Leisure time activities	-	-	-	-
Community environment	-	-	-	398,420
Street maintenance	205,161	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	170,000
Interest	-	-	-	232,018
Total expenditures	<u>205,161</u>	<u>-</u>	<u>-</u>	<u>800,438</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(85,484)</u>	<u>928</u>	<u>-</u>	<u>324</u>
<b>Other Financing Sources</b>				
Premium on debt issuance	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(85,484)	928	-	324
Fund balance at beginning of year	115,104	18,392	1,672	620
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	-	-	-	-
Fund balance at end of year	<u>\$ 29,620</u>	<u>\$ 19,320</u>	<u>\$ 1,672</u>	<u>\$ 944</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund  
Balances - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2023**

	Mudbrook - Mill Pond Public Improvement Tax Increment Equivalent	OneOhio Opioid Settlement	Princeton Crossroads Tax Increment Equivalent	Sourek Trail Incentive District Tax Increment Equivalent	Total Nonmajor Special Revenue Funds
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 640,328
Municipal income taxes	-	-	-	-	2,499,732
Other local taxes	435,477	-	-	1,252,878	2,758,070
State levied shared taxes	46,299	-	-	63,318	3,781,379
Intergovernmental	-	-	-	-	1,523,253
Fees, licenses, and permits	-	-	-	-	426,051
Interest earnings	-	-	-	-	1,931
Fines and forfeitures	-	-	-	-	27,018
Other	-	35,202	-	-	76,316
<b>Total revenues</b>	<b>481,776</b>	<b>35,202</b>	<b>-</b>	<b>1,316,196</b>	<b>11,734,078</b>
<b>Expenditures</b>					
<b>Current</b>					
Security of persons and property	-	-	-	-	3,103,041
Leisure time activities	-	-	-	-	2,344,987
Community environment	370,724	-	14,339	1,014,649	3,627,286
Street maintenance	-	-	-	-	3,837,323
Capital outlay	-	-	-	-	222,498
Debt service					
Principal	-	-	-	-	170,000
Interest	-	-	54,000	-	310,768
<b>Total expenditures</b>	<b>370,724</b>	<b>-</b>	<b>68,339</b>	<b>1,014,649</b>	<b>13,615,903</b>
Excess (deficiency) of revenues over (under) expenditures	111,052	35,202	(68,339)	301,547	(1,881,825)
<b>Other Financing Sources</b>					
Premium on debt issuance	-	-	14,721	-	14,721
Transfers in	-	-	-	-	3,268,656
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>14,721</b>	<b>-</b>	<b>3,283,377</b>
Net change in fund balances	111,052	35,202	(53,618)	301,547	1,401,552
Fund balance at beginning of year	221,746	50,691	(1,199,687)	-	5,996,130
Change in nonspendable inventory	-	-	-	-	94,936
Change in nonspendable prepaid items	-	-	-	-	1,195
<b>Fund balance at end of year</b>	<b>\$ 332,798</b>	<b>\$ 85,893</b>	<b>\$ (1,253,305)</b>	<b>\$ 301,547</b>	<b>\$ 7,493,813</b>

## 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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State levied shared taxes	\$ 214,665	\$ 228,665	\$ 228,789	\$ 124
Total revenues	214,665	228,665	228,789	124
<b>Expenditures</b>				
Current				
Street maintenance				
Other operations	214,000	214,000	-	214,000
Total expenditures	214,000	214,000	-	214,000
<b>Net change in fund balances</b>	665	14,665	228,789	214,124
Fund balance at beginning of year	2,037	2,037	2,037	-
Fund balance at end of year	\$ 2,702	\$ 16,702	\$ 230,826	\$ 214,124

**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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local taxes	\$ 259,637	\$ 268,637	\$ 268,801	\$ 164
State levied shared taxes	2,652,500	2,821,500	2,821,732	232
Intergovernmental	-	3,500	3,517	17
Fees, licenses, and permits	580,000	539,000	538,792	(208)
Other	8,750	14,750	14,722	(28)
Total revenues	<u>3,500,887</u>	<u>3,647,387</u>	<u>3,647,564</u>	<u>177</u>
<b>Expenditures</b>				
Current				
Street maintenance				
Personal services	2,436,443	2,436,443	2,177,498	258,945
Other operations	1,970,373	1,970,373	1,536,879	433,494
Total expenditures	<u>4,406,816</u>	<u>4,406,816</u>	<u>3,714,377</u>	<u>692,439</u>
Excess (deficiency) of revenues				
over (under) expenditures	(905,929)	(759,429)	(66,813)	692,616
<b>Other Financing Sources</b>				
Transfers in				
Transfers in	650,000	650,000	650,000	-
Total other financing sources	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>	<u>-</u>
<b>Net change in fund balances</b>	(255,929)	(109,429)	583,187	692,616
Fund balance at beginning of year	652,885	652,885	652,885	-
Prior year encumbrances appropriated	176,405	176,405	176,405	-
Fund balance at end of year	<u>\$ 573,361</u>	<u>\$ 719,861</u>	<u>\$ 1,412,477</u>	<u>\$ 692,616</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 321,666	\$ 319,847	\$ 320,164	\$ 317
Other local taxes	315	315	239	(76)
State levied shared taxes	39,553	39,330	39,400	70
Total revenues	361,534	359,492	359,803	311
<b>Expenditures</b>				
Current				
Security of persons and property				
Personal services	1,289,844	1,267,844	1,247,770	20,074
Other operations	5,700	27,700	27,463	237
Total expenditures	1,295,544	1,295,544	1,275,233	20,311
Excess (deficiency) of revenues over (under) expenditures	(934,010)	(936,052)	(915,430)	20,622
<b>Other Financing Sources</b>				
Transfers in	935,000	935,000	935,000	-
Total other financing sources	935,000	935,000	935,000	-
<b>Net change in fund balances</b>	990	(1,052)	19,570	20,622
Fund balance at beginning of year	74,993	74,993	74,993	-
Fund balance at end of year	\$ 75,983	\$ 73,941	\$ 94,563	\$ 20,622

**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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 321,666	\$ 319,847	\$ 320,164	\$ 317
Other local taxes	315	315	239	(76)
State levied shared taxes	39,553	39,330	39,400	70
Total revenues	<u>361,534</u>	<u>359,492</u>	<u>359,803</u>	<u>311</u>
<b>Expenditures</b>				
Current				
Security of persons and property				
Personal services	1,771,543	1,809,543	1,796,044	13,499
Other operations	5,700	33,700	33,625	75
Total expenditures	<u>1,777,243</u>	<u>1,843,243</u>	<u>1,829,669</u>	<u>13,574</u>
Excess (deficiency) of revenues over (under) expenditures	(1,415,709)	(1,483,751)	(1,469,866)	13,885
<b>Other Financing Sources</b>				
Transfers in	<u>1,415,000</u>	<u>1,510,000</u>	<u>1,510,000</u>	<u>-</u>
Total other financing sources	<u>1,415,000</u>	<u>1,510,000</u>	<u>1,510,000</u>	<u>-</u>
<b>Net change in fund balances</b>	(709)	26,249	40,134	13,885
Fund balance at beginning of year	64,386	64,386	64,386	-
Fund balance at end of year	<u>\$ 63,677</u>	<u>\$ 90,635</u>	<u>\$ 104,520</u>	<u>\$ 13,885</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Income taxes	\$ 2,178,414	\$ 2,499,731	\$ 2,499,732	\$ 1
Intergovernmental	-	5,000	5,000	-
Other	20,000	28,440	30,744	2,304
Total revenues	2,198,414	2,533,171	2,535,476	2,305
<b>Expenditures</b>				
Current				
Leisure time activities				
Other operations	1,447,502	1,447,502	1,285,477	162,025
Capital outlay	1,982,135	1,982,135	1,810,599	171,536
Total - leisure time activities	3,429,637	3,429,637	3,096,076	333,561
Debt service				
Principal	550,000	550,000	550,000	-
Interest	24,750	24,750	24,750	-
Total expenditures	4,004,387	4,004,387	3,670,826	333,561
Excess (deficiency) of revenues over (under) expenditures	(1,805,973)	(1,471,216)	(1,135,350)	335,866
<b>Other Financing Sources (Uses)</b>				
Bond/note issuance	550,000	-	-	-
Total other financing sources (uses)	550,000	-	-	-
<b>Net change in fund balances</b>	(1,255,973)	(1,471,216)	(1,135,350)	335,866
Fund balance at beginning of year	2,072,503	2,072,503	2,072,503	-
Prior year encumbrances appropriated	432,187	432,187	432,187	-
Fund balance at end of year	\$ 1,248,717	\$ 1,033,474	\$ 1,369,340	\$ 335,866

**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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
State levied shared taxes	\$ 200,000	\$ 250,060	\$ 250,059	\$ (1)
Total revenues	200,000	250,060	250,059	(1)
<b>Expenditures</b>				
Current				
Other operations	-	27,561	27,561	-
Capital outlay	200,000	222,499	222,498	1
Total expenditures	200,000	250,060	250,059	1
<b>Net change in fund balances</b>	-	-	-	-
Fund balance at beginning of year	2	2	2	-
Fund balance at end of year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>

# City of Cuyahoga Falls, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Community and Economic Development Fund For the Year Ended December 31, 2023

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Community Development Block  
Grant Fund  
For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 645,000	\$ 1,564,360	\$ 1,525,761	\$ (38,599)
Interest earnings	-	-	1,003	1,003
Other	-	-	38,910	38,910
Total revenues	<u>645,000</u>	<u>1,564,360</u>	<u>1,565,674</u>	<u>1,314</u>
<b>Expenditures</b>				
<b>Current</b>				
Community environment				
Personal services	110,247	110,247	110,207	40
Other operations	647,685	1,032,742	973,749	58,993
Capital outlay	10,000	969,081	969,081	-
Total expenditures	<u>767,932</u>	<u>2,112,070</u>	<u>2,053,037</u>	<u>59,033</u>
Excess (deficiency) of revenues over (under) expenditures	(122,932)	(547,710)	(487,363)	60,347
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	173,656	173,656	-
Total other financing sources (uses)	<u>-</u>	<u>173,656</u>	<u>173,656</u>	<u>-</u>
<b>Net change in fund balances</b>	(122,932)	(374,054)	(313,707)	60,347
Fund balance at beginning of year	252,088	252,088	252,088	-
Prior year encumbrances appropriated	122,888	122,888	122,888	-
Fund balance at end of year	<u>\$ 252,044</u>	<u>\$ 922</u>	<u>\$ 61,269</u>	<u>\$ 60,347</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees, licenses, and permits	\$ 13,944	\$ 13,944	\$ 14,025	\$ 81
Total revenues	13,944	13,944	14,025	81
<b>Expenditures</b>				
Current				
Community environment				
Other operations	-	-	-	-
Total expenditures	-	-	-	-
<b>Net change in fund balances</b>	13,944	13,944	14,025	81
Fund balance at beginning of year	114,136	114,136	114,136	-
Fund balance at end of year	<u>\$ 128,080</u>	<u>\$ 128,080</u>	<u>\$ 128,161</u>	<u>\$ 81</u>

**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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 21,000	\$ 18,000	\$ 18,609	\$ 609
Total revenues	21,000	18,000	18,609	609
<b>Expenditures</b>				
Current				
Security of persons and property				
Other operations	39,240	39,240	22,801	16,439
Capital outlay	-	-	-	-
Total expenditures	<u>39,240</u>	<u>39,240</u>	<u>22,801</u>	<u>16,439</u>
<b>Net change in fund balances</b>	(18,240)	(21,240)	(4,192)	17,048
Fund balance at beginning of year	199,190	199,190	199,190	-
Fund balance at end of year	<u>\$ 180,950</u>	<u>\$ 177,950</u>	<u>\$ 194,998</u>	<u>\$ 17,048</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 10,000	\$ -	\$ -	\$ -
Total revenues	10,000	-	-	-
<b>Expenditures</b>				
Current				
Security of persons and property				
Other operations	4,500	4,500	3,145	1,355
Total expenditures	4,500	4,500	3,145	1,355
<b>Net change in fund balances</b>	5,500	(4,500)	(3,145)	1,355
Fund balance at beginning of year	119,478	119,478	119,478	-
Fund balance at end of year	\$ 124,978	\$ 114,978	\$ 116,333	\$ 1,355

**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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 5,400	\$ 13,300	\$ 15,169	\$ 1,869
Other	900	900	1,155	255
Total revenues	<u>6,300</u>	<u>14,200</u>	<u>16,324</u>	<u>2,124</u>
<b>Expenditures</b>				
Current				
Security of persons and property				
Other operations	10,181	10,181	10,181	-
Total expenditures	<u>10,181</u>	<u>10,181</u>	<u>10,181</u>	<u>-</u>
<b>Net change in fund balances</b>	(3,881)	4,019	6,143	2,124
Fund balance at beginning of year	44,797	44,797	44,797	-
Prior year encumbrances appropriated	4,981	4,981	4,981	-
Fund balance at end of year	<u>\$ 45,897</u>	<u>\$ 53,797</u>	<u>\$ 55,921</u>	<u>\$ 2,124</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State levied shared taxes	\$ 117,000	\$ 120,400	\$ 120,433	\$ 33
Total revenues	117,000	120,400	120,433	33
<b>Expenditures</b>				
Current				
Street maintenance				
Other operations	206,354	206,354	205,161	1,193
Total expenditures	206,354	206,354	205,161	1,193
<b>Net change in fund balances</b>	(89,354)	(85,954)	(84,728)	1,226
Fund balance at beginning of year	5,688	5,688	5,688	-
Prior year encumbrances appropriated	89,354	89,354	89,354	-
Fund balance at end of year	\$ 5,688	\$ 9,088	\$ 10,314	\$ 1,226

**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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest earnings	\$ 372	\$ 756	\$ 760	\$ 4
Total revenues	372	756	760	4
<b>Expenditures</b>				
Current				
Security of persons and property				
Other operations	\$ -	\$ -	\$ -	\$ -
Total expenditures	-	-	-	-
<b>Net change in fund balances</b>	372	756	760	4
Fund balance at beginning of year	18,664	18,664	18,664	-
Fund balance at end of year	<u>\$ 19,036</u>	<u>\$ 19,420</u>	<u>\$ 19,424</u>	<u>\$ 4</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures</b>				
Current				
Security of persons and property				
Other operations	\$ -	\$ -	\$ -	\$ -
Total expenditures	-	-	-	-
<b>Net change in fund balances</b>	-	-	-	-
Fund balance at beginning of year	1,672	1,672	1,672	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 1,672	\$ 1,672	\$ 1,672	\$ -

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget and Actual (Non-GAAP Budgetary Basis) - State Road Public Improvement Tax  
 Increment Equivalent Fund  
 For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local tax	\$ 796,414	\$ 800,764	\$ 800,762	\$ (2)
Total revenues	796,414	800,764	800,762	(2)
<b>Expenditures</b>				
Current				
Community environment				
Other operations	394,396	398,421	398,420	1
Total - community environment	394,396	398,421	398,420	1
Debt service				
Principal	170,000	170,000	170,000	-
Interest	232,018	232,018	232,018	-
Total expenditures	796,414	800,439	800,438	1
<b>Net change in fund balances</b>	-	325	324	(1)
Fund balance at beginning of year	620	620	620	-
Fund balance at end of year	<u>\$ 620</u>	<u>\$ 945</u>	<u>\$ 944</u>	<u>\$ (1)</u>

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Mudbrook - Mill Pond Public Improvement Tax Increment Equivalent Fund For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other local tax	\$ 352,000	\$ 435,599	\$ 435,477	\$ (122)
State levied shared taxes	\$ -	\$ 46,200	\$ 46,299	99
Total revenues	352,000	481,799	481,776	(23)
<b>Expenditures</b>				
Current				
Community environment				
Other operations	352,000	370,724	370,724	-
Total expenditures	352,000	370,724	370,724	-
<b>Net change in fund balances</b>	-	111,075	111,052	(23)
Fund balance at beginning of year	221,746	221,746	221,746	-
Fund balance at end of year	<u>\$ 221,746</u>	<u>\$ 332,821</u>	<u>\$ 332,798</u>	<u>\$ (23)</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - OneOhio Opioid Settlement Fund  
For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other	\$ -	\$ 70,236	\$ 70,236	\$ -
Total revenues	-	70,236	70,236	-
<b>Expenditures</b>				
Current				
Security of persons and property				
Other operations	\$ 15,657	\$ 15,657	\$ -	\$ 15,657
Total expenditures	15,657	15,657	-	15,657
<b>Net change in fund balances</b>	(15,657)	54,579	70,236	15,657
Fund balance at beginning of year	15,657	15,657	15,657	-
Fund balance at end of year	\$ -	\$ 70,236	\$ 85,893	\$ 15,657

## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Princeton Crossroads Tax Increment Equivalent Fund For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other local tax	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures</b>				
Current				
Community environment				
Other operations	-	14,340	14,339	1
Total - community environment	-	14,340	14,339	1
Debt service				
Principal	-	1,200,000	1,200,000	-
Interest	-	54,000	54,000	-
Total expenditures	-	1,268,340	1,268,339	1
Excess (deficiency) of revenues over (under) expenditures				
	-	(1,268,340)	(1,268,339)	1
<b>Other Financing Sources (Uses)</b>				
Bond/note proceeds	-	1,269,721	1,269,721	-
Total other financing sources (uses)	-	1,269,721	1,269,721	-
<b>Net change in fund balances</b>	-	1,381	1,382	1
Fund balance at beginning of year	313	313	313	-
Fund balance at end of year	\$ 313	\$ 1,694	\$ 1,695	\$ 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Sourek Trail Incentive District Tax  
Increment Equivalent Fund  
For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local tax	\$ -	\$ 1,252,934	\$ 1,252,878	\$ (56)
State levied shared taxes	-	63,000	63,318	318
Total revenues	-	1,315,934	1,316,196	262
<b>Expenditures</b>				
Current				
Community environment				
Other operations	-	1,014,649	1,014,649	-
Total expenditures	-	1,014,649	1,014,649	-
Excess (deficiency) of revenues				
over (under) expenditures	-	301,285	301,547	262
<b>Other Financing Sources (Uses)</b>				
Bond/note proceeds	-	-	-	-
Total other financing	-	-	-	-
sources (uses)	-	-	-	-
<b>Net change in fund balances</b>	-	301,285	301,547	262
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 301,285</u>	<u>\$ 301,547</u>	<u>\$ 262</u>



## City of Cuyahoga Falls, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest earnings	\$ 30,000	\$ 56,000	\$ 56,256	\$ 256
Total revenues	30,000	56,000	56,256	256
<b>Expenditures</b>				
Current				
General government				
Other operations	400	49,614	49,613	1
Total - general government	400	49,614	49,613	1
Debt service				
Principal	769,623	769,623	769,623	-
Interest	353,466	382,404	382,404	-
Total expenditures	1,123,489	1,201,641	1,201,640	1
Excess (deficiency) of revenues over (under) expenditures				
	(1,093,489)	(1,145,641)	(1,145,384)	257
<b>Other Financing Sources (Uses)</b>				
Proceeds from the issuance of debt	-	306,875	306,892	17
Transfers in	2,150,000	4,230,000	4,230,000	-
Total other financing sources (uses)	2,150,000	4,536,875	4,536,892	17
<b>Net change in fund balances</b>	1,056,511	3,391,234	3,391,508	274
Fund balance at beginning of year	251,430	251,430	251,430	-
Fund balance at end of year	\$ 1,307,941	\$ 3,642,664	\$ 3,642,938	\$ 274

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Non-GAAP Budgetary Basis) - Cemetery Perpetual Care Fund  
For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ 860	\$ 860
Interest earnings	-	10,296	10,346	50
Total revenues	-	10,296	11,206	910
<b>Expenditures</b>				
Current				
Community environment				
Other operations	-	10,296	10,296	-
Total expenditures	-	10,296	10,296	-
Excess (deficiency) of revenues over (under) expenditures				
	-	-	910	910
<b>Net change in fund balances</b>				
	-	-	910	910
Fund balance at beginning of year				
	253,608	253,608	253,608	-
Fund balance at end of year				
	<u>\$ 253,608</u>	<u>\$ 253,608</u>	<u>\$ 254,518</u>	<u>\$ 910</u>

## **Internal Service Funds**

**Internal Service Funds**

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

**Garage**

To account for the cost of maintenance facility for automotive equipment used by various City departments. The costs of services provided are billed to the various user departments.

**Self-Insurance**

To account for the cost of medical benefits and life insurance provided to the City's employees.

**Workers' Compensation**

To account for the cost of workers' compensation claims and administrative costs incurred by City employees.

**Compensated Absences**

To accumulate sums sufficient to defray anticipated employee benefit payments.

**Combining Statement of Net Position -  
Governmental Activities Internal Service Funds  
December 31, 2023**

	<u>Garage</u>	<u>Self Insurance</u>	<u>Workers' Compensation</u>
<b>Assets</b>			
<b>Current Assets</b>			
Equity in pooled cash and cash equivalents	\$ 83,230	4,280,659	\$ 1,169,926
Investments	26,144	1,344,621	359,288
Receivables			
Accounts			
(net of allowance for uncollectibles)	-	71,589	1,838
Due from other governments	-	-	39,137
Inventory of supplies	163,282	-	-
Prepaid items	1,428	-	-
Total current assets	<u>274,084</u>	<u>5,696,869</u>	<u>1,570,189</u>
<b>Noncurrent Assets</b>			
Net pension asset	6,589	887	-
<b>Capital Assets</b>			
Land	21,960	-	-
Buildings	113,503	-	-
Improvements other than buildings	260,029	-	-
Equipment	321,977	-	-
Less: Accumulated depreciation	(587,055)	-	-
Total noncurrent assets	<u>137,003</u>	<u>887</u>	<u>-</u>
Total assets	<u>411,087</u>	<u>5,697,756</u>	<u>1,570,189</u>
<b>Deferred Outflows of Resources</b>			
Pension	406,148	54,674	-
Other postemployment benefits (OPEB)	60,984	801,069	-
Total deferred outflows of resources	<u>467,132</u>	<u>855,743</u>	<u>-</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	73,345	-	-
Accrued salaries, wages and benefits	20,774	2,955	-
Accrued compensated absences	-	-	-
Due to other funds	2,587	-	-
Due to other governments	14,135	446	15,375
Claims and judgments payable	-	572,870	-
Total current liabilities	<u>110,841</u>	<u>576,271</u>	<u>15,375</u>
<b>Noncurrent Liabilities</b>			
Net pension liability	979,360	131,837	-
Net other postemployment benefits (OPEB) liability	20,281	6,492,875	-
Accrued compensated absences	-	-	-
Total Noncurrent Liabilities	<u>999,641</u>	<u>6,624,712</u>	<u>-</u>
Total liabilities	<u>1,110,482</u>	<u>7,200,983</u>	<u>15,375</u>
<b>Deferred Inflows of Resources</b>			
Pension	11,557	1,556	-
Other postemployment benefits (OPEB)	7,536	2,604,687	-
Total deferred inflows of resources	<u>19,093</u>	<u>2,606,243</u>	<u>-</u>
<b>Net Position</b>			
Net investment in capital assets	130,414	-	-
Restricted - Pension	12,085	1,627	-
Unrestricted	(393,855)	(3,255,354)	1,554,814
Total net position	<u>\$ (251,356)</u>	<u>(3,253,727)</u>	<u>\$ 1,554,814</u>

# City of Cuyahoga Falls, Ohio

## Combining Statement of Net Position - Governmental Activities Internal Service Funds December 31, 2023

(Continued)

	<u>Compensated Absences</u>	<u>Total</u>
<b>Assets</b>		
<b>Current Assets</b>		
Equity in pooled cash and cash equivalents	\$ 363,787	\$ 5,897,602
Investments	114,271	1,844,324
Receivables		
Accounts		
(net of allowance for uncollectibles)	-	73,427
Due from other governments	-	39,137
Inventory of supplies	-	163,282
Prepaid items	-	1,428
Total current assets	<u>478,058</u>	<u>8,019,200</u>
<b>Noncurrent Assets</b>		
Net pension asset	-	7,476
<b>Capital Assets</b>		
Land	-	21,960
Buildings	-	113,503
Improvements other than buildings	-	260,029
Equipment	-	321,977
Less: Accumulated depreciation	-	(587,055)
Total noncurrent assets	<u>-</u>	<u>137,890</u>
Total assets	<u>478,058</u>	<u>8,157,090</u>
<b>Deferred Outflows of Resources</b>		
Pension	-	460,822
Other postemployment benefits (OPEB)	-	862,053
Total deferred outflows of resources	<u>-</u>	<u>1,322,875</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	-	73,345
Accrued salaries, wages and benefits	-	23,729
Accrued compensated absences	2,324,774	2,324,774
Due to other funds	-	2,587
Due to other governments	-	29,956
Claims and judgments payable	-	572,870
Total current liabilities	<u>2,324,774</u>	<u>3,027,261</u>
<b>Noncurrent Liabilities</b>		
Net pension liability	-	1,111,197
Net other postemployment benefits (OPEB) liability	-	6,513,156
Accrued compensated absences	9,111,721	9,111,721
Total Noncurrent Liabilities	<u>9,111,721</u>	<u>16,736,074</u>
Total liabilities	<u>11,436,495</u>	<u>19,763,335</u>
<b>Deferred Inflows of Resources</b>		
Pension	-	13,113
Other postemployment benefits (OPEB)	-	2,612,223
Total deferred inflows of resources	<u>-</u>	<u>2,625,336</u>
<b>Net Position</b>		
Net investment in capital assets	-	130,414
Restricted - Pension	-	13,712
Unrestricted	(10,958,437)	(13,052,832)
Total net position	<u>\$ (10,958,437)</u>	<u>\$ (12,908,706)</u>

**Combining Statement of Revenues, Expenses and Changes in Net Position -  
Governmental Activities Internal Service Funds  
For the Year Ended December 31, 2023**

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>
<b>Operating revenues</b>			
Charges for services	\$ 2,412,056	\$ 7,203,937	\$ -
Other	8,398	500,414	46,160
Total operating revenues	<u>2,420,454</u>	<u>7,704,351</u>	<u>46,160</u>
<b>Operating Expenses</b>			
Personal services	552,370	75,803	-
Fringe benefits	248,324	6,777,950	337,321
Materials and supplies	1,456,918	243	-
Utilities	13,313	225	-
Contractual services	21,987	50,049	20,824
Internal charges	156,371	-	-
Other	226,542	32,462	8,107
Depreciation	13,118	-	-
Total operating expenses	<u>2,688,943</u>	<u>6,936,732</u>	<u>366,252</u>
Net income (loss) from operations	<u>(268,489)</u>	<u>767,619</u>	<u>(320,092)</u>
<b>Nonoperating Revenues</b>			
Interest revenue	-	-	81,903
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>81,903</u>
Changes in net position	<u>(268,489)</u>	<u>767,619</u>	<u>(238,189)</u>
Total net position - beginning	17,133	(4,021,346)	1,793,003
Total net position - ending	<u>\$ (251,356)</u>	<u>\$ (3,253,727)</u>	<u>\$ 1,554,814</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, 2023

(Continued)

	Compensated Absences	Total
<b>Operating revenues</b>		
Charges for services	\$ 750,000	\$ 10,365,993
Other	-	554,972
Total operating revenues	<u>750,000</u>	<u>10,920,965</u>
<b>Operating Expenses</b>		
Personal services	1,471,751	2,099,924
Fringe benefits	12,201	7,375,796
Materials and supplies	-	1,457,161
Utilities	-	13,538
Contractual services	-	92,860
Internal charges	-	156,371
Other	-	267,111
Depreciation	-	13,118
Total operating expenses	<u>1,483,952</u>	<u>11,475,879</u>
Net income (loss) from operations	<u>(733,952)</u>	<u>(554,914)</u>
<b>Nonoperating Revenues</b>		
Interest revenue	-	81,903
Total nonoperating revenues	-	81,903
Changes in net position	<u>(733,952)</u>	<u>(473,011)</u>
Total net position - beginning	(10,224,485)	(12,435,695)
Total net position - ending	<u>\$ (10,958,437)</u>	<u>\$ (12,908,706)</u>

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds  
For the Year Ended December 31, 2023**

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>
<b>Cash Flows From Operating Activities</b>			
Activities			
Cash received from customers	\$ 2,420,454	\$ 7,740,168	\$ 16,445
Cash payments to employees for services	(552,527)	(75,520)	-
Cash payments to employees for benefits	(206,951)	(7,505,873)	(338,507)
Cash payments to suppliers for goods and services	<u>(1,707,001)</u>	<u>(146,774)</u>	<u>(28,931)</u>
Net cash provided (used in) by operating activities	(46,025)	12,001	(350,993)
<b>Cash Flows From Investing Activities</b>			
Interest revenue	-	-	81,903
Sale of investments	46,413	1,676,503	518,458
Purchase of investments	<u>(26,144)</u>	<u>(1,344,621)</u>	<u>(359,288)</u>
Net cash used in investing activities	<u>20,269</u>	<u>331,882</u>	<u>241,073</u>
Net increase (decrease) in cash and cash equivalents	(25,756)	343,883	(109,920)
Cash and cash equivalents at beginning of year	<u>108,986</u>	<u>3,936,776</u>	<u>1,279,846</u>
Cash and cash equivalents at end of year	<u>\$ 83,230</u>	<u>\$ 4,280,659</u>	<u>\$ 1,169,926</u>



# City of Cuyahoga Falls, Ohio

## Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2023

(Continued)

	<u>Compensated Absences</u>	<u>Totals</u>
<b>Cash Flows From Operating Activities</b>		
Activities		
Cash received from customers	\$ 750,000	\$ 10,927,067
Cash payments to employees for services	(843,295)	(1,471,342)
Cash payments to employees for benefits	(12,201)	(8,063,532)
Cash payments to suppliers for goods and services	-	(1,882,706)
Net cash provided (used in) by operating activities	(105,496)	(490,513)
<b>Cash Flows From Investing Activities</b>		
Interest revenue	-	81,903
Sale of investments	174,289	2,415,663
Purchase of investments	(114,271)	(1,844,324)
Net cash used in investing activities	60,018	653,242
Net increase (decrease) in cash and cash equivalents	(45,478)	162,729
Cash and cash equivalents at beginning of year	409,265	5,734,873
Cash and cash equivalents at end of year	<u>\$ 363,787</u>	<u>\$ 5,897,602</u>

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds  
For the Year Ended December 31, 2023**

(Continued)

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>			
Operating income (loss)	\$ (268,489)	\$ 767,619	\$ (320,092)
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:			
Depreciation	13,118	-	-
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:			
Receivables	-	35,817	(1,838)
Due from other governments	-	-	(27,877)
Inventory of supplies	134,656	-	-
Prepaid items	(148)	-	-
Deferred outflows of resources - pension	(277,354)	(37,157)	-
Deferred outflows of resources - OPEB	(59,822)	220,870	-
Accounts payable			
- net of items affecting capital assets	33,755	(63,840)	-
Accrued salaries, wages and benefits	(97)	328	-
Due to other funds	(193)	-	-
Due to other governments	192	50	(1,186)
Claims payable	-	(62,007)	-
Deferred inflows of resources - pension	(344,398)	(46,854)	-
Deferred inflows of resources - OPEB	(97,996)	(931,877)	-
Net pension liability	702,039	94,131	-
Net OPEB liability	118,712	34,921	-
Total adjustments	<u>222,464</u>	<u>(755,618)</u>	<u>(30,901)</u>
Net cash provided by (used in) operating activities	<u>\$ (46,025)</u>	<u>\$ 12,001</u>	<u>\$ (350,993)</u>

# City of Cuyahoga Falls, Ohio

## Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2023

(Continued)

	Compensated Absences	Totals
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>		
Operating income (loss)	\$ (733,952)	\$ (554,914)
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:		
Depreciation	-	13,118
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:		
Receivables	-	33,979
Due from other governments	-	(27,877)
Inventory of supplies	-	134,656
Prepaid items	-	(148)
Deferred outflows of resources - pension	-	(314,511)
Deferred outflows of resources - OPEB	-	161,048
Accounts payable		
- net of items affecting capital assets	-	(30,085)
Accrued salaries, wages and benefits	628,456	628,687
Due to other funds	-	(193)
Due to other governments	-	(944)
Claims payable	-	(62,007)
Deferred inflows of resources - pension	-	(391,252)
Deferred inflows of resources - OPEB	-	(1,029,873)
Net pension liability	-	796,170
Net OPEB liability	-	153,633
Total adjustments	628,456	64,401
Net cash provided by (used in) operating activities	\$ (105,496)	\$ (490,513)

## Fiduciary Funds – Custodial Funds

### **Custodial Funds**

Custodial funds are established to account for assets received and held by the City acting in the capacity of an agent or custodian.

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

To account for the portion of Mayor's Court fines and forfeitures, and Indigent Drivers Alcohol Treatment Program fees forwarded to the City, which must be remitted to the State of Ohio, and Stow Municipal Court.

### **Evidence Deposits**

To account for large amounts of seized money held in custody by the City in a non-interest bearing account until the appropriate court order is issued pursuant to Ohio Revised Code 2981.11 - 2981.14.

### **Joint Economic Development District**

To account for monies associated with the collection and contractual distributions of the income taxes of the Boston Township-City of Cuyahoga Falls Joint Economic Development District.

# City of Cuyahoga Falls, Ohio

## Combining Statement of Fiduciary Net Position - Custodial Funds December 31, 2023

	Custodial Funds		
	State Cases Fines and Forfeitures	Joint Economic Development District	Totals
<b>Assets</b>			
<b>Current Assets</b>			
Equity in pooled cash and cash equivalents	\$ 10,583	\$ 25,374	\$ 35,957
Investments	3,324	7,970	11,294
Income taxes receivable	-	57,681	57,681
Due from other governments	-	4,939	4,939
<b>Total assets</b>	<b>13,907</b>	<b>95,964</b>	<b>109,871</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Due to external parties	-	95,964	95,964
<b>Total liabilities</b>	<b>-</b>	<b>95,964</b>	<b>95,964</b>
<b>Net Position</b>			
Restricted for:			
Individuals, organizations, and other governments	13,907	-	13,907
	<b>\$ 13,907</b>	<b>\$ -</b>	<b>\$ 13,907</b>

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended December 31, 2023**

	<u>Custodial Funds</u>		
	<u>State Cases Fines and Forfeitures</u>	<u>Joint Economic Development District</u>	<u>Totals</u>
<b>Additions</b>			
Court receipts	\$ 123,078	\$ -	\$ 123,078
Income taxes	-	281,134	281,134
Other	-	5,320	5,320
Total additions	<u>123,078</u>	<u>286,454</u>	<u>409,532</u>
<b>Deductions</b>			
Court disbursements	109,171		109,171
Income tax disbursements, Boston Township	-	109,003	109,003
Income tax disbursements, City of Cuyahoga Falls	-	163,503	163,503
Contractual services	-	13,948	13,948
Other			-
Total deductions	<u>109,171</u>	<u>286,454</u>	<u>395,625</u>
Net increase (decrease) in Fiduciary Net Position	<u>13,907</u>	<u>-</u>	<u>13,907</u>
Total net position - beginning	-	-	-
Total net position - ending	<u>\$ 13,907</u>	<u>\$ -</u>	<u>\$ 13,907</u>

# **STATISTICAL SECTION**

**STATISTICAL SECTION**

This part of the City of Cuyahoga Falls, Ohio’s Annual Comprehensive 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.

<b>Contents</b>	<b>Pages</b>
<b><i>Financial Trends</i></b> .....	195-204
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	205-210
These schedules contain information to help the reader assess the City’s most significant local revenue, the property tax and the municipal income tax.	
<b><i>Debt Capacity</i></b> .....	211-217
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.	
<b><i>Economic and Demographic Information</i></b> .....	218-219
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<b><i>Operating Information</i></b> .....	220-222
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive 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)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019***</u>
<b>Government activities</b>					
Net investment in capital assets	\$ 105,450,806	\$ 101,267,757	\$ 103,875,671	\$ 103,012,400	\$ 100,145,441
Restricted:					
Capital projects	11,642,018	8,084,889	5,107,498	3,966,631	6,716,386
Debt service	3,516,107	141,926	-	-	-
Special revenue	2,127,533	2,279,690	2,689,522	2,946,853	2,928,517
Permanent fund purpose - Cemetery Perpetual Care	253,160	249,914	252,341	252,430	248,996
Pension	240,580	-	-	-	-
Unrestricted	<u>(19,185,675)</u>	<u>(20,697,394)</u>	<u>(30,147,379)</u>	<u>(39,696,122)</u>	<u>(45,961,530)</u>
<b>Total governmental activities net position</b>	<u>104,044,529</u>	<u>91,326,782</u>	<u>81,777,653</u>	<u>70,482,192</u>	<u>64,077,810</u>
<b>Business-type activities</b>					
Net investments in capital assets					
net of related debt	104,317,241	108,121,042	101,859,504	100,832,136	98,236,082
Restricted: Pension	224,217				
Unrestricted	<u>47,487,159</u>	<u>39,189,625</u>	<u>31,816,819</u>	<u>20,672,054</u>	<u>18,967,044</u>
<b>Total business-type activities net position</b>	<u>152,028,617</u>	<u>147,310,667</u>	<u>133,676,323</u>	<u>121,504,190</u>	<u>117,203,126</u>
<b>Primary government</b>					
Net investments in capital assets					
Restricted	18,003,615	10,756,419	8,049,361	7,165,914	9,749,299
Unrestricted	<u>28,301,484</u>	<u>18,492,231</u>	<u>1,669,440</u>	<u>(19,024,068)</u>	<u>(27,729,157)</u>
<b>Total primary government net position</b>	<u>\$ 256,073,146</u>	<u>\$ 238,637,449</u>	<u>\$ 215,453,976</u>	<u>\$ 191,986,382</u>	<u>\$ 180,401,665</u>

\*\*\* Restated from implementation of Governmental Accounting Standards Board Statements No. 84.

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

(Continued)

	<u>2018</u>	<u>2017**</u>	<u>2016</u>	<u>2015</u>	<u>2014*</u>
Net investment in capital assets	\$ 98,770,561	\$ 97,475,296	\$ 93,128,745	\$ 92,335,053	\$ 91,808,449
Restricted:					
Capital projects	6,267,974	4,570,176	4,416,995	3,063,077	-
Debt service	(109,676)	14,198	14,048	13,914	11,614
Special revenue	3,050,759	2,746,843	2,458,304	2,306,040	2,561,469
Permanent fund purpose - Cemetery Perpetual Care	245,319	244,782	241,905	239,020	234,555
Pension	-	-	-	-	-
Unrestricted	<u>(65,152,491)</u>	<u>(61,497,241)</u>	<u>(16,698,179)</u>	<u>(14,519,150)</u>	<u>(17,737,712)</u>
	<u>43,072,446</u>	<u>43,554,054</u>	<u>83,561,818</u>	<u>83,437,954</u>	<u>76,878,375</u>
Net investment in capital assets					
net of related debt	94,348,339	90,978,939	84,868,646	80,341,436	74,625,126
Restricted: Pension					
Unrestricted	<u>20,432,384</u>	<u>20,051,585</u>	<u>26,898,604</u>	<u>25,645,833</u>	<u>26,508,592</u>
	<u>114,780,723</u>	<u>111,030,524</u>	<u>111,767,250</u>	<u>105,987,269</u>	<u>101,133,718</u>
Net investments in capital assets	193,118,900	188,454,235	177,997,391	172,676,489	166,433,575
Restricted	9,454,376	7,575,999	7,131,252	5,622,051	2,807,638
Unrestricted	<u>(44,720,107)</u>	<u>(41,445,656)</u>	<u>10,200,425</u>	<u>11,126,683</u>	<u>8,770,880</u>
	<u>\$ 157,853,169</u>	<u>\$ 154,584,578</u>	<u>\$ 195,329,068</u>	<u>\$ 189,425,223</u>	<u>\$ 178,012,093</u>

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

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

# City of Cuyahoga Falls, Ohio

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

	2023	2022	2021	2020	2019
<b>Program revenue</b>					
Governmental activities:					
Charges for services:					
Security of persons and property	\$ 863,045	\$ 671,147	\$ 667,121	\$ 892,193	\$ 652,409
Leisure time activities	312,808	221,127	349,301	58,417	251,070
Community environment	616,650	117,949	249,761	89,784	100,850
Street maintenance	1,558,122	656,674	857,555	754,639	815,585
General government	3,923,229	4,060,664	3,454,746	4,805,381	3,055,468
Total charges for services	7,273,854	5,727,561	5,578,484	6,600,414	4,875,382
Operating grants & contributions:					
Security of persons and property	471,699	154,867	255,939	5,698,067	103,776
Leisure time activities	1,675	35,494	-	-	-
Community environment	559,177	856,613	948,872	651,932	402,147
Street maintenance	3,241,617	2,940,330	2,905,762	2,962,998	2,750,529
General government	468,409	2,156,819	138,557	131,516	141,700
Total operating grants & contributions	4,742,577	6,144,123	4,249,130	9,444,513	3,398,152
Capital grants & contributions:					
Security of persons and property	425,881	11,513	-	-	-
Leisure time activities	221,783	623,876	904	-	-
Community environment	1,098,808	290,270	76,262	-	124,999
Street maintenance	2,630,143	1,997,135	2,083,758	1,041,735	1,261,487
General government	-	-	-	-	17,438
Total capital grants & contributions	4,376,615	2,922,794	2,160,924	1,041,735	1,403,924
<b>Total governmental activities program revenue</b>	<b>\$ 16,393,046</b>	<b>\$ 14,794,478</b>	<b>\$ 11,988,538</b>	<b>\$ 17,086,662</b>	<b>\$ 9,677,458</b>
Business-type activity:					
Charges for service:					
Sewage and disposal	\$ 10,442,611	\$ 10,172,202	\$ 7,966,821	\$ 8,588,707	\$ 8,228,489
Water	6,008,883	5,861,518	5,977,700	6,347,075	5,276,484
Electric	45,055,122	48,835,864	46,912,658	51,060,290	48,761,592
Sanitation	4,547,415	4,538,274	3,970,792	3,785,683	3,786,521
Leisure time activities	7,119,941	6,488,606	5,963,620	5,122,068	6,794,450
Storm Drainage Utility	2,074,870	1,954,134	2,048,407	1,978,985	1,273,890
Total charges for services	75,248,842	77,850,598	72,839,998	76,882,808	74,121,426
Operating Grants & Contributions:					
Sewage and disposal	-	-	2,722	-	-
Water	684	-	2,722	-	-
Electric	2,119	-	-	1,803	1,505
Sanitation	47,772	46,525	53,669	49,652	58,002
Leisure time activities	-	-	2,500	-	-
Storm Drainage Utility	207,500	-	-	-	-
Total operating grants & contributions	258,075	46,525	61,613	51,455	59,507
Capital grants & contributions:					
Sewage and disposal	-	400,550	296,710	348,650	-
Water	557,205	1,192,492	486,171	106,500	340,785
Electric	82,783	246,022	-	-	-
Leisure time activities	-	68,575	179,934	-	-
Storm Drainage Utility	-	336,718	635,676	571,191	523,916
Total capital grants & contributions	639,988	2,244,357	1,598,491	1,026,341	864,701
<b>Total business-type activities</b>	<b>\$ 76,146,905</b>	<b>\$ 80,141,480</b>	<b>\$ 74,500,102</b>	<b>\$ 77,960,604</b>	<b>\$ 75,045,634</b>
<b>Total primary government program revenue</b>	<b>\$ 92,539,951</b>	<b>\$ 94,935,958</b>	<b>\$ 86,488,640</b>	<b>\$ 95,047,266</b>	<b>\$ 84,723,092</b>

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

(Continued)

	2018	2017	2016	2015	2014
<b>Program revenue</b>					
<b>Governmental activities:</b>					
Charges for services:					
Security of persons and property	\$ 614,054	\$ 519,205	\$ 536,856	\$ 520,733	\$ 866,918
Leisure time activities	236,311	12,324	27,226	33,132	20,790
Community environment	92,344	125,102	152,871	227,326	201,372
Street maintenance	750,500	811,739	770,054	965,856	1,339,543
General government	2,194,419	2,303,281	2,418,428	2,209,681	2,500,922
<b>Total charges for services</b>	<b>3,887,628</b>	<b>3,771,651</b>	<b>3,905,435</b>	<b>3,956,728</b>	<b>4,929,545</b>
Operating grants & contributions:					
Security of persons and property	128,359	137,148	131,381	45,917	348,575
Leisure time activities	-	(7,500)	7,500	23,250	-
Community environment	768,692	557,547	580,500	355,300	535,716
Street maintenance	2,186,107	2,053,235	2,026,745	2,131,622	2,064,694
General government	152,845	121,619	125,533	7,195	-
<b>Total operating grants &amp; contributions</b>	<b>3,236,003</b>	<b>2,862,049</b>	<b>2,871,659</b>	<b>2,563,284</b>	<b>2,948,985</b>
Capital grants & contributions:					
Security of persons and property	13,738	240,465	-	100,475	107,891
Leisure time activities	59,114	153,197	116,203	109,859	-
Community environment	29,680	1,548,283	73,843	1,245,257	-
Street maintenance	1,027,891	849,573	1,175,784	4,658,370	1,540,628
General government	45,479	-	-	102,823	-
<b>Total capital grants &amp; contributions</b>	<b>1,175,902</b>	<b>2,791,518</b>	<b>1,365,830</b>	<b>6,216,784</b>	<b>1,648,519</b>
<b>Total governmental activities program revenue</b>	<b>\$ 8,299,533</b>	<b>\$ 9,425,218</b>	<b>\$ 8,142,924</b>	<b>\$ 12,736,796</b>	<b>\$ 9,527,049</b>
<b>Business-type activity:</b>					
Charges for service:					
Sewage and disposal	\$ 8,291,227	\$ 8,333,630	\$ 7,902,309	\$ 7,001,712	\$ 6,405,741
Water	5,651,564	5,647,624	5,143,261	5,345,330	5,867,593
Electric	50,500,902	48,079,266	46,579,605	41,872,912	42,147,397
Sanitation	3,721,057	3,715,767	3,667,882	3,634,212	3,793,133
Leisure time activities	6,630,504	7,465,484	7,426,456	6,642,300	5,558,640
Storm Drainage Utility	1,192,300	1,204,178	1,081,159	1,174,989	1,208,453
<b>Total charges for services</b>	<b>75,987,554</b>	<b>74,445,949</b>	<b>71,800,672</b>	<b>65,671,455</b>	<b>64,980,957</b>
Operating Grants & Contributions:					
Sewage and disposal	-	-	-	-	-
Water	-	-	-	10,276	-
Electric	4,263	4,183	11,000	18,538	-
Sanitation	58,298	56,972	45,207	68,946	52,994
Storm Drainage Utility	-	-	-	398,396	-
<b>Total operating grants &amp; contributions</b>	<b>62,561</b>	<b>61,155</b>	<b>56,207</b>	<b>496,156</b>	<b>52,994</b>
Capital grants & contributions:					
Sewage and disposal	16,225	273,475	201,244	96,435	176,485
Water	24,735	318,725	333,695	192,015	282,859
Electric	-	-	-	-	37,500
Leisure time activities	-	-	-	-	-
Storm Drainage Utility	94,595	315,940	446,567	419,806	533,588
<b>Total capital grants &amp; contributions</b>	<b>135,555</b>	<b>908,140</b>	<b>981,506</b>	<b>708,256</b>	<b>1,030,432</b>
<b>Total business-type activities</b>	<b>\$ 76,185,670</b>	<b>\$ 75,415,244</b>	<b>\$ 72,838,385</b>	<b>\$ 66,875,867</b>	<b>\$ 66,064,383</b>
<b>Total primary government program revenue</b>	<b>\$ 84,485,203</b>	<b>\$ 84,840,462</b>	<b>\$ 80,981,309</b>	<b>\$ 79,612,663</b>	<b>\$ 75,591,432</b>

# City of Cuyahoga Falls, Ohio

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

(Continued)

	2023	2022	2021	2020	2019
<b>Expenses</b>					
Governmental activities:					
Security of persons and property	\$ 30,737,768	\$ 26,078,999	\$ 23,722,589	\$ 26,455,896	\$ 4,078,743
Leisure time activities	5,286,794	4,054,265	3,387,294	4,167,053	4,138,896
Community environment	4,543,966	4,768,774	2,662,387	2,658,942	2,581,048
Street maintenance	10,695,584	11,227,751	9,913,865	10,119,896	10,209,740
General government	10,106,091	7,755,936	5,319,527	9,132,619	10,324,863
Interest and fiscal charges	816,783	590,474	602,905	613,368	552,870
Total governmental activities expenses	62,186,986	54,476,199	45,608,567	53,147,774	31,886,160
Business-type activity:					
Sewage and disposal	10,059,469	10,051,270	7,921,685	7,385,465	8,997,990
Water	4,704,064	3,832,988	2,972,646	4,729,481	4,697,602
Electric	43,706,033	44,955,999	43,946,449	50,581,299	48,454,543
Sanitation	4,440,255	3,577,542	2,923,834	4,235,347	4,190,654
Leisure time activities	6,711,871	5,979,711	4,015,258	5,866,827	7,183,886
Storm Drainage Utility	2,000,910	1,192,540	828,829	1,141,853	1,065,512
Total business-type activities expenses	71,622,602	69,590,050	62,608,701	73,940,272	74,590,187
<b>Total primary government program expenses</b>	<b>133,809,588</b>	<b>124,066,249</b>	<b>108,217,268</b>	<b>127,088,046</b>	<b>106,476,347</b>
<b>Net (expense)/revenue</b>					
Governmental activity	(45,793,940)	(39,681,721)	(33,620,029)	(36,061,112)	(22,208,702)
Business-type activity	4,524,303	10,551,430	11,891,401	4,020,332	455,447
<b>Total primary government net expense</b>	<b>\$ (41,269,637)</b>	<b>\$ (29,130,291)</b>	<b>\$ (21,728,628)</b>	<b>\$ (32,040,780)</b>	<b>\$ (21,753,255)</b>
<b>General revenues and other changes in net position</b>					
Governmental activities					
Property and other local taxes Levied for:					
General purposes	\$ 13,619,653	\$ 13,616,728	\$ 13,319,161	\$ 11,479,946	\$ 11,858,448
Special revenue	3,408,090	2,649,786	1,793,092	1,512,095	1,591,781
Income tax levied for:					
General purposes	20,709,041	19,943,717	16,796,573	16,349,260	16,507,424
Special revenue	2,643,567	887,894	2,144,130	2,087,030	2,107,217
Capital projects	9,691,976	10,991,776	7,860,915	7,651,569	7,725,590
Grants and entitlements not restricted to specific programs	3,777,258	3,551,498	3,398,940	2,694,946	2,941,401
Gain or (loss) on sale of capital assets	-	-	17,026	-	-
Investment earnings	5,593,922	(157,927)	(133,615)	971,380	1,569,890
Transfers	(931,820)	(2,252,622)	(280,732)	(280,732)	(1,966,956)
Total governmental activities	58,511,687	49,230,850	44,915,490	42,465,494	42,334,795
Business-type activity					
Investment earnings	46,827	45,292	-	-	-
Transfers	931,820	2,252,622	280,732	280,732	1,966,956
Total Business-type activity	978,647	2,297,914	280,732	280,732	1,966,956
<b>Total primary government general revenue and other changes in net position</b>	<b>59,490,334</b>	<b>51,528,764</b>	<b>45,196,222</b>	<b>42,746,226</b>	<b>44,301,751</b>
<b>Change in net position</b>					
Governmental Activities	12,717,747	9,549,129	11,295,461	6,404,382	20,126,093
Business Type Activities	5,502,950	12,849,344	12,172,133	4,301,064	2,422,403
<b>Total primary government change in net position</b>	<b>\$ 18,220,697</b>	<b>\$ 22,398,473</b>	<b>\$ 23,467,594</b>	<b>\$ 10,705,446</b>	<b>\$ 22,548,496</b>

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

(Continued)

	2018	2017	2016	2015	2014
<b>Expenses</b>					
<b>Governmental activities:</b>					
Security of persons and property	\$ 24,114,641	\$ 23,275,147	\$ 23,211,263	\$ 20,818,302	\$ 19,807,646
Leisure time activities	3,078,332	4,339,549	4,073,716	2,407,489	2,244,079
Community environment	2,139,383	2,271,132	2,128,007	2,101,857	1,785,142
Street maintenance	8,549,215	8,762,258	8,646,272	8,117,963	8,034,324
General government	7,422,900	6,958,634	6,159,167	6,536,478	6,139,797
Interest and fiscal charges	415,082	303,622	364,476	116,030	163,316
<b>Total governmental activities expenses</b>	<b>45,719,553</b>	<b>45,910,342</b>	<b>44,582,901</b>	<b>40,098,119</b>	<b>38,174,304</b>
<b>Business-type activity:</b>					
Sewage and disposal	8,187,532	7,934,156	7,527,436	6,803,595	6,686,370
Water	4,222,943	4,427,961	4,003,814	3,991,995	4,273,858
Electric	51,099,787	48,275,772	46,856,466	43,879,705	41,358,326
Sanitation	3,604,209	3,886,703	3,463,757	3,298,991	3,443,262
Leisure time activities	6,233,165	6,381,113	6,303,759	5,986,173	5,951,069
Storm Drainage Utility	1,364,938	1,413,989	1,247,600	1,209,296	1,467,434
<b>Total business-type activities expenses</b>	<b>74,712,574</b>	<b>72,319,694</b>	<b>69,402,832</b>	<b>65,169,755</b>	<b>63,180,319</b>
<b>Total primary government program expenses</b>	<b>120,432,127</b>	<b>118,230,036</b>	<b>113,985,733</b>	<b>105,267,874</b>	<b>101,354,623</b>
<b>Net (expense)/revenue</b>					
Governmental activity	(37,420,020)	(37,610,809)	(36,439,977)	(27,361,323)	(28,647,255)
Business-type activity	1,473,096	3,865,976	3,435,553	1,706,112	2,884,064
<b>Total primary government net expense</b>	<b>\$ (35,946,924)</b>	<b>\$ (33,744,833)</b>	<b>\$ (33,004,424)</b>	<b>\$ (25,655,211)</b>	<b>\$ (25,763,191)</b>
<b>General revenues and other changes in net position</b>					
<b>Governmental activities</b>					
<b>Property and other local taxes Levied for:</b>					
General purposes	\$ 11,916,154	\$ 11,332,985	\$ 11,288,348	\$ 10,966,622	\$ 9,176,770
Special revenue	1,498,504	1,424,679	1,423,873	787,954	807,157
<b>Income tax levied for:</b>					
General purposes	14,163,734	14,735,011	14,452,530	13,730,190	12,961,239
Special revenue	1,808,040	1,880,965	1,844,905	1,769,939	1,654,537
Capital projects	6,628,727	6,896,088	6,763,886	6,489,034	6,065,951
Grants and entitlements not restricted to specific programs	2,673,128	2,617,007	2,574,287	2,856,650	1,955,857
Gain or (loss) on sale of capital assets	24,582	-	86,531	103,390	-
Investment earnings	502,646	584,060	473,909	364,562	203,039
Transfers	(2,277,103)	(2,382,672)	(2,344,428)	(3,147,439)	(2,375,534)
<b>Total governmental activities</b>	<b>36,938,412</b>	<b>37,088,123</b>	<b>36,563,841</b>	<b>33,920,902</b>	<b>30,449,016</b>
<b>Business-type activity</b>					
Investment earnings	-	-	-	-	-
Transfers	2,277,103	2,382,672	2,344,428	3,147,439	2,375,534
<b>Total Business-type activity</b>	<b>2,277,103</b>	<b>2,382,672</b>	<b>2,344,428</b>	<b>3,147,439</b>	<b>2,375,534</b>
<b>Total primary government general revenue and other changes in net position</b>	<b>39,215,515</b>	<b>39,470,795</b>	<b>38,908,269</b>	<b>37,068,341</b>	<b>32,824,550</b>
<b>Change in net position</b>					
Governmental Activities	(481,608)	(522,686)	123,864	6,559,579	1,801,761
Business Type Activities	3,750,199	6,248,648	5,779,981	4,853,551	5,259,598
<b>Total primary government change in net position</b>	<b>\$ 3,268,591</b>	<b>\$ 5,725,962</b>	<b>\$ 5,903,845</b>	<b>\$ 11,413,130</b>	<b>\$ 7,061,359</b>

# City of Cuyahoga Falls, Ohio

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019**</u>
<b>General Fund</b>					
Nonspendable	\$ 368,659	\$ 309,566	\$ 315,301	\$ 307,797	\$ 307,845
Restricted	9,302	14,144	19,326	24,405	29,399
Assigned	536,416	1,313,529	1,810,483	2,638,739	1,434,461
Unassigned	29,588,622	24,454,809	20,479,510	16,773,610	8,495,780
<b>Total General Fund</b>	<u>\$ 30,502,999</u>	<u>\$ 26,092,048</u>	<u>\$ 22,624,620</u>	<u>\$ 19,744,551</u>	<u>\$ 10,267,485</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 1,087,977	\$ 988,600	\$ 819,131	\$ 967,371	\$ 1,013,383
Restricted	19,784,604	9,536,781	7,368,731	8,934,628	7,716,702
Committed	444,870	412,728	313,128	240,528	146,328
Assigned	-	-	-	-	-
Unassigned	(1,253,305)	(1,199,687)	(39,328)	(72,656)	(56,897)
<b>Total All Other Governmental Funds</b>	<u>\$ 20,064,146</u>	<u>\$ 9,738,422</u>	<u>\$ 8,461,662</u>	<u>\$ 10,069,871</u>	<u>\$ 8,819,516</u>
<b>Total Governmental Funds</b>	<u>\$ 50,567,145</u>	<u>\$ 35,830,470</u>	<u>\$ 31,086,282</u>	<u>\$ 29,814,422</u>	<u>\$ 19,087,001</u>

\*\* Restated from implementation of Governmental Accounting Standards Board Statements No. 84.

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

(Continued)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>General Fund</b>					
Nonspendable	\$ 293,453	\$ 301,579	\$ 281,751	\$ 262,073	\$ 266,459
Restricted	36,458	45,769	55,270	181,734	21,505
Assigned	3,359,765	1,070,830	1,438,859	1,153,447	2,144,241
Unassigned	7,148,694	10,262,546	9,480,089	9,429,461	8,583,242
<b>Total General Fund</b>	<u>\$ 10,838,370</u>	<u>\$ 11,680,724</u>	<u>\$ 11,255,969</u>	<u>\$ 11,026,715</u>	<u>\$ 11,015,447</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 834,962	\$ 1,061,814	\$ 1,094,121	\$ 989,641	\$ 955,104
Restricted	9,308,710	6,100,378	9,049,950	7,785,858	5,798,849
Committed	98,328	1,703	2,178	1,553	126,528
Assigned	3,177,562	-	932,268	400,114	-
Unassigned	(52,470)	(3,000,477)	-	-	(4,953,474)
<b>Total All Other Governmental Funds</b>	<u>13,367,092</u>	<u>4,163,418</u>	<u>11,078,517</u>	<u>9,177,166</u>	<u>1,927,007</u>
<b>Total Governmental Funds</b>	<u>\$ 24,205,462</u>	<u>\$ 15,844,142</u>	<u>\$ 22,334,486</u>	<u>\$ 20,203,881</u>	<u>\$ 12,942,454</u>

\* Restated from implementation of Governmental Accounting Standards Board Statements No. 54.



# City of Cuyahoga Falls, Ohio

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

	2023	2022	2021	2020	2019
<b>Revenues</b>					
Property taxes	\$ 11,739,343	\$ 11,819,567	\$ 11,689,297	\$ 10,153,313	\$ 10,006,285
Municipal income taxes	32,759,860	31,394,242	28,573,353	24,869,240	23,788,787
Other local taxes	5,212,628	4,612,447	3,391,264	2,665,870	3,357,273
State levied shared taxes	7,042,869	6,412,788	6,586,003	5,894,147	5,672,539
Intergovernmental	5,427,104	5,766,232	2,361,838	7,188,391	930,300
Charges for services	2,402,695	2,478,358	2,242,714	1,975,869	2,363,349
Fees, licenses, and permits	589,701	761,982	758,574	1,178,727	818,913
Interest earnings	5,506,671	(158,642)	(129,033)	938,353	1,511,280
Fines and forfeitures	190,466	221,334	206,811	208,654	225,695
Special assessments	100,713	72,988	92,678	74,528	83,246
Other	3,729,287	2,348,752	2,071,297	3,359,838	1,073,479
<b>Total revenues</b>	<b>\$ 74,701,337</b>	<b>\$ 65,730,048</b>	<b>\$ 57,844,796</b>	<b>\$ 58,506,930</b>	<b>\$ 49,831,146</b>
<b>Expenditures</b>					
<b>Current</b>					
Security of persons and property	\$ 25,836,539	\$ 24,334,685	\$ 23,622,617	\$ 21,920,524	\$ 21,964,302
Leisure time activities	5,728,909	5,176,380	4,467,895	4,110,368	3,806,986
Community environment	5,168,357	5,022,367	3,246,197	2,370,726	2,201,851
Street maintenance	3,837,323	4,037,316	4,168,896	3,629,970	4,310,946
General government	8,294,771	8,889,099	7,186,484	6,374,747	6,637,596
Capital outlay	14,461,594	11,751,712	12,475,229	11,738,611	13,788,029
<b>Debt service</b>					
Principal	1,070,091	1,038,950	1,023,715	1,172,416	783,326
Interest	857,363	653,562	652,368	631,964	558,022
<b>Total expenditures</b>	<b>\$ 65,254,947</b>	<b>\$ 60,904,071</b>	<b>\$ 56,843,401</b>	<b>\$ 51,949,326</b>	<b>\$ 54,051,058</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 9,446,390	\$ 4,825,977	\$ 1,001,395	\$ 6,557,604	\$ (4,219,912)
<b>Other financing sources (uses)</b>					
Bond Note proceeds	4,963,930	32,782	27,890	4,500,043	-
Financed purchases payable	-	-	663,954	-	-
Issuance of lease	137,231	-	-	-	-
Issuance of subscription based information technology arrangements	33,900	-	-	-	-
Transfers in	7,498,656	3,540,000	2,779,000	2,151,000	3,605,000
Transfers out	(7,498,656)	(3,820,732)	(3,059,732)	(2,431,732)	(5,571,956)
Capital contributions	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>5,135,061</b>	<b>(247,950)</b>	<b>411,112</b>	<b>4,219,311</b>	<b>(1,966,956)</b>
<b>Net change in fund balance</b>	<b>\$ 14,581,451</b>	<b>\$ 4,578,027</b>	<b>\$ 1,412,507</b>	<b>\$ 10,776,915</b>	<b>\$ (6,186,868)</b>
Debt service as a percentage of noncapital expenditures	3.6%	3.1%	3.9%	4.1%	3.2%

# City of Cuyahoga Falls, Ohio

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

(Continued)

	2018	2017	2016	2015	2014
<b>Revenues</b>					
Property taxes	\$ 9,973,154	\$ 9,401,904	\$ 9,285,230	\$ 9,221,515	\$ 9,278,950
Municipal income taxes	22,897,087	24,028,703	22,629,679	22,229,725	21,337,597
Other local taxes	3,563,198	3,319,930	3,431,145	2,573,609	696,319
State levied shared taxes	4,956,279	4,837,157	4,850,181	4,988,263	4,417,200
Intergovernmental	1,951,991	2,257,668	1,521,781	3,251,801	3,624,099
Charges for services	2,418,825	2,192,481	2,306,029	2,432,354	2,038,438
Fees, licenses, and permits	827,524	655,697	814,644	844,119	940,841
Interest earnings	529,491	598,492	461,673	336,444	176,526
Fines and forfeitures	225,823	253,389	304,782	251,164	652,005
Special assessments	69,888	74,240	99,105	96,116	121,022
Other	475,254	529,001	545,916	683,351	1,334,924
<b>Total revenues</b>	<b>\$ 47,888,514</b>	<b>\$ 48,148,662</b>	<b>\$ 46,250,165</b>	<b>\$ 46,908,461</b>	<b>\$ 44,617,921</b>
<b>Expenditures</b>					
<b>Current</b>					
Security of persons and property	\$ 20,776,624	\$ 19,999,874	\$ 19,278,402	\$ 18,867,260	\$ 18,555,134
Leisure time activities	3,181,843	3,776,947	3,492,399	2,470,729	2,068,837
Community environment	1,948,516	1,797,905	1,953,752	2,941,270	1,534,194
Street maintenance	3,542,925	3,367,710	3,424,531	3,798,443	3,711,222
General government	5,901,056	5,119,131	5,242,688	5,062,773	5,079,261
Capital outlay	11,771,223	17,043,474	7,459,829	8,370,123	9,322,999
<b>Debt service</b>					
Principal	323,774	954,399	893,315	1,188,631	7,748,929
Interest	384,421	297,310	397,366	151,112	191,604
<b>Total expenditures</b>	<b>\$ 47,830,382</b>	<b>\$ 52,356,750</b>	<b>\$ 42,142,282</b>	<b>\$ 42,850,341</b>	<b>\$ 48,212,180</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 58,132	\$ (4,208,088)	\$ 4,107,883	\$ 4,058,120	\$ (3,594,259)
<b>Other financing sources (uses)</b>					
Bond/Note proceeds	10,665,000	-	-	6,185,000	-
Financed purchases payable	-	-	245,877	-	-
Issuance of lease	-	-	-	-	-
Issuance of subscription based information technology arrangements	-	-	-	-	-
Transfers in	3,210,000	2,935,000	2,680,000	3,459,711	4,778,527
Transfers out	(5,336,297)	(5,201,593)	(5,024,428)	(6,590,583)	(6,278,503)
<b>Total other financing sources (uses)</b>	<b>8,538,703</b>	<b>(2,266,593)</b>	<b>(2,098,551)</b>	<b>3,054,128</b>	<b>(1,499,976)</b>
<b>Net change in fund balance</b>	<b>\$ 8,596,835</b>	<b>\$ (6,474,681)</b>	<b>\$ 2,009,332</b>	<b>\$ 7,112,248</b>	<b>\$ (5,094,235)</b>
Debt service as a percentage of noncapital expenditures	1.9%	3.4%	3.5%	4.0%	18.6%

# City of Cuyahoga Falls, Ohio

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2023	\$ 900,140,560	\$ 290,719,030	3,402,455,971	\$ 14,688,250	16,691,193
2022	\$ 895,551,420	\$ 291,131,320	3,390,522,114	\$ 13,039,370	14,817,466
2021	895,265,720	288,891,450	3,383,306,200	12,081,100	13,728,523
2020	783,115,110	255,092,880	2,966,308,543	10,832,200	12,309,318
2019	776,295,070	245,261,530	2,918,733,143	9,838,290	11,179,875
2018	771,819,810	236,556,730	2,881,075,829	10,022,340	11,389,023
2017	710,687,960	244,652,170	2,729,543,229	9,666,340	10,984,477
2016	707,180,150	244,859,310	2,720,112,743	8,986,090	10,211,466
2015	701,837,420	234,800,490	2,676,108,314	8,783,580	9,981,341
2014	717,638,140	233,258,230	2,716,846,771	8,510,780	9,671,341

Collection Year	Total			Tax Rate (per \$1,000 of Assessed Value)
	Assessed Value	Estimated Actual Value	Ratio	
2023	\$ 1,205,547,840	3,419,147,165	35.23%	11.00
2022	\$ 1,199,722,110	3,405,339,580	35.23%	11.00
2021	1,196,238,270	3,397,034,723	35.21%	11.00
2020	1,049,040,190	2,978,617,861	35.22%	11.00
2019	1,031,394,890	2,929,913,018	35.20%	11.00
2018	1,018,398,880	2,892,464,851	35.21%	11.00
2017	965,006,470	2,740,527,706	35.21%	11.00
2016	961,025,550	2,730,324,209	35.20%	11.00
2015	945,616,820	2,686,089,655	35.20%	11.00
2014	959,407,150	2,726,518,112	35.19%	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 2007, 2008 and 2009 both types of general business tangible property were assessed at 12.5 percent, 6.25 percent and zero, respectively.

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Unvoted Millage</b>										
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
<b>Total Unvoted Millage</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>
<b>Voted Millage</b>										
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
<b>Total Voted Millage</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Total Voted Millage by Type of Property</b>										
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
<b>Total Millage</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>	<b>11.0000</b>
<b>Overlapping Rates by Taxing District</b>										
City School District	80.0100	82.6100	82.5500	82.4500	83.7100	73.8900	74.6600	69.9500	69.9100	69.9600
Residential/Agricultural Real	38.2854	47.3600	47.3480	47.5600	52.7700	42.9442	43.6703	41.7900	41.7304	41.7600
Commercial/Industrial and Public Utility Real	50.1173	55.2500	54.8715	54.4200	61.4700	51.9024	52.6224	47.9600	47.2351	47.2300
General Business and Public Utility Personal	80.0100	82.6100	82.5500	82.4500	83.7100	73.8900	74.6600	69.9500	69.9100	69.9600
Summit County	14.2400	15.1600	15.1600	15.1600	15.1600	14.1600	14.1600	14.1600	14.1600	14.1600
Residential/Agricultural Real	9.9060	12.9700	12.1814	12.9700	14.2800	13.2759	13.2658	14.1000	14.0991	14.1000
Commercial/Industrial and Public Utility Real	12.1440	13.8800	12.9903	13.8500	15.0100	14.0365	14.0950	13.8800	13.9081	13.8800
General Business and Public Utility Personal	14.2400	15.1600	15.1600	15.1600	15.1600	14.1600	14.1600	14.1600	14.1600	14.1600
Special Taxing Districts-Cuyahoga Falls Library	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
Residential/Agricultural Real	1.8464	1.5555	1.5555	1.5500	1.7500	1.7533	1.7509	1.9000	1.9000	1.9000
Commercial/Industrial and Public Utility Real	1.5449	1.6800	1.6684	1.6500	1.8900	1.9000	1.9000	1.9000	1.9000	1.9000
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000

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 2023 and 2014

<u>Name of Taxpayer</u>	<b>2023</b>	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Western Reserve Hospital LLC	\$ 6,672,950	0.55%
Ohio Edison	6,495,570	0.54%
Bath Road Associates LLC	6,289,320	0.52%
BWIP Wyoga Towers Owner LLC	6,065,790	0.50%
Newpart Limited Partnerships	5,698,290	0.47%
Yorkshire Woods Apartments LTD	5,433,230	0.45%
Riverside Community Urban Redevelopment	5,165,810	0.43%
East Ohio Gas	5,088,080	0.42%
Niederst Portage Towers LLC	4,342,900	0.36%
Chapel Hill Associates LLC	4,004,860	0.33%
Totals	<u>\$ 55,256,800</u>	<u>4.57%</u>
Total Assessed Valuation	<u>\$ 1,205,547,840</u>	

<u>Name of Taxpayer</u>	<b>2014</b>	
	<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 Apartment 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>	

**Source:** Summit County Fiscal Office

(1) The amounts presented represent the assessed values upon which 2023 and 2014 collections were based.

## City of Cuyahoga Falls, Ohio

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2023	\$ 13,261,049	\$ 12,893,829	97.2%	\$ 313,485	\$ 13,207,314	99.6%	\$ 468,692	3.5%
2022	13,196,968	12,818,777	97.1%	228,997	13,047,774	98.9%	750,994	5.7%
2021	13,158,688	12,568,789	95.5%	220,850	12,789,639	97.2%	773,535	5.9%
2020	11,539,468	11,242,221	97.4%	202,090	11,242,916	97.4%	419,506	3.6%
2019	11,346,197	11,094,120	97.8%	170,934	11,265,054	99.3%	352,802	3.1%
2018	11,202,383	10,985,702	98.1%	73,238	11,058,940	98.7%	308,859	2.8%
2017	10,647,234	10,377,946	97.5%	236,262	10,614,208	99.7%	362,892	3.4%
2016	10,571,320	10,343,036	97.8%	219,706	10,562,742	99.9%	331,614	3.1%
2015	10,401,824	10,174,711	97.8%	227,113	10,401,824	100.0%	348,924	3.4%
2014	10,553,518	10,256,163	97.2%	297,355	10,553,518	100.0%	425,771	4.0%

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

<b>Tax Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected (1)</b>	<b>Taxes From Withholding</b>	<b>Percentage of Taxes From Withholding</b>	<b>Taxes From Net Profits</b>	<b>Percentage of Taxes From Net Profits</b>	<b>Taxes From Individuals</b>	<b>Percentage of Taxes From Individuals</b>
2023	2.00%	\$ 32,565,444	\$ 23,960,999	74%	\$ 4,242,610	13%	\$ 4,361,836	13%
2022	2.00%	31,112,172	22,843,109	73%	4,567,791	15%	3,701,272	12%
2021	2.00%	28,640,109	19,931,892	70%	5,361,267	19%	3,346,949	12%
2020	2.00%	22,149,056	16,626,782	75%	2,449,155	11%	3,073,119	14%
2019	2.00%	23,833,437	18,074,487	76%	2,883,372	12%	2,875,579	12%
2018	2.00%	23,243,187	17,788,114	77%	2,763,623	12%	2,691,451	12%
2017	2.00%	23,940,612	17,640,902	74%	3,030,723	13%	3,268,987	14%
2016	2.00%	22,799,767	16,974,692	74%	2,739,541	12%	3,085,533	14%
2015	2.00%	22,212,557	16,405,895	74%	2,964,688	13%	2,841,974	13%
2014	2.00%	20,848,103	15,670,167	75%	2,774,059	13%	2,403,878	12%

(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 2023 and 2014**

**Tax Year 2023**

<b>Taxpayers</b>	<b>Income Tax Withholding Collections Ranking</b>	<b>Percent Of Income Tax Withholding Collections</b>
Associated Bldg Supplies Inc	1	4.71%
Summa Western Reserve Hospital	2	3.54%
Gojo Industries Inc	3	2.98%
City Of Cuyahoga Falls	4	2.79%
Cuyahoga Falls Board Of Education	5	2.65%
Woodridge Local School District	6	1.46%
SWRH Physicians Inc	7	1.32%
Americhem Inc	8	1.19%
Summit County Board Of Ed	9	1.19%
Group Management Services Inc	10	1.18%
		<b>23.02%</b>

**Tax Year 2014**

<b>Taxpayers</b>	<b>Income Tax Withholding Collections Ranking</b>	<b>Percent Of Income Tax Withholding Collections</b>
Go Jo Industries	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%
		<b>27.87%</b>

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	Financed Purchases Payable	Leases Payable	SBITA Payable	General Obligation Bonds	Financed Purchases Payable	Leases Payable	SBITA Payable					
2023	\$ 21,266,358	\$ 267,825	\$ 62,981	\$ 195,979	\$ 44,598,193	\$ 165,370	\$ 591,564	\$ 230,626	\$ 67,378,896	\$ 2,032,329,255	3.32%	50,655 i	\$ 1,330
2022	\$ 17,301,389	\$ 398,293	\$ -	\$ -	\$ 15,617,899	\$ 323,113	\$ 79,649	\$ -	\$ 33,720,343	\$ 1,831,141,590	1.84%	50,810 h	\$ 664
2021	\$ 18,234,711	\$ 526,517	\$ -	\$ -	\$ 9,320,518	\$ 477,292	\$ -	\$ -	\$ 28,559,038	\$ 1,662,073,938	1.72%	51,114 g	\$ 559
2020	\$ 19,134,279	\$ -	\$ -	\$ -	\$ 10,566,727	\$ 223,044	\$ -	\$ -	\$ 29,924,050	\$ 1,558,820,864	1.92%	49,106 g	\$ 609
2019	\$ 15,773,885	\$ 50,586	\$ -	\$ -	\$ 10,302,764	\$ 292,707	\$ -	\$ -	\$ 26,419,942	\$ 1,454,952,888	1.82%	49,272 f	\$ 536
2018	\$ 16,464,565	\$ 113,912	\$ -	\$ -	\$ 11,446,655	\$ 2,053,011	\$ -	\$ -	\$ 30,078,143	\$ 1,396,644,920	2.15%	49,247 e	\$ 611
2017	\$ 6,062,137	\$ 218,685	\$ -	\$ -	\$ 12,593,276	\$ 4,066,260	\$ -	\$ -	\$ 22,940,358	\$ 1,354,690,386	1.69%	49,206 d	\$ 466
2016	\$ 6,627,326	\$ 600,146	\$ -	\$ -	\$ 14,490,226	\$ 5,999,194	\$ -	\$ -	\$ 27,716,892	\$ 1,325,320,182	2.09%	49,146 c	\$ 564
2015	\$ 7,121,208	\$ 771,949	\$ -	\$ -	\$ 15,936,579	\$ 7,867,113	\$ -	\$ -	\$ 31,696,849	\$ 1,321,731,390	2.40%	49,210 b	\$ 644
2014	\$ 1,894,899	\$ 960,735	\$ -	\$ -	\$ 17,962,670	\$ 9,480,748	\$ -	\$ -	\$ 30,299,052	\$ 1,300,747,334	2.33%	49,267 a	\$ 615

Sources:

- (1) U. S. Bureau of Census, Census of Population
  - (a) 2014 U.S. Census Bureau Estimate
  - (b) 2015 U.S. Census Bureau Estimate
  - (c) 2016 U.S. Census Bureau Estimate
  - (d) 2017 U.S. Census Bureau Estimate
  - (e) 2018 U.S. Census Bureau Estimate
  - (f) 2019 U.S. Census Bureau Estimate
  - (g) 2020 U.S. Census Bureau Estimate
  - (h) 2021 U.S. Census Bureau Estimate
  - (i) 2022 U.S. Census Bureau Estimate

## City of Cuyahoga Falls, Ohio

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

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Governmental	Business-type	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	Ratio of Total Bonded Debt to Estimated True Value of Taxable Property	Total Bonded Debt per Capita
			General Obligation Bonds	General Obligation Bonds				
2023	50,655 i	\$ 3,419,147,165	\$ 21,266,358	\$ 44,598,193	\$ 3,516,107	\$ 62,348,444	1.82%	1,231
2022	50,810 h	3,405,339,580	17,301,389	15,617,899	141,926	32,777,362	0.96%	645
2021	51,114 g	3,397,034,723	18,234,711	9,320,518	(4)	27,555,229	0.81%	539
2020	49,106 g	2,978,617,861	19,134,279	10,566,727	(4)	29,701,006	1.00%	605
2019	49,272 f	2,929,913,018	15,773,885	10,302,764	(4)	26,076,649	0.89%	529
2018	49,247 e	2,892,464,851	16,464,565	11,446,655	(4)	27,911,220	0.96%	567
2017	49,206 d	2,740,527,706	6,062,137	12,593,276	(4)	18,655,413	0.68%	379
2016	49,146 c	2,730,324,209	6,627,326	14,490,226	(4)	21,117,552	0.77%	430
2015	49,210 b	2,686,089,655	7,121,208	15,936,579	(4)	23,057,787	0.86%	469
2014	49,267 a	2,726,518,112	1,894,899	17,962,670	(4)	19,857,569	0.73%	403

Sources:

- (1) U. S. Bureau of Census, Census of Population
  - (a) 2014 U.S. Census Bureau Estimate
  - (b) 2015 U.S. Census Bureau Estimate
  - (c) 2016 U.S. Census Bureau Estimate
  - (d) 2017 U.S. Census Bureau Estimate
  - (e) 2018 U.S. Census Bureau Estimate
  - (f) 2019 U.S. Census Bureau Estimate
  - (g) 2020 U.S. Census Bureau Estimate
  - (h) 2021 U.S. Census Bureau Estimate
  - (i) 2022 U.S. Census Bureau Estimate

(2) Summit County Fiscal Office

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

(4) Restricted for debt service (temporarily restricted) not reported for this year.

# City of Cuyahoga Falls, Ohio

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 126,582,523	\$ 125,970,822	\$ 125,605,018	\$ 110,149,220	\$ 108,296,463
Net debt within 10.5 % limitations	<u>16,858,046</u>	<u>16,543,397</u>	<u>17,632,620</u>	<u>18,518,397</u>	<u>15,754,873</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 109,724,477</u>	<u>\$ 109,427,425</u>	<u>\$ 107,972,398</u>	<u>\$ 91,630,823</u>	<u>\$ 92,541,590</u>
Total net debt applicable to the limit as a percentage of debt limit	13.32%	13.13%	14.04%	16.81%	14.55%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 66,305,131	\$ 65,984,716	\$ 65,793,105	\$ 57,697,210	\$ 56,726,719
Net debt within 5.5% limitations	<u>16,858,046</u>	<u>16,543,397</u>	<u>17,632,620</u>	<u>18,518,397</u>	<u>15,754,873</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 49,447,085</u>	<u>\$ 49,441,319</u>	<u>\$ 48,160,485</u>	<u>\$ 39,178,813</u>	<u>\$ 40,971,846</u>
Total net debt applicable to the limit as a percentage of debt limit	25.42%	25.07%	26.80%	32.10%	27.77%

## Legal Debt Margin Calculation for Fiscal Year 2023

	Unvoted Margin <u>Within 5.5%</u>	Overall Margin <u>Within 10.5%</u>
Assessed property value	<u>\$ 1,205,547,840</u>	<u>\$ 1,205,547,840</u>
Overall debt limitation (% of assessed valuation)	\$ 66,305,131	\$ 126,582,523
Gross indebtedness	62,266,543	62,266,543
Less:		
(Self-supporting as defined in O.R.C. 133.05)		
General sewer and sanitary improvements	(4,420,000)	(4,420,000)
Water utility	(5,175,000)	(5,175,000)
Electric utility	(19,035,000)	(19,035,000)
Recreation facilities	(13,155,000)	(13,155,000)
Special assessment bonds	-	-
Debt Service Fund Balance	(3,623,497)	(3,623,497)
Net debt within limitations	<u>\$ 16,858,046</u>	<u>\$ 16,858,046</u>
Legal debt margin within limitations	<u>\$ 49,447,085</u>	<u>\$ 109,724,477</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 106,931,882	\$ 101,325,679	\$ 100,907,683	\$ 99,289,766	\$ 100,737,751
Net debt within 10.5 % limitations	<u>16,465,669</u>	<u>6,019,802</u>	<u>6,592,952</u>	<u>7,069,086</u>	<u>1,759,101</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 90,466,213</u>	<u>\$ 95,305,877</u>	<u>\$ 94,314,731</u>	<u>\$ 92,220,680</u>	<u>\$ 98,978,650</u>
Total net debt applicable to the limit as a percentage of debt limit	15.40%	5.94%	6.53%	7.12%	1.75%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 56,011,938	\$ 53,075,356	\$ 52,856,405	\$ 52,008,925	\$ 52,767,393
Net debt within 5.5% limitations	<u>16,465,669</u>	<u>6,019,802</u>	<u>6,592,952</u>	<u>7,069,086</u>	<u>1,759,101</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 39,546,269</u>	<u>\$ 47,055,554</u>	<u>\$ 46,263,453</u>	<u>\$ 44,939,839</u>	<u>\$ 51,008,292</u>
Total net debt applicable to the limit as a percentage of debt limit	29.40%	11.34%	12.47%	13.59%	3.33%

# 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	
2014	6,460,514	6,481,696	(21,182)	284,000	48,284	332,284	(0.06)
2015	7,064,315	6,684,578	379,737	292,000	40,606	332,606	1.14
2016	7,967,007	7,433,436	533,571	305,000	28,926	335,926	1.59
2017	8,443,990	7,871,744	572,246	317,000	16,998	333,998	1.71
2018	8,403,385	8,273,610	129,775	161,000	4,830	165,830	0.78
2019	8,334,005	9,009,157	(675,152)	25,000	14,500	39,500	(17.09)
2020	8,672,216	7,444,594	1,227,622	30,000	14,016	44,016	27.89
2021	8,052,494	8,010,985	41,509	30,000	13,140	43,140	0.96
2022	10,271,474	10,084,000	187,474	30,000	12,264	42,264	4.44
2023	10,540,916	9,989,872	551,044	190,000	94,941	284,941	1.93

WATER FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	5,867,593	4,371,985	1,495,608	720,000	131,084	851,084	1.76
2015	5,345,330	4,219,067	1,126,263	738,000	115,309	853,309	1.32
2016	5,143,261	4,264,236	879,025	764,000	93,539	857,539	1.03
2017	5,647,624	4,746,199	901,425	785,000	69,683	854,683	1.05
2018	5,651,564	4,828,054	823,510	655,000	45,313	700,313	1.18
2019	5,276,484	5,098,159	178,325	330,000	28,100	358,100	0.50
2020	6,347,075	5,226,560	1,120,515	340,000	19,850	359,850	3.11
2021	5,977,700	3,566,569	2,411,131	395,000	51,536	446,536	5.40
2022	5,861,518	4,308,059	1,553,459	50,000	39,050	89,050	17.44
2023	6,008,883	5,081,454	927,429	215,000	122,282	337,282	2.75

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)

ELECTRIC FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	42,612,692	40,859,768	1,752,924	-	-	-	N/A
2015	42,306,521	43,729,391	(1,422,870)	-	-	-	N/A
2016	47,049,465	46,652,638	396,827	-	-	-	N/A
2017	48,590,492	48,069,747	520,745	-	-	-	N/A
2018	51,052,581	51,417,673	(365,092)	-	-	-	N/A
2019	49,309,839	49,560,019	(250,180)	-	-	-	N/A
2020	51,650,736	50,592,846	1,057,890	-	-	-	N/A
2021	47,485,725	44,162,536	3,323,189	-	-	-	N/A
2022	49,369,635	44,996,759	4,372,876	-	-	-	N/A
2023	45,606,940	43,240,951	2,365,989	280,000	219,265	499,265	4.74

LEISURE TIME FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	5,558,640	5,622,153	(63,513)	900,238	428,735	1,328,973	(0.05)
2015	6,642,300	959,662	5,682,638	925,873	413,952	1,339,825	4.24
2016	7,426,456	5,993,124	1,433,332	7,100,000	380,621	7,480,621	0.19
2017	7,465,484	6,179,831	1,285,653	690,000	341,541	1,031,541	1.25
2018	6,630,504	6,238,613	391,891	725,000	304,100	1,029,100	0.38
2019	6,794,450	7,091,528	(297,078)	715,000	289,775	1,004,775	(0.30)
2020	5,122,068	5,746,372	(624,304)	725,000	276,625	1,001,625	(0.62)
2021	5,963,620	3,103,484	2,860,136	745,000	263,275	1,008,275	2.84
2022	6,488,606	5,909,975	578,631	760,000	248,275	1,008,275	0.57
2023	7,119,941	6,460,914	659,027	780,000	274,988	1,054,988	0.62

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, 2023

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Applicable to City</u>
<b>Direct - City of Cuyahoga Falls</b>			
General Obligation Bonds	\$ 21,266,358	100.00%	\$ 21,266,358
Financed Purchases	267,825	100.00%	267,825
<b>Total Direct Debt</b>	<b>21,534,183</b>		<b>21,534,183</b>
<b>Overlapping</b>			
<b>School Districts</b>			
Cuyahoga Falls City	66,380,000	88.94%	59,038,372
Woodridge Local	28,630,062	63.31%	18,125,692
Hudson City	69,790,000	4.00%	2,791,600
Revere Local	57,145,154	0.69%	394,302
Stow-Munroe Falls City	1,835,000	0.23%	4,221
<b>County</b>			
Summit County	70,305,000	8.37%	5,884,529
<b>Total Overlapping Debt</b>	<b>294,085,216</b>		<b>86,238,716</b>
<b>Total</b>	<b>\$ 315,619,399</b>		<b>\$ 107,772,899</b>

Source: Ohio Municipal Advisory Council

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

# City of Cuyahoga Falls, Ohio

**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			
2023	50,655	i	\$ 2,032,329,255	\$ 67,922	\$ 40,121	3.7%	3.5%	27.8	\$ 226,744	37.8
2022	50,810	h	1,831,141,590	62,294	36,039	4.9%	4.8%	27.8	204,858	37.9
2021	51,114	g	1,662,073,938	60,280	32,517	3.7%	3.6%	27.8	180,816	39.3
2020	49,106	g	1,558,820,864	57,101	31,744	5.5%	5.2%	27.8	170,641	39.3
2019	49,272	f	1,454,952,888	54,250	29,529	4.0%	3.8%	27.8	164,894	39.3
2018	49,247	e	1,396,644,920	52,936	28,360	4.7%	4.6%	27.8	151,692	39.3
2017	49,206	d	1,354,690,386	51,586	27,531	4.8%	4.5%	27.8	142,969	39.7
2016	49,146	c	1,325,320,182	50,832	26,967	5.0%	4.8%	27.8	136,924	39.7
2015	49,210	b	1,321,731,390	49,188	26,859	4.8%	4.6%	27.8	137,751	39.5
2014	49,267	a	1,300,747,334	49,438	26,402	4.9%	4.7%	27.8	138,814	39.4

**Sources:**

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

(a) 2014 U.S. Census Bureau Estimate

(b) 2015 U.S. Census Bureau Estimate

(c) 2016 U.S. Census Bureau Estimate

(d) 2017 U.S. Census Bureau Estimate

(e) 2018 U.S. Census Bureau Estimate

(f) 2019 U.S. Census Bureau Estimate

(g) 2020 U.S. Census Bureau Estimate

(h) 2021 U.S. Census Bureau Estimate

(i) 2022 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 2022 and Ten Years Ago

2022\*

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Associated Bldg Supplies Inc	Manufacturer	1,128	4.39%
Western Reserve Hospital	Hospital	1,067	4.15%
Gojo Industries Inc	Manufacturer	968	3.77%
City Of Cuyahoga Falls	Government	948	3.69%
Cuyahoga Falls Board Of Education	Education	715	2.78%
The Tamarin Company	Grocer	579	2.25%
Midwest Homecare, Ltd	Healthcare	499	1.94%
Woodridge Local School District	Education	401	1.56%
Summit County Board Of Ed	Education	354	1.38%
Target Corporation	Retail	312	1.21%
<b>Total</b>		<b>6,971</b>	<b>27.12%</b>
<b>Total Employment Within the City</b>		<b>25,700</b>	

2013

<u>Employer</u>	<u>Nature of Activity</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Summa Western Reserve Hospitals	Hospital	941	3.69%
Go Jo Industries Inc.	Manufacturer	934	3.66%
Cuyahoga Falls Board of Education	Education	917	3.60%
City of Cuyahoga Falls	Government	891	3.49%
B T L Payroll	Payroll Services	721	2.83%
Associated Materials	Manufacturer	515	2.01%
Woodridge Local School District	Education	490	1.92%
GMRI	Restaurant	482	1.89%
Summit County Board of Education	Education	456	1.79%
The Fred W. Albrecht Company	Grocer	422	1.65%
<b>Total</b>		<b>6,769</b>	<b>26.53%</b>
<b>Total Employment Within the City</b>		<b>25,500</b>	

Source: City Financial Records and National Center for Education Statistics. Amounts are estimates. Estimate for Total Employment within the City from Ohio Labor Market Information (OhioLMI.com).

\* 2023 data was not available at the time this report was issued

# City of Cuyahoga Falls, Ohio

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Engineering</b>										
Vehicles	9	9	9	9	9	9	9	9	9	10
<b>Parking Facilities</b>										
City Lots and Decks	14	14	14	14	14	14	14	14	14	14
Square Feet	312,467	312,467	312,467	312,467	312,467	312,467	312,467	312,467	312,467	312,467
Spaces	1,252	1,273	1,273	1,273	1,273	1,287	1,312	1,312	1,312	1,312
Recreation Lots	25	28	27	27	27	27	27	27	26	25
Square Feet	704,137	704,137	700,560	700,560	700,560	700,560	700,560	700,560	694,023	644,237
Spaces	2,017	2,017	2,010	2,010	2,010	2,010	2,010	2,010	1,995	1,955
<b>Building and Grounds</b>										
Vehicles	6	2	3	3	22	39	39	38	41	42
Stations	1	1	1	1	1	1	1	1	1	1
<b>Grounds Maintenance</b>										
Vehicles	9	13	11	11	6	16	14	14	13	13
<b>Police</b>										
Vehicles	40	38	38	41	39	39	39	38	41	42
Stations	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Vehicles	29	29	27	29	28	28	28	27	29	27
Stations	5	5	5	5	5	5	5	5	5	5
<b>Recreation</b>										
Number of Parks	27	26	24	24	24	24	24	24	24	24
Vehicles	30	33	33	32	28	31	22	25	36	38
Number of Tennis Courts	16	10	10	10	10	8	8	8	8	8
Number of Baseball Diamonds	17	30	30	30	30	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	575	507	507	507	507	507	507	507	507	507
Swimming Pools	9	10	12	12	12	12	12	12	12	12
<b>Community Development</b>										
Vehicles	3	3	3	3	3	3	4	4	4	4
<b>Information Services</b>										
Vehicles	5	5	5	5	5	6	6	6	6	6
<b>Highways and Streets</b>										
Streets (miles)	238.84	238.84*	238.02*	237.23*	241.87*	241.43*	241.43*	234.02*	234.02*	233.52*
Streetslights	6,077	6,073	6,075	6,074	6,019	5,977	6,006	6,214	5,965	5,919
Traffic Signals	93	93	93	80	80	79	79	79	79	79
Vehicles	41	37	44	44	42	37	40	36	55	53
<b>Sewer</b>										
Sanitary Sewer Lines (miles)	183	165	165	168	151	151	152	152	152	152
Storm Sewer Lines (miles)	154	151	151	151	151	151	152	152	160	160
Vehicles	13	12	12	12	13	11	13	12	11	13
<b>Water</b>										
Water Mains (miles)	278	199.98	227.85	236	200	200	200	200	200	200
Fire Hydrants	2,500	2,117	2,230	2,117	2,117	2,117	2,114	2,117	2,114	2,114
Vehicles	17	15	15	15	17	15	15	16	19	19
<b>Electric</b>										
Substations	13	13	13	13	13	13	13	13	13	13
Miles of Service Lines	352	350	346	346	343	340	339	339	339	339
Vehicles	30	29	27	32	30	27	29	27	33	28
<b>Sanitation</b>										
Vehicles	27	28	25	27	25	23	22	24	27	25
Number of Routes	7	7	7	7	7	7	7	7	7	9
<b>Garage</b>										
Vehicles	5	4	5	5	6	6	4	4	2	4
<b>Utility Billing</b>										
Vehicles	4	3	4	3	3	3	3	3	2	1

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Council	6	6	6	6	6	6	6	6	6	6
Mayor	2	2	2	2	2	2	2	2	2	2
Mayor's Court	2	2	1	2	2	2	2	2	1	2.5
Finance	8	8	7.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Law Director	7.5	7	7.5	7	6.5	7.5	7	7.5	7.5	7.5
Service Director	2	3	2	3	3	2	3	3	4	4
Civil Service	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Engineering	9.5	8	10	10	10	10	10	10	10	10
HR	2.5	2.5	3	3	3	3	3	3	3	3
Building & Grounds	9.5	9.5	8.5	8.5	8.5	12.5	10	8.5	8	9
NECCO	4	3	4	4	4	4				
Income Tax	2	2	2	2	2	2	3.5	4	4.5	3.5
Information Services	8	8	8	8	8	8	8	7	7	7
Security of Persons & Property										
Police	82	84.5	78.5	76	80.5	77.5	79.5	79	79.5	74.5
Crossing Guards	0	0	0	0	0	0.5	1	1.5	1.5	3
Fire	75.5	76.5	73.5	75.5	75.5	74.5	73.5	75.5	75.5	72.5
Technical Services	4	4	4	4	4	4	4	4	4	4
Communications	0	11.5	8	13	13	12.5	13	14.5	13.5	14.5
Community Environment										
Community Development	8.5	8.5	8	8	8.5	8	11.5	13.5	13	10.5
Leisure Time										
Parks & Recreation	127	119.5	110.5	115	151.5	151.5	123.5	130.5	132	131.5
Transportation										
Streets	29	30	32	31	28	29	28	25.5	26	27
Storm Water	2.5	2.5	2.5	1.5	2.5	2.5	2.5	2.5	2.5	2.5
Sewage and Disposal	10.5	12.5	11.5	12.5	12.5	13	13	13	12.5	12
Water	19.5	22.5	20.5	19.5	20.5	19.5	19.5	20.5	20	20.5
Electric	46	46	49.5	49	46.5	49	45	43	45	44.5
Sanitation	17.5	16	17.5	17.5	17	14.5	17.5	18.5	19	17
Garage	8	8	7	7	8	8	8	7	7	7

Notes:

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

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

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

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

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

# City of Cuyahoga Falls, Ohio

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Police</b>										
Policepersons and Officers	75	78	70	68	71	70	71	72	73	70
Total Calls	41,023	37,764	34,334	33,157	38,375	37,547	35,534	36,044	33,812	29,221
Criminal Charges	1,155	1,041	235	265	379	412	455	487	434	466
Traffic Citations	4,711	7,088	5,623	5,684	5,164	5,094	7,914	6,699	6,108	5,843
<b>Fire</b>										
Firefighters and Officers	74	74	70	73	73	73	71	73	73	70
Total Calls	9,654	9,823	9,588	8,621	8,892	8,892	8,553	8,375	8,377	7,778
Inspections	1,258	1,200	659	71	1,715	1,713	1,730	1,715	1,899	1,310
Smoke Detectors Installed	313	309	234	85	50	194	200	120	138	224
<b>Highways and Streets</b>										
Potholes repaired	3,972	5,154	6,620	8,332	12,580	13,026	11,467	6,128	16,930	18,028
Rock Salt Used (Tons)	3,210	6,185	6,218	5,144	6,802	7,851	11,781	9,024	13,683	13,613
Senior Snow Watch Participants	75	70	48	49	46	49	53*	38*	32*	29*
Leaf Program (Cubic Yards)	23,133	12,470	10,060	12,015	11,040	12,320	12,080	14,615	15,040	14,120
<b>Recreation</b>										
Brookledge-Number of Rounds	43,846	42,683	40,458	30,088	34,530	31,578	32,507	32,071	32,084	32,498
Waterworks-Daily Admissions	19,740	24,261	18,000	43,763	69,741	63,930	63,704	68,473	78,775	64,532
Natatorium-Daily Admissions	31,314	26,239	23,211	15,700	687,652	710,242	721,918	723,521	704,736	644,182
<b>Water</b>										
Average Daily Pumped (Gallons)	5,421,000	5,538,000	5,550,000	5,410,000	5,336,000	5,190,000	4,494,808	5,343,000	5,300,000	5,120,000
Water Main Breaks	61	70	52	61	87	104	72	65	96	113
New Water Taps	70	29	75	73	117	38	174	110	137	122
<b>Sewer</b>										
Average Daily Sewage Transportation (Gallons)	4,240,714	4,057,210	1,610,130	4,715,744	4,810,000	4,300,000	4,633,092	5,479,000	5,400,000	4,400,000
Sanitary Sewers Cleaned (Feet)	15,705	12,041	20,803	8,105	8,725	17,940	18,462	51,602	51,602	52,744
Storm Sewers Cleaned (Feet)	1,000	1,100	400	500	980	825	700	1,500	1,500	650
<b>Electric</b>										
Average Daily Consumption (in KWH)	1,048,599	1,195,923	1,113,889	1,103,120	1,128,981	1,206,649	1246119.8	1157910	1178000	1258890
Light Bulbs Issued	0	719	0	1,601	1,725	636	1,005	1,394	2,656	2,046
Green Energy Participants	177	181	183	173	154	154		180	127	156
<b>Sanitation</b>										
Refuse Collected (tons/year)	17,121	16,563	17,381	17,372	16,425	16,065	15,815	15,449	15,348	15,562
Recyclables collected (tons/year)	3,245	3,239	3,390	4,407	4,497	4,821	5,093	5,038	5,052	4,301
Yardwaste Collected (tons/year)	3,030	3,764	3,852	3,753	3,865	3,164	2,984	3,038	3,550	3,468

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.

Source: City records

**CITY OF CUYAHOGA FALLS  
SUMMIT COUNTY, OHIO**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2023**

***Zupka & Associates***  
**Certified Public Accountants**

**CITY OF CUYAHOGA FALLS  
SUMMIT COUNTY, OHIO  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	Under Separate Cover
Annual Comprehensive Financial Report	Under Separate Cover
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2-3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4-5
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	6-8
Schedule of Findings and Questioned Costs	9
Schedule of Prior Audit Findings and Recommendations	10

**CITY OF CUYAHOGA FALLS  
SUMMIT COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Number	Amount Passed Through to Subrecipient	Total Federal Expenditures
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Direct Programs</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	2018	\$ 0	\$ 3,140
Community Development Block Grants/Entitlement Grants	14.218	2019	0	9,579
Community Development Block Grants/Entitlement Grants	14.218	COVID-CV	0	36,772
Community Development Block Grants/Entitlement Grants	14.218	2020	44,073	357,303
Community Development Block Grants/Entitlement Grants	14.218	2020 Program Income	5,800	8,150
Community Development Block Grants/Entitlement Grants	14.218	2021	7,325	355,229
Community Development Block Grants/Entitlement Grants	14.218	2022	1,600	510,988
Community Development Block Grants/Entitlement Grants	14.218	2023	54,992	237,331
<i>Total CDBG - Entitlement Grants Cluster</i>			<u>113,790</u>	<u>1,518,492</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>113,790</u>	<u>1,518,492</u>
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Program</i>				
Bulletproof Vest Partnership Program	16.607	RMR-IV	0	2,718
<b>Total U.S. Department of Justice</b>			<u>0</u>	<u>2,718</u>
<b><u>U.S. Department of Transportation</u></b>				
<i>Passed Through the Ohio Department of Transportation (ODOT)</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction-Improvements to Barney's Busy Corners	20.205	PID 107374	0	9,088
Highway Planning and Construction-Improvements to West Portage Trail Extension	20.205	PID 108084	0	1,987,558
Highway Planning and Construction-Broad Boulevard Resurfacing	20.205	PID 115334	0	19,258
<b>Total Highway Planning and Construction Cluster</b>			<u>0</u>	<u>2,015,904</u>
<i>Passed Through the Ohio Traffic Safety Office</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	N/A	0	21,136
<b>Total Highway Safety Cluster</b>			<u>0</u>	<u>21,136</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	0	12,685
<b>Total U.S. Department of Transportation</b>			<u>0</u>	<u>2,049,725</u>
<b><u>U.S. Department of the Treasury</u></b>				
<i>Direct Program</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	1,159,036
<b>Total Direct Program</b>			<u>0</u>	<u>1,159,036</u>
<i>Passed Through the Ohio Office of Budget and Management (OBM)</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	20,488
<i>Passed Through the Ohio Emergency Management Agency (EMA)</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	302,944
<b>Total Pass Through Programs</b>			<u>0</u>	<u>323,432</u>
<i>Total ALN #21.027</i>			<u>0</u>	<u>1,482,468</u>
<b>Total U.S. Department of Treasury</b>			<u>0</u>	<u>1,482,468</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 113,790</u>	<u>\$ 5,053,403</u>

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF CUYAHOGA FALLS  
SUMMIT COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Cuyahoga Falls under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Cuyahoga Falls, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Cuyahoga Falls.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3: INDIRECT COST RATE**

The City of Cuyahoga Falls has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4: SUBRECIPIENTS**

The City passes certain federal awards received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note 2 describes, the City reports expenditures of Federal awards to subrecipients on an accrual basis.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE 5: MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



**CITY OF CUYAHOGA FALLS  
SUMMIT COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(CONTINUED)**

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**NOTE 6: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

The City has a revolving loan fund (RFL) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The U.S. Department of Housing and Urban Development (HUD) grants money for these loans to the City. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans, but are not included as expenditures on the Schedule.

These loans are collateralized by mortgages on the property.

Activity in the CDBG revolving loan fund during 2023 is as follows:

Beginning loans receivable balance as of January 1, 2023	\$ 1,881,136
Loans made	127,583
Loan Principal repaid	(35,328)
Loan principal write-offs	(28)
Ending loans receivable balance as of December 31, 2023	<u>\$ 1,973,363</u>
 Cash balance on hand in the Revolving Loan Fund as of December 31, 2023	 <u>\$ 112,776</u>

The table above reports gross loans receivable.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

To the Members of City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cuyahoga Falls, Summit County, Ohio, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 1, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

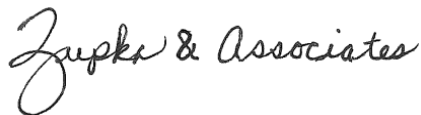
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

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

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Zupka & Associates  
Certified Public Accountants

July 1, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

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

To the Members of City Council:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Cuyahoga Falls, Summit County, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Cuyahoga Falls complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted an audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Cuyahoga Falls, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Cuyahoga Falls's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements to the City of Cuyahoga Falls's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Cuyahoga Falls's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Cuyahoga Falls's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Cuyahoga Falls's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Cuyahoga Falls's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Cuyahoga Falls's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 1, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Zupka & Associates  
Certified Public Accountants

July 1, 2024

**CITY OF CUYAHOGA FALLS  
SUMMIT COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

2023(i)	Type of Financial Statement Opinion	Unmodified
2023(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2023(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2023(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2023(iv)	Were there any material internal control weaknesses reported for major federal programs ?	No
2023(iv)	Were there any significant deficiencies in internal control reported for major federal programs ?	No
2023(v)	Type of Major Programs' Compliance Opinions	Unmodified
2023(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2023(vii)	Major Programs (list):  Highway Planning and Construction Cluster - CFDA #20.205 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - ALN #21.027	
2023(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2023(ix)	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**CITY OF CUYAHOGA FALLS  
SUMMIT COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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The prior issued audit report, as of December 31, 2022, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF CUYAHOGA FALLS**

**SUMMIT COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 9/24/2024**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)