

CITY OF CUYAHOGA FALLS, OHIO

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the year ended December 31, 2022



CITY OF
Cuyahoga Falls

MAYOR DON WALTERS

OHIO AUDITOR OF STATE
KEITH FABER



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City of Cuyahoga Falls
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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, 2022 through December 31, 2022. 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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 21, 2023

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About the Cover:

In 2019, the City of Cuyahoga Falls approved its first-ever Public Art Master Plan to help chart the direction of future public art in the city. Extensive public engagement was a hallmark of every step of the master plan development. It focused on three themes unique to Cuyahoga Falls: Set the Table – Front Street and Downtown, Own the River – Connecting to the Cuyahoga, and Build the City Beautiful – Gateways, Corridors, and Centers.

A Public Art Board was formed in 2021 as an advisory body to the City’s Planning Commission to recommend, review, approve, and certify all public art installations. “Peace and Joy,” pictured on the cover, was the first public art piece approved by the board. The steel sculpture was installed at High Bridge Glens Park in the Fall of 2022. Designed by renowned local artist Don Drumm, Peace and Joy stands at over 25 feet and adds a beautiful focal point to South Front Street.

In 2021, Cuyahoga Falls received a \$50,000 Our Town grant from the National Endowment of the Arts to support “River in the City,” a public art project designed to highlight the Cuyahoga River and the City’s Native American heritage with public art for all to enjoy. As part of the grant, nationally recognized environmental artist Stacy Levy and Native American artist Peter B. Jones created art pieces in Downtown Cuyahoga Falls in celebration of the Cuyahoga River. The subject of Jones’ “River Trade” is a Native American rowing a canoe with goods aboard, showing how indigenous people of the region used the Cuyahoga River to trade with surrounding settlements.

As public art offerings continue to expand throughout Cuyahoga Falls, the City looks forward to the ongoing positive impact on the local economy and community health.

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

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Annual Comprehensive Financial Report

For Fiscal Year Ended December 31, 2022



City of Cuyahoga Falls, Ohio

Mayor Don Walters

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

City of Cuyahoga Falls, Ohio

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal.....	2
GFOA Certificate of Achievement.....	10
Organizational Chart.....	11
List of Elected and Appointed Officials	12
FINANCIAL SECTION	
Independent Auditor’s Report	14
Management’s Discussion and Analysis	18
Basic Financial Statements:	
<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
Notes to the Financial Statements	59
Required Supplemental Information:	
Schedule of City’s Proportionate Share of Net Pension Liability / Net Pension Asset - OPERS.....	127
Schedule of City’s Proportionate Share of Net Pension Liability / Net Pension Asset - OP&F.....	128
Schedule of City Contributions - OPERS.....	129
Schedule of City Contributions - OP&F.....	130
Schedule of the City’s Proportionate Share of the Net OPEB Liability - OPERS	131
Schedule of the City’s Proportionate Share of the Net OPEB Liability - OP&F	132
Schedule of the City’s Contributions OPEB - OPERS.....	133
Schedule of the City’s Contributions OPEB - OP&F.....	134
Schedule of the City’s Net OPEB Liability.....	135

TABLE OF CONTENTS

	Page
Schedule of the City’s Contributions - OPEB.....	136
Notes to the Required Supplemental Information	137
 Combining Statements and Individual Fund Statements:	
Major Governmental Funds: Descriptions.....	140
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	
General Fund	141
Local Fiscal Recovery Fund.....	144
Capital Projects Fund	145
Nonmajor Governmental Funds: Description.....	146
Combining Balance Sheet – Nonmajor Governmental Funds	149
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	150
Combining Balance Sheet - Nonmajor Special Revenue Funds	151
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	156
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis)	
State Highway Improvement Fund	161
Street Construction, Maintenance, and Repair Fund	162
Police Pension Fund	163
Fire Pension Fund	164
Recreation Levy Fund.....	165
Permissive Tax Fund	166
Community and Economic Development Fund.....	167
Community Development Block Grant Fund	168
Enterprise Zone/Community Reinvestment Area Fund.....	169
Drug Law Enforcement Fund	170
Law Enforcement Trust Fund	171
Enforcement and Education Fund.....	172
Municipal Motor Vehicle License Tax Fund.....	173
Federal Law Enforcement Fund	174
Law Enforcement Assistance Fund	175
State Road Public Improvement Tax Increment Equivalent Fund.....	176
Mudbrook - Mill Pond Public Improvement Tax Increment Equivalent Fund.....	177
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual- OneOhio Opioid Settlement Fund	178
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual- Princeton Crossroads Tax Increment.....	179
Debt Service Fund	180
Internal Service Funds: Descriptions	181
Combining Statement of Net Position – Governmental Activities Internal Service Funds	182
Combining Statement of Revenues, Expenses, and Changes in Net Position Governmental Activities Internal Service Funds.....	184
Combining Statement of Cash Flows – Governmental Activities Internal Service Funds.....	186

City of Cuyahoga Falls, Ohio

TABLE OF CONTENTS

Page

Fiduciary Funds - Custodial Funds: Descriptions.....	190
Combining Statement of Fiduciary Net Position – Custodial Funds	191
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	192

STATISTICAL SECTION

Net Position By Component	195
Changes in Net Position	197
Fund Balances, Governmental Funds	201
Changes in Fund Balances, Governmental Funds	203
Assessed Valuation and Estimated Actual Values of Taxable Property	205
Property Tax Rates-Direct and Overlapping Governments	206
Principal Taxpayers – Real Estate Tax	207
Property Tax Levies and Collections.....	208
Income Tax Revenue Base and Collections.....	209
Ten Largest Municipal Income Tax Withholding Accounts.....	210
Ratios of Outstanding Debt to Total Personal Income and Debt Per Capita	211
Ratio of General Obligation Bonded Debt to Estimated True Value of Taxable Property & Bonded Debt.....	212
Legal Debt Margin Information.....	213
Pledged Revenue Coverage	215
Computation of Direct and Overlapping Debt.....	217
Demographic and Economic Statistics	218
Principal Employers	219
Capital Assets Statistics By Function/Program	220
Full-Time Equivalent City Governmental Employees by Function/Program.....	221
Operating Indicators by Function/Program	222

INTRODUCTORY SECTION



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Bryan J. Hoffman
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Deputy Finance Director

June 28, 2023

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

The Annual Comprehensive Financial Report for the City of Cuyahoga Falls, Ohio (the “City”) for the year ended December 31, 2022, 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, 2022, 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 50,810 based on the 2021 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

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 3,633,962.

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

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

The City is not subject to swift or erratic economic downturns because of its diversified income tax base, in which no single employer dominates the local economy. During 2021, ten major employers in the City collectively accounted for approximately 27.2 percent of the \$19,951,443 withholding taxes remitted to the City.

2020 U.S. Census estimate reports, the most current available, indicate that median household income for Cuyahoga Falls is in line with the State of Ohio, but slightly less than Summit County and the United States. The following is a comparative breakout of those medians.

	<u>Median Income</u>
City of Cuyahoga Falls	\$62,294
Summit County	\$63,117
State of Ohio	\$62,262
USA	\$69,717

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.

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 fifth 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

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.

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. Only one business represents just over five percent of the City's two main sources of income. The City's administration also places a high emphasis on keeping Cuyahoga Falls a positive place to live and work. This can best be seen in the unemployment rates for the City consistently being lower than the Summit County rate coupled with local home sales and the real estate market, which are generally ahead of the national trends. Employment within an area is expected to remain positive. 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 \$8,246,939 from ARPA in 2021, and receive the same in 2022. These dollars will allow the City to continue to invest in the community. Plans are underway to rebuild the road and install city infrastructure to property that was once a residential road that was rezoned commercial. 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 six bargaining units. The City recently completed the process of negotiating multi-year employee bargaining agreements with the various unions which expire on June 30, 2021. The outcome of these negotiations provided reasonable cost of living increases while capping the growth of health care costs. The City's plan is to be able to forecast far enough into the future to have the ability and time to handle any financial situation that may occur.

The City's Capital Project Fund has issued various notes for numerous infrastructure projects over the last several years. The administration, along with the assistance of City Council, created a plan to pay down on the notes each year to save the cost of long-term interest borrowing. The current administration has continued the plan to rapidly pay down debt.

City of Cuyahoga Falls, Ohio

LONG TERM FINANCIAL PLANNING

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cuyahoga Falls for its comprehensive annual financial report for the fiscal year ended December 31, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 37 consecutive years (fiscal years ended 1984-2021). 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**

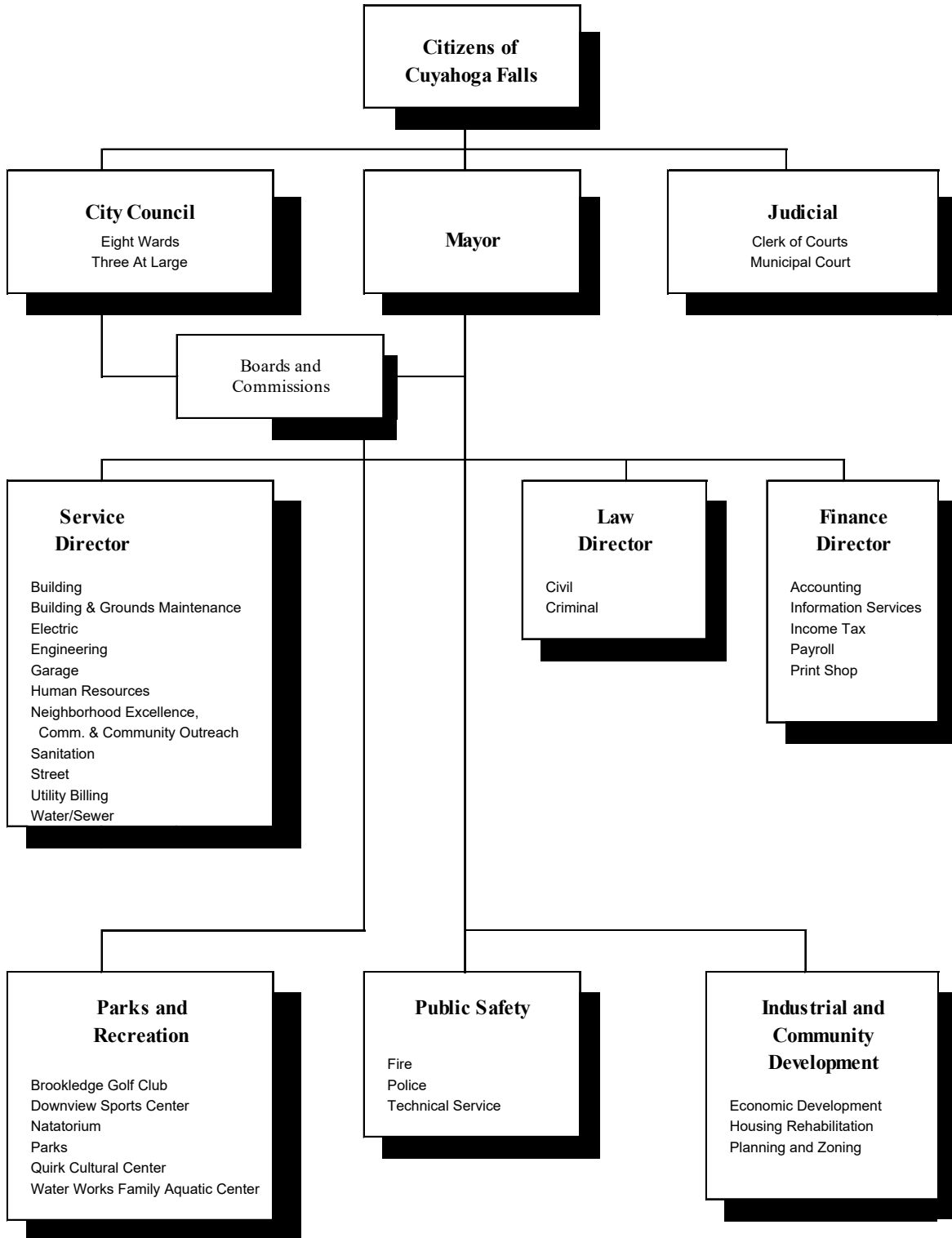
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

Organizational Chart



City Officials

Cabinet of the Mayor:

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

At Large Council:

Russ Balthis
Tim Gorbach
Brian Ashton

Ward Council:

Rachel Loza	Ward 1
Susan Spinner	Ward 2
Meika Penta	Ward 3
Mary Nichols-Rhodes	Ward 4
Michael Brillhart	Ward 5
Adam Miller	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, 2022, 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, 2022, 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

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 June 28, 2023, 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

June 28, 2023

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City of Cuyahoga Falls, Ohio

Management's Discussion and Analysis

As management of the City of Cuyahoga Falls, Ohio (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. 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 twentieth 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 2022 by \$237,852,449. Of this amount, \$17,707,231 is considered unrestricted. The unrestricted net position of the City's governmental activities has a balance of negative \$20,697,394 due to the implementation of GASB 68 and 75, described below. The unrestricted net position of the City's business-type activities was \$38,404,625 and may be used to meet the ongoing obligations of business-type activities, including the sewage and disposal, water, electric, sanitation, leisure time activities and storm drainage utility enterprises.
- The City's net position increased \$22,398,473 or 10.4 percent in 2022, in comparison to net position as of December 31, 2021. Net position of governmental activities increased \$9,549,129, which represents an 11.7 percent increase from the amount as of December 31, 2021. Net position of business-type activities increased \$12,849,344 or 9.6 percent from the amount as of December 31, 2021.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$35,830,470, in comparison to \$31,086,282 in the prior year. On a combined basis \$1,298,166 is considered nonspendable, \$9,550,925 is restricted for specific purposes, \$412,728 has been committed by City Council and \$1,313,529 has been assigned to specific purposes by management.
- At the end of the current year, unassigned fund balance for the general fund was \$24,454,809 or 58.5 percent of revenues, and 70.9 percent of expenditures.
- The City's total general obligation bonds increased by \$5,364,059 or 19.5 percent in 2022, and notes payable increased \$1,750,000 or 50.1 percent. The increase in bonds is primarily due to the issuance of \$7,210,000 Various Purpose Bonds, Series 2022 for the purpose of paying the costs of the acquisition and installation of electric system meters, and water system meters for use by the water and sanitary sewer systems, offset by scheduled bond principal payments. The increase in notes payable is related to Princeton Place Improvements, and Brookledge golf course clubhouse renovations in the amount of \$1,200,000 and \$550,000, 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 as against the public employer.** State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the pension and OPEB plans.

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

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

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

City of Cuyahoga Falls, Ohio

Overview of the Financial Statements

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

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

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

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

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

The government wide financial statements include not only the City itself (known as the primary government) but also a legally separate community improvement corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 37-39 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, 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 City does not adopt a budget for the Cemetery Perpetual Care Permanent Fund. The basic governmental fund financial statements can be found on pages 39-45 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 59-125 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's proportionate share of the net pension liability/net pension asset for, and contributions to OPERS and OP&F, the proportionate share of the net OPEB liability for, and contributions to OPERS and OP&F, and net OPEB liability and contributions for the City's single employer plan. Required supplementary information can be found on pages 127-138 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 140-189 of this report.

City of Cuyahoga Falls, Ohio

Government-wide Financial Analysis

City of Cuyahoga Falls, Ohio - Net Position						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	Restated 2021	2022	Restated 2021
Assets						
Current and other assets	\$ 86,739,506	\$ 76,252,496	\$ 64,397,082	\$ 54,579,545	\$ 151,136,588	\$ 130,832,041
Net pension asset	236,043	208,730	222,382	196,574	458,425	405,304
Net other postemployment benefits (OPEB) asset	2,027,286	1,158,463	1,909,956	1,090,978	3,937,242	2,249,441
Capital assets, net	124,984,575	126,131,899	119,007,875	111,650,606	243,992,450	237,782,505
Total Assets	213,987,410	203,751,588	185,537,295	167,517,703	399,524,705	371,269,291
Deferred Outflows of Resources						
Pension	12,320,318	7,406,767	2,499,126	1,530,765	14,819,444	8,937,532
Other postemployment benefits (OPEB)	3,861,829	5,270,042	22,540	686,031	3,884,369	5,956,073
Advance refunding of debt	-	-	152,706	162,887	152,706	162,887
	16,182,147	12,676,809	2,674,372	2,379,683	18,856,519	15,056,492
Liabilities						
Current and other liabilities	25,948,655	20,278,328	10,735,732	7,597,259	36,684,387	27,875,587
Long-term liabilities:						
Net pension liability	36,491,792	44,307,330	5,475,678	9,308,610	41,967,470	53,615,940
Net other postemployment benefits (OPEB) liability	11,853,983	15,180,580	-	-	11,853,983	15,180,580
Other long-term liabilities outstanding	25,507,825	25,927,340	15,283,190	9,987,850	40,791,015	35,915,190
Total Liabilities	99,802,255	105,693,578	31,494,600	26,893,719	131,296,855	132,587,297
Deferred Inflows of Resources						
Revenues levied for the next year	12,857,270	13,072,526	-	-	12,857,270	13,072,526
Pension	18,230,046	8,449,210	6,906,954	4,364,352	25,137,000	12,813,562
Other post employment benefits (OPEB)	7,953,204	7,435,430	2,047,755	3,566,007	10,000,959	11,001,437
Leases	-	-	1,236,691	1,396,985	1,236,691	1,396,985
	39,040,520	28,957,166	10,191,400	9,327,344	49,231,920	38,284,510
Net Position						
Net investment in capital assets	101,267,757	103,875,671	108,121,042	101,859,504	209,388,799	205,735,175
Restricted (temporarily restricted)	10,506,505	7,797,020	-	-	10,506,505	7,797,020
Permanent fund purpose - Cemetery Perpetual Care (permanently restricted)	249,914	252,341	-	-	249,914	252,341
Unrestricted	(20,697,394)	(30,147,379)	38,404,625	31,816,819	17,707,231	1,669,440
Total Net Position	\$ 91,326,782	\$ 81,777,653	\$ 146,525,667	\$ 133,676,323	\$ 237,852,449	\$ 215,453,976

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 \$237,852,449 at the close of the most recent fiscal year.

The largest portion of the City's total net position (88.0 percent) reflects its net investments in capital assets (e.g. land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any 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, 4.4 percent of the City's net position represents resources that have been restricted on how they may be used. Another portion of the City's net position (less than one percent) represents the Cemetery Perpetual Care Permanent Fund. The remaining balance of unrestricted net position is \$17,707,231 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 \$20,697,394 due to the recording of GASB 68 and GASB 75.

Overall, net position of the City increased by \$22.398 million in 2022. Net position for governmental activities increased by \$9.549 million and net position for business-type activities increased \$12.849 million.

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

Current and other assets increased \$10.487 million. Of this category, equity in pooled cash and cash equivalents, cash and cash equivalents - escrow agent, and investments increased \$10.481 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 \$12.628 million in 2022. One large contributing factor was the cash basis receipts of the Local Fiscal Recovery Special Revenue Fund which exceeded expenditures by \$5,479 million. Cash and cash equivalents - escrow agent is related to unspent financed purchases payable proceeds at year-end. Investments is a component of pooled cash and cash equivalents, and reflects the value of items which qualify as investments at year-end.

Deferred outflows of resources related to pension increased \$4.914 million in 2022. The majority of this increase relates to OP&F in the amount of \$3,886,351 primarily from the increase in the changes of assumptions and changes in proportion and differences between City contributions and proportionate share of contributions.

Current and other liabilities increased \$5.670 million. As discussed in the financial highlights above, \$1.750 million is related to the increase in notes payable from 2021 to 2022, for the City's issuance of new notes payable in anticipation of the issuance of bonds for Princeton Place Improvements, and Brookledge golf course clubhouse renovations in the amount of \$1,200,000 and \$550,000, respectively. In addition, unearned revenue from American Rescue Plan Act federal grant funds not being spent, or allocated as of the end of 2022, increased \$5,478,497. This relates to the entire unspent grant receipts in 2022 of 8,246,939, less \$2,768,442 of the prior year allocation spent in 2022.

Net pension liability decreased \$7.816 million, which relates to OP&F in the amount of \$3,743 million and OPERS governmental activities employees of \$4,073 million, due to the decrease City's proportionate share of liability.

Net other postemployment benefits (OPEB) liability decreased \$3.327 million, which is mostly attributable to the decrease in the City's defined benefit single employer OPEB plan liability of \$3,359,206 between the most recent actuarial study for the fiscal year ending December 31, 2022 and the last full year study for the year 2020. Since the City limited participation in the plan to employees hired prior to January 1, 2004, February 1, 2006, April 1, 2006, and January 1, 2009 for general employees, firefighters, police officers, and electric employees respectively, we expect to see this liability continue to decrease in the future years.

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

Net inflows of resources related to pension increased \$9.781 million in 2022. This increase relates to OP&F \$7,083,898 and OPERS governmental activities employees \$2,696,938 for changes in proportionate share of new plan-wide deferred inflows.

Significant changes in business-types activities are as follows:

Current and other assets increased \$9.818 million. Of this category, equity in pooled cash and cash equivalents, and investments increased \$7.693 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 \$7.778 million in 2022. In addition, accounts receivable increased \$1,686 million from 2021 to 2022 mostly due to the increase in unbilled utilities receivable at year-end for all utilities, and electric power cost factor accrual in the amounts of \$421,365, and \$990,534, respectively.

Current and other liabilities increased \$3.138 million. This is related in part to an increase in accounts payable of \$2.122 million, and increase in current portion of bonds payable of \$625,000. A significant portion of the increase in accounts payable is due to the increase in purchased power owed at-year end in the amount of \$1,305,141, in comparison to the prior year.

City of Cuyahoga Falls, Ohio

Other long-term liabilities outstanding increased \$5.295 million. This is related to the issuance of \$7,210,000 Various Purpose Bonds, Series 2022 for the purpose of paying the costs of the acquisition and installation of electric system meters, and water system meters for use by the water and sanitary sewer systems, offset by scheduled bond principal payments.

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

Net inflows of resources related to pension increased \$2.543 million in 2022. This increase relates business-type OPERS employees for changes in proportionate share of new plan-wide deferred 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 2021 fiscal year figures for comparison purposes.

City of Cuyahoga Falls, Ohio - Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 5,727,561	\$ 5,578,484	\$ 77,850,598	\$ 72,839,998	\$ 83,578,159	\$ 78,418,482
Operating grants and contributions	6,144,123	4,249,130	46,525	61,613	6,190,648	4,310,743
Capital grants and contributions	2,922,794	2,160,924	2,244,357	1,598,491	5,167,151	3,759,415
General revenues:						
Property and other local taxes	16,266,514	15,112,253	-	-	16,266,514	15,112,253
Income taxes	31,823,387	26,801,618	-	-	31,823,387	26,801,618
Grants and entitlements not						
restricted to specific programs	3,551,498	3,398,940	-	-	3,551,498	3,398,940
Other	(157,927)	(116,589)	45,292	-	(112,635)	(116,589)
Total Revenues	66,277,950	57,184,760	80,186,772	74,500,102	146,464,722	131,684,862
Expenses						
Security of persons and property	26,078,999	23,722,589	-	-	26,078,999	23,722,589
Leisure time activities	4,054,265	3,387,294	-	-	4,054,265	3,387,294
Community environment	4,768,774	2,662,387	-	-	4,768,774	2,662,387
Street maintenance	11,227,751	9,913,865	-	-	11,227,751	9,913,865
General government	7,755,936	5,319,527	-	-	7,755,936	5,319,527
Interest and fiscal charges	590,474	602,905	-	-	590,474	602,905
Sewage and disposal	-	-	10,051,270	7,921,685	10,051,270	7,921,685
Water	-	-	3,832,988	2,972,646	3,832,988	2,972,646
Electric	-	-	44,955,999	43,946,449	44,955,999	43,946,449
Sanitation	-	-	3,577,542	2,923,834	3,577,542	2,923,834
Leisure time activities	-	-	5,979,711	4,015,258	5,979,711	4,015,258
Storm Drainage Utility	-	-	1,192,540	828,829	1,192,540	828,829
Total Expenses	54,476,199	45,608,567	69,590,050	62,608,701	124,066,249	108,217,268
Increase in net position before transfers	11,801,751	11,576,193	10,596,722	11,891,401	22,398,473	23,467,594
Transfers	(2,252,622)	(280,732)	2,252,622	280,732	-	-
Changes in net position	9,549,129	11,295,461	12,849,344	12,172,133	22,398,473	23,467,594
Net position-beginning	81,777,653	70,482,192	133,676,323	121,504,190	215,453,976	191,986,382
Net position-ending	\$ 91,326,782	\$ 81,777,653	\$ 146,525,667	\$ 133,676,323	\$ 237,852,449	\$ 215,453,976

Governmental activities. Governmental activities increased the City's net position by \$9.549 million. Key elements of the changes in net position are as follows:

- ❖ Revenues exceeded expenses by \$11.802 million.
- ❖ Operating grants and contributions increased \$1.895 million.
- ❖ Income taxes increased \$5.022 million.
- ❖ Community environment expense increased \$2.106 million.
- ❖ General government expenses increased \$2.436 million

Operating Grants increased \$1,895 million or 44.6 percent in 2022. This increase is mainly due to the release of prior year unearned revenue in the Local Fiscal Recovery Special Revenue Fund for grant use in governmental activities. The use of funds is operational in nature, as the City entered into a grant agreement to provide \$2,000,000 to the Community Improvement Corporation of Cuyahoga Falls for the creation and operation of a revolving loan program in support of economic development and job creation within the City in 2022. The payment of the \$2,000,000 further explains the majority of the increase in general government expense as well.

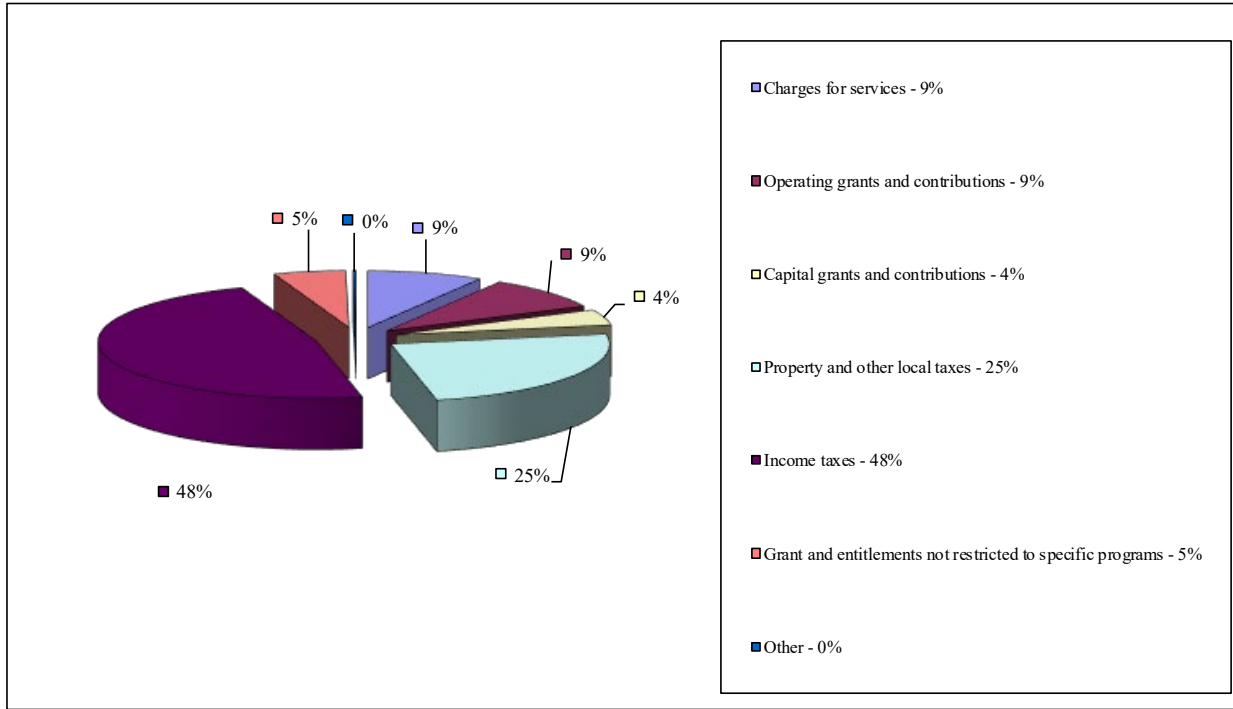
Income taxes increased \$5.022 million or 18.7 percent. This is due to the increase in cash basis receipts of \$2,472,063 when comparing 2022 to 2021. In addition, there was a net increase in accrued revenue of \$2,549,706, which includes reversing entries of prior year accruals. Overall, income tax revenue is highest ever for the City.

Community environment expense increased \$2.106 million or 79.1 percent in 2022. This is primarily due to cash basis expenditures for the Mudbrook-Mill Pond Public Improvement Tax Increment Equivalent, and Princeton Crossroads Tax Increment Equivalent Nonmajor Special Revenue Funds occurring in 2022 in the amounts of \$801,628, and \$1,207,187, respectively. These funds had no expenditures in 2021.

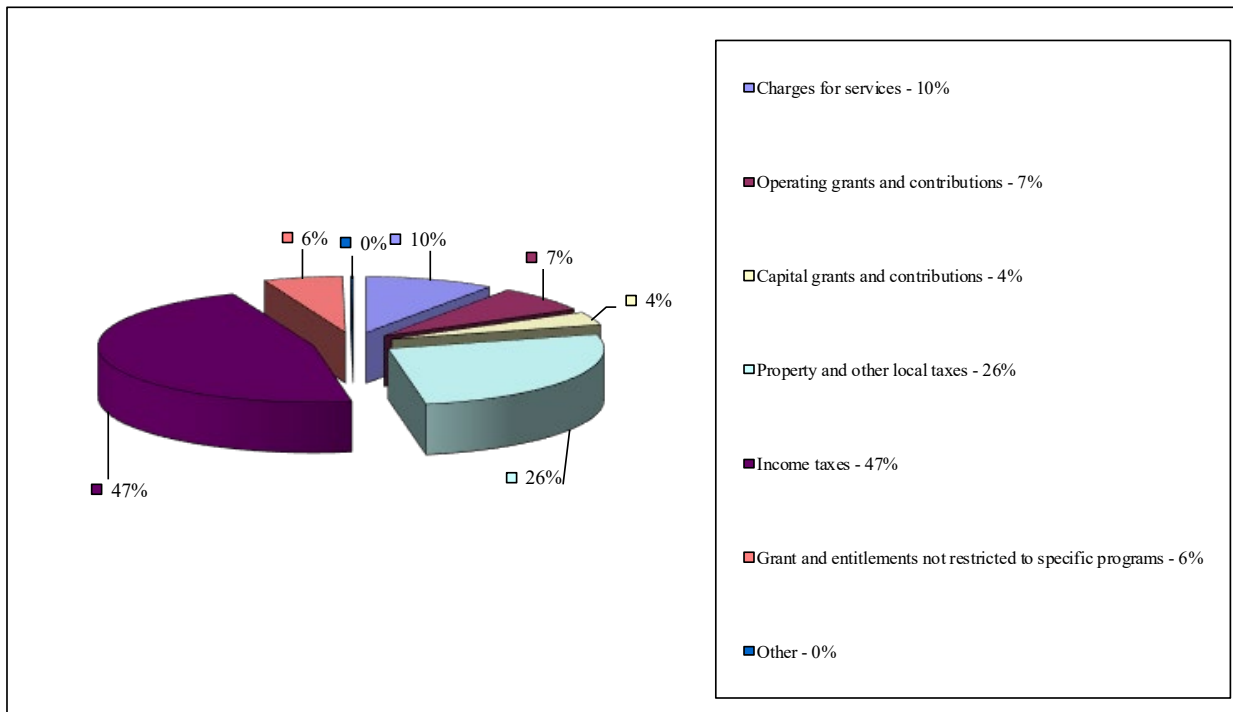
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City of Cuyahoga Falls, Ohio

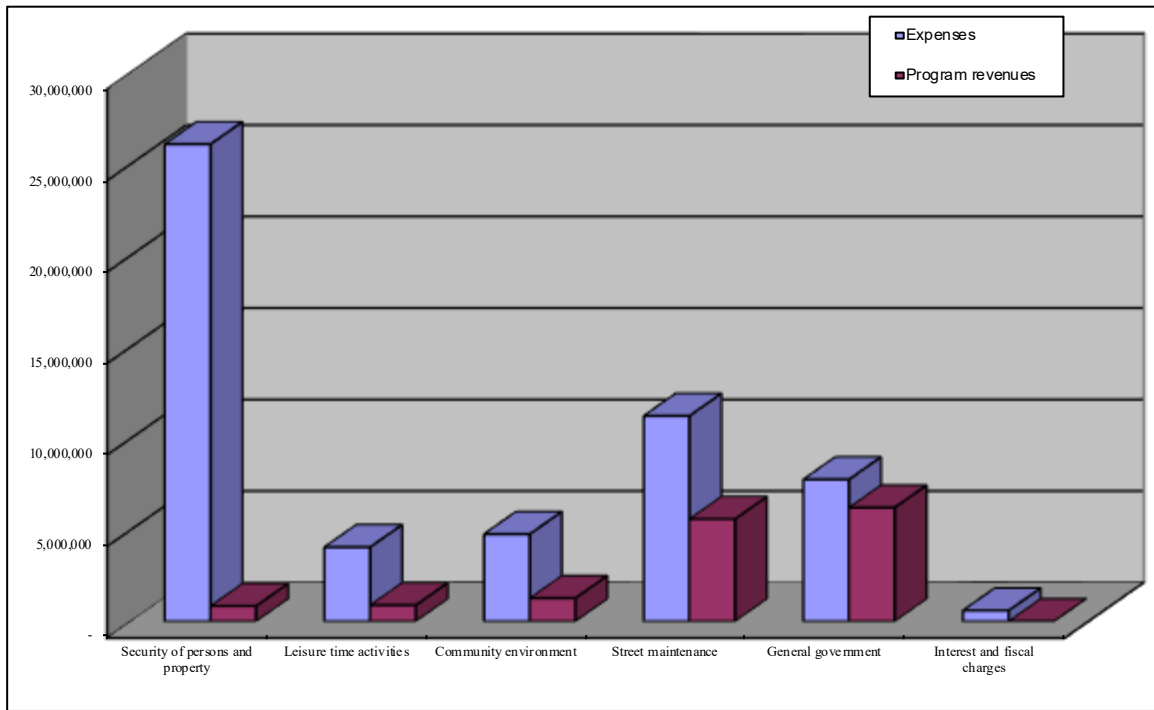
2022 Revenues by Source – Governmental Activities



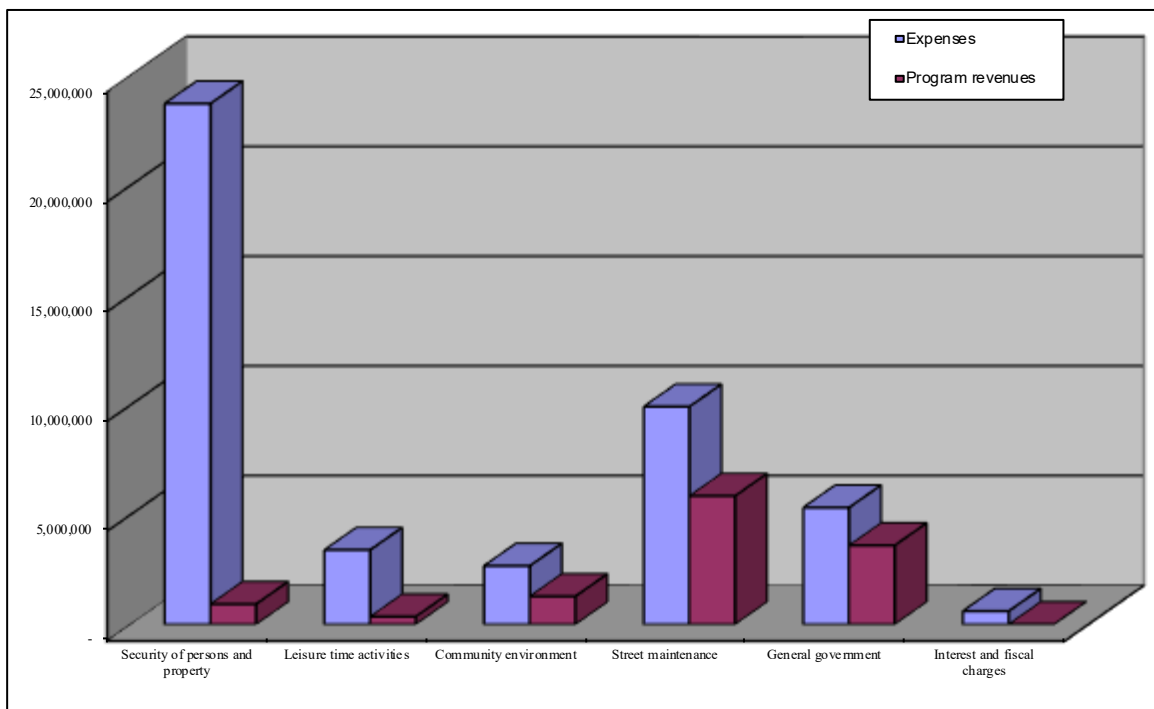
2021 Revenues by Source – Governmental Activities



2022 Expenses and Program Revenues – Governmental Activities



2021 Expenses and Program Revenues – Governmental Activities



City of Cuyahoga Falls, Ohio

Business-type activities. Business-type activity net position increased by \$12.849 million. Key elements of changes in net position are as follows:

- ❖ Revenues exceeded expenses by \$10.597 million.
- ❖ Sewage and disposal charges for services increased \$2.205 million or 27.7 percent.
- ❖ Electric charges for services increased \$1.923 million or 4.1 percent.
- ❖ Capital grants and contributions increased \$.646 million or 40.4%.
- ❖ Sewage and disposal expenses increased \$2.130 million or 26.9 percent.
- ❖ Leisure time activities expenses increased by \$1.964 million or 48.9 percent.

Sewage and disposal charges for services increase is a result of cash basis transactions being \$1,633,373 higher in 2022. Sewer rates are directly proportional to contractual disposal rate increases with the City of Akron, and the County of Summit, and were increased January 1, 2022.

Electric charges for services increase is a result of net accruals being \$4.621 million higher in 2022. The increase in net accruals was related to the accrual for the Electric Power Cost Factor of \$1.200 million, which increased \$990,534 million in 2022. This was based in part to a significantly lower power cost factor in 2021. Additionally, accrued revenue from a large power cost factor in 2020 reversed in 2021, significantly lowered 2021 charges for services.

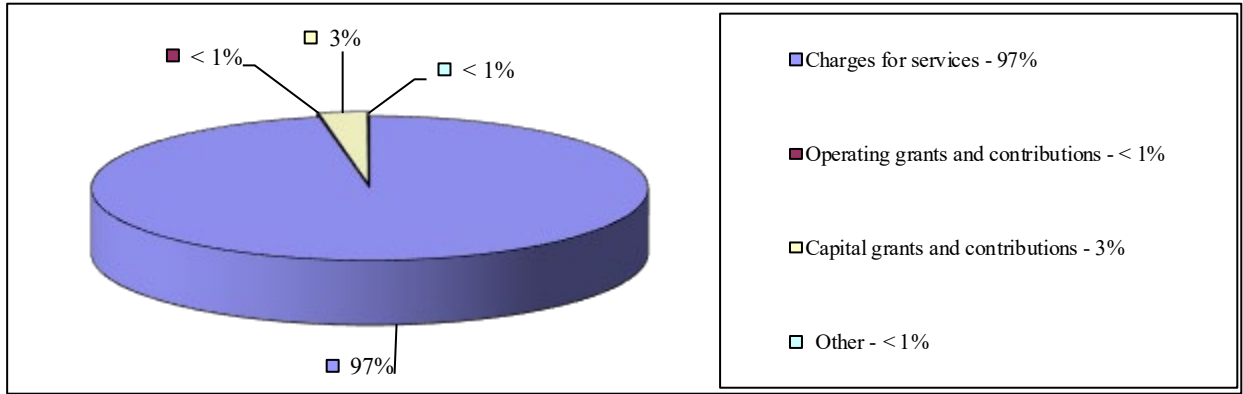
Capital grants and contributions were significantly more in 2022 than 2021 for a few reasons. Most notably, the City received contributions in the form of capital assets for sewage and disposal, water, electric, and storm drainage utility segments in the amount of \$400,550, \$384,450, \$246,023, and 168,978, respectively, from Princeton Crossroads Tax Increment Equivalent Nonmajor Special Revenue Fund. Additionally, the Water Fund received a capital grant from the American Rescue Plan Act federal grant for the Akron-Cleveland Road Waterline in the City of Cuyahoga Falls-Boston Township Joint Economic District, which was directly recorded in the fund per accounting guidance, and had accrued grant revenue from the Ohio Public Works Commission for Loomis Avenue and Magnolia Avenue Waterline replacement in the amount of \$430,433.

Sewage and disposal expenses increase is primarily due to contractual disposal of sewage with the City of Akron, and County of Summit. In 2022, the City's payments to the City of Akron, and County of Summit for sewage disposal were \$369,215, and \$332,907, respectively, higher than in 2021. Additionally, the due to other governments for 2022 year-end accrual of sewage treatment was \$660,585 more than the prior year.

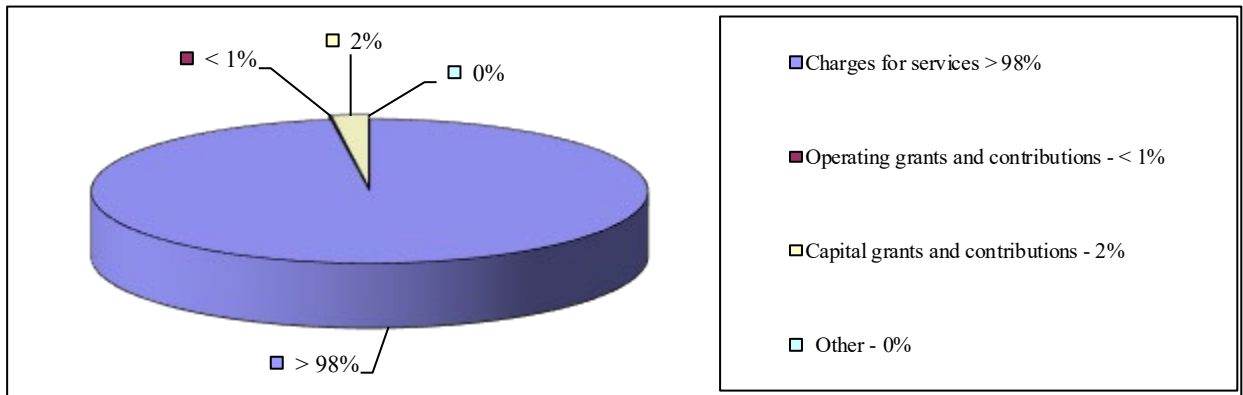
Leisure Time Fund increase is primarily due to the recording of the reduction of net pension liability, and net other postemployment benefits (OPEB) liability in 2021. The Leisure Time Fund portion of the decrease in the City's proportionate share for net pension liability, and net other postemployment benefits (OPEB) liability in 2021 was \$693,469, and \$1,662,121, respectively.

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2022 Revenue by Source – Business-type Activities

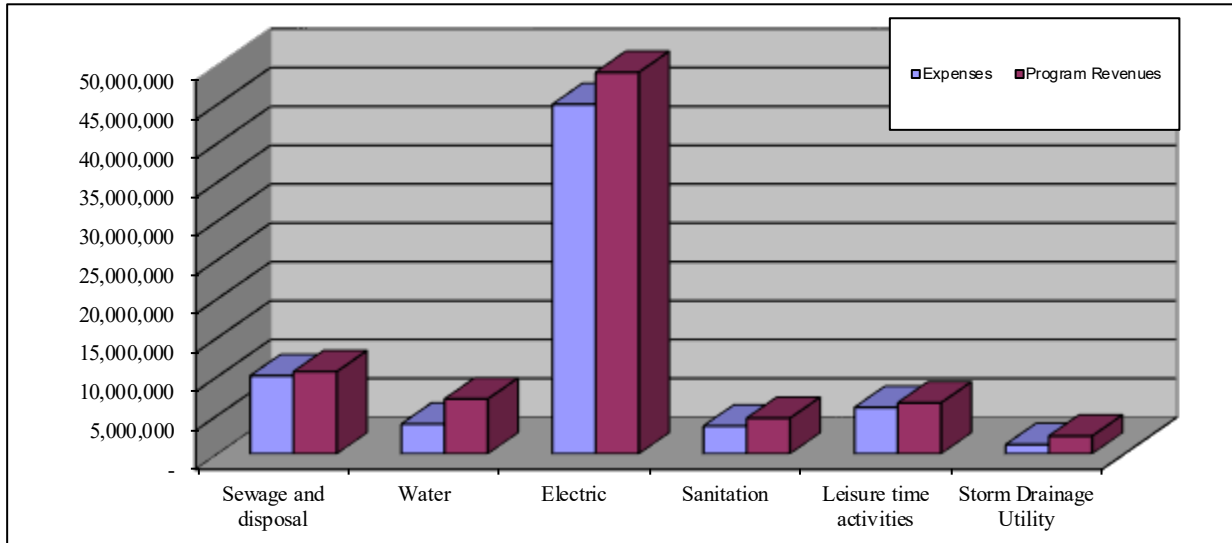


2021 Revenue by Source – Business-type Activities

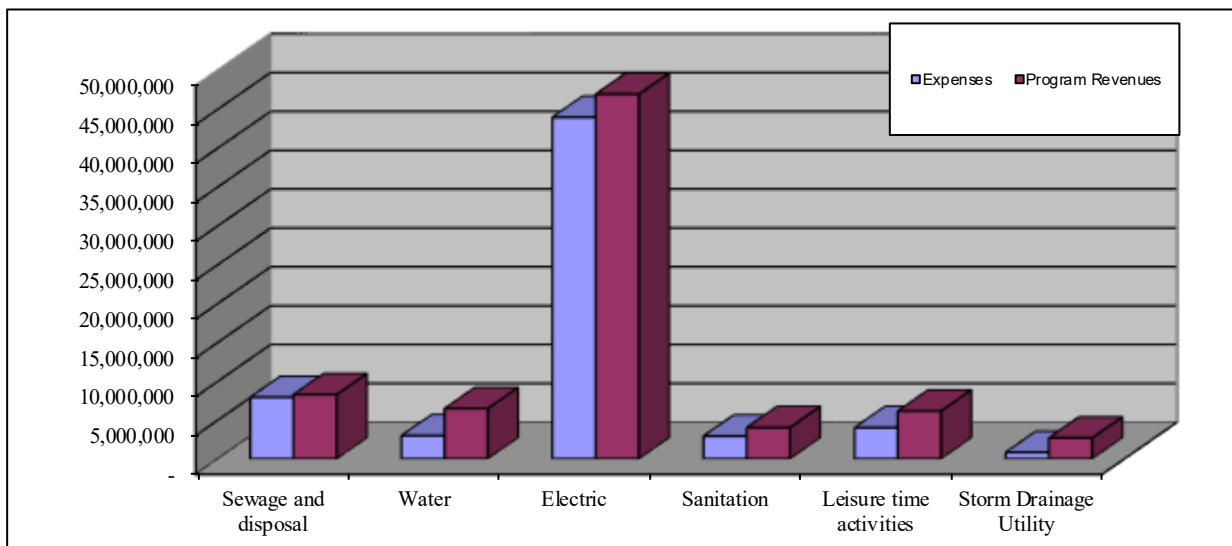


City of Cuyahoga Falls, Ohio

2022 Expenses and Program Revenues – Business-type Activities



2021 Expenses and Program Revenues – Business-type Activities



Financial Analysis of Government's Funds

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

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

As of December 31, 2022, the City's governmental funds reported combined ending fund balances of \$35.830 million, which represents an increase of \$4.744 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, \$4.578 million. Some of the factors contributing to this are as follows:

Municipal income taxes increased \$2.821 million or 9.9 percent. This revenue source was the highest in the history of the City, and was due to the increase in cash basis collections exceeding 2021 by \$2.472 million. The category of withholding current increased \$2.904 million in 2022.

Intergovernmental revenue increased \$3.404 million or 144.1 percent. The majority of this relates to the recording of American Rescue Plan Act federal grant revenue as intergovernmental revenue based on funding which was allocated during the year. There was no revenue recorded for this in 2021, due to the entire portion of grant proceeds being recorded as unearned revenue.

Of the current combined ending fund balances, \$23.255 million is unassigned fund balance, which is available for spending at the City's discretion. The next largest fund balance classification comprising of approximately \$9.551 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 Community Development Block Grant Nonmajor Special Revenue Fund in the amount of \$2.832, and \$2.251 million, respectively.

The General Fund is the chief operating fund of the City. At December 31, 2022, unassigned fund balance of the General Fund was \$24.455 million, while total fund balance was \$26.092 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 63.8 percent of total general fund expenditures, including transfers out, while total fund balance represents 68.1 percent of the same amount.

In 2022, the fund balance of the City's General Fund increased by \$3.467 million, over the balance of 2021. Revenues were \$3.473 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 \$3.903 million greater in 2022.
- ❖ Municipal income taxes allocated to the General Fund increased \$1.262 million, or 6.6 percent. This was due to a recovery from the COVID-19 global pandemic. As noted previously, income tax revenue was the highest in the City's history.
- ❖ Expenditures were fairly comparable to the prior year, with the biggest increases seen in security of persons and property function \$670,007 or 3.2 percent, and leisure time activities function \$273,224 or 10.8 percent.

City of Cuyahoga Falls, Ohio

The fund balance of the City's Capital Projects Fund increased by \$2.447 million during 2022. Municipal income taxes allocated to this fund based on City ordinance increased \$1,224 million, and intergovernmental revenue outpaced 2021 by \$1.741 million.

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 \$3.887 million, \$7.000 million, \$24.906 million, \$954,075, \$240,994 million, and \$2.104 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 \$1,081,957, or 5.4 percent, \$4.058 million, or 16.4 percent, \$4.655 million, or 9.3 percent, \$896,947, or 24.8 percent, \$746,566, or 3.9 percent, and \$1,217,175, or 7.5 percent, respectively, from 2021 to 2022.

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 \$1,273,189 greater than the original budget. The original estimated revenues were \$44,655,921, while final estimated revenues were \$45,929,110. This was mostly due to interest earnings being higher than anticipated, and estimated income tax receipts being higher due to the continued economic rebound from the worldwide COVID-19 pandemic being stronger than originally estimated, offset by a reduction of other revenue for a revised accounting plan related to American Rescue Plan Act funding.

The final amended General Fund budget had total appropriations of \$3,109,608 less than the original budget. The total original appropriations, including those for transfers out, were \$46,537,970, while the final appropriations were \$43,428,362. Ordinance 29-2022 provided supplemental appropriations of \$56,278 for the refund of a landscape performance bond for the French Mill II Development project (community environment). Ordinance 91-2022 provided supplemental appropriations of \$25,000 for operational expenditures of the Law department (general government). Ordinance 131-2022, which is considered the City's clean-up ordinance, increased appropriations in the security of persons and property \$569,000, and general government \$65,500 mostly for unbudgeted retroactive pay increases associated with union and non-bargaining pay agreements, which were not finalized until early 2022. Lastly, transfers out were reduced a total of \$3,825,385. A reduction in transfers from the General Fund to the Capital Projects Fund in the amount of \$4,615,385 for a revised accounting plan related to American Rescue Plan Act funding, was offset by increases in transfers to the Debt Service Fund \$725,000 relating to additional investment income for future debt retirement, and Police and Fire Pension Funds in the amount of \$50,000, and 15,000, respectively, for pension on retroactive pay increases.

Capital Asset and Debt Administration

Capital assets. The City’s investment in capital assets for governmental and business-type activities as of December 31, 2022, amounts to \$243.992 million (net of accumulated depreciation). This investment in capital assets include land, construction in progress, buildings, improvements, machinery and equipment, as well as, infrastructure (from 1980 to current), including roads, sidewalks, bridges, curbs and gutters. The total increase in the City’s investment in capital assets in 2022 over restated 2021 capital assets was \$6,209,945 which amounts to 2.9 percent.

City of Cuyahoga Falls Capital Assets (Net of Depreciation)							
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
				<u>Restated</u>		<u>Restated</u>	
Land	\$ 15,418,422	\$ 12,651,011	\$ 4,119,145	\$ 3,589,128	\$ 19,537,567	\$ 16,240,139	
Construction in Progress	3,165,883	8,550,034	5,139,509	818,084	\$ 8,305,392	9,368,118	
Buildings	24,563,116	24,820,549	23,220,478	23,791,742	\$ 47,783,594	48,612,291	
Improvements	13,643,897	11,199,396	78,013,645	75,522,768	\$ 91,657,542	86,722,164	
Machinery and Equipment	10,942,582	11,661,034	8,437,008	7,772,705	\$ 19,379,590	19,433,739	
Infrastructure	57,250,675	57,249,875	-	-	\$ 57,250,675	57,249,875	
Intangible Right to Use Lease - Equipment	-	-	78,090	156,179	\$ 78,090	156,179	
Total	<u>\$ 124,984,575</u>	<u>\$ 126,131,899</u>	<u>\$ 119,007,875</u>	<u>\$ 111,650,606</u>	<u>\$ 243,992,450</u>	<u>\$ 237,782,505</u>	

Major capital asset events during 2022 were as follows:

In 2022, the City made significant investments in safety forces and Street Maintenance out of the Capital Projects Fund. First, the Fire department completed a Roof Replacement for Station 5, for \$500,781, and the Police department received GVG Getac Inc., Police Cruiser and Body Cameras, for \$365,892. Concrete street repairs were made to Prior Park Drive and Brookpark Drive totaling \$409,005.

Several major Capital Projects were placed in service, including Land Improvements to the Sourek Trail Tax Increment Financing (TIF) district, Parking Expansion on Front Street, and the Mud Brook Greenway Trailhead, totaling \$8.4 million. Work continued on the West Portage Trail Street Widening Project, with \$350,784 invested in the project in 2022.

For the enterprise funds, several large infrastructure projects were completed. In the Water Fund, the Loomis & Magnolia Avenues Water Main Replacements were completed, for a total project cost of \$1,516,274. Also, the Akron-Cleveland Road Waterline was extended for a total project cost of \$382,469. In the Electric Fund, the continuing major project is the Office/Warehouse Relocation, totaling over \$1 million to date. In the Sanitation Fund, a new 28 Yard Heil Odyssey Residential Front Loader and 2022 Autocar Chassis ACX64 Dual Drive Chassis Sideloader were purchased for a total cost of \$755,571.

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, 2022, 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, 2022, the City had \$33.720 million of long-term bonds and capital leases outstanding.

City of Cuyahoga Falls General Obligation Bonds, Financed Purchases Payable, and Leases Outstanding						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021 Restated	2022	2021 Restated
General Obligation Bonds Payable	\$ 17,301,389	\$ 18,234,711	\$ 15,617,899	\$ 9,320,518	\$ 32,919,288	\$ 27,555,229
Financed Purchases Payable	398,293	526,517	323,113	477,292	721,406	1,003,809
Leases Payable	-	-	79,649	156,179	79,649	156,179
Total	\$ 17,699,682	\$ 18,761,228	\$ 16,020,661	\$ 9,953,989	\$ 33,720,343	\$ 28,715,217

The balance of outstanding bonds increased \$5,364,059 or 19.5 percent, which was primarily due to the issuance of \$7,210,000 Various Purpose Bonds, Series 2022 for the purpose of paying the costs of the acquisition and installation of electric system meters (\$3,335,000), and water system meters for use by the water (\$1,940,000) and sanitary sewer (\$1,935,000) systems, offset by annual principal bond payments of \$1,750,726, and the annual amortization of discounts and premiums.

The balance of outstanding financed purchases payable decreased \$282,403 in 2022, which was due to payment of scheduled principal. No new financed purchase agreements were entered into in 2022. However, due to production delays, the Elgin Sweeper and Lubrication system was not received by December 31, 2022, therefore, \$297,062 was held in escrow, and recorded as Cash and cash equivalents - escrow in governmental activities in the Statement of Net Position.

For 2022, the City implemented Governmental Standards Board (GASB) Statement No. 87, *Leases*. Therefore, an existing lease of golf carts used by the City at Brookledge Golf Course was recorded as a restatement of liabilities for 2021 in the amount of \$156,179. The liability was reduced by \$76,530 in 2022 for an ending balance of \$79,946.

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 104, 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 is currently in the midst of multi-year employee bargaining agreements with the various unions for the period of July 1, 2021 through June 30, 2024. The agreements provided reasonable cost of living increases while allowing for more flexibility to make changes to the City's health care plans. 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 2024 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 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. 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

City of Cuyahoga Falls, Ohio

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 \$150 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 second installment of \$8,246,939 from the American Rescue Plan Act in 2022. These dollars will allow 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 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 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, 2022 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:

In 2022, the Summit County Development Disabilities Board relocated their headquarters to our Downtown area, moving over 100 jobs into the City.

The City received a second installment of \$8,246,939 from the American Rescue Plan Act in 2022. These dollars will allow 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 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 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.

City of Cuyahoga Falls, Ohio

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, 2022 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, 2022 (With GASB 68 and 75)	\$ 91,326,782	\$ 146,525,667	\$ 237,852,449
GASB 68 and 75 calculations:			
Add:			
Deferred Inflows related to pension	18,230,046	6,906,954	25,137,000
Deferred Inflows related to other post employment benefits (OPEB)	-	2,047,755	2,047,755
Less: City defined single employer OPEB Plan	(3,522,212)	-	(3,522,212)
Net pension liability	36,491,792	5,475,678	41,967,470
Net other post employment benefits (OPEB)	11,853,983	-	11,853,983
Less: City defined single employer OPEB Plan	(6,471,341)	-	(6,471,341)
Less:			
Deferred outflows related to pensions	(12,320,318)	(2,499,126)	(14,819,444)
Deferred outflows related to other post employment benefits (OPEB)	(3,861,829)	(22,540)	(3,884,369)
Plus: City defined single employer OPEB Plan	1,021,781	-	1,021,781
Net pension asset	(236,043)	(222,382)	(458,425)
Net other postemployment benefits (OPEB) asset	(2,027,286)	(1,909,956)	(3,937,242)
Total net position at December 31, 2022 (Without GASB 68 and 75 - State Pension Systems)	<u>130,485,355</u>	<u>156,302,050</u>	<u>286,787,405</u>

Request for Information

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

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BASIC FINANCIAL STATEMENTS

City of Cuyahoga Falls, Ohio

Statement of Net Position December 31, 2022

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		CIC of Cuyahoga Falls
Assets				
Equity in pooled cash and cash equivalents	\$ 40,038,822	\$ 32,431,700	\$ 72,470,522	4,428
Cash and cash equivalents - restricted accounts	-	-	-	2,007,029
Cash and cash equivalents - escrow agent	297,062	-	297,062	-
Investments	15,545,645	13,811,262	29,356,907	-
Accounts receivable (net of allowance for uncollectibles)	1,344,202	9,683,138	11,027,340	-
Loans receivable	1,895,280	-	1,895,280	-
Taxes receivable	21,802,446	-	21,802,446	-
Special assessments receivable	93,372	103,099	196,471	-
Accrued interest receivable	50,307	-	50,307	-
Leases receivable	-	1,270,410	1,270,410	-
Due from other governments	4,391,611	527,517	4,919,128	-
Inventory of supplies	1,096,911	4,117,978	5,214,889	-
Prepaid items	250,559	148,531	399,090	358
Internal balances	(66,711)	66,711	-	-
Investment in joint ventures	-	1,104,866	1,104,866	-
Regulated asset	-	1,131,870	1,131,870	-
Net pension asset	236,043	222,382	458,425	-
Net other postemployment benefits (OPEB) asset	2,027,286	1,909,956	3,937,242	-
Nondepreciable capital assets	18,584,305	9,258,654	27,842,959	55,000
Depreciable capital assets	106,400,270	109,749,221	216,149,491	-
Total assets	213,987,410	185,537,295	399,524,705	2,066,815
Deferred Outflows of Resources				
Pension	12,320,318	2,499,126	14,819,444	-
Other postemployment benefits (OPEB)	3,861,829	22,540	3,884,369	-
Advance refunding of debt	-	152,706	152,706	-
Total deferred outflows of resources	16,182,147	2,674,372	18,856,519	-
Liabilities				
Accounts payable	626,312	4,508,545	5,134,857	-
Accrued salaries, wages and benefits	933,798	346,690	1,280,488	-
Accrued interest payable	125,178	48,317	173,495	-
Due to other governments	1,135,438	2,014,591	3,150,029	536
Retainage payable	522,720	223,883	746,603	-
Unearned Revenue	13,725,436	53,222	13,778,658	-
Deposit held and due to others	-	1,671,143	1,671,143	-
Notes payable	5,245,000	-	5,245,000	-
Current portion of:				
Accrued compensated absences	1,929,805	-	1,929,805	-
Claims and judgments payable	634,877	-	634,877	-
Financed purchases payable	130,468	157,370	287,838	-
Payable to AMP	-	167,322	167,322	-
Leases payable	-	79,649	79,649	-
Bonds payable	939,623	1,465,000	2,404,623	-
Environmental remediation costs	-	-	-	1,000,000
Long-term portion of:				
Net pension liability	36,491,792	5,475,678	41,967,470	-
Net other postemployment benefits (OPEB) liability	11,853,983	-	11,853,983	-
Accrued compensated absences	8,878,234	-	8,878,234	-
Financed purchases payable	267,825	165,743	433,568	-
Payable to AMP	-	964,548	964,548	-
Bonds payable	16,361,766	14,152,899	30,514,665	-
Environmental remediation costs	-	-	-	392,732
Total liabilities	99,802,255	31,494,600	131,296,855	1,393,268
Deferred Inflows of Resources				
Revenues levied for the next year	12,857,270	-	12,857,270	-
Pension	18,230,046	6,906,954	25,137,000	-
Other postemployment benefits (OPEB)	7,953,204	2,047,755	10,000,959	-
Leases	-	1,236,691	1,236,691	-
Total deferred inflows of resources	39,040,520	10,191,400	49,231,920	-
Net Position				
Net investment in capital assets	101,267,757	108,121,042	209,388,799	55,000
Restricted for:				
Capital projects (temporarily restricted)	8,084,889	-	8,084,889	-
Debt service (temporarily restricted)	141,926	-	141,926	-
Special revenue - Community Development Block Grant (temporarily restricted)	2,279,690	-	2,279,690	-
CIC - Community Development (temporarily restricted)	-	-	-	2,007,029
Permanent fund purpose - Cemetery Perpetual Care (permanently restricted)	249,914	-	249,914	-
Unrestricted	(20,697,394)	38,404,625	17,707,231	(1,388,482)
Total net position	\$ 91,326,782	\$ 146,525,667	\$ 237,852,449	\$ 673,547

See accompanying notes to the basic financial statements

City of Cuyahoga Falls, Ohio

Statement of Activities For the Year Ended December 31, 2022

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Security of persons and property	\$ 26,078,999	\$ 671,147	\$ 154,867	\$ 11,513
Leisure time activities	4,054,265	221,127	35,494	623,876
Community environment	4,768,774	117,949	856,613	290,270
Street maintenance	11,227,751	656,674	2,940,330	1,997,135
General government	7,755,936	4,060,664	2,156,819	-
Interest and fiscal charges	590,474	-	-	-
Total governmental activities	54,476,199	5,727,561	6,144,123	2,922,794
Business-type activities:				
Sewage and disposal	10,051,270	10,172,202	-	400,550
Water	3,832,988	5,861,518	-	1,192,492
Electric	44,955,999	48,835,864	-	246,022
Sanitation	3,577,542	4,538,274	46,525	-
Leisure time activities	5,979,711	6,488,606	-	68,575
Storm drainage utility	1,192,540	1,954,134	-	336,718
Total business-type activities	69,590,050	77,850,598	46,525	2,244,357
Total primary government	\$ 124,066,249	\$ 83,578,159	\$ 6,190,648	\$ 5,167,151
Component Unit - CIC of Cuyahoga Falls	\$ 66,760	57,346	2,002,000	-
General revenues:				
Property and other local taxes levied for:				
General purposes				
Special revenue				
Income tax levied for:				
General purposes				
Special revenue				
Capital projects				
Grants and entitlements not restricted to specific programs				
Investment earnings				
Transfers				
Total general revenue and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

See accompanying notes to the basic financial statements

Statement of Activities
For the Year Ended December 31, 2022

(Continued)

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	CIC of Cuyahoga Falls	
\$ (25,241,472)	\$ -	\$ (25,241,472)	\$ -	
(3,173,768)	-	(3,173,768)	-	
(3,503,942)	-	(3,503,942)	-	
(5,633,612)	-	(5,633,612)	-	
(1,538,453)	-	(1,538,453)	-	
(590,474)	-	(590,474)	-	
(39,681,721)	-	(39,681,721)	-	
-	521,482	521,482	-	
-	3,221,022	3,221,022	-	
-	4,125,887	4,125,887	-	
-	1,007,257	1,007,257	-	
-	577,470	577,470	-	
-	1,098,312	1,098,312	-	
-	10,551,430	10,551,430	-	
(39,681,721)	10,551,430	(29,130,291)	-	
-	-	-	1,992,586	
13,616,728	-	13,616,728	-	
2,649,786	-	2,649,786	-	
19,943,717	-	19,943,717	-	
887,894	-	887,894	-	
10,991,776	-	10,991,776	-	
3,551,498	-	3,551,498	-	
(157,927)	45,292	(112,635)	3,217	
(2,252,622)	2,252,622	-	-	
49,230,850	2,297,914	51,528,764	3,217	
9,549,129	12,849,344	22,398,473	1,995,803	
81,777,653	133,676,323	215,453,976	(1,322,256)	
\$ 91,326,782	\$ 146,525,667	\$ 237,852,449	\$ 673,547	

City of Cuyahoga Falls, Ohio

Balance Sheet - Governmental Funds December 31, 2022

	General	Local Fiscal Recovery Special Revenue	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	\$ 16,406,330	\$ 9,627,171	\$ 4,428,695	\$ 3,841,753	\$ 34,303,949
Investments	5,515,785	4,099,797	1,885,990	1,628,410	13,129,982
Cash and cash equivalents - escrow agent	-	-	297,062	-	297,062
Receivables					
Taxes	19,990,222	-	-	1,812,224	21,802,446
Accounts (net of allowance for uncollectibles)	120,088	-	861,273	255,435	1,236,796
Loans	14,144	-	-	1,881,136	1,895,280
Special assessments	-	-	93,372	-	93,372
Accrued interest	50,307	-	-	-	50,307
Due from other funds	69,538	-	28,397	60,000	157,935
Due from other governments	2,135,173	-	579,507	1,665,671	4,380,351
Inventory of supplies	96,264	-	-	702,709	798,973
Prepaid items	213,302	-	-	35,977	249,279
Total assets	<u>\$ 44,611,153</u>	<u>\$ 13,726,968</u>	<u>\$ 8,174,296</u>	<u>\$ 11,883,315</u>	<u>\$ 78,395,732</u>
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities					
Accounts payable	\$ 171,208	\$ -	\$ 151,978	\$ 199,696	\$ 522,882
Accrued salaries, wages and benefits	820,351	-	-	89,949	910,300
Retainage payable	-	-	503,756	18,964	522,720
Unearned revenue	-	13,725,436	-	-	13,725,436
Due to other funds	84,356	-	1,417	38,063	123,836
Due to other governments	511,454	-	9,566	583,518	1,104,538
General obligation notes payable	-	-	3,495,000	1,750,000	5,245,000
Total liabilities	<u>1,587,369</u>	<u>13,725,436</u>	<u>4,161,717</u>	<u>2,680,190</u>	<u>22,154,712</u>
Deferred Inflows of Resources					
Revenues levied for the next year and unavailable revenue	16,931,736	-	769,502	2,709,312	20,410,550
Fund Balances					
Nonspendable	309,566	-	-	988,600	1,298,166
Restricted	14,144	1,532	2,832,077	6,703,172	9,550,925
Committed	-	-	411,000	1,728	412,728
Assigned	1,313,529	-	-	-	1,313,529
Unassigned	24,454,809	-	-	(1,199,687)	23,255,122
Total fund balances	<u>26,092,048</u>	<u>1,532</u>	<u>3,243,077</u>	<u>6,493,813</u>	<u>35,830,470</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 44,611,153</u>	<u>\$ 13,726,968</u>	<u>\$ 8,174,296</u>	<u>\$ 11,883,315</u>	<u>\$ 78,395,732</u>

See accompanying notes to the basic financial statements

**Reconciliation of Total Governmental Fund Balances to Net Position of
Governmental Activities
December 31, 2022**

Total Governmental Fund Balances \$ 35,830,470

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	\$ 18,562,345	
Depreciable capital assets	<u>106,278,698</u>	124,841,043

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

Investment earnings	21,604	
Delinquent property taxes	285,769	
Grants and entitlements	2,347,732	
Municipal income tax	3,592,036	
Special assessments	93,372	
Charges for services	<u>1,212,767</u>	7,553,280

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:

(12,533,725)

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	12,174,007	
Deferred inflows - pension	(17,825,681)	
Net pension liability	(36,171,221)	
Net pension asset	<u>223,023</u>	(41,599,872)

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	2,838,728	
Deferred inflows - other post employment benefits	(4,311,108)	
Net other post employment benefits liability	(5,382,642)	
Net other post employment benefits asset	<u>1,915,468</u>	(4,939,554)

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

Accrued interest payable	(125,178)	
Unamortized bond premium	(523,086)	
Unamortized bond discount	12,863	
Financed purchases payable	(398,293)	
Bonds Payable	<u>(16,791,166)</u>	(17,824,860)

Total Governmental Activities Net Position \$ 91,326,782

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, 2022

	General	Local Fiscal Recovery Special Revenue	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 11,174,863	\$ -	\$ -	\$ 644,704	\$ 11,819,567
Municipal income taxes	20,252,820	-	8,753,761	2,387,661	31,394,242
Other local taxes	2,569,513	-	-	2,042,934	4,612,447
State levied shared taxes	3,300,297	-	-	3,112,491	6,412,788
Intergovernmental	2,298,860	-	2,634,999	832,373	5,766,232
Charges for services	980,173	-	1,496,805	1,380	2,478,358
Fees, licenses and permits	172,441	-	-	589,541	761,982
Interest earnings	(156,268)	391	-	(2,765)	(158,642)
Fines and forfeitures	194,470	-	-	26,864	221,334
Special assessments	-	-	72,988	-	72,988
Other	1,025,024	-	1,208,359	115,369	2,348,752
Total revenues	41,812,193	391	14,166,912	9,750,552	65,730,048
Expenditures					
Current					
Security of persons and property	21,425,668	-	-	2,909,017	24,334,685
Leisure time activities	2,809,145	-	-	2,367,235	5,176,380
Community environment	1,398,492	-	-	3,623,875	5,022,367
Street maintenance	-	-	-	4,037,316	4,037,316
General government	8,884,993	-	-	4,106	8,889,099
Capital outlay	-	-	11,569,210	182,502	11,751,712
Debt Service					
Principal	-	-	128,224	910,726	1,038,950
Interest	-	-	44,151	609,411	653,562
Total expenditures	34,518,298	-	11,741,585	14,644,188	60,904,071
Excess (deficiency) of revenues					
Over (under) expenditures	7,293,895	391	2,425,327	(4,893,636)	4,825,977
Other Financing Sources (Uses)					
Premium on debt issuance	-	-	21,844	10,938	32,782
Transfers in	-	-	-	3,540,000	3,540,000
Transfers out	(3,820,732)	-	-	-	(3,820,732)
Capital contributions	-	-	-	-	-
Total other financing sources (uses)	(3,820,732)	-	21,844	3,550,938	(247,950)
Net change in fund balances	3,473,163	391	2,447,171	(1,342,698)	4,578,027
Fund balance at beginning of year	22,624,620	1,141	795,906	7,664,615	31,086,282
Change in nonspendable inventory	(20,523)	-	-	164,546	144,023
Change in nonspendable prepaid items	14,788	-	-	7,350	22,138
Fund balance at end of year	\$ 26,092,048	\$ 1,532	\$ 3,243,077	\$ 6,493,813	\$ 35,830,470

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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 4,578,027

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	\$ 5,573,177	
Current year depreciation	<u>(6,639,847)</u>	(1,066,670)

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. (83,811)

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. 166,161

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

Investment earnings	865	
Delinquent property taxes	(136,582)	
Grants and entitlements	219,998	
Municipal income tax	429,144	
Special assessments	(22,720)	
Charges for services	<u>18,560</u>	509,265

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred inflows/outflows. (4,772,820)

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. 537,822

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. 7,624,346

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. 787,381

Repayment of bond principal and financed purchases payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,038,950

Issuance of long-term debt in governmental funds increased long-term liabilities in the statement of net position. -

In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds an interest expenditure is reported when due. 7,710

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. 22,596

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

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. 200,172

Change in Net Position of Governmental Activities \$ 9,549,129

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 11,086,660	\$ 11,164,347	\$ 11,174,863	\$ 10,516
Municipal income taxes	16,305,413	19,954,560	19,970,749	16,189
Other local taxes	2,205,150	2,572,054	2,572,499	445
State levied shared taxes	3,062,753	3,302,995	3,287,312	(15,683)
Intergovernmental	285,209	289,209	303,824	14,615
Charges for services	4,022,081	3,947,081	3,958,212	11,131
Fees, licenses, and permits	160,745	160,745	167,595	6,850
Interest earnings	360,000	1,300,000	1,316,154	16,154
Fines and forfeitures	149,924	196,924	193,561	(3,363)
Other	7,017,986	3,041,195	3,096,772	55,577
Total revenues	44,655,921	45,929,110	46,041,541	112,431
Expenditures				
Current				
Security of persons and property	21,677,700	22,246,699	21,978,291	268,408
Leisure time activities	3,464,510	3,464,510	3,150,701	313,809
Community environment	1,506,948	1,563,226	1,443,029	120,197
General government	12,242,695	12,333,195	11,724,133	609,062
Total expenditures	38,891,853	39,607,630	38,296,154	1,311,476
Excess (deficiency) of revenues over (under) expenditures	5,764,068	6,321,480	7,745,387	1,423,907
Other Financing (Uses)				
Transfers out	(7,646,117)	(3,820,732)	(3,820,732)	-
Total other financing (uses)	(7,646,117)	(3,820,732)	(3,820,732)	-
Net change in fund balances	(1,882,049)	2,500,748	3,924,655	1,423,907
Fund balance at beginning of year	18,521,618	18,521,618	18,521,618	-
Prior year encumbrances appropriated	307,861	307,861	307,861	-
Fund balance at end of year	\$ 16,947,430	\$ 21,330,227	\$ 22,754,134	\$ 1,423,907

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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 8,246,938	\$ 8,246,938	\$ 8,246,939	\$ 1
Interest earnings	-	-	391	391
Total revenues	8,246,938	8,246,938	8,247,330	392
Expenditures				
Current				
General government	6,615,385	6,615,385	2,779,242	3,836,143
Total expenditures	6,615,385	6,615,385	2,779,242	3,836,143
Net change in fund balances	1,631,553	1,631,553	5,468,088	3,836,535
Fund balance at beginning of year	8,248,080	8,248,080	8,248,080	-
Fund balance at end of year	<u>\$ 9,879,633</u>	<u>\$ 9,879,633</u>	<u>\$ 13,716,168</u>	<u>\$ 3,836,535</u>

City of Cuyahoga Falls, Ohio

Statement of Net Position - Proprietary Funds December 31, 2022

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
Assets							
Current Assets							
Equity in pooled cash and cash equivalents	\$ 4,319,747	\$ 5,612,861	\$ 17,542,727	\$ 1,259,863	\$ 2,074,181	\$ 1,622,321	\$ 32,431,700
Investments	1,839,593	2,390,274	7,470,691	536,521	883,304	690,879	13,811,262
Receivables							
Accounts							
(net of allowance for uncollectibles)	1,182,965	662,556	7,250,419	389,897	58,982	138,319	9,683,138
Special assessments	12,248	11,500	-	-	-	79,351	103,099
Leases	-	1,125,920	13,325	-	131,165	-	1,270,410
Due from other funds	66,337	-	430,851	10,791	-	19,527	527,506
Due from other governments	76,441	430,433	-	-	20,643	-	527,517
Inventory of supplies	32,404	643,495	3,109,092	240,510	92,477	-	4,117,978
Prepaid items	12,494	17,859	37,888	30,281	42,859	7,150	148,531
Investment in joint ventures	-	-	1,104,866	-	-	-	1,104,866
Total current assets	7,542,229	10,894,898	36,959,859	2,467,863	3,303,611	2,557,547	63,726,007
Noncurrent Assets							
Net pension asset	17,008	32,548	84,029	22,967	56,203	9,627	222,382
Net other postemployment benefits (OPEB) asset	146,072	279,544	721,696	197,256	482,706	82,682	1,909,956
Regulated asset	-	-	1,131,870	-	-	-	1,131,870
Capital Assets							
Land	93,459	135,605	890,521	152,781	1,787,907	1,058,872	4,119,145
Buildings	525,330	1,285,124	1,070,762	412,886	37,151,468	11,700	40,457,270
Improvements other than buildings	34,004,516	40,959,505	56,585,478	257,918	4,928,525	17,715,609	154,451,551
Equipment	1,602,763	2,363,579	8,160,842	6,510,830	921,393	1,168,204	20,727,611
CIP	1,013,485	2,550,821	854,782	-	387,176	333,245	5,139,509
Intangible right-to-use leased equipment	-	-	-	-	156,179	-	156,179
Less: Accumulated depreciation	(18,538,059)	(22,607,241)	(37,440,036)	(3,772,407)	(18,842,545)	(4,843,102)	(106,043,390)
Total noncurrent assets	18,864,574	24,999,485	32,059,944	3,782,231	27,029,012	15,536,837	122,272,083
Total assets	26,406,803	35,894,383	69,019,803	6,250,094	30,332,623	18,094,384	185,998,090
Deferred Outflows of Resources							
Pension	191,131	365,776	944,321	258,104	631,607	108,187	2,499,126
Other postemployment benefits (OPEB)	1,724	3,299	8,517	2,328	5,697	975	22,540
Advance refunding of debt	-	-	-	-	152,706	-	152,706
Total deferred outflows of resources	192,855	369,075	952,838	260,432	790,010	109,162	2,674,372
Liabilities							
Current Liabilities							
Accounts payable	43,164	399,186	3,871,257	120,528	53,821	20,589	4,508,545
Accrued salaries, wages and benefits	29,638	57,526	138,875	45,852	65,350	9,449	346,690
Accrued compensated absences	-	-	-	-	-	-	-
Accrued interest payable	10,518	9,016	9,977	-	18,806	-	48,317
Retainage payable	5,125	170,022	34,657	-	-	14,079	223,883
Unearned revenue	-	-	-	-	53,222	-	53,222
Due to other funds	64,225	224,612	3,787	45,378	220,823	-	558,825
Due to other governments	1,792,594	49,578	91,226	25,964	51,475	3,754	2,014,591
Deposits held and due to others	-	-	1,404,758	266,385	-	-	1,671,143
Claims and judgments payable	-	-	-	-	-	-	-
Financed purchases payable	52,581	52,581	-	-	-	52,208	157,370
Leases Payable	-	-	-	-	79,649	-	79,649
Payable to American Municipal Power	-	-	167,322	-	-	-	167,322
General obligation bonds payable	190,000	215,000	280,000	-	780,000	-	1,465,000
Total current liabilities	2,187,845	1,177,521	6,001,859	504,107	1,323,146	100,079	11,294,557
Noncurrent Liabilities							
Net pension liability	418,775	801,429	2,069,041	565,515	1,383,876	237,042	5,475,678
Net other postemployment benefits (OPEB) liability	-	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-	-
Financed purchases payable	55,123	55,123	-	-	-	55,497	165,743
Payable to American Municipal Power	-	-	964,548	-	-	-	964,548
General obligation bonds payable	2,135,000	3,047,707	3,055,000	-	5,915,192	-	14,152,899
Total noncurrent liabilities	2,608,898	3,904,259	6,088,589	565,515	7,299,068	292,539	20,758,868
Total liabilities	4,796,743	5,081,780	12,090,448	1,069,622	8,622,214	392,618	32,053,425
Deferred Inflows of Resources							
Pension	528,237	1,010,913	2,609,863	713,334	1,745,604	299,003	6,906,954
Other postemployment benefits (OPEB)	156,611	299,713	773,765	211,487	517,532	88,647	2,047,755
Leases	-	1,095,385	12,985	-	128,321	-	1,236,691
Total deferred inflows of resources	684,848	2,406,011	3,396,613	924,821	2,391,457	387,650	10,191,400
Net Position							
Net investment in capital assets	17,231,477	21,776,141	29,579,207	3,562,008	19,867,968	15,319,241	107,336,042
Unrestricted	3,886,590	6,999,526	24,906,373	954,075	240,994	2,104,037	39,091,595
Total net position	\$ 21,118,067	\$ 28,775,667	\$ 54,485,580	\$ 4,516,083	\$ 20,108,962	\$ 17,423,278	\$ 146,427,637

Adjustment to consolidate the internal service fund activities related to enterprise funds. 98,030
Total net position of business-type activities \$ 146,525,667

See accompanying notes to the basic financial statements

Statement of Net Position - Proprietary Funds
December 31, 2022

(Continued)

	Governmental Activities - Internal Service Funds
Assets	
Current Assets	
Equity in pooled cash and cash equivalents	\$ 5,734,873
Investments	2,415,663
Receivables	
Accounts	
(net of allowance for uncollectibles)	107,406
Special assessments	-
Leases	-
Due from other funds	-
Due from other governments	11,260
Inventory of supplies	297,938
Prepaid items	1,280
Investment in joint ventures	-
Total current assets	<u>8,568,420</u>
Noncurrent Assets	
Net pension asset	13,020
Net other postemployment benefits (OPEB) asset	111,818
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	-
Less: Accumulated depreciation	(573,937)
Total noncurrent assets	<u>268,370</u>
Total assets	<u>8,836,790</u>
Deferred Outflows of Resources	
Pension	146,311
Other postemployment benefits (OPEB)	1,023,101
Advance refunding of debt	-
Total deferred outflows of resources	<u>1,169,412</u>
Liabilities	
Current Liabilities	
Accounts payable	103,430
Accrued salaries, wages and benefits	23,498
Accrued compensated absences	1,929,805
Accrued interest payable	-
Retainage payable	-
Unearned revenue	-
Due to other funds	2,780
Due to other governments	30,900
Deposits held and due to others	-
Claims and judgments payable	634,877
Financed purchases payable	-
Leases Payable	-
Payable to American Municipal Power	-
General obligation bonds payable	-
Total current liabilities	<u>2,725,290</u>
Noncurrent Liabilities	
Net pension liability	320,571
Net other postemployment benefits (OPEB) liability	6,471,341
Accrued compensated absences	8,878,234
Financed purchases payable	-
Payable to American Municipal Power	-
General obligation bonds payable	-
Total noncurrent liabilities	<u>15,670,146</u>
Total liabilities	<u>18,395,436</u>
Deferred Inflows of Resources	
Pension	404,365
Other postemployment benefits (OPEB)	3,642,096
Leases	-
Total deferred inflows of resources	<u>4,046,461</u>
Net Position	
Net investment in capital assets	143,532
Unrestricted	(12,579,227)
Total net position	<u>\$ (12,435,695)</u>

City of Cuyahoga Falls, Ohio

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
Operating Revenues							
Charges for services	\$ 10,027,927	\$ 5,485,992	\$ 48,907,293	\$ 4,333,816	\$ 5,213,284	\$ 1,992,990	\$ 75,961,302
Leases	-	79,664	6,492	-	74,138	-	\$ 160,294
Other	243,547	295,862	455,850	223,470	1,201,184	290	2,420,203
Total operating revenues	10,271,474	5,861,518	49,369,635	4,557,286	6,488,606	1,993,280	78,541,799
Operating Expenses							
Personal services	761,945	1,457,286	3,746,376	1,034,124	2,532,800	433,353	9,965,884
Fringe benefits	13,566	(136,118)	(249,486)	(164,036)	(105,196)	84,465	(556,805)
Purchased power	-	-	30,793,079	-	-	-	30,793,079
Materials and supplies	38,580	461,734	5,361,530	131,592	324,928	31,330	6,349,694
Utilities	47,615	353,328	55,228	27,677	277,839	793	762,480
Contractual services	7,759,013	373,738	294,455	862,637	57,233	101,414	9,448,490
Internal charges	251,393	327,130	1,213,522	1,112,385	643,509	64,215	3,612,154
Other	370,720	525,709	1,508,805	203,714	1,095,159	91,712	3,795,819
Depreciation	841,168	945,252	2,273,250	493,815	1,083,703	394,283	6,031,471
Total Operating Expenses	10,084,000	4,308,059	44,996,759	3,701,908	5,909,975	1,201,565	70,202,266
Net income (loss) from operations	187,474	1,553,459	4,372,876	855,378	578,631	791,715	8,339,533
Nonoperating Revenues (Expenses)							
Interest revenue	-	37,462	633	-	7,197	-	45,292
Interest expense	(20,864)	(39,226)	(9,977)	-	(187,586)	(3,176)	(260,829)
Gain (loss) from disposal of capital assets	(260)	(260)	(7,065)	(4,956)	(983)	(55)	(13,579)
Grants	-	-	-	46,525	-	-	46,525
Total nonoperating revenues (expenses)	(21,124)	(2,024)	(16,409)	41,569	(181,372)	(3,231)	(182,591)
Income (loss) before contributions and transfers	166,350	1,551,435	4,356,467	896,947	397,259	788,484	8,156,942
Capital Contributions	915,607	2,506,661	298,270	-	68,575	428,691	4,217,804
Transfers in	-	-	-	-	280,732	-	280,732
Changes in net position	1,081,957	4,058,096	4,654,737	896,947	746,566	1,217,175	12,655,478
Total net position - beginning	20,036,110	24,717,571	49,830,843	3,619,136	19,362,396	16,206,103	
Total net position - ending	\$ 21,118,067	\$ 28,775,667	\$ 54,485,580	\$ 4,516,083	\$ 20,108,962	\$ 17,423,278	
Adjustment to consolidate the internal service fund activities related to enterprise funds.							193,866
Change in net position of business-type activities							\$ 12,849,344

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, 2022

(Continued)

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for services	\$ 10,725,179
Leases	-
Other	635,024
Total operating revenues	<u>11,360,203</u>
Operating Expenses	
Personal services	1,917,449
Fringe benefits	6,933,955
Purchased power	-
Materials and supplies	1,547,198
Utilities	13,631
Contractual services	88,757
Internal charges	171,607
Other	281,706
Depreciation	11,823
Total Operating Expenses	<u>10,966,126</u>
Net income (loss) from operations	<u>394,077</u>
Nonoperating Revenues (Expenses)	
Interest revenue	(151)
Interest expense	-
Gain (loss) from disposal of capital assets	(923)
Grants	-
Total nonoperating revenues (expenses)	<u>(1,074)</u>
Income (loss) before contributions and transfers	<u>393,003</u>
Capital Contributions	1,035
Transfers in	-
Changes in net position	394,038
Total net position - beginning	(12,829,733)
Total net position - ending	<u>\$ (12,435,695)</u>

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
Cash Flows From Operating Activities							
Cash received from customers	\$ 10,081,725	\$ 6,007,305	\$ 48,945,084	\$ 4,583,506	\$ 6,459,486	\$ 2,088,673	\$ 78,165,779
Cash payments to employees for services	(782,827)	(1,495,621)	(3,862,172)	(1,064,715)	(2,558,775)	(438,771)	(10,202,881)
Cash payments to employees for benefits	(304,039)	(581,345)	(1,444,583)	(414,421)	(700,474)	(164,050)	(3,608,912)
Cash payments to suppliers for goods and services	(7,963,694)	(2,406,465)	(38,380,146)	(2,507,001)	(2,523,803)	(323,813)	(54,104,922)
Net cash provided by operating activities	1,031,165	1,523,874	5,258,183	597,369	676,434	1,162,039	10,249,064
Cash Flows From Non-Capital Financing Activities							
Grant proceeds	-	-	-	46,525	-	-	46,525
Transfers in	-	-	-	-	280,732	-	280,732
Net cash provided by non-capital financing activities	-	-	-	46,525	280,732	-	327,257
Cash Flows From Capital and Related Financing Activities							
Acquisition of capital assets	(1,248,814)	(2,668,740)	(3,164,632)	(783,939)	(334,540)	(998,539)	(9,199,204)
Grant proceeds	-	377,609	-	-	-	-	377,609
Proceeds from the sale of capital assets	11,525	11,525	3,450	4,617	56	-	31,173
Bond/note proceeds	1,935,000	1,940,000	3,335,000	-	-	-	7,210,000
Debt service							
Principal	(81,393)	(101,393)	-	-	(760,000)	(51,393)	(994,179)
Interest	(15,439)	(42,226)	-	-	(248,275)	(3,176)	(309,116)
Net cash provided by (used in) capital and related financing activities	600,879	(483,225)	173,818	(779,322)	(1,342,759)	(1,053,108)	(2,883,717)
Cash Flows from Investing Activities							
Interest revenue	-	-	-	-	-	-	-
Sale of investments	1,478,228	2,273,354	6,393,618	630,765	1,091,563	719,725	12,587,253
Purchase of investments	(1,839,593)	(2,390,274)	(7,470,691)	(536,521)	(883,304)	(690,879)	(13,811,262)
Net cash provided by (used in) investing activities	(361,365)	(116,920)	(1,077,073)	94,244	208,259	28,846	(1,224,009)
Net increase (decrease) in cash and cash equivalents	1,270,679	923,729	4,354,928	(41,184)	(177,334)	137,777	6,468,595
Cash and cash equivalents at Beginning of Year	3,049,068	4,689,132	13,187,799	1,301,047	2,251,515	1,484,544	25,963,105
Cash and cash equivalents at end of year	\$ 4,319,747	\$ 5,612,861	\$ 17,542,727	\$ 1,259,863	\$ 2,074,181	\$ 1,622,321	\$ 32,431,700

See accompanying notes to the basic financial statements

**Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2022**

(Continued)

	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities	
Cash received from customers	\$ 11,387,731
Cash payments to employees for services	(1,271,204)
Cash payments to employees for benefits	(7,984,334)
Cash payments to suppliers for goods and services	<u>(2,189,148)</u>
Net cash provided by operating activities	(56,955)
Cash Flows From Non-Capital Financing Activities	
Grant proceeds	-
Transfers in	<u>-</u>
Net cash provided by non-capital financing activities	-
Cash Flows From Capital and Related Financing Activities	
Acquisition of capital assets	(14,868)
Grant Proceeds	-
Proceeds from the sale of capital assets	6,500
Bond/note proceeds	-
Debt service	-
Principal	-
Interest	<u>-</u>
Net cash provided by capital and related financing activities	(8,368)
Cash Flows from Investing Activities	
Interest revenue	(151)
Sale of investments	2,682,864
Purchase of investments	<u>(2,415,663)</u>
Net cash provided by (used in) investing activities	<u>267,050</u>
Net increase (decrease) in cash and cash equivalents	201,727
Cash and cash equivalents at Beginning of Year	<u>5,533,146</u>
Cash and cash equivalents at end of year	<u>\$ 5,734,873</u>

City of Cuyahoga Falls, Ohio

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2022

(Continued)

	Business-type Activities - Enterprise Funds						Total
	Sewage and Disposal	Water	Electric	Sanitation	Leisure Time	Storm Drainage Utility	
Reconciliation of Operating Income							
(Loss) to Net cash provided by Operating Activities							
Operating Income (Loss)	\$ 187,474	\$ 1,553,459	\$ 4,372,876	\$ 855,378	\$ 578,631	\$ 791,715	\$ 8,339,533
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	841,168	945,252	2,273,250	493,815	1,083,703	394,283	6,031,471
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:							
Receivables	(370,826)	68,537	(1,207,239)	(60,976)	68,659	64,788	(1,437,057)
Due from other funds	(24,458)	-	43,792	1,907	-	2,179	23,420
Due from other governments	48,621	-	-	-	(15,503)	-	33,118
Inventory of supplies	6,248	(206,989)	(171,091)	(110,236)	(2,349)	-	(484,417)
Prepaid items	(862)	(2,056)	5,271	(7,572)	1,199	(777)	(4,797)
Investment in joint ventures	-	-	343,826	-	-	-	343,826
Deferred outflows of resources - pension	(77,507)	(129,691)	(341,799)	(83,881)	(281,267)	(54,216)	(968,361)
Deferred outflows of resources - OPEB	38,437	96,470	330,391	61,961	118,131	18,101	663,491
Accounts payable							
- net of items affecting capital assets	11,279	(16,638)	1,391,951	38,258	(59,473)	9,917	1,375,294
Accrued salaries, wages and benefits	(20,942)	(38,425)	(112,000)	(30,738)	(26,772)	(5,418)	(234,295)
Due to other funds	(16,649)	17,861	(99)	(13,445)	(63,715)	(16,516)	(92,563)
Due to other governments	653,186	(41,175)	(97,120)	(23,770)	(39,032)	38	452,127
Deposits held and due to others	-	-	20,639	9,435	-	-	30,074
Claims and judgments payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	(8,138)	-	(8,138)
Deferred inflows of resources - pension	204,285	337,813	892,018	216,608	746,752	145,126	2,542,602
Deferred inflows of resources - OPEB	(108,607)	(233,155)	(586,152)	(181,755)	(359,474)	(49,109)	(1,518,252)
Deferred inflows of resources - Leases	-	(79,664)	(6,492)	-	(74,138)	-	(160,294)
Net pension liability	(274,590)	(636,439)	(1,601,561)	(494,533)	(757,762)	(93,855)	(3,858,740)
Net OPEB liability	(65,092)	(111,286)	(292,278)	(73,087)	(233,018)	(44,217)	(818,978)
Total adjustments	843,691	(29,585)	885,307	(258,009)	97,803	370,324	1,909,531
Net cash provided by (used in) operating activities	\$ 1,031,165	\$ 1,523,874	\$ 5,258,183	\$ 597,369	\$ 676,434	\$ 1,162,039	\$ 10,249,064

During 2022, the Sewage and Disposal, Water, Electric, and Storm Drainage Utility Enterprise Funds received contributions in the form of capital assets - improvements from the Capital Projects Fund and Princeton Crossroads Tax Increment Equivalent Special Revenue Fund in the amount of \$915,607, \$1,698,619, \$298,270, and \$367,091, respectively. Additionally, the Storm Drainage Fund received contributions in the form of capital assets - improvements from private developers in the amount of \$61,600. The Leisure Time Fund, and Garage Internal Service Fund received contributions in the form of capital assets - buildings, and equipment from the Recreation Levy Special Revenue Fund, and Governmental Activities in the amount of \$68,575, and \$1,035, respectively.

**Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2022**

(Continued)

	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income	
(Loss) to Net cash provided by Operating Activities	
Operating Income (Loss)	\$ 394,077
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	11,823
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:	
Receivables	(13,757)
Due from other funds	-
Due from other governments	41,285
Inventory of supplies	15,348
Prepaid items	5
Investment in joint ventures	-
Deferred outflows of resources - pension	(57,937)
Deferred outflows of resources - OPEB	418,456
Accounts payable	
- net of items affecting capital assets	(101,471)
Accrued salaries, wages and benefits	646,245
Due to other funds	(131)
Due to other governments	6,195
Deposits held and due to others	-
Claims and judgments payable	11,696
Unearned revenue	-
Deferred inflows of resources - pension	152,402
Deferred inflows of resources - OPEB	2,045,353
Deferred inflows of resources - Leases	-
Net pension liability	(218,505)
Net OPEB liability	<u>(3,408,039)</u>
Total adjustments	<u>(451,032)</u>
Net cash provided by (used in) operating activities	\$ <u>(56,955)</u>

City of Cuyahoga Falls, Ohio

Statement of Fiduciary Net Position - Custodial Funds December 31, 2022

	<u>Custodial Funds</u>
Assets	
Equity in pooled cash and cash equivalents	\$ 20,907
Investments	8,905
Income taxes receivable	50,057
Due from other governments	4,557
Total assets	<u>84,426</u>
Liabilities	
Due to other governments	84,426
Total liabilities	<u>84,426</u>
Net Position	
Restricted for:	
Individuals, organizations, and other governments	-
	<u>\$ -</u>

See accompanying notes to the basic financial statements

**Statement of Changes in Fiduciary Net Position -
Custodial Funds
For the Year Ended December 31, 2022**

	Custodial Funds
Additions	
Court receipts	\$ 150,052
Income taxes	253,443
Other	5,343
Total additions	408,838
Deductions	
Court disbursements	150,052
Income tax disbursements, Boston Township	98,292
Income tax disbursements, City of Cuyahoga Falls	147,437
Contractual services	13,057
Total deductions	408,838
Net increase (decrease) in Fiduciary Net Position	-
Total net position - beginning	-
Total net position - ending	\$ -

**NOTES TO THE FINANCIAL
STATEMENTS**

**Notes to the Financial Statements
December 31, 2022**

NOTE 1 – REPORTING ENTITY

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

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund

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

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

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, evidence deposits, 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. The Cemetery Perpetual Care Permanent Fund is not reported on a budgetary basis, as the fund did not have expenditures on a non-GAAP budgetary basis. However, only governmental funds are reported.

Tax Budget

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

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Aggregate statement of fund activity for all other budgeted funds.

Unvoted general obligation debt.

Voted debt outside ten mill limit.

Tax anticipation notes.

Estimated Resources

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

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

Appropriations

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

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

The amounts reported as the original budgeted amounts reflect the original Appropriation Ordinance. The amounts reported as the final budgeted amounts represent the final Appropriation Ordinance, including all amendments and modifications passed by City Council in December 2022.

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 2022, 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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items. On the government-wide and proprietary fund statements, prepaid items are recorded using the consumption method by recording a current asset for the prepaid amount and reflecting the expense in the year in which services are consumed. On the fund financial statements, the actual payment for these services is recorded as an expenditure when purchased. Reported prepaid items are equally offset by non-spendable fund balance, which indicates that it does not constitute “available spendable resources” even though it is a component of net current assets.

Capital Assets

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

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

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

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

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net 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, 2022, but which were levied to finance year 2023 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).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflow of resources represent a consumption of net 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.

Compensated Absences

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

The entire compensated absences liability is reported in the Compensated Absences Internal Service Fund and on the government-wide financial statements.

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

Pensions/Other Postemployment Benefits (OPEB)

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

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities, which are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Fund Balance

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

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

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net Position

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

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

Grants and Intergovernmental Revenues

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

Operating Revenues and Expenses

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

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, grants or outside contributions of resources restricted to capital acquisition and construction or from contributions from governmental funds. During 2022, the Sewage and Disposal, Water, Electric, and Storm Drainage Utility Enterprise Funds received contributions in the form of capital assets - improvements from the Capital Projects Fund and Princeton Crossroads Tax Increment Equivalent Special Revenue Fund in the amount of \$915,607, \$1,698,619, \$298,270, and \$367,091, respectively. Additionally, the Storm Drainage Fund received contributions in the form of capital assets - improvements from private developers in the amount of \$61,600. The Leisure Time Fund, and Garage Internal Service Fund received contributions in the form of capital assets - buildings, and equipment from the Recreation Levy Special Revenue Fund, and Governmental Activities in the amount of \$68,575, and \$1,035, respectively.

City of Cuyahoga Falls, Ohio

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2022.

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, 2022 included an individual fund deficit in the Princeton Crossroads Tax Increment Equivalent Nonmajor Special Revenue Fund in the amount of (\$1,199,687). This deficit fund balance resulted from the issuance of short-term bond anticipation notes in the amount of \$1,200,000, 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).

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General, 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	\$3,473,163	\$ 391
Increase (decrease) due to:		
Net change in receivables and other assets not recognized on a budget basis	810,895	0
Net change in liabilities not recognized on a budget basis	(50,746)	5,478,497
Encumbrances	<u>(308,657)</u>	<u>(10,800)</u>
Budget Basis	<u>\$ 3,924,655</u>	<u>\$ 5,468,088</u>

NOTE 4 - RECEIVABLES

Receivables at December 31, 2022, 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.

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 \$11,506,026 and \$663,810 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, 2022.

City of Cuyahoga Falls, Ohio

NOTE 4 – RECEIVABLES (CONTINUED)

The assessed values of real public utility and tangible personal property upon which 2022 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
Total Valuation	\$ 1,199,722,110

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 2022 for the City was \$31,394,242. The amount of \$8,484,196 has been recorded in the General Fund as taxes receivable (net of refunds) to reflect income taxes receivable recorded as of December 31, 2022.

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>Governmental Activities</u>	<u>Amounts</u>
Gasoline and Excise Tax	\$ 975,423
Local Government and Local Government Revenue Assistance	969,013
Homestead and Rollback	680,317
Regional Income Tax Agency	439,456
Ohio Department of Natural Resources	435,252
Gasoline Excise Tax - Added	236,793
Motor Vehicle License Fees	179,865
Permissive Motor Vehicle License Tax	162,781
EMS Transport Fees	95,422
Federal Grants	60,588
License Surtax - Addition	57,401
Boston Township - City of Cuyahoga Falls JEDD	40,988
Other Agencies	11,518
Bureau of Workers' Compensation	11,260
Enhanced 9-1-1 Wireless Distribution	11,190
Other State Grants and Reimbursements	10,969
Ohio Department of Transportation	8,375
Ohio & Erie Canalway Coalition	5,000
Total Governmental Activities	<u>\$ 4,391,611</u>
<u>Business-type Activities</u>	<u>Amounts</u>
Ohio Public Works Commission	\$ 430,433
Utilities Charges	76,441
Summit County Clerk of Courts	20,643
Total Business-Type Activities	<u>\$ 527,517</u>

City of Cuyahoga Falls, Ohio

NOTE 4 – RECEIVABLES (CONTINUED)

Leases Receivable

The City is reporting leases receivable of \$1,270,410 in the enterprise funds at December 31, 2022. For 2022, the City recognized lease revenue of \$160,294 and interest revenue of \$88,409 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
Power Station	2019	5	2024	Monthly
New Cingular Wireless	2010	36	2046	Monthly
ALLTEL Ohio	2005	40	2045	Monthly
VoiceStream Columbus	2005	30	2035	Monthly
Summa Health Systems	2004	20	2024	Monthly
SprintCom	2000	30	2030	Monthly
MCImetro Access Transmission Services Corp.	2019	5	2024	Yearly

A summary of future lease revenue is as follows:

Year	Water		Electric		Leisure	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$51,492	\$35,830	\$6,488	\$433	\$74,604	\$4,132
2024	53,872	34,121	6,837	222	56,561	990
2025	57,927	32,319	0	0	0	0
2026	61,887	30,369	0	0	0	0
2027	64,651	28,317	0	0	0	0
2028-2032	300,665	110,598	0	0	0	0
2033-2037	236,281	64,912	0	0	0	0
2038-2042	165,282	36,153	0	0	0	0
2043-2046	133,863	7,569	0	0	0	0
	<u>\$1,125,920</u>	<u>\$380,188</u>	<u>\$13,325</u>	<u>\$655</u>	<u>\$131,165</u>	<u>\$5,122</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

Policies and Practices

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

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

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation or may 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 2022, 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.

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

1. Government securities

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

City of Cuyahoga Falls, Ohio

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

3. Star Ohio

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

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

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

5. City of Cuyahoga Falls, Ohio Notes and Bonds

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end the carrying amount of the City's deposits was \$5,273,881 and the bank balance was \$5,944,514. Of the bank balance, \$500,000 was covered by Federal depository insurance and \$5,444,514 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 \$9,735 as of December 31, 2022. As of December 31, 2022, the City had \$297,062 of unspent capital lease proceeds held in escrow. See note 11 for further details.

At year-end, the carrying amount of the Community Improvement Corporation of Cuyahoga Falls, a component unit, deposits were \$2,011,457 and the bank balance was \$2,011,457. Information regarding the collateralization of the Community Improvement Corporation of Cuyahoga Falls can be obtained from the corporation's compilation report.

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2022.

As of December 31, 2022 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	\$67,207,813	Aaam**	\$67,207,813	\$0	N/A
Fair Value:					
Federal Home Loan Mortgage	0		0	0	
Federal National Mortgage Association	0		0	0	
United States Treasury Note	18,833,622	Aaa*	3,280,746	15,552,876	Level 1
Negotiable Certificates of Deposit	10,532,190		3,684,924	6,847,266	Level 1
Total	<u>\$96,573,626</u>		<u>\$74,173,483</u>	<u>\$22,400,142</u>	

* Ratings obtained from Moody's

** Ratings obtained from S&P

Interest Rate Risk

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

Credit Risk

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

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.

City of Cuyahoga Falls, Ohio

NOTE 5 - DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent more invested in the securities of a single issuer. The City's investment policy places 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, 2022.

Type	Percentage of Total
Deposits	6.56%
STAR Ohio	65.03%
United States Treasury Note	18.22%
Negotiable Certificates of Deposit	10.19%
Total	100.00%

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Balance 1/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance 12/31/2022</u>
Governmental Activities					
<i>Capital Assets Not Being Depreciated</i>					
Land	\$ 12,651,011	\$ 2,767,411	\$ -	\$ -	\$ 15,418,422
Construction In Progress	8,550,034	2,724,492	(6,135,196)	(1,973,447)	3,165,883
<i>Total Capital Assets Not Being Depreciated</i>	21,201,045	5,491,903	(6,135,196)	(1,973,447)	18,584,305
<i>Capital Assets Being Depreciated</i>					
Buildings	42,979,309	1,096,460	-	-	44,075,769
Improvements	14,410,420	3,027,967	-	-	17,438,387
Machinery and Equipment	36,601,620	1,820,926	(1,226,272)	31,144	37,227,418
Infrastructure					
Roads	83,968,391	2,228,400	-	-	86,196,791
Traffic Signals	496,122	-	-	-	496,122
Bridges	10,749,255	-	-	-	10,749,255
<i>Total Capital Assets Being Depreciated</i>	189,205,117	8,173,753	(1,226,272)	31,144	196,183,742
<i>Less Accumulated Depreciation</i>					
Buildings	(18,158,759)	(1,353,894)	-	-	(19,512,653)
Improvements	(3,211,024)	(583,466)	-	-	(3,794,490)
Machinery and Equipment	(24,940,586)	(2,486,711)	1,172,048	(29,587)	(26,284,836)
Infrastructure					
Roads	(34,059,149)	(1,995,086)	-	-	(36,054,235)
Traffic Signals	(263,275)	(26,907)	-	-	(290,182)
Bridges	(3,641,470)	(205,606)	-	-	(3,847,076)
<i>Total Accumulated Depreciation</i>	(84,274,263)	(6,651,670)	1,172,048	(29,587)	(89,783,472)
<i>Total Capital Assets Being Depreciated, Net</i>	<u>104,930,854</u>	<u>1,522,083</u>	<u>(54,224)</u>	<u>1,557</u>	<u>106,400,270</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 126,131,899</u>	<u>\$ 7,013,986</u>	<u>\$ (6,189,420)</u>	<u>\$ (1,971,890)</u>	<u>\$ 124,984,575</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 1,135,541
Security of Persons and Property	1,768,000
Community Environment	83,370
Leisure Time Activities	647,135
Street Maintenance	3,005,801
Garage	11,823
Grand Total	<u>\$ 6,651,670</u>

City of Cuyahoga Falls, Ohio

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	Balance 1/1/2022 <u>Restated</u>	Additions	Deletions	Transfers	Balance 12/31/2022
Business-Type Activities					
<i>Capital Assets Not Being Depreciated</i>					
Land	\$ 3,589,128	\$ 530,017	\$ -	\$ -	\$ 4,119,145
Construction In Progress	818,084	2,814,129	(466,151)	1,973,447	5,139,509
<i>Total Capital Assets Not Being Depreciated</i>	4,407,212	3,344,146	(466,151)	1,973,447	9,258,654
<i>Capital Assets Being Depreciated/Amortized</i>					
Buildings	40,128,928	328,342	-	-	40,457,270
Improvements	148,218,165	6,263,438	-	-	154,481,603
Machinery and Equipment	19,626,503	1,983,062	(900,785)	(31,144)	20,677,636
Intangible Right to Use Lease - Equipment*	156,179	-	-	-	156,179
<i>Total Capital Assets Being Depreciated/Amortized</i>	208,129,775	8,574,842	(900,785)	(31,144)	215,772,688
<i>Less Accumulated Depreciation/Amortization</i>					
Buildings	(16,337,186)	(899,606)	-	-	(17,236,792)
Improvements	(72,695,397)	(3,772,561)	-	-	(76,467,958)
Machinery and Equipment	(11,853,798)	(1,281,214)	864,797	29,587	(12,240,628)
Intangible Right to Use Lease - Equipment*	-	(78,089)	-	-	(78,089)
<i>Total Accumulated Depreciation/Amortization</i>	(100,886,381)	(6,031,470)	864,797	29,587	(106,023,467)
<i>Total Capital Assets Being Depreciated/Amortized, Net</i>	107,243,394	2,543,372	(35,988)	(1,557)	109,749,221
<i>Total Business-Type Capital Assets, Net</i>	111,650,606	5,887,518	(502,139)	1,971,890	119,007,875
Depreciation expense was charged to business-type activities as follows:					
Sewage and Disposal					\$ 841,168
Water					945,252
Electric					2,273,250
Sanitation					493,815
Leisure Time*					1,083,702
Storm Drainage					394,283
Grand Total					<u>\$ 6,031,470</u>

*Of the current year depreciation total of \$6,031,470, \$78,089, 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.

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):

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. 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 will be consolidated under the traditional pension plan (defined benefit plan) and the combined plan will no longer be available for new hires beginning in 2022.

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

Funding Policy

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2022 Actual Contribution Rates	
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 and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with remainder going to pension.

City of Cuyahoga Falls, Ohio

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 2022 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Directed plan for 2022. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$2,730,983 for fiscal year ending December 31, 2022. Of this amount, \$210,826 is reported as an intergovernmental payable.

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

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

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

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

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

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

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

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
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2022 Actual Contribution Rates		
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 \$2,504,173 for 2022. Of this amount, \$346,590 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, 2021, 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, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. 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 Totals	Totals
Proportion of the Net Pension Liability				
Prior Measurement Date	0.129614%	0.140407%	0.5049505%	-
Proportion of the Net Pension Liability				
Current Measurement Date	0.129738%	0.116350%	0.4910784%	-
Change in Proportionate Share	0.000124%	0.024057%	0.0138721%	-
 Proportionate Share of the Net Pension				
Liability	\$ 11,287,731	\$ (458,425)	\$ 30,679,739	\$ 41,509,045
Pension Expense	\$ (1,905,061)	\$ (9,745)	\$ 1,958,531	\$ 43,725

City of Cuyahoga Falls, Ohio

NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

At December 31, 2022, 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	Totals
Deferred Outflows of Resources				
Differences between expected and actual experience	\$ 575,432	\$ 2,844	\$ 884,625	\$ 1,462,901
Changes of assumptions	1,411,519	23,038	5,606,941	7,041,498
Changes in proportion and differences between City contributions and proportionate share of contributions	287,755	51,572	671,928	1,011,255
City contributions subsequent to the measurement date	<u>2,730,983</u>	<u>68,634</u>	<u>2,504,173</u>	<u>5,303,790</u>
Total Deferred Outflows of Resources	<u>\$ 5,005,689</u>	<u>\$ 146,088</u>	<u>\$ 9,667,667</u>	<u>\$ 14,819,444</u>
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$ 13,426,345	\$ 98,277	\$ 8,043,757	\$ 21,568,379
Differences between expected and actual experience	247,567	51,269	1,594,924	1,893,760
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>408,188</u>	<u>6,558</u>	<u>1,260,115</u>	<u>1,674,861</u>
Total Deferred Inflows of Resources	<u>\$ 14,082,100</u>	<u>\$ 156,104</u>	<u>\$ 10,898,796</u>	<u>\$ 25,137,000</u>

\$3,871,177 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Combined Total	OP&F Combined Total
2023	\$ (1,899,760)	\$ (23,329)	\$ (172,263)	\$ (2,095,352)
2024	(4,614,738)	(34,848)	(2,201,186)	(6,850,772)
2025	(3,157,077)	(20,734)	(1,026,048)	(4,203,859)
2026	(2,135,819)	(14,288)	(851,806)	(3,001,913)
2027	-	3,004	516,001	519,005
Thereafter	-	11,545	-	11,545
Total	<u>\$ (11,807,394)</u>	<u>\$ (78,650)</u>	<u>\$ (3,735,302)</u>	<u>\$ (15,621,346)</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, 2021, 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. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2% down to 6.9%, for the defined benefit investments. 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>
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	3.25 percent	3.25 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple	3 percent, simple through 2022, then 2.05 percent simple
Prior Measurement Date:	0.50 percent, simple through 2021, then 2.15 percent simple	0.50 percent, simple through 2021, then 2.15 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	7.2 percent	7.2 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 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.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3 percent for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 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	24.00 %	1.03 %
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00 %	4.21 %

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 to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower 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	\$ 29,760,600	\$ 11,287,731	\$ 4,084,152
Combined Plan	\$ (342,069)	\$ (458,425)	\$ (549,172)

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2021 is based on the results of an actuarial valuation date of January 1, 2021, 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, 2021, are presented below:

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
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 non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

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

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

The most recent experience study was completed December 31, 2016.

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, 2021 are summarized below:

NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return **</u>
Domestic Equity	21.00 %	3.60 %
International Equity	14.00	4.40
Core Fixed Income *	23.00	1.10
U.S. Inflation Linked Bonds *	17.00	0.80
High Yield Fixed Income	7.00	3.00
Private Real Estate	12.00	4.80
Private Markets	8.00	6.80
Midstream Energy Infrastructure	5.00	5.00
Private Credit	5.00	4.50
Real Assets	8.00	5.90
Gold	5.00	2.40
Total	125.00 %	

Note: Assumptions are geometric

* levered 2x

** numbers are net of expected inflation

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

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
City's proportionate share of the net pension liability	\$ 45,497,627	\$ 30,679,740	\$ 18,340,099

City of Cuyahoga Falls, Ohio

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.

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.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2021, measurement date health care valuation.

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of covered payroll. In 2022, 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 2022, OPERS did not allocate employer contributions to health care for members in the Traditional Pension Plan and 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 2022 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 \$6,266 for 2022.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description

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.

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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 or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2022, 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 \$58,583 for 2022.

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

The net OPEB asset and total OPEB asset for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. 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:

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

	OPERS	OP&F	Single Employer Plan	Total
Proportion of the Net OPEB Liability				
Prior Measurement Date	0.126261%	0.5049505%	-	0.6312120%
Proportion of the Net OPEB Liability				
Current Measurement Date	0.125704%	0.4910784%	-	0.6167820%
Change in Proportionate Share	<u>-0.000557%</u>	<u>-0.0138721%</u>	<u>-</u>	<u>-0.0144290%</u>
Proportionate Share of the Net OPEB Asset	\$ 3,937,242	\$ -	\$ -	\$ 3,937,242
OPEB Liability	\$ -	\$ 5,382,642	0 \$ 6,471,341	\$11,853,983

*For more information on the city's single employer plan, see Note 19 - Defined Benefit Single OPEB Plan

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ -	\$ 244,862	\$ 244,862
Changes of assumptions	-	2,382,520	2,382,520
Changes in proportion and differences between City contributions and proportionate share of contributions	33,586	130,158	163,744
City contributions subsequent to the measurement date	<u>12,879</u>	<u>58,583</u>	<u>71,462</u>
Total Deferred Outflows of Resources	<u>\$ 46,465</u>	<u>2,816,123</u>	<u>2,862,588</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 597,219	\$ 711,393	\$ 1,308,612
Changes of assumptions	1,593,750	625,161	2,218,911
Net difference between projected and actual earnings on OPEB plan investments	1,877,002	486,234	2,363,236
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>153,333</u>	<u>434,655</u>	<u>587,988</u>
Total Deferred Inflows of Resources	<u>\$ 4,221,304</u>	<u>\$ 2,257,443</u>	<u>\$ 6,478,747</u>

\$71,462 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 and increase of the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2023	\$ (2,627,667)	\$ 130,158	\$ (2,497,509)
2024	(880,368)	57,972	(822,396)
2025	(410,116)	81,754	(328,362)
2026	(269,567)	40,052	(229,515)
2027	-	106,048	106,048
Thereafter	-	84,113	84,113
Total	<u>\$ (4,187,718)</u>	<u>\$ 500,097</u>	<u>\$ (3,687,621)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan 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, 2020, rolled forward to the measurement date of December 31, 2021. 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:	3.25 percent
Projected Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent, including wage inflation
Prior Measurement Date:	3.25 to 10.75 percent, including wage inflation
Single Discount Rate:	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current Measurement Date:	1.84 percent
Prior Measurement Date:	2.00 percent
Health Care Cost Trend Rate	
Current Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2034
Prior Measurement Date:	8.50 percent initial, 3.50 percent ultimate in 2035
Actuarial Cost Method	Individual Entry Age

NOTE 8 – POST-EMPLOYMENT BENEFITS (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 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.

During 2021, 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 gain of 14.30 percent for 2021.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	<u>100.00 %</u>	3.45 %

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB asset on the measurement date of December 31, 2021. A single discount rate of 6.00 percent was used to measure the OPEB asset on the measurement date of December 31, 2020. 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 1.84 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 2121. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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 6.00 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 (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB asset	\$ 2,315,468	\$ 3,937,242	\$ 5,283,339

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 2022 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 asset	\$ 3,979,789	\$ 3,937,242	\$ 3,886,768

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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.

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, 2021, with actuarial liabilities rolled forward to December 31, 2021
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	2.84 percent
Prior measurement date	2.96 percent
Cost of Living Adjustments	2.2 percent simple

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

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

City of Cuyahoga Falls, Ohio

NOTE 8 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized below:

<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	21.00	3.60
Non-US Equity	14.00	4.40
Core Fixed Income *	23.00	1.10
U.S. Inflation Linked Bonds *	17.00	0.80
High Yield Fixed Income	7.00	3.00
Private Real Estate	12.00	4.80
Private Markets	8.00	6.80
Midstream Energy Infrastructure	5.00	5.00
Private Credit	5.00	4.50
Real Assets	8.00	5.90
Gold	5.00	2.40
Total	<u>125.00 %</u>	

Note: Assumptions are geometric

* levered 2x

** numbers are net of expected inflation

NOTE 8 – POST-EMPLOYMENT BENEFITS (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 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 U.S. inflation linked bonds and the implementation approach for gold.

Discount Rate The total OPEB liability was calculated using the discount rate of 2.84percent. 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, a municipal bond rate of 2.05 percent at December 31, 2021and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 2.84 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

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 2.84 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 (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	\$ 6,766,101	\$ 5,382,642	\$ 4,245,436

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate because it is based on a medical benefit that is a flat dollar amount.

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.

City of Cuyahoga Falls, Ohio

NOTE 10 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Since March 31, 2014, the City has made payments of \$2,247,455 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 \$107,818 and interest expense incurred on AMP's line-of-credit of \$261,682, resulting in a net impaired cost estimate at December 31, 2022 of \$1,131,870. The City does have a Potential PHFU Liability of \$2,633,337 resulting in a net total potential liability of \$3,765,207, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The City intends to these costs and repay AMP over the next 6½ years through a power cost adjustment, thus this incurred cost has been capitalized and reported as a regulated asset, as allowed by GASB Statement No. 62. Of this liability, the scheduled monthly payments for 2023, which total \$167,322, is considered the current portion.

E. Subsequent Events

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

NOTE 11 – FINANCED PURCHASES PAYMENT AGREEMENTS

The City finances various capital assets through purchase payment agreements. The following agreements were outstanding at December 31, 2022: 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). Due to production delays, the Elgin Sweeper and Lubrication system was not received by December 31, 2022, therefore, \$297,062 was held in escrow, and recorded as Cash and cash equivalents - escrow in governmental activities in the Statement of Net Position.

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

<u>Asset</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
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
Less: Accumulated Depreciation	(69,519)	\$ (311,785)
Total	<u>\$ 296,373</u>	<u>\$ 470,844</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2022, were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2023	\$ 137,437	\$ 163,718
2024	137,437	84,425
2025	137,437	84,425
Total	<u>412,311</u>	<u>332,568</u>
Less: Amount representing interest	(14,018)	(9,455)
Present value of minimum lease payments	<u>\$ 398,293</u>	<u>\$ 323,113</u>

NOTE 12 - SHORT-TERM OBLIGATIONS

A summary of the changes in the City's short-term obligations for the year ended December 31, 2022, was as follows:

	<u>Balance</u> January 1, 2022	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> December 31, 2022
General Obligation Bond Anticipation Notes				
<u>Governmental Activities:</u>				
Recreation Levy Special Revenue Fund Obligations:				
4.50% Various Purpose Notes, due 11/08/2023	\$ 0	\$ 550,000	\$ 0	\$ 550,000
Princeton Crossroads Tax Increment Equivalent Special Revenue Fund Obligations:				
4.50% Various Purpose Notes, due 11/08/2023	\$ 0	\$ 1,200,000	\$ 0	\$ 1,200,000
Capital Projects Fund Obligations:				
1.00% Various Purpose Notes, due 11/10/2022	\$ 3,495,000	\$ 0	\$ 3,495,000	\$ 0
4.50% Various Purpose Notes, due 11/08/2023	\$ 0	\$ 3,495,000	\$ 0	\$ 3,495,000
Total Governmental Activities	<u>\$ 3,495,000</u>	<u>\$ 5,245,000</u>	<u>\$ 3,495,000</u>	<u>\$ 5,245,000</u>
Grand Total	<u>\$ 3,495,000</u>	<u>\$ 5,245,000</u>	<u>\$ 3,495,000</u>	<u>\$ 5,245,000</u>

On November 8, 2022, the City issued notes in the amount of \$5,245,000 in anticipation of the issuance of bonds, for the purpose of construction, reconstruction, and renovation of the municipal Brookledge golf course clubhouse, 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, and improving the municipal public infrastructure in the Woodlands Subdivision including Sourek Trail, Sand Hill Drive, Kubic Drive, West Woodland Drive, East Woodland Drive. The notes mature on November 8, 2023 and have a stated interest rate of 4.50 percent.

City of Cuyahoga Falls, Ohio

NOTE 13 - LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<u>Business-type Activities:</u>				
Enterprise Fund Obligations				
<u>Bonds Payable</u>				
2004 Recreation Improvement ¹	04/08/2004	12/01/2024	2.00%-5.00%	\$ 8,000,000
2009 Various Purpose Refunding (Recreation) ²	10/14/2009	12/01/2037	2.00%-5.00%	8,040,000
2011 Various Purpose Refunding (2001 Water)	10/18/2011	12/01/2021	1.50%-3.00%	3,180,000
2012 Recreation Improvement Refunding	09/20/2012	12/01/2024	1.50%-2.50%	5,485,000
2016 Recreation Improvement Refunding	11/03/2016	12/01/2037	1.50%-4.00%	5,920,000
2018 Various Purpose Improvement Sewer System	08/07/2018	08/01/2033	2.92%	505,000
2020 Various Purpose Improvement Water System	11/17/2020	12/31/2040	1.00%-4.00%	1,260,000
2022 Various Purpose Bonds Water Meters (Sewer)	11/30/2022	12/31/2032	3.57%	1,935,000
2022 Various Purpose Bonds Water Meters (Water)	11/30/2022	12/31/2032	3.57%	1,940,000
2022 Various Purpose Bonds Electric Meters	11/30/2022	12/31/2032	3.57%	3,335,000
<u>Governmental Activities:</u>				
<u>Bonds Payable</u>				
Other General Obligation Bonds:				
2015 Land Acquisition and Improvement Bonds	08/05/2015	12/01/2042	0.85%-4.85%	\$ 6,185,000
2018 Various Purpose Improvement - Street	08/07/2018	08/01/2033	2.92%	6,885,000
2018 Various Purpose Improvement - Parking Facilities	08/07/2018	08/01/2033	2.92%	3,780,000
2020 Various Purpose Improvement Fire Station	11/17/2020	12/31/2040	1.00%-4.00%	3,950,000

Notes:

¹ 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 \$1,140,000 as of December 31, 2022.

² 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 \$5,425,000 as of December 31, 2022.

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

A summary of the changes in the City's long-term obligations for the year ended December 31, 2022, was as follows:

	Balance January 1, 2022 <u>Restated</u>	Issued 2022	Retired 2022	Balance December 31, 2022	Amount Due Within One Year
Business-type Activities:					
Enterprise Fund Obligations					
Bonds Payable					
2012 Recreation Improvement Refunding	\$ 1,595,000	\$ 0	\$ 520,000	\$ 1,075,000	\$ 530,000
2016 Recreation Improvement Refunding	5,210,000	0	240,000	4,970,000	250,000
2018 Various Purpose Improvement Sewer System	420,000	0	30,000	390,000	30,000
2020 Various Purpose Improvement Water System	1,215,000	0	50,000	1,165,000	50,000
2022 Various Purpose Bonds Water Meters (Sewer)	0	1,935,000	0	1,935,000	160,000
2022 Various Purpose Bonds Water Meters (Water)	0	1,940,000	0	1,940,000	165,000
2022 Various Purpose Bonds Electric Meters	0	3,335,000	0	3,335,000	280,000
Unamortized Bond Discount	(23,479)	0	(4,253)	(19,226)	0
Unamortized Bond Premium	903,997	0	76,872	827,125	0
Total Business-type Activities Bonds Payable	<u>9,320,518</u>	<u>7,210,000</u>	<u>912,619</u>	<u>15,617,899</u>	<u>1,465,000</u>
Other Obligations					
Finance Purchases Payable (Note 11)	477,292	0	154,179	323,113	157,370
Leases Payable	156,179	0	76,530	79,649	79,649
Payable to AMP (Note 10, D)	1,271,892	27,300	167,322	1,131,870	167,322
Compensated Absences (Note 9)	2,246,871	215,782	198,548	2,264,105	427,922
Net Pension Liability: OPERS (Note 7)	9,308,610	975,100	4,808,032	5,475,678	0
Total Business-type Activities Other Obligations	<u>13,460,844</u>	<u>1,218,182</u>	<u>5,404,611</u>	<u>9,274,415</u>	<u>832,263</u>
Total Business-type Activities	<u>\$ 22,781,362</u>	<u>\$ 8,428,182</u>	<u>\$ 6,317,230</u>	<u>\$ 24,892,314</u>	<u>\$ 2,297,263</u>
Governmental Activities:					
Bonds Payable					
Other General Obligation Bonds:					
2015 Land Acquisition and Improvement Bonds	\$ 5,340,000	\$ 0	\$ 165,000	\$ 5,175,000	\$ 170,000
2018 Various Purpose Improvement - Street	5,750,000	0	400,000	5,350,000	415,000
2018 Various Purpose Improvement - Parking Facilities	2,806,892	0	195,726	2,611,166	204,623
2020 Various Purpose Improvement Fire Station	3,805,000	0	150,000	3,655,000	150,000
Unamortized Bond Discount	(13,506)	0	(643)	(12,863)	0
Unamortized Bond Premium	546,325	32,782	56,021	523,086	0
Total Governmental Activities Bonds Payable	<u>18,234,711</u>	<u>32,782</u>	<u>966,104</u>	<u>17,301,389</u>	<u>939,623</u>
Other Obligations					
Finance Purchases Payable (Note 11)	526,517	0	128,224	398,293	130,468
Compensated absences (Note 9)	7,902,010	1,117,741	475,817	8,543,934	1,501,883
Claims and Judgments Payable (Note 15)	623,181	5,916,588	5,904,892	634,877	634,877
Net Pension Liability: OPERS (Note 7)	9,884,402	1,036,008	5,108,357	5,812,053	0
Net Pension Liability: OP&F (Note 7)	34,422,928	1,869,241	5,612,430	30,679,739	0
Net Other Postemployment Benefits Liability: OP&F (Note 8)	5,350,033	117,451	84,842	5,382,642	0
Net Other Postemployment Benefits Liability – City Defined Benefit Single Employer Plan (Note 19)	9,830,547	433,452	3,792,658	6,471,341	0
Total Governmental Activities Other Obligations	<u>68,539,618</u>	<u>10,490,481</u>	<u>21,107,220</u>	<u>57,922,879</u>	<u>2,267,228</u>
Total Governmental Activities	<u>\$ 86,774,329</u>	<u>\$ 10,523,263</u>	<u>\$ 22,073,324</u>	<u>\$ 75,224,268</u>	<u>\$ 3,206,851</u>

City of Cuyahoga Falls, Ohio

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

The above schedule of long-term obligations differs from liabilities reported on the government-wide statement of net position as a result of the compensated absences payable associated with business-type activities being included with the long-term liabilities of the governmental activities. The Compensated Absences Internal Service Fund is responsible for the payment of both governmental and business-type compensated absences liabilities. Since governmental activities are the primary user of the internal service fund, GAAP requires that the long-term liabilities of the internal service fund be reported among the governmental activities. A reconciliation of the schedule of long-term obligations to the statement of net position at December 31, 2022 were as follows:

	Governmental Activities	Business- Type Activities	<u>Total</u>
Long-term obligations per schedule on previous page	\$ 75,224,268	\$ 24,892,314	\$ 100,116,582
Consolidation of Compensated Absences Internal Service Fund into governmental activities	<u>2,264,105</u>	<u>(2,264,105)</u>	<u>-</u>
Long-term obligations on government-wide statement of net position	<u>\$ 77,488,373</u>	<u>\$ 22,628,209</u>	<u>\$ 100,116,582</u>

Of the \$2,264,105 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), \$427,922 is due within one year.

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, 2022, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt without a vote of the electors) was \$49,441,319. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2022 (excluding financed purchases payable and leases) are as follows:

Year	Business-type Obligations		Governmental Activities Obligations	
	Principal	Interest	Principal	Interest
2023	\$ 1,465,000	\$ 533,725	\$ 939,623	\$ 585,484
2024	1,515,000	485,785	969,071	557,451
2025	995,000	437,893	993,520	531,377
2026	1,040,000	401,213	1,032,416	499,157
2027	1,085,000	362,893	1,066,313	465,651
2028-2032	6,080,000	1,184,006	5,899,427	1,771,632
2033-2037	2,385,000	315,168	3,365,796	872,574
2038-2042	<u>245,000</u>	<u>14,850</u>	<u>2,525,000</u>	<u>309,762</u>
Total	<u>\$ 14,810,000</u>	<u>\$ 3,735,533</u>	<u>\$ 16,791,166</u>	<u>\$ 5,593,088</u>

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

NOTE 13 - LONG-TERM OBLIGATIONS (CONTINUED)

Leases Payable

The City entered into a lease agreement for golf carts at Brookledge Golf Course for six years in 2017. 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 remaining principal and interest for the final year of the leases in 2023 is \$81,660.

NOTE 14 - INTERFUND TRANSFERS AND BALANCES

A. Transfers

As of December 31, 2022, interfund transfers were as follows:

Transfers Out	Transfers In		Total
	Nonmajor Governmental Funds	Leisure Time Fund	
General Fund	\$ 3,540,000	\$ 280,732	\$ 3,820,732
Total	\$ 3,540,000	\$ 280,732	\$ 3,820,732

The General Fund transfers to the Nonmajor Governmental Funds and the Leisure Time Enterprise Fund were made to provide additional resources.

As of December 31, 2022, net transfers on the Statement of Activities is as follows:

	Business-type Activities					Governmental Activities Capital Contributions	Total Statement of Activities Transfers
	Leisure Time Additional Resources	Sewage and Disposal Capital Contributions	Water Capital Contributions	Electric Capital Contributions	Storm Drainage Capital Contributions		
Governmental Activities Transfer Out	\$ (280,732)	\$ (515,057)	\$ (1,314,169)	\$ (52,248)	\$ (91,973)	\$ 1,557	\$ (2,252,622)
Business-type Activities Transfer In	\$ 280,732	\$ 515,057	\$ 1,314,169	\$ 52,248	\$ 91,973	\$ (1,557)	\$ 2,252,622

Sewer, water, electric, and storm drainage capital contributions from governmental activities to business-type activities consist of improvements made to Woodlands Subdivision including Sourek Trail, Sand Hill Drive, Kubic Drive, West Woodland Drive, East Woodland Drive, which were paid for from the Capital Projects Fund, recorded as construction in progress and donated to the Sewage, and Disposal, Water, Electric, and Storm Drainage Enterprise funds in 2022. The City is in the process of creating a Sourek Trail Tax Increment Equivalent Fund to finance this project, and reimburse the Capital Projects Fund for the expense. Governmental activities capital contributions from business-type activities relates to the book value of a vehicle which was transferred from the Electric Fund to the Parks and Recreation 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, 2022 are as follows:

	Due from Other Funds	Due to Other Funds
<u>Government Funds</u>		
General Fund	\$ 69,538	\$ 84,356
Special Revenue Funds:		
Street Construction, Maintenance and Repair	0	8,085
Recreation Levy	60,000	2,417
Permissive Tax Fund	<u>0</u>	<u>27,561</u>
	<u>60,000</u>	<u>38,063</u>
Capital Projects	<u>28,397</u>	<u>1,417</u>
Total Governmental Funds:	<u>157,935</u>	<u>123,836</u>
<u>Proprietary Funds</u>		
Enterprise Funds:		
Sewage and Disposal	66,337	64,225
Water	0	224,612
Electric	430,851	3,787
Sanitation	10,791	45,378
Leisure Time	0	220,823
Storm Drainage Utility	<u>19,527</u>	<u>0</u>
	<u>527,506</u>	<u>558,825</u>
Internal Service Funds:		
Garage	<u>0</u>	<u>2,780</u>
	<u>0</u>	<u>2,780</u>
Total Proprietary Funds	<u>527,506</u>	<u>561,605</u>
Total All Funds	<u>\$ 685,441</u>	<u>\$ 685,441</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 2022, 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 in accordance with the Summary Plan Description and claims are then paid by the Self-Insurance Fund. For the fiscal coverage year January 1, 2022 through December 31, 2022, 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 health-care coverage. In 2022, City employees were offered four (4) health care plan options, including a high-deductible health plan with a Health Savings Account (HSA).

Employee contributions are a percentage of budgeted health care costs. The budgeted health care costs include all costs in the self-insurance fund budget with the exception of dental and vision costs. In the event that budgeted health care costs, based on the City's health care consultant, are projected to increase by 10 percent or more, the Health Care Committee shall implement cost containment measures to keep budgeted health care cost increases at or below 10 percent per year. The Self-Insurance Fund pays all claims, stop-loss coverage and administrative fees for health-care coverage. A liability, in the amount of \$634,877 has been recorded to reflect the outstanding claims as of December 31, 2022. Most health insurance claims are presented for payment to the City within several months after services are rendered.

B. Workers' Compensation Internal Service Fund

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

Under the Individual Retrospective Rating Plan, the City pays all claim-related expenses on an annual basis, for a period of ten years from the date of injury. At the tenth year, the BWC actuarially determines the expected future cost (reserve) of all active ten-year-old claims and bills the City. The BWC then assumes all future liability for those claims. Due to the switch to Group, the City's liability under the Individual rating plan ends 12/31/2023.

For 2022, the workers' compensation premium paid by the City was \$351,573 and the total retroactive claims loss (2013) was \$424 for a total of \$351,997. For 2023, the estimated premium is \$328,502.

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 2022, the City received a \$50,545 rebate for the first evaluation for plan year 2021. In 2023, 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 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.

	2020		2021		2022	
	Self-Insurance	Workers' Compensation	Self-Insurance	Workers' Compensation	Self-Insurance	Workers' Compensation
Unpaid claims-January 1	\$ 504,464	\$ 27,647	\$ 358,892	\$ 45,559	\$ 606,094	\$ 17,087
Incurred claims (including IBNRs)	5,272,660	19,013	5,239,558	17,087	5,933,251	(16,663)
Claim payments made during the year	(5,418,232)	(1,101)	(4,992,356)	(45,559)	(5,904,468)	(424)
Unpaid claims-December 31	\$ 358,892	\$ 45,559	\$ 606,094	\$ 17,087	\$ 634,877	\$ -

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, 2022, 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, 2022, the outstanding debt was \$0. The City's net investment in OMEGA JV2 was (\$77,022) 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.

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

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, 2022. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

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

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

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

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

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess funds shall be paid to the Participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110 percent of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2022, 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 \$683,907 at December 31, 2022, which was a \$305,968 decrease from the prior year. The decrease in the City’s net investment is directly related to asset impairment. During 2022, 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.

NOTE 17 – OTHER COMMITMENTS

Construction Commitments

As of December 31, 2022, the City had the following significant commitments with respect to projects requiring capital expenditures:

<u>Capital Project</u>	<u>2022 Remaining Construction Contract</u>	<u>Expected Date of Completion</u>
2022 Ford E450 Braun Chief XL Ambulance	\$ 279,598	2023
Pierce Saber Rescue Truck and Equipment	\$ 852,519	2023
Steels Corners Road Resurfacing (Northampton - Akron Peninsula Road)	\$ 384,639	2023
State-Seasons-Wyoga Lake Roadway Improvements	\$ 219,500	2023
333 Pleasant Meadow Boulevard Brownfield Remediation	\$ 1,392,732	2023
Elgin Whirlwind Street Sweeper - Sewer	\$ 297,062	2023
Automated Meter Reading - Sewer	\$ 1,205,729	2024
Automated Meter Reading - Water	\$ 1,205,729	2024
Automated Meter Reading - Electric	\$ 3,399,289	2024
Waterline - Magnolia-Loomis Replacement	\$ 1,226,439	2023
Waterline - Portage Trail (Valley-Northampton)	\$ 884,663	2023
12.5 KV System upgrade	\$ 2,188,356	2023
Electric Department Office / Warehouse relocation	\$ 374,000	2024
Transformers	\$ 360,151	2023
Transformers	\$ 344,238	2023
Lippman Parkway Culvert	\$ 351,654	2023
Cochran Road Storm Sewer	\$ 321,611	2023

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	\$ 189,782
Capital Projects Fund	0
Other Governmental	<u>625,598</u>
Total Governmental Funds	<u>\$ 815,380</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	\$ 96,264	\$ -	\$ -	\$ 702,709	\$ 798,973
Prepaid items	213,302	-	-	35,977	249,279
Cemetery perpetual care	-	-	-	249,914	249,914
<i>Total nonspendable</i>	<u>309,566</u>	<u>-</u>	<u>-</u>	<u>988,600</u>	<u>1,298,166</u>
<i>Restricted for</i>					
Development federal programs	14,144	-	-	2,260,726	2,274,870
Debt service reserves	-	-	-	247,769	247,769
Streets and highways	-	-	-	1,565,792	1,565,792
Police pension	-	-	-	28,565	28,565
Fire pension	-	-	-	991	991
Parks and recreation improvements	-	-	-	1,823,682	1,823,682
Enterprise zone / community reinvestment area	-	-	-	120,907	120,907
Other law enforcement	-	-	-	391,683	391,683
Capital improvements and related debt	-	-	2,832,077	-	2,832,077
Tax increment finance district area uses	-	-	-	222,366	222,366
Coronavirus State and Local Fiscal Recovery Funds	-	1,532	-	-	1,532
OneOhio Opioid Settlement uses	-	-	-	50,691	50,691
<i>Total restricted</i>	<u>14,144</u>	<u>1,532</u>	<u>2,832,077</u>	<u>6,713,172</u>	<u>9,560,925</u>
<i>Committed to</i>					
In lieu of public site subdivision regulations	-	-	411,000	-	411,000
Urban renewal area	-	-	-	1,728	1,728
<i>Total committed</i>	<u>-</u>	<u>-</u>	<u>411,000</u>	<u>1,728</u>	<u>412,728</u>
<i>Assigned to</i>					
Outstanding encumbrances:					
Security of persons and property	139,686	-	-	-	139,686
Leisure time activities	9,524	-	-	-	9,524
Community environment	10,151	-	-	-	10,151
General Government	30,421	-	-	-	30,421
Fiscal year 2022 appropriations	1,123,747	-	-	-	1,123,747
<i>Total assigned</i>	<u>1,313,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,313,529</u>
Unassigned	24,454,809	-	-	(1,199,687)	23,255,122
Total fund balances	<u>\$ 26,092,048</u>	<u>\$ 1,532</u>	<u>\$ 3,243,077</u>	<u>\$ 6,503,813</u>	<u>\$ 35,840,470</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:

General Employees: General employees hired **prior to January 1, 2004** are eligible for City’s explicit subsidy if they are eligible for a health reimbursement arrangement (HRA) through the Ohio Public Employees Retirement System (OPERS).

OPERS members retiring with an effective date of Jan. 1, 2022 or after will be eligible for the HRA by meeting one of the following criteria:

Age 65 or older

- Minimum of 20 years of qualified health care service credit

Age 60 – 64

- Group A - 30 years of total service with at least 20 years of qualified health care service credit
- Group B - 31 years of total service with at least 20 years of qualified health care service credit
- Group C – 32 years of total service with at least 20 years of qualified health care service credit

City of Cuyahoga Falls, Ohio

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

Age 59 or younger

- Group A - 30 years of qualified health care service credit
- Group B – 32 years of qualified health care service credit at any age of 31 years of qualified health care service credit and at least age 52
- Group C – 32 years of qualified health care service credit and at least age 55

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.

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 eligible to receive benefits under the pension's health reimbursement arrangement (HRA) plan. 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 a health plan that is eligible for reimbursement under the State of Ohio pension's health reimbursement arrangement (HRA) plan..

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

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

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

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

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

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

The annual reimbursement amount effective January 1, 2023 is \$4,889.96 for retirees who have single or family coverage level. The reimbursement is increased 5.0% per year.

Police Officers:

The 2023 annual subsidy amounts for police officers are as shown below:

	Premium Reimbursement		Co-pay and Deductible
	< 65	65+	All ages
Retiree	\$ 2,852.84	\$ 2,552.04	\$ 400
Spouse	\$ 4,301.24	\$ 4,511.38	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.

City of Cuyahoga Falls, Ohio

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

Firefighters:

The 2023 annual subsidy amounts for firefighters are as shown below:

	Premium Reimbursement		Co-pay and Deductible
	<65	65+	All Ages
Firefighters who retired prior to 2006			
Retiree	Varies, with healthcare plan selected and		unlimited
Spouse	OP&F stipend		
Firefighters who retired on/after 2006			
Retiree	\$ 2,852.84	\$ 2,852.84	\$700
Spouse	\$ 4,301.24	\$ 4,301.24	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, 2022, the City had 776 participants. Of that number, 4401 were active employees and 375 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 \$624,083 for 2022. The plan does not require matching contributions from employees during their period of employment.

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, 2022, 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. 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:

	OPERS	
Proportionate Share of the Net OPEB Liability	\$	6,741,341
OPEB Expense	\$	(854,316)

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

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes of assumptions	\$ 1,021,781
Total Deferred Outflows of Resources	\$ 1,021,781
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 1,937,212
Changes of assumptions	1,552,193
Changes in proportion and differences between City contributions and proportionate share of contributions	32,807
Total Deferred Inflows of Resources	\$ 3,522,212

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

	OPERS
Year Ending December 31:	
2023	\$ (663,689)
2024	(321,085)
2025	(404,445)
2026	(583,117)
2024	(528,095)
Total	\$ (2,500,431)

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.

City of Cuyahoga Falls, Ohio

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

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, 2022, 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:

Discount Rate	4.31 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 4.31percent. 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 4.31 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 (3.31 percent), or one percentage point higher (5.31 percent) than the current rate.

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
City's proportionate share of the net OPEB liability	\$ 7,096,053	\$ 6,471,341	\$ 5,937,017

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

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

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 6,178,565	\$ 6,471,341	\$ 6,798,205

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, 2022:

<u>Reconciliation of Total OPEB Liability</u>	
1/1/21 Net OPEB Liability	\$ 9,830,547
Service Cost	214,422
Interest Cost	219,030
Contributions	(624,083)
New Inflow - experience	(1,517,901)
New Inflow - assumptions	(1,650,674)
12/31/22 Net OPEB Liability	\$ 6,471,341
<u>Reconciliation of Fiduciary Net Position</u>	
1/1/21 Fiduciary Net Position	\$ -
Employer Contributions	(624,083)
Total Benefits paid	624,083
12/31/22 Fiduciary Net Position	\$ -
<u>Net OPEB Liability</u>	
Total OPEB Liability	\$ 6,471,341
Fiduciary Net Position	-
Net OPEB Liability	\$ 6,471,341

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

City of Cuyahoga Falls, Ohio

NOTE 20 – JOINTLY GOVERNED ORGANIZATIONS

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

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

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

Akron Metropolitan Area Transportation Study

The City participates in the Akron Metropolitan Area Transportation Study (AMATS). 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 2022, the City contributed \$11,339 to the Akron Metropolitan Area Transportation Study, which represents the City's formula share.

NOTE 21 – TAX ABATEMENT DISCLOSURES

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

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

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

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 12/31/2022:

Commercial = \$ 1,031,724
Residential = \$ 444,177

NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES

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

GASB Statement No. 87, *Leases*. The objectives of this statement are to enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's financial statements. The City recognized \$1,396,985 in business-type activities in leases receivable at January 1, 2022, due to the implementation of GASB 87; however, the entire amount was offset by deferred inflows of resources for leases. The City also recognized \$156,179 in business-type activities in leases payable at January 1, 2022; however, this entire amount was offset by the intangible asset, right to use lease - equipment. Therefore, there was no change to beginning net position for January 1, 2022.

GASB Statement No. 91, *Conduit Debt Obligations*. This statement clarifies the definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The implementation of GASB 91 did not have an effect on the financial statements of the City.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

Traditional Plan	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.129738%	0.129614%	0.132453%	0.127250%
City's Proportionate Share of the Net Pension Liability	\$ 11,287,731	\$ 19,193,012	\$ 26,180,234	\$ 34,851,195
City's Covered Payroll	\$ 18,829,107	\$ 18,255,386	\$ 18,347,107	\$ 17,187,386
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.95%	105.14%	142.69%	202.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%
Combined Plan	2022	2021	2020	2019
City's Proportion of the Net Pension (Asset)	0.116350%	0.140407%	0.140517%	0.138696%
City's Proportionate Share of the Net Pension (Asset)	\$ (458,425)	\$ (405,304)	\$ (293,012)	\$ (155,093)
City's Covered Payroll	\$ 530,436	\$ 618,771	\$ 615,164	\$ 593,193
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	86.42%	65.50%	47.63%	26.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	169.88%	157.67%	145.28%	126.64%
Traditional Plan	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.128404%	0.128688%	0.126127%	0.127518%
City's Proportionate Share of the Net Pension Liability	\$ 20,144,098	\$ 29,222,856	\$ 21,846,787	\$ 15,380,096
City's Covered Payroll	\$ 16,968,723	\$ 16,456,900	\$ 15,699,108	\$ 15,685,492
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.71%	177.57%	139.16%	98.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%
Combined Plan	2017	2016	2015	2014
City's Proportion of the Net Pension (Asset)	0.140312%	0.144536%	0.156700%	0.167910%
City's Proportionate Share of the Net Pension (Asset)	\$ (191,010)	\$ (80,444)	\$ (76,256)	\$ (64,650)
City's Covered Payroll	\$ 574,646	\$ 556,786	\$ 570,242	\$ 618,417
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	33.24%	14.45%	13.37%	10.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	137.28%	116.55%	116.90%	114.83%

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

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

See accompanying notes to the required supplementary information

City of Cuyahoga Falls, Ohio

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

<u>Police</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's Proportion of the Net Pension Liability	0.1995739%	0.2039786%	0.2124997%	0.2051990%
City's Proportionate Share of the Net Pension Liability	\$ 12,468,220	\$ 13,905,406	\$ 14,315,115	\$ 16,749,661
City's Covered Payroll	\$ 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	212.15%	249.47%	262.16%	313.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	70.65%	69.89%	63.07%
<u>Fire</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's Proportion of the Net Pension Liability	0.2915046%	0.3009719%	0.2988112%	0.2873610%
City's Proportionate Share of the Net Pension Liability	\$ 18,211,519	\$ 20,517,522	\$ 20,129,519	\$ 23,456,251
City's Covered Payroll	\$ 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	262.29%	312.18%	312.12%	393.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	70.65%	69.89%	63.07%
<u>Police</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	0.2121145%	0.2116715%	0.2069667%	0.2070668%
City's Proportionate Share of the Net Pension Liability	\$ 13,018,423	\$ 13,407,060	\$ 13,314,310	\$ 10,726,924
City's Covered Payroll	\$ 5,167,553	\$ 5,085,095	\$ 4,680,253	\$ 4,562,400
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	251.93%	263.65%	284.48%	235.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%
<u>Fire</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	0.2936116%	0.2909230%	0.2889364%	0.2967296%
City's Proportionate Share of the Net Pension Liability	\$ 18,020,270	\$ 18,426,768	\$ 18,587,481	\$ 15,371,831
City's Covered Payroll	\$ 5,818,443	\$ 5,708,877	\$ 5,285,672	\$ 5,343,464
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	309.71%	322.77%	351.66%	287.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%

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

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

See accompanying notes to the required supplementary information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Contractually Required Contributions</u>					
Traditional Plan	\$ 2,730,983	\$ 2,636,075	\$ 2,555,754	\$ 2,568,595	\$ 2,406,234
Combined Plan	68,634	74,261	86,628	86,123	83,047
Total Required Contributions	\$ 2,799,617	\$ 2,710,336	\$ 2,642,382	\$ 2,654,718	\$ 2,489,281
Contributions in Relation to the Contractually Required Contribution	(2,799,617)	(2,710,336)	(2,642,382)	(2,654,718)	(2,489,281)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
<u>City's Covered Payroll</u>					
Traditional Plan	\$ 19,507,021	\$ 18,829,107	\$ 18,255,386	\$ 18,347,107	\$ 17,187,386
Combined Plan	\$ 490,243	\$ 530,436	\$ 618,771	\$ 615,164	\$ 593,193
<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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>					
Traditional Plan	\$ 2,205,934	\$ 1,974,828	\$ 1,883,893	\$ 1,882,259	\$ 1,990,737
Combined Plan	74,704	66,814	68,429	74,210	64,278
Total Required Contributions	\$ 2,280,638	\$ 2,041,642	\$ 1,952,322	\$ 1,956,469	\$ 2,055,015
Contributions in Relation to the Contractually Required Contribution	(2,280,638)	(2,041,642)	(1,952,322)	(1,956,469)	(2,055,015)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
<u>City's Covered Payroll</u>					
Traditional Plan	\$ 16,968,723	\$ 16,456,900	\$ 15,699,108	\$ 15,685,492	\$ 15,313,362
Combined Plan	\$ 574,646	\$ 556,786	\$ 570,242	\$ 618,417	\$ 494,446
<u>Pension Contributions as a Percentage of Covered Payroll</u>					
Traditional Plan	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	13.00%	12.00%	12.00%	12.00%	13.00%

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

See accompanying notes to the required supplementary information

City of Cuyahoga Falls, Ohio

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Contractually Required Contributions</u>					
Police	\$ 1,052,267	\$ 1,116,653	\$ 1,059,062	\$ 1,037,502	\$ 1,014,791
Fire	1,451,906	1,631,642	1,544,513	1,515,599	1,402,400
Total Required Contributions	\$ 2,504,173	\$ 2,748,295	\$ 2,603,575	\$ 2,553,101	\$ 2,417,191
Contributions in Relation to the Contractually Required Contribution	(2,504,173)	(2,748,295)	(2,603,575)	(2,553,101)	(2,417,191)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
<u>City's Covered Payroll</u>					
Police	\$ 5,538,247	\$ 5,877,121	\$ 5,574,011	\$ 5,460,537	\$ 5,341,005
Fire	\$ 6,178,323	\$ 6,943,157	\$ 6,572,396	\$ 6,449,357	\$ 5,967,660
<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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>					
Police	\$ 981,835	\$ 966,168	\$ 889,248	\$ 866,856	\$ 896,782
Fire	1,367,334	1,341,586	1,242,133	1,255,714	1,250,169
Total Required Contributions	\$ 2,349,169	\$ 2,307,754	\$ 2,131,381	\$ 2,122,570	\$ 2,146,951
Contributions in Relation to the Contractually Required Contribution	(2,349,169)	(2,307,754)	(2,131,381)	(2,122,570)	(2,146,951)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
<u>City's Covered Payroll</u>					
Police	\$ 5,167,553	\$ 5,085,095	\$ 4,680,253	\$ 4,562,400	\$ 5,701,093
Fire	\$ 5,818,443	\$ 5,708,877	\$ 5,285,672	\$ 5,343,464	\$ 6,179,778
<u>Pension Contributions as a Percentage of Covered Payroll</u>					
Police	19.00%	19.00%	19.00%	19.00%	[1]
Fire	23.50%	23.50%	23.50%	23.50%	[1]

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

See accompanying notes to the required supplementary information

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

	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability/Asset	0.125704%	0.126261%	0.129055%	0.124262%	0.125630%	0.126370%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (3,937,242)	\$ (2,249,441)	\$ 17,825,848	\$ 16,200,831	\$ 13,642,493	\$ 12,763,799
City's Covered Payroll	\$ 19,602,471	\$ 19,095,028	\$ 19,195,254	\$ 18,022,907	\$ 17,794,450	\$ 17,463,164
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-20.09%	-11.78%	92.87%	89.89%	76.67%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	115.57%	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

City of Cuyahoga Falls, Ohio

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

	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.4910784%	0.5049505%	0.5113109%	0.4925606%	0.5057261%	0.5025900%
City's Proportionate Share of the Net OPEB Liability	\$ 5,382,642	\$ 5,350,033	\$ 5,050,591	\$ 4,485,520	\$ 28,653,730	\$ 23,856,817
City's Covered Payroll	\$ 12,820,278	\$ 12,146,407	\$ 11,909,894	\$ 11,308,665	\$ 10,985,996	\$ 10,793,972
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.99%	44.05%	42.41%	39.66%	260.82%	221.02%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.42%	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

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

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

City of Cuyahoga Falls, Ohio

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

	2022	2021	2020	2019	2018
Contractually Required Contribution	\$ 58,583	\$ 64,102	\$ 60,732	\$ 59,550	\$ 56,543
Contributions in Relation to the Contractually Required Contribution	(58,583)	(64,102)	(60,732)	(59,550)	(56,543)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City Covered Payroll	\$ 11,716,570	\$ 12,820,278	\$ 12,146,407	\$ 11,909,894	\$ 11,308,665
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%
Contractually Required Contribution	2017	2016	2015	2014	2013
Contributions in Relation to the Contractually Required Contribution	\$ 54,930	\$ 54,074	\$ 53,855	\$ 53,163	\$ 357,020
Contribution Deficiency (Excess)	(54,930)	(54,074)	(53,855)	(53,163)	(357,020)
City Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	\$ 10,985,996	\$ 10,793,972	\$ 9,965,925	\$ 9,905,864	\$ 11,880,871
	0.50%	0.50%	0.50%	0.50%	3.62%

See accompanying notes to the required supplementary information

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

	2022	2021	2020	2019	2018	2017
Total OPEB Liability - beginning of year	9,830,547	10,182,507	9,086,587	8,551,540	10,445,503	(2)
Service Cost	214,422	213,890	185,695	143,998	211,322	(2)
Interest	219,030	215,644	294,891	347,622	354,573	(2)
Change of benefit terms	-	-	-	-	-	(2)
Change in assumptions	(1,650,674)	(127,587)	1,613,455	645,157	(549,434)	(2)
Differences between expected and actual experience	(1,517,901)	(202,564)	(541,393)	(121,752)	(1,205,511)	(2)
Benefit Payments	(624,083)	(451,343)	(456,728)	(479,978)	(704,913)	(2)
Net change in total OPEB liability	(3,359,206)	(351,960)	1,095,920	535,047	(1,893,963)	-
Total OPEB Liability - end of year	6,471,341	9,830,547	10,182,507	9,086,587	8,551,540	10,445,503
 Net OPEB Liability	 \$ 6,471,341	 \$ 9,830,547	 \$ 10,182,507	 \$ 9,086,587	 \$ 8,551,540	 \$ 10,445,503
 City's Covered Payroll	 \$ 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 Payroll	 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

City of Cuyahoga Falls, Ohio

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 624,083	\$ 451,343	\$ 456,728	\$ 479,978	\$ 554,591	\$ 535,413
Contributions in Relation to the Contractually Required Contribution	<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>
City Covered Payroll	\$ 35,050,040	\$ 34,111,961	\$ 33,038,219	\$ 32,891,596	\$ 29,089,244	\$ 28,529,365
Contributions as a Percentage of Covered Payroll	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, 2022**

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 2014-2020.

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.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2020.

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 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (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%.

City of Cuyahoga Falls, Ohio

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2020.

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 2019-2020, there have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018 and 2020. 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.

**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, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	\$ 11,086,660	\$ 11,164,347	\$ 11,174,863	\$ 10,516
Income taxes	16,305,413	19,954,560	19,970,749	16,189
Other local taxes	2,205,150	2,572,054	2,572,499	445
State levied shared taxes	3,062,753	3,302,995	3,287,312	(15,683)
Intergovernmental	285,209	289,209	303,824	14,615
Charges for services	4,022,081	3,947,081	3,958,212	11,131
Fees, licenses, and permits	160,745	160,745	167,595	6,850
Interest earnings	360,000	1,300,000	1,316,154	16,154
Fines and forfeitures	149,924	196,924	193,561	(3,363)
Other	7,017,986	3,041,195	3,096,772	55,577
Total revenues	44,655,921	45,929,110	46,041,541	112,431
Expenditures				
Current				
Security of persons and property				
Police				
Personal services	8,458,890	8,658,890	8,632,773	26,117
Other operations	1,363,456	1,363,456	1,272,428	91,028
Total - Police	9,822,346	10,022,346	9,905,201	117,145
Fire				
Personal services	8,682,158	9,042,158	9,024,036	18,122
Other operations	1,133,097	1,133,097	1,084,038	49,059
Total - Fire	9,815,255	10,175,255	10,108,074	67,181
Technical Services				
Personal services	553,754	562,754	562,526	228
Other operations	112,057	112,057	98,766	13,291
Total - Technical Services	665,811	674,811	661,292	13,519
Communications				
Personal services	1,091,021	1,081,021	1,055,936	25,085
Other operations	283,267	293,266	247,788	45,478
Total - Communications	1,374,288	1,374,287	1,303,724	70,563
Total - Security of persons and property	21,677,700	22,246,699	21,978,291	268,408
Leisure time activities				
Parks & Recreation				
Personal services	2,372,636	2,372,636	2,217,113	155,523
Other operations	1,091,874	1,091,874	933,588	158,286
Total - Leisure time activities	3,464,510	3,464,510	3,150,701	313,809
Community environment				
Community / Economic Development				
Personal services	880,278	880,878	880,186	692
Other operations	252,832	308,510	219,657	88,853
Total - Community / Economic Development	1,133,110	1,189,388	1,099,843	89,545
Neighborhood Excellence, Communications, And Community Outreach				
Personal services	325,501	325,501	308,302	17,199
Other operations	48,337	48,337	34,884	13,453
Total - Neighborhood Excellence, Communications, And Community Outreach	373,838	373,838	343,186	30,652
Total - Community environment	1,506,948	1,563,226	1,443,029	120,197

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, 2022

(Continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
General government				
General Administration				
Other operations	\$ 2,998,441	\$ 3,031,441	\$ 3,024,417	\$ 7,024
Total - General Administration	2,998,441	3,031,441	3,024,417	7,024
Council				
Personal services	329,929	332,229	332,199	30
Other operations	3,413	3,413	2,308	1,105
Total - Council	333,342	335,642	334,507	1,135
Mayor				
Personal services	278,223	286,423	286,336	87
Other operations	12,388	12,388	7,492	4,896
Total - Mayor	290,611	298,811	293,828	4,983
Mayor's Court				
Personal services	162,663	169,663	168,919	744
Other operations	42,867	42,867	35,108	7,759
Total - Mayor's Court	205,530	212,530	204,027	8,503
Finance Director				
Personal services	901,575	901,575	836,231	65,344
Other operations	141,358	141,358	131,547	9,811
Total - Finance Director	1,042,933	1,042,933	967,778	75,155
Law Director				
Personal services	909,245	899,245	895,382	3,863
Other operations	166,894	201,894	183,196	18,698
Total - Law Director	1,076,139	1,101,139	1,078,578	22,561
Service Director				
Personal services	416,327	416,327	410,299	6,028
Other operations	22,217	22,217	15,303	6,914
Total - Service Director	438,544	438,544	425,602	12,942
Civil Service Commission				
Personal services	12,471	12,471	12,468	3
Other operations	49,251	49,251	36,543	12,708
Total - Civil Service Commission	61,722	61,722	49,011	12,711
Engineering				
Personal services	1,138,196	1,134,996	992,998	141,998
Other operations	231,513	234,713	102,178	132,535
Total - Engineering	1,369,709	1,369,709	1,095,176	274,533
Human Resources / Records				
Personal services	256,502	252,502	227,572	24,930
Other operations	35,815	39,815	36,581	3,234
Total - Human Resources / Records	292,317	292,317	264,153	28,164
Building and Grounds Maintenance				
Personal services	786,850	796,850	797,306	(456)
Other operations	658,364	648,364	530,341	118,023
Total - Building and Grounds Maintenance	1,445,214	1,445,214	1,327,647	117,567

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, 2022

(Continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
General government (Continued)				
Municipal Income Tax				
Personal services	191,933	196,933	196,685	248
Other operations	1,493,007	1,503,007	1,499,764	3,243
Total - Municipal Income Tax	<u>1,684,940</u>	<u>1,699,940</u>	<u>1,696,449</u>	<u>3,491</u>
Information Services				
Personal services	824,286	827,286	826,376	910
Other operations	178,967	175,967	136,584	39,383
Total - Information Services	<u>1,003,253</u>	<u>1,003,253</u>	<u>962,960</u>	<u>40,293</u>
Total - General government	<u>12,242,695</u>	<u>12,333,195</u>	<u>11,724,133</u>	<u>609,062</u>
Total expenditures	<u>38,891,853</u>	<u>39,607,630</u>	<u>38,296,154</u>	<u>1,311,476</u>
Excess (deficiency) of revenues				
Over (under) expenditures	5,764,068	6,321,480	7,745,387	1,423,907
Other Financing (Uses)				
Transfers out	(7,646,117)	(3,820,732)	(3,820,732)	-
Total other financing (uses)	<u>(7,646,117)</u>	<u>(3,820,732)</u>	<u>(3,820,732)</u>	<u>-</u>
Net change in fund balances	(1,882,049)	2,500,748	3,924,655	1,423,907
Fund balance at beginning of year	18,521,618	18,521,618	18,521,618	-
Prior year encumbrances appropriated	307,861	307,861	307,861	-
Fund balance at end of year	<u>\$ 16,947,430</u>	<u>\$ 21,330,227</u>	<u>\$ 22,754,134</u>	<u>\$ 1,423,907</u>

City of Cuyahoga Falls, Ohio

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 8,246,938	\$ 8,246,938	\$ 8,246,939	\$ 1
Interest earnings	-	-	391	391
Total revenues	8,246,938	8,246,938	8,247,330	392
Expenditures				
Current				
General government				
Other operations	6,615,385	6,604,585	2,768,442	3,836,143
Capital outlay	-	10,800	10,800	-
Total expenditures	6,615,385	6,615,385	2,779,242	3,836,143
Net change in fund balances	1,631,553	1,631,553	5,468,088	3,836,535
Fund balance at beginning of year	8,248,080	8,248,080	8,248,080	-
Fund balance at end of year	<u>\$ 9,879,633</u>	<u>\$ 9,879,633</u>	<u>\$ 13,716,168</u>	<u>\$ 3,836,535</u>

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Income taxes	\$ 7,076,449	\$ 8,753,595	\$ 8,753,761	\$ 166
Intergovernmental	2,598,821	1,996,542	1,990,541	(6,001)
Charges for services	1,335,000	1,425,000	1,437,763	12,763
Special assessments	77,345	77,345	72,988	(4,357)
Other	1,526,085	1,655,701	1,626,508	(29,193)
Total revenues	12,613,700	13,908,183	13,881,561	(26,622)
Expenditures				
Current				
Capital outlay	16,200,939	17,663,871	16,665,871	998,000
Debt service				
Principal	3,631,433	3,631,433	3,623,224	8,209
Interest	35,000	35,954	43,151	(7,197)
Total expenditures	19,867,372	21,331,258	20,332,246	999,012
Excess (deficiency) of revenues				
over (under) expenditures	(7,253,672)	(7,423,075)	(6,450,685)	972,390
Other Financing Sources				
Bond/note issuance	2,900,000	3,495,000	3,516,844	21,844
Transfers in	4,615,385	-	-	-
Total other financing sources	7,515,385	3,495,000	3,516,844	21,844
Net change in fund balances	261,713	(3,928,075)	(2,933,841)	994,234
Fund balance at beginning of year	1,489,885	1,489,885	1,489,885	-
Prior year encumbrances appropriated	3,094,496	3,094,496	3,094,496	-
Fund balance at end of year	<u>\$ 4,846,094</u>	<u>\$ 656,306</u>	<u>\$ 1,650,540</u>	<u>\$ 994,234</u>

Nonmajor Governmental Funds

Special Revenue Funds

To account for specific revenues that are legally restricted to expenditure for particular purposes.

State Highway Improvement

Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees for maintenance of state highways within the City.

Street Construction, Maintenance and Repair

Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees for maintenance of streets within the City.

Police Pension

To accumulate property taxes and other monies for the payment of the current and accrued liability for police disability and pension benefits.

Fire Pension

To accumulate property taxes and other monies for the payment of the current and accrued liability for fire disability and pension benefits.

Recreation Levy

To account for income tax collections received, per codified ordinance. The revenue must be used for improvements made to parks and recreation facilities.

Permissive Tax

Required by the Ohio Revised Code to account for local vehicle license fees designated for the maintenance of streets within the City. These funds are controlled by the county and limited to non-residential connector streets.

Community and Economic Development

To account for monies received from the sale of City-owned properties in an urban renewal area.

Community Development Block Grant

To account for monies received from the federal government through the Department of Housing and Urban Development as a direct entitlement community. The funding received is to directly benefit low and moderate income persons in the community. Projects funded include housing rehabilitation, economic development activities, infrastructure projects, planning and administrative costs that meet the programs national objectives. Projects are approved via an annual action plan. Fund also accounts for repayments from previous activities related to participation in the Summit County program as a sub-recipient.

Enterprise Zone/Community Reinvestment Area

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

Drug Law Enforcement

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

Law Enforcement Trust

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

Nonmajor Governmental Funds (Continued)

Enforcement and Education

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

Municipal Motor Vehicle License Tax

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

Federal Law Enforcement

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

Law Enforcement Assistance

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

State Road Public Improvement Tax Increment Equivalent

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

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. The amounts received are held as a permanent fund, and the interest received on the invested monies is available for care of the cemetery lots. Per Ohio Revised Code Section 5705.36, the City does not adopt a budget for this fund. Therefore, a Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) is not provided.

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2022

	Nonmajor Special Revenue Funds	Debt Service Fund	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Assets				
Equity in pooled cash and cash equivalents	\$ 3,487,554	\$ 176,336	\$ 177,863	\$ 3,841,753
Investments	1,484,926	71,433	72,051	1,628,410
Receivables				
Taxes	1,812,224	-	-	1,812,224
Accounts				
(net of allowance for uncollectibles)	255,435	-	-	255,435
Loans	1,881,136	-	-	1,881,136
Due from other funds	60,000	-	-	60,000
Due from other governments	1,665,671	-	-	1,665,671
Inventory of supplies	702,709	-	-	702,709
Prepaid items	35,977	-	-	35,977
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 11,385,632</u>	<u>\$ 247,769</u>	<u>\$ 249,914</u>	<u>\$ 11,883,315</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ 199,696	\$ -	\$ -	\$ 199,696
Accrued salaries, wages and benefits	89,949	-	-	89,949
Retainage payable	18,964	-	-	\$ 18,964
Due to other funds	38,063	-	-	38,063
Due to other governments	583,518	-	-	583,518
General obligation notes payable	1,750,000	-	-	1,750,000
Total liabilities	<u>2,680,190</u>	<u>-</u>	<u>-</u>	<u>2,680,190</u>
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	2,709,312	-	-	2,709,312
Fund Balances				
Nonspendable	738,686	-	249,914	988,600
Restricted	6,455,403	247,769	-	6,703,172
Committed	1,728	-	-	1,728
Unassigned	(1,199,687)	-	-	(1,199,687)
Total fund balances	<u>5,996,130</u>	<u>247,769</u>	<u>249,914</u>	<u>6,493,813</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows and fund balances	<u>\$ 11,385,632</u>	<u>\$ 247,769</u>	<u>\$ 249,914</u>	<u>\$ 11,883,315</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2022

	Nonmajor Special Revenue Funds	Debt Service Fund	Cemetery Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ 644,704	\$ -	\$ -	\$ 644,704
Municipal income taxes	2,387,661	-	-	2,387,661
Other local taxes	2,042,934	-	-	2,042,934
State levied shared taxes	3,112,491	-	-	3,112,491
Intergovernmental	832,373	-	-	832,373
Charges for services	-	-	1,380	1,380
Fees, licenses and permits	589,541	-	-	589,541
Interest earnings	352	(2,983)	(134)	(2,765)
Fines and forfeitures	26,864	-	-	26,864
Other	115,369	-	-	115,369
Total revenues	<u>9,752,289</u>	<u>(2,983)</u>	<u>1,246</u>	<u>9,750,552</u>
Expenditures				
Current				
Security of persons and property	2,909,017	-	-	2,909,017
Leisure time activities	2,367,235	-	-	2,367,235
Community environment	3,623,875	-	-	3,623,875
Street maintenance	4,037,316	-	-	4,037,316
General government	-	433	3,673	4,106
Capital outlay	182,502	-	-	182,502
Debt Service				
Principal	165,000	745,726	-	910,726
Interest	237,050	372,361	-	609,411
Total expenditures	<u>13,521,995</u>	<u>1,118,520</u>	<u>3,673</u>	<u>14,644,188</u>
Excess (deficiency) of revenues over (under) expenditures				
	<u>(3,769,706)</u>	<u>(1,121,503)</u>	<u>(2,427)</u>	<u>(4,893,636)</u>
Other Financing Sources				
Premium on various purpose refunding bonds	10,938	-	-	10,938
Transfers in	2,240,000	1,300,000	-	3,540,000
Total other financing sources	<u>2,250,938</u>	<u>1,300,000</u>	<u>-</u>	<u>3,550,938</u>
Net change in fund balances	(1,518,768)	178,497	(2,427)	(1,342,698)
Fund balance at beginning of year	7,343,002	69,272	252,341	7,664,615
Change in reserve for inventory	164,546	-	-	164,546
Change in reserve for prepaid items	7,350	-	-	7,350
Fund balance at end of year	<u>\$ 5,996,130</u>	<u>\$ 247,769</u>	<u>\$ 249,914</u>	<u>\$ 6,493,813</u>

**Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2022**

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension
Assets				
Equity in pooled cash and cash equivalents	\$ 1,429	\$ 609,324	\$ 119,275	\$ 150,187
Investments	608	259,485	50,794	63,958
Receivables				
Taxes	-	-	331,905	331,905
Accounts				
(net of allowance for uncollectibles)	-	203,451	-	-
Loans	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	104,406	1,287,675	18,554	18,554
Inventory of supplies	-	702,709	-	-
Prepaid items	-	35,977	-	-
Total assets	<u>\$ 106,443</u>	<u>\$ 3,098,621</u>	<u>\$ 520,528</u>	<u>\$ 564,604</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 15,253	\$ -	\$ -
Accrued salaries, wages and benefits	-	86,985	-	-
Retainage payable	-	-	-	-
Due to other funds	-	8,085	-	-
Due to other governments	-	52,916	141,504	213,154
General obligation notes payable	-	-	-	-
Total liabilities	-	163,239	141,504	213,154
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	74,076	913,597	350,459	350,459
Fund Balances				
Nonspendable	-	738,686	-	-
Restricted	32,367	1,283,099	28,565	991
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>32,367</u>	<u>2,021,785</u>	<u>28,565</u>	<u>991</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 106,443</u>	<u>\$ 3,098,621</u>	<u>\$ 520,528</u>	<u>\$ 564,604</u>

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2022

(Continued)

	Recreation Levy	Permissive Tax	Community and Economic Development	Community Development Block Grant
Assets				
Equity in pooled cash and cash equivalents	\$ 1,756,621	\$ 1	\$ 1,212	\$ 262,983
Investments	748,069	1	516	111,993
Receivables				
Taxes	-	-	-	-
Accounts (net of allowance for uncollectibles)	-	-	-	-
Loans	-	-	-	1,881,136
Due from other funds	60,000	-	-	-
Due from other governments	5,000	162,781	-	8,027
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 2,569,690</u>	<u>\$ 162,783</u>	<u>\$ 1,728</u>	<u>\$ 2,264,139</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ 174,343	\$ -	\$ -	\$ 10,000
Accrued salaries, wages and benefits	-	-	-	2,964
Retainage payable	18,964	-	-	-
Due to other funds	2,417	27,561	-	-
Due to other governments	284	-	-	449
General obligation notes payable	550,000	-	-	-
Total liabilities	<u>746,008</u>	<u>27,561</u>	<u>-</u>	<u>13,413</u>
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	1,823,682	135,222	-	2,250,726
Committed	-	-	1,728	-
Unassigned	-	-	-	-
Total fund balances	<u>1,823,682</u>	<u>135,222</u>	<u>1,728</u>	<u>2,250,726</u>
Total liabilities and fund balances	<u>\$ 2,569,690</u>	<u>\$ 162,783</u>	<u>\$ 1,728</u>	<u>\$ 2,264,139</u>

Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2022

(Continued)

	Enterprise Zone / Community Reinvestment Area	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education
Assets				
Equity in pooled cash and cash equivalents	\$ 80,047	\$ 139,698	\$ 83,794	\$ 34,911
Investments	34,089	59,492	35,684	14,867
Receivables				
Taxes	-	-	-	-
Accounts (net of allowance for uncollectibles)	13,327	-	-	-
Loans	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	1,133	-	2,140
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 127,463</u>	<u>\$ 200,323</u>	<u>\$ 119,478</u>	<u>\$ 51,918</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 100	\$ -	\$ -
Accrued salaries, wages and benefits	-	-	-	-
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
General obligation notes payable	-	-	-	-
Total liabilities	-	100	-	-
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	6,556	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	120,907	200,223	119,478	51,918
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>120,907</u>	<u>200,223</u>	<u>119,478</u>	<u>51,918</u>
Total liabilities and fund balances	<u>\$ 127,463</u>	<u>\$ 200,323</u>	<u>\$ 119,478</u>	<u>\$ 51,918</u>

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2022

(Continued)

	Municipal Motor Vehicle License Tax	Federal Law Enforcement	Law Enforcement Assistance	State Road Public Improvement Tax Increment Equivalent
Assets				
Equity in pooled cash and cash equivalents	\$ 66,656	\$ 13,090	\$ 1,173	\$ 435
Investments	28,386	5,302	499	185
Receivables				
Taxes	-	-	-	796,414
Accounts				
(net of allowance for uncollectibles)	-	-	-	-
Loans				
Due from other funds	-	-	-	-
Due from other governments	57,401	-	-	-
Inventory of supplies	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 152,443</u>	<u>\$ 18,392</u>	<u>\$ 1,672</u>	<u>\$ 797,034</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries, wages and benefits	-	-	-	-
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	175,211
General obligation notes payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,211</u>
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	37,339	-	-	621,203
Fund Balances				
Nonspendable	-	-	-	-
Restricted	115,104	18,392	1,672	620
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>115,104</u>	<u>18,392</u>	<u>1,672</u>	<u>620</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 152,443</u>	<u>\$ 18,392</u>	<u>\$ 1,672</u>	<u>\$ 797,034</u>

City of Cuyahoga Falls, Ohio

Combining Balance Sheet - Nonmajor Special Revenue Funds December 31, 2022

(Continued)

	Mudbrook - Mill Pond Public Improvement Tax Increment Equivalent	OneOhio Opioid Settlement	Princeton Crossroads Tax Increment Equivalent	Total Nonmajor Special Revenue Funds
Assets				
Equity in pooled cash and cash equivalents	\$ 155,518	\$ 10,981	\$ 219	\$ 3,487,554
Investments	66,228	4,676	94	1,484,926
Receivables				
Taxes	352,000	-	-	1,812,224
Accounts				
(net of allowance for uncollectibles)	-	38,657	-	255,435
Loans	-	-	-	1,881,136
Due from other funds	-	-	-	60,000
Due from other governments	-	-	-	1,665,671
Inventory of supplies	-	-	-	702,709
Prepaid items	-	-	-	35,977
Total assets	<u>\$ 573,746</u>	<u>\$ 54,314</u>	<u>\$ 313</u>	<u>\$ 11,385,632</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 199,696
Accrued salaries, wages and benefits	-	-	-	89,949
Retainage payable	-	-	-	18,964
Due to other funds	-	-	-	38,063
Due to other governments	-	-	-	583,518
General obligation notes payable	-	-	1,200,000	1,750,000
Total liabilities	-	-	1,200,000	2,680,190
Deferred Inflows of Resources				
Revenues levied for the next year and unavailable revenue	352,000	3,623	-	2,709,312
Fund Balances				
Nonspendable	-	-	-	738,686
Restricted	221,746	50,691	-	6,455,403
Committed	-	-	-	1,728
Unassigned	-	-	(1,199,687)	(1,199,687)
Total fund balances	<u>221,746</u>	<u>50,691</u>	<u>(1,199,687)</u>	<u>5,996,130</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 573,746</u>	<u>\$ 54,314</u>	<u>\$ 313</u>	<u>\$ 11,385,632</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, 2022

	State Highway Improvement	Street Construction, Maintenance and Repair	Police Pension	Fire Pension
Revenues				
Property taxes	\$ -	\$ -	\$ 322,352	\$ 322,352
Municipal income taxes	-	-	-	-
Other local taxes	-	268,765	316	316
State levied shared taxes	204,586	2,523,233	39,613	39,613
Intergovernmental	-	-	-	-
Fees, licenses, and permits	-	569,943	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Other	-	34,667	-	-
Total revenues	<u>204,586</u>	<u>3,396,608</u>	<u>362,281</u>	<u>362,281</u>
Expenditures				
Current				
Security of persons and property	-	-	1,217,052	1,678,626
Leisure time activities	-	-	-	-
Community environment	-	-	-	-
Street maintenance	215,500	3,793,170	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>215,500</u>	<u>3,793,170</u>	<u>1,217,052</u>	<u>1,678,626</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,914)</u>	<u>(396,562)</u>	<u>(854,771)</u>	<u>(1,316,345)</u>
Other Financing Sources				
Premium on debt issuance	-	-	-	-
Transfers in	-	-	890,000	1,350,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>890,000</u>	<u>1,350,000</u>
Net change in fund balances	(10,914)	(396,562)	35,229	33,655
Fund balance at beginning of year	43,281	2,246,451	(6,664)	(32,664)
Change in nonspendable inventory	-	164,546	-	-
Change in nonspendable prepaid items	-	7,350	-	-
Fund balance at end of year	<u>\$ 32,367</u>	<u>\$ 2,021,785</u>	<u>\$ 28,565</u>	<u>\$ 991</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund
Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022**

(Continued)

	Recreation Levy	Permissive Tax	Community and Economic Development	Community Development Block Grant
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	2,387,661	-	-	-
Other local taxes	-	-	-	-
State levied shared taxes	-	139,476	-	-
Intergovernmental	78,036	-	-	754,337
Fees, licenses, and permits	-	-	-	-
Interest earnings	-	-	-	366
Fines and forfeitures	-	-	-	-
Other	2,332	-	-	26,856
Total revenues	2,468,029	139,476	-	781,559
Expenditures				
Current				
Security of persons and property	-	-	-	-
Leisure time activities	2,367,235	-	-	-
Community environment	-	-	-	1,220,355
Street maintenance	-	-	-	-
Capital outlay	-	182,502	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,367,235	182,502	-	1,220,355
Excess (deficiency) of revenues over (under) expenditures	100,794	(43,026)	-	(438,796)
Other Financing Sources				
Premium on debt issuance	3,438	-	-	-
Transfers in	-	-	-	-
Total other financing sources	3,438	-	-	-
Net change in fund balances	104,232	(43,026)	-	(438,796)
Fund balance at beginning of year	1,719,450	178,248	1,728	2,689,522
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	-	-	-	-
Fund balance at end of year	\$ 1,823,682	\$ 135,222	\$ 1,728	\$ 2,250,726

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, 2022

(Continued)

	Enterprise Zone / Community Reinvestment Area	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-
Other local taxes	-	-	-	-
State levied shared taxes	-	-	-	-
Intergovernmental	-	-	-	-
Fees, licenses, and permits	19,598	-	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	20,050	-	6,814
Other	-	-	12	730
Total revenues	<u>19,598</u>	<u>20,050</u>	<u>12</u>	<u>7,544</u>
Expenditures				
Current				
Security of persons and property	-	709	9,709	-
Leisure time activities	-	-	-	-
Community environment	-	-	-	-
Street maintenance	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>709</u>	<u>9,709</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,598</u>	<u>19,341</u>	<u>(9,697)</u>	<u>7,544</u>
Other Financing Sources				
Premium on debt issuance	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	19,598	19,341	(9,697)	7,544
Fund balance at beginning of year	101,309	180,882	129,175	44,374
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	-	-	-	-
Fund balance at end of year	<u>\$ 120,907</u>	<u>\$ 200,223</u>	<u>\$ 119,478</u>	<u>\$ 51,918</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund
Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022**

(Continued)

	Municipal Motor Vehicle License Tax	Federal Law Enforcement	Law Enforcement Assistance	State Road Public Improvement Tax Increment Equivalent
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-
Other local taxes	-	-	-	796,415
State levied shared taxes	119,718	-	-	-
Intergovernmental	-	-	-	-
Fees, licenses, and permits	-	-	-	-
Interest earnings	-	(14)	-	-
Fines and forfeitures	-	-	-	-
Other	-	-	81	-
Total revenues	<u>119,718</u>	<u>(14)</u>	<u>81</u>	<u>796,415</u>
Expenditures				
Current				
Security of persons and property	-	-	2,921	-
Leisure time activities	-	-	-	-
Community environment	-	-	-	394,705
Street maintenance	28,646	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	165,000
Interest	-	-	-	237,050
Total expenditures	<u>28,646</u>	<u>-</u>	<u>2,921</u>	<u>796,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>91,072</u>	<u>(14)</u>	<u>(2,840)</u>	<u>(340)</u>
Other Financing Sources				
Premium on debt issuance	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	91,072	(14)	(2,840)	(340)
Fund balance at beginning of year	24,032	18,406	4,512	960
Change in nonspendable inventory	-	-	-	-
Change in nonspendable prepaid items	-	-	-	-
Fund balance at end of year	<u>\$ 115,104</u>	<u>\$ 18,392</u>	<u>\$ 1,672</u>	<u>\$ 620</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, 2022

(Continued)

	Mudbrook - Mill Pond Public Improvement Tax Increment Equivalent	OneOhio Opioid Settlement	Princeton Crossroads Tax Increment Equivalent	Total Nonmajor Special Revenue Funds
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 644,704
Municipal income taxes	-	-	-	2,387,661
Other local taxes	977,122	-	-	2,042,934
State levied shared taxes	46,252	-	-	3,112,491
Intergovernmental	-	-	-	832,373
Fees, licenses, and permits	-	-	-	589,541
Interest earnings	-	-	-	352
Fines and forfeitures	-	-	-	26,864
Other	-	50,691	-	115,369
Total revenues	<u>1,023,374</u>	<u>50,691</u>	<u>-</u>	<u>9,752,289</u>
Expenditures				
Current				
Security of persons and property	-	-	-	2,909,017
Leisure time activities	-	-	-	2,367,235
Community environment	801,628	-	1,207,187	3,623,875
Street maintenance	-	-	-	4,037,316
Capital outlay	-	-	-	182,502
Debt service				
Principal	-	-	-	165,000
Interest	-	-	-	237,050
Total expenditures	<u>801,628</u>	<u>-</u>	<u>1,207,187</u>	<u>13,521,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>221,746</u>	<u>50,691</u>	<u>(1,207,187)</u>	<u>(3,769,706)</u>
Other Financing Sources				
Premium on debt issuance	-	-	7,500	10,938
Transfers in	-	-	-	2,240,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>2,250,938</u>
Net change in fund balances	221,746	50,691	(1,199,687)	(1,518,768)
Fund balance at beginning of year	-	-	-	7,343,002
Change in nonspendable inventory	-	-	-	164,546
Change in nonspendable prepaid items	-	-	-	7,350
Fund balance at end of year	<u>\$ 221,746</u>	<u>\$ 50,691</u>	<u>\$ (1,199,687)</u>	<u>\$ 5,996,130</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - State Highway Improvement Fund
For the Year Ended December 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State levied shared taxes	\$ 213,665	\$ 209,965	\$ 209,953	\$ (12)
Total revenues	213,665	209,965	209,953	(12)
Expenditures				
Current				
Street maintenance				
Other operations	219,000	215,500	215,500	-
Total expenditures	219,000	215,500	215,500	-
Net change in fund balances	(5,335)	(5,535)	(5,547)	(12)
Fund balance at beginning of year	7,584	7,584	7,584	-
Fund balance at end of year	<u>\$ 2,249</u>	<u>\$ 2,049</u>	<u>\$ 2,037</u>	<u>\$ (12)</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Street Construction, Maintenance and Repair Fund For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other local taxes	\$ 230,772	\$ 259,772	\$ 260,291	\$ 519
State levied shared taxes	2,640,050	2,590,050	2,589,421	(629)
Fees, licenses, and permits	585,000	578,000	577,644	(356)
Other	8,750	50,750	51,536	786
Total revenues	3,464,572	3,478,572	3,478,892	320
Expenditures				
Current				
Street maintenance				
Personal services	2,439,409	2,439,409	2,299,933	139,476
Other operations	1,900,870	1,900,870	1,729,028	171,842
Total expenditures	4,340,279	4,340,279	4,028,961	311,318
Net change in fund balances	(875,707)	(861,707)	(550,069)	311,638
Fund balance at beginning of year	1,072,199	1,072,199	1,072,199	-
Prior year encumbrances appropriated	130,755	130,755	130,755	-
Fund balance at end of year	\$ 327,247	\$ 341,247	\$ 652,885	\$ 311,638

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 319,428	\$ 321,670	\$ 322,352	\$ 682
Other local taxes	215	315	316	1
State levied shared taxes	39,704	39,979	39,613	(366)
Total revenues	<u>359,347</u>	<u>361,964</u>	<u>362,281</u>	<u>317</u>
Expenditures				
Current				
Security of persons and property				
Personal services	1,189,925	1,244,925	1,237,001	7,924
Other operations	5,700	9,700	9,554	146
Total expenditures	<u>1,195,625</u>	<u>1,254,625</u>	<u>1,246,555</u>	<u>8,070</u>
Excess (deficiency) of revenues				
over (under) expenditures	(836,278)	(892,661)	(884,274)	8,387
Other Financing Sources				
Transfers in	840,000	890,000	890,000	-
Total other financing sources	<u>840,000</u>	<u>890,000</u>	<u>890,000</u>	<u>-</u>
Net change in fund balances	3,722	(2,661)	5,726	8,387
Fund balance at beginning of year	69,267	69,267	69,267	-
Fund balance at end of year	<u>\$ 72,989</u>	<u>\$ 66,606</u>	<u>\$ 74,993</u>	<u>\$ 8,387</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Fire Pension Fund For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 319,428	\$ 321,670	\$ 322,352	\$ 682
Other local taxes	215	315	316	1
State levied shared taxes	39,704	39,979	39,613	(366)
Total revenues	359,347	361,964	362,281	317
Expenditures				
Current				
Security of persons and property				
Personal services	1,684,488	1,684,488	1,709,609	(25,121)
Other operations	5,700	29,700	9,554	20,146
Total expenditures	1,690,188	1,714,188	1,719,163	(4,975)
Excess (deficiency) of revenues over (under) expenditures				
	(1,330,841)	(1,352,224)	(1,356,882)	(4,658)
Other Financing Sources				
Transfers in	1,335,000	1,350,000	1,350,000	-
Total other financing sources	1,335,000	1,350,000	1,350,000	-
Net change in fund balances	4,159	(2,224)	(6,882)	(4,658)
Fund balance at beginning of year	71,268	71,268	71,268	-
Fund balance at end of year	\$ 75,427	\$ 69,044	\$ 64,386	\$ (4,658)

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Income taxes	\$ 1,930,160	\$ 2,386,876	\$ 2,387,661	\$ 785
Intergovernmental	-	73,000	73,036	36
Other	20,000	22,600	22,763	163
Total revenues	<u>1,950,160</u>	<u>2,482,476</u>	<u>2,483,460</u>	<u>984</u>
Expenditures				
Current				
Leisure time activities				
Other operations	1,473,934	1,473,934	1,196,303	277,631
Capital outlay	1,908,876	1,908,876	1,446,880	461,996
Total expenditures	<u>3,382,810</u>	<u>3,382,810</u>	<u>2,643,183</u>	<u>739,627</u>
Excess (deficiency) of revenues over (under) expenditures	(1,432,650)	(900,334)	(159,723)	740,611
Other Financing Sources (Uses)				
Bond/note issuance	550,000	553,400	553,438	38
Total other financing sources (uses)	<u>550,000</u>	<u>553,400</u>	<u>553,438</u>	<u>38</u>
Net change in fund balances	(882,650)	(346,934)	393,715	740,649
Fund balance at beginning of year	1,264,192	1,264,192	1,264,192	-
Prior year encumbrances appropriated	414,596	414,596	414,596	-
Fund balance at end of year	<u>\$ 796,138</u>	<u>\$ 1,331,854</u>	<u>\$ 2,072,503</u>	<u>\$ 740,649</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Permissive Tax Fund For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State levied shared taxes	\$ 200,000	\$ 155,000	\$ 154,941	\$ (59)
Total revenues	200,000	155,000	154,941	(59)
Expenditures				
Current				
Capital outlay	200,000	154,941	154,941	-
Total expenditures	200,000	154,941	154,941	-
Net change in fund balances	-	59	-	(59)
Fund balance at beginning of year	2	2	2	-
Fund balance at end of year	\$ 2	\$ 61	\$ 2	\$ (59)

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Current				
Community environment				
Other operations	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
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>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Community Development Block Grant Fund For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 645,000	\$ 771,404	\$ 770,702	\$ (702)
Interest earnings	-	-	366	366
Other	-	531,135	555,712	24,577
Total revenues	645,000	1,302,539	1,326,780	24,241
Expenditures				
Current				
Community environment				
Personal services	102,155	111,372	103,614	7,758
Other operations	715,510	1,185,047	1,081,302	103,745
Capital outlay	-	111,330	111,330	-
Total expenditures	817,665	1,407,749	1,296,246	111,503
Net change in fund balances	(172,665)	(105,210)	30,534	135,744
Fund balance at beginning of year	48,889	48,889	48,889	-
Prior year encumbrances appropriated	172,665	172,665	172,665	-
Fund balance at end of year	\$ 48,889	\$ 116,344	\$ 252,088	\$ 135,744

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, licenses, and permits	\$ 13,944	\$ 12,844	\$ 12,827	\$ (17)
Total revenues	13,944	12,844	12,827	(17)
Expenditures				
Current				
Community environment				
Other operations	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	13,944	12,844	12,827	(17)
Fund balance at beginning of year	101,309	101,309	101,309	-
Fund balance at end of year	<u>\$ 115,253</u>	<u>\$ 114,153</u>	<u>\$ 114,136</u>	<u>\$ (17)</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Drug Law Enforcement Fund For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 25,000	\$ 20,500	\$ 20,526	\$ 26
Total revenues	25,000	20,500	20,526	26
Expenditures				
Current				
Security of persons and property				
Other operations	14,720	14,720	609	14,111
Capital outlay	-	-	-	-
Total expenditures	14,720	14,720	609	14,111
Net change in fund balances	10,280	5,780	19,917	14,137
Fund balance at beginning of year	179,273	179,273	179,273	-
Fund balance at end of year	\$ 189,553	\$ 185,053	\$ 199,190	\$ 14,137

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 12,500	\$ 700	\$ 600	\$ (100)
Other	-	-	12	12
Total revenues	<u>12,500</u>	<u>700</u>	<u>612</u>	<u>(88)</u>
Expenditures				
Current				
Security of persons and property				
Other operations	14,500	14,500	8,392	6,108
Total expenditures	<u>14,500</u>	<u>14,500</u>	<u>8,392</u>	<u>6,108</u>
Net change in fund balances	(2,000)	(13,800)	(7,780)	6,020
Fund balance at beginning of year	127,258	127,258	127,258	-
Fund balance at end of year	<u>\$ 125,258</u>	<u>\$ 113,458</u>	<u>\$ 119,478</u>	<u>\$ 6,020</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Enforcement and Education Fund For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 6,700	\$ 4,900	\$ 5,155	\$ 255
Other	1,200	700	695	(5)
Total revenues	7,900	5,600	5,850	250
Expenditures				
Current				
Security of persons and property				
Other operations	4,590	4,981	4,981	-
Total expenditures	4,590	4,981	4,981	-
Net change in fund balances	3,310	619	869	250
Fund balance at beginning of year	43,928	43,928	43,928	-
Fund balance at end of year	\$ 47,238	\$ 44,547	\$ 44,797	\$ 250

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State levied shared taxes	\$ 113,000	\$ 118,400	\$ 118,455	\$ 55
Total revenues	113,000	118,400	118,455	55
Expenditures				
Current				
Street maintenance				
Other operations	118,000	118,000	118,000	-
Total expenditures	118,000	118,000	118,000	-
Net change in fund balances	(5,000)	400	455	55
Fund balance at beginning of year	5,233	5,233	5,233	-
Fund balance at end of year	<u>\$ 233</u>	<u>\$ 5,633</u>	<u>\$ 5,688</u>	<u>\$ 55</u>

City of Cuyahoga Falls, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Federal Law Enforcement Fund For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest earnings	\$ 50	\$ 50	\$ 261	\$ 211
Total revenues	50	50	261	211
Expenditures				
Current				
Security of persons and property				
Other operations	\$ -	\$ -	\$ -	\$ -
Total expenditures	-	-	-	-
Net change in fund balances	50	50	261	211
Fund balance at beginning of year	18,403	18,403	18,403	-
Fund balance at end of year	\$ 18,453	\$ 18,453	\$ 18,664	\$ 211

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$ -	\$ 81	\$ 81	\$ -
Total revenues	-	81	81	-
Expenditures				
Current				
Security of persons and property				
Other operations	\$ 10,967	\$ 4,511	\$ 2,921	\$ 1,590
Total expenditures	10,967	4,511	2,921	1,590
Net change in fund balances	(10,967)	(4,430)	(2,840)	1,590
Fund balance at beginning of year	3,937	3,937	3,937	-
Prior year encumbrances appropriated	575	575	575	-
Fund balance at end of year	<u>\$ (6,455)</u>	<u>\$ 82</u>	<u>\$ 1,672</u>	<u>\$ 1,590</u>

City of Cuyahoga Falls, Ohio

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other local tax	\$ 868,857	\$ 796,457	\$ 796,415	\$ (42)
Total revenues	868,857	796,457	796,415	(42)
Expenditures				
Current				
Community environment				
Other operations	466,367	394,705	394,705	-
Total - community environment	466,367	394,705	394,705	-
Debt service				
Principal	165,000	165,000	165,000	-
Interest	237,050	237,050	237,050	-
Total expenditures	868,417	796,755	796,755	-
Net change in fund balances	440	(298)	(340)	(42)
Fund balance at beginning of year	960	960	960	-
Fund balance at end of year	\$ 1,400	\$ 662	\$ 620	\$ (42)

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local tax	\$ 602,085	\$ 977,085	\$ 977,122	\$ 37
State levied shared taxes	\$ -	\$ 46,000	\$ 46,252	252
Total revenues	602,085	1,023,085	1,023,374	289
Expenditures				
Current				
Community environment				
Other operations	602,085	802,085	801,628	457
Total expenditures	602,085	802,085	801,628	457
Net change in fund balances	-	221,000	221,746	746
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 221,000</u>	<u>\$ 221,746</u>	<u>\$ 746</u>

City of Cuyahoga Falls, Ohio

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ -	\$ 15,657	\$ 15,657	\$ -
Total revenues	-	15,657	15,657	-
Expenditures				
Current				
Security of persons and property				
Other operations	\$ -	\$ -	\$ -	\$ -
Total expenditures	-	-	-	-
Net change in fund balances	-	15,657	15,657	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ 15,657	\$ 15,657	\$ -

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local tax	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current				
Community environment				
Other operations	-	7,188	7,187	1
Capital outlay	-	1,200,000	1,200,000	-
Total expenditures	-	1,207,188	1,207,187	1
Excess (deficiency) of revenues over (under) expenditures	-	(1,207,188)	(1,207,187)	1
Other Financing Sources (Uses)				
Bond/note proceeds	-	1,207,500	1,207,500	-
Total other financing sources (uses)	-	1,207,500	1,207,500	-
Net change in fund balances	-	312	313	1
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 312</u>	<u>\$ 313</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) - Debt Service Fund For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest earnings	\$ 900	\$ 900	\$ 689	\$ (211)
Other	480,000	-	-	-
Special Assessments	-	-	-	-
Total revenues	480,900	900	689	(211)
Expenditures				
Current				
General government				
Other operations	400	433	433	-
Total - general government	400	433	433	-
Debt service				
Principal	745,726	745,726	745,726	-
Interest	372,361	372,362	372,361	1
Total expenditures	1,118,487	1,118,521	1,118,520	1
Excess (deficiency) of revenues over (under) expenditures				
	(637,587)	(1,117,621)	(1,117,831)	(210)
Other Financing Sources (Uses)				
Transfers in				
Total other financing sources (uses)	575,000	1,300,000	1,300,000	-
	575,000	1,300,000	1,300,000	-
Net change in fund balances	(62,587)	182,379	182,169	(210)
Fund balance at beginning of year	69,261	69,261	69,261	-
Fund balance at end of year	\$ 6,674	\$ 251,640	\$ 251,430	\$ (210)

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.

City of Cuyahoga Falls, Ohio

Combining Statement of Net Position - Governmental Activities Internal Service Funds December 31, 2022

	<u>Garage</u>	<u>Self Insurance</u>	<u>Workers' Compensation</u>
Assets			
Current Assets			
Equity in pooled cash and cash equivalents	\$ 108,986	3,936,776	\$ 1,279,846
Investments	46,413	1,676,503	518,458
Receivables			
Accounts			
(net of allowance for uncollectibles)	-	107,406	-
Due from other governments	-	-	11,260
Inventory of supplies	297,938	-	-
Prepaid items	1,280	-	-
Total current assets	<u>454,617</u>	<u>5,720,685</u>	<u>1,809,564</u>
Noncurrent Assets			
Net pension asset	11,461	1,559	-
Net other postemployment benefits (OPEB) asset	98,431	13,387	-
Capital Assets			
Land	21,960	-	-
Buildings	113,503	-	-
Improvements other than buildings	260,029	-	-
Equipment	321,977	-	-
Less: Accumulated depreciation	<u>(573,937)</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>253,424</u>	<u>14,946</u>	<u>-</u>
Total assets	<u>708,041</u>	<u>5,735,631</u>	<u>1,809,564</u>
Deferred Outflows of Resources			
Pension	128,794	17,517	-
Other postemployment benefits (OPEB)	1,162	1,021,939	-
Total deferred outflows of resources	<u>129,956</u>	<u>1,039,456</u>	<u>-</u>
Liabilities			
Current Liabilities			
Accounts payable	39,590	63,840	-
Accrued salaries, wages and benefits	20,871	2,627	-
Accrued compensated absences	-	-	-
Due to other funds	2,780	-	-
Due to other governments	13,943	396	16,561
Claims and judgments payable	-	634,877	-
Total current liabilities	<u>77,184</u>	<u>701,740</u>	<u>16,561</u>
Noncurrent Liabilities			
Net pension liability	282,193	38,378	-
Net other postemployment benefits (OPEB) liability	-	6,471,341	-
Accrued compensated absences	-	-	-
Total Noncurrent Liabilities	<u>282,193</u>	<u>6,509,719</u>	<u>-</u>
Total liabilities	<u>359,377</u>	<u>7,211,459</u>	<u>16,561</u>
Deferred Inflows of Resources			
Pension	355,955	48,410	-
Other postemployment benefits (OPEB)	105,532	3,536,564	-
Total deferred inflows of resources	<u>461,487</u>	<u>3,584,974</u>	<u>-</u>
Net Position			
Net investment in capital assets	143,532	-	-
Unrestricted	(126,399)	(4,021,346)	1,793,003
Total net position	<u>\$ 17,133</u>	<u>(4,021,346)</u>	<u>\$ 1,793,003</u>

**Combining Statement of Net Position -
Governmental Activities Internal Service Funds
December 31, 2022**

(Continued)

	<u>Compensated Absences</u>	<u>Total</u>
Assets		
Current Assets		
Equity in pooled cash and cash equivalents	\$ 409,265	\$ 5,734,873
Investments	174,289	2,415,663
Receivables		
Accounts		
(net of allowance for uncollectibles)	-	107,406
Due from other governments	-	11,260
Inventory of supplies	-	297,938
Prepaid items	-	1,280
Total current assets	<u>583,554</u>	<u>8,568,420</u>
Noncurrent Assets		
Net pension asset	-	13,020
Net other postemployment benefits (OPEB) asset	-	111,818
Capital Assets		
Land	-	21,960
Buildings	-	113,503
Improvements other than buildings	-	260,029
Equipment	-	321,977
Less: Accumulated depreciation	-	(573,937)
Total noncurrent assets	<u>-</u>	<u>268,370</u>
Total assets	<u>583,554</u>	<u>8,836,790</u>
Deferred Outflows of Resources		
Pension	-	146,311
Other postemployment benefits (OPEB)	-	1,023,101
Total deferred outflows of resources	<u>-</u>	<u>1,169,412</u>
Liabilities		
Current Liabilities		
Accounts payable	-	103,430
Accrued salaries, wages and benefits	-	23,498
Accrued compensated absences	1,929,805	1,929,805
Due to other funds	-	2,780
Due to other governments	-	30,900
Claims and judgments payable	-	634,877
Total current liabilities	<u>1,929,805</u>	<u>2,725,290</u>
Noncurrent Liabilities		
Net pension liability	-	320,571
Net other postemployment benefits (OPEB) liability	-	6,471,341
Accrued compensated absences	8,878,234	8,878,234
Total Noncurrent Liabilities	<u>8,878,234</u>	<u>15,670,146</u>
Total liabilities	<u>10,808,039</u>	<u>18,395,436</u>
Deferred Inflows of Resources		
Pension	-	404,365
Other postemployment benefits (OPEB)	-	3,642,096
Total deferred inflows of resources	<u>-</u>	<u>4,046,461</u>
Net Position		
Net investment in capital assets	-	143,532
Unrestricted	(10,224,485)	(12,579,227)
Total net position	<u>\$ (10,224,485)</u>	<u>\$ (12,435,695)</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, 2022

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>
Operating revenues			
Charges for services	\$ 2,844,594	\$ 7,130,585	\$ -
Other	11,528	604,965	18,531
Total operating revenues	<u>2,856,122</u>	<u>7,735,550</u>	<u>18,531</u>
Operating Expenses			
Personal services	521,368	71,839	-
Fringe benefits	(33,447)	6,608,541	349,581
Materials and supplies	1,547,148	50	-
Utilities	13,451	180	-
Contractual services	20,487	48,270	20,000
Internal charges	171,607	-	-
Other	253,247	20,045	8,414
Depreciation	11,823	-	-
Total operating expenses	<u>2,505,684</u>	<u>6,748,925</u>	<u>377,995</u>
Net income (loss) from operations	<u>350,438</u>	<u>986,625</u>	<u>(359,464)</u>
Nonoperating Revenues			
Interest revenue	-	-	(151)
Gain (loss) from disposal of capital assets	(923)	-	-
Total nonoperating revenues	<u>(923)</u>	<u>-</u>	<u>(151)</u>
Income (loss) before contributions and transfers	<u>349,515</u>	<u>986,625</u>	<u>(359,615)</u>
Capital Contributions			
Changes in net position	<u>1,035</u>	<u>-</u>	<u>(359,615)</u>
Total net position - beginning	(333,417)	(5,007,971)	2,152,618
Total net position - ending	<u>\$ 17,133</u>	<u>\$ (4,021,346)</u>	<u>\$ 1,793,003</u>

**Combining Statement of Revenues, Expenses and Changes in Net Position -
Governmental Activities Internal Service Funds
For the Year Ended December 31, 2022**

(Continued)

	<u>Compensated Absences</u>	<u>Total</u>
Operating revenues		
Charges for services	\$ 750,000	\$ 10,725,179
Other	-	635,024
Total operating revenues	<u>750,000</u>	<u>11,360,203</u>
Operating Expenses		
Personal services	1,324,242	1,917,449
Fringe benefits	9,280	6,933,955
Materials and supplies	-	1,547,198
Utilities	-	13,631
Contractual services	-	88,757
Internal charges	-	171,607
Other	-	281,706
Depreciation	-	11,823
Total operating expenses	<u>1,333,522</u>	<u>10,966,126</u>
Net income (loss) from operations	<u>(583,522)</u>	<u>394,077</u>
Nonoperating Revenues		
Interest revenue	-	(151)
Gain (loss) from disposal of capital assets	-	(923)
Total nonoperating revenues	<u>-</u>	<u>(1,074)</u>
Income (loss) before contributions and transfers	<u>(583,522)</u>	<u>393,003</u>
Capital Contributions	-	1,035
Changes in net position	<u>(583,522)</u>	<u>394,038</u>
Total net position - beginning	(9,640,963)	(12,829,733)
Total net position - ending	<u>\$ (10,224,485)</u>	<u>\$ (12,435,695)</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2022

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>
Cash Flows From Operating Activities			
Activities			
Cash received from customers	\$ 2,856,122	\$ 7,721,793	\$ 59,816
Cash payments to employees for services	(532,963)	(73,157)	-
Cash payments to employees for benefits	(191,322)	(7,431,735)	(351,997)
Cash payments to suppliers for goods and services	<u>(2,110,475)</u>	<u>(50,259)</u>	<u>(28,414)</u>
Net cash provided (used in) by operating activities	21,362	166,642	(320,595)
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	(14,868)	-	-
Proceeds from the sale of capital assets	<u>6,500</u>	<u>-</u>	<u>-</u>
Net cash used in capital and related financing activities	(8,368)	-	-
Cash Flows From Investing Activities			
Interest revenue	-	-	(151)
Sale of investments	46,497	1,778,406	692,118
Purchase of investments	<u>(46,413)</u>	<u>(1,676,503)</u>	<u>(518,458)</u>
Net cash used in investing activities	<u>84</u>	<u>101,903</u>	<u>173,509</u>
Net increase (decrease) in cash and cash equivalents	13,078	268,545	(147,086)
Cash and cash equivalents at beginning of year	<u>95,908</u>	<u>3,668,231</u>	<u>1,426,932</u>
Cash and cash equivalents at end of year	<u>\$ 108,986</u>	<u>\$ 3,936,776</u>	<u>\$ 1,279,846</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2022

(Continued)

	<u>Compensated Absences</u>	<u>Totals</u>
Cash Flows From Operating Activities		
Activities		
Cash received from customers	\$ 750,000	\$ 11,387,731
Cash payments to employees for services	(665,084)	(1,271,204)
Cash payments to employees for benefits	(9,280)	(7,984,334)
Cash payments to suppliers for goods and services	-	(2,189,148)
Net cash provided (used in) by operating activities	75,636	(56,955)
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	-	(14,868)
Proceeds from the sale of capital assets	-	6,500
Net cash used in capital and related financing activities	-	(8,368)
Cash Flows From Investing Activities		
Interest revenue	-	(151)
Sale of investments	165,843	2,682,864
Purchase of investments	(174,289)	(2,415,663)
Net cash used in investing activities	(8,446)	267,050
Net increase (decrease) in cash and cash equivalents	67,190	201,727
Cash and cash equivalents at beginning of year	342,075	5,533,146
Cash and cash equivalents at end of year	<u>\$ 409,265</u>	<u>\$ 5,734,873</u>

City of Cuyahoga Falls, Ohio

Combining Statement of Cash Flows - Governmental Activities Internal Service Funds For the Year Ended December 31, 2022

(Continued)

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>
Reconciliation of Operating Income (Loss) to Net			
Cash Provided (Used) By Operating Activities:			
Operating income (loss)	\$ 350,438	\$ 986,625	\$ (359,464)
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:			
Depreciation	11,823	-	-
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:			
Receivables	-	(13,757)	-
Due from other governments	-	-	41,285
Inventory of supplies	15,348	-	-
Prepaid items	5	-	-
Deferred outflows of resources - pension	(47,364)	(10,573)	-
Deferred outflows of resources - OPEB	39,725	378,731	-
Accounts payable			
- net of items affecting capital assets	(119,757)	18,286	-
Accrued salaries, wages and benefits	(11,595)	(1,318)	-
Due to other funds	(131)	-	-
Due to other governments	(8,272)	(204)	14,671
Claims payable	-	28,783	(17,087)
Deferred inflows of resources - pension	123,789	28,613	-
Deferred inflows of resources - OPEB	(78,261)	2,123,614	-
Net pension liability	(213,991)	(4,514)	-
Net OPEB liability	(40,395)	(3,367,644)	-
Total adjustments	<u>(329,076)</u>	<u>(819,983)</u>	<u>38,869</u>
Net cash provided by (used in) operating activities	<u>\$ 21,362</u>	<u>\$ 166,642</u>	<u>\$ (320,595)</u>

**Combining Statement of Cash Flows - Governmental Activities Internal Service Funds
For the Year Ended December 31, 2022**

(Continued)

	<u>Compensated Absences</u>	<u>Totals</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Operating income (loss)	\$ (583,522)	\$ 394,077
Adjustments to reconcile operating Income (Loss) to Net Cash provided by operating activities:		
Depreciation	-	11,823
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:		
Receivables	-	(13,757)
Due from other governments	-	41,285
Inventory of supplies	-	15,348
Prepaid items	-	5
Deferred outflows of resources - pension	-	(57,937)
Deferred outflows of resources - OPEB	-	418,456
Accounts payable	-	-
- net of items affecting capital assets	-	(101,471)
Accrued salaries, wages and benefits	659,158	646,245
Due to other funds	-	(131)
Due to other governments	-	6,195
Claims payable	-	11,696
Deferred inflows of resources - pension	-	152,402
Deferred inflows of resources - OPEB	-	2,045,353
Net pension liability	-	(218,505)
Net OPEB liability	-	(3,408,039)
Total adjustments	659,158	(451,032)
Net cash provided by (used in) operating activities	<u>\$ 75,636</u>	<u>\$ (56,955)</u>

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.

**Combining Statement of Fiduciary Net Position - Custodial Funds
December 31, 2022**

	Custodial Funds		
	State Cases Fines and Forfeitures	Joint Economic Development District	Totals
Assets			
Current Assets			
Equity in pooled cash and cash equivalents	\$ 11,405	\$ 9,502	\$ 20,907
Investments	4,858	4,047	8,905
Income taxes receivable	-	50,057	50,057
Due from other governments	-	4,557	4,557
Total assets	16,263	68,163	84,426
Liabilities			
Current Liabilities			
Due to external parties	16,263	68,163	84,426
Total liabilities	16,263	68,163	84,426
Net Position			
Restricted for:			
Individuals, organizations, and other governments	-	-	-
	\$ -	\$ -	\$ -

City of Cuyahoga Falls, Ohio

Combining Statement of Changes in Fiduciary Net Position Custodial Funds For the Year Ended December 31, 2022

	Custodial Funds		
	State Cases Fines and Forfeitures	Joint Economic Development District	Totals
Additions			
Court receipts	\$ 150,052	\$ -	\$ 150,052
Income taxes	-	253,443	253,443
Other	-	5,343	5,343
Total additions	<u>150,052</u>	<u>258,786</u>	<u>408,838</u>
Deductions			
Court disbursements	150,052		150,052
Income tax disbursements, Boston Township	-	98,292	98,292
Income tax disbursements, City of Cuyahoga Falls	-	147,437	147,437
Contractual services	-	13,057	13,057
Other			-
Total deductions	<u>150,052</u>	<u>258,786</u>	<u>408,838</u>
Net increase (decrease) in Fiduciary Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Total net position - beginning	-	-	-
Total net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

City of Cuyahoga Falls, Ohio

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.

Contents	Pages
<i>Financial Trends</i>	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.	
<i>Revenue Capacity</i>	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.	
<i>Debt Capacity</i>	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.	
<i>Economic and Demographic Information</i>	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.	
<i>Operating Information</i>	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
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019***</u>	<u>2018</u>
Government activities					
Net investment in capital assets	\$ 101,267,757	\$ 103,875,671	\$ 103,012,400	\$ 100,145,441	\$ 98,770,561
Restricted:					
Capital projects	8,084,889	5,107,498	3,966,631	6,716,386	6,267,974
Debt service	141,926	-	-	-	(109,676)
Special revenue	2,279,690	2,689,522	2,946,853	2,928,517	3,050,759
Permanent fund purpose - Cemetery Perpetual Care	249,914	252,341	252,430	248,996	245,319
Unrestricted	(20,697,394)	(30,147,379)	(39,696,122)	(45,961,530)	(65,152,491)
Total governmental activities net position	<u>91,326,782</u>	<u>81,777,653</u>	<u>70,482,192</u>	<u>64,077,810</u>	<u>43,072,446</u>
Business-type activities					
Net investments in capital assets					
net of related debt	108,121,042	101,859,504	100,832,136	98,236,082	94,348,339
Unrestricted	38,404,625	31,816,819	20,672,054	18,967,044	20,432,384
Total business-type activities net position	<u>146,525,667</u>	<u>133,676,323</u>	<u>121,504,190</u>	<u>117,203,126</u>	<u>114,780,723</u>
Primary government					
Net investments in capital assets					
Restricted	10,756,419	8,049,361	7,165,914	9,749,299	9,454,376
Unrestricted	17,707,231	1,669,440	(19,024,068)	(27,729,157)	(44,720,107)
Total primary government net position	<u>\$ 237,852,449</u>	<u>\$ 215,453,976</u>	<u>\$ 191,986,382</u>	<u>\$ 180,401,665</u>	<u>\$ 157,853,169</u>

*** Restated from implementation of Governmental Accounting Standards Board Statements No. 84.

City of Cuyahoga Falls, Ohio

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

(Continued)

	<u>2017**</u>	<u>2016</u>	<u>2015</u>	<u>2014*</u>	<u>2013</u>
Net investment in capital assets	\$ 97,475,296	\$ 93,128,745	\$ 92,335,053	\$ 91,808,449	\$ 86,719,724
Restricted:					
Capital projects	4,570,176	4,416,995	3,063,077	-	-
Debt service	14,198	14,048	13,914	11,614	7,447
Special revenue	2,746,843	2,458,304	2,306,040	2,561,469	2,415,072
Permanent fund purpose - Cemetery Perpetual Care	244,782	241,905	239,020	234,555	231,846
Unrestricted	<u>(61,497,241)</u>	<u>(16,698,179)</u>	<u>(14,519,150)</u>	<u>(17,737,712)</u>	<u>14,813,406</u>
	<u>43,554,054</u>	<u>83,561,818</u>	<u>83,437,954</u>	<u>76,878,375</u>	<u>104,187,495</u>
Net investment in capital assets net of related debt	90,978,939	84,868,646	80,341,436	74,625,126	70,628,251
Unrestricted	<u>20,051,585</u>	<u>26,898,604</u>	<u>25,645,833</u>	<u>26,508,592</u>	<u>31,698,133</u>
	<u>111,030,524</u>	<u>111,767,250</u>	<u>105,987,269</u>	<u>101,133,718</u>	<u>102,326,384</u>
Net investments in capital assets	188,454,235	177,997,391	172,676,489	166,433,575	157,347,975
Restricted	7,575,999	7,131,252	5,622,051	2,807,638	2,654,365
Unrestricted	<u>(41,445,656)</u>	<u>10,200,425</u>	<u>11,126,683</u>	<u>8,770,880</u>	<u>46,511,539</u>
	<u>\$ 154,584,578</u>	<u>\$ 195,329,068</u>	<u>\$ 189,425,223</u>	<u>\$ 178,012,093</u>	<u>\$ 206,513,879</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
Changes in Net Position
Last Ten Years
(Accrual Basis Accounting)

	2022	2021	2020	2019	2018
Program revenue					
Governmental activities:					
Charges for services:					
Security of persons and property	\$ 671,147	\$ 667,121	\$ 892,193	\$ 652,409	\$ 614,054
Leisure time activities	221,127	349,301	58,417	251,070	236,311
Community environment	117,949	249,761	89,784	100,850	92,344
Street maintenance	656,674	857,555	754,639	815,585	750,500
General government	4,060,664	3,454,746	4,805,381	3,055,468	2,194,419
Total charges for services	5,727,561	5,578,484	6,600,414	4,875,382	3,887,628
Operating grants & contributions:					
Security of persons and property	154,867	255,939	5,698,067	103,776	128,359
Leisure time activities	35,494	-	-	-	-
Community environment	856,613	948,872	651,932	402,147	768,692
Street maintenance	2,940,330	2,905,762	2,962,998	2,750,529	2,186,107
General government	2,156,819	138,557	131,516	141,700	152,845
Total operating grants & contributions	6,144,123	4,249,130	9,444,513	3,398,152	3,236,003
Capital grants & contributions:					
Security of persons and property	11,513	-	-	-	13,738
Leisure time activities	623,876	904	-	-	59,114
Community environment	290,270	76,262	-	124,999	29,680
Street maintenance	1,997,135	2,083,758	1,041,735	1,261,487	1,027,891
General government	-	-	-	17,438	45,479
Total capital grants & contributions	2,922,794	2,160,924	1,041,735	1,403,924	1,175,902
Total governmental activities program revenue	\$ 14,794,478	\$ 11,988,538	\$ 17,086,662	\$ 9,677,458	\$ 8,299,533
Business-type activity:					
Charges for service:					
Sewage and disposal	\$ 10,172,202	\$ 7,966,821	\$ 8,588,707	\$ 8,228,489	\$ 8,291,227
Water	5,861,518	5,977,700	6,347,075	5,276,484	5,651,564
Electric	48,835,864	46,912,658	51,060,290	48,761,592	50,500,902
Sanitation	4,538,274	3,970,792	3,785,683	3,786,521	3,721,057
Leisure time activities	6,488,606	5,963,620	5,122,068	6,794,450	6,630,504
Storm Drainage Utility	1,954,134	2,048,407	1,978,985	1,273,890	1,192,300
Total charges for services	77,850,598	72,839,998	76,882,808	74,121,426	75,987,554
Operating Grants & Contributions:					
Sewage and disposal	-	2,722	-	-	-
Water	-	2,722	-	-	-
Electric	-	-	1,803	1,505	4,263
Sanitation	46,525	53,669	49,652	58,002	58,298
Leisure time activities	-	2,500	-	-	-
Storm Drainage Utility	-	-	-	-	-
Total operating grants & contributions	46,525	61,613	51,455	59,507	62,561
Capital grants & contributions:					
Sewage and disposal	400,550	296,710	348,650	-	16,225
Water	1,192,492	486,171	106,500	340,785	24,735
Electric	246,022	-	-	-	-
Leisure time activities	68,575	179,934	-	-	-
Storm Drainage Utility	336,718	635,676	571,191	523,916	94,595
Total capital grants & contributions	2,244,357	1,598,491	1,026,341	864,701	135,555
Total business-type activities	\$ 80,141,480	\$ 74,500,102	\$ 77,960,604	\$ 75,045,634	\$ 76,185,670
Total primary government program revenue	\$ 94,935,958	\$ 86,488,640	\$ 95,047,266	\$ 84,723,092	\$ 84,485,203

City of Cuyahoga Falls, Ohio

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

(Continued)

	2017	2016	2015	2014	2013
Program revenue					
Governmental activities:					
Charges for services:					
Security of persons and property	\$ 519,205	\$ 536,856	\$ 520,733	\$ 866,918	\$ 464,166
Leisure time activities	12,324	27,226	33,132	20,790	235,225
Community environment	125,102	152,871	227,326	201,372	160,817
Street maintenance	811,739	770,054	965,856	1,339,543	713,510
General government	2,303,281	2,418,428	2,209,681	2,500,922	4,962,276
Total charges for services	3,771,651	3,905,435	3,956,728	4,929,545	6,535,994
Operating grants & contributions:					
Security of persons and property	137,148	131,381	45,917	348,575	278,024
Leisure time activities	(7,500)	7,500	23,250	-	-
Community environment	557,547	580,500	355,300	535,716	300,219
Street maintenance	2,053,235	2,026,745	2,131,622	2,064,694	2,038,054
General government	121,619	125,533	7,195	-	-
Total operating grants & contributions	2,862,049	2,871,659	2,563,284	2,948,985	2,616,297
Capital grants & contributions:					
Security of persons and property	240,465	-	100,475	107,891	110,983
Leisure time activities	153,197	116,203	109,859	-	-
Community environment	1,548,283	73,843	1,245,257	-	721,956
Street maintenance	849,573	1,175,784	4,658,370	1,540,628	3,568,526
General government	-	-	102,823	-	-
Total capital grants & contributions	2,791,518	1,365,830	6,216,784	1,648,519	4,401,465
Total governmental activities program revenue	\$ 9,425,218	\$ 8,142,924	\$ 12,736,796	\$ 9,527,049	\$ 13,553,756
Business-type activity:					
Charges for service:					
Sewage and disposal	\$ 8,333,630	\$ 7,902,309	\$ 7,001,712	\$ 6,405,741	\$ 5,883,183
Water	5,647,624	5,143,261	5,345,330	5,867,593	5,997,979
Electric	48,079,266	46,579,605	41,872,912	42,147,397	40,671,375
Sanitation	3,715,767	3,667,882	3,634,212	3,793,133	3,769,257
Leisure time activities	7,465,484	7,426,456	6,642,300	5,558,640	5,690,602
Storm Drainage Utility	1,204,178	1,081,159	1,174,989	1,208,453	1,221,761
Total charges for services	74,445,949	71,800,672	65,671,455	64,980,957	63,234,157
Operating Grants & Contributions:					
Sewage and disposal	-	-	-	-	-
Water	-	-	10,276	-	-
Electric	4,183	11,000	18,538	-	-
Sanitation	56,972	45,207	68,946	52,994	45,248
Storm Drainage Utility	-	-	398,396	-	-
Total operating grants & contributions	61,155	56,207	496,156	52,994	45,248
Capital grants & contributions:					
Sewage and disposal	273,475	201,244	96,435	176,485	60,999
Water	318,725	333,695	192,015	282,859	709,571
Electric	-	-	-	37,500	-
Leisure time activities	-	-	-	-	-
Storm Drainage Utility	315,940	446,567	419,806	533,588	978,980
Total capital grants & contributions	908,140	981,506	708,256	1,030,432	1,749,550
Total business-type activities	\$ 75,415,244	\$ 72,838,385	\$ 66,875,867	\$ 66,064,383	\$ 65,028,955
Total primary government program revenue	\$ 84,840,462	\$ 80,981,309	\$ 79,612,663	\$ 75,591,432	\$ 78,582,711

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

(Continued)

	2022	2021	2020	2019	2018
Expenses					
Governmental activities:					
Security of persons and property	\$ 26,078,999	\$ 23,722,589	\$ 26,455,896	\$ 4,078,743	\$ 24,114,641
Leisure time activities	4,054,265	3,387,294	4,167,053	4,138,896	3,078,332
Community environment	4,768,774	2,662,387	2,658,942	2,581,048	2,139,383
Street maintenance	11,227,751	9,913,865	10,119,896	10,209,740	8,549,215
General government	7,755,936	5,319,527	9,132,619	10,324,863	7,422,900
Interest and fiscal charges	590,474	602,905	613,368	552,870	415,082
Total governmental activities expenses	54,476,199	45,608,567	53,147,774	31,886,160	45,719,553
Business-type activity:					
Sewage and disposal	10,051,270	7,921,685	7,385,465	8,997,990	8,187,532
Water	3,832,988	2,972,646	4,729,481	4,697,602	4,222,943
Electric	44,955,999	43,946,449	50,581,299	48,454,543	51,099,787
Sanitation	3,577,542	2,923,834	4,235,347	4,190,654	3,604,209
Leisure time activities	5,979,711	4,015,258	5,866,827	7,183,886	6,233,165
Storm Drainage Utility	1,192,540	828,829	1,141,853	1,065,512	1,364,938
Total business-type activities expenses	69,590,050	62,608,701	73,940,272	74,590,187	74,712,574
Total primary government program expenses	124,066,249	108,217,268	127,088,046	106,476,347	120,432,127
Net (expense)/revenue					
Governmental activity	(39,681,721)	(33,620,029)	(36,061,112)	(22,208,702)	(37,420,020)
Business-type activity	10,551,430	11,891,401	4,020,332	455,447	1,473,096
Total primary government net expense	\$ (29,130,291)	\$ (21,728,628)	\$ (32,040,780)	\$ (21,753,255)	\$ (35,946,924)
General revenues and other changes in net position					
Governmental activities					
Property and other local taxes Levied for:					
General purposes	\$ 13,616,728	\$ 13,319,161	\$ 11,479,946	\$ 11,858,448	\$ 11,916,154
Special revenue	2,649,786	1,793,092	1,512,095	1,591,781	1,498,504
Income tax levied for:					
General purposes	19,943,717	16,796,573	16,349,260	16,507,424	14,163,734
Special revenue	887,894	2,144,130	2,087,030	2,107,217	1,808,040
Capital projects	10,991,776	7,860,915	7,651,569	7,725,590	6,628,727
Grants and entitlements not restricted to specific programs	3,551,498	3,398,940	2,694,946	2,941,401	2,673,128
Gain or (loss) on sale of capital assets	-	17,026	-	-	24,582
Investment earnings	(157,927)	(133,615)	971,380	1,569,890	502,646
Transfers	(2,252,622)	(280,732)	(280,732)	(1,966,956)	(2,277,103)
Total governmental activities	49,230,850	44,915,490	42,465,494	42,334,795	36,938,412
Business-type activity					
Investment earnings	45,292	-	-	-	-
Transfers	2,252,622	280,732	280,732	1,966,956	2,277,103
Total Business-type activity	2,297,914	280,732	280,732	1,966,956	2,277,103
Total primary government general revenue and other changes in net position	51,528,764	45,196,222	42,746,226	44,301,751	39,215,515
Change in net position					
Governmental Activities	9,549,129	11,295,461	6,404,382	20,126,093	(481,608)
Business Type Activities	12,849,344	12,172,133	4,301,064	2,422,403	3,750,199
Total primary government change in net position	\$ 22,398,473	\$ 23,467,594	\$ 10,705,446	\$ 22,548,496	\$ 3,268,591

City of Cuyahoga Falls, Ohio

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

(Continued)

	2017	2016	2015	2014	2013
Expenses					
Governmental activities:					
Security of persons and property	\$ 23,275,147	\$ 23,211,263	\$ 20,818,302	\$ 19,807,646	\$ 19,226,088
Leisure time activities	4,339,549	4,073,716	2,407,489	2,244,079	2,448,177
Community environment	2,271,132	2,128,007	2,101,857	1,785,142	15,185,794
Street maintenance	8,762,258	8,646,272	8,117,963	8,034,324	7,527,258
General government	6,958,634	6,159,167	6,536,478	6,139,797	8,189,412
Interest and fiscal charges	303,622	364,476	116,030	163,316	213,290
Total governmental activities expenses	45,910,342	44,582,901	40,098,119	38,174,304	52,790,019
Business-type activity:					
Sewage and disposal	7,934,156	7,527,436	6,803,595	6,686,370	6,024,160
Water	4,427,961	4,003,814	3,991,995	4,273,858	4,050,811
Electric	48,275,772	46,856,466	43,879,705	41,358,326	43,174,472
Sanitation	3,886,703	3,463,757	3,298,991	3,443,262	3,277,406
Leisure time activities	6,381,113	6,303,759	5,986,173	5,951,069	6,268,527
Storm Drainage Utility	1,413,989	1,247,600	1,209,296	1,467,434	1,052,954
Total business-type activities expenses	72,319,694	69,402,832	65,169,755	63,180,319	63,848,330
Total primary government program expenses	118,230,036	113,985,733	105,267,874	101,354,623	116,638,349
Net (expense)/revenue					
Governmental activity	(37,610,809)	(36,439,977)	(27,361,323)	(28,647,255)	(39,236,263)
Business-type activity	3,865,976	3,435,553	1,706,112	2,884,064	1,180,625
Total primary government net expense	\$ (33,744,833)	\$ (33,004,424)	\$ (25,655,211)	\$ (25,763,191)	\$ (38,055,638)
General revenues and other changes in net position					
Governmental activities					
Property and other local taxes Levied for:					
General purposes	\$ 11,332,985	\$ 11,288,348	\$ 10,966,622	\$ 9,176,770	\$ 9,176,765
Special revenue	1,424,679	1,423,873	787,954	807,157	791,351
Income tax levied for:					
General purposes	14,735,011	14,452,530	13,730,190	12,961,239	12,697,834
Special revenue	1,880,965	1,844,905	1,769,939	1,654,537	1,620,915
Capital projects	6,896,088	6,763,886	6,489,034	6,065,951	5,942,676
Grants and entitlements not restricted to specific programs	2,617,007	2,574,287	2,856,650	1,955,857	4,427,998
Gain or (loss) on sale of capital assets	-	86,531	103,390	-	92,019
Investment earnings	584,060	473,909	364,562	203,039	137,320
Transfers	(2,382,672)	(2,344,428)	(3,147,439)	(2,375,534)	(2,047,509)
Total governmental activities	37,088,123	36,563,841	33,920,902	30,449,016	32,839,369
Business-type activity					
Investment earnings	-	-	-	-	-
Transfers	2,382,672	2,344,428	3,147,439	2,375,534	2,047,509
Total Business-type activity	2,382,672	2,344,428	3,147,439	2,375,534	2,047,509
Total primary government general revenue and other changes in net position	39,470,795	38,908,269	37,068,341	32,824,550	34,886,878
Change in net position					
Governmental Activities	(522,686)	123,864	6,559,579	1,801,761	(6,396,894)
Business Type Activities	6,248,648	5,779,981	4,853,551	5,259,598	3,228,134
Total primary government change in net position	\$ 5,725,962	\$ 5,903,845	\$ 11,413,130	\$ 7,061,359	\$ (3,168,760)

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019**</u>	<u>2018</u>
General Fund					
Nonspendable	\$ 309,566	\$ 315,301	\$ 307,797	\$ 307,845	\$ 293,453
Restricted	14,144	19,326	24,405	29,399	36,458
Assigned	1,313,529	1,810,483	2,638,739	1,434,461	3,359,765
Unassigned	24,454,809	20,479,510	16,773,610	8,495,780	7,148,694
Total General Fund	<u>\$ 26,092,048</u>	<u>\$ 22,624,620</u>	<u>\$ 19,744,551</u>	<u>\$ 10,267,485</u>	<u>\$ 10,838,370</u>
All Other Governmental Funds					
Nonspendable	\$ 988,600	\$ 819,131	\$ 967,371	\$ 1,013,383	\$ 834,962
Restricted	9,536,781	7,368,731	8,934,628	7,716,702	9,308,710
Committed	412,728	313,128	240,528	146,328	98,328
Assigned	-	-	-	-	3,177,562
Unassigned	(1,199,687)	(39,328)	(72,656)	(56,897)	(52,470)
Total All Other Governmental Funds	<u>\$ 9,738,422</u>	<u>\$ 8,461,662</u>	<u>\$ 10,069,871</u>	<u>\$ 8,819,516</u>	<u>\$ 13,367,092</u>
Total Governmental Funds	<u>\$ 35,830,470</u>	<u>\$ 31,086,282</u>	<u>\$ 29,814,422</u>	<u>\$ 19,087,001</u>	<u>\$ 24,205,462</u>

** Restated from implementation of Governmental Accounting Standards Board Statements No. 84.

City of Cuyahoga Falls, Ohio

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

(Continued)

	2017	2016	2015	2014	2013
General Fund					
Nondisposable	\$ 301,579	\$ 281,751	\$ 262,073	\$ 266,459	\$ 237,732
Restricted	45,769	55,270	181,734	21,505	110,459
Assigned	1,070,830	1,438,859	1,153,447	2,144,241	1,559,926
Unassigned	10,262,546	9,480,089	9,429,461	8,583,242	9,139,036
Total General Fund	\$ 11,680,724	\$ 11,255,969	\$ 11,026,715	\$ 11,015,447	\$ 11,047,153
All Other Governmental Funds					
Nondisposable	\$ 1,061,814	\$ 1,094,121	\$ 989,641	\$ 955,104	\$ 789,122
Restricted	6,100,378	9,049,950	7,785,858	5,798,849	4,967,993
Committed	1,703	2,178	1,553	126,528	318,248
Assigned	-	932,268	400,114	-	-
Unassigned	(3,000,477)	-	-	(4,953,474)	721,889
Total All Other Governmental Funds	4,163,418	11,078,517	9,177,166	1,927,007	6,797,252
Total Governmental Funds	\$ 15,844,142	\$ 22,334,486	\$ 20,203,881	\$ 12,942,454	\$ 17,844,405

* 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)

	2022	2021	2020	2019	2018
Revenues					
Property taxes	\$ 11,819,567	\$ 11,689,297	\$ 10,153,313	\$ 10,006,285	\$ 9,973,154
Municipal income taxes	31,394,242	28,573,353	24,869,240	23,788,787	22,897,087
Other local taxes	4,612,447	3,391,264	2,665,870	3,357,273	3,563,198
State levied shared taxes	6,412,788	6,586,003	5,894,147	5,672,539	4,956,279
Intergovernmental	5,766,232	2,361,838	7,188,391	930,300	1,951,991
Charges for services	2,478,358	2,242,714	1,975,869	2,363,349	2,418,825
Fees, licenses, and permits	761,982	758,574	1,178,727	818,913	827,524
Interest earnings	(158,642)	(129,033)	938,353	1,511,280	529,491
Fines and forfeitures	221,334	206,811	208,654	225,695	225,823
Special assessments	72,988	92,678	74,528	83,246	69,888
Other	2,348,752	2,071,297	3,359,838	1,073,479	475,254
Total revenues	\$ 65,730,048	\$ 57,844,796	\$ 58,506,930	\$ 49,831,146	\$ 47,888,514
Expenditures					
Current					
Security of persons and property	\$ 24,334,685	\$ 23,622,617	\$ 21,920,524	\$ 21,964,302	\$ 20,776,624
Leisure time activities	5,176,380	4,467,895	4,110,368	3,806,986	3,181,843
Community environment	5,022,367	3,246,197	2,370,726	2,201,851	1,948,516
Street maintenance	4,037,316	4,168,896	3,629,970	4,310,946	3,542,925
General government	8,889,099	7,186,484	6,374,747	6,637,596	5,901,056
Capital outlay	11,751,712	12,475,229	11,738,611	13,788,029	11,771,223
Debt service					
Principal	1,038,950	1,023,715	1,172,416	783,326	323,774
Interest	653,562	652,368	631,964	558,022	384,421
Total expenditures	\$ 60,904,071	\$ 56,843,401	\$ 51,949,326	\$ 54,051,058	\$ 47,830,382
Excess (deficiency) of revenues over (under) expenditures	\$ 4,825,977	\$ 1,001,395	\$ 6,557,604	\$ (4,219,912)	\$ 58,132
Other financing sources (uses)					
Bond Note proceeds	32,782	27,890	4,500,043	-	10,665,000
Financed purchases payable	-	663,954	-	-	-
Transfers in	3,540,000	2,779,000	2,151,000	3,605,000	3,210,000
Transfers out	(3,820,732)	(3,059,732)	(2,431,732)	(5,571,956)	(5,336,297)
Total other financing sources (uses)	(247,950)	411,112	4,219,311	(1,966,956)	8,538,703
Net change in fund balance	\$ 4,578,027	\$ 1,412,507	\$ 10,776,915	\$ (6,186,868)	\$ 8,596,835
Debt service as a percentage of noncapital expenditures	3.1%	3.9%	4.1%	3.2%	1.9%

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)

	2017	2016	2015	2014	2013
Revenues					
Property taxes	\$ 9,401,904	\$ 9,285,230	\$ 9,221,515	\$ 9,278,950	\$ 9,421,294
Municipal income taxes	24,028,703	22,629,679	22,229,725	21,337,597	20,178,112
Other local taxes	3,319,930	3,431,145	2,573,609	696,319	640,938
State levied shared taxes	4,837,157	4,850,181	4,988,263	4,417,200	6,387,862
Intergovernmental	2,257,668	1,521,781	3,251,801	3,624,099	4,444,274
Charges for services	2,192,481	2,306,029	2,432,354	2,038,438	5,250,240
Fees, licenses, and permits	655,697	814,644	844,119	940,841	727,918
Interest earnings	598,492	461,673	336,444	176,526	133,941
Fines and forfeitures	253,389	304,782	251,164	652,005	352,468
Special assessments	74,240	99,105	96,116	121,022	165,842
Other	529,001	545,916	683,351	1,334,924	486,470
Total revenues	\$ 48,148,662	\$ 46,250,165	\$ 46,908,461	\$ 44,617,921	\$ 48,189,359
Expenditures					
Current					
Security of persons and property	\$ 19,999,874	\$ 19,278,402	\$ 18,867,260	\$ 18,555,134	\$ 18,835,729
Leisure time activities	3,776,947	3,492,399	2,470,729	2,068,837	2,270,656
Community environment	1,797,905	1,953,752	2,941,270	1,534,194	1,623,736
Street maintenance	3,367,710	3,424,531	3,798,443	3,711,222	3,457,639
General government	5,119,131	5,242,688	5,062,773	5,079,261	7,450,906
Capital outlay	17,043,474	7,459,829	8,370,123	9,322,999	21,999,635
Debt service					
Principal	954,399	893,315	1,188,631	7,748,929	1,114,980
Interest	297,310	397,366	151,112	191,604	261,071
Total expenditures	\$ 52,356,750	\$ 42,142,282	\$ 42,850,341	\$ 48,212,180	\$ 57,014,352
Excess (deficiency) of revenues over (under) expenditures	\$ (4,208,088)	\$ 4,107,883	\$ 4,058,120	\$ (3,594,259)	\$ (8,824,993)
Other financing sources (uses)					
Bond/Note proceeds	-	-	6,185,000	-	6,600,000
Capital lease	-	245,877	-	-	-
Transfers in	2,935,000	2,680,000	3,459,711	4,778,527	4,580,803
Transfers out	(5,201,593)	(5,024,428)	(6,590,583)	(6,278,503)	(6,839,411)
Total other financing sources (uses)	(2,266,593)	(2,098,551)	3,054,128	(1,499,976)	4,341,392
Net change in fund balance	\$ (6,474,681)	\$ 2,009,332	\$ 7,112,248	\$ (5,094,235)	\$ (4,483,601)
Debt service as a percentage of noncapital expenditures	3.4%	3.5%	4.0%	18.6%	2.7%

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
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
2013	715,103,780	229,827,490	2,699,803,629	7,862,230	8,934,352

Collection Year	Total			Tax Rate (per \$1,000 of Assessed Value)
	Assessed Value	Estimated Actual Value	Ratio	
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
2013	952,793,500	2,708,737,981	35.17%	11.00

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 20017, 2008 and 2009 both types of general business tangible property were assessed at 12.5 percent, 6.25 percent and zero, respectively.

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

City of Cuyahoga Falls, Ohio

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Unvoted Millage										
Operating	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000	10.4000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000
Voted Millage										
1989 Parks & Recreation Operating	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Voted Millage	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Voted Millage by Type of Property										
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Millage	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000	11.0000
Overlapping Rates by Taxing District										
City School District	82.6100	82.5500	82.4500	83.7100	73.8900	74.6600	69.9500	69.9100	69.9600	69.8900
Residential/Agricultural Real	47.3600	47.3480	47.5600	52.7700	42.9442	43.6703	41.7900	41.7304	41.7600	41.1984
Commercial/Industrial and Public Utility Real	55.2500	54.8715	54.4200	61.4700	51.9024	52.6224	47.9600	47.2351	47.2300	46.9312
General Business and Public Utility Personal	82.6100	82.5500	82.4500	83.7100	73.8900	74.6600	69.9500	69.9100	69.9600	69.8900
Summit County	15.1600	15.1600	15.1600	15.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600
Residential/Agricultural Real	12.9700	12.1814	12.9700	14.2800	13.2759	13.2658	14.1000	14.0991	14.1000	14.0816
Commercial/Industrial and Public Utility Real	13.8800	12.9903	13.8500	15.0100	14.0365	14.0950	13.8800	13.9081	13.8800	14.1574
General Business and Public Utility Personal	15.1600	15.1600	15.1600	15.1600	14.1600	14.1600	14.1600	14.1600	14.1600	14.1600
Special Taxing Districts-Cuyahoga Falls Library	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
Residential/Agricultural Real	1.5555	1.5555	1.5500	1.7500	1.7533	1.7509	1.9000	1.9000	1.9000	1.9000
Commercial/Industrial and Public Utility Real	1.6800	1.6684	1.6500	1.8900	1.9000	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 2022 and 2013

<u>Name of Taxpayer</u>	<u>2022</u>	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Western Reserve Hospital LLC	\$ 6,672,950	0.56%
Bath Road Associates LLC	6,289,320	0.52%
BWIP Wyoga Towers Owner LLC	6,065,790	0.51%
Ohio Edison	6,029,650	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%
Niederst Portage Towers LLC	4,342,900	0.36%
Chapel HillAssociates LLC	4,004,860	0.33%
East Ohio Gas	3,985,610	0.33%
Totals	<u>\$ 53,688,410</u>	<u>4.48%</u>
Total Assessed Valuation	<u>\$ 1,199,722,110</u>	

<u>Name of Taxpayer</u>	<u>2013</u>	
	<u>Assessed Value (1)</u>	<u>Percentage of Real Assessed Value</u>
Green Cross General Hospital	\$ 9,772,400	1.03%
Newpart Limited Partnership	5,621,830	0.59%
Yorkshire Woods Apartment LTD	4,976,520	0.53%
Riverside Community Urban Redevelopment	4,563,790	0.48%
Niederst Portage Towers LLC & Wynn	3,752,440	0.40%
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	0.25%
Totals	<u>\$ 41,411,570</u>	<u>4.38%</u>
Total Assessed Valuation	<u>\$ 944,931,270</u>	

Source: Summit County Fiscal Office

(1) The amounts presented represent the assessed values upon which 2022 and 2013 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
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	11,040,826	95.7%	202,090	11,242,916	97.4%	620,901	5.4%
2019	11,346,197	11,094,120	97.8%	170,934	11,265,054	99.3%	352,802	3.1%
2018	11,202,383	10,985,702	98.1%	73,238	11,058,940	98.7%	308,859	2.8%
2017	10,647,234	10,377,946	97.5%	236,262	10,614,208	99.7%	362,892	3.4%
2016	10,571,320	10,343,036	97.8%	219,706	10,562,742	99.9%	331,614	3.1%
2015	10,401,824	10,174,711	97.8%	227,113	10,401,824	100.0%	348,924	3.4%
2014	10,553,518	10,256,163	97.2%	297,355	10,553,518	100.0%	425,771	4.0%
2013	10,480,780	10,183,515	97.2%	500,160	10,683,675	101.9%	439,076	4.2%

Source: Summit County Fiscal Officer

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

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

Tax Year	Tax Rate	Total Tax Collected (1)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
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%
2013	2.00%	20,116,462	15,019,091	75%	2,624,468	13%	2,472,903	12%

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

Source: The City's Income Tax Department

City of Cuyahoga Falls, Ohio

City of Cuyahoga Falls, Ohio Ten Largest Municipal Income Tax Withholding Accounts Tax Years 2022 and 2013

Tax Year 2022

Taxpayers	Income Tax Withholding Collections Ranking	Percent Of Income Tax Withholding Collections
Associated Bldg Supplies Inc	1	6.29%
Summa Western Reserve Hospital	2	3.79%
Gojo Industries Inc	3	3.08%
City Of Cuyahoga Falls	4	3.04%
Cuyahoga Falls Board Of Education	5	2.88%
Woodridge Local School District	6	1.47%
SWRH Physicians Inc	7	1.30%
Americhem Inc	8	1.14%
Summit County Board Of Ed	9	1.04%
Unity Health Network Llc	10	0.98%
		25.03%

Tax Year 2013

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

Source: The City's Income Tax Department

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Total Personal Income	Percentage of Personal Income (1)	Population (1)	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Financed Purchases Payable	General Obligation Bonds	Financed Purchases Payable	Leases Payable					
2022	\$ 17,301,389	\$ -	\$ 398,293	\$ 15,617,899	\$ 323,113	\$ 79,649	\$ 33,720,343	\$ 1,662,073,938	2.03%	50,810	i \$ 664
2021	18,234,711	-	526,517	9,320,518	477,292	-	28,559,038	1,662,073,938	1.72%	51,114	h \$ 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	g \$ 536
2018	16,464,565	-	113,912	11,446,655	2,053,011	-	30,078,143	1,396,644,920	2.15%	49,247	f 611
2017	6,062,137	-	218,685	12,593,276	4,066,260	-	22,940,358	1,354,690,386	1.69%	49,206	c 466
2016	6,627,326	-	600,146	14,490,226	5,999,194	-	27,716,892	1,325,320,182	2.09%	49,146	d 564
2015	7,121,208	-	771,949	15,936,579	7,867,113	-	31,696,849	1,321,731,390	2.40%	49,210	c 644
2014	1,894,899	-	960,735	17,962,670	9,480,748	-	30,299,052	1,300,747,334	2.33%	49,267	c 615
2013	9,366,761	-	1,264,246	19,931,127	11,156,092	-	41,718,226	1,288,676,919	3.24%	49,267	b 847

Sources:

- (1) U. S. Bureau of Census, Census of Population
 - (a) 2012 U.S. Census Bureau Estimate
 - (b) 2013 U.S. Census Bureau Estimate
 - (c) 2014 U.S. Census Bureau Estimate
 - (d) 2015 U.S. Census Bureau Estimate
 - (e) 2016 U.S. Census Bureau Estimate
 - (f) 2017 U.S. Census Bureau Estimate
 - (g) 2018 U.S. Census Bureau Estimate
 - (h) 2019 U.S. Census Bureau Estimate
 - (i) 2021 U.S. Census Bureau Estimate

City of Cuyahoga Falls, Ohio

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

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt Outstanding (3)			Ratio of Total Bonded Debt to Estimated True Value of Taxable Property	Total Bonded Debt per Capita
			Governmental Activities	Business-type Activities	Total Primary Government		
2022	50,810 i	\$ 3,405,339,580	17,301,389	15,617,899	32,919,288	0.97%	648
2021	51,114 h	3,397,034,723	18,234,711	9,320,518	27,555,229	0.81%	539
2020	49,106 g	2,978,617,861	19,134,279	10,566,727	29,701,006	1.00%	605
2019	49,272 f	2,929,913,018	15,773,885	10,302,764	26,076,649	0.89%	529
2018	49,247 e	2,892,464,851	16,464,565	11,446,655	27,911,220	0.96%	567
2017	49,206 d	2,740,527,706	6,062,137	12,593,276	18,655,413	0.68%	379
2016	49,146 c	2,730,324,209	6,627,326	14,490,226	21,117,552	0.77%	430
2015	49,210 b	2,686,089,655	7,121,208	15,936,579	23,057,787	0.86%	469
2014	49,267 a	2,726,518,112	1,894,899	17,962,670	19,857,569	0.73%	403
2013	49,267 a	2,708,737,981	9,366,761	19,931,127	29,297,888	1.08%	595

Sources:

- (1) U. S. Bureau of Census, Census of Population
 (a) 2013 U.S. Census Bureau Estimate
 (b) 2014 U.S. Census Bureau Estimate
 (c) 2015 U.S. Census Bureau Estimate
 (d) 2016 U.S. Census Bureau Estimate
 (e) 2017 U.S. Census Bureau Estimate
 (f) 2018 U.S. Census Bureau Estimate
 (g) 2019 U.S. Census Bureau Estimate
 (h) 2020 U.S. Census Bureau Estimate
 (i) 2021 U.S. Census Bureau Estimate

(2) Summit County Fiscal Office

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 125,970,822	\$ 125,605,018	\$ 110,149,220	\$ 108,296,463	\$ 106,931,882
Net debt within 10.5 % limitations	<u>16,543,397</u>	<u>17,632,620</u>	<u>18,518,397</u>	<u>15,754,873</u>	<u>16,465,669</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 109,427,425</u>	<u>\$ 107,972,398</u>	<u>\$ 91,630,823</u>	<u>\$ 92,541,590</u>	<u>\$ 90,466,213</u>
Total net debt applicable to the limit as a percentage of debt limit	13.13%	14.04%	16.81%	14.55%	15.40%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 65,984,716	\$ 65,793,105	\$ 57,697,210	\$ 56,726,719	\$ 56,011,938
Net debt within 5.5% limitations	<u>16,543,397</u>	<u>17,632,620</u>	<u>18,518,397</u>	<u>15,754,873</u>	<u>16,465,669</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 49,441,319</u>	<u>\$ 48,160,485</u>	<u>\$ 39,178,813</u>	<u>\$ 40,971,846</u>	<u>\$ 39,546,269</u>
Total net debt applicable to the limit as a percentage of debt limit	25.07%	26.80%	32.10%	27.77%	29.40%

Legal Debt Margin Calculation for Fiscal Year 2022

	Unvoted Margin <u>Within 5.5%</u>	Overall Margin <u>Within 10.5%</u>
Assessed property value	<u>\$ 1,199,722,110</u>	<u>\$ 1,199,722,110</u>
Overall debt limitation (% of assessed valuation)	\$ 65,984,716	\$ 125,970,822
Gross indebtedness	31,601,166	31,601,166
Less:		
(Self-supporting as defined in O.R.C. 133.05)		
General sewer and sanitary improvements	(2,325,000)	(2,325,000)
Water utility	(3,105,000)	(3,105,000)
Electric utility	(3,335,000)	(3,335,000)
Recreation facilities	(6,045,000)	(6,045,000)
Special assessment bonds	-	-
Debt Service Fund Balance	(247,769)	(247,769)
Net debt within limitations	<u>\$ 16,543,397</u>	<u>\$ 16,543,397</u>
Legal debt margin within limitations	<u>\$ 49,441,319</u>	<u>\$ 109,427,425</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Overall debt limitation (10.5% of assessed valuation)	\$ 101,325,679	\$ 100,907,683	\$ 99,289,766	\$ 100,737,751	\$ 100,043,318
Net debt within 10.5 % limitations	<u>6,019,802</u>	<u>6,592,952</u>	<u>7,069,086</u>	<u>1,759,101</u>	<u>2,607,674</u>
Overall legal debt margin within 10.5% limitations	<u>\$ 95,305,877</u>	<u>\$ 94,314,731</u>	<u>\$ 92,220,680</u>	<u>\$ 98,978,650</u>	<u>\$ 97,435,644</u>
Total net debt applicable to the limit as a percentage of debt limit	5.94%	6.53%	7.12%	1.75%	2.61%
<hr/>					
Unvoted debt limitation (5.5% of assessed valuation)	\$ 53,075,356	\$ 52,856,405	\$ 52,008,925	\$ 52,767,393	\$ 52,403,643
Net debt within 5.5% limitations	<u>6,019,802</u>	<u>6,592,952</u>	<u>7,069,086</u>	<u>1,759,101</u>	<u>2,607,674</u>
Unvoted legal debt margin within 5.5% limitations	<u>\$ 47,055,554</u>	<u>\$ 46,263,453</u>	<u>\$ 44,939,839</u>	<u>\$ 51,008,292</u>	<u>\$ 49,795,969</u>
Total net debt applicable to the limit as a percentage of debt limit	11.34%	12.47%	13.59%	3.33%	4.98%

**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	
2013	5,941,960	5,892,984	48,976	277,000	54,622	331,622	0.15
2014	6,460,514	6,481,696	(21,182)	284,000	48,284	332,284	(0.06)
2015	7,064,315	6,684,578	379,737	292,000	40,606	332,606	1.14
2016	7,967,007	7,433,436	533,571	305,000	28,926	335,926	1.59
2017	8,443,990	7,871,744	572,246	317,000	16,998	333,998	1.71
2018	8,403,385	8,273,610	129,775	161,000	4,830	165,830	0.78
2019	8,334,005	9,009,157	(675,152)	25,000	14,500	39,500	(17.09)
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

WATER FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	5,997,979	4,333,335	1,664,644	707,000	145,856	852,856	1.95
2014	5,867,593	4,371,985	1,495,608	720,000	131,084	851,084	1.76
2015	5,345,330	4,219,067	1,126,263	738,000	115,309	853,309	1.32
2016	5,143,261	4,264,236	879,025	764,000	93,539	857,539	1.03
2017	5,647,624	4,746,199	901,425	785,000	69,683	854,683	1.05
2018	5,651,564	4,828,054	823,510	655,000	45,313	700,313	1.18
2019	5,276,484	5,098,159	178,325	330,000	28,100	358,100	0.50
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

Notes: Debt Service requirements are reported on a cash basis.
Operating revenues and expenses are reported on a GAAP basis.

City of Cuyahoga Falls, Ohio

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

(Continued)

LEISURE TIME FUND							
Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	5,690,602	5,947,555	(256,953)	873,148	457,140	1,330,288	(0.19)
2014	5,558,640	5,622,153	(63,513)	900,238	428,735	1,328,973	(0.05)
2015	6,642,300	959,662	5,682,638	925,873	413,952	1,339,825	4.24
2016	7,426,456	5,993,124	1,433,332	7,100,000	380,621	7,480,621	0.19
2017	7,465,484	6,179,831	1,285,653	690,000	341,541	1,031,541	1.25
2018	6,630,504	6,238,613	391,891	725,000	304,100	1,029,100	0.38
2019	6,794,450	7,091,528	(297,078)	715,000	289,775	1,004,775	(0.30)
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

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, 2022

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Applicable to City</u>
Direct - City of Cuyahoga Falls			
General Obligation Bonds	\$ 17,301,389	100.00%	\$ 17,301,389
Financed Purchases	398,293	100.00%	398,293
Total Direct Debt	17,699,682		17,699,682
Overlapping			
School Districts			
Cuyahoga Falls City	69,250,000	88.82%	61,507,850
Woodridge Local	29,460,062	62.24%	18,335,943
Hudson City	71,690,000	3.74%	2,681,206
Revere Local	57,956,522	0.73%	423,083
Stow-Munroe Falls City	2,065,000	0.21%	4,337
County			
Summit County	75,670,000	8.26%	6,250,342
Total Overlapping Debt	306,091,584		89,202,761
Total	\$ 323,791,266		\$ 106,902,443

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			
2022	50,810	h	\$ 1,831,141,590	\$ 62,294	\$ 36,039	4.9%	4.8%	27.8	\$ 204,858	37.9
2021	51,109	g	1,661,911,353	60,280	32,517	3.7%	3.6%	27.8	180,816	39.3
2020	49,106	f	1,558,820,864	57,101	31,744	5.5%	5.2%	27.8	170,641	39.3
2019	49,272	e	1,454,952,888	54,250	29,529	4.0%	3.8%	27.8	164,894	39.3
2018	49,247	d	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	c	1,321,731,390	49,188	26,859	4.8%	4.6%	27.8	137,751	39.5
2014	49,267	b	1,300,747,334	49,438	26,402	4.9%	4.7%	27.8	138,814	39.4
2013	49,267	a	1,288,676,919	48,606	26,157	6.4%	6.6%	27.8	134,556	38.8

Sources:

- (1) U. S. Bureau of Census, Census of Population
 - (a) 2012 U.S. Census Bureau Estimate
 - (b) 2013 U.S. Census Bureau Estimate
 - (c) 2015 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
- (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 2021 and Ten Years Ago

2021*

Employer	Nature of Activity	Employees	Percentage of Total City Employment
Associated Bldg Supplies Inc□	Manufacturer	1,244	482.00%
Gojo Industries Inc□	Manufacturer	1,037	4.02%
City Of Cuyahoga Falls□	Government	911	3.53%
Group Management Services Inc□	Payroll Services	868	3.36%
Minute Men Select Inc□	Payroll Services	692	2.68%
Cuyahoga Falls Board Of Education□	Education	689	2.67%
The Tamarkin Company□	Grocer	570	2.21%
Americhem Inc□	Manufacturer	446	1.73%
Summit County Board Of Ed□	Education	446	1.73%
Woodridge Local School District□	Education	402	1.56%
Total		7,305	28.31%
Total Employment Within the City		25,800	

2013**

Employer	Nature of Activity	Employees	Percentage of Total City Employment
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%
Total		6,769	26.53%
Total Employment Within the City		25,500	

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).

* 2022 data was not available at the time this report was issued

** 2012 information is not available

City of Cuyahoga Falls, Ohio

Capital Asset Statistics By Function/Program Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Engineering										
Vehicles	9	9	9	9	9	9	9	9	10	9
Parking Facilities										
City Lots and Decks	14	14	14	14	14	14	14	14	14	14
Square Feet	312,467	312,467	312,467	312,467	312,467	312,467	312,467	312,467	312,467	312,467
Spaces	1,273	1,273	1,273	1,273	1,287	1,312	1,312	1,312	1,312	1,312
Recreation Lots	28	27	27	27	27	27	27	26	25	25
Square Feet	704,137	700,560	700,560	700,560	700,560	700,560	700,560	694,023	644,237	644,237
Spaces	2,017	2,010	2,010	2,010	2,010	2,010	2,010	1,995	1,955	1,955
Building and Grounds										
Vehicles	2	3	3	22	39	39	38	41	42	39
Stations	1	1	1	1	1	1	1	1	1	1
Grounds Maintenance										
Vehicles	13	11	11	6	16	14	14	13	13	12
Police										
Vehicles	38	38	41	39	39	39	38	41	42	39
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Vehicles	29	27	29	28	28	28	27	29	27	27
Stations	5	5	5	5	5	5	5	5	5	5
Recreation										
Number of Parks	26	24	24	24	24	24	24	24	24	24
Vehicles	33	33	32	28	31	22	25	36	38	38
Number of Tennis Courts	10	10	10	10	8	8	8	8	8	8
Number of Baseball Diamonds	30	30	30	30	35	35	35	35	35	35
Recreation Center	1	1	1	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1
Acres of City Parks	507	507	507	507	507	507	507	507	507	507
Swimming Pools	10	12	12	12	12	12	12	12	12	12
Community Development										
Vehicles	3	3	3	3	3	4	4	4	4	4
Information Services										
Vehicles	5	5	5	5	6	6	6	6	6	6
Highways and Streets										
Streets (miles)	238.84*	238.02*	237.23*	241.87*	241.43*	241.43*	234.02*	234.02*	233.52*	233.03*
Streetslights	6,073	6,075	6,074	6,019	5,977	6,006	6,214	5,965	5,919	5,898
Traffic Signals	93	93	80	80	79	79	79	79	79	72
Vehicles	37	44	44	42	37	40	36	55	53	52
Sewer										
Sanitary Sewer Lines (miles)	165	165	168	151	151	152	152	152	152	152
Storm Sewer Lines (miles)	151	151	151	151	151	152	152	160	160	151
Vehicles	12	12	12	13	11	13	12	11	13	13
Water										
Water Mains (miles)	199.98	227.85	236	200	200	200	200	200	200	200
Fire Hydrants	2,117	2,230	2,117	2,117	2,117	2,114	2,117	2,114	2,114	2,114
Vehicles	15	15	15	17	15	15	16	19	19	20
Electric										
Substations	13	13	13	13	13	13	13	13	13	13
Miles of Service Lines	350	346	346	343	340	339	339	339	339	336
Vehicles		27	32	30	27	29	27	33	28	26
Sanitation										
Vehicles	28	25	27	25	23	22	24	27	25	22
Number of Routes	7	7	7	7	7	7	7	7	9	9
Garage										
Vehicles	4	5	5	6	6	4	4	2	4	4
Utility Billing										
Vehicles	3	4	3	3	3	3	3	2	1	1

Source: City Departments

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

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	1	2	2	2	2	2	1	2.5	2.5
Finance	8	7.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Law Director	7	7.5	7	6.5	7.5	7	7.5	7.5	7.5	6
Service Director	3	2	3	3	2	3	3	4	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	8	10	10	10	10	10	10	10	10	10
HR	2.5	3	3	3	3	3	3	3	3	3
Building & Grounds	9.5	8.5	8.5	8.5	12.5	10	8.5	8	9	9
NECCO	3	4	4	4	4					
Income Tax	2	2	2	2	2	3.5	4	4.5	3.5	4
Information Services	8	8	8	8	8	8	7	7	7	8
Security of Persons & Property										
Police	84.5	78.5	76	80.5	77.5	79.5	79	79.5	74.5	77.5
Crossing Guards	0	0	0	0	0.5	1	1.5	1.5	3	2
Fire	76.5	73.5	75.5	75.5	74.5	73.5	75.5	75.5	72.5	75.5
Technical Services	4	4	4	4	4	4	4	4	4	4
Communications	11.5	8	13	13	12.5	13	14.5	13.5	14.5	13.5
Community Environment										
Community Development	8.5	8	8	8.5	8	11.5	13.5	13	10.5	12
Leisure Time										
Parks & Recreation	119.5	110.5	115	151.5	151.5	123.5	130.5	132	131.5	127
Transportation										
Streets	30	32	31	28	29	28	25.5	26	27	27
Storm Water	2.5	2.5	1.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Sewage and Disposal	12.5	11.5	12.5	12.5	13	13	13	12.5	12	12
Water	22.5	20.5	19.5	20.5	19.5	19.5	20.5	20	20.5	20
Electric	46	49.5	49	46.5	49	45	43	45	44.5	42
Sanitation	16	17.5	17.5	17	14.5	17.5	18.5	19	17	14.5
Garage	8	7	7	8	8	8	7	7	7	5.5

Notes:

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

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

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

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

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

City of Cuyahoga Falls, Ohio

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Policepersons and Officers	78	70	68	71	70	71	72	73	70	70
Total Calls	37,764	34,334	33,157	38,375	37,547	35,534	36,044	33,812	29,221	28,608
Criminal Charges	1,041	235	265	379	412	455	487	434	466	573
Traffic Citations	7,088	5,623	5,684	5,164	5,094	7,914	6,699	6,108	5,843	9,655
Fire										
Firefighters and Officers	74	70	73	73	73	71	73	73	70	73
Total Calls	9,823	9,588	8,621	8,892	8,892	8,553	8,375	8,377	7,778	7,677
Inspections	1,200	659	71	1,715	1,713	1,730	1,715	1,899	1,310	1,039
Smoke Detectors Installed	309	234	85	50	194	200	120	138	224	297
Highways and Streets										
Potholes repaired	5,154	6,620	8,332	12,580	13,026	11,467	6,128	16,930	18,028	5,646
Rock Salt Used (Tons)	6,185	6,218	5,144	6,802	7,851	11,781	9,024	13,683	13,613	8,796
Senior Snow Watch Participants	70	48	49	46	49	53*	38*	32*	29*	0*
Leaf Program (Cubic Yards)	12,470	10,060	12,015	11,040	12,320	12,080	14,615	15,040	14,120	12,120
Recreation										
Brookledge-Number of Rounds	42,683	40,458	30,088	34,530	31,578	32,507	32,071	32,084	32,498	35,835
Waterworks-Daily Admissions	24,261	18,000	43,763	69,741	63,930	63,704	68,473	78,775	64,532	61,604
Natatorium-Daily Admissions	26,239	23,211	15,700	687,652	710,242	721,918	723,521	704,736	644,182	634,459
Water										
Average Daily Pumped (Gallons)	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	5,482,000
Water Main Breaks	70	52	61	87	104	72	65	96	113	84
New Water Taps	29	75	73	117	38	174	110	137	122	68
Sewer										
Average Daily Sewage Transportation (Gallons)	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	4,460,000
Sanitary Sewers Cleaned (Feet)	12,041	20,803	8,105	8,725	17,940	18,462	51,602	51,602	52,744	91,832
Storm Sewers Cleaned (Feet)	1,100	400	500	980	825	700	1,500	1,500	650	2,812
Electric										
Average Daily Consumption (in KWH)	1,195,923	1,113,889	1,103,120	1,128,981	1,206,649	1,246,119.8	1,157,910	1,178,000	1,258,890	1,262,680
Light Bulbs Issued	719	0	1,601	1,725	636	1,005	1,394	2,656	2,046	1,791
Green Energy Participants	181	183	173	154	154		180	127	156	173
Sanitation										
Refuse Collected (tons/year)	16,563	17,381	17,372	16,425	16,065	15,815	15,449	15,348	15,562	15,144
Recyclables collected (tons/year)	3,239	3,390	4,407	4,497	4,821	5,093	5,038	5,052	4,301	3,952
Yardwaste Collected (tons/year)	3,764	3,852	3,753	3,865	3,164	2,984	3,038	3,550	3,468	2,049

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, 2022**

Zupka & Associates
Certified Public Accountants

**CITY OF CUYAHOGA FALLS
SUMMIT COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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, 2022**

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Number	Amount Passed Through to Subrecipient	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct Programs</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	2014	\$ 0	\$ 20,929
Community Development Block Grants/Entitlement Grants	14.218	2017	0	213,645
Community Development Block Grants/Entitlement Grants	14.218	2018	0	62,286
Community Development Block Grants/Entitlement Grants	14.218	2019	5,550	47,235
Community Development Block Grants/Entitlement Grants	14.218	COVID-CV	0	6,981
Community Development Block Grants/Entitlement Grants	14.218	2020	82,067	189,220
Community Development Block Grants/Entitlement Grants	14.218	2020 Program Income	0	29,712
Community Development Block Grants/Entitlement Grants	14.218	2021	19,237	81,448
Community Development Block Grants/Entitlement Grants	14.218	2022	36,815	154,471
<i>Total CDBG - Entitlement Grants Cluster</i>			<u>143,669</u>	<u>805,927</u>
Total U.S. Department of Housing and Urban Development			<u>143,669</u>	<u>805,927</u>
<u>U.S. Department of Justice</u>				
<i>Direct Program</i>				
Bulletproof Vest Partnership Program	16.607	RMR-IV	0	3,667
Total U.S. Department of Justice			<u>0</u>	<u>3,667</u>
<u>U.S. Department of Transportation</u>				
<i>Passed Through the Ohio Department of Transportation (ODOT)</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction-Improvements to West Portage Trail Extension	20.205	PID 108084	0	135,279
Highway Planning and Construction-Steels Corners Road Resurfacing	20.205	PID 102904	0	30,424
Highway Planning and Construction-W. Steels Corners Road Resurfacing	20.205	PID 113168	0	730,006
Highway Planning and Construction-Broad Boulevard Resurfacing	20.205	PID 115334	0	668,969
<i>Total Highway Planning and Construction Cluster</i>			<u>0</u>	<u>1,564,678</u>
<i>Passed Through the Ohio Traffic Safety Office</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	N/A	0	16,623
<i>Total Highway Safety Cluster</i>			<u>0</u>	<u>16,623</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	0	8,778
Total U.S. Department of Transportation			<u>0</u>	<u>1,590,079</u>
<u>U.S. Department of the Treasury</u>				
<i>Direct Program</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	2,000,000	2,768,442
Total U.S. Department of Treasury			<u>2,000,000</u>	<u>2,768,442</u>
<u>National Endowment for the Arts</u>				
<i>Direct Program</i>				
Promotion of the Arts Grants to Organizations and Individuals	45.024	1886169-42-21	0	50,000
Total National Endowment for the Arts			<u>0</u>	<u>50,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,143,669</u>	<u>\$ 5,218,115</u>

**CITY OF CUYAHOGA FALLS
SUMMIT COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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, 2022. 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, 2022**

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 2022 is as follows:

Beginning loans receivable balance as of January 1, 2022	\$ 2,469,027
Loans made	62,311
Loan Principal repaid	(528,856)
Loan principal write-offs	<u>(121,346)</u>
Ending loans receivable balance as of December 31, 2022	<u>\$ 1,881,136</u>
Cash balance on hand in the Revolving Loan Fund as of December 31, 2022	<u>\$ 374,976</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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2023.

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.

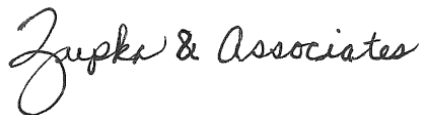
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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

June 28, 2023

**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 the City's major federal program for the year ended December 31, 2022. The City's major federal program is 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 its major federal program for the year ended December 31, 2022.

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 28, 2023, 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

June 28, 2023

**CITY OF CUYAHOGA FALLS
SUMMIT COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

2022(i)	Type of Financial Statement Opinion	Unmodified
2022(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2022(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2022(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2022(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2022(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2022(v)	Type of Major Programs' Compliance Opinions	Unmodified
2022(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2022(vii)	Major Programs (list): Coronavirus State and Local Fiscal Recovery Funds - ALN #21.027	
2022(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2022(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, 2022**

The prior issued audit report, as of December 31, 2021, included a material weakness.

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting	Corrective action taken and Finding is fully corrected.	None

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 8/3/2023

88 East Broad 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