

*City of Rocky River, Ohio  
Comprehensive Annual Financial Report  
for the year ended December 31, 2013*







# Dave Yost • Auditor of State

City Council  
City of Rocky River  
21012 Hilliard Boulevard  
Rocky River, Ohio 44116

We have reviewed the *Independent Auditor's Report* of the City of Rocky River, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2013 through December 31, 2013. 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 Rocky River is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 1, 2014

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*Introductory Section*



**City of Rocky River, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2013**

Issued by:

City of Rocky River  
Department of Finance

Michael A. Thomas, CPA  
Director of Finance

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# City of Rocky River, Ohio

Comprehensive Annual Financial Report  
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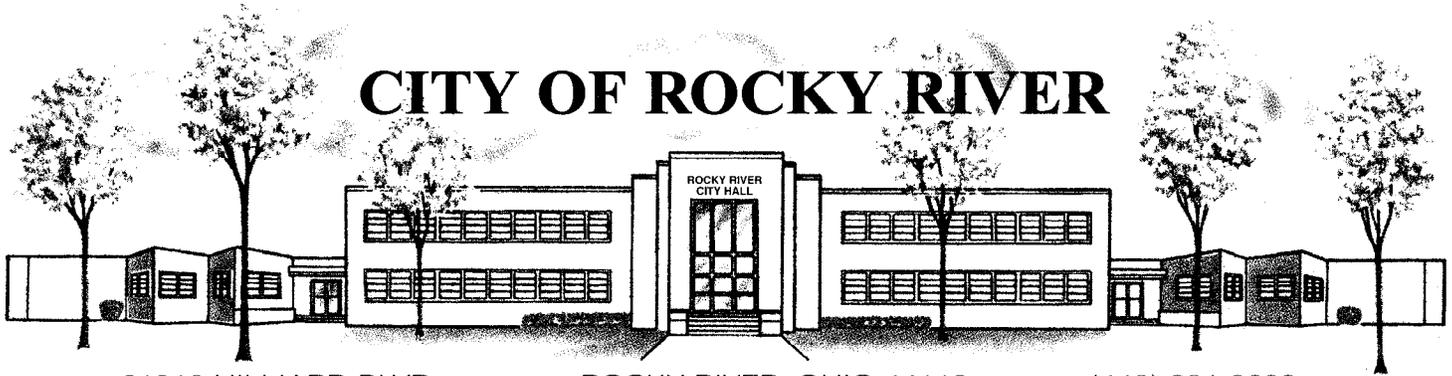
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# CITY OF ROCKY RIVER



21012 HILLIARD BLVD. • ROCKY RIVER, OHIO 44116 • (440) 331-0600

June 30, 2014

Citizens of the City of Rocky River,  
Mayor Pamela E. Bobst, and  
Members of City Council

## **Transmittal of the Comprehensive Annual Financial Report**

The City of Rocky River, Ohio (the “City”) is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2013. The CAFR is a more extensive report than basic financial statements and it is believed that the CAFR demonstrates the City's ongoing commitment to be accountable to its citizenry and to excellence in financial reporting. While no single report can be all things to all people, the goal in presenting this CAFR is to provide any person or entity interested in the City with information needed to gain a fair understanding of the City's financial position, results of operations and cash flows.

The Ohio Revised Code Section 117.38 requires that the City certify and file, within one hundred fifty days after the close of the fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America. The City issues this CAFR for the year ended December 31, 2013 therefore.

The CAFR consists of management's representations concerning the finances of the City. Consequently management assumes responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control system that has been established for that purpose. To provide a reasonable for making these representations, management of the City has established a thorough internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in accordance with GAAP. The City strives to maintain a dynamic system of internal controls and procedures – including internal control over financial reporting – designed to ensure reliable financial record-keeping, transparent financial reporting and disclosure and protection of assets. Because the cost of internal control should not exceed anticipated benefits, the objective of the internal control system is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City maintains an active Audit Committee to review the audit process and to report to and make recommendations to City Council. The three Audit Committee members are residents of the City with expertise in financial administration and auditing.

The financial statements of the City have been audited by independent auditor Ciuni & Panichi, Inc. The objective of an audit is to provide reasonable assurance that the financial statements are free of material misstatement. The 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. Based upon the results of

the audit, Ciuni & Panichi, Inc. concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of the CAFR.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this Letter of Transmittal and should be read in conjunction with it.

### **Profile of the City of Rocky River, Ohio**

The City of Rocky River is an established residential community located in Northeastern Ohio that covers 4.48 square miles along the southern shore of Lake Erie west of the City of Cleveland, in Cuyahoga County. The Rocky River, which drains into Lake Erie, forms the eastern border of the City. The City's population according to the 2010 Census was 20,213. The City is a home rule municipal corporation established pursuant to the general laws of the State of Ohio and its own charter. The current charter, which provides for the Mayor/Council form of government, was originally adopted in 1960 and last amended in 2008.

The City is governed by a full-time Mayor and seven members of City Council who serve two year terms. The Law Director is also an elected office holder who serves two year terms. The Mayor appoints the heads of the following departments: Building, Economic and Community Development, Engineering, Finance, Office on Aging, Recreation and Safety-Service. As of December 31, the City had 182 full-time employees, including the Rocky River Municipal Court.

The City provides various services including police and fire protection, including emergency medical services, parks and recreation, senior services, street maintenance, sanitary and storm sewer services, planning and zoning, and general government services. Public health services are provided by contract with the Cuyahoga County Board of Health. Located in the City are the Rocky River Wastewater Treatment Plant and the Rocky River Municipal Court. Both provide services to a jurisdiction that extends to several neighboring communities.

In addition to access to services by government entities, City residents may participate in the activities of a variety of local private institutions in the City including the Cleveland Yachting Club; Westwood Country Club; Oakwood Beach; Parklawn Beach; Wagar Beach; Lutheran West High School; Magnificat High School and numerous private elementary schools and churches that contribute to the sense of community in the City.

### **Economic Conditions**

**Local Economy** Because of the proximity to major cultural, educational and medical facilities in Northeastern Ohio and ease of travel in the area, the City experiences a degree of economic stability. More recently, the City has experienced economic challenges of the Northeast Ohio region and nation as a whole.

A fiscally responsible approach to economic factors associated with managing a built-out suburb and an understanding of mutual benefits to be derived from intergovernmental cooperation with neighboring communities are overriding themes applied in the administration of the City's long-range goals.

The tax base of the City's municipal income tax consists of business (and employees) located within the City as well as individual, resident taxpayers. The largest organizations located within the City generating income tax revenue are the City and the Rocky River City School District. Other significant industries in the City are senior citizen congregate housing and health care; banking; insurance (including health); and retail. Relative to residents' incomes, the website [www.city-data.com](http://www.city-data.com) reports the estimated median household

income in 2011 (the most recent data available) in the City is \$61,443; while for the State of Ohio that amount is \$45,749.

City income tax collections increased by about eight percent from 2012. Components of municipal income tax collections are:

Component	2011	2012	2013
Employee Withholding	\$4,317,760	\$4,565,005	\$4,781,813
Business Profit	700,292	662,489	779,821
Residence Tax	3,398,674	3,727,641	4,115,447
Penalties & Interest	119,867	129,546	157,338
Total	\$8,536,593	\$9,084,681	\$9,834,419

City Council put forth a ballot issue in November 2013 to increase the municipal income tax. The purpose of the increase was to provide resources for capital projects which had been supported by estate tax collections. The ballot issue was defeated compelling the City to strictly manage operating expenditures, delay equipment purchases and phase capital projects.

The local impact to property values of the stagnation in the real estate market is reflected in the assessed value amounts shown below:

Component	2011	2012	2013
Residential	\$573,861,740	\$574,355,230	\$575,421,090
Commercial	104,844,170	101,218,550	102,015,460
Public Utility	6,797,170	7,450,940	8,289,730
Total	\$685,503,080	\$683,024,720	\$685,726,280

Because of the inconsequential valuation growth shown, the City has experienced a flattening of property tax revenue in the recent past. As compiled by the website [www.city-data.com](http://www.city-data.com), the estimated median house or condo value in 2011 (the most recent data available) was \$190,297 in the City while the State of Ohio estimated amount was \$129,600. On behalf of the State of Ohio, officials of Cuyahoga County establish real property values within the City for tax purposes.

Legislation enacted in 2011 by the General Assembly of the State of Ohio to stabilize the financial position of the State, continues to impact the City's revenue and financial position. First, when the tangible personal property tax was phased out effective January 1, 2009, the law provided that the City would be reimbursed for the lost tax revenue on a sliding scale through 2018. With the 2011 legislation, the reimbursement was discontinued. In addition, distributions by the State of Ohio of the Local Government Fund were frozen at basically the 2010 distribution level through June 30, 2013. The enacted biennial budget of the State of Ohio for the period July 1, 2013 to June 30, 2015 does not include increased support from the State of Ohio to the local governments, including the City. Finally, the estate tax, which in the most recent three years provided an average of \$1,345,258 in revenue to the City, was eliminated effective January 1, 2013.

While the City is experiencing improvement from the municipal income tax revenue source, that increase is offset by revenue decreases from property taxes, the Local Government Fund and the estate tax.

## **Major Initiatives**

Management of various phases of significant infrastructure improvement projects was the focus of attention of the City during 2013. The table below updates certain of the projects described in last year's CAFR.

<b>Project</b>	<b>Project Cost</b>	<b>Status</b>	<b>Construction Schedule</b>
Hampton Road Sanitary Sewer	\$5,409,600	Phase I completed on time; Phase II completed on time; Phase III began in 2013	04/01/2010 to 11/30/2014
Frazier Drive Sewer Improvement	\$4,681,600	Phase I completed on time; Phase II began in 2013	10/01/2012 to 12/31/2014

Interest free loans, provided by the Ohio Public Works Commission (OPWC), an agency of the State of Ohio, fund these projects.

The next project funded in conjunction with an interest free loan from the OPWC is:

<b>Project</b>	<b>Project Cost</b>	<b>Status</b>	<b>Construction Schedule</b>
Avalon Drive Sewer Improvement	\$7,054,000	Engineering for Phase I began in 2013	05/15/2015 to 12/31/2017

The Valley View Area Sanitary Sewer project, also funded by an interest free OPWC loan, construction work was completed in 2013; however, it was not finalized until early 2014. Loan amortization for this project is anticipated to begin in 2014. These projects have been determined as priorities within the comprehensive sewer maintenance and rehabilitation plan drafted by the City Engineer in 2006. Completion of the projects will serve to mitigate the potential for sanitary sewer overflows and reduce the risk of compliance penalties to the City.

## **Long-term Financial Planning**

The City has been able to manage through a declining revenue environment with limited service reductions by 1) staff reductions through attrition; 2) prudent planning; 3) debt refinancing and 4) operating cost control. The City's moderate reserves have served as budget stabilizing force for the most recent several years. The City monitors cash flow in comparison to budget expectations throughout the year and attempts to be in a position to react to unexpected outside influences.

The municipal income tax revenue source is economically sensitive; in 2012 with the modest stabilization that occurred in the economy, the City rebounded to a revenue level similar to 2007. In 2013, the income tax revenue surpassed the 2012 level by about 8.8 percent (non-GAAP budgetary basis). Such excess was not appropriated and carried over in the budgetary General Fund balance to the next year.

The measured trend of funding data relevant in long term financial planning is as follows:

<u>Source</u>	<u>Percent</u>	<u>Source</u>	<u>Percent</u>
Municipal Income Tax	27	Other Revenue	3
Property Tax	25	Gas & License Taxes	3
Municipal Court	10	Local Government Fund	2
Sewer Charges User Charges	9	Senior Center User Fees	1
Recreation Center User Charges	7	Ambulance Fees	1
Estate Tax	5	Fines	1
Grants/Loans	4	Interest Earnings	1

The City uses on-going analysis of these and other revenue sources as a basis for its annual budget while balancing the need for reserves. In the most recent five years, the General Fund reserve (non-GAAP budgetary basis) has fallen within a range of 9 to 19 percent for an average of about 14 percent.

Continuing to recognize certain revenue losses of the recent past will not be recovered, efforts continue to be made to manage potential annual budget shortfalls. As retirements and terminations occur, careful considerations are made which may result in many positions being left vacant or eliminated.

Mutual agreements with other governments to provide services to City residents are always a consideration for any projects undertaken. Currently, municipal income tax collection, wastewater treatment, certain safety services, judicial services, park management, air traffic monitoring and marine patrol are provided by contract with other governments or managed by multi-jurisdictional related entities.

The effort in 2012 to achieve a restated Water Service Agreement with the City of Cleveland, has resulted in favorable funding toward a portion of the project costs for several projects described above.

### **Awards and Acknowledgements**

**Certificate of Achievement** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the year ending December 31, 2012. This was the twenty-sixth year that the City has received this prestigious award. A “Certificate of Achievement” is awarded to the City when its publication is issued with easily readable language; is efficiently organized and comprehensive; and conforms to the programs standards for an annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a one year period only. The City believes the current CAFR continues to meet the award program requirements, and will submit it to determine its eligibility for another certificate.

**Acknowledgements** The publication of the CAFR is a significant step in the ongoing effort toward superior financial reporting. City Council’s commitment to excellence of the City in general and support for this project in particular are sincerely appreciated.

The City would like to express its appreciation to the firm of Ciuni & Panichi, Inc. for its professional services for assistance with the preparation of the 2013 CAFR. The CAFR represents a coordinated effort among departments of the City; each department takes pride and care managing the assets of the public that are under its control. This report is meant to demonstrate and document such effort.

Respectfully submitted,

*/s/ Michael A. Thomas*

Michael A. Thomas, CPA  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Rocky River  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

# **City of Rocky River, Ohio**

List of Elected Officials

**December 31, 2013**

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Title

Name

Mayor

Pamela E. Bobst

Law Director

Andrew D. Bemer

Council Member – At-Large

David W. Furry

Council Member – At-Large

Christopher J. Klym

Council Member – At-Large

Anjanette Arabian-Whitman

Council Member – Ward 1

Thomas J. Hunt

Council President – Ward 2

James W. Moran

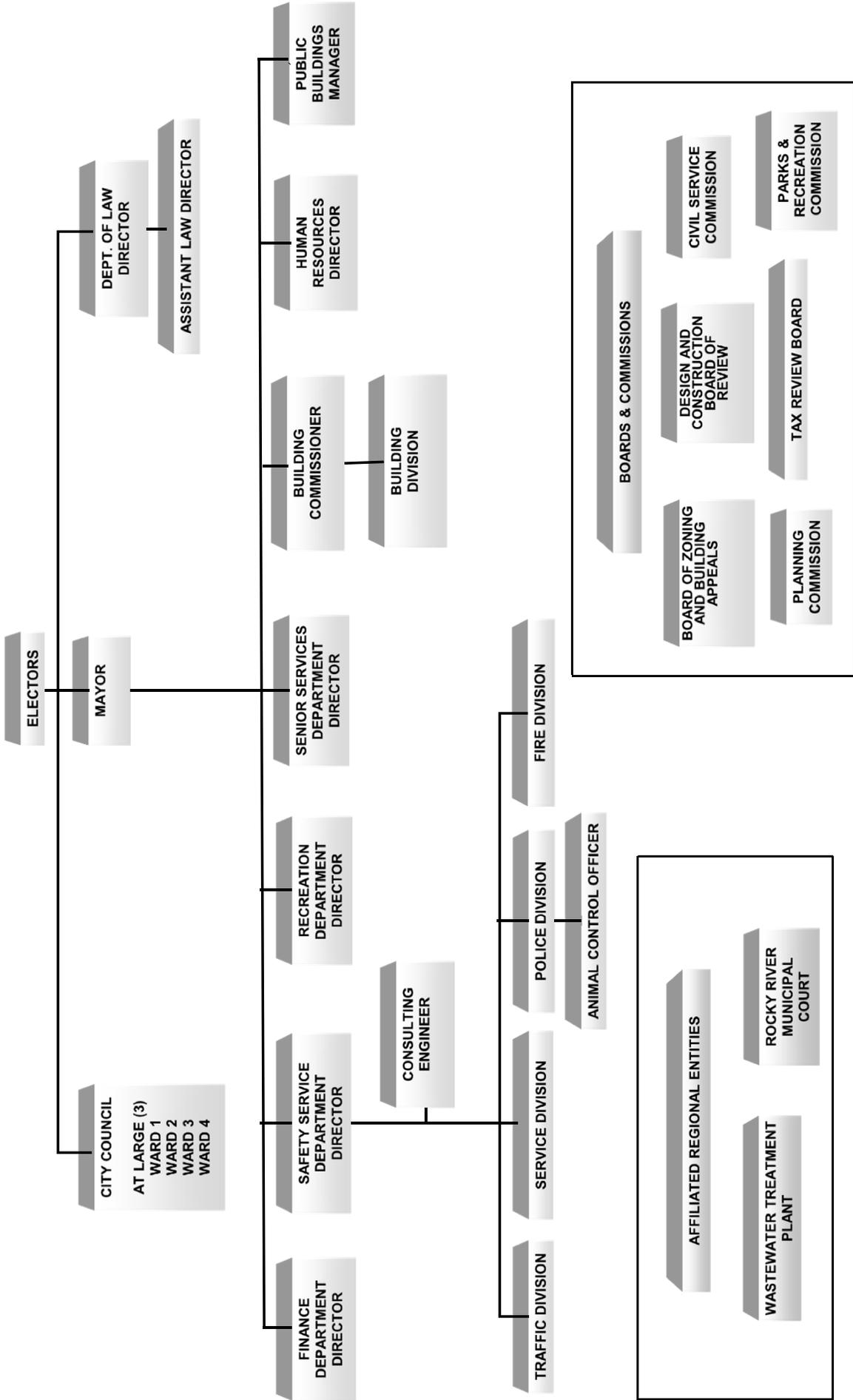
Council Member – Ward 3

Michael P. O'Donnell

Council Member – Ward 4

John B. Shephard

# CITY OF ROCKY RIVER ORGANIZATIONAL CHART



*Financial Section*



## Independent Auditor's Report

Members of the City Council  
Rocky River, Ohio

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky River, Ohio (the "City") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Members of the City Council  
Rocky River, Ohio

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Recreation Center Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 3 to the basic financial statements, in 2013, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Cini & Panichi, Inc.*

Cleveland, Ohio  
June 30, 2014

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**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2013*

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The administration of the City of Rocky River, Ohio (the "City") offers this Management's Discussion and Analysis to provide a narrative overview and analysis of the City's financial activities for the year ended December 31, 2013. The intent of the Management's Discussion and Analysis is to look at the City's financial performance as a whole; readers should also review the Transmittal Letter and the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2013 are:

- Total revenues were \$30,672,178, a decrease of 20.1 percent from 2012. Total expenses were \$27,957,420, a decrease over 2012 levels. With the revenue decrease and the decrease in expenses, total net position increased \$2,714,758 or 4.0 percent.
- Total assets increased by \$3,413,672 or 3.4 percent from 2012.
- Total liabilities increased by \$636,711 or 2.4 percent from 2012.
- Total capital assets increased by \$290,816 or 0.4 percent from 2012.
- Total outstanding long-term liabilities increased \$132,591 from 2012, an increase of 0.6 percent.

**Using This Comprehensive Annual Financial Report**

The Comprehensive Annual Financial Report (CAFR) consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City as a financial whole or as an entire operating entity. The financial statements proceed to provide an increasingly detailed look at the City's specific financial condition.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

***Reporting the City of Rocky River as a Whole***

***Statement of Net Position and Statement of Activities***

While this document contains information about the funds used by the City to provide services to citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2013*

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These two statements report the City's *net position* and changes therein. The City's net position, the difference between assets and deferred outflows of resources, what the City owns, and liabilities and deferred inflows of resources, what the City owes, is one way to measure the City's financial health, or financial position. Over time, *increases or decreases* in the City's net position is an indicator of whether its *financial health* is improving or deteriorating. Also other nonfinancial factors such as changes in the City's property tax base, municipal income tax base, and the condition of the City's capital assets (roads, buildings, and sewer lines) should be considered to assess the *overall health* of the City. In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including police, fire, streets, refuse collection, parks, recreation, and general administration. Property taxes, municipal income taxes, state shared revenues, court fines, and recreation fees finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's sanitary sewer activity is reported here.

The Statement of Net Position and the Statement of Activities are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Revenues and Expenses
- General Revenues
- Net Position Beginning of Year and Year's End

***Reporting the Most Significant Funds of the City of Rocky River***

***Fund Financial Statements***

The presentation of the City's major funds begins on page 20. Fund financial statements provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds that account for the multitude of services, facilities and infrastructure provided to City residents. However, these fund financial statements focus on the City's most significant funds. The City's major funds are the General, Recreation Center, General Obligation Bond Retirement, Sewer Rehabilitation, Capital Improvement, and Sanitary Sewer Funds.

**City of Rocky River, Ohio**  
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***Governmental Funds***

Most of the City's activities are reported in the governmental funds that focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Government fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future on services provided to residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

***Proprietary Funds***

The City maintains two different types of proprietary funds. The first, enterprise funds, are used to report the same functions presented as business-type activities. The City uses an enterprise fund to account for the operations of its Sanitary Sewer Fund. The second, internal service funds, are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains this type of fund to account for health, prescription, and dental related employee benefits. Because this activity predominantly affects governmental rather than business functions, it has been included within the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 30 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the City's administrative oversight. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The City has an Investment Trust Fund and agency funds to report within the fiduciary fund category. Agency funds are reported on a full accrual basis and only present the Statements of Net Position.

***Notes to the Financial Statements***

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 35 of this report.

**The City of Rocky River as a Whole**

The Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's Net Position for 2013 compared to 2012 balances.

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Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets:</b>						
Current and Other Assets	\$ 28,316,032	\$ 24,844,706	\$ 5,923,393	\$ 6,271,863	\$ 34,239,425	\$ 31,116,569
Capital Assets, Net	<u>52,995,293</u>	<u>52,388,676</u>	<u>17,213,312</u>	<u>17,529,113</u>	<u>70,208,605</u>	<u>69,917,789</u>
<b>Total Assets</b>	<b><u>81,311,325</u></b>	<b><u>77,233,382</u></b>	<b><u>23,136,705</u></b>	<b><u>23,800,976</u></b>	<b><u>104,448,030</u></b>	<b><u>101,034,358</u></b>
Deferred Outflows of Resources	<u>149,588</u>	<u>166,209</u>	<u>0</u>	<u>0</u>	<u>149,588</u>	<u>166,209</u>
<b>Liabilities:</b>						
Current and Other Liabilities	2,760,871	2,298,318	373,649	332,082	3,134,520	2,630,400
Long-Term Liabilities						
Due Within One Year	1,977,518	1,770,602	32,280	34,920	2,009,798	1,805,522
Due In More Than One Year	<u>21,852,815</u>	<u>21,878,025</u>	<u>207,528</u>	<u>254,003</u>	<u>22,060,343</u>	<u>22,132,028</u>
<b>Total Liabilities</b>	<b><u>26,591,204</u></b>	<b><u>25,946,945</u></b>	<b><u>613,457</u></b>	<b><u>621,005</u></b>	<b><u>27,204,661</u></b>	<b><u>26,567,950</u></b>
Deferred Inflows of Resources	<u>6,296,935</u>	<u>6,251,353</u>	<u>0</u>	<u>0</u>	<u>6,296,935</u>	<u>6,251,353</u>
<b>Net Position:</b>						
Net Investment in Capital						
Assets	33,679,100	33,293,005	17,052,921	17,349,730	50,732,021	50,642,735
Restricted for:						
Capital Projects	2,954,114	2,568,095	0	0	2,954,114	2,568,095
Debt Service	138,721	264,133	0	0	138,721	264,133
Refuse and Recycling	230,386	157,985	0	0	230,386	157,985
Office on Aging	115,703	93,676	0	0	115,703	93,676
Other Purposes	8,225,022	6,464,168	0	0	8,225,022	6,464,168
Unrestricted	<u>3,229,728</u>	<u>2,360,231</u>	<u>5,470,327</u>	<u>5,830,241</u>	<u>8,700,055</u>	<u>8,190,472</u>
<b>Total Net Position</b>	<b>\$ <u>48,572,774</u></b>	<b>\$ <u>45,201,293</u></b>	<b>\$ <u>22,523,248</u></b>	<b>\$ <u>23,179,971</u></b>	<b>\$ <u>71,096,022</u></b>	<b>\$ <u>68,381,264</u></b>

Net position may serve over time as a useful indicator of a government's financial position. For the City, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$71,096,022 as of December 31, 2013.

\$50,732,021 reflects the investments in capital assets (land, construction in progress, buildings, improvements, machinery and equipment, furniture and fixtures, and infrastructure) less any related debt outstanding used to acquire those assets. These capital assets are used to provide services to the City's citizens; consequently, these assets are not available for future spending. Although, the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets for 2013 increased by \$3,413,672 or 3.4 percent when compared to 2012. The increase in total assets was due primarily to the increase in cash and cash equivalents. The City's total liabilities increased \$636,711 or 2.4 percent when compared to 2012. The largest increase was due to an increase in account payable related to construction projects.

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Table 2 shows the changes in net position for the year ended December 31, 2013 compared to 2012.

Table 2  
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Program Revenues:</b>						
Charges for Services	\$ 7,809,687	\$ 7,622,628	\$ 1,650,331	\$ 1,867,073	\$ 9,460,018	\$ 9,489,701
Operating Grants and Contributions	1,029,670	949,984	0	0	1,029,670	949,984
Capital Grants and Contributions	<u>1,482,882</u>	<u>3,278,671</u>	<u>0</u>	<u>437,437</u>	<u>1,482,882</u>	<u>3,716,108</u>
Total Program Revenues	<u>10,322,239</u>	<u>11,851,283</u>	<u>1,650,331</u>	<u>2,304,510</u>	<u>11,972,570</u>	<u>14,155,793</u>
<b>General Revenues:</b>						
Property Taxes	6,422,407	6,411,206	0	0	6,422,407	6,411,206
Municipal Income Taxes	9,734,666	8,906,264	0	0	9,734,666	8,906,264
Franchise Tax	214,782	159,268	0	0	214,782	159,268
Admissions Tax	31,131	35,522	0	0	31,131	35,522
Grants and Entitlements not Restricted to Specific Programs	1,822,066	3,122,384	0	0	1,822,066	3,122,384
Investment Income	8,083	7,499	0	0	8,083	7,499
Other	<u>466,473</u>	<u>831,526</u>	<u>0</u>	<u>0</u>	<u>466,473</u>	<u>831,526</u>
Total General Revenues						
Before Transfers	18,699,608	19,473,669	0	0	18,699,608	19,473,669
Transfers - In	<u>0</u>	<u>4,736,952</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,736,952</u>
Total Revenues	<u>29,021,847</u>	<u>36,061,904</u>	<u>1,650,331</u>	<u>2,304,510</u>	<u>30,672,178</u>	<u>38,366,414</u>
<b>Program Expenses:</b>						
General Government	5,548,038	5,294,037	0	0	5,548,038	5,294,037
Security of Persons and Property	9,517,431	8,983,880	0	0	9,517,431	8,983,880
Public Health	1,335,546	1,185,768	0	0	1,335,546	1,185,768
Transportation	2,508,065	2,279,856	0	0	2,508,065	2,279,856
Leisure Time Activities	3,531,071	3,657,902	0	0	3,531,071	3,657,902
Community Development	714,344	760,476	0	0	714,344	760,476
Basic Utility Service	1,782,997	2,521,711	0	0	1,782,997	2,521,711
Interest and Fiscal Charges	712,874	677,987	0	0	712,874	677,987
Sanitary Sewer Charges	<u>0</u>	<u>0</u>	<u>2,307,054</u>	<u>2,431,473</u>	<u>2,307,054</u>	<u>2,431,473</u>
Total Program Expenses Before Transfers and Special Item	<u>25,650,366</u>	<u>25,361,617</u>	<u>2,307,054</u>	<u>2,431,473</u>	<u>27,957,420</u>	<u>27,793,090</u>
Transfers - Out	0	0	0	4,736,952	0	4,736,952
Special Item - Transfer of Waterlines	<u>0</u>	<u>4,554,583</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,554,583</u>
Total Program Expenses	<u>25,650,366</u>	<u>29,916,200</u>	<u>2,307,054</u>	<u>7,168,425</u>	<u>27,957,420</u>	<u>37,084,625</u>
Change in Net Position	3,371,481	6,145,704	(656,723)	(4,863,915)	2,714,758	1,281,789
Net Position, Beginning of Year	<u>45,201,293</u>	<u>39,055,589</u>	<u>23,179,971</u>	<u>28,043,886</u>	<u>68,381,264</u>	<u>67,099,475</u>
Net Position, End of Year	\$ <u>48,572,774</u>	\$ <u>45,201,293</u>	\$ <u>22,523,248</u>	\$ <u>23,179,971</u>	\$ <u>71,096,022</u>	\$ <u>68,381,264</u>

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
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***Governmental Activities***

Governmental activities increased the City's net position by \$3,371,481 during 2013, compared to an increase in 2012 of \$6,145,704. The difference between 2013 and 2012 change in net position is attributable to a decrease in revenues and the transfer of assets in 2012.

Both program revenues and general revenues fund the City's governmental activities. The amount that charges for services revenue contributed to total program revenues increased \$187,059 from 2012 to 2013. Actual Charges for Services received over that period increased 2.5 percent. The City collects charges for services for the operation of the Rocky River Municipal Court; recreation; senior service; and building department fees.

The municipal income tax is the largest source of the City's general revenues. The municipal income tax rate of 1/2 percent was established by City Ordinance No. 81-67, passed August 28, 1967. The municipal income tax rate was amended on June 24, 1968 by City Ordinance No. 82-68 to increase the municipal income tax rate to one percent and then on March 28, 1977, City Ordinance No. 5-77 approved an increase in the municipal income tax rate to 1-1/2 percent and a change in the tax credit for residents having municipal income taxable in another community. The municipal income tax revenue amount for 2013 was \$9,734,666, an \$828,402 increase from 2012. The City monitors its sources of revenue very closely to react to any changes or fluctuations. The City accounts for municipal income tax revenues in the General Fund.

Property taxes are 34.3 percent of total general revenues. Because economic and real estate economic and real estate market conditions compelled the Cuyahoga County Fiscal Officer, who sets real property values, to decrease the basis for assessed value in the City, this revenue source remained relatively compared to 2012, increasing less than one percent. Offsetting the overall decline, the City continues to experience favorable collections as well as both commercial and residential investment that will grow the tax base when fully occupied and operational. See page 143 in the Statistical Section of the CAFR.

Grants and entitlements not restricted to specific programs decreased 41.6 percent from 2012 to 2013 due mostly to reimbursement grant money received for capital projects in 2012. The amounts collected by the City under provisions of the Ohio Revised Code Chapter 5731, estate tax, are recorded as entitlements. During 2013, \$1,612,775 was received as current distributions. The City accounts for estate tax revenue in the General Fund. There will be reduced revenue from grants and entitlements not restricted to specific programs since the Ohio General Assembly repealed the estate tax effective for dates of the death after January 1, 2013.

Total program expenses for 2013 were \$25,650,366, a 14.3 percent decrease from 2012 levels. Program category increases occurred for general government, security of persons and property, public health, transportation and interest and fiscal charges. Moderating those increases were decreases in the program categories of leisure time activities, community development and basic utility service.

Various program category functions of the both City's governmental activities as well as its business-type activities experienced wage and pension related cost increases since the Furlough Program that existed for 2012 for the City's non-union workforce did not continue in 2013. The fire division was paid an effective 3.0 percent negotiated wage increase affecting the security of persons and property category.

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Lower costs in the various program category functions of the City's governmental activities as well as its business-type activities were achieved by the City's favorable health claims year. Continuing to contribute to favorable health claim payments are both claim cost reductions as well as lower covered lives due to lower employee headcount.

During 2013, the largest program category function for the City is security of persons and property, which includes police and fire protection. This program accounts for 37.1 percent of expenses and increased by \$533,551 or 5.9 percent from 2012. In 2013, overtime costs for fire protection increased to maintain full-level staffing because of lengthy paid absences of two firefighters. In addition the fire division was paid an effective 3.0 percent negotiated wage increase affecting the security of persons and property category.

The general government program category accounts for 21.6 percent of program expenses. An increase of \$254,001 or 4.8 percent occurred in this program category from 2012 to 2013. This program category reports the accumulated activity of the Rocky River Municipal Court; and other administrative functions of the City. The expiration of the Furlough Program that existed for 2012 for the City's non-union workforce did not continue in 2013 and contributed the increase noted increase. The effect of that increase was partially offset by a rebate payment from the Ohio Bureau of Workers' Compensation.

The leisure time activities program category was the third largest for 2013 and comprises 13.8 percent of program expenses which decreased by 3.5 percent from 2012. The decrease was expected because 1) the parks department supervisor was promoted to service commissioner and not replaced; 2) another parks department employee was off work for most of 2013 with a work related injury and 3) another parks department employee retired and was not immediately replaced.

***Business-Type Activities***

For business-type activities of the City, charges for services are the primary source of revenue. The noted decrease in charges for services represents the impact of lower measured water consumption (which is the basis for billing sewer charges for services). Following the restructuring of sanitary sewer rates by eliminating fixed charges and using only water consumption for billing charges, this program revenue is more affected by fluctuations in water consumption. Capital grants and contributions revenue decreased significantly from 2012 to 2013. This revenue category decrease is related to the undertaking of Phase II and Phase III of the Valley View Storm and Sanitary Sewer project which wound down in 2012. The Program Expenses are comprised of charges to operate the Rocky River Wastewater Treatment Plant as well as the cost to operate a crew of six employees to maintain the sanitary sewer collection system.

**The City's Funds**

***Governmental Funds***

The focus of the City's governmental funds is to provide information on a near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the 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. Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting.

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As of December 31, 2013, the City's governmental funds reported combining ending fund balance of \$15,178,316. Of that amount, \$3,234,041 constitutes unassigned fund balances, which is available for spending at the City's discretion. The \$11,944,275 remainder of fund balance is reported as nonspendable, restricted, or assigned to indicate that it is not available for new spending because it has already been committed to contracts and purchases of prior period(s).

All governmental funds had total revenues of \$29,201,532 and expenditures of \$27,822,825, leaving a \$2,919,268 current year increase in fund balance, after consideration of \$1,540,561 in net other financing sources.

The General Fund is the most significant fund as it is the source for providing a significant portion of resources for governmental activities such as police, fire, service, legislative, and administrative functions. In 2013, the General Fund had total revenues and other financing sources of \$19,040,952 and expenditures and other financing uses of \$18,463,632 resulting in an increase in fund balance at December 31, 2013 of \$577,320. This represents 3.1 percent of the current year General Fund expenditures and other financing uses. Total revenues and other financing sources were \$84,697 more than last year's while expenditures and other financing uses were approximately \$306,000 more than last year's primarily due to an increase in transfers – out of \$1,114,000.

The Recreation Center Fund accounts for the operation and maintenance of the City's recreation facilities and activities. In 2013, the Recreation Center Fund had total revenues and other financing sources of \$3,051,948 and expenditures of \$2,996,138 resulting in an increase in fund balance of \$55,810 at December 31, 2013. Total revenues and other financing sources were approximately \$250,000 above last year's while expenditures were \$143,766 above last year's expenditures. The retirement of a long serving employee and appointment of a replacement at below-maximum grade salary contributed to the marginal increase in the Recreation Center Fund balance. Recreation Center Fund revenue was affected by an increase of a fund transfer from \$300,000 to \$475,000.

The General Obligation Bond Retirement Fund accounts for the repayment of general obligation bonds of the City. In 2013, the General Obligation Bond Retirement Fund had total revenues and other financing sources of \$1,491,875 and expenditures of \$1,525,650 resulting in a decrease in fund balance of \$33,775 at December 31, 2013. Total revenues and other financing sources ended \$178,391 under last year's and expenditures were \$16,668 less than last year's expenditures due to the repayment of bond principal and interest.

The Sewer Rehabilitation Fund was established for the accumulation of resources to rehabilitate the City's sanitary sewer infrastructure through acquisition, construction or improvement. In 2013, the Sewer Rehabilitation Fund had total revenues and other financing sources of \$2,905,666 and expenditures of \$2,365,633 resulting in an increase in fund balance of \$540,033 at December 31, 2013. Total revenues and other financing sources ended \$912,623 less than last year's due to decrease monies received from the Project Reimbursement Program with the City of Cleveland, while expenditures also decreased \$838,370 as improvement project construction activity slowed.

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The Capital Improvement Fund accounts for the various projects of the City financed by tax monies and General Fund transfers. In 2013, the Capital Improvement Fund had total revenues and other financing sources of \$1,446,047 and expenditures of \$1,060,073 resulting in an increase in fund balance of \$385,974 at December 31, 2013. Revenues ended \$449,578 above last year's mainly due to an increase in transfers, and expenditures increased from 2012 by \$964,058.

**General Fund Budgeting Highlights**

The City's budget is prepared according to the general laws of the State of Ohio and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2013, the City supplemented the General Fund budget four times. The General Fund's actual expenditures, not including other financing uses, were \$1,267,255 under the final budgeted amount of \$14,956,948.

All capital projects and requests for capital-type purchases are included in the annual appropriations ordinance and any supplemental appropriations ordinance(s) as necessary. Recommendations for budget changes are presented to City Council as a supplemental appropriations ordinance. The City Administration may make budget changes that modify line items within departments within the same fund.

The General Fund supports many major activities such as the police division, fire division, engineer/building, finance, Rocky River Municipal Court, and economic/community development departments as well as the legislative and most executive activities. Some major capital projects are funded with General Fund dollars. These funds are transferred from the General Fund to Capital Improvement Fund where the revenue and expenditures for the capital improvement project are tracked and monitored.

For the General Fund, the original budgeted revenues were \$18,091,284 and decreased by \$183,589 to \$17,907,695 for final budgeted revenues, not including sale of capital assets. The level of liquidity in the General Fund, measured by the unrestricted cash at year-end, was about 17.2 percent of General Fund revenue and other financing sources.

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**Capital Assets and Debt Administration**

*Capital Assets*

Table 3 shows fiscal 2013 balances of capital assets, net of any accumulated depreciation, as compared to 2012:

Table 3  
 Capital Assets, Net at December 31

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 2,017,826	\$ 2,017,826	\$ 39,516	\$ 39,516	\$ 2,057,342	\$ 2,057,342
Land Improvements	203,158	203,158	0	0	203,158	203,158
Right-of-Way	0	0	250,000	250,000	250,000	250,000
Construction in Progress	10,113,516	7,808,000	0	0	10,113,516	7,808,000
Land Improvements	3,222,064	3,349,113	0	0	3,222,064	3,349,113
Buildings	21,491,782	22,078,609	0	0	21,491,782	22,078,609
Equipment	796,435	744,427	14,234	26,150	810,669	770,577
Vehicles	138,956	221,688	0	0	138,956	221,688
Infrastructure:						
Roads	9,321,795	10,030,596	0	0	9,321,795	10,030,596
Sidewalks	1,119,291	1,151,384	0	0	1,119,291	1,151,384
Traffic Signals	394,470	535,841	0	0	394,470	535,841
Storm Sewers	4,176,000	4,248,034	0	0	4,176,000	4,248,034
Sewer Lines	<u>0</u>	<u>0</u>	<u>16,909,562</u>	<u>17,213,447</u>	<u>16,909,562</u>	<u>17,213,447</u>
Total Capital Assets, Net	\$ <u>52,995,293</u>	\$ <u>52,388,676</u>	\$ <u>17,213,312</u>	\$ <u>17,529,113</u>	\$ <u>70,208,605</u>	\$ <u>69,917,789</u>

Total capital assets, net for the City as of December 31, 2013 were \$70,208,605, a \$290,816 increase from 2012. Capital asset additions of \$2,470,172 were offset by \$2,179,356 of depreciation expense.

The City seeks funding assistance for infrastructure projects as well as improving City facilities. It is through this type of financial assistance as well as grants and careful use of debt that the City proved able to improve upon capital assets and at the same time maintain revenue at a level that enables debt service loads at comfortable margins.

See Note 10 for additional information on capital assets.

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**Debt**

On December 31, 2013, the City had \$19,626,172 in bonds and loans outstanding. Table 4 summarizes bonds and loans outstanding.

Table 4  
 Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 12,759,145	\$ 13,986,760	\$ 0	\$ 0	\$ 12,759,145	\$ 13,986,760
Special Assessment Bonds	430,000	470,000	0	0	430,000	470,000
OPWC Loans	6,199,329	4,660,827	0	0	6,199,329	4,660,827
OWDA Loans	<u>77,307</u>	<u>144,293</u>	<u>160,391</u>	<u>179,383</u>	<u>237,698</u>	<u>323,676</u>
Total Outstanding Debt	\$ <u>19,465,781</u>	\$ <u>19,117,587</u>	\$ <u>160,391</u>	\$ <u>179,383</u>	\$ <u>19,626,172</u>	\$ <u>19,441,263</u>

The outstanding general obligation bonds are composed of the following: 1) General Purpose, Series 2004, of \$5,210,000; 2) Civic Facility Improvements, Series 2005 of \$5,435,000; and 3) Refunded Municipal Court Facility, Series 2011 of \$1,820,000. There remains unamortized premiums related to these issues of \$294,145.

The principal and interest of the Series 2004 Bonds are paid from monies transferred from the General Fund into the Debt Service Fund. The principal and interest of the Series 2005 Bonds are paid from property tax levy up to 1.0 mill approved for that purpose. The principal and interest of the Refunded Series 2011 Bonds are paid from court costs assessed and collected in accordance with Ohio Revised Code Section 1901.26(B)(1) from the Municipal Court Capital Improvement Fund.

The special assessment bonds consist of Erosion Control A & B Bonds: \$250,000 (Series 1998) and \$180,000 (Series 2000). The principal and interest for these bonds are paid from the Special Assessment Fund with monies collected through the Cuyahoga County Fiscal Officer from the affected taxpayers.

Principal and interest of the Ohio Water Development Authority (OWDA) loan is paid semi-annually from the Sanitary Sewer Fund and Sewer Rehabilitation Fund and will be paid in full in the year 2020.

The City's overall legal debt margin was \$59,360,933 on December 31, 2013.

See Note 18 of the basic financial statements for additional information on the City's debt.

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**Current Financial Related Activities**

The City has historically enjoyed steady growth in revenues as a result of a strong tax base and moderate levels of new residential development and at the same time adopted a strong, fiscally responsible financial plan to function within available revenues. During the recent past five years deep recession and slow recovery, the City has consumed some accumulated surpluses to continue the expected high level of service to residents. Staffing reductions made through attrition have been strategic; some positions have been filled while others not with essential functions reassigned.

On the revenue side, in 2012, the City acted to add an additional drivers' license fee to provide resources for street construction, maintenance, and repair. In addition, the sanitary sewer fees were restructured to eliminate certain fixed fees and implement a rate purely based on consumption. In 2013, the City achieved a full year collection of both of these new revenue sources.

Also in 2012, to support infrastructure projects, the City arranged an Asset Transfer Agreement and a Project Reimbursement Program with the City of Cleveland. Resources received pursuant to the Project Reimbursement Program will follow the planned execution of the infrastructure construction cycle.

An income tax issue was defeated in the general election in November 2013. The issue to be decided was to raise income tax from 1.5 percent to 2.0 percent and increase the reciprocity credit for income taxes paid to another city from 1.0 percent to 1.5 percent to provide funding for capital improvements and equipment purchases, either directly or through the payment of debt service for those obligations, The tax increase was to be effective January 1, 2014 and generate additional revenue annually of \$2,151,000.

Since the issue was defeated, the City's decreased its operating budget for 2014. See also Note 28 Subsequent Event.

The City's commitment to its residents has always been one of full disclosure of financial matters of the City. This CAFR is available to all residents who wish to review it. City of Rocky River, Charter, Article III, Section 19, requires that, "[t]he Comprehensive Annual Financial Report, made to the City shall be filed with the Clerk of Council, who shall retain the then current report for public inspection. Within thirty days after the report is filed with the Clerk of Council, the Director of Finance shall submit a copy of the same report to the Rocky River Public Library." (Amended 11-6-90).

**Contacting the City's Finance Department**

This CAFR is designed to provide citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. Any questions about the CAFR or for additional financial information contact the Director of Finance, City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116, (440) 331-0600. Certain information regarding the City is available through the website: [www.rrcity.com](http://www.rrcity.com).

# City of Rocky River, Ohio

## Statement of Net Position

**December 31, 2013**

	Governmental Activities	Business - Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 15,934,140	\$ 25,541	\$ 15,959,681
Accrued Interest Receivable	3,881	0	3,881
Accounts Receivable, Net of Allowance for Doubtful Accounts	406,687	615,203	1,021,890
Intergovernmental Receivable	1,844,525	0	1,844,525
Internal Balances	(20,598)	20,598	0
Materials and Supplies Inventory	114,740	9,260	124,000
Prepaid Items	2,187	0	2,187
Municipal Income Taxes Receivable	2,764,974	0	2,764,974
Property Taxes Receivable	6,540,394	0	6,540,394
Special Assessments Receivable	723,752	0	723,752
Grants Receivable	1,350	0	1,350
Investment in Joint Venture	0	5,252,791	5,252,791
Nondepreciable Capital Assets	12,334,500	289,516	12,624,016
Depreciable Capital Assets, Net	<u>40,660,793</u>	<u>16,923,796</u>	<u>57,584,589</u>
Total Assets	<u>81,311,325</u>	<u>23,136,705</u>	<u>104,448,030</u>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	<u>149,588</u>	<u>0</u>	<u>149,588</u>
<b>Liabilities:</b>			
Accounts Payable	1,154,689	346,624	1,501,313
Contracts Payable	112,597	0	112,597
Accrued Wages and Benefits	158,780	5,525	164,305
Intergovernmental Payable	730,793	17,779	748,572
Retainage Payable	209,813	0	209,813
Matured Compensated Absences	55,979	0	55,979
Accrued Interest Payable	50,081	3,721	53,802
Claims Payable	288,139	0	288,139
Long-Term Liabilities:			
Due within One Year	1,977,518	32,280	2,009,798
Due in More than One Year	<u>21,852,815</u>	<u>207,528</u>	<u>22,060,343</u>
Total Liabilities	<u>26,591,204</u>	<u>613,457</u>	<u>27,204,661</u>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	<u>6,296,935</u>	<u>0</u>	<u>6,296,935</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	33,679,100	17,052,921	50,732,021
Restricted for:			
Office on Aging	115,703	0	115,703
Refuse and Recycling	230,386	0	230,386
Capital Projects	2,954,114	0	2,954,114
Debt Service	138,721	0	138,721
Other Purposes	8,225,022	0	8,225,022
Unrestricted	<u>3,229,728</u>	<u>5,470,327</u>	<u>8,700,055</u>
Total Net Position	<u>\$ 48,572,774</u>	<u>\$ 22,523,248</u>	<u>\$ 71,096,022</u>

The accompanying notes are an integral part of these basic financial statements.

# City of Rocky River, Ohio

## Statement of Activities

### For the Year Ended December 31, 2013

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Government Activities:</b>				
General Government	\$ 5,548,038	\$ 3,629,679	\$ 44,799	\$ 606,549
Security of Persons and Property	9,517,431	148,966	24,424	0
Public Health	1,335,546	610,187	0	1,700
Transportation	2,508,065	625	874,364	0
Leisure Time Activities	3,531,071	2,238,886	0	0
Community Development	714,344	150	0	0
Basic Utility Service	1,782,997	1,181,194	86,083	874,633
Interest and Fiscal Charges	<u>712,874</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Governmental Activities	<u>25,650,366</u>	<u>7,809,687</u>	<u>1,029,670</u>	<u>1,482,882</u>
<b>Business-Type Activities:</b>				
Sanitary Sewer Charges	<u>2,307,054</u>	<u>1,650,331</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 27,957,420</u>	<u>\$ 9,460,018</u>	<u>\$ 1,029,670</u>	<u>\$ 1,482,882</u>

#### General Revenues:

##### Property Taxes Levied for:

General Purposes

Recreation

Office on Aging

Refuse and Recycling

Fire Levy

Police Levy

Capital Improvements

General Obligation Bond Retirement

##### Municipal Income Taxes Levied for:

General Purposes

Franchise Tax

Admissions Tax

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Other

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

The accompanying notes are an integral part of these basic financial statements.

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
\$ (1,267,011)	\$ 0	\$ (1,267,011)
(9,344,041)	0	(9,344,041)
(723,659)	0	(723,659)
(1,633,076)	0	(1,633,076)
(1,292,185)	0	(1,292,185)
(714,194)	0	(714,194)
358,913	0	358,913
<u>(712,874)</u>	<u>0</u>	<u>(712,874)</u>
<u>(15,328,127)</u>	<u>0</u>	<u>(15,328,127)</u>
<u>0</u>	<u>(656,723)</u>	<u>(656,723)</u>
<u>(15,328,127)</u>	<u>(656,723)</u>	<u>(15,984,850)</u>
3,700,797	0	3,700,797
295,395	0	295,395
295,395	0	295,395
590,792	0	590,792
178,222	0	178,222
178,222	0	178,222
590,792	0	590,792
592,792	0	592,792
9,734,666	0	9,734,666
214,782	0	214,782
31,131	0	31,131
1,822,066	0	1,822,066
8,083	0	8,083
<u>466,473</u>	<u>0</u>	<u>466,473</u>
<u>18,699,608</u>	<u>0</u>	<u>18,699,608</u>
3,371,481	(656,723)	2,714,758
<u>45,201,293</u>	<u>23,179,971</u>	<u>68,381,264</u>
\$ <u>48,572,774</u>	\$ <u>22,523,248</u>	\$ <u>71,096,022</u>

# City of Rocky River, Ohio

## Balance Sheet Governmental Funds

**December 31, 2013**

	General	Recreation Center	General Obligation Bond Retirement
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 3,515,754	\$ 256,227	\$ 114,570
Accrued Interest Receivable	3,172	0	0
Accounts Receivable, Net of Allowance			
For Doubtful Accounts	340,130	2,425	0
Intergovernmental Receivable	525,575	21,521	43,042
Interfund Receivable	450,000	0	0
Materials and Supplies Inventory	17,211	5,037	0
Prepaid Items	2,187	0	0
Municipal Income Taxes Receivable	2,764,974	0	0
Property Taxes Receivable	3,780,228	300,019	600,036
Special Assessments Receivable	0	0	0
Grants Receivable	0	0	0
<b>Total Assets</b>	<b>\$ <u>11,399,231</u></b>	<b>\$ <u>585,229</u></b>	<b>\$ <u>757,648</u></b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 136,159	\$ 53,817	\$ 0
Contracts Payable	0	0	0
Accrued Wages and Benefits	77,684	28,323	0
Intergovernmental Payable	280,032	87,031	0
Retainage Payable	4,642	0	0
Matured Compensated Absences	0	24,860	0
Interfund Payable	0	450,000	0
<b>Total Liabilities</b>	<b><u>498,517</u></b>	<b><u>644,031</u></b>	<b><u>0</u></b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	3,639,513	288,851	577,700
Unavailable Revenue	2,288,690	32,689	65,378
<b>Total Deferred Inflows of Resources</b>	<b><u>5,928,203</u></b>	<b><u>321,540</u></b>	<b><u>643,078</u></b>
<b>Fund Balances:</b>			
Nonspendable	20,105	5,037	0
Restricted	0	0	114,570
Assigned	1,332,986	0	0
Unassigned (Deficit)	3,619,420	(385,379)	0
<b>Total Fund Balances (Deficit)</b>	<b><u>4,972,511</u></b>	<b><u>(380,342)</u></b>	<b><u>114,570</u></b>
<b>Total Liabilities, Deferred Inflows of     Resources and Fund Balances</b>	<b>\$ <u>11,399,231</u></b>	<b>\$ <u>585,229</u></b>	<b>\$ <u>757,648</u></b>

The accompanying notes are an integral part of these basic financial statements.

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<u>Sewer Rehabilitation</u>	<u>Capital Improvement</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
\$ 3,278,817	\$ 3,010,672	\$ 4,850,338	\$ 15,026,378
0	0	709	3,881
0	0	64,132	406,687
691,976	98,306	464,105	1,844,525
0	0	0	450,000
0	0	92,492	114,740
0	0	0	2,187
0	0	0	2,764,974
0	600,036	1,260,075	6,540,394
0	0	723,752	723,752
0	0	1,350	1,350
\$ <u>3,970,793</u>	\$ <u>3,709,014</u>	\$ <u>7,456,953</u>	\$ <u>27,878,868</u>
\$ 810,108	\$ 0	\$ 129,528	\$ 1,129,612
0	112,597	0	112,597
0	0	52,773	158,780
0	0	363,730	730,793
138,558	66,613	0	209,813
0	0	31,119	55,979
0	0	0	450,000
<u>948,666</u>	<u>179,210</u>	<u>577,150</u>	<u>2,847,574</u>
0	577,700	1,213,171	6,296,935
0	65,377	1,103,909	3,556,043
0	643,077	2,317,080	9,852,978
0	0	92,492	117,634
3,022,127	2,886,727	4,470,231	10,493,655
0	0	0	1,332,986
0	0	0	3,234,041
<u>3,022,127</u>	<u>2,886,727</u>	<u>4,562,723</u>	<u>15,178,316</u>
\$ <u>3,970,793</u>	\$ <u>3,709,014</u>	\$ <u>7,456,953</u>	\$ <u>27,878,868</u>

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# City of Rocky River, Ohio

## Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

**December 31, 2013**

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Total Governmental Funds Balance \$ 15,178,316

*Amounts reported for governmental activities in the Statement of Net Position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 52,995,293

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

Delinquent Property Taxes	\$ 243,459	
Municipal Income Taxes	1,614,275	
Special Assessments	723,752	
Charges for Services	135,783	
Intergovernmental	<u>838,774</u>	
Total		3,556,043

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (50,081)

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.

Net Position	594,546	
Internal Balance	<u>(20,598)</u>	
Total		573,948

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

General Obligation Bonds	(12,759,145)	
Deferred Charges on Refunding	149,588	
Special Assessments	(430,000)	
Ohio Water Development Authority	(77,307)	
Ohio Public Works Commission Loan	(6,199,329)	
Compensated Absences	(3,934,632)	
Police and Fire Pension Liability	<u>(429,920)</u>	
Total		<u>(23,680,745)</u>

Net Position of Governmental Activities \$ 48,572,774

The accompanying notes are an integral part of these basic financial statements.

# City of Rocky River, Ohio

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

**For the Year Ended December 31, 2013**

	General	Recreation Center	General Obligation Bond Retirement
Revenues:			
Property Taxes	\$ 3,721,991	\$ 295,395	\$ 592,792
Municipal Income Taxes	9,621,455	0	0
Other Local Taxes	31,131	0	0
Intergovernmental	2,108,282	43,042	84,083
Charges for Services	42,566	2,216,456	0
Fines, Fees and Permits	3,323,416	0	0
Special Assessments	0	0	0
Investment Income	7,491	0	0
Rentals	68,989	22,055	0
Other	<u>113,572</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>19,038,893</u>	<u>2,576,948</u>	<u>676,875</u>
Expenditures:			
Current:			
General Government	4,083,516	0	0
Security of Persons and Property	7,670,918	0	0
Public Health	0	0	0
Transportation	648,509	0	0
Leisure Time Activities	176,743	2,996,138	0
Community Development	737,752	0	0
Basic Utility Service	0	0	0
Capital Outlay	38,194	0	0
Debt Service:			
Principal Retirement	0	0	995,000
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>530,650</u>
Total Expenditures	<u>13,355,632</u>	<u>2,996,138</u>	<u>1,525,650</u>
Excess of Revenues Over (Under) Expenditures	<u>5,683,261</u>	<u>(419,190)</u>	<u>(848,775)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	2,059	0	0
Issuance of Debt	0	0	0
Transfers - In	0	475,000	815,000
Transfers - Out	<u>(5,108,000)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(5,105,941)</u>	<u>475,000</u>	<u>815,000</u>
Net Change in Fund Balances	577,320	55,810	(33,775)
Fund Balances (Deficit) at Beginning of Year	<u>4,395,191</u>	<u>(436,152)</u>	<u>148,345</u>
Fund Balances (Deficit) at End of Year	\$ <u><u>4,972,511</u></u>	\$ <u><u>(380,342)</u></u>	\$ <u><u>114,570</u></u>

The accompanying notes are an integral part of these basic financial statements.

<u>Sewer Rehabilitation</u>	<u>Capital Improvement</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 590,792	\$ 1,242,631	\$ 6,443,601
0	0	0	9,621,455
0	214,782	0	245,913
28,107	258,617	1,957,974	4,480,105
1,172,355	0	578,276	4,009,653
0	0	443,028	3,766,444
0	0	68,198	68,198
0	0	592	8,083
0	0	0	91,044
<u>166,702</u>	<u>181,856</u>	<u>4,906</u>	<u>467,036</u>
<u>1,367,164</u>	<u>1,246,047</u>	<u>4,295,605</u>	<u>29,201,532</u>
0	0	377,839	4,461,355
0	0	1,574,524	9,245,442
0	0	1,239,240	1,239,240
0	0	1,087,939	1,736,448
0	0	0	3,172,881
0	0	0	737,752
0	0	1,613,539	1,613,539
2,289,517	1,060,073	254,039	3,641,823
66,986	0	276,855	1,338,841
<u>9,130</u>	<u>0</u>	<u>95,724</u>	<u>635,504</u>
<u>2,365,633</u>	<u>1,060,073</u>	<u>6,519,699</u>	<u>27,822,825</u>
<u>(998,469)</u>	<u>185,974</u>	<u>(2,224,094)</u>	<u>1,378,707</u>
0	0	0	2,059
1,538,502	0	0	1,538,502
0	200,000	3,618,000	5,108,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,108,000)</u>
<u>1,538,502</u>	<u>200,000</u>	<u>3,618,000</u>	<u>1,540,561</u>
540,033	385,974	1,393,906	2,919,268
<u>2,482,094</u>	<u>2,500,753</u>	<u>3,168,817</u>	<u>12,259,048</u>
\$ <u>3,022,127</u>	\$ <u>2,886,727</u>	\$ <u>4,562,723</u>	\$ <u>15,178,316</u>

## City of Rocky River, Ohio

### 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, 2013**

Net Change in Fund Balances - Total Governmental Funds \$ 2,919,268

*Amounts reported for Governmental Activities in the Statement of Activities are different because:*

Governmental Funds report Capital Outlay as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	\$	2,470,172	
Depreciation		<u>(1,863,555)</u>	
Total			606,617

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds.

Property and Other Local Taxes		(21,194)	
Municipal Income Taxes		113,211	
Special Assessments		46,308	
Charges for Services		(38,799)	
Intergovernmental		<u>(145,487)</u>	
Total			(45,961)

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,306,986

Proceeds from debt issues are Other Financing Sources in the funds, but increase long-term liabilities in the Statement of Net Position:

OPWC Loans			(1,538,502)
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(continued)

The accompanying notes are an integral part of these basic financial statements.

## City of Rocky River, Ohio

### Reconciliation of The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (continued)

#### **For the Year Ended December 31, 2013**

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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.

Accrued Interest on Bonds	(88,364)	
Amortization of Bond Premium	27,615	
Loss on Refunding	<u>(16,621)</u>	
Total		(77,370)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.

Compensated Absences	(9,660)	
Police and Fire Pension Liability	<u>31,855</u>	
Total		22,195

The Internal Service Fund used by management to charge the costs of insurance to individual funds is not reported in the entity-wide Statement of Activities. Governmental expenditures and related internal service fund revenues are eliminated. The net expense of the Internal Service Fund is allocated among the Governmental Activities.

Change in Net Position	183,911	
Change in Internal Balance	<u>(5,663)</u>	
Total		<u>178,248</u>

Change in Net Position of Governmental Activities \$ 3,371,481

# City of Rocky River, Ohio

## Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### General Fund

#### For the Year Ended December 31, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,146,855	\$ 4,146,855	\$ 3,721,991	\$ (424,864)
Municipal Income Taxes	8,791,351	8,290,000	9,528,657	1,238,657
Other Local Taxes	28,722	35,000	31,131	(3,869)
Intergovernmental	1,769,576	1,938,040	2,460,305	522,265
Charges for Services	39,272	52,300	42,566	(9,734)
Fines, Fees, and Permits	3,142,870	3,248,500	3,406,454	157,954
Investment Income	4,869	20,000	5,277	(14,723)
Rentals	63,651	80,000	68,989	(11,011)
Other	<u>104,118</u>	<u>97,000</u>	<u>113,572</u>	<u>16,572</u>
Total Revenues	<u>18,091,284</u>	<u>17,907,695</u>	<u>19,378,942</u>	<u>1,471,247</u>
Expenditures:				
Current:				
General Government	4,610,248	4,958,148	4,228,535	729,613
Security of Persons and Property	7,983,143	8,107,793	7,836,174	271,619
Transportation	717,231	717,231	650,647	66,584
Leisure Time Activities	314,826	324,026	173,439	150,587
Community Development	832,172	792,172	748,808	43,364
Capital Outlay	<u>53,578</u>	<u>57,578</u>	<u>52,090</u>	<u>5,488</u>
Total Expenditures	<u>14,511,198</u>	<u>14,956,948</u>	<u>13,689,693</u>	<u>1,267,255</u>
Excess of Revenues Over (Under) Expenditures	<u>3,580,086</u>	<u>2,950,747</u>	<u>5,689,249</u>	<u>2,738,502</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	1,900	12,000	2,059	(9,941)
Transfers - Out	<u>(4,958,000)</u>	<u>(5,134,000)</u>	<u>(5,108,000)</u>	<u>26,000</u>
Total Other Financing Sources (Uses)	<u>(4,956,100)</u>	<u>(5,122,000)</u>	<u>(5,105,941)</u>	<u>16,059</u>
Net Change in Fund Balance	(1,376,014)	(2,171,253)	583,308	2,754,561
Fund Balance at Beginning of Year	2,566,731	2,566,731	2,566,731	0
Prior Year Encumbrances Appropriated	<u>192,652</u>	<u>192,652</u>	<u>192,652</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,383,369</u>	\$ <u>588,130</u>	\$ <u>3,342,691</u>	\$ <u>2,754,561</u>

The accompanying notes are an integral part of these basic financial statements.

## City of Rocky River, Ohio

### Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

#### Recreation Center Fund

#### **For the Year Ended December 31, 2013**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 329,115	\$ 329,115	\$ 295,395	\$ (33,720)
Intergovernmental	0	0	43,042	43,042
Charges for Services	2,098,637	2,228,000	2,217,294	(10,706)
Rentals	<u>20,875</u>	<u>15,000</u>	<u>22,055</u>	<u>7,055</u>
Total Revenues	<u>2,448,627</u>	<u>2,572,115</u>	<u>2,577,786</u>	<u>5,671</u>
Expenditures:				
Current:				
Leisure Time Activities	3,177,817	3,181,817	3,038,771	143,046
Capital Outlay	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>3,181,817</u>	<u>3,181,817</u>	<u>3,038,771</u>	<u>143,046</u>
Excess of Revenues Over (Under) Expenditures	(733,190)	(609,702)	(460,985)	148,717
Other Financing Sources (Uses):				
Transfers - In	<u>449,581</u>	<u>475,000</u>	<u>475,000</u>	<u>0</u>
Net Change in Fund Balances	(283,609)	(134,702)	14,015	148,717
Fund Balance at Beginning of Year	93,488	93,488	93,488	0
Prior Year Encumbrances Appropriated	<u>64,698</u>	<u>64,698</u>	<u>64,698</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>(125,423)</u>	\$ <u>23,484</u>	\$ <u>172,201</u>	\$ <u>148,717</u>

The accompanying notes are an integral part of these basic financial statements.

# City of Rocky River, Ohio

## Statement of Fund Net Position Proprietary Funds

**December 31, 2013**

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 25,541	\$ 907,762
Accounts Receivable	615,203	0
Materials and Supplies Inventory	<u>9,260</u>	<u>0</u>
Total Current Assets	<u>650,004</u>	<u>907,762</u>
Noncurrent Assets:		
Investment in Joint Venture	5,252,791	0
Nondepreciable Capital Assets	289,516	0
Depreciable Capital Assets, Net	<u>16,923,796</u>	<u>0</u>
Total Noncurrent Assets	<u>22,466,103</u>	<u>0</u>
Total Assets	<u>23,116,107</u>	<u>907,762</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	346,624	25,077
Accrued Wages and Benefits	5,525	0
Intergovernmental Payable	17,779	0
Accrued Interest Payable	3,721	0
Claims Payable	0	288,139
Compensated Absences Payable	12,396	0
OWDA Loans Payable	<u>19,884</u>	<u>0</u>
Total Current Liabilities	<u>405,929</u>	<u>313,216</u>
Long-term Liabilities:		
Accrued Compensated Absences (Net of Current Portion)	67,021	0
OWDA Loans Payable (Net of Current Portion)	<u>140,507</u>	<u>0</u>
Total Long-Term Liabilities	<u>207,528</u>	<u>0</u>
Total Liabilities	<u>613,457</u>	<u>313,216</u>
Net Position:		
Net Investment in Capital Assets	17,052,921	0
Unrestricted	<u>5,449,729</u>	<u>594,546</u>
Total Net Position	22,502,650	\$ <u><u>594,546</u></u>
Net Position reported for Business-Type Activities in the Statement of Net Position are different because they include accumulated overpayments to the Internal Service Fund:		
	<u>20,598</u>	
Net Position of Business-Type Activities	\$ <u><u>22,523,248</u></u>	

The accompanying notes are an integral part of these basic financial statements.

# City of Rocky River, Ohio

## Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds

**For the Year Ended December 31, 2013**

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	Business-Type Activities <u>Sewer</u>	Governmental Activities - Internal Service <u>Fund</u>
Operating Revenues:		
Charges for Services	\$ <u>1,650,331</u>	\$ <u>2,253,349</u>
Operating Expenses:		
Personal Service	519,742	0
Materials and Supplies	62,003	0
Contractual Services	1,062,120	269,691
Heat, Light and Power	12,243	0
Depreciation	315,801	0
Other	12,022	0
Claims	<u>0</u>	<u>1,799,747</u>
Total Operating Expenses	<u>1,983,931</u>	<u>2,069,438</u>
Operating (Loss) Income	<u>(333,600)</u>	<u>183,911</u>
Non-Operating (Expenses):		
Interest Expense	(7,245)	0
Loss in Joint Venture	<u>(321,541)</u>	<u>0</u>
Total Non-Operating Expenses	<u>(328,786)</u>	<u>0</u>
Change in Net Position	(662,386)	183,911
Net Position at Beginning of Year	<u>23,165,036</u>	<u>410,635</u>
Net Position at End of Year	\$ <u><u>22,502,650</u></u>	\$ <u><u>594,546</u></u>
Amount reported for Business-Type Activities in the Statement of Activities are different because of a portion of the Change in Net Position of the Internal Service Fund is reported with Business-Type Activities:	<u>5,663</u>	
Change in Net Position of Business-Type Activities	\$ <u><u>(656,723)</u></u>	

The accompanying notes are an integral part of these basic financial statements.

# City of Rocky River, Ohio

## Statement of Cash Flows Proprietary Fund Types

**For the Year Ended December 31, 2013**

	Business-Type Activities <u>Sewer</u>	Governmental Activities - Internal Service <u>Fund</u>
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 1,755,090	\$ 2,253,349
Cash Payments for Goods and Services	(1,095,011)	(244,614)
Cash Payments to Employees for Services and Benefits	(547,710)	0
Cash Payments for Claims	0	(1,614,944)
Cash Payments for Other Operating Expenses	<u>(12,022)</u>	<u>0</u>
Net Cash Provided by Operating Activities	<u>100,347</u>	<u>393,791</u>
Cash Flows from Capital and Related Financing Activities:		
Principal Paid on OWDA Loan	(18,992)	0
Interest Paid on OWDA Loan	<u>(8,106)</u>	<u>0</u>
Net Cash Used for Capital and Related Financing Activities	<u>(27,098)</u>	<u>0</u>
Cash Flows from Investing Activities:		
Capital Contributed to Joint Venture	<u>(187,165)</u>	<u>0</u>
Net (Decrease) Increase Cash and Cash Equivalents	(113,916)	393,791
Cash and Cash Equivalents at Beginning of Year	<u>139,457</u>	<u>513,971</u>
Cash and Cash Equivalents at End of Year	\$ <u>25,541</u>	\$ <u>907,762</u>
Reconciliation of Operating (Loss) Income to Net Cash Provided by Operating Activities:		
Operating (Loss) Income	\$ (333,600)	\$ 183,911
Adjustments:		
Depreciation	315,801	0
Change in Operating Assets and Liabilities:		
Accounts Receivable	104,759	0
Materials and Supplies Inventory	1,082	0
Accounts Payable	35,726	25,077
Accrued Wages and Benefits	(936)	0
Compensated Absences Payable	(30,123)	0
Intergovernmental Payable	7,638	0
Claims Payable	<u>0</u>	<u>184,803</u>
Total Adjustments	<u>433,947</u>	<u>209,880</u>
Net Cash Provided by Operating Activities	\$ <u>100,347</u>	\$ <u>393,791</u>

The accompanying notes are an integral part of these basic financial statements.

# City of Rocky River, Ohio

## Statement of Fiduciary Net Position Fiduciary Funds

**December 31, 2013**

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	<u>Investment Trust</u>	
	<u>Individual Investment Account</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 334,672
Cash and Cash Equivalents:		
In Segregated Accounts	<u>3,298,617</u>	<u>450,821</u>
Total Assets	<u>3,298,617</u>	\$ <u>785,493</u>
Liabilities:		
Undistributed Monies	0	\$ 260,534
Deposits Held and Due to Others	<u>0</u>	<u>524,959</u>
Total Liabilities	<u>0</u>	\$ <u>785,493</u>
Net Position:		
Held in Trust for Participants	\$ <u>3,298,617</u>	

The accompanying notes are an integral part of these basic financial statements.

## City of Rocky River, Ohio

### Statement of Changes in Fiduciary Net Position Investment Trust Funds

#### **For the Year Ended December 31, 2013**

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	<u>Individual Investment Account</u>
Additions:	
Interest	\$ 4,823
Capital Transaction – Purchases	<u>3,520,762</u>
Total Additions	<u>3,525,585</u>
Deductions:	
Capital Transaction – Redemption	4,277,970
Distributions to Participants	<u>5,318</u>
Total Deductions	<u>4,283,288</u>
Change in Net Position	(757,703)
Net Position Beginning of Year	<u>4,056,320</u>
Net Position End of Year	\$ <u><u>3,298,617</u></u>

The accompanying notes are an integral part of these basic financial statements.

# City of Rocky River, Ohio

## Notes to Basic Financial Statements

### **For the Year Ended December 31, 2013**

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#### **Note 1: Description of City and Reporting Entity**

The City of Rocky River (City) is a home rule municipal corporation, established under the laws of the State of Ohio and operated under a charter. The charter provides for a Mayor/City Council form of government whereby the Mayor is the administrative officer of the City. The Charter was originally adopted in 1960 and has been amended periodically; most recently in 2008. The Mayor, Law Director and seven-member City Council all serve two-year terms.

#### ***Reporting Entity***

For financial reporting purposes, the reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the City.

The City provides various services including police and fire protection, health, parks and recreation, street maintenance, planning and zoning, sewer services, municipal court, senior adult, and general administrative services. The operation of these activities is directly controlled by the City Administration and City Council (through the budgetary process). None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The Rocky River Wastewater Treatment Plant (Plant) is a joint venture among the cities of Rocky River, Bay Village, Fairview Park, and Westlake. The Plant has a Management Committee consisting of the Mayor of each Member City or his/her designee and a fifth member who is appointed by the four Mayors. The Director of Finance of the City of Rocky River serves as fiscal agent for the Plant.

The Plant is managed by the City of Rocky River with a report of operational activities made to the Management Committee annually. Personnel at the Plant are employees of the City of Rocky River. Pursuant to the organizing agreement (and amendments), the Plant is jointly owned by the Member Cities with each Member City's share being in proportion to its contribution to the total cost of constructing certain improvements. The Plant is a joint venture in which each Member City has an equity interest.

The City has an explicit and measurable equity interest in the Plant. There exists a residual interest in the assets upon dissolution of the joint venture. The City also has an ongoing financial responsibility for its share of the joint venture liabilities. Additionally, the City has an ongoing financial responsibility since the City's participation is essential to the continued existence of the Plant. The Plant is further described in Note 11 of the basic financial statements.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 1: Description of City and Reporting Entity (continued)**

#### ***Reporting Entity (continued)***

The City participates in other organizations: jointly governed organizations and a related organization. See Notes 19 and 25 to the basic financial statements for further information. The City also participates in two Joint Economic Development Zones, see Note 26 for further information.

### **Note 2: Summary of Significant Accounting Policies**

The 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.

#### ***A. Basis of Presentation***

The City's basic financial statements consist of government-wide 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 display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" of the related revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. 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-type activity is self-financing or draws from the general revenues of the City.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***A. Basis of Presentation (continued)***

***Fund Financial Statements*** During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. 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. The City reports three categories of funds: governmental, proprietary and fiduciary.

***Governmental Funds*** Governmental funds are those through which most governmental functions 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 purposes 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 and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

***General Fund*** The General Fund accounts for all financial resources 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 and/or the general laws of the State of Ohio.

***Recreation Center Fund*** The Recreation Center Fund accounts for membership fees, program fees, General Fund subsidies and levied property tax revenue used for the operation and maintenance of the City's recreation activities.

***General Obligation Bond Retirement Fund*** The General Obligation Bond Retirement Fund accounts for resources that are utilized for the repayment of general obligation bonds of the City.

***Sewer Rehabilitation Fund*** The Sewer Rehabilitation Fund accounts for the accumulation of resources to rehabilitate through acquisition, construction, or improvement the City's sanitary sewer infrastructure.

***Capital Improvement Fund*** The Capital Improvement Fund accounts for the various projects of the City financed by tax monies and General Fund subsidies.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***B. Fund Accounting (continued)***

***Proprietary Funds*** 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 Fund*** Enterprise funds may be used for any activity for which a fee is charged to external users for goods and services. The City's major enterprise fund accounts for the collection of sanitary sewer charges. This fund also accounts for the City's joint venture investment in the Rocky River Wastewater Treatment Plant.

***Internal Service Fund*** Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund accounts for a self-insurance program for employee health benefits.

***Fiduciary Funds*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's trust fund is an investment trust fund established to account for the investing activity of the Rocky River Wastewater Treatment Plant which is managed by the City. Agency funds are custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency funds are for deposits, the Tri-City Council of Governments, donations and bequests, Municipal Court, and the S.A.F.E. Council of Governments.

#### ***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 deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total 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 deferred outflows of resources and current liabilities and deferred inflows of resources 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 fund financial statements for governmental funds.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***C. Measurement Focus (continued)***

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all 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.

#### ***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/outflows of resources and in the presentation of expenses versus expenditures.

***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 year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 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 7). 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 the 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 the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income taxes, State of Ohio levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants and entitlements, and rent.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***D. Basis of Accounting (continued)***

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge 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.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, special assessments, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

***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.

#### ***E. Cash and Cash Equivalents***

To improve cash management, cash received by all funds is pooled. Monies for these funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts and nonnegotiable certificates of deposit are reported at cost.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***E. Cash and Cash Equivalents (continued)***

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2013. STAR Ohio is a statewide investment pool managed by the Ohio Treasurer of State. Participation is offered to Ohio political subdivisions as defined in the Ohio Revised Code Section 135.45(F)(2)(a). STAR Ohio is not registered with the Securities Exchange Commission (SEC) as an investment company, but maintains a policy to operate as a “2a7 like pool” in a manner consistent with GASB Statement No. 31 “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*” Investments in STAR Ohio are valued at STAR Ohio’s share price which is the price at which the investment could be sold.

Investment procedures are restricted by the provisions of the City Charter and the general laws of the State of Ohio. Interest revenue credited to the General Fund during 2013 amounted to \$7,491, which includes \$5,095 assigned from other City funds.

The City serves as fiscal agent for the Rocky River Wastewater Treatment Plant. A related individual investment account is presented as “Cash and Cash Equivalents in Segregated Accounts” and represent deposits or nonnegotiable certificates of deposit which are reported at cost. During 2013, investments purchased through this account were limited to nonnegotiable certificates of deposit and are reported at cost.

#### ***F. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable materials and supplies.

#### ***G. Deferred Charge on Refunding***

The difference between the reacquisition price (funds required to refund the old debt) of various refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old debt or the life of the new debt whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the Statement of Net Position.

#### ***H. Investment in Joint Venture***

The investment in the Rocky River Wastewater Treatment Plant joint venture is reported using the equity method of accounting.

#### ***I. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2013 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***J. Capital Assets***

General capital assets are capital assets which are associated with and arise from governmental activities. They generally 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 both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$2,500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land; certain land improvements; rights of way and construction in progress. Improvements are depreciated over the estimated remaining useful lives of the related capital assets. For 2013, the City's infrastructure consists of roads, traffic signals, sidewalks, and storm sewers. In addition, the City has recorded construction in progress for City road and sewer projects initiated in 2013. 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 estimated useful lives:

Buildings	50 Years
Equipment	5 - 10 Years
Vehicles	5 Years
Infrastructure	18 - 75 Years

#### ***K. Interfund Balances***

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund Receivable/Payable." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. See Note 21 for interfund receivables/payables as of December 31, 2013.

#### ***L. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid-time-off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one month of service.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***L. Compensated Absences (continued)***

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future (those employees who will be eligible to receive termination payments in the next 20 years). The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the City's termination policy and employees with two or more years of service.

#### ***M. Payables, 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 that, once incurred, 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.

#### ***N. Bond Premiums and Discounts***

On the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are reported in the year the bonds are issued.

#### ***O. 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 are as follows:

***Nonspendable:*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable 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.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***O. Fund Balance (continued)***

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

***Committed:*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be re-deployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. 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. These amounts are assigned by City Council. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the City Council or a City official delegated that authority by the City Council or ordinance or State statute. State statute authorized the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2014 appropriated budget.

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***P. Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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 constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations, of other governments. Net position restricted for other purposes include \$5,568,401 for capital improvements, \$725,219 for special assessment debt, \$225,320 for law enforcement and education, \$1,012,978 for streets and highways, \$689,792 for security of persons and property and \$3,312 for community impact.

The government-wide Statement of Net Position reports \$11,663,946 of restricted net position, a portion of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

#### ***Q. 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 services 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.

#### ***R. Interfund Activity***

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

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

#### ***S. 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 and that are either unusual in nature or infrequent in occurrence. During 2013, there were no extraordinary or special items.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***T. 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.

#### ***U. Budgetary Data***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget information, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The alternative tax budget information demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations ordinance is City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council through the appropriation ordinance at the object level within each department for the General Fund and at the object level for all other funds. Budgetary modifications may only be made by ordinance of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time the final appropriations were enacted by City Council.

The appropriation ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including encumbered amounts carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by City Council during the year.

#### ***V. Reclassification***

Prior year data presented in the Management's Discussion and Analysis have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2012 data in order to conform to the 2013 presentation.

#### ***W. Subsequent Events***

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 30, 2014, the date the financial statements were available to be issued.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 3: Change in Accounting Principles**

For fiscal year 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

GASB Statement No. 65 provides guidance for accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City's financial statements have been updated to reflect the implementation of this standard. There was no effect on beginning net position/fund balance.

### **Note 4: Budgetary Basis of Accounting**

While 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 the general laws of the State of Ohio is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual for the General Fund and Recreation Center 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 and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the Recreation Fund.

	<u>Net Change in Fund Balance</u>	
	<u>General</u>	<u>Recreation Center</u>
GAAP basis	\$ 577,320	\$ 55,810
Net adjustment for revenue accruals	340,049	838
Net adjustment for expenditure accruals	(160,998)	41,393
Encumbrances	<u>(173,063)</u>	<u>(84,026)</u>
Budget basis	\$ <u>583,308</u>	\$ <u>14,015</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2013

### Note 5: 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. The constraints placed on a fund for the major governmental funds and non-major governmental funds are presented below:

	General Fund	Recreation Center	General Obligation Bond Retirement	Sewer Rehabilitation	Capital Improvement	Total Non-major Funds	Total Governmental Funds
Nonspendable:							
Inventory	\$ 17,211	\$ 5,037	\$ 0	\$ 0	\$ 0	\$ 92,492	\$ 114,740
Prepaid Items	2,187	0	0	0	0	0	2,187
Unclaimed Funds	707	0	0	0	0	0	707
Total Nonspendable	<u>20,105</u>	<u>5,037</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>92,492</u>	<u>117,634</u>
Restricted for:							
Capital Improvements	0	0	0	3,022,127	2,886,727	2,550,256	8,459,110
Community Impacts	0	0	0	0	0	3,312	3,312
Debt Service	0	0	114,570	0	0	3,340	117,910
Law Enforcement and Education	0	0	0	0	0	225,320	225,320
Marine Patrol	0	0	0	0	0	4,772	4,722
Office on Aging	0	0	0	0	0	41,216	41,216
Refuse and Recycling	0	0	0	0	0	161,404	161,404
Security of Persons and Property	0	0	0	0	0	756,511	756,511
Streets and Highways	0	0	0	0	0	724,100	724,100
Total Restricted	<u>0</u>	<u>0</u>	<u>114,570</u>	<u>3,022,127</u>	<u>2,886,727</u>	<u>4,470,231</u>	<u>10,493,655</u>
Assigned to:							
Purchases on Order Subsequent Year's Budget: Appropriation of Fund Balance	100,340	0	0	0	0	0	100,340
Total Assigned	<u>1,332,986</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,332,986</u>
Unassigned (Deficit)	<u>3,619,420</u>	<u>(385,379)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,234,041</u>
Total Fund Balance \$	<u>4,972,511</u>	<u>\$(380,342)</u>	<u>\$ 114,570</u>	<u>\$ 3,022,127</u>	<u>\$ 2,886,727</u>	<u>\$ 4,562,723</u>	<u>\$ 15,178,316</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2013**

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### **Note 6: Deposits and Investments**

The City follows the guidelines for deposit of funds set forth by the City Charter as well as certain provisions of Ohio Revised Code Chapter 135: Uniform Depository Act.

City of Rocky River, Charter, Article VII, Section 3. provides “[T]he Director of Finance may invest moneys of the City in any or all of the following: Investments consistent with the general laws of the State of Ohio in accordance with the Ohio Uniform Depository Act and any amendments thereto, bonds or notes of this City, bonds or other obligations of the United States or other obligations of any political subdivision or taxing district of the State as to which there is no default of principal or interest, in such manner as is now or hereafter provided by ordinance of City Council or by the laws of the State of Ohio, and the State Treasury Asset Reserve (STAR), an investment pool managed by the Ohio Treasurer of State, as defined in Section 135.45(F)(2)(a) of the Ohio Revised Code.”

Ohio Revised Code Section 135.01 classifies public money of the City into three categories: 1) active deposits; 2) inactive deposits, and 3) interim deposits. The City maintains active and interim deposits only.

#### ***Deposits***

*Custodial credit risk* is the risk that in the event of bank failure, the City’s deposits may not be returned from the depository. 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 either within the City or a qualified trustee by the financial institution as security for repayment, or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge security for repayment of all public moneys deposited with the institution.

At year-end, the carrying amount of the City’s deposits was \$20,038,441 and the bank balance was \$20,076,742. Of the bank balance \$3,095,312 was covered by the FDIC and \$16,981,430 was uninsured. The entire uninsured bank balance was collateralized with securities held by pledging institutions’ agents in its collateral pool. The City has \$5,350 of cash on hand at December 31, 2013.

### **Note 7: Property Taxes**

Property taxes include amounts levied against real and public utility properties located in the City. Property tax revenue received during 2013 represents collections of the 2012 taxes.

2013 real property taxes were levied after October 1, 2013, on the assessed value as of January 1, 2013, the lien date. Assessed values are established by Ohio Revised Code at 35 percent of appraised value. 2013 real property taxes are collected in and intended to finance 2014.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For the Year Ended December 31, 2013

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### **Note 7: Property Taxes (continued)**

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien December 31, 2012, were levied after October 1, 2013, and were collected in 2013 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2013, was \$10.90 per \$1,000 of assessed value. The full rate for the City is the same as the effective rate. The assessed values of real and public utility properties upon which 2013 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 675,604,330
Public Utility	<u>7,420,390</u>
Total	\$ <u>683,024,720</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, the Ohio Revised Code permits later payment dates to be established.

The Cuyahoga County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officers periodically remits to the City its portion of the taxes. Property taxes receivable represents real property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2013 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred inflows of resources – property taxes, since current taxes were not levied to finance 2013 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

### **Note 8: Income Taxes**

The City levies a municipal income tax of 1.5 percent on substantially all income earned within the City. In addition, residents of the City are required to pay the City municipal income tax on income earned outside the City; however, a credit is allowed for income taxes paid to other municipalities, which reduces the effective tax rate to 0.5 percent for such earnings. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers must pay their estimated tax quarterly and file a declaration annually. All income tax monies are credited to the General Fund.

By contractual agreement, the Central Collection Agency, a division of the City of Cleveland, administers and collects municipal income taxes for the City. Amounts collected are remitted monthly to the City. Collection fees for 2013 were \$374,580.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For the Year Ended December 31, 2013

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### **Note 9: Receivables**

Receivables at December 31, 2013, consisted of taxes, accounts (billings for user charged services), special assessments, interest, and intergovernmental receivables. Receivables are recorded net of an allowance for estimated uncollectible amounts. The allowance is based on a percentage of aged accounts receivable and current year revenues. The City has estimated \$16,214 in uncollectible billings for user charged services.

A summary of Intergovernmental Receivables follows:

#### Governmental Activities:

Homestead and Rollback	\$	470,226
Public Utility and CAT Tax Reimbursements		1,076
Local Government		178,464
Auto Registration and Gasoline Tax		362,312
Permissive Tax		10,328
Estate Tax		73,293
OPWC Loan Proceeds		691,976
Other Local Tax		<u>56,850</u>
Total Intergovernmental Receivable	\$	<u><u>1,844,525</u></u>

Special assessments expected to be collected beyond one year amount to \$390,000 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding is \$117,238 at December 31, 2013.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For the Year Ended December 31, 2013

### **Note 10: Capital Assets**

A summary of changes in capital assets during 2013 follows:

	Balance <u>12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/13</u>
<b>Governmental Activities</b>				
<i>Non-Depreciable Capital Assets</i>				
Land	\$ 2,017,826	\$ 0	\$ 0	\$ 2,017,826
Land Improvements	203,158	0	0	203,158
Construction in Progress	<u>7,808,000</u>	<u>2,305,516</u>	<u>0</u>	<u>10,113,516</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>10,028,984</u>	<u>2,305,516</u>	<u>0</u>	<u>12,334,500</u>
<i>Depreciable Capital Assets</i>				
Land Improvements	4,717,753	0	0	4,717,753
Buildings	33,730,576	0	0	33,730,576
Furniture, Fixtures and Equipment	4,892,099	121,246	0	5,013,345
Vehicles	7,394,825	43,410	0	7,438,235
Infrastructure:				
Roads	26,908,464	0	0	26,908,464
Sidewalks	1,283,662	0	0	1,283,662
Traffic Signals	2,827,033	0	0	2,827,033
Storm Sewers	<u>5,816,874</u>	<u>0</u>	<u>0</u>	<u>5,816,874</u>
<i>Total Depreciable Capital Assets</i>	<u>87,571,286</u>	<u>164,656</u>	<u>0</u>	<u>87,735,942</u>
Less Accumulated Depreciation:				
Land Improvements	(1,368,640)	(127,049)	0	(1,495,689)
Building	(11,651,967)	(586,827)	0	(12,238,794)
Furniture, Fixtures and Equipment	(4,147,672)	(69,238)	0	(4,216,910)
Vehicles	(7,173,137)	(126,142)	0	(7,299,279)
Infrastructure:				
Roads	(16,877,868)	(708,801)	0	(17,586,669)
Sidewalks	(132,278)	(32,093)	0	(164,371)
Traffic Signals	(2,291,192)	(141,371)	0	(2,432,563)
Storm Sewers	<u>(1,568,840)</u>	<u>(72,034)</u>	<u>0</u>	<u>(1,640,874)</u>
<i>Total Accumulated Depreciation</i>	<u>(45,211,594)</u>	<u>(1,863,555)</u>	<u>0</u>	<u>(47,075,149)</u>
Total Depreciable Capital Assets, Net	<u>42,359,692</u>	<u>(1,698,899)</u>	<u>0</u>	<u>40,660,793</u>
Governmental Activities Capital Assets, Net	\$ <u>52,388,676</u>	\$ <u>606,617</u>	\$ <u>0</u>	\$ <u>52,995,293</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For the Year Ended December 31, 2013

### Note 10: Capital Assets (continued)

	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/13</u>
<b>Business-Type Activities</b>				
<i>Non-Depreciable Capital Assets</i>				
Land	\$ 39,516	\$ 0	\$ 0	\$ 39,516
Right of Way	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>250,000</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>289,516</u>	<u>0</u>	<u>0</u>	<u>289,516</u>
<i>Depreciable Capital Assets</i>				
Furniture, Fixtures and Equipment	113,243	0	0	113,243
Vehicles	540,859	0	0	540,859
Sewer Lines	<u>23,186,654</u>	<u>0</u>	<u>0</u>	<u>23,186,654</u>
<i>Total Depreciable Capital Assets</i>	<u>23,840,756</u>	<u>0</u>	<u>0</u>	<u>23,840,756</u>
Less Accumulated Depreciation				
Furniture, Fixtures and Equipment	(87,093)	(11,916)	0	(99,009)
Vehicles	(540,859)	0	0	(540,859)
Sewer Lines	<u>(5,973,207)</u>	<u>(303,885)</u>	<u>0</u>	<u>(6,277,092)</u>
<i>Total Accumulated Depreciation</i>	<u>(6,601,159)</u>	<u>(315,801)</u>	<u>0</u>	<u>(6,916,960)</u>
Total Depreciable Capital Assets, Net	<u>17,239,597</u>	<u>(315,801)</u>	<u>0</u>	<u>16,923,796</u>
Total Business-Type Activities Capital Assets, Net	\$ <u>17,529,113</u>	\$ <u>(315,801)</u>	\$ <u>0</u>	\$ <u>17,213,312</u>

\*Depreciation expense was charged to governmental functions as follows:

General Government	\$ 166,956
Security of Persons and Property	291,379
Public Health	29,889
Transportation	724,694
Community Development	10,737
Basic Utility Service	207,317
Leisure Time Activities	<u>432,583</u>
Total	\$ <u>1,863,555</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 11: Joint Venture - Rocky River Wastewater Treatment Plant**

The Rocky River Wastewater Treatment Plant (Plant) is a joint venture among the cities of Rocky River, Bay Village, Fairview Park, and Westlake. The Plant is governed by a management committee consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The committee has authority over all aspects of the Plant's operation. The Plant supplies all participating residents of the member cities with wastewater treatment services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of the Plant is dependent on the City's continued participation, and the City does have an equity interest in the Plant. The City's equity interest is \$5,252,791 which represents 25.43 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the Director of Finance, City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116, who serves as fiscal agent.

### **Note 12: Related Party Transactions**

Since the continued existence of the Plant is dependent upon the participation of each member city, all transactions between the Plant and each member city are considered related party transactions. The Plant's transactions during 2013 involving the City of Rocky River are summarized as follows:

#### ***A. Charges for Services and Contributions for Capital Assets Replacement Fund***

Charges for services revenue for 2013 consists of amounts charged to the member cities for wastewater treatment services provided to the member cities' residents and contributions to the Plant for plant and equipment replacement, as follows:

	Charges for Services	Contributions
Rocky River	\$ 1,123,279	\$ 187,165

As of December 31, 2013, the City of Rocky River owed the Plant \$336,984 for the charges discussed above which is recorded as Accounts Payable.

#### ***B. Lease of Land***

The Plant is located on property owned by the City. The organizing agreement (as amended) provides for an annual lease payment of \$57,000 from the Plant for use of the land.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For the Year Ended December 31, 2013

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### **Note 13: Risk Management**

The City is exposed to various risks related to damage to, theft of and destruction of assets; torts; errors and omissions; natural disasters; and injuries to employees. During 2013, the City obtained insurance coverage with private insurance carriers to address exposure to certain of these risks.

There has not been a significant reduction in coverage from the prior year and settled claims have not exceeded coverage in any of the past three years.

Protection for employees injured while at work is provided through the two agencies of the State of Ohio: the Bureau of Workers' Compensation (BWC) and the Industrial Commission of Ohio (IC). The BWC has the administrative and insurance function, collecting workers' compensation insurance premiums from employers, and overseeing compensable claims of injured workers. The IC is the claims adjudicative branch that resolves disputes arising from a workers' compensation claim. Also, the City has contracted with a third-party administrator and a managed care organization to provide case management, consulting, and administrative services.

Since May 2002, the City has provided employees (and eligible dependents) medical and prescription drug benefits on a partially self-insured basis; dental benefits are provided on a fully-insured basis.

The City contracts with a third-party administrator to process and pay claims and has obtained stop-loss coverage for claims individual and aggregate per year claims. The City pays a monthly premium into the Self-Insurance Fund for each employee that varies according to employee group. These rates are paid by the fund from which the employees' salary is paid. Incurred but not reported claims of \$288,139 have been accrued as a liability at December 31, 2013 based on an estimate by the third-party administrator.

Changes in the fund's claims liability amount were:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2009	\$ 286,562	\$ 1,494,393	\$ 1,690,471	\$ 90,484
2010	90,484	1,800,064	1,783,075	107,473
2011	107,473	1,657,326	1,640,395	124,404
2012	124,404	1,618,492	1,639,560	103,336
2013	103,336	1,799,747	1,614,944	288,139

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 14: Defined Benefit Pension Plans**

#### ***A. Ohio Public Employees Retirement System***

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

OPERS provides retirement, disability, survivor, and death benefits and annual cost-of-living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

For 2013, the members and employer contribution rates were consistent across all three plans. For the year ended, December 31 2013, the members of all three plans were required to contribute 10 percent of their annual covered salary to fund pension obligations. The City contributed 14 percent of covered payroll, of which one percent for the traditional pension and combined plans was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations, excluding the health care portion, to the traditional pension and combined plans for the years ended December 31, 2013, 2012, and 2011 were \$1,057,766, \$858,596, and \$927,763, respectively; 98.44 percent has been contributed for 2013, and 100 percent for 2012 and 2011. Contributions to the member-directed plan for 2013 were \$32,385 made by the City and \$23,132 made by the plan members.

#### ***B. Ohio Police and Fire Pension Fund***

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan. The OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 14: Defined Benefit Pension Plans (continued)**

#### ***B. Ohio Police and Fire Pension Fund (continued)***

From January 1, 2013 thru July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013 thru December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters. The City's contributions, excluding the health care portion, for the years ended December 31, 2013, 2012, and 2011 for police officers were \$420,050, \$329,131, and \$327,180 and for firefighters were \$493,936, \$402,717, and \$406,704, respectively, equal to the required contributions for each year. The full amount has been contributed for years 2011 and 2012, and 75.61 percent and 73.88 percent has been contributed for 2013 for police and firefighters, respectively.

### **Note 15: Post-Employment Benefits**

#### ***A. Ohio Public Employees Retirement System***

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor 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 No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB plan is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 227 E. Town St., Columbus, OH, 43215-4642, or by calling (614)222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, the City contributed at a rate of 14 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of the post-employment health care benefits. For 2013, the employer contribution allocated to the health care plan for members in the traditional pension and combined plans was one percent of covered payroll.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 15: Post-Employment Benefits (continued)**

#### ***A. Ohio Public Employees Retirement System (continued)***

Effective January 1, 2014, the portion of employer contributions allocated to health care was raised to two percent for both plans, as recommended by the OPERS actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$81,334, \$344,679, and \$372,454, respectively; 98.44 percent has been contributed for 2013, 100 percent has been contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate four percent of the employer contributions toward the health care fund after the end of the transition period.

#### ***B. Ohio Police and Fire Pension Fund***

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to the Pension Fund, Attention: Chief Financial Officer, 140 E. Town St., Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

The Ohio Revised Code provides for contribution requirements of the participating employers and of the 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 employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of the 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.

## City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

### **For the Year Ended December 31, 2013**

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#### **Note 15: Post-Employment Benefits (continued)**

##### ***B. Ohio Police and Fire Pension Fund (continued)***

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 4.69 percent of covered payroll from January 1, 2013 thru May 31, 2013 and 2.85 percent of covered payroll from June 1, 2013 thru December 31, 2013. The amount of employer contributions allocated to the health care plan each year is subject to the Board of Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 1150 and 401(h).

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

The City's total contributions to OP&F for police and fire for the years ending December 31, 2013, 2012, and 2011 were \$515,696, \$503,376, and \$500,392, and \$581,577, \$560,302, and \$565,849, respectively, of which \$95,705, \$174,246, and \$173,213 and \$87,624, \$157,585, and \$159,145, respectively, was allocated to the health care plan. The full amount has been contributed for 2012 and 2011. For 2013, 75.61 percent for police and 73.88 percent for firefighters has been contributed, with the remainder being reported as a liability.

#### **Note 16: Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements, the Ohio Revised Code and City ordinances. Vacation leave is earned at rates which vary depending upon length of service and standard work week. Vacation accumulation is limited to two years. Vacation leave not used within two years is eliminated from the employee's leave balance. All accumulated unused vacation time is paid upon termination of employment.

Employees earn sick leave at the rate of 2.3 hours for every 40 hours worked, except for the fire division where employees earn 9.69 hours for every 168 hours worked. Sick leave accumulation is limited to 960 hours, except for the fire division where a maximum of 1,341 hours may be accumulated. City employees with two or more years of service are paid for their accumulated sick leave upon termination or retirement.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For the Year Ended December 31, 2013

### Note 17: Conduit Debt

#### *West Shore Unitarian Universalist Church*

In October 2005, the City issued \$1,350,000 Economic Development Revenue Bonds, Series 2005 (Bonds) pursuant to a Loan Agreement dated October 3, 2005 between the City and the West Shore Unitarian Universalist Church (the Borrower). The Bonds were issued for the purpose of making a loan to the Borrower, an Ohio nonprofit corporation to acquire, construct, renovate, furnish, and equip an approximately 12,000 square foot area of the Borrower's facility at 20401 Hilliard Boulevard, Rocky River, which will be used by the Borrower, acting as the "West Shore Child Care Center" in its operation of day care and pre-school facilities.

The Bond Service Charges are payable from revenue assigned to secure such payment are not payable from other funds of the City whether raised by taxation or otherwise received. Accordingly, the Bonds are not reported as a liability of the City in the accompanying financial statements. The Bonds are payable in 240 monthly payments from November 1, 2005 through October 1, 2025 inclusive.

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Outstanding 12/31/13</u>	<u>Date of Maturity</u>
Economic Development Revenue Bonds, Series 2005	\$ 1,350,000	Variable	\$ 956,635	October 1, 2025

### Note 18: Long-Term Obligations

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

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>General Obligation Bonds</b>			
2004 General Purpose	2.00-5.00%	\$ 10,840,000	December 1, 2024
2005 Civic Facility Improvements	2.50-4.00	8,400,000	December 1, 2024
2011 Municipal Court Facility Refunded	2.00-3.125	2,835,000	December 1, 2022
<b>Special Assessment Bonds</b>			
1998 Erosion Control (A)	4.75-5.10	605,000	December 1, 2023
2000 Erosion Control (B)	5.00-5.50	360,000	December 1, 2025
<b>OPWC Loans</b>			
Valley View Storm and Sanitary Sewer Improvement	0.00	NA	January 1, 2041
Hampton Road Storm and Sanitary Sewer Improvement	0.00	NA	January 1, 2043
Frazier Drive Sewer Improvements Improvement	0.00	NA	January 1, 2044
<b>OWDA Loans</b>			
2000 Pump Station and Sewer Repair	4.64	328,239	July 1, 2020
Avalon Drive Storm and Sanitary Sewer	3.03	NA	July 1, 2017

NA – Final amount of loan has not been finalized.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For the Year Ended December 31, 2013

### Note 18: Long-Term Obligations (continued)

The changes in long-term obligations during the year were as follows:

	Outstanding 12/31/12	Additions	Reductions	Outstanding 12/31/13	Amount Due in One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
2004 General Purpose	\$ 5,830,000	\$ 0	\$ 620,000	\$ 5,210,000	\$ 630,000
2005 Civic Facility Improvements	5,810,000	0	375,000	5,435,000	390,000
2011 Municipal Court Facility					
Refunded	2,025,000	0	205,000	1,820,000	210,000
Unamortized Premium	<u>321,760</u>	<u>0</u>	<u>27,615</u>	<u>294,145</u>	<u>0</u>
Total General Obligation Bonds	<u>13,986,760</u>	<u>0</u>	<u>1,227,615</u>	<u>12,759,145</u>	<u>1,230,000</u>
<b>Special Assessment Bonds</b>					
1998 Erosion Control (A)	275,000	0	25,000	250,000	25,000
2000 Erosion Control (B)	<u>195,000</u>	<u>0</u>	<u>15,000</u>	<u>180,000</u>	<u>15,000</u>
Total Special Assessment Bonds	<u>470,000</u>	<u>0</u>	<u>40,000</u>	<u>430,000</u>	<u>40,000</u>
<b>Ohio Public Works Commission (OPWC) Loans</b>					
Valley View Storm and Sanitary					
Sewer Improvement	2,538,438	1,380	0	2,539,818	0
Hampton Road Storm and Sanitary					
Sewer Improvement	1,691,032	1,466,840	0	3,157,872	0
Frazier Drive Sewer Improvement	<u>431,357</u>	<u>70,282</u>	<u>0</u>	<u>501,639</u>	<u>0</u>
Total OPWC Loans	<u>4,660,827</u>	<u>1,538,502</u>	<u>0</u>	<u>6,199,329</u>	<u>0</u>
<b>Ohio Water Development Authority (OWDA) Loan</b>					
Avalon Drive Storm and					
Sanitary Sewer	144,293	0	66,986	77,307	34,256
Compensated Absences Payable	3,924,972	1,502,559	1,492,899	3,934,632	640,038
Police and Fire Pension Liability	<u>461,775</u>	<u>0</u>	<u>31,855</u>	<u>429,920</u>	<u>33,224</u>
<i>Total Governmental Activities</i>	<u>\$ 23,648,627</u>	<u>\$ 3,041,061</u>	<u>\$ 2,859,355</u>	<u>\$ 23,830,333</u>	<u>\$ 1,977,518</u>
<b>Business-Type Activities</b>					
<b>Ohio Water Development Authority (OWDA) Loan</b>					
2000 Pump Station and					
Sewer Repair	\$ 179,383	\$ 0	\$ 18,992	\$ 160,391	\$ 19,884
Compensated Absences Payable	<u>109,540</u>	<u>37,039</u>	<u>67,162</u>	<u>79,417</u>	<u>12,396</u>
Total Business-Type Activities	<u>\$ 288,923</u>	<u>\$ 37,039</u>	<u>\$ 86,154</u>	<u>\$ 239,808</u>	<u>\$ 32,280</u>

## City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

### **For the Year Ended December 31, 2013**

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#### **Note 18: Long-Term Obligations (continued)**

General Purpose General Obligation Bonds will be paid from property taxes and money transferred to the Debt Service Fund.

Municipal Court Facility and the Municipal Court Facility Refunded General Obligation Bonds will be paid from the Municipal Court Capital Improvement Fund.

The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

The police and fire pension liability will be paid from levied taxes in the Police and Fire Pension Special Revenue Funds.

Compensated absences will be paid from the General Fund, the Recreation Center, Office on Aging, Refuse and Recycling, Motor Vehicle License Tax, and Street Construction and Repair Special Revenue Funds, and the Sanitary Sewer Enterprise Fund.

The OWDA loan reported in the Sanitary Sewer Enterprise Fund will be paid from revenues derived by the City from sanitary sewer charges. The OWDA loan for Avalon Drive Storm and Sanitary Sewer will be paid from the Sewer Rehabilitation Fund. The above represents the monies drawn against this loan and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

During 2009, the City obtained an OPWC interest –free loan for the Valley View Storm and Sanitary Sewer Improvements to be repaid in semi-annual principal payments of approximately \$49,795 for 30 years. OPWC has authorized this loan up to \$2,987,712. The above represents the monies drawn against this loan and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

Also during 2009, the City obtained a second OPWC interest –free loan for the Hampton Road Storm and Sanitary Sewer Improvements to be repaid in semi-annual principal payments of approximately \$63,112 for 30 years. OPWC has authorized this loan up to \$3,786,720. The above represents the monies drawn against this loan and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

During 2010, the City obtained an OPWC interest –free loan for the Frazier Drive Improvements to be repaid in semi-annual principal payments of approximately \$54,619 for 30 years. OPWC has authorized this loan up to \$3,277,120. The above represents the monies drawn against this loan and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For the Year Ended December 31, 2013

### Note 18: Long-Term Obligations (continued)

The City's overall legal debt margin was \$59,360,933 at December 31, 2013. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2013, are as follows:

	Governmental Activities							
	General Obligation Bonds		Special Assessment Bonds		Police and Fire Pension		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 1,230,000	\$ 537,831	\$ 40,000	\$ 22,475	\$ 33,224	\$ 17,922	\$ 1,303,224	\$ 578,228
2015	1,000,000	495,981	40,000	20,463	34,651	16,495	1,074,651	532,939
2016	1,040,000	456,331	40,000	18,400	36,139	15,007	1,116,139	489,738
2017	1,090,000	410,781	40,000	16,325	37,691	13,455	1,167,691	440,561
2018	1,125,000	362,731	40,000	14,238	39,310	11,836	1,204,310	388,805
2019-2023	5,830,000	1,029,019	200,000	39,750	96,652	41,034	6,126,652	1,109,803
2024-2028	1,150,000	52,163	30,000	2,475	75,260	25,435	1,255,260	80,073
2029-2033	0	0	0	0	76,993	7,944	76,993	7,944
Total	\$ 12,465,000	\$ 3,344,837	\$ 430,000	\$ 134,126	\$ 429,920	\$ 149,128	\$ 13,324,920	\$ 3,628,091

	Business Type Activity	
	OWDA Loan	
	Principal	Interest
2014	\$ 19,884	\$ 7,214
2015	20,817	6,281
2016	21,794	5,304
2017	22,817	4,281
2018	23,888	3,210
2019-2023	51,191	3,003
Total	\$ 160,391	\$ 29,293

### Note 19: Jointly Governed Organizations

#### A. West Shore Council of Governments

The West Shore Council of Governments (West Shore Council) was organized pursuant to the Ohio Revised Code Section 167.01 by the Ohio cities of Rocky River, Bay Village, Fairview Park, Lakewood, North Olmsted, and Westlake. The West Shore Council was formed to foster cooperation between members in the areas of public health, welfare, police protection, fire protection, and regional development. The West Shore Council oversees both the West Shore Hazardous Materials Committee which provides hazardous material handling training, protection, and assistance and the West Shore Enforcement Bureau which provides SWAT Team training, protection, and assistance.

The West Shore Council is governed by a board comprised of one member from each member city. The board exercises control over the operation of the West Shore Council including budgeting, appropriating, contracting, and administration. The West Shore Council board adopts an annual budget governing its activities for that year. Each city's degree of control is limited to its representation on the board. In 2013, the City contributed \$42,093 to the West Shore Council.

Financial information for the West Shore Council may be obtained from the Fiscal Officer, West Shore Council of Governments, in care of City of Bay Village, 350 Dover Center Road, Bay Village, Ohio 44140.

## City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

### **For the Year Ended December 31, 2013**

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#### **Note 19: Jointly Governed Organizations (continued)**

##### ***B. Tri-City Park Council of Governments***

The Tri-City Park Council of Governments (Tri-City Park) was organized pursuant to the Ohio Revised Code Section 167.01 by the Ohio cities of Rocky River, Fairview Park, and Westlake. Tri-City Park was formed to operate a public park to which residents of all member cities have access and which is bordered by all member cities.

Tri-City Park is governed by a board comprised of one member from each member city. The board exercises control over the operation of Tri-City Park including budgeting, appropriating, contracting, and administration. The Tri-City Park board adopts an annual budget governing its activities for that year. Each city's degree of control is limited to its representation on the board. In 2013, the City made no contributions to the Tri-City Park.

Financial information for Tri-City Park may be obtained from the Director of Finance, City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116, who serves as fiscal agent.

##### ***C. S.A.F.E. Council of Governments***

The Safe Air for the Environment Council of Governments (S.A.F.E. Council) was organized pursuant to the Ohio Revised Code Section 167.01 by the Ohio cities of Rocky River, Bay Village, Fairview Park, and Westlake. The S.A.F.E. Council was formed to oppose and to monitor changes to air traffic patterns of flights from nearby Cleveland Hopkins International Airport.

The S.A.F.E. Council is governed by a board comprised of one member from each member city. The board exercises control over the operation of the S.A.F.E. Council including budgeting, appropriating, contracting, and administration. The S.A.F.E. Council board adopts an annual budget governing its activities for that year.

Each city's degree of control is limited to its representation on the board. In 2013, the City made no contributions to the S.A.F.E. Council.

Financial information for the S.A.F.E. Council may be obtained from the Director of Finance, City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116, who serves as fiscal agent.

##### ***D. Suburban Water Regional Council of Governments***

The Suburban Water Regional Council of Governments (Water Council) was organized in 2003 pursuant to the Ohio Revised Code Section 167.01 by the political subdivisions to which the City of Cleveland, Ohio sells water, either by direct service to residents or on a bulk basis. The Water Council was formed to represent such political subdivisions in communications, understandings, uniform approaches, and exchange of information between the members of the Water Council and the City of Cleveland, Ohio.

The Water Council is governed by a Board of Trustees elected from each of nine member groups defined in the organizing agreement. The Mayor represents the City and is eligible to be elected to the Board of Trustees of the Water Council.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 19: Jointly Governed Organizations (continued)**

#### ***D. Suburban Water Regional Council of Governments (continued)***

The City made no contributions to the Water Council in 2013. The organizing agreement provides for the assessment of dues to members; however, no dues have been assessed since the inception of the Water Council.

The fiscal information of the Water Council may be obtained through the office of the Executive Secretary of the Cuyahoga County Mayors and Managers Association located at 10107 Brecksville Road, Brecksville, Ohio 44141, who serves as the fiscal agent.

### **Note 20: Litigation**

The City management is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

### **Note 21: Interfund Activity**

#### ***A. Transfers***

The transfers among City funds were made to provide additional resources for current operations and for the payment of debt. The General Fund made the following transfers during the year ended December 31, 2013:

<u>Transfer to</u>	
Recreation Center	\$ 475,000
General Obligation Bond Retirement	815,000
Capital Improvement	200,000
Other Governmental Funds	<u>3,618,000</u>
Total Transfers	\$ <u>5,108,000</u>

#### ***B. Receivable/Payable***

During the year ended December 31, 2008, the General Fund advanced the Recreation Center Special Revenue Fund \$500,000, which created an interfund receivable/payable. A \$50,000 payment was made in 2011. The advance was for monies that are expected to be repaid by December 31, 2014. The remaining balance is \$450,000.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 22: Accountability and Compliance**

#### **A. Accountability**

##### **Fund Equity Deficit – Special Revenue Funds**

There is a deficit in the Recreation Center Special Revenue Funds of \$380,342 caused by the application of accounting principles generally accepted in the United State of America to the funds. The General Fund is liable for any deficit in the funds and provides operating transfers when cash is required, not when accruals occur.

#### **B. Compliance**

The Refuse and Recycling Special Revenue Fund had final appropriations in excess of the estimated resources plus available balances for 2013, contrary to Ohio Revised Code, Section 5705.39 of \$15,917.

### **Note 23: Significant Commitments**

#### **A. Contracts**

At December 31, 2013, the City's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Avalon Drive Sewer Improvement	\$ 5,000	\$ 3,486	\$ 1,514
Equipment Purchases	61,830	0	61,830
Frazier / Beachcliff Water Main Improvement	1,442,731	755,082	687,649
Hampton Road Storm and Sanitary Improvement	2,352,321	1,245,278	1,107,043
Paving	905,130	592,397	312,733
Professional Services	465,000	436,734	28,266
Valley View Sewer Rehabilitation	<u>3,485,576</u>	<u>3,314,767</u>	<u>170,809</u>
Total	\$ <u>8,717,588</u>	\$ <u>6,347,744</u>	\$ <u>2,369,844</u>

The amounts captioned "Remaining on Contract" are encumbered as of the end of the year.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 23: Significant Commitments (continued)**

#### ***B. Encumbrances***

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 100,340
Recreation Fund	63,376
Sewer Rehabilitation Fund	1,538,829
Capital Improvement Fund	380,179
Other Governmental Funds	<u>357,728</u>
Total Governmental	\$ <u>2,440,452</u>

### **Note 24: Operating Leases**

In August 2006, the City entered into a 15-year lease agreement with Beachcliff Properties L.P. to lease a parking structure at the Beachcliff Market Square to provide free public parking in the downtown retail district. The total rental expense for year ended December 31, 2013 was \$20,000.

Future minimum rental payments for these leases are as follows:

2014	\$ 20,000
2015	20,000
2016	20,000
2017	20,000
2018	20,000
2019-2020	<u>40,000</u>
	\$ <u>140,000</u>

### **Note 25: Related Organization**

The Rocky River Community Improvement Corporation (CIC) was organized pursuant to the Ohio Revised Code Chapter 1724 in October 2002 as an Ohio nonprofit corporation. The CIC was formed to advance, encourage and promote development of the City by acting as the designated agency of the City for such purposes in accordance with the Ohio Revised Code Section 1724.10.

The CIC is a body politic, separate from the City, which may act as an individual entity to carry out the powers conferred upon it by the general laws of the State of Ohio. The corporate code of regulations provides for a Board of Directors comprised of the Mayor; the members of City Council and the Directors of Community and Economic Development and Finance of the City. The Director of Finance serves as CIC Treasurer. The CIC has neither applied nor qualified for a tax-exemption pursuant to any section of the Internal Revenue Code.

At December 31, 2013, the CIC has no assets or liabilities. The CIC has had no financial activity since 2005.

## City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

### **For the Year Ended December 31, 2013**

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#### **Note 26: Joint Economic Development Zones**

In 2008, pursuant to the Ohio Revised Code Section 715.69, the City entered into a 30-year agreement with 13 other cities in Cuyahoga and Lorain Counties to create and provide for the operation of a joint economic development zone (JEDZ) for the purpose of facilitating new or expanded growth for commercial or economic development. The JEDZ is known as the Nagel-Interstate 90 Joint Economic Development Zone and consists of about 791 acres in the City of Avon, Lorain County, Ohio.

The agreement provides that for any business relocating to the JEDZ from the City, the City of Avon will 1) limit real estate tax abatements; 2) not provide any income tax abatements; and 3) with certain limitations, share income taxes.

The agreement does not provide for a financial contribution by the City.

In 2012, pursuant to the Ohio Revised Code Section 715.69, the City entered into a 20-year agreement with the City of Cleveland to create a joint economic development zone (JEDZ) to facilitate new or expanded growth for commercial or economic development for the residents of each city and the State of Ohio. The JEDZ is known as the Cleveland – Rocky River Joint Economic Development Zone, the territorial boundaries of which are the combined total area of the two cities.

The agreement provides that for any business relocating to the JEDZ from the City of Cleveland and the City will 1) limit new industrial or commercial real estate tax abatement; 2) not provide any income tax abatement; and 3) with certain limitations, share income taxes.

The agreement does not provide for a financial contribution by the City.

#### **Note 27: Solid Waste Transfer Station**

The City operates a solid waste transfer station at 22401 Lake Road. The transfer station has been in operation since 1995 and is used by residents and businesses to dispose of solid waste which is then transported to a commercial landfill outside the City.

In accordance Ohio Environmental Protection Agency regulations promulgated in the Ohio Administrative Code, the City annually provides the required financial assurance through the local government financial test for final closure of the transfer station. Since the initiation of said regulations, the City completed the local government financial test and met the required financial assurances.

When using the local government financial test mechanism, the Ohio Environmental Protection Agency does not require a liability to be recognized provided the City meets the requirements of the financial test. Further, the City has no plans to close or move the facility. Therefore, no liability is recognized (actual or contingent) in the accompanying financial statements, for the cost to perform and complete transfer station closure activities.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For the Year Ended December 31, 2013**

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### **Note 28: Subsequent Event**

On June 16, 2014, City Council introduced a resolution to present the electors of the City with a municipal income tax increase issue at the general election in November 2014. The issue to be decided is to raise municipal income tax from 1.5 percent to 2.0 percent and increase the reciprocity credit for municipal income taxes paid to another city from 1.0 percent to 1.5 percent. The purpose of the incremental increase would be limited to providing funding for capital improvements and equipment purchases, either directly or through the payment of debt service for those obligations, to be effective January 1, 2015. Based on an analysis of 2012 municipal income tax withholding payments and tax return filings, the increase is estimated to generate additional revenue annually of approximately \$2,287,000.

# City of Rocky River, Ohio

Combining Statements  
Non-Major Government Funds  
Fund Descriptions

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## **Non-major Special Revenue Funds**

Special revenue funds are used to account for proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specific purposes.

***Law Enforcement Trust Fund*** – Required by the Ohio Revised Code to account for monies received from various law enforcement agencies designated for law enforcement related purposes.

***Community Diversion Program Fund*** – To account for monies received from Cuyahoga County to be used to help divert youth who are first time offenders of misdemeanor offenses from formal court action and to establish or expand community policing programs.

***Indigent Driver Alcohol Treatment Fund*** – Required by the Ohio Revised Code to account for 50 percent of fines received by the City for convictions related to persons whose drivers license was suspended for driving under the influence of alcohol.

***Enforcement and Education Fund*** – To account for fines imposed under Section 4511.99 (A) of the Ohio Revised Code. These monies are used to pay costs incurred in enforcing Section 4511.99 of the Ohio Revised Code, and to educate the public about laws governing the operation of a motor vehicle under the influence of alcohol and the danger thereof.

***Municipal Probation Services Fund*** – To account for specific court costs used to maintain ongoing probation services.

***Mediation Services Fund*** – To account for the collection of fees for all civil cases except cognovit notes and domestic relations filings pursuant to Ohio Revised Code 1901.26(B)(1).

***Federal Emergency Management Agency (FEMA) Fund*** – To account for federal monies received to pay for expenses incurred during emergencies.

***Office on Aging Fund*** – To account for levied property tax revenues, charges for services, and General Fund subsidies used for the operation of the Senior Center.

***Marine Patrol Fund*** – To account for monies received from the state and General Fund subsidies used for the operation of the City’s police boat.

***Community Impacts Fund*** – To account for monies received from a railroad company to be used for costs resulting from increased usage of the Nickel Plate railroad line.

***Refuse and Recycling Fund*** – To account for levied property tax revenue and General Fund subsidies used for the recycling program, as well as the collection and hauling of rubbish.

(continued)

## City of Rocky River, Ohio

Combining Statements  
Non-Major Governmental Funds (continued)  
Fund Descriptions

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### Non-major Special Revenue Funds (continued)

**Motor Vehicle License Tax Fund** – Required by the Ohio Revised Code to account for monies received from Cuyahoga County for the maintenance of public roads, highways, streets, and bridges within the City.

**Street Repair and Maintenance Fund** – Required by the Ohio Revised Code to account for state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

**State Highway Fund** – Required by the Ohio Revised Code to account for state gasoline tax and motor vehicle registration fees designated for the maintenance of state highways within the City.

**Indigent Driver Alcohol Monitoring (IDAM) Fund** – To account for mandatory minimum fine amounts established pursuant to Ohio Revised Code Section 4511.19(G)(5)(e) for operating a vehicle under the influence of alcohol or drugs.

**Fire Levy Fund** – This fund accounts for a voted real estate tax operating levy which pays for the current and accrued past service liability for fire disability and pension benefits.

**Police Levy Fund** – This fund accounts for a voted real estate tax operating levy which pays for the current and accrued past service liability for police disability and pension benefits.

### Non-major Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment principal, interest, and related costs.

**Special Assessment Bond Retirement Fund** – To account for the collection of special assessments levied against the benefited properties for the payment of special assessment bonds and related interest.

### Non-major Capital Projects Fund

Capital projects funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds).

**Equipment Replacement Fund** – To account for liquor permit revenues and transfers to provide for the future replacement of equipment.

**Municipal Court Capital Improvement Fund** – To account for specific court costs created to maintain operating and capital needs of the Municipal Court.

# City of Rocky River, Ohio

## Combining Balance Sheet Non-major Governmental Funds

**December 31, 2013**

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,319,619	\$ 3,340	\$ 2,527,379	\$ 4,850,338
Accrued Interest Receivable	167	0	542	709
Accounts Receivable	23,763	0	40,369	64,132
Intergovernmental Receivable	464,105	0	0	464,105
Materials and Supplies Inventory	92,492	0	0	92,492
Property Taxes Receivable	1,260,075	0	0	1,260,075
Special Assessments Receivable	0	723,752	0	723,752
Grants Receivable	<u>1,350</u>	<u>0</u>	<u>0</u>	<u>1,350</u>
 Total Assets	 \$ <u>4,161,571</u>	 \$ <u>727,092</u>	 \$ <u>2,568,290</u>	 \$ <u>7,456,953</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 120,794	\$ 0	\$ 8,734	\$ 129,528
Accrued Wages and Benefits	50,040	0	2,733	52,773
Intergovernmental Payable	357,163	0	6,567	363,730
Matured Compensated Absences	<u>31,119</u>	<u>0</u>	<u>0</u>	<u>31,119</u>
 Total Liabilities	 <u>559,116</u>	 <u>0</u>	 <u>18,034</u>	 <u>577,150</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	1,213,171	0	0	1,213,171
Unavailable Revenue	<u>380,157</u>	<u>723,752</u>	<u>0</u>	<u>1,103,909</u>
 Total Deferred Inflows of Resources	 <u>1,593,328</u>	 <u>723,752</u>	 <u>0</u>	 <u>2,317,080</u>
<b>Fund Balances:</b>				
Nonspendable	92,492	0	0	92,492
Restricted	<u>1,916,635</u>	<u>3,340</u>	<u>2,550,256</u>	<u>4,470,231</u>
 Total Fund Balances	 <u>2,009,127</u>	 <u>3,340</u>	 <u>2,550,256</u>	 <u>4,562,723</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ <u>4,161,571</u>	 \$ <u>727,092</u>	 \$ <u>2,568,290</u>	 \$ <u>7,456,953</u>

# City of Rocky River, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds

### **For the Year Ended December 31, 2013**

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 1,242,631	\$ 0	\$ 0	\$ 1,242,631
Intergovernmental	1,351,425	0	606,549	1,957,974
Charges for Services	578,276	0	0	578,276
Fees, Fines and Permits	402,659	0	40,369	443,028
Special Assessments	0	68,198	0	68,198
Investment Income	316	0	276	592
Other	4,906	0	0	4,906
	<u>3,580,213</u>	<u>68,198</u>	<u>647,194</u>	<u>4,295,605</u>
<b>Total Revenues</b>				
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	16,223	0	361,616	377,839
Security of Persons and Property	1,574,294	0	0	1,574,524
Public Health	1,239,240	0	0	1,239,240
Transportation	1,087,939	0	0	1,087,939
Basic Utility Service	1,613,580	0	0	1,613,539
Capital Outlay	85,513	0	168,715	254,039
<b>Debt Service:</b>				
Principal Retirement	31,855	40,000	205,000	276,855
Interest and Fiscal Charges	21,318	25,150	49,256	95,724
	<u>5,669,962</u>	<u>65,150</u>	<u>784,587</u>	<u>6,519,699</u>
<b>Total Expenditures</b>				
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(2,089,749)	3,048	(137,393)	(2,224,094)
<b>Other Financing Sources:</b>				
Transfers - In	2,748,000	0	870,000	3,618,000
	<u>658,251</u>	<u>3,048</u>	<u>732,607</u>	<u>1,393,906</u>
<b>Net Change In Fund Balances</b>				
Fund Balances at Beginning of Year	1,350,876	292	1,817,649	3,168,817
	<u>2,009,127</u>	<u>3,340</u>	<u>2,550,256</u>	<u>4,562,723</u>
<b>Fund Balances at End of Year</b>				

# City of Rocky River, Ohio

## Combining Balance Sheet Non-major Special Revenue Funds

**December 31, 2013**

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 220,262	\$ 5,534	\$ 126,696	\$ 11,023
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	150	0	2,153	245
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Property Taxes Receivable	0	0	0	0
Grants Receivable	0	1,350	0	0
<b>Total Assets</b>	<b>\$ 220,412</b>	<b>\$ 6,884</b>	<b>\$ 128,849</b>	<b>\$ 11,268</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 4,829	\$ 0	\$ 20,000	\$ 0
Accrued Wages and Benefits	0	69	0	0
Intergovernmental Payable	1,531	105	0	0
Matured Compensated Absences	0	0	0	0
<b>Total Liabilities</b>	<b>6,360</b>	<b>174</b>	<b>20,000</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	214,052	6,710	108,849	11,268
<b>Total Fund Balances</b>	<b>214,052</b>	<b>6,710</b>	<b>108,849</b>	<b>11,268</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 220,412</b>	<b>\$ 6,884</b>	<b>\$ 128,849</b>	<b>\$ 11,268</b>

<u>Municipal Probation Services</u>	<u>Mediation Services</u>	<u>Federal Emergency Management Agency</u>	<u>Office on Aging</u>	<u>Marine Patrol</u>
\$ 403,629	\$ 45,927	\$ 47	\$ 100,626	\$ 5,653
167	0	0	0	0
19,861	0	0	0	0
0	0	0	21,521	0
0	0	0	41,798	0
0	0	0	300,019	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>423,657</u>	\$ <u>45,927</u>	\$ <u>47</u>	\$ <u>463,964</u>	\$ <u>5,653</u>
\$ 5,527	\$ 0	\$ 0	\$ 5,695	\$ 444
868	174	0	5,408	0
2,017	456	0	18,516	437
<u>0</u>	<u>0</u>	<u>0</u>	<u>29,791</u>	<u>0</u>
<u>8,412</u>	<u>630</u>	<u>0</u>	<u>59,410</u>	<u>881</u>
0	0	0	288,851	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>32,689</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>321,540</u>	<u>0</u>
0	0	0	41,798	0
<u>415,245</u>	<u>45,297</u>	<u>47</u>	<u>41,216</u>	<u>4,772</u>
<u>415,245</u>	<u>45,297</u>	<u>47</u>	<u>83,014</u>	<u>4,772</u>
\$ <u>423,657</u>	\$ <u>45,927</u>	\$ <u>47</u>	\$ <u>463,964</u>	\$ <u>5,653</u>

(continued)

# City of Rocky River, Ohio

## Combining Balance Sheet Non-major Special Revenue Funds (Continued)

**December 31, 2013**

	Community Impacts	Refuse and Recycling	Motor Vehicle License Tax	Street Repair and Maintenance
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,312	\$ 262,657	\$ 235,632	\$ 344,557
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	43,042	10,328	335,139
Materials and Supplies Inventory	0	3,604	0	47,090
Property Taxes Receivable	0	600,036	0	0
Grants Receivable	0	0	0	0
<b>Total Assets</b>	<b>\$ <u>3,312</u></b>	<b>\$ <u>909,339</u></b>	<b>\$ <u>245,960</u></b>	<b>\$ <u>726,786</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 44,388	\$ 2,240	\$ 26,621
Accrued Wages and Benefits	0	17,259	2,813	23,449
Intergovernmental Payable	0	39,606	5,980	22,154
Matured Compensated Absences	0	0	0	1,328
<b>Total Liabilities</b>	<b><u>0</u></b>	<b><u>101,253</u></b>	<b><u>11,033</u></b>	<b><u>73,552</u></b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	0	577,700	0	0
Unavailable Revenue	0	65,378	0	223,654
<b>Total Deferred Inflows of Resources</b>	<b><u>0</u></b>	<b><u>643,078</u></b>	<b><u>0</u></b>	<b><u>223,654</u></b>
<b>Fund Balances:</b>				
Nonspendable	0	3,604	0	47,090
Restricted	3,312	161,404	234,927	382,490
<b>Total Fund Balances</b>	<b><u>3,312</u></b>	<b><u>165,008</u></b>	<b><u>234,927</u></b>	<b><u>429,580</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ <u>3,312</u></b>	<b>\$ <u>909,339</u></b>	<b>\$ <u>245,960</u></b>	<b>\$ <u>726,786</u></b>

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<u>State Highway</u>	<u>Indigent Driver Alcohol Monitoring</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>Total Non-major Special Revenue Funds</u>
\$ 108,694	\$ 107,518	\$ 186,715	\$ 151,137	\$ 2,319,619
0	0	0	0	167
0	1,354	0	0	23,763
27,173	0	13,451	13,451	464,105
0	0	0	0	92,492
0	0	180,010	180,010	1,260,075
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,350</u>
\$ <u>135,867</u>	\$ <u>108,872</u>	\$ <u>380,176</u>	\$ <u>344,598</u>	\$ <u>4,161,571</u>
\$ 11,050	\$ 0	\$ 0	\$ 0	\$ 120,794
0	0	0	0	50,040
0	0	146,379	119,982	357,163
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31,119</u>
<u>11,050</u>	<u>0</u>	<u>146,379</u>	<u>119,982</u>	<u>559,116</u>
0	0	173,310	173,310	1,213,171
<u>18,134</u>	<u>0</u>	<u>20,151</u>	<u>20,151</u>	<u>380,157</u>
<u>18,134</u>	<u>0</u>	<u>193,461</u>	<u>193,461</u>	<u>1,593,328</u>
0	0	0	0	92,492
<u>106,683</u>	<u>108,872</u>	<u>40,336</u>	<u>31,155</u>	<u>1,916,635</u>
<u>106,683</u>	<u>108,872</u>	<u>40,336</u>	<u>31,155</u>	<u>2,009,127</u>
\$ <u>135,867</u>	\$ <u>108,872</u>	\$ <u>380,176</u>	\$ <u>344,598</u>	\$ <u>4,161,571</u>

# City of Rocky River, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Special Revenue Funds

### **For the Year Ended December 31, 2013**

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	93,467	0	0	0
Charges for Services	0	0	0	0
Fees, Fines and Permits	84,540	5,400	53,069	2,582
Investment Income	0	0	0	0
Other	0	0	0	0
<b>Total Revenues</b>	<u>178,007</u>	<u>5,400</u>	<u>53,069</u>	<u>2,582</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	0	0	0	0
Security of Persons and Property	78,127	4,011	62,907	0
Public Health	0	0	0	0
Transportation	0	0	0	0
Basic Utility Service	0	0	0	0
Capital Outlay	36,523	0	0	0
<b>Debt Service:</b>				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<u>114,650</u>	<u>4,011</u>	<u>62,907</u>	<u>0</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	63,357	1,389	(9,838)	2,582
<b>Other Financing Sources (Uses):</b>				
Transfers - In	0	0	0	0
<b>Net Change in Fund Balances</b>	63,357	1,389	(9,838)	2,582
<b>Fund Balances (Deficit) at Beginning of Year</b>				
	<u>150,695</u>	<u>5,321</u>	<u>118,687</u>	<u>8,686</u>
<b>Fund Balances at End of Year</b>	\$ <u><u>214,052</u></u>	\$ <u><u>6,710</u></u>	\$ <u><u>108,849</u></u>	\$ <u><u>11,268</u></u>

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<u>Municipal Probation Services</u>	<u>Mediation Services</u>	<u>Federal Emergency Management Agency</u>	<u>Office on Aging</u>	<u>Marine Patrol</u>
\$ 0	\$ 0	\$ 0	\$ 295,395	\$ 0
0	0	131,896	44,742	24,424
0	0	0	569,437	0
257,068	0	0	0	0
316	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,675</u>	<u>0</u>
<u>257,384</u>	<u>-</u>	<u>131,896</u>	<u>912,249</u>	<u>24,424</u>
234	15,989	0	0	0
200,848	0	131,896	0	32,324
0	0	0	1,239,240	0
0	0	0	0	0
0	0	0	0	0
230	0	0	0	561
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>201,312</u>	<u>15,989</u>	<u>131,896</u>	<u>1,239,240</u>	<u>32,885</u>
56,072	(15,989)	0	(326,991)	(8,461)
<u>0</u>	<u>0</u>	<u>0</u>	<u>350,000</u>	<u>3,000</u>
56,072	(15,989)	0	23,009	(5,461)
<u>359,173</u>	<u>61,286</u>	<u>47</u>	<u>60,005</u>	<u>10,233</u>
\$ <u>415,245</u>	\$ <u>45,297</u>	\$ <u>47</u>	\$ <u>83,014</u>	\$ <u>4,772</u>

(continued)

# City of Rocky River, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Special Revenue Funds (Continued)

### For the Year Ended December 31, 2013

	Community Impacts	Refuse and Recycling	Motor Vehicle License Tax	Street Repair and Maintenance
Revenues:				
Property Taxes	\$ 0	\$ 590,792	\$ 0	\$ 0
Intergovernmental	0	86,083	128,218	690,186
Charges for Services	0	8,839	0	0
Fees, Fines and Permits	0	0	0	0
Investment Income	0	0	0	0
Other	0	2,231	0	0
<b>Total Revenues</b>	<b>0</b>	<b>687,945</b>	<b>128,218</b>	<b>690,186</b>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	1,252	0
Public Health	0	0	0	0
Transportation	0	0	258,681	818,208
Basic Utility Service	0	1,613,580	0	0
Capital Outlay	0	0	2,709	13,674
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>1,613,580</b>	<b>262,642</b>	<b>831,882</b>
Excess of Revenues Over (Under) Expenditures	0	(925,635)	(134,424)	(141,696)
Other Financing Sources (Uses):				
Transfers - In	0	1,000,000	300,000	250,000
Net Change in Fund Balances	0	74,365	165,576	108,304
Fund Balances (Deficit) at Beginning of Year	3,312	90,643	69,351	321,276
Fund Balances at End of Year	\$ 3,312	\$ 165,008	\$ 234,927	\$ 429,580

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<u>State Highway</u>	<u>Indigent Driver Alcohol Monitoring</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>Total Non-major Special Revenue Funds</u>
\$ 0	\$ 0	\$ 178,222	\$ 178,222	\$ 1,242,631
55,960	44,799	25,825	25,825	1,351,425
0	0	0	0	578,276
0	0	0	0	402,659
0	0	0	0	316
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,906</u>
<u>55,960</u>	<u>44,799</u>	<u>204,047</u>	<u>204,047</u>	<u>3,580,213</u>
0	0	0	0	16,223
0	0	576,745	486,184	1,574,294
0	0	0	0	1,239,240
11,050	0	0	0	1,087,939
0	0	0	0	1,613,580
0	31,816	0	0	85,513
0	0	8,697	23,158	31,855
<u>0</u>	<u>0</u>	<u>11,442</u>	<u>9,876</u>	<u>21,318</u>
<u>11,050</u>	<u>31,816</u>	<u>596,884</u>	<u>519,218</u>	<u>5,669,962</u>
44,910	12,983	(392,837)	(315,171)	(2,089,749)
<u>0</u>	<u>0</u>	<u>495,000</u>	<u>350,000</u>	<u>2,748,000</u>
44,910	12,983	102,163	34,829	658,251
<u>61,773</u>	<u>95,889</u>	<u>(61,827)</u>	<u>(3,674)</u>	<u>1,350,876</u>
\$ <u>106,683</u>	\$ <u>108,872</u>	\$ <u>40,336</u>	\$ <u>31,155</u>	\$ <u>2,009,127</u>

# City of Rocky River, Ohio

## Combining Balance Sheet Non-major Capital Projects Funds

**December 31, 2013**

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	<u>Equipment Replacement</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 900,956	\$ 1,626,423	\$ 2,527,379
Accrued Interest Receivable	0	542	542
Accounts Receivable	<u>0</u>	<u>40,369</u>	<u>40,369</u>
Total Assets	\$ <u>900,956</u>	\$ <u>1,667,334</u>	\$ <u>2,568,290</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 5,358	\$ 3,376	\$ 8,734
Accrued Wages and Benefits	0	2,733	2,733
Intergovernmental Payable	<u>0</u>	<u>6,567</u>	<u>6,567</u>
Total Liabilities	<u>5,358</u>	<u>12,676</u>	<u>18,034</u>
Fund Balances:			
Restricted	<u>895,598</u>	<u>1,654,658</u>	<u>2,550,256</u>
Total Fund Balances	<u>895,598</u>	<u>1,654,658</u>	<u>2,550,256</u>
Total Liabilities and Fund Balances	\$ <u>900,956</u>	\$ <u>1,667,334</u>	\$ <u>2,568,290</u>

# City of Rocky River, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Capital Project Funds

### **For the Year Ended December 31, 2013**

	<u>Equipment Replacement</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
Revenues:			
Intergovernmental	\$ 30,018	\$ 576,531	\$ 606,549
Fees, Fines, and Permits	0	40,369	40,369
Investment Income	<u>0</u>	<u>276</u>	<u>276</u>
Total Revenues	<u>30,018</u>	<u>617,176</u>	<u>647,194</u>
Expenditures:			
Current:			
General Government	0	361,616	361,616
Capital Outlay	152,333	16,382	168,715
Debt Service:			
Principal Retirement	0	205,000	205,000
Interest and Fiscal Charges	<u>0</u>	<u>49,256</u>	<u>49,256</u>
Total Expenditures	<u>152,333</u>	<u>632,254</u>	<u>784,587</u>
Excess of Revenues Over (Under) Expenditures	(122,315)	(15,078)	(137,393)
Other Financing Sources:			
Transfers - In	<u>870,000</u>	<u>0</u>	<u>870,000</u>
Net Change in Fund Balances	747,685	(15,078)	732,607
Fund Balances at Beginning of Year	<u>147,913</u>	<u>1,669,736</u>	<u>1,817,649</u>
Fund Balances at End of Year	\$ <u><u>895,598</u></u>	\$ <u><u>1,654,658</u></u>	\$ <u><u>2,550,256</u></u>

**Individual Fund  
Schedules of Revenues, Expenditures/Expense and  
Changes in Fund Balances/Equity -  
Budget (Non – GAAP Budgetary Basis) and Actual**

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### General Fund

#### For the Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 4,146,855	\$ 4,146,855	\$ 3,721,991	\$ (424,864)
Municipal Income Taxes	8,791,351	8,290,000	9,528,657	1,238,657
Other Local Taxes	28,722	35,000	31,131	(3,869)
Intergovernmental	1,769,576	1,938,040	2,460,305	522,265
Charges for Services	39,272	52,300	42,566	(9,734)
Fines, Fees, and Permits	3,142,870	3,248,500	3,406,454	157,954
Investment Income	4,869	20,000	5,277	(14,723)
Rentals	63,651	80,000	68,989	(11,011)
Other	<u>104,118</u>	<u>97,000</u>	<u>113,572</u>	<u>16,572</u>
Total Revenues	<u>18,091,284</u>	<u>17,907,695</u>	<u>19,378,942</u>	<u>1,471,247</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
<b>Council:</b>				
Personal Service	124,679	124,679	124,009	670
Other	<u>6,248</u>	<u>6,248</u>	<u>2,895</u>	<u>3,353</u>
Total Council	<u>130,927</u>	<u>130,927</u>	<u>126,904</u>	<u>4,023</u>
<b>Mayor:</b>				
Personal Service	182,044	182,044	180,444	1,600
Other	<u>7,849</u>	<u>9,849</u>	<u>6,937</u>	<u>2,912</u>
Total Mayor	<u>189,893</u>	<u>191,893</u>	<u>187,381</u>	<u>4,512</u>
<b>Finance Department:</b>				
Personal Service	295,387	295,387	281,013	14,374
Other	<u>111,870</u>	<u>111,870</u>	<u>91,012</u>	<u>20,858</u>
Total Finance Department	<u>407,257</u>	<u>407,257</u>	<u>372,025</u>	<u>35,232</u>
<b>Law Director:</b>				
Personal Service	120,169	120,169	119,134	1,035
Other	<u>77,609</u>	<u>81,609</u>	<u>52,741</u>	<u>28,868</u>
Total Law Director	<u>197,778</u>	<u>201,778</u>	<u>171,875</u>	<u>29,903</u>
<b>Other Executive Administration:</b>				
Personal Service	202,294	202,294	164,458	37,836
Other	<u>23,826</u>	<u>25,826</u>	<u>11,512</u>	<u>14,314</u>
Total Other Executive Administration	<u>226,120</u>	<u>228,120</u>	<u>175,970</u>	<u>52,150</u>

(continued)

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

General Fund (continued)

**For the Year Ended December 31, 2013**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Boards and Commissions:				
Personal Service	33,235	33,635	25,409	8,226
Other	<u>9,482</u>	<u>9,782</u>	<u>6,069</u>	<u>3,713</u>
Total Boards and Commissions	<u>42,717</u>	<u>43,417</u>	<u>31,478</u>	<u>11,939</u>
Building Maintenance:				
Personal Service	394,635	394,635	386,016	8,619
Other	<u>413,268</u>	<u>413,968</u>	<u>322,502</u>	<u>91,466</u>
Total Building Maintenance	<u>807,903</u>	<u>808,603</u>	<u>708,518</u>	<u>100,085</u>
Human Resources:				
Personal Service	97,974	97,974	96,526	1,448
Other	<u>27,715</u>	<u>27,715</u>	<u>25,144</u>	<u>2,571</u>
Total Human Resources	<u>125,689</u>	<u>125,689</u>	<u>121,670</u>	<u>4,019</u>
Municipal Courts:				
Personal Service	1,492,065	1,792,065	1,581,677	210,388
Other	<u>217,463</u>	<u>217,463</u>	<u>176,849</u>	<u>40,614</u>
Total Municipal Courts	<u>1,709,528</u>	<u>2,009,528</u>	<u>1,758,526</u>	<u>251,002</u>
Miscellaneous:				
Other	<u>772,436</u>	<u>810,936</u>	<u>574,188</u>	<u>236,748</u>
Total General Government	<u>4,610,248</u>	<u>4,958,148</u>	<u>4,228,535</u>	<u>729,613</u>
Security of Persons and Property:				
Police Department:				
Personal Service	3,407,811	3,430,911	3,356,351	74,560
Other	<u>437,668</u>	<u>445,668</u>	<u>387,674</u>	<u>57,994</u>
Total Police Department	<u>3,845,479</u>	<u>3,876,579</u>	<u>3,744,025</u>	<u>132,554</u>
Fire Department:				
Personal Service	3,054,542	3,129,542	3,067,011	62,531
Other	<u>439,954</u>	<u>431,804</u>	<u>378,956</u>	<u>52,848</u>
Total Fire Department	<u>3,494,496</u>	<u>3,561,346</u>	<u>3,445,967</u>	<u>115,379</u>

(continued)

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

General Fund (continued)

### For the Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Police on Patrol Arresting Speeders:				
Personal Service	97,235	134,735	130,621	4,114
Other	<u>97,796</u>	<u>93,796</u>	<u>83,598</u>	<u>10,198</u>
Total Police on Patrol Arresting Speeders	<u>195,031</u>	<u>228,531</u>	<u>214,219</u>	<u>14,312</u>
Street Lighting:				
Other	<u>320,000</u>	<u>315,000</u>	<u>309,949</u>	<u>5,051</u>
Administrative Support:				
Personal Service	<u>128,137</u>	<u>126,337</u>	<u>122,014</u>	<u>4,323</u>
Total Security of Persons and Property	<u>7,983,143</u>	<u>8,107,793</u>	<u>7,836,174</u>	<u>271,619</u>
Transportation:				
Equipment Repair and Garage:				
Personal Service	584,685	584,685	542,768	41,917
Other	<u>132,546</u>	<u>132,546</u>	<u>107,879</u>	<u>24,667</u>
Total Transportation	<u>717,231</u>	<u>717,231</u>	<u>650,647</u>	<u>66,584</u>
Leisure Time Activities:				
Parks Department:				
Personal Service	172,478	182,078	122,957	59,121
Other	<u>142,348</u>	<u>141,948</u>	<u>50,482</u>	<u>91,466</u>
Total Leisure Time Activities	<u>314,826</u>	<u>324,026</u>	<u>173,439</u>	<u>150,587</u>
Community Development:				
Community Center:				
Personal Service	548,936	548,936	536,629	12,307
Other	<u>73,536</u>	<u>73,536</u>	<u>58,781</u>	<u>14,755</u>
Total Community Center	<u>622,472</u>	<u>622,472</u>	<u>595,410</u>	<u>27,062</u>
Economic Development:				
Personal Service	121,882	81,882	72,614	9,268
Other	<u>87,818</u>	<u>87,818</u>	<u>80,784</u>	<u>7,034</u>
Total Economic Development	<u>209,700</u>	<u>169,700</u>	<u>153,398</u>	<u>16,302</u>
Total Community Development	<u>832,172</u>	<u>792,172</u>	<u>748,808</u>	<u>43,364</u>

(continued)

## City of Rocky River, Ohio

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

General Fund (continued)

#### For the Year Ended December 31, 2013

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Capital Outlay	<u>53,578</u>	<u>57,578</u>	<u>52,090</u>	<u>5,488</u>
Total Expenditures	<u>14,511,198</u>	<u>14,956,948</u>	<u>13,689,693</u>	<u>1,267,255</u>
Excess of Revenues Over (Under) Expenditures	<u>3,580,086</u>	<u>2,950,747</u>	<u>5,689,249</u>	<u>2,738,502</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	1,900	12,000	2,059	(9,941)
Transfers - Out	<u>(4,958,000)</u>	<u>(5,134,000)</u>	<u>(5,108,000)</u>	<u>26,000</u>
Total Other Financing Sources (Uses)	<u>(4,956,100)</u>	<u>(5,122,000)</u>	<u>(5,105,941)</u>	<u>16,059</u>
Net Change in Fund Balance	(1,376,014)	(2,171,253)	583,308	2,754,561
Fund Balance at Beginning of Year	2,566,731	2,566,731	2,566,731	0
Prior Year Encumbrances Appropriated	<u>192,652</u>	<u>192,652</u>	<u>192,652</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,383,369</u>	\$ <u>588,130</u>	\$ <u>3,342,691</u>	\$ <u>2,754,561</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Recreation Center Fund

#### For the Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 329,115	\$ 329,115	\$ 295,395	\$ (33,720)
Intergovernmental	0	0	43,042	43,042
Charges for Services	2,098,637	2,228,000	2,217,294	(10,706)
Rentals	<u>20,875</u>	<u>15,000</u>	<u>22,055</u>	<u>7,055</u>
Total Revenues	<u>2,448,627</u>	<u>2,572,115</u>	<u>2,577,786</u>	<u>5,671</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Recreation Center:				
Personal Service	2,116,376	2,116,376	2,038,385	77,991
Other	<u>1,061,441</u>	<u>1,065,441</u>	<u>1,000,386</u>	<u>65,055</u>
Total Leisure Time Activities	3,177,817	3,181,817	3,038,771	143,046
Capital Outlay	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>3,181,817</u>	<u>3,181,817</u>	<u>3,038,771</u>	<u>143,046</u>
Excess of Revenues Over (Under) Expenditures	(733,190)	(609,702)	(460,985)	148,717
Other Financing Sources (Uses):				
Transfers - In	<u>449,581</u>	<u>475,000</u>	<u>475,000</u>	<u>0</u>
Net Change in Fund Balances	(283,609)	(134,702)	14,015	148,717
Fund Balance at Beginning of Year	93,488	93,488	93,488	0
Prior Year Encumbrances Appropriated	<u>64,698</u>	<u>64,698</u>	<u>64,698</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>(125,423)</u>	\$ <u>23,484</u>	\$ <u>172,201</u>	\$ <u>148,717</u>

## City of Rocky River, Ohio

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

#### General Obligation Bond Retirement Fund

#### For the Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 658,231	\$ 658,231	\$ 592,792	\$ (65,439)
Intergovernmental	0	0	84,083	84,083
Total Revenues	<u>658,231</u>	<u>658,231</u>	<u>676,875</u>	<u>18,644</u>
Expenditures:				
Debt Service:				
Principal Retirement	995,000	995,000	995,000	0
Interest and Fiscal Charges	<u>531,800</u>	<u>531,800</u>	<u>530,650</u>	<u>1,150</u>
Total Expenditures	<u>1,526,800</u>	<u>1,526,800</u>	<u>1,525,650</u>	<u>1,150</u>
Excess of Revenues Over (Under) Expenditures	(868,569)	(868,569)	(848,775)	19,794
Other Financing Sources (Uses):				
Transfers - In	<u>914,298</u>	<u>815,000</u>	<u>815,000</u>	<u>0</u>
Net Change in Fund Balances	45,729	(53,569)	(33,775)	19,794
Fund Balance at Beginning of Year	<u>148,345</u>	<u>148,345</u>	<u>148,345</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>194,074</u>	\$ <u>94,776</u>	\$ <u>114,570</u>	\$ <u>19,794</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Sewer Rehabilitation Fund

#### For the Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 1,417,393	\$ 1,305,265	\$ 1,172,355	\$ (132,910)
Other	<u>201,545</u>	<u>720,000</u>	<u>166,702</u>	<u>(553,298)</u>
Total Revenue	<u>1,618,938</u>	<u>2,025,265</u>	<u>1,339,057</u>	<u>(686,208)</u>
Expenditures:				
Capital Outlay	7,009,605	7,009,605	4,435,202	2,574,403
Debt Service:				
Principal Retirement	50,000	67,000	66,986	14
Interest and Fiscal Charges	<u>80,000</u>	<u>63,000</u>	<u>9,130</u>	<u>53,870</u>
Total Expenditures	<u>7,139,605</u>	<u>7,139,605</u>	<u>4,511,318</u>	<u>2,628,287</u>
Excess of Revenues Over (Under) Expenditures	(5,520,667)	(5,114,340)	(3,172,261)	1,942,079
Other Financing Sources (Uses):				
Issuance of Debt	<u>1,662,346</u>	<u>4,237,443</u>	<u>1,374,960</u>	<u>(2,862,483)</u>
Net Change in Fund Balance	(3,858,321)	(876,897)	(1,797,301)	(920,404)
Fund Balance at Beginning of Year	1,747,739	1,747,739	1,747,739	0
Prior Year Encumbrances Appropriated	<u>993,115</u>	<u>993,115</u>	<u>993,115</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>(1,117,467)</u>	\$ <u>1,863,957</u>	\$ <u>943,553</u>	\$ <u>(920,404)</u>

## City of Rocky River, Ohio

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

#### Capital Improvement Fund

#### **For the Year Ended December 31, 2013**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 658,231	\$ 658,231	\$ 590,792	\$ (67,439)
Other Local Taxes	10,524	210,000	214,782	4,782
Intergovernmental	8,386	350,000	257,230	(92,770)
Other	<u>8,912</u>	<u>320,500</u>	<u>181,856</u>	<u>(138,644)</u>
Total Revenues	686,053	1,538,731	1,244,660	(294,071)
Expenditures:				
Capital Outlay	<u>2,667,089</u>	<u>2,667,089</u>	<u>1,448,326</u>	<u>1,218,763</u>
Excess of Revenues Over (Under) Expenditures	(1,981,036)	(1,128,358)	(203,666)	924,692
Other Financing Sources (Uses):				
Transfers - In	<u>9,800</u>	<u>206,000</u>	<u>200,000</u>	<u>(6,000)</u>
Net Change in Fund Balance	(1,971,236)	(922,358)	(3,666)	918,692
Fund Balance at Beginning of Year	2,344,810	2,344,810	2,344,810	0
Prior Year Encumbrances Appropriated	<u>176,751</u>	<u>176,751</u>	<u>176,751</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>550,325</u>	\$ <u>1,599,203</u>	\$ <u>2,517,895</u>	\$ <u>918,692</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Law Enforcement Trust Fund

#### **For the Year Ended December 31, 2013**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 26,630	\$ 65,338	\$ 93,467	\$ 28,129
Fines, Fees, and Permits	<u>24,043</u>	<u>50,000</u>	<u>84,390</u>	<u>34,390</u>
Total Revenues	<u>50,673</u>	<u>115,338</u>	<u>177,857</u>	<u>62,519</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Law Enforcement Trust:				
Personal Service	65,726	65,726	65,723	3
Other	<u>28,300</u>	<u>17,300</u>	<u>9,766</u>	<u>7,534</u>
Total Security of Persons and Property	94,026	83,026	75,489	7,537
Capital Outlay	<u>30,000</u>	<u>41,000</u>	<u>40,089</u>	<u>911</u>
Total Expenditures	<u>124,026</u>	<u>124,026</u>	<u>115,578</u>	<u>8,448</u>
Net Change in Fund Balance	(73,353)	(8,688)	62,279	70,967
Fund Balance at Beginning of Year	150,782	150,782	150,782	0
Prior Year Encumbrances Appropriated	<u>300</u>	<u>300</u>	<u>300</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>77,729</u>	\$ <u>142,394</u>	\$ <u>213,361</u>	\$ <u>70,967</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Community Diversion Program Fund

#### For the Year Ended December 31, 2013

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees and Permits	\$ 3,600	\$ 5,400	\$ 5,400	\$ 0
Expenditures:				
Current:				
Security of Persons and Property:				
Commercial Driver Program:				
Personal Service	<u>4,902</u>	<u>4,902</u>	<u>3,974</u>	<u>928</u>
Net Change in Fund Balance	(1,302)	498	1,426	928
Fund Balance at Beginning of Year	<u>4,108</u>	<u>4,108</u>	<u>4,108</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>2,806</u></u>	\$ <u><u>4,606</u></u>	\$ <u><u>5,534</u></u>	\$ <u><u>928</u></u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Indigent Driver Alcohol Treatment Fund

#### For the Year Ended December 31, 2013

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ 54,805	\$ 55,000	\$ 53,754	\$ (1,246)
Expenditures:				
Current:				
Security of Persons and Property:				
Indigent Driver Alcohol Treatment:				
Other	<u>50,000</u>	<u>50,000</u>	<u>48,919</u>	<u>1,081</u>
Net Change in Fund Balance	4,805	5,000	4,835	(165)
Fund Balance at Beginning of Year	<u>119,361</u>	<u>119,361</u>	<u>119,361</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>124,166</u>	\$ <u>124,361</u>	\$ <u>124,196</u>	\$ <u>(165)</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Enforcement and Education Fund

#### For the Year Ended December 31, 2013

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ 2,746	\$ 3,000	\$ 2,520	\$ (480)
Expenditures:				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Other	<u>9,920</u>	<u>9,920</u>	<u>420</u>	<u>9,500</u>
Net Change in Fund Balance	(7,174)	(6,920)	2,100	9,020
Fund Balance at Beginning of Year	8,083	8,083	8,083	0
Prior Year Encumbrances Appropriated	<u>420</u>	<u>420</u>	<u>420</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>1,329</u></u>	\$ <u><u>1,583</u></u>	\$ <u><u>10,603</u></u>	\$ <u><u>9,020</u></u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Municipal Probation Services Fund

#### **For the Year Ended December 31, 2013**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees, Fines, and Permits	\$ 218,779	\$ 200,000	\$ 258,890	\$ 58,890
Investment Income	<u>169</u>	<u>300</u>	<u>200</u>	<u>(100)</u>
Total Revenues	<u>218,948</u>	<u>200,300</u>	<u>259,090</u>	<u>58,790</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Municipal Probation Services:				
Personal Service	277,418	277,418	119,304	158,114
Other	<u>91,100</u>	<u>93,100</u>	<u>92,301</u>	<u>799</u>
Total Security of Persons and Property	368,518	370,518	211,605	158,913
Capital Outlay	<u>4,200</u>	<u>2,200</u>	<u>230</u>	<u>1,970</u>
Total Expenditures	<u>372,718</u>	<u>372,718</u>	<u>211,835</u>	<u>160,883</u>
Net Change in Fund Balance	(153,770)	(172,418)	47,255	219,673
Fund Balance at Beginning of Year	355,274	355,274	355,274	0
Prior Year Encumbrances Appropriated	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>202,604</u>	\$ <u>183,956</u>	\$ <u>403,629</u>	\$ <u>219,673</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Mediation Services Fund

#### For the Year Ended December 31, 2013

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ 12,683	\$ 18,000	\$ 0	\$ (18,000)
Expenditures:				
Current:				
General Government:				
Mediation Services:				
Other	<u>20,976</u>	<u>20,976</u>	<u>14,818</u>	<u>6,158</u>
Net Change in Fund Balance	(8,293)	(2,976)	(14,818)	(11,842)
Fund Balance at Beginning of Year	<u>60,745</u>	<u>60,745</u>	<u>60,745</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>52,452</u></u>	\$ <u><u>57,769</u></u>	\$ <u><u>45,927</u></u>	\$ <u><u>(11,842)</u></u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Federal Emergency Management Agency Grant Fund

#### For the Year Ended December 31, 2013

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 0	\$ 132,000	\$ 131,896	\$ (104)
Expenditures:				
Current:				
Security of Persons and Property:				
FEMA:				
Other	<u>0</u>	<u>131,896</u>	<u>131,896</u>	<u>0</u>
Net Change in Fund Balance	0	104	0	(104)
Fund Balance at Beginning of Year	<u>47</u>	<u>47</u>	<u>47</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>47</u></u>	\$ <u><u>151</u></u>	\$ <u><u>47</u></u>	\$ <u><u>(104)</u></u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

Office on Aging Fund

**For te Year Ended December 31, 2013**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 329,115	\$ 329,115	\$ 295,395	\$ (33,720)
Intergovernmental	1,267	0	44,742	44,742
Charges for Services	424,532	669,000	569,437	(99,563)
Other	<u>1,994</u>	<u>6,000</u>	<u>2,675</u>	<u>(3,325)</u>
Total Revenues	<u>756,908</u>	<u>1,004,115</u>	<u>912,249</u>	<u>(91,866)</u>
Expenditures:				
Current:				
Public Health Services:				
Office on Aging:				
Personal Service	667,763	667,763	632,648	35,115
Other	<u>585,332</u>	<u>687,332</u>	<u>587,452</u>	<u>99,880</u>
Total Expenditures	<u>1,253,095</u>	<u>1,355,095</u>	<u>1,220,100</u>	<u>134,995</u>
Excess of Revenues Over (Under) Expenditures	(496,187)	(350,980)	(307,851)	43,129
Other Financing Sources (Uses):				
Transfers - In	<u>260,935</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>
Net Change in Fund Balance	(235,252)	(980)	42,149	43,129
Fund Balance at Beginning of Year	31,869	31,869	31,869	0
Prior Year Encumbrances Appropriated	<u>12,414</u>	<u>12,414</u>	<u>12,414</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>(190,969)</u>	\$ <u>43,303</u>	\$ <u>86,432</u>	\$ <u>43,129</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Marine Patrol Fund

#### **For the Year Ended December 31, 2013**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>66,796</u>	\$ <u>24,420</u>	\$ <u>24,424</u>	\$ <u>4</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Marine Patrol:				
Personal Service	467	23,567	23,255	312
Other	<u>8,778</u>	<u>12,978</u>	<u>9,119</u>	<u>3,859</u>
Total Security of Persons and Property	9,245	36,545	32,374	4,171
Capital Outlay	<u>0</u>	<u>800</u>	<u>561</u>	<u>239</u>
Total Expenditures	<u>9,245</u>	<u>37,345</u>	<u>32,935</u>	<u>4,410</u>
Excess of Revenues Over (Under) Expenditures	57,551	(12,925)	(8,511)	4,414
Other Financing Sources (Uses):				
Transfers - In	<u>8,204</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Net Change in Fund Balance	65,755	(9,925)	(5,511)	4,414
Fund Balance at Beginning of Year	10,704	10,704	10,704	0
Prior Year Encumbrances Appropriated	<u>28</u>	<u>28</u>	<u>28</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>76,487</u></u>	\$ <u><u>807</u></u>	\$ <u><u>5,221</u></u>	\$ <u><u>4,414</u></u>

**City of Rocky River, Ohio**

Schedule of Revenues, Expenditures and Changes in Fund Balance –  
Budget (Non-GAAP Budgetary Basis) and Actual

Community Impacts Fund

**For the Year Ended December 31, 2013**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund Balance at Beginning of Year	\$ <u>3,312</u>	\$ <u>3,312</u>	\$ <u>3,312</u>	\$ <u>0</u>
Fund Balance at End of Year	\$ <u>3,312</u>	\$ <u>3,312</u>	\$ <u>3,312</u>	\$ <u>0</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Refuse and Recycling Fund

#### **For the Year Ended December 31, 2013**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 658,231	\$ 658,231	\$ 590,792	\$ (67,439)
Intergovernmental	0	0	86,083	86,083
Charges for Services	16,931	12,000	8,839	(3,161)
Other	<u>4,274</u>	<u>3,000</u>	<u>2,231</u>	<u>(769)</u>
Total Revenues	<u>679,436</u>	<u>673,231</u>	<u>687,945</u>	<u>14,714</u>
Expenditures:				
Current:				
Basic Utilities Service:				
Refuse and Recycling:				
Personal Service	1,082,573	1,082,573	1,023,991	58,582
Other	<u>700,868</u>	<u>770,868</u>	<u>640,967</u>	<u>129,901</u>
Total Expenditures	<u>1,783,441</u>	<u>1,853,441</u>	<u>1,664,958</u>	<u>188,483</u>
Excess of Revenues Over (Under) Expenditures	(1,104,005)	(1,180,210)	(977,013)	203,197
Other Financing Sources (Uses):				
Transfers - In	<u>1,915,537</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Net Change in Fund Balance	811,532	(180,210)	22,987	203,197
Fund Balance at Beginning of Year	109,774	109,774	109,774	0
Prior Year Encumbrances Appropriated	<u>54,519</u>	<u>54,519</u>	<u>54,519</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>975,825</u>	\$ <u>(15,917)</u>	\$ <u>187,280</u>	\$ <u>203,197</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Motor Vehicle License Tax Fund

#### **For the Year Ended December 31, 2013**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ <u>118,316</u>	\$ <u>40,000</u>	\$ <u>125,023</u>	\$ <u>85,023</u>
Expenditures:				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Personal Service	236,865	241,465	212,571	28,894
Other	<u>69,346</u>	<u>72,346</u>	<u>49,423</u>	<u>22,923</u>
Total Transportation	306,211	313,811	261,994	51,817
Capital Outlay	<u>16,500</u>	<u>13,500</u>	<u>2,709</u>	<u>10,791</u>
Total Expenditures	<u>322,711</u>	<u>327,311</u>	<u>264,703</u>	<u>62,608</u>
Excess of Revenues Over (Under) Expenditures	(204,395)	(287,311)	(139,680)	147,631
Other Financing Sources (Uses):				
Transfers - In	<u>283,907</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Net Change in Fund Balance	79,512	12,689	160,320	147,631
Fund Balance at Beginning of Year	70,295	70,295	70,295	0
Prior Year Encumbrances Appropriated	<u>1,704</u>	<u>1,704</u>	<u>1,704</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>151,511</u>	\$ <u>84,688</u>	\$ <u>232,319</u>	\$ <u>147,631</u>

## City of Rocky River, Ohio

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

#### Street Repair and Maintenance Fund

#### **For the Year Ended December 31, 2013**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ <u>746,559</u>	\$ <u>724,000</u>	\$ <u>688,017</u>	\$ <u>(35,983)</u>
Expenditures:				
Current:				
Transportation				
Street Repair and Maintenance:				
Personal Service	717,360	717,360	613,347	104,013
Other	<u>322,679</u>	<u>322,679</u>	<u>177,496</u>	<u>145,183</u>
Total Transportation	1,040,039	1,040,039	790,843	249,196
Capital Outlay	<u>22,426</u>	<u>22,426</u>	<u>17,573</u>	<u>4,853</u>
Total Expenditures	<u>1,062,465</u>	<u>1,062,465</u>	<u>808,416</u>	<u>254,049</u>
Excess of Revenues Over (Under) Expenditures	(315,906)	(338,465)	(120,399)	218,066
Other Financing Sources (Uses):				
Transfers - In	<u>271,272</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Net Change in Fund Balance	(44,634)	(88,465)	129,601	218,066
Fund Balance at Beginning of Year	121,069	121,069	121,069	0
Prior Year Encumbrances Appropriated	<u>34,088</u>	<u>34,088</u>	<u>34,088</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>110,523</u>	\$ <u>66,692</u>	\$ <u>284,758</u>	\$ <u>218,066</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### State Highway Fund

#### For the Year Ended December 31, 2013

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 46,719	\$ 58,500	\$ 55,785	\$ (2,715)
Expenditures:				
Current:				
Transportation:				
State Highway Patrol:				
Other	<u>55,000</u>	<u>55,000</u>	<u>25,000</u>	<u>30,000</u>
Net Change in Fund Balance	(8,281)	3,500	30,785	27,285
Fund Balance at Beginning of Year	22,909	22,909	22,909	0
Prior Year Encumbrances Appropriated	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>44,628</u>	\$ <u>56,409</u>	\$ <u>83,694</u>	\$ <u>27,285</u>

## City of Rocky River, Ohio

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

#### Indigent Driver Alcohol Monitoring Fund

#### **For the Year Ended December 31, 2013**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 33,418	\$ 48,000	\$ 44,986	\$ (3,014)
Expenditures:				
Capital Outlay	<u>45,000</u>	<u>45,000</u>	<u>31,816</u>	<u>13,184</u>
Net Change in Fund Balance	(11,582)	3,000	13,170	10,170
Fund Balance at Beginning of Year	<u>94,348</u>	<u>94,348</u>	<u>94,348</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>82,766</u></u>	\$ <u><u>97,348</u></u>	\$ <u><u>107,518</u></u>	\$ <u><u>10,170</u></u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Fire Levy Fund

#### For the Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 197,469	\$ 197,469	\$ 178,222	\$ (19,247)
Intergovernmental	<u>0</u>	<u>0</u>	<u>25,825</u>	<u>25,825</u>
Total Revenues	<u>197,469</u>	<u>197,469</u>	<u>204,047</u>	<u>6,578</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Service	736,303	754,303	678,472	75,831
Debt Service:				
Principal Retirement	8,697	8,697	8,697	0
Interest and Fiscal Charges	<u>11,442</u>	<u>11,442</u>	<u>11,442</u>	<u>0</u>
Total Expenditures	<u>756,442</u>	<u>774,442</u>	<u>698,611</u>	<u>75,831</u>
Excess of Revenues Over (Under) Expenditures	(558,973)	(576,973)	(494,564)	82,409
Other Financing Sources (Uses):				
Transfers - In	<u>474,586</u>	<u>495,000</u>	<u>495,000</u>	<u>0</u>
Net Change in Fund Balance	(84,387)	(81,973)	436	82,409
Fund Balance at Beginning of Year	21,288	21,288	21,288	0
Prior Year Encumbrances Appropriated	<u>81,403</u>	<u>81,403</u>	<u>81,403</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>18,304</u>	\$ <u>20,718</u>	\$ <u>103,127</u>	\$ <u>82,409</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Police Levy Fund

#### For the Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 197,469	\$ 197,469	\$ 178,222	\$ (19,247)
Intergovernmental	<u>0</u>	<u>0</u>	<u>25,825</u>	<u>25,825</u>
Total Revenues	<u>197,469</u>	<u>197,469</u>	<u>204,047</u>	<u>6,578</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Service	579,448	580,748	577,215	3,533
Debt Service:				
Principal Retirement	23,159	23,159	23,158	0
Interest and Fiscal Charges	<u>9,875</u>	<u>9,875</u>	<u>9,876</u>	<u>0</u>
Total Expenditures	<u>612,482</u>	<u>613,782</u>	<u>610,249</u>	<u>3,533</u>
Excess of Revenues Over (Under) Expenditures	(415,013)	(416,313)	(406,202)	10,111
Other Financing Sources (Uses):				
Transfers - In	<u>468,689</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>
Net Change in Fund Balance	53,676	(66,313)	(56,202)	10,111
Fund Balance at Beginning of Year	114,901	114,901	114,901	0
Prior Year Encumbrances Appropriated	<u>21,548</u>	<u>21,548</u>	<u>21,548</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>190,125</u>	\$ <u>70,136</u>	\$ <u>80,247</u>	\$ <u>10,111</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

### Special Assessment Bond Retirement Fund

#### For the Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ <u>77,969</u>	\$ <u>60,000</u>	\$ <u>68,198</u>	\$ <u>8,198</u>
Expenditures:				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	<u>25,400</u>	<u>25,400</u>	<u>25,175</u>	<u>225</u>
Total Expenditures	<u>65,400</u>	<u>65,400</u>	<u>65,175</u>	<u>225</u>
Excess of Revenues Over (Under) Expenditures	12,569	(5,400)	3,023	8,423
Other Financing Sources (Uses):				
Transfers - In	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>(20,000)</u>
Net Change in Fund Balance	12,569	14,600	3,023	(11,577)
Fund balance at Beginning of Year	<u>292</u>	<u>292</u>	<u>292</u>	<u>0</u>
Fund balance at End of Year	\$ <u><u>12,861</u></u>	\$ <u><u>14,892</u></u>	\$ <u><u>3,315</u></u>	\$ <u><u>(11,577)</u></u>

## City of Rocky River, Ohio

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

#### Equipment Replacement Fund

#### For the Year Ended December 31, 2013

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 4,824	\$ 21,000	\$ 30,018	\$ 9,018
Expenditures:				
Capital Outlay	<u>998,958</u>	<u>818,958</u>	<u>224,078</u>	<u>594,880</u>
Excess of Revenues Over (Under) Expenditures	(994,134)	(797,958)	(194,060)	603,898
Other Financing Sources (Uses):				
Transfers - In	<u>139,827</u>	<u>870,000</u>	<u>870,000</u>	<u>0</u>
Net Change in Fund Balance	(854,307)	72,042	675,940	603,898
Fund Balance at Beginning of Year	139,218	139,218	139,218	0
Prior Year Encumbrances Appropriated	<u>9,694</u>	<u>9,694</u>	<u>9,694</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>(705,395)</u></u>	\$ <u><u>220,954</u></u>	\$ <u><u>824,852</u></u>	\$ <u><u>603,898</u></u>

## City of Rocky River, Ohio

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

#### Municipal Court Capital Improvement Fund

#### **For the Year Ended December 31, 2013**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 796,950	\$ 580,000	\$ 633,306	\$ 53,306
Investment Income	981	700	668	(32)
Total Revenues	<u>797,931</u>	<u>580,700</u>	<u>633,974</u>	<u>53,274</u>
Expenditures:				
Current:				
General Government:				
Personal Service	346,408	351,908	226,191	125,717
Other	<u>248,943</u>	<u>249,943</u>	<u>138,144</u>	<u>111,799</u>
Total General Government	595,351	601,851	364,335	237,516
Capital Outlay	75,318	74,318	33,824	40,494
Debt Service:				
Principal Retirement	205,000	205,000	205,000	0
Interest and Fiscal Charges	<u>49,286</u>	<u>49,286</u>	<u>49,256</u>	<u>30</u>
Total Expenditures	<u>924,955</u>	<u>930,455</u>	<u>652,415</u>	<u>278,040</u>
Net Change in Fund Balance	(127,024)	(349,755)	(18,441)	331,314
Fund Balance at Beginning of Year	1,598,501	1,598,501	1,598,501	0
Prior Year Encumbrances Appropriated	<u>23,769</u>	<u>23,769</u>	<u>23,769</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,495,246</u>	\$ <u>1,272,515</u>	\$ <u>1,603,829</u>	\$ <u>331,314</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

### Sanitary Sewer Fund

#### For the Year Ended December 31, 2013

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for Services	\$ <u>1,914,361</u>	\$ <u>2,057,212</u>	\$ <u>1,755,090</u>	\$ <u>(302,122)</u>
Expenses:				
Sewer Operations:				
Personal Service	581,661	581,661	550,755	30,906
Materials And Supplies	82,651	82,651	60,160	22,491
Contractual Services	1,291,236	1,314,636	1,211,633	103,003
Heat, Light, And Power	16,000	16,000	13,857	2,143
Other	7,814	14,814	12,308	2,506
Capital Outlay	6,000	6,000	2,091	3,909
Debt Service:				
Principal Retirement	18,993	18,993	18,992	1
Interest and Fiscal Charges	<u>8,106</u>	<u>8,106</u>	<u>8,106</u>	<u>0</u>
Total Expenses	<u>2,012,461</u>	<u>2,042,861</u>	<u>1,877,902</u>	<u>164,959</u>
Net Change in Fund Equity	(98,100)	14,351	(122,812)	(137,163)
Fund Equity at Beginning of Year	115,935	115,935	115,935	0
Prior Year Encumbrances Appropriated	<u>23,522</u>	<u>23,522</u>	<u>23,522</u>	<u>0</u>
Fund Equity at End of Year	\$ <u>41,357</u>	\$ <u>153,808</u>	\$ <u>16,645</u>	\$ <u>(137,163)</u>

# City of Rocky River, Ohio

## Schedule of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

### Self Insurance Fund

#### For the Year Ended December 31, 2013

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charge for Services	\$ <u>2,486,650</u>	\$ <u>2,336,855</u>	\$ <u>2,253,349</u>	\$ <u>(83,506)</u>
Expenses:				
Contractual Services	288,459	288,459	245,771	42,688
Claims	<u>1,913,267</u>	<u>1,913,267</u>	<u>1,649,553</u>	<u>263,714</u>
Total Expenses	<u>2,201,726</u>	<u>2,201,726</u>	<u>1,895,324</u>	<u>306,402</u>
Net Change in Fund Equity	284,924	135,129	358,025	222,896
Fund Equity at Beginning of Year	513,463	513,463	513,463	0
Prior Year Encumbrances Appropriated	<u>508</u>	<u>508</u>	<u>508</u>	<u>0</u>
Fund Equity at End of Year	\$ <u><u>798,895</u></u>	\$ <u><u>649,100</u></u>	\$ <u><u>871,996</u></u>	\$ <u><u>222,896</u></u>

## City of Rocky River, Ohio

### Fiduciary Funds

#### **Fund Descriptions**

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##### **Agency Funds**

*Deposits, Fees and Tri-City Fund* – To account for refundable deposits and the Tri-City Council of Governments.

*Donations and Bequests Fund* – To account for donations and bequests for various City departments.

*Municipal Court Fund* – To account for the monies received and disbursed from the Rocky River Municipal Court.

*S.A.F.E. Fund* – To account for financial transactions of the S.A.F.E. Council of Governments.

# City of Rocky River, Ohio

## Combining Statement of Assets and Liabilities – Agency Funds

**December 31, 2013**

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	<u>Deposits, Fees and Tri-City</u>	<u>Donations and Bequests</u>	<u>Municipal Court</u>	<u>S.A.F.E.</u>	<u>Total</u>
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 74,138	\$ 245,510	\$ 0	\$ 15,024	\$ 334,672
Cash and Cash Equivalents: In Segregated Accounts	<u>0</u>	<u>0</u>	<u>450,821</u>	<u>0</u>	<u>450,821</u>
Total Assets	\$ <u>74,138</u>	\$ <u>245,510</u>	\$ <u>450,821</u>	\$ <u>15,024</u>	\$ <u>785,493</u>
Liabilities:					
Undistributed Monies	\$ 0	\$ 245,510	\$ 0	\$ 15,024	\$ 260,534
Deposits Held and Due To Others	<u>74,138</u>	<u>0</u>	<u>450,821</u>	<u>0</u>	<u>524,959</u>
Total Liabilities	\$ <u>74,138</u>	\$ <u>245,510</u>	\$ <u>450,821</u>	\$ <u>15,024</u>	\$ <u>785,493</u>

# City of Rocky River, Ohio

## Combining Statement of Changes in Assets and Liabilities – Agency Funds

### For the Year Ended December 31, 2013

	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/13</u>
<b>Deposits, Fees and Tri-City</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>72,786</u>	\$ <u>12,934</u>	\$ <u>11,582</u>	\$ <u>74,138</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>72,786</u>	\$ <u>12,934</u>	\$ <u>11,582</u>	\$ <u>74,138</u>
<b>Donations and Bequests</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>276,359</u>	\$ <u>41,217</u>	\$ <u>72,066</u>	\$ <u>245,510</u>
Liabilities:				
Undistributed Monies	\$ <u>276,359</u>	\$ <u>41,217</u>	\$ <u>72,066</u>	\$ <u>245,510</u>
<b>Municipal Court</b>				
Assets:				
Cash and Cash Equivalents: In Segregated Accounts	\$ <u>568,629</u>	\$ <u>5,707,430</u>	\$ <u>5,825,238</u>	\$ <u>450,821</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>568,629</u>	\$ <u>5,707,430</u>	\$ <u>5,825,238</u>	\$ <u>450,821</u>
<b>S.A.F.E.</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>15,188</u>	\$ <u>0</u>	\$ <u>164</u>	\$ <u>15,024</u>
Liabilities:				
Undistributed Monies	\$ <u>15,188</u>	\$ <u>0</u>	\$ <u>164</u>	\$ <u>15,024</u>
<b>All Agency Funds</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 364,333	\$ 54,151	\$ 83,812	\$ 334,672
Cash and Cash Equivalents: In Segregated Accounts	<u>568,629</u>	<u>5,707,430</u>	<u>5,825,238</u>	<u>450,821</u>
Total Assets	\$ <u>932,962</u>	\$ <u>5,761,581</u>	\$ <u>5,909,050</u>	\$ <u>785,493</u>
Liabilities:				
Undistributed Monies	\$ 291,547	\$ 41,217	\$ 72,230	\$ 260,534
Deposits Held and Due to Others	<u>641,415</u>	<u>5,720,364</u>	<u>5,836,920</u>	<u>524,959</u>
Total Liabilities	\$ <u>932,962</u>	\$ <u>5,761,581</u>	\$ <u>5,909,050</u>	\$ <u>785,493</u>

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*Statistical Section*



# City of Rocky River, Ohio

December 31, 2013

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This part of the CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	120 – 127
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	128 – 134
<b>Debt Capacity</b> 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.	135 – 140
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	141 – 143
<b>Operating Information</b> These schedules contain service 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.	144 – 149

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

# City of Rocky River, Ohio

## Net Position by Component – Last Ten Fiscal Years

### Accrual Basis of Accounting

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 21,762,917	\$ 24,062,462	\$ 24,996,254	\$ 28,079,248	\$ 30,592,575	\$ 31,254,205	\$ 31,781,713	\$ 30,680,267	\$ 33,293,005	\$ 33,679,100
Restricted for:										
Recreation	537,147	453,232	825,367	0	0	0	0	0	0	0
Office on Aging	403,278	279,679	800,380	354,143	218,952	124,001	51,446	71,622	93,676	115,703
Refuse and Recycling	0	0	0	0	0	0	0	0	157,985	230,386
Capital Projects	8,506,497	10,244,546	8,538,517	4,038,732	4,463,366	6,208,401	6,304,738	5,136,504	2,568,095	2,954,114
Debt Services	436,075	311,203	370,924	299,208	434,148	295,558	129,556	735,700	264,133	138,721
Municipal Probation	341,646	366,541	380,220	381,081	416,388	421,063	387,247	353,444	0	0
Street Construction and Maintenance	658,753	311,953	505,658	696,805	415,917	406,063	414,993	413,966	0	0
Other Purposes	712,932	421,903	848,768	364,080	816,857	539,121	224,268	556,500	6,464,168	8,225,022
Unreserved	<u>4,238,433</u>	<u>3,759,748</u>	<u>3,047,689</u>	<u>8,033,664</u>	<u>5,210,492</u>	<u>3,227,747</u>	<u>2,162,461</u>	<u>1,107,586</u>	<u>2,360,231</u>	<u>3,229,728</u>
Total Net Position – Governmental Activities	<u>37,597,678</u>	<u>40,211,267</u>	<u>40,313,777</u>	<u>42,246,961</u>	<u>42,568,695</u>	<u>42,476,159</u>	<u>41,456,422</u>	<u>39,055,589</u>	<u>45,201,293</u>	<u>48,572,774</u>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	16,580,359	16,408,395	16,369,129	17,261,301	17,184,178	17,800,190	18,945,660	21,806,517	17,349,730	17,052,921
Unrestricted	<u>7,028,630</u>	<u>6,975,394</u>	<u>7,038,020</u>	<u>6,690,857</u>	<u>6,668,185</u>	<u>6,619,718</u>	<u>6,177,103</u>	<u>6,237,369</u>	<u>5,830,241</u>	<u>5,470,327</u>
Total Net Position – Business-Type Activities	<u>23,608,989</u>	<u>23,383,789</u>	<u>23,407,149</u>	<u>23,952,158</u>	<u>23,852,363</u>	<u>24,419,908</u>	<u>25,122,763</u>	<u>28,043,886</u>	<u>23,179,971</u>	<u>22,523,248</u>
<b>Primary Government:</b>										
Net Investment in Capital Assets	38,343,276	40,470,857	41,365,383	45,340,549	47,776,753	49,054,395	50,727,373	52,486,784	50,642,735	50,732,021
Restricted for:										
Recreation	537,147	453,232	825,367	0	0	0	0	0	0	0
Office on Aging	403,278	279,679	800,380	354,143	218,952	124,001	51,446	71,622	93,676	115,703
Refuse and Recycling	0	0	0	0	0	0	0	0	157,985	230,386
Capital Projects	8,506,497	10,244,546	8,538,517	4,038,732	4,463,366	6,208,401	6,304,738	5,136,504	2,568,095	2,954,114
Debt Services	436,075	311,203	370,924	299,208	434,148	295,558	129,556	735,700	264,133	138,721
Municipal Probation	341,646	366,541	380,220	381,081	416,388	421,063	387,247	353,444	0	0
Street Construction and Maintenance	658,753	311,953	505,658	696,805	415,917	406,063	414,993	413,966	0	0
Other Purposes	712,932	421,903	848,768	364,080	816,857	539,121	224,268	556,500	6,464,168	8,225,022
Unrestricted	<u>11,267,063</u>	<u>10,735,142</u>	<u>10,085,709</u>	<u>14,724,521</u>	<u>11,878,677</u>	<u>9,847,465</u>	<u>8,339,564</u>	<u>7,344,955</u>	<u>8,190,472</u>	<u>8,700,055</u>
Total Primary Government Net Position	\$ <u>61,206,667</u>	\$ <u>63,595,056</u>	\$ <u>63,720,926</u>	\$ <u>66,199,119</u>	\$ <u>66,421,058</u>	\$ <u>66,896,067</u>	\$ <u>66,579,185</u>	\$ <u>67,099,475</u>	\$ <u>68,381,264</u>	\$ <u>71,096,022</u>

Note – In 2012, the Restricted for classifications were updated and the Recreation and Street Construction and Maintenance restriction are included in Restricted for Other Purposes.

# City of Rocky River, Ohio

## Changes in Net Position – Last Ten Fiscal Years

### Accrual Basis of Accounting

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Program revenues:</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
General Government	\$ 2,368,876	\$ 2,834,113	\$ 2,931,941	\$ 2,130,339	\$ 2,293,658	\$ 2,761,052	\$ 2,533,392	\$ 2,688,561	\$ 2,237,380	\$ 3,629,679
Security of Persons and Property	607,429	282,092	710,930	804,196	1,175,625	740,665	1,105,984	1,056,599	1,640,185	148,966
Public Health	347,554	441,693	436,247	489,380	467,691	369,997	495,138	542,072	536,596	610,187
Transportation	14,256	425	500	75	425	75	350	400	325	625
Leisure Time Activities	1,234,683	1,401,233	1,451,092	1,907,655	1,987,167	1,979,316	2,118,323	2,067,741	2,163,408	2,238,886
Community Development	705	525	495	270	180	260	175	200	250	150
Basic Utility Service	19,370	16,982	17,965	11,847	700,345	995,455	1,040,871	1,103,942	1,044,484	1,181,194
Operating Grants and Contributions:										
General Government	0	0	0	0	63,921	35,857	45,122	44,331	47,288	44,799
Security of Persons and Property	25,604	25,584	25,946	24,107	27,352	25,263	26,864	25,707	25,021	24,424
Transportation	657,577	705,137	749,323	737,192	777,503	781,961	775,539	777,312	791,552	874,364
Basic Utility Service	121,500	78,317	65,250	41,254	90,523	90,956	86,861	86,220	86,123	86,083
Capital Grants and Contributions:										
General Government	789,079	819,794	619,653	873,945	929,746	824,696	823,491	864,849	936,187	606,549
Public Health	0	3,628	3,700	255	0	0	0	0	0	1,700
Transportation	0	0	0	64,000	0	0	0	0	1,976,093	0
Basic Utility Service	0	0	0	0	0	220,091	463,209	0	366,391	874,633
Total Governmental Activities										
Program Revenues	<u>6,186,633</u>	<u>6,609,523</u>	<u>7,013,042</u>	<u>7,084,515</u>	<u>8,514,136</u>	<u>8,825,644</u>	<u>9,515,319</u>	<u>9,257,934</u>	<u>11,851,283</u>	<u>10,322,239</u>
<b>Business-Type Activities:</b>										
Charges for Services:										
Sanitary Sewer Charges	2,012,219	1,853,327	1,882,034	1,862,049	2,012,434	1,979,436	1,758,085	1,865,441	1,867,073	1,650,331
Capital Grants and Contributions:										
Sanitary Sewer Charges	1,107,813	347,671	219,730	54,603	195,846	903,127	1,501,035	3,158,259	437,437	0
Total Business-Type Activities										
Program Revenues	<u>3,120,032</u>	<u>2,200,998</u>	<u>2,101,764</u>	<u>1,916,652</u>	<u>2,208,280</u>	<u>2,882,563</u>	<u>3,259,120</u>	<u>5,023,700</u>	<u>2,304,510</u>	<u>1,650,331</u>
Total Primary Government										
Program Revenues	<u>9,306,665</u>	<u>8,810,521</u>	<u>9,114,806</u>	<u>9,001,167</u>	<u>10,722,416</u>	<u>11,708,207</u>	<u>12,774,439</u>	<u>14,281,634</u>	<u>14,155,793</u>	<u>11,972,570</u>

(continued)

# City of Rocky River, Ohio

## Changes in Net Position – Last Ten Fiscal Years (continued)

### Accrual Basis of Accounting

Expenses	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
General Government	4,555,899	4,514,387	8,818,319	6,808,557	8,051,702	6,932,356	7,598,480	9,384,315	5,294,037	5,548,038
Security of Persons and Property	7,673,916	7,876,398	9,202,339	9,829,332	9,396,241	9,623,866	9,010,010	9,472,809	8,983,880	9,517,431
Public Health	977,448	1,142,913	1,220,577	1,363,640	1,347,437	1,437,857	1,428,688	1,386,701	1,185,768	1,335,546
Transportation	4,698,400	1,587,610	3,244,883	2,314,773	3,195,503	2,758,278	2,385,058	2,459,672	2,279,856	2,508,065
Leisure Time Activities	3,933,467	4,973,173	783,730	4,076,680	3,937,438	4,268,822	3,948,809	4,527,664	3,657,902	3,531,071
Community Development	803,006	703,873	257,600	790,060	801,140	720,892	816,485	673,807	760,476	714,344
Basic Utility Services	1,739,378	1,900,149	1,934,737	1,693,864	1,609,178	1,772,114	2,127,597	2,111,718	2,521,711	1,782,997
Interest and Fiscal Charges	507,297	965,098	925,760	882,306	854,095	824,261	790,980	687,642	677,987	712,874
Total Governmental Activities Expenses	24,888,811	23,663,601	26,387,945	27,759,212	29,192,734	28,338,446	28,106,107	30,704,328	25,361,617	25,650,366
<b>Business-Type Activities:</b>										
Sanitary Sewer Charges	1,279,740	2,426,198	2,078,404	2,454,298	2,308,075	2,315,018	2,450,068	2,102,577	2,431,473	2,307,054
Transfers	0	0	0	0	0	0	106,197	0	4,736,952	0
Total Business-Type Activities	1,279,740	2,426,198	2,078,404	2,454,298	2,308,075	2,315,018	2,556,265	2,102,577	7,168,425	2,307,054
Total Primary Government Program Expenses	26,168,551	26,089,799	28,466,349	30,213,510	31,500,809	30,653,464	30,662,372	32,806,905	32,530,042	27,957,420
<b>General Revenues:</b>										
Property Taxes Levied for:										
General Purposes	3,669,410	3,595,174	3,695,587	4,210,179	4,018,607	4,093,251	3,872,423	3,788,172	3,815,055	3,700,797
Recreation	286,213	285,331	293,301	293,591	318,938	324,861	307,335	300,648	281,777	295,395
Office on Aging	286,213	286,175	283,755	331,210	318,938	324,861	307,335	300,648	281,777	295,395
Refuse and Recycling	572,426	569,818	596,199	624,749	637,881	649,723	614,670	601,297	563,557	590,792
Fire Levy	172,015	171,200	175,980	187,441	191,365	194,916	184,401	180,663	170,963	178,222
Police Levy	171,439	171,199	96,012	267,410	191,365	194,916	184,401	181,671	170,963	178,222
Capital Improvements	572,426	604,444	552,819	624,801	637,881	649,723	614,670	601,297	563,557	590,792
General Obligation Bond Retirement	0	570,663	666,569	542,651	626,790	634,889	599,627	597,831	563,557	592,792
Municipal Taxes Levied for:										
General Purposes	8,159,833	7,794,391	8,203,978	8,893,894	8,673,869	7,661,534	7,959,539	8,606,720	8,906,264	9,734,666
Franchise Tax	278,970	47,289	139,215	149,384	207,503	128,163	236,114	201,531	159,268	214,782
Admissions Tax	0	75,069	45,929	40,874	36,715	34,981	33,855	32,638	35,522	31,131
Grants and Entitlements not Restricted to Specific Programs	4,955,054	4,688,251	3,453,555	3,837,407	4,156,898	4,195,197	2,477,912	2,852,477	3,122,384	1,822,066
Investment Earnings	281,820	680,947	1,202,568	1,110,881	516,771	140,058	31,050	8,162	7,499	8,083
Other	116,350	127,716	71,946	407,662	466,811	193,193	41,522	791,806	831,526	466,473
Transfers	0	0	0	0	0	0	106,197	0	4,736,952	0
Special Item	0	0	0	0	0	0	0	0	(4,554,583)	0
Total General Revenues, Transfers, and Special Items	19,522,169	19,667,667	19,477,413	21,522,134	21,000,332	19,420,266	17,571,051	19,045,561	19,656,038	18,699,608

# City of Rocky River, Ohio

## Changes in Net Position – Last Ten Fiscal Years (continued)

### Accrual Basis of Accounting

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Change in Net Position:</b>										
Governmental Activities	819,991	2,613,589	102,510	847,702	321,734	(92,536)	(1,019,737)	(2,400,833)	6,145,704	3,371,481
Business-Type Activities	<u>1,840,292</u>	<u>(225,200)</u>	<u>23,360</u>	<u>(537,646)</u>	<u>(99,795)</u>	<u>567,545</u>	<u>702,855</u>	<u>2,921,123</u>	<u>(4,863,915)</u>	<u>(656,723)</u>
Total Primary Government										
Change in Net Position	\$ <u>2,660,283</u>	\$ <u>2,388,389</u>	\$ <u>125,870</u>	\$ <u>310,056</u>	\$ <u>221,939</u>	\$ <u>475,009</u>	\$ <u>(316,882)</u>	\$ <u>520,290</u>	\$ <u>1,281,789</u>	\$ <u>2,714,758</u>

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# City of Rocky River, Ohio

## Fund Balances, Governmental Funds – Last Ten Fiscal Years

### Modified Accrual Basis of Accounting

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Fund</b>										
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,082	\$ 39,224	\$ 20,105
Assigned	0	0	0	0	0	0	0	73,625	2,530,242	1,332,986
Unassigned	0	0	0	0	0	0	0	3,503,175	1,825,725	3,619,420
Reserved	118,309	158,475	126,594	124,595	235,188	118,863	370,707	0	0	0
Unreserved	<u>4,961,316</u>	<u>12,092,669</u>	<u>8,751,298</u>	<u>9,040,991</u>	<u>6,278,579</u>	<u>4,363,415</u>	<u>3,183,940</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General Fund	<u>5,079,625</u>	<u>12,251,144</u>	<u>8,877,892</u>	<u>9,165,386</u>	<u>6,513,767</u>	<u>4,482,278</u>	<u>3,554,647</u>	<u>3,596,882</u>	<u>4,395,191</u>	<u>4,972,511</u>
<b>All Other Governmental Funds</b>										
Nonspendable	0	0	0	0	0	0	0	117,404	134,826	97,529
Restricted	0	0	0	0	0	0	0	6,054,235	8,233,110	10,493,655
Unassigned (Deficit)	0	0	0	0	0	0	0	(627,575)	(504,079)	(385,379)
Reserved	1,958,494	981,092	7,003,846	1,545,110	740,155	2,615,314	4,893,122	0	0	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	2,274,096	1,620,122	3,179,196	1,498,981	1,494,900	722,896	375,705	0	0	0
Debt Service Funds	436,075	309,515	368,623	320,601	434,703	296,748	129,711	0	0	0
Capital Projects Funds	<u>6,682,010</u>	<u>9,470,562</u>	<u>1,707,532</u>	<u>2,797,157</u>	<u>4,043,671</u>	<u>3,971,943</u>	<u>1,766,381</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>11,350,675</u>	<u>12,381,291</u>	<u>12,259,197</u>	<u>6,161,849</u>	<u>6,713,429</u>	<u>7,606,901</u>	<u>7,164,919</u>	<u>5,544,064</u>	<u>7,863,857</u>	<u>10,205,805</u>
Total Governmental Funds	\$ <u>16,430,300</u>	\$ <u>24,632,435</u>	\$ <u>21,137,089</u>	\$ <u>15,327,235</u>	\$ <u>13,227,196</u>	\$ <u>12,089,179</u>	\$ <u>10,719,566</u>	\$ <u>9,140,946</u>	\$ <u>12,259,048</u>	\$ <u>15,178,316</u>

Note: In 2011, the City implemented GASB Statement No. 54.

# City of Rocky River, Ohio

## Changes in Fund Balance, Governmental Funds - Last Ten Fiscal Years

### Modified Accrual Basis of Accounting

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Property Taxes	\$ 5,667,016	\$ 6,235,604	\$ 6,335,087	\$ 7,041,339	\$ 6,947,816	\$ 7,080,115	\$ 6,686,547	\$ 6,472,059	\$ 6,479,941	\$ 6,443,601
Municipal Income taxes	7,732,660	8,064,069	8,302,551	8,524,272	8,506,159	7,748,760	8,106,509	8,570,317	8,697,295	9,621,455
Other Local Taxes	278,970	171,013	185,144	190,258	244,218	163,144	269,969	234,169	194,790	245,913
Intergovernmental	6,823,149	6,168,682	5,223,478	5,067,103	5,900,572	6,285,727	4,683,905	4,749,825	5,356,419	4,480,105
Charges for Services	1,686,685	1,850,165	2,108,616	2,362,258	3,188,107	3,317,448	3,635,605	3,711,407	3,829,615	4,009,653
Fines, Fees, and Permits	2,857,860	3,292,766	2,946,563	2,795,898	3,348,071	3,357,804	3,405,319	3,504,950	3,652,640	3,766,444
Special Assessments	86,950	72,514	73,625	69,545	67,171	66,757	61,788	60,120	58,421	68,198
Investment Income	281,820	680,947	1,202,568	1,110,881	516,771	140,058	31,050	8,162	7,499	8,083
Rentals	107,664	109,372	102,925	130,683	94,133	104,387	104,047	86,230	93,229	91,044
Other	315,554	155,317	137,471	489,200	480,433	209,371	107,372	792,765	834,019	467,036
<b>Total Revenues</b>	<b>25,838,328</b>	<b>26,800,449</b>	<b>26,618,028</b>	<b>27,781,437</b>	<b>29,293,451</b>	<b>28,473,571</b>	<b>27,092,111</b>	<b>28,190,004</b>	<b>29,203,868</b>	<b>29,201,532</b>
<b>Expenditures</b>										
<b>Current:</b>										
General Government	4,153,103	4,661,055	4,367,663	4,630,034	4,933,287	4,991,465	4,983,015	4,888,964	5,106,984	4,461,355
Security of Persons and Property	7,585,135	7,680,206	8,158,722	8,659,138	8,876,601	9,246,320	8,985,847	9,104,294	8,785,151	9,245,442
Public Health	918,244	1,063,225	1,107,247	1,258,586	1,260,327	1,173,737	1,298,805	1,281,566	1,061,178	1,239,240
Transportation	2,072,377	2,323,383	2,160,615	2,167,526	2,514,664	2,268,740	2,206,182	2,138,947	1,702,865	1,736,448
Leisure Time Activities	2,433,953	2,661,923	2,888,877	3,522,149	3,818,666	3,641,297	3,387,478	3,188,335	3,170,232	3,172,881
Community Development	766,159	679,701	1,341,837	965,311	932,862	917,692	792,068	807,866	766,902	737,752
Basic Utility Services	1,339,321	1,437,860	1,482,518	1,601,443	1,639,711	2,056,568	3,387,129	4,592,412	4,481,802	1,613,539
Capital Outlay	9,201,024	4,773,885	6,528,974	8,759,176	5,203,465	3,595,408	2,125,399	2,997,396	1,035,843	3,641,823
Debt Service										
Principal	3,356,817	1,022,756	1,148,732	1,154,751	1,100,814	1,116,923	1,138,080	1,909,286	1,268,289	1,338,841
Interest	485,503	968,887	933,167	905,917	877,823	848,319	815,274	716,098	685,370	635,504
Bond Issuance Costs	0	0	0	0	0	0	0	74,864	0	0
<b>Total Expenditures</b>	<b>32,311,636</b>	<b>27,272,881</b>	<b>30,118,352</b>	<b>33,624,031</b>	<b>31,158,220</b>	<b>29,856,469</b>	<b>29,119,277</b>	<b>31,700,028</b>	<b>28,064,616</b>	<b>27,822,825</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(6,473,308)</b>	<b>(472,432)</b>	<b>(3,500,324)</b>	<b>(5,842,594)</b>	<b>(1,864,769)</b>	<b>(1,382,898)</b>	<b>(2,027,166)</b>	<b>(3,510,024)</b>	<b>1,139,252</b>	<b>1,378,707</b>

(continued)

# City of Rocky River, Ohio

Changes in Fund Balance, Governmental Funds - Last Ten Fiscal Years (continued)

## Modified Accrual Basis of Accounting

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b><u>Other Financing Sources (Uses)</u></b>										
Proceeds from Sale of										
Capital Assets	14,749	11,604	4,978	32,740	29,730	16,127	11,537	0	14,615	2,059
Issuance of Debt	10,840,000	8,400,000	0	0	0	228,754	646,016	4,691,540	1,964,235	1,538,502
Premium on General										
Obligation Debt	0	262,963	0	0	0	0	0	52,694	0	0
Payment to Escrow	0	0	0	0	0	0	0	(2,812,830)	0	0
Transfers - In	7,549,959	2,795,000	9,070,623	5,115,000	7,650,000	5,487,764	4,471,000	3,680,000	3,994,000	5,108,000
Transfers - Out	(7,549,959)	(2,795,000)	(9,070,623)	(5,115,000)	(7,915,000)	(5,487,764)	(4,471,000)	(3,680,000)	(3,994,000)	(5,108,000)
Total Other Financing Sources (Uses)	<u>10,854,749</u>	<u>8,674,567</u>	<u>4,978</u>	<u>32,740</u>	<u>(235,270)</u>	<u>244,881</u>	<u>657,553</u>	<u>1,931,404</u>	<u>1,978,850</u>	<u>1,540,561</u>
Net Change in Fund Balances	\$ <u>4,381,441</u>	\$ <u>8,202,135</u>	\$ <u>(3,495,346)</u>	\$ <u>(5,809,854)</u>	\$ <u>(2,100,039)</u>	\$ <u>(1,138,017)</u>	\$ <u>(1,369,613)</u>	\$ <u>(1,578,620)</u>	\$ <u>3,118,102</u>	\$ <u>2,919,268</u>
Debt Service as a Percentage of Noncapital Expenditures	14.27%	8.92%	8.23%	8.11%	7.19%	7.18%	7.21%	8.56%	7.88%	7.79%

# City of Rocky River, Ohio

## Assessed and Estimated Actual Value of Taxable Property

### Last Ten Years

Tax Year/ Collection Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2004/2005	\$ 636,121,350	\$ 1,817,489,571	\$ 9,737,980	\$ 11,065,806
2005/2006	637,972,350	1,822,778,143	8,772,100	9,968,295
2006/2007	704,756,080	2,013,588,800	8,279,590	9,408,625
2007/2008	707,992,790	2,022,836,543	5,790,110	6,579,670
2008/2009	714,739,290	2,042,112,257	6,053,290	6,878,739
2009/2010	686,743,340	1,962,123,829	6,392,090	7,263,739
2010/2011	682,758,970	1,950,739,914	6,534,340	7,425,386
2011/2012	678,705,910	1,939,159,743	6,797,170	7,724,057
2012/2013	675,604,330	1,930,298,086	7,420,390	8,432,261
2013/2014	677,436,550	1,935,533,000	8,289,730	9,420,148

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) This amount is calculated for 2013 based on the following percentages:

Real property is assessed at 35 percent of actual value.

Public utility property is assessed at 88 percent of actual value.

Tangible personal property is assessed at 25 percent of true value for capital assets and 23 percent of true value for inventory prior to 2006 tax year. Tangible personal is assessed at 18.75, 12.5, and 6.25 percent of true value for all property inventory for 2006, 2007, and 2008 respectively.

(2) Tax rates are per \$1,000 of assessed value.

<u>Tangible Personal Property</u>		<u>Total</u>		<u>Ratio</u>	<u>Total Direct Rate (2)</u>
<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>		
\$ 11,888,430	\$ 51,688,826	\$ 657,747,760	\$ 1,880,244,283	34.98%	\$ 10.90
10,280,540	44,698,000	657,024,990	1,877,444,438	34.99	10.90
10,384,146	55,382,112	723,419,816	2,078,379,537	34.81	10.90
4,097,141	32,777,128	717,880,041	2,062,193,341	34.81	10.90
4,073,990	65,183,840	724,866,570	2,114,174,836	34.29	10.90
0	0	693,135,430	1,969,387,568	35.20	10.90
0	0	689,293,310	1,958,165,300	35.20	10.90
0	0	685,503,080	1,946,883,800	35.21	10.90
0	0	683,024,720	1,938,730,347	35.23	10.90
0	0	685,726,280	1,944,953,148	35.26	10.90

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## City of Rocky River, Ohio

Property Tax Rates – Direct and Overlapping Governments  
(Per \$1,000 of Assessed Valuation)

### Last Ten Years

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Year	City of Rocky River					Total	Rocky River School and Library	Cuyahoga County	Special(1) Taxing Districts	Total
	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Bond Service						
2004	\$ 6.30	\$ 2.60	\$ 1.00	\$ 1.00	\$ 10.90	\$ 78.10	\$ 13.52	\$ 4.78	\$ 107.30	
2005	6.30	2.60	1.00	1.00	10.90	83.10	13.52	4.78	112.30	
2006	6.30	2.60	1.00	1.00	10.90	83.30	13.42	4.78	112.40	
2007	6.30	2.60	1.00	1.00	10.90	83.20	13.42	4.78	112.30	
2008	6.30	2.60	1.00	1.00	10.90	88.80	13.32	4.78	117.80	
2009	6.30	2.60	1.00	1.00	10.90	88.80	13.32	4.78	117.80	
2010	6.30	2.60	1.00	1.00	10.90	90.40	13.32	5.08	119.70	
2011	6.30	2.60	1.00	1.00	10.90	90.45	13.22	5.08	119.65	
2012	6.30	2.60	1.00	1.00	10.90	95.35	13.42	5.08	124.75	
2013	6.30	2.60	1.00	1.00	10.90	95.65	14.05	5.98	126.58	

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Cleveland Metropolitan Park District, Cuyahoga County College District and Cleveland-Cuyahoga County Port Authority

## City of Rocky River, Ohio

### Real Property Tax Levies and Collection

#### Last Ten Years

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<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Collections (1)</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Tax Collections</u>
2004	\$ 6,568,175	\$ 6,170,368	93.94 %	\$ 139,194
2005	7,216,321	6,814,655	94.43	124,325
2006	7,232,129	6,847,235	94.68	134,097
2007	7,993,917	7,565,168	94.64	139,558
2008	8,054,197	7,555,361	93.81	211,861
2009	7,867,118	7,834,168	99.58	177,726
2010	7,810,832	7,320,406	93.72	157,753
2011	7,758,489	7,214,139	92.98	150,703
2012	7,822,646	7,212,012	92.19	271,795
2013	7,678,031	7,218,630	94.02	157,763

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Includes homestead/rollback taxes assessed locally but distributed through the Ohio Department of Taxation and reported as intergovernmental/grants and entitlements revenue.

Note: The County does not identify delinquent collections by the year for which the tax was levied.

---

	<u>Total Tax Collections</u>	<u>Percent of Total Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
\$	6,309,562	96.06%	\$ 292,542	4.45%
	6,938,980	96.16	286,098	3.96
	6,981,332	96.53	315,249	4.36
	7,704,725	96.38	345,085	4.32
	7,767,222	96.44	267,880	3.33
	8,011,894	101.84	254,902	3.24
	7,478,159	95.74	253,220	3.24
	7,364,842	94.93	333,387	4.30
	7,483,807	95.67	264,653	3.38
	7,376,393	96.07	232,038	3.02

## City of Rocky River, Ohio

Principal Taxpayers: Real and Tangible Personal Property Tax

### As of December 31, 2013 and December 31, 2004

<u>Taxpayer</u>	2013	
	Real Personal Property Assessed Value	Percent of Total Assessed Value
	Cleveland Illuminating Company	\$ 8,289,730
Westwood Town Center	7,007,250	1.02
Normandy Association, LP	5,680,480	0.83
Inland Westgate, LLC	5,074,130	0.74
Beachcliff Properties, LP	4,048,900	0.59
SRK Perrysburg Association, LLC	3,277,890	0.48
Westwood Country Club, Co.	3,221,050	0.47
Presidential Apartments, LTD.	2,773,120	0.40
Gross Management, Inc.	2,607,960	0.38
Linden Apartment Company	2,388,200	0.35
<i>Totals</i>	\$ <u>44,368,710</u>	<u>6.47%</u>
<i>Total City Assessed Valuation</i>	\$ <u>685,726,280</u>	
<u>Taxpayer</u>	2004	
	Real and Tangible Personal Property Assessed Value	Percent of Total Assessed Value
	Westwood Town Center	\$ 5,447,130
Normandy Association, LTD.	5,103,390	0.77
Rockport Associates Company	4,731,610	0.72
Cleveland Illuminating Company	4,336,960	0.66
Presidential Apartments, LTD.	4,057,450	0.62
John D. Spielberg	3,258,680	0.49
Ohio Bell Telephone Company	3,172,510	0.48
Gross Management, Inc.	3,062,650	0.46
Linden Apartment Company	2,835,040	0.43
W & F Plaza Investments	2,207,080	0.33
<i>Totals</i>	\$ <u>38,212,500</u>	<u>5.79%</u>
<i>Total City Assessed Valuation</i>	\$ <u>658,964,762</u>	

Source: Cuyahoga County, Ohio; County Fiscal Officer

## City of Rocky River, Ohio

### Ratio of Outstanding Debt by Type

#### Last Ten Years

Fiscal Year	Governmental Activities				Business-Type		Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	General Obligation Bonds	Special Assessment Bonds	OPWC Loan	OWDA Loan	OWDA Loan				
2004	\$ 14,634,529	\$ 790,000	\$ 0	\$ 0	\$ 303,666	\$ 15,728,195	2.19 %	\$ 758.53	
2005	22,228,603	750,000	0	0	290,508	23,269,111	3.24	1,122.21	
2006	21,120,782	710,000	0	0	276,733	22,107,515	3.08	1,066.14	
2007	20,007,961	670,000	0	0	262,310	20,940,271	2.91	956.23	
2008	18,950,140	630,000	0	0	247,210	19,827,350	2.76	915.72	
2009	17,877,319	590,000	288,754	0	231,400	18,987,473	2.64	911.50	
2010	16,784,498	550,000	874,770	0	214,850	18,424,118	2.63	919.10	
2011	14,996,541	510,000	2,731,310	0	339,843	18,577,694	2.65	961.82	
2012	13,986,760	470,000	4,660,827	144,293	179,383	19,441,263	2.77	956.82	
2013	12,759,145	430,000	6,199,329	77,307	160,391	19,626,172	2.76	956.42	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Demographic and Economic Statistics on page 142 for personal income and population data.

## City of Rocky River, Ohio

### Special Assessment Levies, Collections and Coverage

#### Last Ten Years

<u>Year</u>	<u>Current Assessments</u>		<u>Ratio of Collections To Amount Due</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Due</u>	<u>Collected(1)</u>		<u>Principal</u>	<u>Interest</u>	
2004	\$ 98,183	\$ 94,407	96.15%	\$ 40,000	\$ 42,201	1.14
2005	102,359	96,101	93.89	40,000	40,263	1.20
2006	133,426	112,059	83.99	40,000	38,313	1.43
2007	165,931	123,640	74.51	40,000	36,363	1.62
2008	112,980	104,878	92.83	40,000	34,413	1.41
2009	109,663	101,345	92.42	40,000	32,425	1.40
2010	158,600	141,903	89.47	40,000	30,438	2.01
2011	218,934	160,263	73.20	40,000	28,450	2.34
2012	174,446	147,289	84.43	40,000	26,463	2.22
2013	283,462	165,560	58.41	40,000	24,475	2.57

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Collections made by Cuyahoga County Fiscal Officer only (includes principal and interest)

## City of Rocky River, Ohio

Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt per Capita

### Last Ten Years

<u>Year</u>	<u>Population <sup>(1)</sup></u>	<u>Net General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2004	20,735	\$ 14,228,490	\$ 657,747,760	2.16%	\$ 686.21
2005	20,735	21,938,364	657,024,990	3.34	1,058.04
2006	20,735	20,760,982	723,419,816	2.87	1,001.25
2007	20,735	19,678,785	717,880,041	2.74	949.06
2008	20,735	18,537,073	724,866,570	2.56	894.00
2009	20,735	17,592,670	693,135,430	2.54	848.45
2010	20,213	16,657,273	689,293,310	2.42	824.09
2011	20,213	14,260,841	685,503,080	2.08	705.53
2012	20,213	13,556,418	683,024,720	1.98	670.68
2013	20,213	12,640,326	685,726,280	1.84	625.36

(1) Sources: U.S. Bureau of the Census.

(a) 2010 Federal Census

(b) 2000 Federal Census

Note: The Net Position Restricted for Debt Service in the Statement of Net Position represents constraints placed on net position use imposed by law through constitutional provisions or enabling legislation, there are no externally imposed constraints.

# City of Rocky River, Ohio

## Computation of Legal Debt Margin

### Last Ten Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed Valuation	\$ <u>657,747,760</u>	\$ <u>657,024,990</u>	\$ <u>723,419,816</u>	\$ <u>717,880,041</u>	\$ <u>724,866,570</u>	\$ <u>693,135,430</u>	\$ <u>689,293,310</u>	\$ <u>685,503,080</u>	\$ <u>683,024,720</u>	\$ <u>685,726,280</u>
Debt Limit - 10.5% of Assessed Valuation	\$ 69,063,515	\$ 68,987,624	\$ 75,959,081	\$ 75,377,404	\$ 76,110,990	\$ 72,779,220	\$ 72,375,798	\$ 71,977,823	\$ 71,717,596	\$ 72,001,259
Gross Indebtedness	15,728,195	23,269,111	22,107,515	20,940,271	19,827,350	18,927,473	18,424,118	18,577,694	19,275,054	19,626,172
Less: Debt Outside Limitation										
Special Assessment Bonds	(790,000)	(750,000)	(710,000)	(670,000)	(630,000)	(590,000)	(550,000)	(510,000)	(470,000)	(430,000)
OPWC Loans	0	0	0	0	0	(228,754)	(874,770)	(2,731,310)	(4,660,827)	(6,199,329)
OWDA Loans	(303,666)	(290,508)	(276,733)	(262,310)	(247,210)	(231,400)	(214,850)	(339,843)	(323,676)	(237,698)
Less: Amount Available In Debt Service Funds	<u>(406,039)</u>	<u>(290,239)</u>	<u>(359,800)</u>	<u>(329,176)</u>	<u>(413,067)</u>	<u>(284,649)</u>	<u>(127,225)</u>	<u>(735,700)</u>	<u>(264,133)</u>	<u>(118,819)</u>
Net Debt Within 10.5% Limitation	<u>14,228,490</u>	<u>21,938,364</u>	<u>20,760,982</u>	<u>19,678,785</u>	<u>18,537,073</u>	<u>17,592,670</u>	<u>16,657,273</u>	<u>14,260,841</u>	<u>13,556,418</u>	<u>12,640,326</u>
Legal Debt Margin	\$ <u>54,835,025</u>	\$ <u>47,049,260</u>	\$ <u>55,198,099</u>	\$ <u>55,698,619</u>	\$ <u>57,573,917</u>	\$ <u>55,186,550</u>	\$ <u>55,718,525</u>	\$ <u>57,716,982</u>	\$ <u>58,161,178</u>	\$ <u>59,360,933</u>
Debt Limit - 5.5% of Assessed Unvoted Value	\$ 36,176,127	\$ 36,136,374	\$ 39,788,090	\$ 39,483,402	\$ 39,867,661	\$ 38,122,449	\$ 37,911,132	\$ 37,702,669	\$ 37,566,360	\$ 37,714,945
Gross Indebtedness Authorized by Council	15,728,195	23,269,111	22,107,515	20,940,271	19,827,350	18,927,473	18,424,118	18,577,694	19,275,054	19,626,172
Less: Debt Outside Limitation										
Limitation	(1,093,666)	(9,368,558)	(8,995,938)	(9,617,670)	(8,228,725)	(8,057,824)	(8,293,445)	(9,871,133)	(11,370,638)	(12,399,317)
Less: Amount Available in Debt Service Funds Related to Unvoted Debt	<u>(406,039)</u>	<u>(255,283)</u>	<u>(261,837)</u>	<u>(225,486)</u>	<u>(321,603)</u>	<u>(194,019)</u>	<u>(76,937)</u>	<u>(695,009)</u>	<u>(219,222)</u>	<u>(75,619)</u>
Net Debt Within 5.5% Limitation	<u>14,228,490</u>	<u>13,645,270</u>	<u>12,849,740</u>	<u>11,097,115</u>	<u>11,227,022</u>	<u>10,675,630</u>	<u>10,053,736</u>	<u>8,011,552</u>	<u>7,685,194</u>	<u>7,151,236</u>
Unvoted Debt Margin	\$ <u>21,947,637</u>	\$ <u>22,491,104</u>	\$ <u>26,938,350</u>	\$ <u>28,386,287</u>	\$ <u>28,590,639</u>	\$ <u>27,446,819</u>	\$ <u>27,857,396</u>	\$ <u>29,691,117</u>	\$ <u>29,881,166</u>	\$ <u>30,563,709</u>

Source: Cuyahoga County, Ohio; County Fiscal Officer, and City Financial records

## City of Rocky River, Ohio

### Computation of Direct and Overlapping General Obligation Bonded Debt

**December 31, 2013**

	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City of Rocky River</u>
<u>Direct:</u>			
General Obligation Bonds	\$ 12,759,145	100.00%	\$ 12,759,145
Special Assessment Bonds	430,000	100.00	430,000
Ohio Public Works Commission Loans	6,199,329	100.00	6,199,329
Ohio Water Development Authority Loans	<u>77,307</u>	100.00	<u>77,307</u>
Total Direct Debt	<u>19,465,781</u>		<u>19,465,781</u>
<u>Overlapping:</u>			
Cuyahoga County	314,245,000	2.48	7,793,276
Greater Cleveland Regional Transit Authority	116,450,000	2.48	2,887,960
Rocky River School District	<u>50,410,800</u>	96.88	<u>48,837,983</u>
Total Overlapping	<u>481,105,800</u>		<u>59,519,219</u>
Total	<u>\$ 500,571,581</u>		<u>\$ 79,985,000</u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision.

## City of Rocky River, Ohio

Ratio of Annual Debt Service Expenditures For General Bonded Debt to Total Governmental Expenditures

### Last Ten Years

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<u>Year</u>	<u>Debt Service</u>	<u>General Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2004	\$ 3,842,320	\$ 32,065,983	11.98 %
2005	1,991,643	27,272,881	7.30
2006	2,081,899	30,118,352	6.91
2007	2,060,668	33,624,031	6.13
2008	1,978,637	31,158,220	6.35
2009	1,965,242	29,856,469	6.58
2010	1,953,354	29,119,277	6.71
2011	2,625,384	31,700,028	8.28
2012	1,953,659	28,064,616	6.96
2013	1,974,345	27,822,825	7.10

Source: City Financial Records

# City of Rocky River, Ohio

## Principal Employers

### Current Year and Nine Years Ago

2013			
	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
1	City of Rocky River	648	4.4%
2	Rocky River Board of Education	604	4.1
3	Riser Foods Co.	265	1.8
4	Westwood Country Club Co.	259	1.8
5	Cleveland Yacht Club Inc.	242	1.6
6	Heinens Inc.	236	1.6
7	Marc Glassman Inc.	214	1.4
8	Magnificat High School	194	1.3
9	Lowe's Home Center	190	1.3
10	JP Recovery Services Inc.	176	1.2
	Total	<u>3,028</u>	<u>20.5%</u>
	Total City Employment	<u>14,760</u>	

2004			
	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
1	Rocky River City School District	NA	NA
2	City of Rocky River	NA	NA
3	McDonald & Company Securities	NA	NA
4	Real Estate Mortgage Corp.	NA	NA
5	Cuyahoga County Auditor	NA	NA
6	Premier Physicians Group	NA	NA
7	Normandy LTD	NA	NA
8	North American Benefits Network	NA	NA
9	Ultimate Warranty Corp.	NA	NA
10	Magnificat High School	NA	NA
	Total	<u>NA</u>	<u>NA</u>
	Total City Employment	<u>NA</u>	

Source: Central Collection Agency (CCA). Total City employment based upon estimate from the Central Collection Agency number of W-2's filed as of 2011, this is the most current information available.

NA - Information is not available

# City of Rocky River, Ohio

## Demographic and Economic Statistics

### Last Ten Years

<u>Year</u>	<u>Population</u> <sup>(1)</sup>	<u>Total Personal Income</u> <sup>(2)</sup>	<u>Per Capita Personal Income</u> <sup>(1)</sup>	<u>Median Household Income</u> <sup>(1)</sup>	<u>School Enrollment</u> <sup>(3)</sup>	<u>Unemployment Cuyahoga County</u>
2004	20,735 b	\$ 718,737,305	\$ 34,663	\$ 51,636	2,598	6.20%
2005	20,735 b	718,737,305	34,663	51,636	2,623	6.50
2006	20,735 b	718,737,305	34,663	51,636	2,640	5.60
2007	20,735 b	718,737,305	34,663	51,636	2,696	6.10
2008	20,735 b	718,737,305	34,663	51,636	2,686	7.10
2009	20,735 b	718,737,305	34,663	51,636	2,681	8.90
2010	20,213 a	700,643,219	34,663	51,636	2,644	8.60
2011	20,213 a	700,643,219	34,663	51,636	2,612	7.10
2012	20,213 a	700,643,219	34,663	51,636	2,636	6.60
2013	20,213 a	700,643,219	34,663	51,636	2,635	7.20

(1) Sources: U.S. Bureau of the Census.

(a) 2010 Federal Census

(b) 2000 Federal Census

Note: 2010 Personal Income and Median Household Income data not available

(2) Computation of per capita personal income multiplied by population.

(3) Rocky River Board of Education

# City of Rocky River, Ohio

## Property Value and Construction

### Last Ten Years

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Year	Property Value (1)			Residential (2)		Commercial (2)	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
2004	\$ 284,197,186	\$ 1,533,292,385	\$ 1,817,489,571	28	\$ 9,652,000	3	\$ 3,013,000
2005	280,632,371	1,542,145,771	1,822,778,142	31	11,465,275	1	5,500,000
2006	296,426,314	1,717,162,486	2,013,588,800	25	6,025,000	2	9,929,000
2007	296,814,600	1,726,021,943	2,022,836,543	2	362,000	2	14,716,134
2008	308,154,600	1,733,957,657	2,042,112,257	1	1,500,000	3	1,670,000
2009	320,690,028	1,641,433,800	1,962,123,828	6	4,034,131	1	850,000
2010	308,753,342	1,641,986,571	1,950,739,913	5	3,085,000	2	428,900
2011	299,554,771	1,639,604,971	1,939,159,742	3	1,240,000	1	1,200,000
2012	289,195,857	1,641,014,942	1,930,210,799	8	3,624,000	2	2,164,000
2013	291,472,742	1,644,060,257	1,935,532,999	11	28,772,065	2	750,000

Sources: Cuyahoga County, Ohio - County Fiscal Officer; City Building Department

(1) Represents total estimated market value of real property, obtained from the County Fiscal Officer.

(2) Number of units (single and multi-family) include new construction only. Obtained information from City Building Department.

# City of Rocky River, Ohio

## Full-time Employees by Function/Program

### Last Ten Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Government:</b>										
Mayor	2	2	2	2	2	2	2	2	2	2
Finance Department	4	3	3	3	3	3	3	3	3	3
Building Maintenance	5	5	5	5	5	5	5	5	5	5
Human Resources	0	1	1	1	1	1	1	1	1	1
Municipal Courts	27	27	27	25	26	24	29	29	24	24
Engineering	3	0	0	0	0	0	0	0	0	0
Building	4	6	6	6	6	6	6	6	6	6
<b>Security of Persons and Property:</b>										
Police Department	37	38	38	38	38	38	38	36	36	35
Fire Department	30	30	30	30	30	30	30	30	30	30
Safety Service Director	2	2	2	1	2	2	2	2	2	2
Traffic Signal	4	4	4	4	4	4	3	3	3	3
<b>Transportation:</b>										
Equipment Repair and Garage	7	7	7	8	8	8	7	7	6	6
Street Repair and Maintenance	13	13	12	14	13	12	10	9	7	8
<b>Leisure Time Activities:</b>										
Parks	4	4	4	4	4	4	4	4	2	3
Recreation Center	15	15	15	17	16	17	16	14	14	14
<b>Community Development:</b>										
Community Center	1	1	1	1	1	1	1	1	1	0
<b>Public Health:</b>										
Office on Aging	8	8	8	8	8	8	8	8	6	6
<b>Basic Utilities Services:</b>										
Refuse and Recycling	15	15	15	15	15	15	16	15	15	14
<b>Total Governmental Activities:</b>	<u>181</u>	<u>181</u>	<u>180</u>	<u>182</u>	<u>182</u>	<u>180</u>	<u>181</u>	<u>175</u>	<u>163</u>	<u>162</u>
Sanitary Sewer	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>8</u>	<u>8</u>
<b>Total Business-Type Activities:</b>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>8</u>	<u>8</u>
<b>Total Primary Government:</b>	<u>191</u>	<u>191</u>	<u>190</u>	<u>192</u>	<u>191</u>	<u>189</u>	<u>190</u>	<u>182</u>	<u>171</u>	<u>170</u>

Source: City Records

# City of Rocky River, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Government:</b>										
Council:										
Number of Ordinances/Resolutions	183	188	163	142	144	106	58	89	89	95
Building Department:										
New Single Family Home Permits	12	14	11	2	1	4	5	3	8	5
Commercial Building/Structures										
New	3	1	2	2	2	1	2	1	2	2
Additions	17	27	32	19	22	13	26	11	15	25
Increase in Dwelling Units	28	31	25	2	0	17	13	9	17	285
Total Receipts – Building Permits	\$ 192,512	\$ 219,896	\$ 245,872	\$ 229,087	\$ 221,535	\$ 220,606	\$ 258,561	\$ 267,940	\$ 277,229	\$ 459,542
Municipal Court:										
Jurisdiction Population	120,226	120,226	120,226	120,226	120,226	120,226	120,226	118,137	118,137	118,137
Cases Filed:										
Criminal/Traffic	28,825	32,825	25,536	24,778	25,536	23,592	23,574	23,820	25,175	16,532
Civil/Small Claims	2,629	2,702	2,887	3,208	2,702	3,887	3,106	2,771	2,751	2,188
<b>Security of Persons and Property:</b>										
Police Protection:										
Motor Vehicle Accidents	389	377	313	335	363	336	374	311	260	541
BAC Licensed Operators	24	24	23	23	23	22	24	23	20	17
Community Diversion Cases	157	266	213	216	192	240	140	167	105	147
Marine Patrol Boat Hours	567	531	534	510	520	609	922	143	449	437
Total Prisoners	1,107	1,080	1,053	1,097	930	972	909	901	911	997

(continued)

# City of Rocky River, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Fire Protection:</b>										
Emergency Responses:										
Building Fire Calls	20	13	13	22	13	29	23	29	28	35
Emergency Medical Care	1,986	2,032	1,965	2,070	1,956	1,936	2,008	2,240	2,113	2,074
System Tests Witnessed:										
Commercial Kitchen	103	84	40	18	15	14	NA	2	13	6
Sprinkler / Standpipe	60	42	13	8	10	14	NA	6	8	19
Fire Alarm	94	30	30	5	18	25	NA	3	20	18
General Inspections for Licensure	37	17	32	20	62	58	52	128	91	95
<b>Public Health Services:</b>										
Senior Center:										
Volunteers	155	148	154	147	150	150	158	171	183	168
Volunteer Hours	10,150	10,280	11,676	12,647	12,910	12,910	15,352	15,352	15,832	16,172
Senior Transportation Trips	8,549	9,551	7,932	7,308	7,958	8,578	8,178	8,156	7,772	7,772
Lunches Served	11,443	12,985	13,244	14,016	14,778	15,825	16,612	18,085	NA	75 / day
Gift Shop Sales	\$ 48,299	\$ 50,904	\$ 56,520	\$ 54,421	\$ 57,662	\$ 52,169	\$ 63,152	\$ 59,666	\$ 53,100	\$ 53,969
Flu and Pneumonia shots	509	872	869	691	706	572	436	436	270	NA
<b>Transportation:</b>										
Safety Service:										
Snowfall in Inches [1]	91.2	117.9	50.6	76.5	77.2	79.7	63.1	59.8	63.3	58.4
Road Salt Purchased (tons)	4,000	5,600	3,200	4,500	4,800	4,000	4,800	4,800	NA	3,100
Cold Patch Purchased (tons)	29	74	25	64	NA	25	NA	NA	NA	NA
Trees Planted	109	214	351	224	270	89	92	89	37	113
Trees Removed	78	117	43	64	100	47	43	123	43	47

(continued)

## City of Rocky River, Ohio

Operating Indicators by Function/Program (continued)

### Last Ten Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Leisure Time Activities:</b>										
Recreation Center:										
Summer Camp – Recreation	624	590	557	573	532	476	450	457	395	426
Summer Camp – Sports	529	474	542	626	572	453	518	832	901	722
Concert Attendance	2,200	2,800	2,400	3,300	1,850	3,500	NA	NA	1,750	NA
Outdoor Pool Attendance	25,651	60,273	51,376	56,518	43,955	32,721	46,697	45,000	NA	NA
Civic Center Daily Member Log-ins[2]	NA	NA	NA	15,394	142,017	150,106	168,020	122,774	NA	NA
<b>Basic Utilities Service:</b>										
Refuse Collection:										
Refuse Truck Collections (tons)	8,761	8,546	8,219	7,739	9,823	9,093	8,853	8,920	8,790	8,576
Blue Bag Collections (tons)	278	272	284	295	255	337	375	378	390	590
Leaf Collections (tons)	NA	1,134	1,384	1,666	1,481	1,287	1,288	1,097	1,140	1,388
Paper Collections (tons)	493	438	380	308	240	195	155	98	79	37
Cardboard Collections (tons)	177	167	161	158	183	183	173	174	189	185
<b>Sanitary Sewer:</b>										
Quantity and Strength Percent of										
Wastewater Treatment Plant	28.35	28.35	29.53	29.53	29.40	29.40	25.43	25.43	25.43	25.43

Source: City Records

[1] – National Weather Service – Cleveland Hopkins International Airport

[2] – The Civic Center opened in September 2007

NA – Information is not available

# City of Rocky River, Ohio

## Capital Asset Statistics by Function/Program

### Last Ten Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Government:</b>										
Other Departmental Vehicles	9	10	10	10	10	10	10	10	10	10
Square Footage of Building	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370
Miles of Storm Sewer	90	90	90	90	90	90	90	90	90	90
<b>Security of Persons and Property:</b>										
Police Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	24	24	24	25	25	25	25	25	25	23
Marine Patrol Boat	1	1	1	1	1	1	1	1	1	1
Canine Unit(s)	1	2	2	2	2	2	2	2	2	2
Square Footage of Police Station	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672
Number of Street Lights	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813
Fire Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	9	9	9	10	10	10	10	10	10	10
Square Footage of Fire Station	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088
Number of Fire Hydrants	1,093	1,093	993	1,003	1,003	1,003	1,041	1,041	1,041	1,041
<b>Public Health Services:</b>										
Senior Transportation:										
Number of Vehicles	6	6	6	6	6	6	5	5	5	5
Square Footage of Senior Center	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012
<b>Transportation:</b>										
Number of Vehicles	31	31	31	31	31	31	31	31	31	31
Square Footage of Service Building	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198
Miles of Streets	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49

(continued)

# City of Rocky River, Ohio

Capital Asset Statistics by Function/Program (continued)

## Last Ten Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Leisure Time Activities:</b>										
Recreation and Culture:										
Number of Parks	8	9	9	9	9	9	9	9	9	9
Acres of Parks	105	106	106	106	106	106	106	106	106	106
Number of Vehicles	10	10	10	10	10	10	10	10	10	10
Square Footage of Recreation Facilities	42,379	42,379	42,379	84,379	84,379	84,379	84,379	84,379	81,379	81,379
Miles of Shoreline	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Basic Utilities Service:</b>										
Refuse Collection:										
Refuse Vehicles	24	24	24	24	24	24	24	24	24	24
Transit Scooters	20	20	20	20	20	19	19	17	12	10
Transfer Station	1	1	1	1	1	1	1	1	1	1
<b>Sewers:</b>										
Miles of Sanitary Sewers	90	90	90	90	90	90	90	90	90	90
Number of Vehicles	8	8	8	8	8	8	8	8	8	8
Number of Sanitary Sewer Accounts	7,087	7,094	7,091	7,018	7,091	7,038	7,038	7,043	6,806	6,806

Source: City Records

**City of Rocky River  
Cuyahoga County, Ohio**

**For the Year Ended December 31, 2013**

# City of Rocky River, Ohio

For the Year Ended December 31, 2013

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**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***

Members of the City Council  
Rocky River, Ohio

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, each major fund, and the aggregate remaining fund information of the City of Rocky River, Ohio (the "City"), as of and for the year ended December 31, 2013, 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 30, 2014, wherein we noted the City adopted *GASB Statement No. 65* as disclosed in Note 3.

**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 may exist that have not been identified.

Members of the City Council  
Rocky River, Ohio

### **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.

*Cini & Panichi, Inc.*

Cleveland, Ohio  
June 30, 2014

# City of Rocky River, Ohio

## Schedule of Findings

For the Year Ended December 31, 2013

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### 1. Summary of Auditor's Results

Type of Financial Statement Opinion	Unmodified
Were there any significant deficiencies reported at the financial statement level (GAGAS)?	No
Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
Was there any material noncompliance reported at the financial statement level (GAGAS)?	No

### 2. Findings Related to the Financial Statements Required To Be Reported in Accordance With GAGAS

None

**City of Rocky River, Ohio**

Schedule of Prior Audit Findings

For the Year Ended December 31, 2013

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<b>Finding No.</b>	<b>Finding Summary</b>	<b>Fully Corrected</b>	<b>Explanation</b>
2012-1	Capital asset management system	Yes	The City has been continually updating the capital asset management system.



# Dave Yost • Auditor of State

**CITY OF ROCKY RIVER**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 14, 2014**