

City of Rocky River, Ohio



*Comprehensive Annual Financial Report
for the year ended December 31, 2015*



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, 2015 to December 31, 2015. 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

April 5, 2017

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Introductory Section



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City of Rocky River, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015

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
For the Year Ended December 31, 2015

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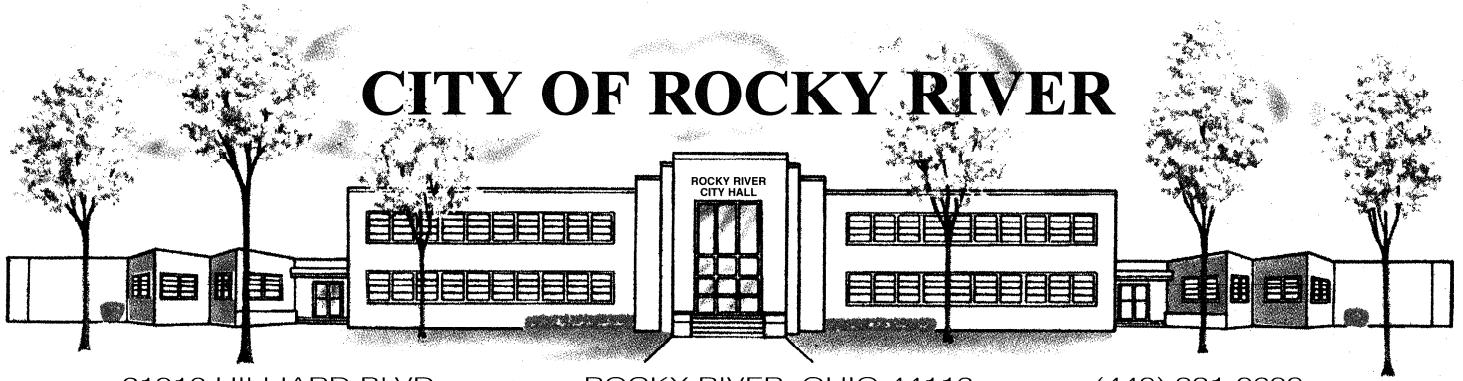
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CITY OF ROCKY RIVER



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

January 31, 2017

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 (City) is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2015. 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, 2015 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 basis 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 to 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, 2015 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 2014.

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: Safety-Service, Finance, Human Resources, Building, Public Buildings (facilities) Office on Aging and Recreation. As of December 31, the City had 170 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 Municipal Court and the Rocky River Wastewater Treatment Plant; both provide services to the City and 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 participated in a bit of economic recovery of the northeast Ohio region and nation as a whole. City residents in the professional, managerial, entrepreneurial categories benefit from access to the regional employment centers in the cities of Cleveland and Westlake, a community bordering the City to the west.

The tax base of the City's municipal income tax consists of businesses (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. U. S. Census data indicates median household income in the City (in 2014 dollars), 2010-2014 as \$63,889; while for the State of Ohio that amount was \$48,849.

City income tax collections increased by approximately 20 percent from 2014. Components of income tax collections (on the cash basis) are:

Component	2013	2014	2015
Employee Withholding	\$4,781,813	\$4,977,855	\$6,569,368
Business Profit	779,821	1,007,954	993,280
Residence Tax	4,115,447	4,149,847	4,707,615
Penalties & Interest	157,338	145,905	157,886
Total	\$9,834,419	\$10,281,561	12,428,149

Effective January 1, 2015, the ballot issue put forth by City Council in November 2014 to increase the municipal income tax from 1.5 percent to 2.0 percent was implemented. The reciprocity credit for income taxes paid to another city was also increased from 1.0 percent to 1.5 percent. The purpose of the increase was to provide resources for capital projects and equipment purchases, either directly or through the payment of debt service for those obligations. As expected and indicated in the table above, the employee withholding component increased by over 31 percent. Indicating a strong earnings demographic, the residence tax revenue component increased by about 13 percent. Those increases are offset by a decrease of 1.5 percent in the business net profit component.

On behalf of the State of Ohio, the Cuyahoga County Fiscal Officer establishes real property values within the City for tax purposes. The total value assigned in 2014 was the basis for real property tax revenue received in 2015. For each of the years shown in the table below the percentages of the components making up the total were consistent: residential, 84 percent; commercial, 15 percent; public utility, 1 percent.

Component	2012	2013	2014
Residential	\$574,355,230	\$575,421,090	\$577,507,960
Commercial	101,218,550	102,015,460	102,497,650
Public Utility	7,450,940	8,289,730	8,706,580
Total	\$683,024,720	\$685,726,280	\$688,712,190

During 2015, the Cuyahoga County Fiscal Officer undertook a sexennial revaluation of real property. That process was completed in December and the City property values for tax purposes were increased by about 8.3 percent. Included for the first time after construction completion, is a new 260 unit, luxury apartment complex which became fully occupied in the third quarter of 2014. Also, for the first time after construction completion, a new Whole Foods retail store opened in September 2015. Both facilities were built where commercial vacancies had previously existed.

For the total value assigned in 2015 for real property tax revenue to be received in 2016, the percentages of the components making up the total are: residential, 85 percent; commercial, 14 percent; public utility, 1 percent. The variance from the normal percentage is inconsequential and continues to be indicative of a suburban, bedroom community. Census data confirm the importance of real estate values to the financial stability of the City. The median value of owner-occupied housing units, 2010-2014 (the most recent data available) was \$202,400 in the City while that amount in the State of Ohio was \$129,600. The owner-occupied housing unit rate, 2010-2014 (the most recent data available) was 73.5 percent in the City while that amount in the State of Ohio was 66.9 percent.

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.

Major Initiatives

Management of various phases of significant infrastructure improvement projects was the focus of attention of the City during 2015. The table below updates certain of the projects described in last year's CAFR.

Project	Project Cost	Status	Construction Schedule
Valley View Area Sanitary Sewer	\$4,236,196	Project Complete	(Loan amortization began in 2015.)
Hampton Road Sanitary Sewer	\$4,670,612	Project Complete	(Loan amortization began in 2015.)
Frazier Drive Sewer Improvement	\$4,131,147	Project Complete	(Loan amortization to begin in 2016.)

Interest free loans, provided by the Ohio Public Works Commission (OPWC), an agency of the State of Ohio, and a local matching commitment provide resources for these projects. The amortization period of each of these loans is 30 years.

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

Project	Project Cost	Status	Construction Schedule
Avalon Drive Sewer Improvement	\$7,054,000	Construction in Progress	05/15/2015 to 12/31/2017

The amortization period of Avalon project loan is 30 years.

Application was made for the following project in 2015:

Project	Project Cost	Status	Construction Schedule
Hampton Road (South) and Lakeview Avenue Sewer Improvement	\$6,953,000	Engineering to begin 2016	06/01/2017 to 10/31/2018

The amortization period of Hampton Road (South) and Lakeview project loan is 20 years.

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.

A new relationship with a council of governments, effective January 1, 2016 will favorably affect cash flow. In 2015, upon recommendation from the administration, City Council adopted an ordinance to join the Regional Council of Governments, the governing organization of the Regional Income Tax Agency (also known as RITA). The administration's recommendation was based on a cost study indicating a cost savings through the association with RITA. The expected cost savings is expected to be over \$100,000 per year.

Long-term Financial Planning

In 2012 with the modest stabilization that occurred in the economy, the City rebounded to a revenue level similar to 2007. During the period 2007 to 2012, while the General Fund balance was drawn down, the City also reacted by 1) staff reductions through attrition; 2) prudent planning; 3) debt refinancing and 4) operating cost control. Full-time City employment (170 as of December 31, 2015) is not expected to return to the employment level of 192 as of December 31, 2007. Managing services by decreasing the fixed costs of full-time staff level has contributed to improved reserves. In the most recent five years, the General Fund reserve (non-GAAP budgetary basis) has held within a range of 10 to 27 percent for an average of nearly 20 percent.

The City uses on-going analysis of revenue sources and appropriations as a basis for its annual budget while balancing the need for reserves. Also, 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. The City buffers this economically sensitive revenue stream by conservative budgeting. And also, where actual revenue exceeds estimated revenue such excess is not appropriated and carries over in the General Fund budgetary balance to the next year. In addition, during the five year period 2011 to 2015, the City spent an average of 75 percent of the total appropriations.

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

Source	Percent
Income Tax	32
Property Tax	25
Sewer Charges User Charges	12
Recreation Center User Charges	7
Grants/Loans	7
Other Revenue	4
Estate Tax	3
Gas & License Taxes	3
Local Government Fund	2
Senior Center User Fees	2
Ambulance Fees	2
Fines	1

Mutual agreements with other governments to provide services to City residents are always a consideration for any projects undertaken. Currently, 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.

Also, meaningfully, the *Agreement between the Cities of Cleveland and Rocky River for Suburban Distribution Asset Renewal Program Project Reimbursement* put in place in 2012, has provided ongoing resources for infrastructure support to City resident needs.

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, 2014. This was the twenty-eighth 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 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 to document such effort.

Respectfully submitted,

A handwritten signature in blue ink that reads "Michael A. Thomas". The signature is written in a cursive style with a large initial "M".

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, 2014

Executive Director/CEO

City of Rocky River, Ohio

List of Elected Officials

December 31, 2015

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

Brian J. Sindelar

Council Member – Ward 1

Thomas J. Hunt

Council President – Ward 2

James W. Moran

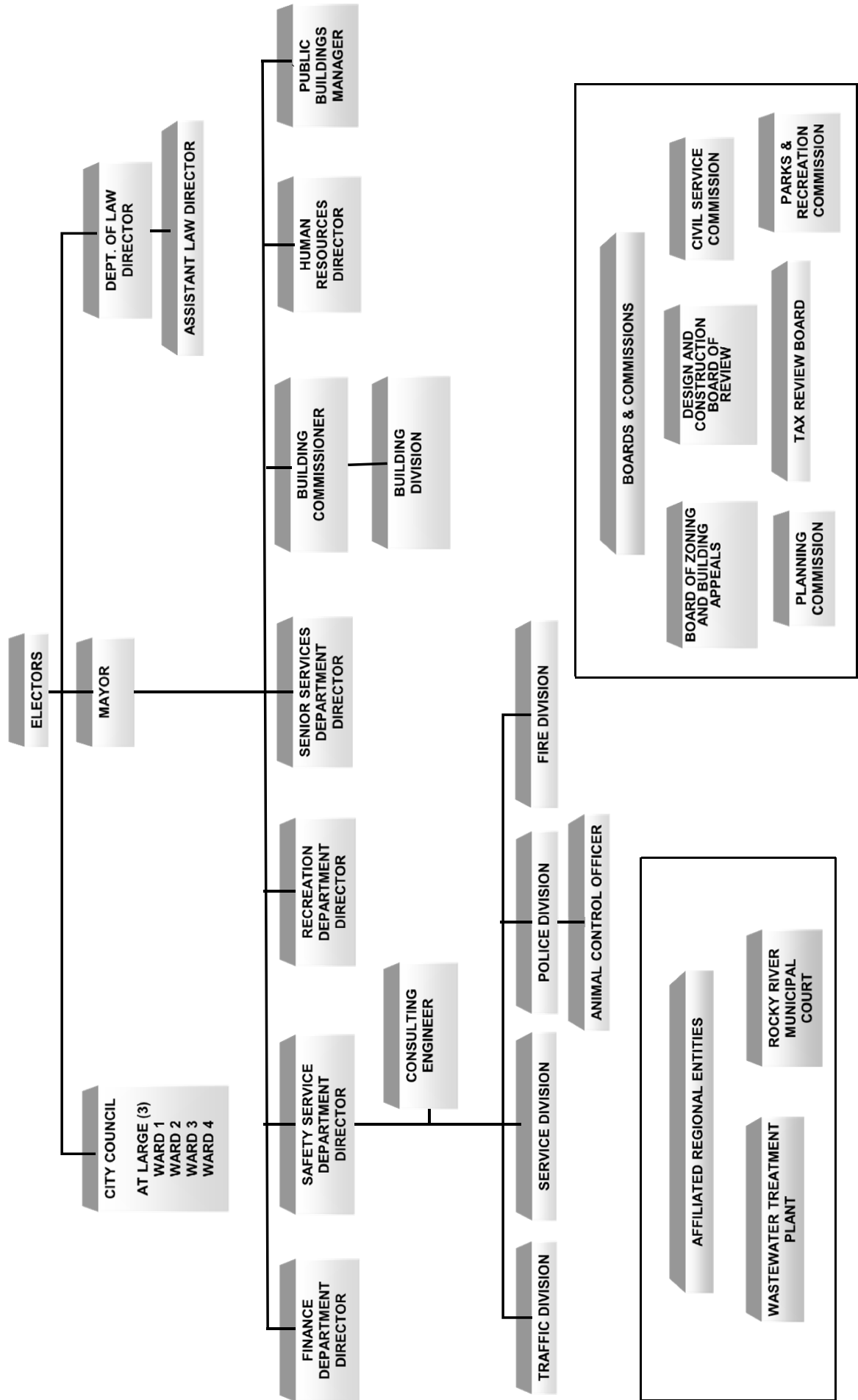
Council Member – Ward 3

Michael P. O'Donnell

Council Member – Ward 4

John B. Shephard

CITY OF ROCKY RIVER ORGANIZATIONAL CHART



Financial Section



Independent Auditor's Report

Honorable Mayor and
Members of 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for 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.

Honorable Mayor and
Members of 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, 2015, 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, during 2015, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and as a result restated their December 31, 2014 net position. 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 19 and the schedules of the City's proportionate share of the net pension asset/liability and schedules of the City's contributions on pages 87 through 92 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 non-major 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.

Honorable Mayor and
Members of City Council
Rocky River, Ohio

The combining and individual non-major 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 non-major 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 January 31, 2017 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.

Ciuni + Panichi, Inc.

Cleveland, Ohio
January 31, 2017

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City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2015

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, 2015. 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 2015 are:

- For the year ended December 31, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The implementation of these statements resulted in the restatement of net position as of December 31, 2014 for the governmental activities and business-type activities. See Note 3 for additional information regarding the restatement.
- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2015 by 62,203,437. This is an increase of \$3,991,110 over the restated 2014 net position. Net position of the City's governmental activities increased \$3,336,717 from 2014, while net position of the business-type activities increased \$654,393.
- Total assets increased by \$4,798,125 and deferred outflows of resources increased by \$960,669. The main factors affecting the total assets increase were an increase in cash and cash equivalents, income taxes receivable and net capital assets. The main fluctuation in deferred outflows of resources related to pensions.
- Total liabilities increased by \$1,078,328 and deferred inflows of resources increased by \$689,356 from 2014. The main factor affecting the total liabilities increase was an increase in accounts payable of \$451,440 and a \$625,386 increase in long term liabilities which can be attributed to the net pension liability (up \$957,067). The deferred inflows of resources were up in 2015 across the board with property taxes being the largest contributor (up \$560,194).
- The General Fund reported a fund balance of \$7,064,982 at the end of the 2015, which is an increase of \$576,171 from 2014. The General Fund expenditures (excluding other financing uses) increased \$76,453 from 2014 to 2015 and revenues (excluding other financing sources) increased \$586,975.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2015

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 2015?" 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.

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.

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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 24. 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, and Capital Improvement Funds.

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.

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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 34 of this report.

Fiduciary Fund

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 Statement 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 41 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with non-major governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 93 of this report.

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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 2015 compared to 2014 balances.

	Table 1 Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Assets:						
Current and Other Assets	\$ 27,415,034	\$ 25,341,415	\$ 9,882,109	\$ 9,411,219	\$ 37,297,143	\$ 34,752,634
Capital Assets, Net	54,010,103	53,438,383	23,075,668	21,403,770	77,085,771	74,842,153
Net Pension Asset	13,131	3,579	613	167	13,744	3,746
Total Assets	<u>81,438,268</u>	<u>78,783,377</u>	<u>32,958,390</u>	<u>30,815,156</u>	<u>114,396,658</u>	<u>109,598,533</u>
Deferred Outflows of Resources:						
Deferred Charge on Refunding Pension	292,802	329,029	0	0	292,802	329,029
Total Deferred Outflows of Resources	<u>2,859,080</u>	<u>1,880,860</u>	<u>56,130</u>	<u>37,454</u>	<u>2,915,210</u>	<u>1,918,314</u>
Liabilities:						
Current and Other Liabilities	1,483,629	2,059,435	1,363,803	335,055	2,847,432	2,394,490
Long-Term Liabilities						
Due Within One Year	2,043,999	1,399,724	285,521	198,287	2,329,520	1,598,011
Other Amounts Due in More than One Year	13,555,071	14,996,868	9,173,938	8,795,331	22,729,009	23,792,199
Net Pension Liability	<u>20,100,307</u>	<u>19,150,407</u>	<u>317,302</u>	<u>310,135</u>	<u>20,417,609</u>	<u>19,460,542</u>
Total Liabilities	<u>37,183,006</u>	<u>37,606,434</u>	<u>11,140,564</u>	<u>9,638,808</u>	<u>48,323,570</u>	<u>47,245,242</u>
Deferred Inflows of Resources:						
Property Taxes	6,948,501	6,388,307	0	0	6,948,501	6,388,307
Pension	123,401	0	5,761	0	129,162	0
Total Deferred Inflows of Resources	<u>7,071,902</u>	<u>6,388,307</u>	<u>5,761</u>	<u>0</u>	<u>7,077,663</u>	<u>6,388,307</u>
Net Position:						
Net Investment in Capital Assets	42,891,009	41,586,463	13,678,763	12,478,608	56,569,772	54,065,071
Restricted for:						
Capital Projects	5,165,910	4,801,489	0	0	5,165,910	4,801,489
Debt Service	944,069	869,385	0	0	944,069	869,385
Refuse and Recycling	377,763	119,601	0	0	377,763	119,601
Office on Aging	243,704	159,197	0	0	243,704	159,197
Street Construction and Maintenance	821,270	881,576	0	0	821,270	881,576
Law Enforcement and Education	300,154	225,765	0	0	300,154	225,765
Security of Persons and Property	464,107	573,715	0	0	464,107	573,715
Community Impact	3,312	3,312	0	0	3,312	3,312
Unrestricted	<u>(10,876,056)</u>	<u>(12,221,978)</u>	<u>8,189,432</u>	<u>8,735,194</u>	<u>(2,686,624)</u>	<u>(3,486,784)</u>
Total Net Position	<u>\$ 40,335,242</u>	<u>\$ 36,998,525</u>	<u>\$ 21,868,195</u>	<u>\$ 21,213,802</u>	<u>\$ 62,203,437</u>	<u>\$ 58,212,327</u>

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During 2015, the City adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*, which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension and the net pension asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

As a result of implementing GASB 68, the City is reporting a net pension asset/liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2015, for government activities from \$54,264,493 to \$36,998,525 and business-type activities from \$21,486,316 to \$21,213,802.

Net position may serve over time as a useful indicator of a government's financial position. For the City of Rocky River, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$62,203,437 as of December 31, 2015, which is a \$3,991,110 increase from the prior year. At the end of the current year, the City of Rocky River is able to report positive balances in the net investment in capital assets and restricted net position. Unrestricted net position is negative as a result of net pension liabilities recorded under GASB 68.

The largest portion of the City's net position (91.0 percent) reflects the investments in capital assets (land, construction in progress, land improvements, buildings, furniture, fixtures and equipment, vehicles and infrastructure) less any related debt to acquire those assets that remains outstanding. 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 2015 increased \$4,801,704 when compared to 2014 and total liabilities increased by \$1,078,328. The primary contributors to the increase in assets were cash and cash equivalents, which increased primarily due to the increase in income tax collections related to the increased tax rate during the year, net capital assets, which increased due to the City's sanitary sewer improvement projects performed during the year, and increases in income taxes receivable also related to the increase in the City's income tax rate. The increase in total liabilities is primarily due to an increase in accounts payable which is also related to the City's sanitary sewer improvement projects in progress during the year.

In order to further understand what makes up the changes in net position for the current year, Table 2 provides further details regarding the results of activities for the current year.

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Table 2
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
		Restated		Restated		Restated
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Program Revenues:						
Charges for Services	\$ 6,048,560	\$ 6,318,810	\$ 4,553,885	\$ 4,203,128	\$ 10,602,445	\$ 10,521,938
Operating Grants and Contributions	1,130,586	1,033,085	0	0	1,130,586	1,033,085
Capital Grants and Contributions	<u>662,763</u>	<u>3,581,774</u>	<u>0</u>	<u>0</u>	<u>662,763</u>	<u>3,581,774</u>
Total Program Revenues	<u>7,841,909</u>	<u>10,933,669</u>	<u>4,553,885</u>	<u>4,203,128</u>	<u>12,395,794</u>	<u>15,136,797</u>
General Revenues:						
Property Taxes	6,500,018	6,527,523	0	0	6,500,018	6,527,523
Municipal Income Taxes	13,304,985	10,246,564	0	0	13,304,985	10,246,564
Franchise Tax	264,187	229,792	0	0	264,187	229,792
Admissions Tax	89,504	58,572	0	0	89,504	58,572
Grants and Entitlements not Restricted to Specific Programs	1,355,228	1,556,143	0	0	1,355,228	1,556,143
Investment Income	27,452	21,536	0	0	27,452	21,536
Other	<u>354,523</u>	<u>400,006</u>	<u>0</u>	<u>0</u>	<u>354,523</u>	<u>400,006</u>
Total General Revenues	<u>21,895,897</u>	<u>19,040,136</u>	<u>0</u>	<u>0</u>	<u>21,895,897</u>	<u>19,040,136</u>
Total Revenues	<u>29,737,806</u>	<u>29,973,805</u>	<u>4,553,885</u>	<u>4,203,128</u>	<u>34,291,691</u>	<u>34,176,933</u>
Program Expenses:						
General Government	5,940,993	5,668,787	0	0	5,940,993	5,668,787
Security of Persons and Property	9,248,644	9,306,477	0	0	9,248,644	9,306,477
Public Health	1,090,434	1,175,476	0	0	1,090,434	1,175,476
Transportation	3,996,908	3,754,446	0	0	3,996,908	3,754,446
Leisure Time Activities	3,497,102	3,174,829	0	0	3,497,102	3,174,829
Community Development	509,093	651,553	0	0	509,093	651,553
Basic Utility Service	1,745,388	1,516,591	0	0	1,745,388	1,516,591
Interest and Fiscal Charges	306,989	411,086	0	0	306,989	411,086
Sanitary Sewer Charges	<u>0</u>	<u>0</u>	<u>3,965,030</u>	<u>3,862,901</u>	<u>3,965,030</u>	<u>3,862,901</u>
Total Program Expenses	<u>26,335,551</u>	<u>25,659,245</u>	<u>3,965,030</u>	<u>3,862,901</u>	<u>30,300,581</u>	<u>29,522,146</u>
Change in Net Position Before Transfers	3,402,255	4,314,560	588,855	340,227	3,991,110	4,654,787
Transfers	<u>(65,538)</u>	<u>1,365,188</u>	<u>65,538</u>	<u>(1,365,188)</u>	<u>0</u>	<u>0</u>
Change in Net Position	3,336,717	5,679,748	654,393	(1,024,961)	3,991,110	4,654,787
Net Position, Beginning of Year	<u>36,998,525</u>	<u>n/a</u>	<u>21,213,802</u>	<u>n/a</u>	<u>58,212,327</u>	<u>n/a</u>
Net Position, End of Year	<u>\$ 40,335,242</u>	<u>\$ 36,998,525</u>	<u>\$ 21,868,195</u>	<u>\$ 21,213,802</u>	<u>\$ 62,203,437</u>	<u>\$ 58,212,327</u>

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Effects of GASB 68

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,880,860 in the governmental activities and \$37,454 in the business-type activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$2,007,788 in the governmental activities and \$32,969 in the business-type activities. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Total 2015 program expenses under GASB 68	\$ 26,335,551	\$ 3,965,030
Pension expense under GASB 68	(2,007,788)	(32,969)
2015 Contractually required contribution	<u>1,922,259</u>	<u>39,162</u>
Adjusted 2015 program expenses	26,250,022	3,971,223
Total 2014 program expenses under GASB 27	<u>25,659,245</u>	<u>3,862,901</u>
Increase (decrease) in program expenses not related to pension	\$ <u>590,777</u>	\$ <u>108,322</u>

Governmental Activities

Overall, total governmental activities revenues increased by \$3,336,717. Both program revenues and general revenues fund the City's governmental activities. The amount that charges for services revenue contributed to total program revenues decreased \$270,250 from 2014 to 2015. The municipal income tax is the largest source of the City's general revenues. Effective January 1, 2015, the City's income tax rate increased from 1.5 percent to 2 percent as established by City Ordinance No. 82-14, passed December 15, 2014. The municipal income tax revenue amount for 2015 was \$13,304,985, a \$3,058,421 increase from 2014. 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 and the Capital Improvements Fund.

Property taxes are 29.7 percent of total general revenues. Because 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 the same compared to 2014, decreasing less than 1 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 151 in the Statistical Section of the CAFR.

Grants and entitlements not restricted to specific programs decreased 12.9 percent from 2014 to 2015 due mostly to less estate tax revenue received in 2015. The amounts collected by the City under provisions of the Ohio Revised Code Chapter 5731, estate tax, are recorded as entitlements. During 2015, \$3,941 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.

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Total program expenses for 2015 were \$26,335,551, a 2.6 percent increase from 2014 levels. Program category increases occurred for general government, transportation, leisure time activities, and basic utility service. Moderating those increases were decreases in the program categories of security of persons and property, public health, community development and interest and fiscal charges.

Lower costs in the various program category functions of the City's governmental activities were achieved by the City's lower health claims this year.

During 2015, the largest program category function for the City is security of persons and property, which includes police and fire protection. This program accounts for 35.1 percent of expenses and decreased by \$57,833 or 0.6 percent from 2014. Compensation levels due to employee turnover as well as operating costs decreasing from the prior year caused the overall decrease in expenditures within this program.

The general government program category accounts for 22.6 percent of program expenses. This program category reports the accumulated activity of the Rocky River Municipal Court and other administrative functions of the City. An increase of \$272,206 or 4.8 percent occurred in this program category from 2014 to 2015. The increase in expense is due primarily to increases in repairs and maintenance expenditures and the purchase of equipment that did not meet capitalization threshold during the current year.

The transportation program category was the third largest for 2015 and comprises 15.2 percent of program expenses which increased by 6.5 percent from 2014. The increase was due in part to an increase in depreciation expense related to the addition of roads that were completed in 2015.

Business-Type Activities

For business-type activities of the City, charges for services are the primary source of revenue. The noted increase in charges for services represents the impact of increased 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. The Program Expenses are comprised of charges to operate the Rocky River Wastewater Treatment Plant as well as the cost to maintain the sanitary sewer collection system.

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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 24. These funds are accounted for by using the modified accrual basis of accounting.

As of December 31, 2015, the City's governmental funds reported combining ending fund balance of \$14,419,597. Of that amount, \$3,493,583 constitutes unassigned fund balances, which is available for spending at the City's discretion. The \$10,926,014 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 \$29,752,609 and expenditures of \$28,119,621, leaving a \$1,644,973 current year increase in fund balance, after consideration of \$11,985 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 2015, the General Fund had total revenues and other financing sources of \$19,096,329 and expenditures and other financing uses of \$18,520,158 resulting in an increase in fund balance at December 31, 2015 of \$576,171. General Fund revenues increased \$586,985 from 2014, while expenditures increased by \$76,453. The increase in General Fund revenues was due to an increase in municipal income tax and other local taxes revenues. The increase in municipal income and other local taxes of \$892,809 was due primarily to the increase in the municipal income tax rate.

The Recreation Center Fund accounts for the operation and maintenance of the City's recreation facilities and activities. In 2015, the Recreation Center Fund had total revenues and other financing sources of \$3,166,674 and expenditures of \$3,050,265 resulting in an increase in fund balance of \$116,409 at December 31, 2015. Total revenues and other financing sources increased \$294,617 primarily due to increases in transfers from the General Fund and increases in charges for services received. Expenditures were \$157,710 above last year's expenditures. Expenditures increased primarily due to increases in operating expenditures during the year.

The General Obligation Bond Retirement Fund accounts for the repayment of general obligation bonds of the City. In 2015, the General Obligation Bond Retirement Fund had total revenues and other financing sources of \$1,016,696 and expenditures and other financing sources of \$732,663 resulting in an increase in fund balance of \$284,033 at December 31, 2015. Total revenues and other financing sources ended \$481,359 less than last year's and expenditures and other financing sources were \$10,432,571 below last year's expenditures due to the refinancing of two outstanding general obligation bonds in the prior year.

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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 2015, the Capital Improvement Fund had total revenues of \$3,109,911 and expenditures of \$2,761,084 resulting in an increase in fund balance of \$348,827 at December 31, 2015. Revenues increased \$1,997,394 from the prior year mainly due to an increase in municipal income tax revenue allocated to the fund. Expenditures increased from 2014 by \$1,251,591 due to increases in capital outlay in the current year.

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 2015, the City supplemented the General Fund budget twice. The General Fund's actual expenditures, not including other financing uses, were \$2,087,093 under the final budgeted amount of \$16,081,751.

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, not including other financing sources, were \$18,294,415 and increased by \$229,800 to \$18,524,215 for final budgeted revenues, not including sale of capital assets.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2015

Capital Assets and Debt Administration

Capital Assets

Table 3 shows fiscal 2015 balances of capital assets, net of any accumulated depreciation, as compared to 2014:

Table 3
 Capital Assets, Net at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
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	1,450,484	5,183,314	2,464,275	1,666,693	3,914,759	6,850,007
Land Improvements	3,538,251	3,236,743	0	0	3,538,251	3,236,743
Buildings	20,873,399	20,904,955	0	0	20,873,399	20,904,955
Equipment	692,479	762,055	0	4,575	692,479	766,630
Vehicles	1,281,735	265,802	2,720	0	1,284,455	265,802
Infrastructure:						
Roads	14,210,902	11,934,218	0	0	14,210,902	11,934,218
Sidewalks	1,870,616	1,816,099	0	0	1,870,616	1,816,099
Traffic Signals	170,182	269,900	0	0	170,182	269,900
Storm Sewers	7,701,071	6,844,313	0	0	7,701,071	6,844,313
Sewer Lines	<u>0</u>	<u>0</u>	<u>20,319,157</u>	<u>19,442,986</u>	<u>20,319,157</u>	<u>19,442,986</u>
Total Capital Assets, Net	\$ <u>54,010,103</u>	\$ <u>53,438,383</u>	\$ <u>23,075,668</u>	\$ <u>21,403,770</u>	\$ <u>77,085,771</u>	\$ <u>74,842,153</u>

Total capital assets, net for the City as of December 31, 2015 were \$77,085,771, a \$2,243,618 increase from 2014. Capital asset additions of \$4,992,599 were offset by \$2,748,981 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.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2015

Debt

On December 31, 2015, the City had \$20,808,801 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	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds \$	11,061,896	\$ 11,790,949	\$ 0	\$ 0	\$ 11,061,896	\$ 11,790,949
Special Assessment Bonds	350,000	390,000	0	0	350,000	390,000
OPWC Loans	0	0	9,264,658	8,700,960	9,264,658	8,700,960
OWDA Loans	0	0	132,247	224,202	132,247	224,202
Total Outstanding Debt	<u>\$ 11,411,896</u>	<u>\$ 12,180,949</u>	<u>\$ 9,396,905</u>	<u>\$ 8,925,162</u>	<u>\$ 20,808,801</u>	<u>\$ 21,106,111</u>

The outstanding general obligation bonds are composed of the following: 1) Refunded General Purpose, Series 2014, of \$4,515,000; 2) Refunded Civic Facility Improvements, Series 2014 of \$4,580,000 and 3) Refunded Municipal Court Facility, Series 2011 of \$1,400,000. There remains unamortized premiums related to these issues of \$566,896.

The principal and interest of the Refunded Series 2014 General Purpose Bonds are paid from monies transferred from the General Fund into the Debt Service Fund. The principal and interest of the Series 2005 and Refunded Series 2014 Civic Facility Improvements 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: \$200,000 (Series 1998) and \$150,000 (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) loans are paid semi-annually from the Sanitary Sewer Fund and will be paid in full in the year 2020.

Principal and interest of the Ohio Public Works Commission (OPWC) loans are paid semi-annually from the Sanitary Sewer Fund and will be paid in full in the year 2049.

The City's overall legal debt margin was \$68,204,744 on December 31, 2015.

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

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2015

Current Financial Related Activities

The City has had historic steady growth from its economically sensitive income tax revenue which has been balanced with its more foundational property tax revenue. In reacting to the extended economic downturn and slow recovery, the City Administration managed activities and employment levels in a shrinking revenue environment. In addition, some accumulated surpluses were consumed. With the elimination of the estate tax as a revenue source, the City developed the concept of an income tax to provide resources for capital projects and equipment purchases.

The concept enjoyed wide spread community support and during the general election in November 2014, the residents voted 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 effective January 1, 2015.

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.

City of Rocky River, Ohio

Statement of Net Position

December 31, 2015

	Governmental Activities	Business - Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 14,124,991	\$ 4,195,393	\$ 18,320,384
Restricted Cash and Cash Equivalents	69,185	44,845	114,030
Accrued Interest Receivable	19,288	0	19,288
Accounts Receivable, Net	450,035	633,622	1,083,657
Intergovernmental Receivable	1,052,844	0	1,052,844
Internal Balances	(37,017)	37,017	0
Materials and Supplies Inventory	179,004	10,159	189,163
Prepaid Assets	8,020	0	8,020
Municipal Income Taxes Receivable	3,976,115	0	3,976,115
Property Taxes Receivable	7,182,510	0	7,182,510
Special Assessments Receivable	390,059	247,811	637,870
Investment in Joint Venture	0	4,713,262	4,713,262
Nondepreciable Capital Assets	3,671,468	2,753,791	6,425,259
Depreciable Capital Assets, Net	50,338,635	20,321,877	70,660,512
Net Pension Asset	13,131	613	13,744
Total Assets	81,438,268	32,958,390	114,396,658
Deferred Outflows of Resources:			
Deferred Charge on Refunding	292,802	0	292,802
Pension	2,859,080	56,130	2,915,210
Total Deferred Outflows of Resources	3,151,882	56,130	3,208,012
Liabilities:			
Accounts Payable	202,750	815,313	1,018,063
Contracts Payable	352,100	0	352,100
Accrued Wages and Benefits	238,187	8,809	246,996
Intergovernmental Payable	440,390	297,585	737,975
Retainage Payable	75,717	239,039	314,756
Matured Compensated Absences	18,386	0	18,386
Accrued Interest Payable	28,653	3,057	31,710
Claims Payable	127,446	0	127,446
Long-Term Liabilities:			
Due within One Year	2,043,999	285,521	2,329,520
Due in More than One Year:			
Net pension liability	20,100,307	317,302	20,417,609
Other Amounts Due in More than One Year	13,555,071	9,173,938	22,729,009
Total Liabilities	37,183,006	11,140,564	48,323,570
Deferred Inflows of Resources:			
Pension	123,401	5,761	129,162
Property Taxes	6,948,501	0	6,948,501
Total Deferred Inflows of Resources	7,071,902	5,761	7,077,663

(continued)

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

City of Rocky River, Ohio

Statement of Net Position (Continued)

December 31, 2015

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
Net Position:			
Net Investment in Capital Assets	42,891,009	13,678,763	56,569,772
Restricted for:			
Office on Aging	243,704	0	243,704
Refuse and Recycling	377,763	0	377,763
Capital Projects	5,165,910	0	5,165,910
Debt Service	944,069	0	944,069
Street Construction and Maintenance	821,270	0	821,270
Law Enforcement and Education	300,154	0	300,154
Security of Persons and Property	464,107	0	464,107
Community Impact	3,312	0	3,312
Unrestricted	<u>(10,876,056)</u>	<u>8,189,432</u>	<u>(2,686,624)</u>
Total Net Position	\$ <u><u>40,335,242</u></u>	\$ <u><u>21,868,195</u></u>	\$ <u><u>62,203,437</u></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, 2015

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Government Activities:				
General Government	\$ 5,940,993	\$ 2,088,114	\$ 111,317	\$ 512,763
Security of Persons and Property	9,248,644	1,196,046	30,925	0
Public Health	1,090,434	371,903	0	150,000
Transportation	3,996,908	975	902,937	0
Leisure Time Activities	3,497,102	2,381,887	0	0
Community Development	509,093	325	0	0
Basic Utility Service	1,745,388	9,310	85,407	0
Interest and Fiscal Charges	306,989	0	0	0
Total Governmental Activities	<u>26,335,551</u>	<u>6,048,560</u>	<u>1,130,586</u>	<u>662,763</u>
Business-Type Activities:				
Sanitary Sewer Charges	<u>3,965,030</u>	<u>4,553,885</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 30,300,581</u>	<u>\$ 10,602,445</u>	<u>\$ 1,130,586</u>	<u>\$ 662,763</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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year, Restated

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>
\$ (3,228,799)	\$ 0	\$ (3,228,799)
(8,021,673)	0	(8,021,673)
(568,531)	0	(568,531)
(3,092,996)	0	(3,092,996)
(1,115,215)	0	(1,115,215)
(508,768)	0	(508,768)
(1,650,671)	0	(1,650,671)
(306,989)	0	(306,989)
<u>(18,493,642)</u>	<u>0</u>	<u>(18,493,642)</u>
<u>0</u>	<u>588,855</u>	<u>588,855</u>
<u>(18,493,642)</u>	<u>588,855</u>	<u>(17,904,787)</u>
3,756,030	0	3,756,030
298,146	0	298,146
298,146	0	298,146
596,288	0	596,288
179,415	0	179,415
179,415	0	179,415
596,289	0	596,289
596,289	0	596,289
13,304,985	0	13,304,985
264,187	0	264,187
89,504	0	89,504
1,355,228	0	1,355,228
27,452	0	27,452
354,523	0	354,523
<u>(65,538)</u>	<u>65,538</u>	<u>0</u>
<u>21,830,359</u>	<u>65,538</u>	<u>21,895,897</u>
3,336,717	654,393	3,991,110
<u>36,998,525</u>	<u>21,213,802</u>	<u>58,212,327</u>
\$ <u>40,335,242</u>	\$ <u>21,868,195</u>	\$ <u>62,203,437</u>

City of Rocky River, Ohio

Balance Sheet Governmental Funds

December 31, 2015

	General	Recreation Center	General Obligation Bond Retirement
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 4,606,774	\$ 259,079	\$ 504,057
Restricted Cash and Cash Equivalents	0	0	0
Accrued Interest Receivable	17,424	0	0
Accounts Receivable, Net	309,873	18,939	0
Intergovernmental Receivable	471,973	21,351	42,704
Interfund Receivable	450,000	0	0
Materials and Supplies Inventory	20,205	5,062	0
Prepaid Assets	7,720	0	0
Municipal Income Taxes Receivable	3,976,115	0	0
Property Taxes Receivable	4,151,358	329,473	658,946
Special Assessments Receivable	0	0	0
Total Assets	<u>\$ 14,011,442</u>	<u>\$ 633,904</u>	<u>\$ 1,205,707</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 96,242	\$ 34,040	\$ 0
Contracts Payable	0	0	0
Accrued Wages and Benefits	142,213	37,083	0
Intergovernmental Payable	170,074	46,388	0
Retainage Payable	0	0	0
Matured Compensated Absences	18,386	0	0
Interfund Payable	0	450,000	0
Total Liabilities	<u>426,915</u>	<u>567,511</u>	<u>0</u>
Deferred Inflows of Resources:			
Property Taxes	4,016,106	318,739	637,477
Unavailable Revenue	2,503,439	32,085	64,173
Total Deferred Inflows of Resources	<u>6,519,545</u>	<u>350,824</u>	<u>701,650</u>
Fund Balances:			
Nonspendable	60,058	5,062	0
Restricted	0	0	504,057
Assigned	3,221,848	0	0
Unassigned (Deficit)	3,783,076	(289,493)	0
Total Fund Balances (Deficit)	<u>7,064,982</u>	<u>(284,431)</u>	<u>504,057</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 14,011,442</u>	<u>\$ 633,904</u>	<u>\$ 1,205,707</u>

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

<u>Capital Improvement</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
\$ 3,131,547	\$ 4,306,247	\$ 12,807,704
69,185	0	69,185
0	1,864	19,288
65,663	55,560	450,035
42,704	474,112	1,052,844
0	0	450,000
0	153,737	179,004
0	300	8,020
0	0	3,976,115
658,946	1,383,787	7,182,510
0	390,059	390,059
<u>\$ 3,968,045</u>	<u>\$ 6,765,666</u>	<u>\$ 26,584,764</u>
\$ 0	\$ 72,468	\$ 202,750
352,100	0	352,100
0	58,891	238,187
0	223,928	440,390
75,717	0	75,717
0	0	18,386
0	0	450,000
<u>427,817</u>	<u>355,287</u>	<u>1,777,530</u>
637,477	1,338,702	6,948,501
<u>64,173</u>	<u>775,266</u>	<u>3,439,136</u>
<u>701,650</u>	<u>2,113,968</u>	<u>10,387,637</u>
0	154,037	219,157
2,838,578	4,142,374	7,485,009
0	0	3,221,848
0	0	3,493,583
<u>2,838,578</u>	<u>4,296,411</u>	<u>14,419,597</u>
<u>\$ 3,968,045</u>	<u>\$ 6,765,666</u>	<u>\$ 26,584,764</u>

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City of Rocky River, Ohio

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

December 31, 2015

Total Governmental Funds Balance \$ 14,419,597

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. 54,010,103

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

	\$		
Delinquent Property Taxes		234,009	
Municipal Income Taxes		1,896,485	
Special Assessments		390,059	
Charges for Services		72,172	
Intergovernmental		<u>846,411</u>	
Total			3,439,136

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (28,653)

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		1,189,841	
Internal Balance		<u>(37,017)</u>	
Total			1,152,824

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

General Obligation Bonds		(11,061,896)	
Deferred Charges on Refunding		292,802	
Special Assessments		(350,000)	
Compensated Absences		(3,825,129)	
Police and Fire Pension Liability		<u>(362,045)</u>	
Total			(15,306,268)

The net pension asset / liability are not due and receivable / payable in the current period; therefore, the asset / liability and related deferred outflows / inflows are not reported in governmental funds.

Net Pension Asset		13,131	
Deferred Outflows of Resources - Pension		2,859,080	
Net Pension Liability		(20,100,307)	
Deferred Inflows of Resources - Pension		<u>(123,401)</u>	
Total			<u>(17,351,497)</u>

Net Position of Governmental Activities \$ 40,335,242

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, 2015

	General	Recreation Center	General Obligation Bond Retirement
Revenues:			
Property Taxes	\$ 3,756,479	\$ 298,146	\$ 596,289
Municipal Income Taxes	11,043,186	0	0
Other Local Taxes	102,296	0	0
Intergovernmental	927,486	42,702	85,407
Charges for Services	41,959	2,361,945	0
Fines, Fees and Permits	3,004,948	0	0
Special Assessments	0	0	0
Investment Income	9,354	0	0
Rentals	76,553	19,942	0
Other	<u>122,083</u>	<u>18,939</u>	<u>0</u>
Total Revenues	<u>19,084,344</u>	<u>2,741,674</u>	<u>681,696</u>
Expenditures:			
Current:			
General Government	4,560,951	0	0
Security of Persons and Property	7,507,686	0	0
Public Health	0	0	0
Transportation	700,305	0	0
Leisure Time Activities	266,646	3,048,304	0
Community Development	655,520	0	0
Basic Utility Service	0	0	0
Capital Outlay	30,750	1,961	0
Debt Service:			
Principal Retirement	0	0	455,000
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>277,663</u>
Total Expenditures	<u>13,721,858</u>	<u>3,050,265</u>	<u>732,663</u>
Excess of Revenues Over (Under) Expenditures	<u>5,362,486</u>	<u>(308,591)</u>	<u>(50,967)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	11,985	0	0
Transfers - In	0	425,000	335,000
Transfers - Out	<u>(4,798,300)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(4,786,315)</u>	<u>425,000</u>	<u>335,000</u>
Net Change in Fund Balances	576,171	116,409	284,033
Fund Balances (Deficit) at Beginning of Year	<u>6,488,811</u>	<u>(400,840)</u>	<u>220,024</u>
Fund Balances (Deficit) at End of Year	\$ <u><u>7,064,982</u></u>	\$ <u><u>(284,431)</u></u>	\$ <u><u>504,057</u></u>

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

<u>Capital Improvement</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
\$ 596,289	\$ 1,253,264	\$ 6,500,467
2,032,052	0	13,075,238
251,395	0	353,691
40,432	2,024,271	3,120,298
0	340,413	2,744,317
0	437,106	3,442,054
0	54,353	54,353
0	1,819	11,173
0	0	96,495
<u>189,743</u>	<u>23,758</u>	<u>354,523</u>
<u>3,109,911</u>	<u>4,134,984</u>	<u>29,752,609</u>
160,975	488,598	5,210,524
0	1,484,996	8,992,682
0	993,557	993,557
0	1,380,542	2,080,847
0	0	3,314,950
0	0	655,520
0	1,551,473	1,551,473
2,600,109	1,592,944	4,225,764
0	284,651	739,651
<u>0</u>	<u>76,990</u>	<u>354,653</u>
<u>2,761,084</u>	<u>7,853,751</u>	<u>28,119,621</u>
<u>348,827</u>	<u>(3,718,767)</u>	<u>1,632,988</u>
0	0	11,985
0	4,038,300	4,798,300
<u>0</u>	<u>0</u>	<u>(4,798,300)</u>
<u>0</u>	<u>4,038,300</u>	<u>11,985</u>
348,827	319,533	1,644,973
<u>2,489,751</u>	<u>3,976,878</u>	<u>12,774,624</u>
\$ <u><u>2,838,578</u></u>	\$ <u><u>4,296,411</u></u>	\$ <u><u>14,419,597</u></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, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 1,644,973

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 useful lives and reported as depreciation expense. This is the amount by which depreciation differed from capital outlays in the current period.

Capital Outlay	\$ 3,020,496	
Assets Transferred Out	(65,638)	
Depreciation	<u>(2,383,138)</u>	
Total		571,720

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	(449)	
Municipal Income Taxes	229,747	
Special Assessments	(234,066)	
Charges for Services	(50,299)	
Intergovernmental	<u>28,279</u>	
Total		(26,788)

Repayment of bond principal and payment to refunded escrow agent is an expenditure in the Governmental Funds, but these expenditures reduce long-term liabilities in the Statement of Net Position.

General Obligation Bonds	665,000	
Special Assessment Bonds	<u>40,000</u>	
Total		705,000

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	19,838	
Amortization of Bond Premium	64,053	
Loss on Refunding	<u>(36,227)</u>	
Total		47,664

(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, 2015

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	(6,182)	
Police and Fire Pension Liability	<u>34,651</u>	
Total		28,469

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 amongst the Governmental Activities.

Change in Net Position	464,141	
Change in Internal Balance	<u>(12,933)</u>	
Total		451,208

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

1,922,259

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.

(2,007,788)

Change in Net Position of Governmental Activities

\$ 3,336,717

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

General Fund

For the Year Ended December 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,221,738	\$ 4,221,738	\$ 3,756,479	\$ (465,259)
Municipal Income Taxes	9,850,000	9,850,000	10,221,193	371,193
Other Local Taxes	42,000	82,000	89,504	7,504
Intergovernmental	374,877	375,077	932,167	557,090
Charges for Services	52,300	52,300	41,959	(10,341)
Fines, Fees, and Permits	3,556,500	3,734,000	2,977,258	(756,742)
Investment Income	20,000	20,000	22,256	2,256
Rentals	80,000	80,000	76,553	(3,447)
Other	97,000	109,100	122,083	12,983
Total Revenues	<u>18,294,415</u>	<u>18,524,215</u>	<u>18,239,452</u>	<u>(284,763)</u>
Expenditures:				
Current:				
General Government	5,600,717	5,667,515	4,673,092	994,423
Security of Persons and Property	8,232,198	8,387,112	7,645,990	741,122
Transportation	782,370	789,193	707,232	81,961
Leisure Time Activities	308,549	310,693	267,427	43,266
Community Development	848,358	873,098	670,067	203,031
Capital Outlay	56,640	54,140	30,850	23,290
Total Expenditures	<u>15,828,832</u>	<u>16,081,751</u>	<u>13,994,658</u>	<u>2,087,093</u>
Excess of Revenues Over Expenditures	<u>2,465,583</u>	<u>2,442,464</u>	<u>4,244,794</u>	<u>1,802,330</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	12,000	12,000	11,985	(15)
Transfers - Out	(6,153,300)	(6,153,300)	(4,798,300)	1,355,000
Advances – In	0	8,000	8,000	0
Total Other Financing Sources (Uses)	<u>(6,141,300)</u>	<u>(6,133,300)</u>	<u>(4,778,315)</u>	<u>1,354,985</u>
Net Change in Fund Balance	(3,675,717)	(3,690,836)	(533,521)	3,157,315
Fund Balance at Beginning of Year	4,906,860	4,906,860	4,906,860	0
Prior Year Encumbrances Appropriated	<u>131,303</u>	<u>131,303</u>	<u>131,303</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,362,446</u>	\$ <u>1,347,327</u>	\$ <u>4,504,642</u>	\$ <u>3,157,315</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, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 335,058	\$ 335,058	\$ 298,146	\$ (36,912)
Intergovernmental	0	0	42,702	42,702
Charges for Services	2,310,000	2,362,100	2,361,945	(155)
Rentals	<u>18,000</u>	<u>20,000</u>	<u>19,942</u>	<u>(58)</u>
Total Revenues	<u>2,663,058</u>	<u>2,717,158</u>	<u>2,722,735</u>	<u>5,577</u>
Expenditures:				
Current:				
Leisure Time Activities	3,202,680	3,232,446	3,122,860	109,586
Capital Outlay	<u>2,500</u>	<u>3,500</u>	<u>3,461</u>	<u>39</u>
Total Expenditures	<u>3,205,180</u>	<u>3,235,946</u>	<u>3,126,321</u>	<u>109,625</u>
Excess of Revenues Over (Under) Expenditures	(542,122)	(518,788)	(403,586)	115,202
Other Financing Sources (Uses):				
Transfers - In	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>0</u>
Net Change in Fund Balances	(117,122)	(93,788)	21,414	115,202
Fund Balance at Beginning of Year	109,382	109,382	109,382	0
Prior Year Encumbrances Appropriated	<u>69,690</u>	<u>69,690</u>	<u>69,690</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>61,950</u>	\$ <u>85,284</u>	\$ <u>200,486</u>	\$ <u>115,202</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, 2015

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 4,195,393	\$ 1,317,287
Restricted Cash and Cash Equivalents	44,845	0
Accounts Receivable	633,622	0
Materials and Supplies Inventory	10,159	0
Special Assessments Receivable	247,811	0
Total Current Assets	<u>5,131,830</u>	<u>1,317,287</u>
Noncurrent Assets:		
Investment in Joint Venture	4,713,262	0
Nondepreciable Capital Assets	2,753,791	0
Depreciable Capital Assets, Net	20,321,877	0
Net Pension Asset	613	0
Total Noncurrent Assets	<u>27,789,543</u>	<u>0</u>
Total Assets	<u>32,921,373</u>	<u>1,317,287</u>
Deferred Outflows of Resources:		
Pension	<u>56,130</u>	<u>0</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	815,313	0
Accrued Wages and Benefits	8,809	0
Intergovernmental Payable	297,585	0
Retainage Payable	239,039	0
Accrued Interest Payable	3,057	0
Claims Payable	0	127,446
Compensated Absences Payable	9,303	0
OWDA and OPWC Loans Payable	276,218	0
Total Current Liabilities	<u>1,649,324</u>	<u>127,446</u>
Long-term Liabilities:		
Accrued Compensated Absences (Net of Current Portion)	53,251	0
OWDA and OPWC Loans Payable (Net of Current Portion)	9,120,687	0
Net Pension Liability	317,302	0
Total Long-Term Liabilities	<u>9,491,240</u>	<u>0</u>
Total Liabilities	<u>11,140,564</u>	<u>127,446</u>
Deferred Inflows of Resources:		
Pension	<u>5,761</u>	<u>0</u>

(continued)

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

City of Rocky River, Ohio

Statement of Fund Net Position (Continued) Proprietary Funds

December 31, 2015

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
Net Position:		
Net Investment in Capital Assets	13,678,763	0
Unrestricted	<u>8,152,415</u>	<u>1,189,841</u>
Total Net Position	21,831,178	\$ <u><u>1,189,841</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>37,017</u>	
 Net Position of Business-Type Activities	 \$ <u><u>21,868,195</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, 2015

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
	<u> </u>	<u> </u>
Operating Revenues:		
Charges for Services	\$ <u>4,553,885</u>	\$ <u>2,499,725</u>
Operating Expenses:		
Personal Service	484,735	0
Materials and Supplies	54,901	0
Contractual Services	2,473,430	283,088
Heat, Light and Power	22,915	0
Depreciation	365,843	0
Loss on Investment in Joint Venture	547,896	0
Other	19,723	0
Claims	<u>0</u>	<u>1,752,496</u>
Total Operating Expenses	<u>3,969,443</u>	<u>2,035,584</u>
Operating Income	<u>584,442</u>	<u>464,141</u>
Non-Operating Revenue (Expenses):		
Interest Expense	(8,520)	0
Contributed Capital	<u>65,538</u>	<u>0</u>
Total Non-Operating Revenue	<u>57,018</u>	<u>0</u>
Change in Net Position	641,460	464,141
Net Position at Beginning of Year, Restated	<u>21,189,718</u>	<u>725,700</u>
Net Position at End of Year	\$ <u>21,831,178</u>	\$ <u>1,189,841</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>12,933</u>	
Change in Net Position of Business-Type Activities	\$ <u>654,393</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, 2015

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 4,375,157	\$ 2,499,725
Cash Payments for Goods and Services	(1,755,617)	(283,088)
Cash Payments to Employees for Services and Benefits	(499,561)	0
Cash Payments for Claims	0	(1,762,931)
Cash Payments for Other Operating Expenses	<u>(19,723)</u>	<u>0</u>
Net Cash Provided by Operating Activities	<u>2,100,256</u>	<u>453,706</u>
Cash Flows from Capital and Related Financing Activities:		
Capital Acquisitions	(1,972,203)	0
OPWC Loan Proceeds	702,896	
Principal Paid on OWDA and OPWC Loans	(231,153)	0
Interest Paid on OWDA Loan	<u>(11,259)</u>	<u>0</u>
Net Cash Used for Capital and Related Financing Activities	<u>(1,511,719)</u>	<u>0</u>
Net Increase Cash and Cash Equivalents	588,537	453,706
Cash and Cash Equivalents at Beginning of Year	<u>3,651,701</u>	<u>863,581</u>
Cash and Cash Equivalents at End of Year	\$ <u>4,240,238</u>	\$ <u>1,317,287</u>

(continued)

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

City of Rocky River, Ohio

Statement of Cash Flows (Continued) Proprietary Fund Types

For the Year Ended December 31, 2015

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
	<u> </u>	<u> </u>
Reconciliation of Operating Income to Net Cash From Operating Activities:		
Operating Income	\$ 584,442	\$ 464,141
Adjustments:		
Depreciation	365,843	0
Change in Operating Assets and Liabilities:		
Accounts Receivable	69,083	0
Materials and Supplies Inventory	(1,686)	0
Special Assessments Receivable	(247,811)	0
Investment in Joint Venture	310,994	
Net Pension Asset	(446)	0
Deferred Outflows of Resources – Pension	(18,676)	0
Accounts Payable	573,990	0
Retainage Payable	171,691	0
Accrued Wages and Benefits	1,454	0
Compensated Absences Payable	(5,902)	0
Intergovernmental Payable	284,352	0
Claims Payable	0	(10,435)
Net Pension Liability	7,167	0
Deferred Inflows of Resources - Pension	<u>5,761</u>	<u>0</u>
Total Adjustments	<u>1,515,814</u>	<u>(10,435)</u>
Net Cash Provided by Operating Activities	\$ <u>2,100,256</u>	\$ <u>453,706</u>
Noncash Capital Financing Activities:		
Capital contributions	\$ 65,538	\$ 0

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, 2015

	<u>Investment Trust</u>	
	<u>Individual Investment Account</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 321,883
Cash and Cash Equivalents:		
In Segregated Accounts	<u>3,169,226</u>	<u>405,482</u>
Total Assets	<u>3,169,226</u>	\$ <u><u>727,365</u></u>
Liabilities:		
Undistributed Monies	0	\$ 243,563
Deposits Held and Due to Others	<u>0</u>	<u>483,802</u>
Total Liabilities	<u>0</u>	\$ <u><u>727,365</u></u>
Net Position:		
Held in Trust for Participants	\$ <u><u>3,169,226</u></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, 2015

	<u>Individual Investment Account</u>
Additions:	
Interest	\$ 6,262
Capital Transaction – Purchases	<u>2,933,654</u>
Total Additions	<u>2,939,916</u>
Deductions:	
Capital Transaction – Redemptions	2,988,364
Distributions to Participants	<u>5,366</u>
Total Deductions	<u>2,993,730</u>
Change in Net Position	(53,814)
Net Position Beginning of Year	<u>3,223,040</u>
Net Position End of Year	\$ <u><u>3,169,226</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, 2015

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 2014. 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 1: Description of City and Reporting Entity (Continued)

Reporting Entity (Continued)

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.

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, 2015

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 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.

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, 2015

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 and the accumulation of resources to rehabilitate through acquisition, construction, or improvement the City's sanitary sewer infrastructure. 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 and fees to 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 2: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus (Continued)

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. 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, 2015

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 and pension reported in the government-wide Statement of Net Position. The 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. The deferred outflows of resources related to pension are explained in Note 14.

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, unavailable revenue and amounts for the pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and 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. Deferred inflows of resources related to pension are reported on the government-wide Statement of Net Position and in the proprietary funds on the Statement of Fund Net Position.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 2: Summary of Significant Accounting Policies (Continued)

E. Cash and Cash Equivalents (Continued)

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.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2015. 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 SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2015.

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 2015 amounted to \$9,354, which includes \$6,039 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, in the Statement of Fiduciary Net Position of the financial statements, as "Cash and Cash Equivalents in Segregated Accounts" and represents deposits or nonnegotiable certificates of deposit which are reported at cost. During 2015, investments purchased through this account were limited to nonnegotiable certificates of deposit and are reported at cost.

F. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling legislation. The City's restricted cash relates to an escrow account held for retainage funds payable to contractors at the completion of the City's current projects.

G. 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.

H. Investment in Joint Venture

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 2: Summary of Significant Accounting Policies (Continued)

I. Prepaid Assets

Payments made to vendors for services that will benefit periods beyond December 31, 2015 are recorded as prepaid assets 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.

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.

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 2015, 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 2015. 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	10 - 75 Years

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 2: Summary of Significant Accounting Policies (Continued)

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, 2015.

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. Vacation accumulation is limited to two times the amount earned by an employee during the year.

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, compensated absences, and net pension liabilities 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 received in the year the bonds are issued.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 2: Summary of Significant Accounting Policies (Continued)

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.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 2: Summary of Significant Accounting Policies (Continued)

O. Fund Balance (Continued)

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 2016 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.

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.

The government-wide Statement of Net Position reports \$8,320,289 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 2: Summary of Significant Accounting Policies (Continued)

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 2015, there were no extraordinary or special items.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 2: Summary of Significant Accounting Policies (Continued)

U. Budgetary Data (Continued)

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. Pensions

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

W. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2015, the sewer fund received contributions of capital in the amount of \$65,538 from governmental activities.

X. 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 2015 data in order to conform to the 2016 presentation.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 3: Change in Accounting Principles

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Position at December 31, 2014, as Previously Reported	\$ 54,264,493	\$ 21,486,316	\$ 75,750,809
Net Pension Asset	3,579	167	3,746
Deferred Outflow – Payments Subsequent to Measurement Date	1,880,860	37,454	1,918,314
Net Pension Liability	<u>(19,150,407)</u>	<u>(310,135)</u>	<u>(19,460,542)</u>
Restated Net Position at December 31, 2014	\$ <u>36,998,525</u>	\$ <u>21,213,802</u>	\$ <u>58,212,327</u>

The sewer fund was restated from \$21,462,232 to \$21,189,718 to account for the total Business-Type Activities restatement.

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 4: Budgetary Basis of Accounting (Continued)

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 Recreation Center Fund.

	<u>Net Change in Fund Balance</u>	
	<u>General</u>	<u>Recreation Center</u>
GAAP basis	\$ 576,171	\$ 116,409
Net adjustment for revenue accruals	(836,892)	(18,939)
Net adjustment for expenditure accruals	(160,034)	(17,463)
Encumbrances	<u>(112,766)</u>	<u>(58,593)</u>
Budget basis	\$ <u><u>(533,521)</u></u>	\$ <u><u>21,414</u></u>

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:

	<u>General Fund</u>	<u>Recreation Center</u>	<u>General Obligation Bond Retirement</u>	<u>Capital Improvement</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Inventory	\$ 20,205	\$ 5,062	\$ 0	\$ 0	\$ 153,737	\$ 179,004
Prepaid Assets	7,720	0	0	0	300	8,020
Unclaimed funds	<u>32,133</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32,133</u>
Total Nonspendable	<u>60,058</u>	<u>5,062</u>	<u>0</u>	<u>0</u>	<u>154,037</u>	<u>219,157</u>

(continued)

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 5: Fund Balances (Continued)

	General Fund	Recreation Center	General Obligation Bond Retirement	Capital Improvement	Total Non-major Funds	Total Governmental Funds
Restricted for:						
Capital Improvements	0	0	0	2,838,578	2,264,790	5,103,368
Community Impacts	0	0	0	0	3,312	3,312
Debt Service	0	0	504,057	0	9,040	513,097
Law Enforcement and Education	0	0	0	0	300,154	300,154
Marine Patrol	0	0	0	0	15,774	15,774
Office on Aging	0	0	0	0	156,790	156,790
Refuse and Recycling	0	0	0	0	310,042	310,042
Security of Persons and Property	0	0	0	0	605,834	605,834
Street Construction and Maintenance	0	0	0	0	476,638	476,638
Total Restricted	<u>0</u>	<u>0</u>	<u>504,057</u>	<u>2,838,578</u>	<u>4,142,374</u>	<u>7,485,009</u>
Assigned to:						
Purchases on Order Subsequent Year's Budget: Appropriation of Fund Balance	50,552	0	0	0	0	50,552
Total Assigned	<u>3,221,848</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,221,848</u>
Unassigned (Deficit)	<u>3,783,076</u>	<u>(289,493)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,493,583</u>
Total Fund Balance	\$ <u>7,064,982</u>	\$ <u>(284,431)</u>	\$ <u>504,057</u>	\$ <u>2,838,578</u>	\$ <u>4,296,411</u>	\$ <u>14,419,597</u>

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 "The 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 6: Deposits and Investments (Continued)

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 \$18,751,815 and the bank balance was \$18,962,554. Of the bank balance \$3,062,224 was covered by the FDIC and \$15,040,330 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, 2015.

Investments

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

	<u>Fair Value</u>	<u>Maturities (in years) Less than 1</u>	<u>Maturities (in years) More than 1</u>
Municipal Bonds	\$ 264,269	\$ 35,445	\$ 228,824
Municipal Bond Anticipation Note	<u>3,309,571</u>	<u>3,309,571</u>	<u>0</u>
Total	<u>\$ 3,573,840</u>	<u>\$ 3,345,016</u>	<u>\$ 228,824</u>

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City Charter addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The Ohio Revised Code Chapter 135 also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of standards prescribed by Ohio Revised Code Chapter 135 and be periodically reviewed.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 6: Deposits and Investments (Continued)

Credit Risk is addressed by the City's Charter by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. The Municipal Bonds are unrated. The Municipal Bond Anticipation Notes carry a rating of Aa2 by Moody's.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2015:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Municipal Bonds	7.4 %
Municipal Bond Anticipation Notes	92.6 %
	<u>100 %</u>

Note 7: Property Taxes

Property taxes include amounts levied against real and public utility properties located in the City. Property tax revenue received during 2015 represents collections of the 2014 taxes.

2015 real property taxes were levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by Ohio Revised Code at 35 percent of appraised value. 2015 real property taxes are collected in and intended to finance 2016.

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. 2015 public utility property taxes which became a lien December 31, 2014, were levied after October 1, 2015, and were collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015, 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 2015 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 680,005,610
Public Utility	8,706,580
Total	\$ <u>688,712,190</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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 7: Property Taxes (Continued)

The Cuyahoga County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer 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, 2015 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 2015 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 2 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 1 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 and Capital Improvements Fund.

During 2015, the City held a contractual agreement with the Central Collection Agency, a division of the City of Cleveland, to administer and collect municipal income taxes for the City. Amounts collected are remitted monthly to the City. Collection fees for 2015 were \$369,636. Beginning January 1, 2016, the City joined Regional Income Tax Agency to perform these services.

Note 9: Receivables

Receivables at December 31, 2015, 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 historical percentage of collections of amounts billed. The City has estimated \$135,233 in uncollectible billings for user charged services.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 9: Receivables (Continued)

A summary of Intergovernmental Receivables follows:

Governmental Activities:

Homestead and Rollback	\$	465,455
Local Government		197,237
Auto Registration and Gasoline Tax		372,462
Permissive Tax		11,974
Estate Tax		<u>5,716</u>
Total Intergovernmental Receivable	\$	<u>1,052,844</u>

Special assessments expected to be collected beyond one year amount to \$310,000 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding is \$114,455 at December 31, 2015.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 10: Capital Assets

A summary of changes in capital assets during 2015 follows:

	<u>Balance</u> <u>12/31/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/15</u>
Governmental Activities				
<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>5,183,314</u>	<u>124,644</u>	<u>(3,857,474)</u>	<u>1,450,484</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>7,404,298</u>	<u>124,644</u>	<u>(3,857,474)</u>	<u>3,671,468</u>
<i>Depreciable Capital Assets</i>				
Land Improvements	4,863,794	445,302	0	5,309,096
Buildings	33,730,576	566,603	0	34,297,179
Furniture, Fixtures and Equipment	5,139,055	105,971	0	5,245,026
Vehicles	7,490,291	1,375,959	(407,347)	8,458,903
Infrastructure:				
Roads	29,997,993	3,145,730	0	33,143,723
Sidewalks	2,021,752	106,395	0	2,128,147
Traffic Signals	2,827,033	0	0	2,827,033
Storm Sewers	<u>8,537,216</u>	<u>941,728</u>	<u>0</u>	<u>9,478,944</u>
<i>Total Depreciable Capital Assets</i>	<u>94,607,710</u>	<u>6,687,688</u>	<u>(407,347)</u>	<u>100,888,051</u>
Less Accumulated Depreciation:				
Land Improvements	(1,627,051)	(143,794)	0	(1,770,845)
Building	(12,825,621)	(598,159)	0	(13,423,780)
Furniture, Fixtures and Equipment	(4,377,000)	(175,547)	0	(4,552,547)
Vehicles	(7,224,489)	(360,026)	407,347	(7,177,168)
Infrastructure:				
Roads	(18,063,775)	(869,046)	0	(18,932,821)
Sidewalks	(205,653)	(51,878)	0	(257,531)
Traffic Signals	(2,557,133)	(99,718)	0	(2,656,851)
Storm Sewers	<u>(1,692,903)</u>	<u>(84,970)</u>	<u>0</u>	<u>(1,777,873)</u>
<i>Total Accumulated Depreciation</i>	<u>(48,573,625)</u>	<u>(2,383,138)</u>	<u>407,347</u>	<u>(50,549,416)</u>
Total Depreciable Capital Assets, Net	<u>46,034,085</u>	<u>4,304,550</u>	<u>0</u>	<u>50,338,635</u>
Governmental Activities Capital Assets, Net	\$ <u>53,438,383</u>	\$ <u>4,429,194</u>	\$ <u>(3,857,474)</u>	\$ <u>54,010,103</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 10: Capital Assets (Continued)

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15
Business-Type Activities				
<i>Non-Depreciable Capital Assets</i>				
Land	\$ 39,516	\$ 0	\$ 0	\$ 39,516
Right of Way	250,000	0	0	250,000
Construction in Progress	<u>1,666,693</u>	<u>2,034,341</u>	<u>(1,236,759)</u>	<u>2,464,275</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>1,956,209</u>	<u>2,034,341</u>	<u>(1,236,759)</u>	<u>2,753,791</u>
<i>Depreciable Capital Assets</i>				
Furniture, Fixtures and Equipment	113,243	0	0	113,243
Vehicles	540,859	3,400	(158,959)	385,300
Sewer Lines	<u>26,031,256</u>	<u>1,236,759</u>	<u>0</u>	<u>27,268,015</u>
<i>Total Depreciable Capital Assets</i>	<u>26,685,358</u>	<u>1,240,159</u>	<u>(158,959)</u>	<u>27,766,558</u>
Less Accumulated Depreciation				
Furniture, Fixtures and Equipment	(108,668)	(4,575)	0	(113,243)
Vehicles	(540,859)	(680)	158,959	(382,580)
Sewer Lines	<u>(6,588,270)</u>	<u>(360,588)</u>	<u>0</u>	<u>(6,948,858)</u>
<i>Total Accumulated Depreciation</i>	<u>(7,237,797)</u>	<u>(365,843)</u>	<u>158,959</u>	<u>(7,444,681)</u>
Total Depreciable Capital Assets, Net	<u>19,447,561</u>	<u>874,316</u>	<u>0</u>	<u>20,321,877</u>
Total Business-Type Activities Capital Assets, Net	\$ <u>21,403,770</u>	\$ <u>2,908,657</u>	\$ <u>(1,236,759)</u>	\$ <u>23,075,668</u>

During the year, the City transferred construction in progress from the Governmental Activities to the Sewer Fund. The construction in progress had a cost basis of \$65,538. This transfer is included in the construction in progress activity in the tables above.

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 190,292
Security of Persons and Property	311,433
Public Health	29,330
Transportation	956,012
Community Development	10,737
Basic Utility Service	276,892
Leisure Time Activities	<u>608,442</u>
Total	\$ <u>2,383,138</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 11: Joint Venture - Rocky River Wastewater Treatment Plant

The Rocky River Wastewater Treatment Plant (the “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 \$4,713,262 which represents approximately 25 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 2015 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 2015 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	\$	<u>1,208,425</u>	\$ <u>236,902</u>

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. This payment was made during 2015.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

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 2015, 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 individually and stop-loss coverage for 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 administrator paid by the fund from which the employees' salary is paid. Incurred but not reported claims of \$127,446 have been accrued as a liability at December 31, 2015 based on an estimate by the third-party administrator.

Changes in the fund's claims liability amount were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2013	\$ 103,336	\$ 1,799,747	\$ 1,614,944	\$ 288,139
2014	288,139	1,987,250	2,137,508	137,881
2015	137,881	1,752,496	1,762,931	127,446

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 14: Defined Benefit Pension Plans

A. Net Pension Liability

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

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

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

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

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

B. Plan Description – Ohio Public Employees Retirement System (OPERS)

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 14: Defined Benefit Pension Plans (Continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 14: Defined Benefit Pension Plans (Continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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

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

The City's 2015 contribution rate was 14 percent of earnable salary. In fiscal year 2015, the City's contractually required contribution was \$877,947 for 2015. Of this amount, \$78,462 is reported as accrued wages and benefits at December 31, 2015.

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

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

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 14: Defined Benefit Pension Plans (Continued)

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

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

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

	<u>Police</u>	<u>Firefighter</u>
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 14: Defined Benefit Pension Plans (Continued)

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

Employer contribution rates are expressed as a percentage of covered payroll. In fiscal year 2015, the City's contractually required contribution to OP&F was \$1,083,474 for 2015. Of this amount, \$102,201 is reported as accrued wages and benefits at December 31, 2015.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability (Asset)	\$ 7,113,422	\$ (13,744)	\$ 13,304,187	\$ 20,403,865
Proportion of the Net Pension Liability (Asset)	0.0589780%	0.0356970%	0.2568169%	
Pension Expense	\$ 731,286	\$ 7,822	\$ 1,301,649	\$ 2,040,757

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

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflow of resources				
City Contributions Subsequent to the Measurement Date	\$ 864,423	\$ 13,524	\$ 1,083,474	\$ 1,961,421
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>379,551</u>	<u>840</u>	<u>573,398</u>	<u>953,789</u>
Total deferred outflow of resources	\$ <u>1,243,974</u>	\$ <u>14,364</u>	\$ <u>1,656,872</u>	\$ <u>2,915,210</u>
Deferred inflow of resources				
Differences Between Expected and Actual Experience	\$ <u>124,969</u>	\$ <u>4,193</u>	\$ <u>-</u>	\$ <u>129,162</u>
Total Deferred Inflow of Resources	\$ <u>124,969</u>	\$ <u>4,193</u>	\$ <u>-</u>	\$ <u>129,162</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 14: Defined Benefit Pension Plans (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The \$1,961,421 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	OPERS		OP&F	Total
	Traditional	Combined		
2016	\$ 37,227	\$ (289)	\$ 143,350	\$ 180,288
2017	37,227	(289)	143,350	180,288
2018	85,241	(289)	143,349	228,301
2019	94,887	(289)	143,349	237,947
2020	-	(497)	-	(497)
2021-2024	-	(1,700)	-	(1,700)
	<u>\$ 254,582</u>	<u>\$ (3,353)</u>	<u>\$ 573,398</u>	<u>\$ 824,627</u>

E. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.75 percent	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent	4.25 to 8.05 percent
COLA or Ad Hoc COLA	3 percent	3 percent
Investment Rate of Return	8 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 14: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

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

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

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 14: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease <u>(7%)</u>	Discount Rate <u>(8%)</u>	1% Increase <u>(9%)</u>
City's Proportionate Share of the Net Pension Liability – Traditional	\$ 13,086,658	\$ 7,113,422	\$ 2,082,518
City's Proportionate Share of the Net Pension Liability (Asset) – Combined	\$ 1,785	\$ (13,744)	\$ (26,059)

F. Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11.00 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 14: Defined Benefit Pension Plans (Continued)

F. Actuarial Assumptions – OP&F (Continued)

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income	20.00	1.62
Global Inflation Protected	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 14: Defined Benefit Pension Plans (Continued)

F. Actuarial Assumptions – OP&F (Continued)

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease <u>(7.25%)</u>	Discount Rate <u>(8.25%)</u>	1% Increase <u>(9.25%)</u>
City’s proportionate share of the net pension liability	\$ 18,401,702	\$ 13,304,187	\$ 8,988,140

Note 15: Post-Employment Benefits

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 15: Post-Employment Benefits (Continued)

A. Ohio Public Employees Retirement System (Continued)

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, State and Local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The City's contributions for health care for the years ended December 31, 2015, 2014, and 2013 were \$171,381, \$160,564, and \$81,334, respectively. The full amount has been contributed for 2014 and 2013. For 2015, 90.89 percent has been contributed, with the remainder being reported as a liability within the accrued wages and benefits.

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 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 15: Post-Employment Benefits (Continued)

B. Ohio Police and Fire Pension Fund (Continued)

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.

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 their 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.

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 0.5 percent of covered payroll from January 1, 2015 thru December 31, 2015. 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 115 and 401(h).

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 15: Post-Employment Benefits (Continued)

B. Ohio Police and Fire Pension Fund (Continued)

The City's contributions to OP&F allocated to the health care plan for police and fire for the years ending December 31, 2015, 2014, and 2013 were \$13,570, \$13,324, and \$95,705 and \$12,365, \$12,367, and \$87,624, respectively. The full amount has been contributed for 2013 and 2014. For 2015, 90.8 percent for police and 90.4 percent for firefighters has been contributed, respectively, with the remainder being reported as a liability within the accrued wages and benefits.

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.

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 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 17: Conduit Debt (Continued)

West Shore Unitarian Universalist Church (Continued)

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Outstanding 12/31/15</u>	<u>Date of Maturity</u>
Economic Development Revenue Bonds, Series 2005	\$ 1,350,000	Variable	\$ 832,634	October 1, 2025

Note 18: Long-Term Obligations

The original issue date, interest rate, 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>
General Obligation Bonds			
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
2014 Civic Facility Improvements Refunded	1.50-3.50	4,640,000	December 1, 2024
2014 General Purpose Refunded	1.50-3.50	4,540,000	December 1, 2024
Special Assessment Bonds			
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
OPWC Loans			
Valley View Storm and Sanitary Sewer Improvement	0.00	2,541,718	January 1, 2041
Hampton Road Storm and Sanitary Sewer Improvement	0.00	3,268,413	January 1, 2043
Frazier Drive Sewer Improvement	0.00	2,891,803	January 1, 2044
Avalon Drive Sewer Improvement	0.00	NA	January 1, 2045
OWDA Loans			
2000 Pump Station and Sewer Repair	4.64	328,239	July 1, 2020
Avalon Drive Storm and Sanitary Sewer	3.03	252,456	July 1, 2017

NA – Amortized loan balance has not been determined.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 18: Long-Term Obligations (Continued)

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

	Outstanding 12/31/14	Additions	Reductions	Outstanding 12/31/15	Amount Due in One Year
Governmental Activities					
General Obligation Bonds					
2005 Civic Facility Improvements	\$ 405,000	\$ 0	\$ 405,000	\$ 0	\$ 0
2011 Municipal Court Facility Refunded	1,610,000	0	210,000	1,400,000	215,000
2014 Civic Facility Improvements Refunded	4,605,000	0	25,000	4,580,000	450,000
2014 General Purpose Refunded	4,540,000	0	25,000	4,515,000	485,000
Unamortized Premium	<u>630,949</u>	<u>0</u>	<u>64,053</u>	<u>566,896</u>	<u>0</u>
Total General Obligation Bonds	<u>11,790,949</u>	<u>0</u>	<u>729,053</u>	<u>11,061,896</u>	<u>1,150,000</u>
Special Assessment Bonds					
1998 Erosion Control (A)	225,000	0	25,000	200,000	25,000
2000 Erosion Control (B)	<u>165,000</u>	<u>0</u>	<u>15,000</u>	<u>150,000</u>	<u>15,000</u>
Total Special Assessment Bonds	<u>390,000</u>	<u>0</u>	<u>40,000</u>	<u>350,000</u>	<u>40,000</u>
Other Long-Term Obligations					
Compensated Absences Payable	3,818,947	1,593,432	1,587,250	3,825,129	817,860
Police and Fire Pension Liability	396,696	0	34,651	362,045	36,139
Net Pension Liability	<u>19,150,407</u>	<u>949,900</u>	<u>0</u>	<u>20,100,307</u>	<u>0</u>
Total Other Long-Term Obligations	<u>23,366,050</u>	<u>2,543,332</u>	<u>1,621,901</u>	<u>24,287,481</u>	<u>853,999</u>
<i>Total Governmental Activities</i>	<u>\$ 35,546,999</u>	<u>\$ 2,543,332</u>	<u>\$ 2,390,954</u>	<u>\$ 35,699,377</u>	<u>\$ 2,043,999</u>
Business-Type Activities					
Ohio Water Development Authority (OWDA) Loans					
2000 Pump Station and Sewer Repair	\$ 140,508	\$ 0	\$ 20,817	\$ 119,691	\$ 21,794
Avalon Drive Storm and Sanitary Sewer	<u>83,694</u>	<u>0</u>	<u>71,138</u>	<u>12,556</u>	<u>12,556</u>
Total OWDA Loans	<u>224,202</u>	<u>0</u>	<u>91,955</u>	<u>132,247</u>	<u>34,350</u>
Ohio Public Works Commission (OPWC) Loans					
Avalon Drive Sewer Improvement	0	701,922	0	701,922	0
Valley View Storm and Sanitary Sewer Improvement	2,541,718	0	84,724	2,456,994	84,724
Hampton Road Storm and Sanitary Sewer Improvement	3,268,413	0	54,474	3,213,939	108,947
Frazier Drive Sewer Improvement	<u>2,890,829</u>	<u>974</u>	<u>0</u>	<u>2,891,803</u>	<u>48,197</u>
Total OPWC Loans	<u>8,700,960</u>	<u>702,896</u>	<u>139,198</u>	<u>9,264,658</u>	<u>241,868</u>
Other Long-Term Obligations					
Compensated Absences Payable	68,456	46,043	51,945	62,554	9,303
Net Pension Liability	<u>310,135</u>	<u>7,167</u>	<u>0</u>	<u>317,302</u>	<u>0</u>
Total Other Long-Term Obligations	<u>378,591</u>	<u>53,210</u>	<u>51,945</u>	<u>379,856</u>	<u>9,303</u>
<i>Total Business-Type Activities</i>	<u>\$ 9,303,753</u>	<u>\$ 756,106</u>	<u>\$ 283,098</u>	<u>\$ 9,776,761</u>	<u>\$ 285,521</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 18: Long-Term Obligations (Continued)

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

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 loans will be paid from revenues derived by the City from sanitary sewer charges in the Sanitary Sewer Enterprise Fund.

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 \$42,362 for 30 years beginning January 1, 2015. These loans are repaid with revenues derived by the City's sanitary sewer charges.

Also during 2009, the City obtained an OPWC interest-free loan for the Hampton Road Storm and Sanitary Sewer Improvements to be repaid in semi-annual principal payments of \$54,474 for 30 years beginning July 1, 2015. These loans are repaid with revenues derived by the City's sanitary sewer charges.

During 2010, the City obtained an OPWC interest-free loan for the Frazier Drive Storm and Sanitary Sewer Improvements. This loan is to be repaid in semi-annual principal payments of \$48,197 for 30 years beginning July 1, 2016. These loans are repaid with revenues derived by the City's sanitary sewer charges.

During 2016, the City obtained an OPWC interest-free loan for the Avalon Drive Sewer Improvements. OPWC has authorized this loan up to \$4,937,800. The loan proceeds in the table on the previous page represent monies drawn against this loan through December 31, 2015, 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, 2015

Note 18: Long-Term Obligations (Continued)

The City's overall legal debt margin was \$68,204,744 at December 31, 2015. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015, are as follows:

	Governmental Activities							
	General Obligation Bonds		Special Assessment Bonds		Police and Fire Pension		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,150,000	\$ 295,419	\$ 40,000	\$ 18,400	\$ 36,139	\$ 15,007	\$ 1,226,139	\$ 328,826
2017	1,180,000	270,344	40,000	16,325	37,691	13,455	1,257,691	300,124
2018	1,195,000	242,094	40,000	14,237	39,310	11,836	1,274,310	268,167
2019	1,230,000	212,894	40,000	12,150	40,999	10,148	1,310,999	235,192
2020	1,215,000	181,988	40,000	10,050	17,533	8,589	1,272,533	200,627
2021-2025	4,525,000	380,989	150,000	20,025	66,339	34,355	4,741,339	435,369
2026-2030	0	0	0	0	81,864	18,831	81,864	18,831
2031-2035	0	0	0	0	42,170	2,489	42,170	2,489
2036-2040	0	0	0	0	0	0	0	0
2041-2045	0	0	0	0	0	0	0	0
2046-2050	0	0	0	0	0	0	0	0
Total	\$ <u>10,495,000</u>	\$ <u>1,583,728</u>	\$ <u>350,000</u>	\$ <u>91,187</u>	\$ <u>362,045</u>	\$ <u>114,710</u>	\$ <u>11,207,045</u>	\$ <u>1,789,625</u>

	Business Type Activity					
	OWDA Loans		OPWC		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016 \$	\$ 34,350	\$ 5,304	\$ 241,868	\$ 276,218	\$ 276,218	\$ 5,304
2017	22,817	4,281	290,064	312,881	312,881	4,281
2018	23,888	3,210	290,064	313,952	313,952	3,210
2019	25,009	2,089	290,064	315,073	315,073	2,089
2020	26,183	915	290,064	316,247	316,247	915
2021-2025	0	0	1,450,320	1,450,320	1,450,320	0
2026-2030	0	0	1,450,320	1,450,320	1,450,320	0
2031-2035	0	0	1,450,320	1,450,320	1,450,320	0
2036-2040	0	0	1,450,320	1,450,320	1,450,320	0
2041-2045	0	0	1,311,123	1,311,123	1,311,123	0
2046-2049	0	0	48,209	48,209	48,209	0
Total	\$ <u>132,247</u>	\$ <u>15,799</u>	\$ <u>8,562,736</u>	\$ <u>8,694,983</u>	\$ <u>8,694,983</u>	\$ <u>15,799</u>

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 19: Jointly Governed Organizations (Continued)

A. West Shore Council of Governments (Continued)

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 2015, the City contributed \$42,120 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.

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 2015, the City made contributions of \$4,800 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 2015, 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 19: Jointly Governed Organizations (Continued)

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. The City made no contributions to the Water Council in 2015. 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, 2015:

<u>Transfer to</u>	
Recreation Center	\$ 425,000
General Obligation Bond Retirement	335,000
Other Governmental Funds	<u>4,038,300</u>
Total Transfers	\$ <u>4,798,300</u>

During the year the City also had a transfer of capital assets. See Note 10 for more information.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 21: Interfund Activity (Continued)

B. Interfund Balances

At December 31, 2015, the City had a \$450,000 interfund receivable/payable between the General Fund and the Recreation Center Special Revenue Fund. The advance is expected to be repaid within a year.

Note 22: Accountability

There is a deficit in the Recreation Center Special Revenue Funds of \$284,431 caused by the application of accounting principles generally accepted in the United States of America to the funds. The General Fund is liable for any deficit in the funds and provides transfers when cash is required, not when accruals occur.

Note 23: Significant Commitments

A. Contracts

At December 31, 2015, the City's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Professional Services	\$ 576,808	\$ 499,889	\$ 76,919
Building Maintenance and Repair	105,000	60,911	44,089
Equipment and Vehicle Purchases	170,575	0	170,575
2015 Watermain Project	1,223,784	1,059,307	164,477
Spencer Road Sanitary Sewer Project	52,000	7,705	44,295
Wooster Road Waterline Project	242,000	12,072	229,928
Morewood Road Sewer Project	866,451	65,324	801,127
Avalon Drive Water and Sewer Improvement	3,877,622	2,777,470	1,100,152
Rocky River Park Improvement Project	242,583	193,882	48,701
Paving	<u>2,447,549</u>	<u>1,653,382</u>	<u>794,167</u>
Total	\$ <u>9,804,372</u>	\$ <u>6,329,942</u>	\$ <u>3,474,430</u>

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

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2015

Note 23: Significant Commitments (Continued)

B. Encumbrances (Continued)

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	\$	50,552
Recreation Fund		51,872
Capital Improvement Fund		992,750
Other Governmental Funds		<u>252,743</u>
Total Governmental	\$	<u>1,347,917</u>
Sanitary Sewer Fund	\$	<u>1,554,517</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, 2015 was \$20,000.

Future minimum rental payments for these leases are as follows:

2016	\$	20,000
2017		20,000
2018		20,000
2019		20,000
2020		<u>20,000</u>
	\$	<u>100,000</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, 2015, 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, 2015

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.

As of December 31, 2015, management's estimate of the final closure cost of the transfer station is \$24,070.

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

Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employee Retirement System – Traditional Plan

Last Two Years (1)

	<u>2014</u>	<u>2013</u>
City's proportion of the net pension liability	0.058978%	0.058978%
City's proportionate share of the net pension liability	\$ 7,113,422	\$ 6,952,753
City's covered-employee payroll	\$ 6,876,663	\$ 7,852,692
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	103.44%	88.54%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	n/a

(1) Information prior to 2013 is not available.

City of Rocky River, Ohio

Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Asset
Ohio Public Employee Retirement System – Combined Plan

Last Two Years (1)

	<u>2014</u>	<u>2013</u>
City's proportion of the net pension asset	0.035697%	0.035697%
City's proportionate share of the net pension asset	\$ 13,744	\$ 3,746
City's covered-employee payroll	\$ 120,542	\$ 122,864
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	11.40%	3.05%
Plan fiduciary net position as a percentage of the total pension asset	114.83%	n/a

(1) Information prior to 2013 is not available.

City of Rocky River, Ohio

Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund

Last Two Years (1)

	<u>2014</u>	<u>2013</u>
City's proportion of the net pension liability	0.256817%	0.256817%
City's proportionate share of the net pension liability	\$ 13,304,187	\$ 12,507,789
City's covered-employee payroll	\$ 5,095,764	\$ 5,067,831
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	261.08%	246.81%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	n/a

(1) Information prior to 2013 is not available.

City of Rocky River, Ohio

Required Supplementary Information
 Schedule of the City Contributions
 Ohio Public Employee Retirement System – Traditional Plan

For The Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually-required contribution	\$ 864,423	\$ 825,200	\$ 1,020,850	\$ 828,631	\$ 895,384
Contributions in relation to the contractually-required contribution	<u>(864,423)</u>	<u>(825,200)</u>	<u>(1,020,850)</u>	<u>(828,631)</u>	<u>(895,384)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered-employee payroll	\$ 7,203,524	\$ 6,876,663	\$ 7,852,692	\$ 8,286,310	\$ 8,953,841
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%	10.00%	10.00%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually-required contribution	\$ 837,024	\$ 726,314	\$ 640,904	\$ 724,076	\$ 736,173
Contributions in relation to the contractually-required contribution	<u>(837,024)</u>	<u>(726,314)</u>	<u>(640,904)</u>	<u>(724,706)</u>	<u>(736,173)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered-employee payroll	\$ 9,300,272	\$ 8,544,871	\$ 9,155,766	\$ 8,671,568	\$ 8,001,885
Contributions as a percentage of covered-employee payroll	9.00%	8.50%	7.00%	8.35%	9.20%

City of Rocky River, Ohio

Required Supplementary Information
 Schedule of the City Contributions
 Ohio Public Employee Retirement System – Combined Plan

For The Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually-required contribution	\$ 13,524	\$ 14,465	\$ 15,972	\$ 12,965	\$ 14,009
Contributions in relation to the contractually-required contribution	<u>(13,524)</u>	<u>(14,465)</u>	<u>(15,972)</u>	<u>(12,965)</u>	<u>(14,009)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered-employee payroll	\$ 112,704	\$ 120,542	\$ 122,864	\$ 129,648	\$ 140,092
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%	10.00%	10.00%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually-required contribution	\$ 13,096	\$ 11,364	\$ 10,028	\$ 11,329	\$ 11,518
Contributions in relation to the contractually-required contribution	<u>(13,096)</u>	<u>(11,364)</u>	<u>(10,028)</u>	<u>(11,329)</u>	<u>(11,518)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered-employee payroll	\$ 145,512	\$ 133,693	\$ 143,252	\$ 135,676	\$ 125,198
Contributions as a percentage of covered-employee payroll	9.00%	8.50%	7.00%	8.35%	9.20%

City of Rocky River, Ohio

Required Supplementary Information
 Schedule of the City Contributions
 Ohio Police and Fire Pension Fund

For The Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually-required contribution	\$ 1,083,474	\$ 1,078,649	\$ 913,986	\$ 731,848	\$ 733,884
Contributions in relation to the contractually-required contribution	<u>(1,083,474)</u>	<u>(1,078,649)</u>	<u>(913,986)</u>	<u>(731,848)</u>	<u>(733,884)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered-employee payroll	\$ 5,123,147	\$ 5,095,764	\$ 5,067,831	\$ 4,916,011	\$ 4,923,822
Contributions as a percentage of covered-employee payroll	21.15%	21.17%	18.04%	14.89%	14.90%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually-required contribution	\$ 771,706	\$ 726,777	\$ 702,559	\$ 683,022	\$ 621,130
Contributions in relation to the contractually-required contribution	<u>(771,706)</u>	<u>(726,777)</u>	<u>(702,559)</u>	<u>(683,022)</u>	<u>(621,130)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered-employee payroll	\$ 5,205,410	\$ 4,899,833	\$ 4,746,019	\$ 4,621,586	\$ 4,510,185
Contributions as a percentage of covered-employee payroll	14.83%	14.83%	14.80%	14.78%	13.77%

City of Rocky River, Ohio

Combining Statements
Non-Major Governmental Funds
Fund Descriptions

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 cognovits 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

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, 2015

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 2,049,540	\$ 9,040	\$ 2,247,667	\$ 4,306,247
Accrued Interest Receivable	329	0	1,535	1,864
Accounts Receivable	19,197	0	36,363	55,560
Intergovernmental Receivable	474,112	0	0	474,112
Materials and Supplies Inventory	153,737	0	0	153,737
Prepaid Assets	0	0	300	300
Property Taxes Receivable	1,383,787	0	0	1,383,787
Special Assessments Receivable	<u>0</u>	<u>390,059</u>	<u>0</u>	<u>390,059</u>
Total Assets	\$ <u>4,080,702</u>	\$ <u>399,099</u>	\$ <u>2,285,865</u>	\$ <u>6,765,666</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 59,888	\$ 0	\$ 12,580	\$ 72,468
Accrued Wages and Benefits	56,408	0	2,483	58,891
Intergovernmental Payable	<u>219,177</u>	<u>0</u>	<u>4,751</u>	<u>223,928</u>
Total Liabilities	<u>335,473</u>	<u>0</u>	<u>19,814</u>	<u>355,287</u>
Deferred Inflows of Resources:				
Property Taxes	1,338,702	0	0	1,338,702
Unavailable Revenue	<u>384,246</u>	<u>390,059</u>	<u>961</u>	<u>775,266</u>
Total Deferred Inflows of Resources	<u>1,722,948</u>	<u>390,059</u>	<u>961</u>	<u>2,113,968</u>
Fund Balances:				
Nonspendable	153,737	0	300	154,037
Restricted	<u>1,868,544</u>	<u>9,040</u>	<u>2,264,790</u>	<u>4,142,374</u>
Total Fund Balances	<u>2,022,281</u>	<u>9,040</u>	<u>2,265,090</u>	<u>4,296,411</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>4,080,702</u>	\$ <u>399,099</u>	\$ <u>2,285,865</u>	\$ <u>6,765,666</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, 2015

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:				
Property Taxes	\$ 1,253,264	\$ 0	\$ 0	\$ 1,253,264
Intergovernmental	1,511,508	0	512,763	2,024,271
Charges for Services	340,413	0	0	340,413
Fees, Fines and Permits	422,210	0	14,896	437,106
Special Assessments	0	54,353	0	54,353
Investment Income	321	0	1,498	1,819
Other	<u>23,758</u>	<u>0</u>	<u>0</u>	<u>23,758</u>
Total Revenues	<u>3,551,474</u>	<u>54,353</u>	<u>529,157</u>	<u>4,134,984</u>
Expenditures:				
Current:				
General Government	18,258	0	470,340	488,598
Security of Persons and Property	1,629,808	0	0	1,484,996
Public Health	993,557	0	0	993,557
Transportation	1,380,542	0	0	1,380,542
Basic Utility Service	1,551,473	0	0	1,551,473
Capital Outlay	176,817	0	1,271,315	1,592,944
Debt Service:				
Principal Retirement	34,651	40,000	210,000	284,651
Interest and Fiscal Charges	<u>18,521</u>	<u>19,563</u>	<u>38,906</u>	<u>76,990</u>
Total Expenditures	<u>5,803,627</u>	<u>59,563</u>	<u>1,990,561</u>	<u>7,853,751</u>
Excess of Revenues Over (Under)				
Expenditures	(2,252,153)	(5,210)	(1,461,404)	(3,718,767)
Other Financing Sources:				
Transfers - In	<u>2,553,300</u>	<u>10,000</u>	<u>1,475,000</u>	<u>4,038,300</u>
Net Change In Fund Balances	301,147	4,790	13,596	319,533
Fund Balances at Beginning of Year	<u>1,721,134</u>	<u>4,250</u>	<u>2,251,494</u>	<u>3,976,878</u>
Fund Balances at End of Year	\$ <u><u>2,022,281</u></u>	\$ <u><u>9,040</u></u>	\$ <u><u>2,265,090</u></u>	\$ <u><u>4,296,411</u></u>

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City of Rocky River, Ohio

Combining Balance Sheet Non-major Special Revenue Funds

December 31, 2015

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 272,306	\$ 11,646	\$ 104,198	\$ 28,261
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	0	0	1,637	75
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Property Taxes Receivable	0	0	0	0
Total Assets	\$ 272,306	\$ 11,646	\$ 105,835	\$ 28,336
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	89	0	0
Intergovernmental Payable	488	56	0	0
Total Liabilities	488	145	0	0
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	271,818	11,501	105,835	28,336
Total Fund Balances	271,818	11,501	105,835	28,336
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 272,306	\$ 11,646	\$ 105,835	\$ 28,336

<u>Municipal Probation Services</u>	<u>Mediation Services</u>	<u>Federal Emergency Management Agency</u>	<u>Office on Aging</u>	<u>Marine Patrol</u>
\$ 229,282	\$ 12,418	\$ 47	\$ 179,011	\$ 16,017
329	0	0	0	0
16,088	0	0	299	0
0	0	0	21,351	0
0	0	0	54,829	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>329,473</u>	<u>0</u>
\$ <u>245,699</u>	\$ <u>12,418</u>	\$ <u>47</u>	\$ <u>584,963</u>	\$ <u>16,017</u>
\$ 5,502	\$ 0	\$ 0	\$ 2,727	\$ 50
1,612	0	0	9,481	0
<u>3,309</u>	<u>286</u>	<u>0</u>	<u>10,312</u>	<u>193</u>
<u>10,423</u>	<u>286</u>	<u>0</u>	<u>22,520</u>	<u>243</u>
0	0	0	318,739	0
<u>213</u>	<u>0</u>	<u>0</u>	<u>32,085</u>	<u>0</u>
<u>213</u>	<u>0</u>	<u>0</u>	<u>350,824</u>	<u>0</u>
0	0	0	54,829	0
<u>235,063</u>	<u>12,132</u>	<u>47</u>	<u>156,790</u>	<u>15,774</u>
<u>235,063</u>	<u>12,132</u>	<u>47</u>	<u>211,619</u>	<u>15,774</u>
\$ <u>245,699</u>	\$ <u>12,418</u>	\$ <u>47</u>	\$ <u>584,963</u>	\$ <u>16,017</u>

(continued)

City of Rocky River, Ohio

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

December 31, 2015

	Community Impacts	Refuse and Recycling	Motor Vehicle License Tax	Street Repair and Maintenance
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,312	\$ 405,296	\$ 146,520	\$ 255,200
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	42,704	11,974	344,528
Materials and Supplies Inventory	0	3,548	0	95,360
Property Taxes Receivable	0	658,946	0	0
Total Assets	\$ 3,312	\$ 1,110,494	\$ 158,494	\$ 695,088
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 0	\$ 10,330	\$ 29,242	\$ 2,554
Accrued Wages and Benefits	0	21,179	4,261	19,786
Intergovernmental Payable	0	63,745	4,936	14,476
Total Liabilities	0	95,254	38,439	36,816
Deferred Inflows of Resources:				
Property Taxes	0	637,477	0	0
Unavailable Revenue	0	64,173	0	230,577
Total Deferred Inflows of Resources	0	701,650	0	230,577
Fund Balances:				
Nonspendable	0	3,548	0	95,360
Restricted	3,312	310,042	120,055	332,335
Total Fund Balances	3,312	313,590	120,055	427,695
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,312	\$ 1,110,494	\$ 158,494	\$ 695,088

<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>
\$ 15,009	\$ 91,927	\$ 186,552	\$ 92,538	\$ 2,049,540
0	0	0	0	329
0	1,098	0	0	19,197
27,934	0	12,810	12,811	474,112
0	0	0	0	153,737
<u>0</u>	<u>0</u>	<u>197,684</u>	<u>197,684</u>	<u>1,383,787</u>
\$ <u>42,943</u>	\$ <u>93,025</u>	\$ <u>397,046</u>	\$ <u>303,033</u>	\$ <u>4,080,702</u>
\$ 0	\$ 9,483	\$ 0	\$ 0	\$ 59,888
0	0	0	0	56,408
<u>0</u>	<u>0</u>	<u>65,735</u>	<u>55,641</u>	<u>219,177</u>
<u>0</u>	<u>9,483</u>	<u>65,735</u>	<u>55,641</u>	<u>335,473</u>
0	0	191,243	191,243	1,338,702
<u>18,695</u>	<u>0</u>	<u>19,251</u>	<u>19,252</u>	<u>384,246</u>
<u>18,695</u>	<u>0</u>	<u>210,494</u>	<u>210,495</u>	<u>1,722,948</u>
0	0	0	0	153,737
<u>24,248</u>	<u>83,542</u>	<u>120,817</u>	<u>36,897</u>	<u>1,868,544</u>
<u>24,248</u>	<u>83,542</u>	<u>120,817</u>	<u>36,897</u>	<u>2,022,281</u>
\$ <u>42,943</u>	\$ <u>93,025</u>	\$ <u>397,046</u>	\$ <u>303,033</u>	\$ <u>4,080,702</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, 2015

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	53,111	0	0	0
Charges for Services	0	0	0	0
Fees, Fines and Permits	125,277	4,500	41,339	22,908
Investment Income	0	0	0	0
Other	0	0	0	0
Total Revenues	<u>178,388</u>	<u>4,500</u>	<u>41,339</u>	<u>22,908</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	68,785	3,535	45,810	7,356
Public Health	0	0	0	0
Transportation	0	0	0	0
Basic Utility Service	0	0	0	0
Capital Outlay	50,766	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>119,551</u>	<u>3,535</u>	<u>45,810</u>	<u>7,356</u>
Excess of Revenues Over (Under) Expenditures	58,837	965	(4,471)	15,552
Other Financing Sources (Uses):				
Transfers - In	0	0	0	0
Net Change in Fund Balances	58,837	965	(4,471)	15,552
Fund Balances (Deficit) at Beginning of Year	<u>212,981</u>	<u>10,536</u>	<u>110,306</u>	<u>12,784</u>
Fund Balances at End of Year	\$ <u><u>271,818</u></u>	\$ <u><u>11,501</u></u>	\$ <u><u>105,835</u></u>	\$ <u><u>28,336</u></u>

<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	\$ 298,146	\$ 0
0	0	144,812	192,702	30,925
0	0	0	331,103	0
228,186	0	0	0	0
321	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,771</u>	<u>44</u>
<u>228,507</u>	<u>0</u>	<u>144,812</u>	<u>827,722</u>	<u>30,969</u>
0	18,258	0	0	0
286,123	0	69,397	0	32,471
0	0	0	993,557	0
0	0	0	0	0
0	0	0	0	0
27,221	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>313,344</u>	<u>18,258</u>	<u>69,397</u>	<u>993,557</u>	<u>32,471</u>
(84,837)	(18,258)	75,415	(165,835)	(1,502)
<u>0</u>	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>8,300</u>
(84,837)	(18,258)	75,415	84,165	6,798
<u>319,900</u>	<u>30,390</u>	<u>(75,368)</u>	<u>127,454</u>	<u>8,976</u>
\$ <u><u>235,063</u></u>	\$ <u><u>12,132</u></u>	\$ <u><u>47</u></u>	\$ <u><u>211,619</u></u>	\$ <u><u>15,774</u></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, 2015

	Community Impacts	Refuse and Recycling	Motor Vehicle License Tax	Street Repair and Maintenance
Revenues:				
Property Taxes	\$ 0	\$ 596,288	\$ 0	\$ 0
Intergovernmental	0	85,407	140,749	706,326
Charges for Services	0	9,310	0	0
Fees, Fines and Permits	0	0	0	0
Investment Income	0	0	0	0
Other	0	17,943	0	0
Total Revenues	0	708,948	140,749	706,326
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	1,424	0
Public Health	0	0	0	0
Transportation	0	0	340,532	919,448
Basic Utility Service	0	1,551,473	0	0
Capital Outlay	0	0	19,536	18,855
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	0	1,551,473	361,492	938,303
Excess of Revenues Over (Under) Expenditures	0	(842,525)	(220,743)	(231,977)
Other Financing Sources (Uses):				
Transfers - In	0	1,100,000	200,000	250,000
Net Change in Fund Balances	0	257,475	(20,743)	18,023
Fund Balances (Deficit) at Beginning of Year	3,312	56,115	140,798	409,672
Fund Balances at End of Year	\$ 3,312	\$ 313,590	\$ 120,055	\$ 427,695

<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	\$ 179,415	\$ 179,415	\$ 1,253,264
55,862	50,374	25,620	25,620	1,511,508
0	0	0	0	340,413
0	0	0	0	422,210
0	0	0	0	321
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,758</u>
<u>55,862</u>	<u>50,374</u>	<u>205,035</u>	<u>205,035</u>	<u>3,551,474</u>
0	0	0	0	18,258
0	0	590,765	524,142	1,629,808
0	0	0	0	993,557
120,562	0	0	0	1,380,542
0	0	0	0	1,551,473
0	60,439	0	0	176,817
0	0	9,461	25,190	34,651
<u>0</u>	<u>0</u>	<u>10,678</u>	<u>7,843</u>	<u>18,521</u>
<u>120,562</u>	<u>60,439</u>	<u>610,904</u>	<u>557,175</u>	<u>5,803,627</u>
(64,700)	(10,065)	(405,869)	(352,140)	(2,252,153)
<u>0</u>	<u>0</u>	<u>395,000</u>	<u>350,000</u>	<u>2,553,300</u>
(64,700)	(10,065)	(10,869)	(2,140)	301,147
<u>88,948</u>	<u>93,607</u>	<u>131,686</u>	<u>39,037</u>	<u>1,721,134</u>
\$ <u>24,248</u>	\$ <u>83,542</u>	\$ <u>120,817</u>	\$ <u>36,897</u>	\$ <u>2,022,281</u>

City of Rocky River, Ohio

Combining Balance Sheet Non-major Capital Projects Funds

December 31, 2015

	<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	\$ 1,057,338	\$ 1,190,329	\$ 2,247,667
Accrued Interest Receivable	0	1,535	1,535
Accounts Receivable	0	36,363	36,363
Prepaid Assets	<u>0</u>	<u>300</u>	<u>300</u>
Total Assets	\$ <u>1,057,338</u>	\$ <u>1,228,527</u>	\$ <u>2,285,865</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 0	\$ 12,580	\$ 12,580
Accrued Wages and Benefits	0	2,483	2,483
Intergovernmental Payable	<u>0</u>	<u>4,751</u>	<u>4,751</u>
Total Liabilities	<u>0</u>	<u>19,814</u>	<u>19,814</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>0</u>	<u>961</u>	<u>961</u>
Fund Balances:			
Nonspendable	0	300	300
Restricted	<u>1,057,338</u>	<u>1,207,452</u>	<u>2,264,790</u>
Total Fund Balances	<u>1,057,338</u>	<u>1,207,752</u>	<u>2,265,090</u>
Total Liabilities and Fund Balances	\$ <u>1,057,338</u>	\$ <u>1,228,527</u>	\$ <u>2,285,865</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, 2015

	<u>Equipment Replacement</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
Revenues:			
Intergovernmental	\$ 34,790	\$ 477,973	\$ 512,763
Fines, Fees, and Permits	0	14,896	14,896
Investment Income	<u>0</u>	<u>1,498</u>	<u>1,498</u>
Total Revenues	<u>34,790</u>	<u>494,367</u>	<u>529,157</u>
Expenditures:			
Current:			
General Government	0	470,340	470,340
Capital Outlay	1,256,585	14,730	1,271,315
Debt Service:			
Principal Retirement	0	210,000	210,000
Interest and Fiscal Charges	<u>0</u>	<u>38,906</u>	<u>38,906</u>
Total Expenditures	<u>1,256,585</u>	<u>733,976</u>	<u>1,990,561</u>
Excess of Revenues Over (Under) Expenditures	(1,221,795)	(239,609)	(1,461,404)
Other Financing Sources:			
Transfers - In	<u>1,475,000</u>	<u>0</u>	<u>1,475,000</u>
Net Change in Fund Balances	253,205	(239,609)	13,596
Fund Balances at Beginning of Year	<u>804,133</u>	<u>1,447,361</u>	<u>2,251,494</u>
Fund Balances at End of Year	\$ <u><u>1,057,338</u></u>	\$ <u><u>1,207,752</u></u>	\$ <u><u>2,265,090</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,221,738	\$ 4,221,738	\$ 3,756,479	\$ (465,259)
Municipal Income Taxes	9,850,000	9,850,000	10,221,193	371,193
Other Local Taxes	42,000	82,000	89,504	7,504
Intergovernmental	374,877	375,077	932,167	557,090
Charges for Services	52,300	52,300	41,959	(10,341)
Fines, Fees, and Permits	3,556,500	3,734,000	2,977,258	(756,742)
Investment Income	20,000	20,000	22,256	2,256
Rentals	80,000	80,000	76,553	(3,447)
Other	97,000	109,100	122,083	12,983
Total Revenues	<u>18,294,415</u>	<u>18,524,215</u>	<u>18,239,452</u>	<u>(284,763)</u>
Expenditures:				
Current:				
General Government:				
Council:				
Personal Service	134,900	134,900	132,601	2,299
Other	6,387	6,387	2,252	4,135
Total Council	<u>141,287</u>	<u>141,287</u>	<u>134,853</u>	<u>6,434</u>
Mayor:				
Personal Service	152,835	175,961	152,863	23,098
Other	10,194	9,844	7,428	2,416
Total Mayor	<u>163,029</u>	<u>185,805</u>	<u>160,291</u>	<u>25,514</u>
Finance Department:				
Personal Service	296,569	299,884	280,273	19,611
Other	112,927	112,927	97,397	15,530
Total Finance Department	<u>409,496</u>	<u>412,811</u>	<u>377,670</u>	<u>35,141</u>
Law Director:				
Personal Service	122,868	122,868	114,655	8,213
Other	96,672	96,672	32,900	63,772
Total Law Director	<u>219,540</u>	<u>219,540</u>	<u>147,555</u>	<u>71,985</u>
Other Executive Administration:				
Personal Service	188,728	191,604	188,113	3,491
Other	38,720	38,720	24,209	14,511
Total Other Executive Administration	<u>227,448</u>	<u>230,324</u>	<u>212,322</u>	<u>18,002</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Boards and Commissions:				
Personal Service	33,200	33,200	21,152	12,048
Other	<u>25,121</u>	<u>25,121</u>	<u>14,428</u>	<u>10,693</u>
Total Boards and Commissions	<u>58,321</u>	<u>58,321</u>	<u>35,580</u>	<u>22,741</u>
Building Maintenance:				
Personal Service	403,394	408,621	391,640	16,981
Other	<u>380,074</u>	<u>380,074</u>	<u>303,292</u>	<u>76,782</u>
Total Building Maintenance	<u>783,468</u>	<u>788,695</u>	<u>694,932</u>	<u>93,763</u>
Human Resources:				
Personal Service	142,230	144,229	136,275	7,954
Other	<u>29,875</u>	<u>29,875</u>	<u>25,796</u>	<u>4,079</u>
Total Human Resources	<u>172,105</u>	<u>174,104</u>	<u>162,071</u>	<u>12,033</u>
Municipal Courts:				
Personal Service	1,791,986	1,805,477	1,484,847	320,630
Other	<u>273,235</u>	<u>274,235</u>	<u>195,782</u>	<u>78,453</u>
Total Municipal Courts	<u>2,065,221</u>	<u>2,079,712</u>	<u>1,680,629</u>	<u>399,083</u>
Miscellaneous:				
Other	<u>1,360,802</u>	<u>1,376,916</u>	<u>1,067,189</u>	<u>309,727</u>
Total General Government	<u>5,600,717</u>	<u>5,667,515</u>	<u>4,673,092</u>	<u>994,423</u>
Security of Persons and Property:				
Police Department:				
Personal Service	3,619,988	3,701,806	3,535,172	166,634
Other	<u>457,139</u>	<u>464,139</u>	<u>347,223</u>	<u>116,916</u>
Total Police Department	<u>4,077,127</u>	<u>4,165,945</u>	<u>3,882,395</u>	<u>283,550</u>
Fire Department:				
Personal Service	3,316,170	3,382,266	3,129,770	252,496
Other	<u>502,911</u>	<u>502,911</u>	<u>361,536</u>	<u>141,375</u>
Total Fire Department	<u>3,819,081</u>	<u>3,885,177</u>	<u>3,491,306</u>	<u>393,871</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Police on Patrol Arresting Speeders:				
Personal Service	116,700	116,700	71,835	44,865
Other	<u>92,121</u>	<u>92,121</u>	<u>71,779</u>	<u>20,342</u>
Total Police on Patrol Arresting Speeders	<u>208,821</u>	<u>208,821</u>	<u>143,614</u>	<u>65,207</u>
Administrative Support:				
Personal Service	<u>127,169</u>	<u>127,169</u>	<u>128,675</u>	<u>(1,506)</u>
Total Security of Persons and Property	<u>8,232,198</u>	<u>8,387,112</u>	<u>7,645,990</u>	<u>741,122</u>
Transportation:				
Equipment Repair and Garage:				
Personal Service	624,891	631,714	601,762	29,952
Other	<u>157,479</u>	<u>157,479</u>	<u>105,470</u>	<u>52,009</u>
Total Transportation	<u>782,370</u>	<u>789,193</u>	<u>707,232</u>	<u>81,961</u>
Leisure Time Activities:				
Parks Department:				
Personal Service	217,611	219,755	212,247	7,508
Other	<u>90,938</u>	<u>90,938</u>	<u>55,180</u>	<u>35,758</u>
Total Leisure Time Activities	<u>308,549</u>	<u>310,693</u>	<u>267,427</u>	<u>43,266</u>
Community Development:				
Community Center:				
Personal Service	547,270	551,010	473,091	77,919
Other	<u>115,668</u>	<u>136,668</u>	<u>123,890</u>	<u>12,778</u>
Total Community Center	<u>662,938</u>	<u>687,678</u>	<u>596,981</u>	<u>90,697</u>
Economic Development:				
Other	<u>185,420</u>	<u>185,420</u>	<u>73,086</u>	<u>112,334</u>
Total Community Development	<u>848,358</u>	<u>873,098</u>	<u>670,067</u>	<u>203,031</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Capital Outlay	<u>56,640</u>	<u>54,140</u>	<u>30,850</u>	<u>23,290</u>
Total Expenditures	<u>15,828,832</u>	<u>16,081,751</u>	<u>13,994,658</u>	<u>2,087,093</u>
Excess of Revenues Over (Under) Expenditures	<u>2,465,583</u>	<u>2,442,464</u>	<u>4,244,794</u>	<u>1,802,330</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	12,000	12,000	11,985	(15)
Transfers - Out	(6,153,300)	(6,153,300)	(4,798,300)	1,355,000
Advances - In	<u>0</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(6,141,300)</u>	<u>(6,133,300)</u>	<u>(4,778,315)</u>	<u>1,354,985</u>
Net Change in Fund Balance	(3,675,717)	(3,690,836)	(533,521)	3,157,315
Fund Balance at Beginning of Year	4,906,860	4,906,860	4,906,860	0
Prior Year Encumbrances Appropriated	<u>131,303</u>	<u>131,303</u>	<u>131,303</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,362,446</u>	\$ <u>1,347,327</u>	\$ <u>4,504,642</u>	\$ <u>3,157,315</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 335,058	\$ 335,058	\$ 298,146	\$ (36,912)
Intergovernmental	0	0	42,702	42,702
Charges for Services	2,310,000	2,362,100	2,361,945	(155)
Rentals	18,000	20,000	19,942	(58)
Total Revenues	<u>2,663,058</u>	<u>2,717,158</u>	<u>2,722,735</u>	<u>5,577</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Recreation Center:				
Personal Service	2,104,802	2,119,268	2,027,155	92,113
Other	<u>1,097,878</u>	<u>1,113,178</u>	<u>1,095,705</u>	<u>17,473</u>
Total Leisure Time Activities	3,202,680	3,232,446	3,122,860	109,586
Capital Outlay	<u>2,500</u>	<u>3,500</u>	<u>3,461</u>	<u>39</u>
Total Expenditures	<u>3,205,180</u>	<u>3,235,946</u>	<u>3,126,321</u>	<u>109,625</u>
Excess of Revenues Over (Under) Expenditures	(542,122)	(518,788)	(403,586)	115,202
Other Financing Sources:				
Transfers - In	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>0</u>
Net Change in Fund Balances	(117,122)	(93,788)	21,414	115,202
Fund Balance at Beginning of Year	109,382	109,382	109,382	0
Prior Year Encumbrances Appropriated	<u>69,690</u>	<u>69,690</u>	<u>69,690</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>61,950</u>	\$ <u>85,284</u>	\$ <u>200,486</u>	\$ <u>115,202</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 670,118	\$ 670,118	\$ 596,289	\$ (73,829)
Intergovernmental	0	0	85,407	85,407
Total Revenues	<u>670,118</u>	<u>670,118</u>	<u>681,696</u>	<u>11,578</u>
Expenditures:				
Debt Service:				
Principal Retirement	455,000	455,000	455,000	0
Interest and Fiscal Charges	<u>278,000</u>	<u>278,000</u>	<u>277,663</u>	<u>337</u>
Total Expenditures	<u>733,000</u>	<u>733,000</u>	<u>732,663</u>	<u>337</u>
Excess of Revenues Over (Under) Expenditures	(62,882)	(62,882)	(50,967)	11,915
Other Financing Sources:				
Transfers - In	<u>335,000</u>	<u>335,000</u>	<u>335,000</u>	<u>0</u>
Net Change in Fund Balances	272,118	272,118	284,033	11,915
Fund Balance at Beginning of Year	<u>220,024</u>	<u>220,024</u>	<u>220,024</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>492,142</u>	\$ <u>492,142</u>	\$ <u>504,057</u>	\$ <u>11,915</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 670,118	\$ 670,118	\$ 596,289	\$ (73,829)
Municipal Income Taxes	1,223,000	1,973,000	2,032,052	59,052
Other Local Taxes	215,000	251,000	251,395	395
Intergovernmental	0	0	85,406	85,406
Other	<u>426,500</u>	<u>474,000</u>	<u>124,080</u>	<u>(349,920)</u>
Total Revenues	<u>2,534,618</u>	<u>3,368,118</u>	<u>3,089,222</u>	<u>(278,896)</u>
Expenditures:				
Current:				
General Government	343,200	404,900	163,315	241,585
Capital Outlay	<u>3,587,658</u>	<u>4,640,198</u>	<u>3,891,747</u>	<u>748,451</u>
Total Expenditures	<u>3,930,858</u>	<u>5,045,098</u>	<u>4,055,062</u>	<u>990,036</u>
Net Change in Fund Balance	(1,396,240)	(1,676,980)	(965,840)	711,140
Fund Balance at Beginning of Year	2,444,094	2,444,094	2,444,094	0
Prior Year Encumbrances Appropriated	<u>617,058</u>	<u>617,058</u>	<u>617,058</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,664,912</u>	\$ <u>1,384,172</u>	\$ <u>2,095,312</u>	\$ <u>711,140</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 64,652	\$ 64,652	\$ 53,111	\$ (11,541)
Fines, Fees, and Permits	<u>10,000</u>	<u>10,000</u>	<u>125,277</u>	<u>115,277</u>
Total Revenues	<u>74,652</u>	<u>74,652</u>	<u>178,388</u>	<u>103,736</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Law Enforcement Trust:				
Personal Service	65,638	65,638	45,587	20,051
Other	<u>20,119</u>	<u>31,619</u>	<u>23,964</u>	<u>7,655</u>
Total Security of Persons and Property	85,757	97,257	69,551	27,706
Capital Outlay	<u>87,842</u>	<u>76,342</u>	<u>58,042</u>	<u>18,300</u>
Total Expenditures	<u>173,599</u>	<u>173,599</u>	<u>127,593</u>	<u>46,006</u>
Net Change in Fund Balance	(98,947)	(98,947)	50,795	149,742
Fund Balance at Beginning of Year	209,886	209,886	209,886	0
Prior Year Encumbrances Appropriated	<u>4,161</u>	<u>4,161</u>	<u>4,161</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>115,100</u>	\$ <u>115,100</u>	\$ <u>264,842</u>	\$ <u>149,742</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, 2015

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees and Permits	\$ 5,400	\$ 5,400	\$ 4,500	\$ (900)
Expenditures:				
Current:				
Security of Persons and Property:				
Commercial Driver Program:				
Personal Service	<u>8,064</u>	<u>8,064</u>	<u>3,486</u>	<u>4,578</u>
Net Change in Fund Balance	(2,664)	(2,664)	1,014	3,678
Fund Balance at Beginning of Year	<u>10,632</u>	<u>10,632</u>	<u>10,632</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>7,968</u></u>	\$ <u><u>7,968</u></u>	\$ <u><u>11,646</u></u>	\$ <u><u>3,678</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, 2015

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ 60,000	\$ 60,000	\$ 40,875	\$ (19,125)
Expenditures:				
Current:				
Security of Persons and Property:				
Indigent Driver Alcohol Treatment:				
Other	<u>102,917</u>	<u>102,917</u>	<u>49,560</u>	<u>53,357</u>
Net Change in Fund Balance	(42,917)	(42,917)	(8,685)	34,232
Fund Balance at Beginning of Year	112,466	112,466	112,466	0
Prior Year Encumbrances Appropriated	<u>417</u>	<u>417</u>	<u>417</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>69,966</u></u>	\$ <u><u>69,966</u></u>	\$ <u><u>104,198</u></u>	\$ <u><u>34,232</u></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, 2015

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ 3,000	\$ 3,000	\$ 22,943	\$ 19,943
Expenditures:				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Other	<u>9,500</u>	<u>9,500</u>	<u>7,356</u>	<u>2,144</u>
Net Change in Fund Balance	(6,500)	(6,500)	15,587	22,087
Fund Balance at Beginning of Year	<u>12,674</u>	<u>12,674</u>	<u>12,674</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>6,174</u></u>	\$ <u><u>6,174</u></u>	\$ <u><u>28,261</u></u>	\$ <u><u>22,087</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 220,000	\$ 242,000	\$ 241,654	\$ (346)
Investment Income	<u>300</u>	<u>400</u>	<u>373</u>	<u>(27)</u>
Total Revenues	<u>220,300</u>	<u>242,400</u>	<u>242,027</u>	<u>(373)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Municipal Probation Services:				
Personal Service	305,463	308,600	219,670	88,930
Other	<u>101,519</u>	<u>101,519</u>	<u>75,144</u>	<u>26,375</u>
Total Security of Persons and Property	406,982	410,119	294,814	115,305
Capital Outlay	<u>86,675</u>	<u>86,675</u>	<u>27,221</u>	<u>59,454</u>
Total Expenditures	<u>493,657</u>	<u>496,794</u>	<u>322,035</u>	<u>174,759</u>
Net Change in Fund Balance	(273,357)	(254,394)	(80,008)	174,386
Fund Balance at Beginning of Year	281,230	281,230	281,230	0
Prior Year Encumbrances Appropriated	<u>27,794</u>	<u>27,794</u>	<u>27,794</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>35,667</u>	\$ <u>54,630</u>	\$ <u>229,016</u>	\$ <u>174,386</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, 2015

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General Government:				
Mediation Services:				
Other	<u>23,625</u>	<u>23,625</u>	<u>18,435</u>	<u>5,190</u>
Net Change in Fund Balance	(23,625)	(23,625)	(18,435)	5,190
Fund Balance at Beginning of Year	30,728	30,728	30,728	0
Prior Year Encumbrances Appropriated	<u>125</u>	<u>125</u>	<u>125</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>7,228</u></u>	\$ <u><u>7,228</u></u>	\$ <u><u>12,418</u></u>	\$ <u><u>5,190</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, 2015

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 149,240	\$ 149,240	\$ 144,812	\$ (4,428)
Expenditures:				
Current:				
Security of Persons and Property	<u>150,445</u>	<u>150,445</u>	<u>146,017</u>	<u>4,428</u>
Net Change in Fund Balance	(1,205)	(1,205)	(1,205)	0
Fund Balance at Beginning of Year	<u>1,252</u>	<u>1,252</u>	<u>1,252</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>47</u></u>	\$ <u><u>47</u></u>	\$ <u><u>47</u></u>	\$ <u><u>0</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 the Year Ended December 31, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 335,058	\$ 335,058	\$ 298,146	\$ (36,912)
Intergovernmental	150,000	150,000	192,702	42,702
Charges for Services	500,000	500,000	331,103	(168,897)
Other	<u>6,500</u>	<u>6,500</u>	<u>5,472</u>	<u>(1,028)</u>
Total Revenues	<u>991,558</u>	<u>991,558</u>	<u>827,423</u>	<u>(164,135)</u>
Expenditures:				
Current:				
Public Health Services:				
Office on Aging:				
Personal Service	569,834	571,271	499,216	72,055
Other	<u>725,516</u>	<u>725,516</u>	<u>566,830</u>	<u>158,686</u>
Total Expenditures	<u>1,295,350</u>	<u>1,296,787</u>	<u>1,066,046</u>	<u>230,741</u>
Excess of Revenues Over (Under) Expenditures	(303,792)	(305,229)	(238,623)	66,606
Other Financing Sources:				
Transfers - In	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Net Change in Fund Balance	(53,792)	(55,229)	11,377	66,606
Fund Balance at Beginning of Year	40,777	40,777	40,777	0
Prior Year Encumbrances Appropriated	<u>69,014</u>	<u>69,014</u>	<u>69,014</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>55,999</u>	\$ <u>54,562</u>	\$ <u>121,168</u>	\$ <u>66,606</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 34,626	\$ 34,626	\$ 30,925	\$ (3,701)
Other	<u>0</u>	<u>0</u>	<u>44</u>	<u>44</u>
Total Revenues	34,626	34,626	30,969	(3,657)
Expenditures:				
Current:				
Security of Persons and Property:				
Marine Patrol:				
Personal Service	22,520	22,520	18,653	3,867
Other	<u>18,404</u>	<u>18,404</u>	<u>14,443</u>	<u>3,961</u>
Total Expenditures	<u>40,924</u>	<u>40,924</u>	<u>33,096</u>	<u>7,828</u>
Excess of Revenues Over (Under) Expenditures	(6,298)	(6,298)	(2,127)	4,171
Other Financing Sources:				
Transfers - In	<u>8,300</u>	<u>8,300</u>	<u>8,300</u>	<u>0</u>
Net Change in Fund Balance	2,002	2,002	6,173	4,171
Fund Balance at Beginning of Year	8,279	8,279	8,279	0
Prior Year Encumbrances Appropriated	<u>1,135</u>	<u>1,135</u>	<u>1,135</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>11,416</u>	\$ <u>11,416</u>	\$ <u>15,587</u>	\$ <u>4,171</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, 2015

	<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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 670,118	\$ 670,118	\$ 596,288	\$ (73,830)
Intergovernmental	0	0	85,407	85,407
Charges for Services	17,500	22,500	9,310	(13,190)
Other	<u>3,000</u>	<u>18,000</u>	<u>17,943</u>	<u>(57)</u>
Total Revenues	<u>690,618</u>	<u>710,618</u>	<u>708,948</u>	<u>(1,670)</u>
Expenditures:				
Current:				
Basic Utilities Service:				
Refuse and Recycling:				
Personal Service	1,089,886	1,102,658	978,943	123,715
Other	<u>826,615</u>	<u>826,615</u>	<u>634,525</u>	<u>192,090</u>
Total Expenditures	<u>1,916,501</u>	<u>1,929,273</u>	<u>1,613,468</u>	<u>315,805</u>
Excess of Revenues Over (Under) Expenditures	(1,225,883)	(1,218,655)	(904,520)	314,135
Other Financing Sources:				
Transfers - In	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,100,000</u>	<u>(100,000)</u>
Net Change in Fund Balance	(25,883)	(18,655)	195,480	214,135
Fund Balance at Beginning of Year	87,696	87,696	87,696	0
Prior Year Encumbrances Appropriated	<u>63,371</u>	<u>63,371</u>	<u>63,371</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>125,184</u>	\$ <u>132,412</u>	\$ <u>346,547</u>	\$ <u>214,135</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>133,000</u>	\$ <u>133,000</u>	\$ <u>139,594</u>	\$ <u>6,594</u>
Expenditures:				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Personal Service	265,528	269,912	260,377	9,535
Other	<u>64,186</u>	<u>76,186</u>	<u>53,271</u>	<u>22,915</u>
Total Transportation	329,714	346,098	313,648	32,450
Capital Outlay	<u>62,000</u>	<u>50,000</u>	<u>23,836</u>	<u>26,164</u>
Total Expenditures	<u>391,714</u>	<u>396,098</u>	<u>337,484</u>	<u>58,614</u>
Excess of Revenues Over (Under) Expenditures	(258,714)	(263,098)	(197,890)	65,208
Other Financing Sources:				
Transfers - In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Net Change in Fund Balance	(58,714)	(63,098)	2,110	65,208
Fund Balance at Beginning of Year	137,175	137,175	137,175	0
Prior Year Encumbrances Appropriated	<u>2,700</u>	<u>2,700</u>	<u>2,700</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>81,161</u>	\$ <u>76,777</u>	\$ <u>141,985</u>	\$ <u>65,208</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>720,000</u>	\$ <u>720,000</u>	\$ <u>708,681</u>	\$ <u>(11,319)</u>
Expenditures:				
Current:				
Transportation				
Street Repair and Maintenance:				
Personal Service	926,335	934,702	711,727	222,975
Other	<u>310,026</u>	<u>310,026</u>	<u>222,988</u>	<u>87,038</u>
Total Transportation	1,236,361	1,244,728	934,715	310,013
Capital Outlay	<u>28,000</u>	<u>28,000</u>	<u>19,199</u>	<u>8,801</u>
Total Expenditures	<u>1,264,361</u>	<u>1,272,728</u>	<u>953,914</u>	<u>318,814</u>
Excess of Revenues Over (Under) Expenditures	(544,361)	(552,728)	(245,233)	307,495
Other Financing Sources:				
Transfers - In	<u>350,000</u>	<u>350,000</u>	<u>250,000</u>	<u>(100,000)</u>
Net Change in Fund Balance	(194,361)	(202,728)	4,767	207,495
Fund Balance at Beginning of Year	216,011	216,011	216,011	0
Prior Year Encumbrances Appropriated	<u>20,526</u>	<u>20,526</u>	<u>20,526</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>42,176</u>	\$ <u>33,809</u>	\$ <u>241,304</u>	\$ <u>207,495</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, 2015

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 58,500	\$ 58,500	\$ 56,053	\$ (2,447)
Expenditures:				
Current:				
Transportation:				
State Highway Patrol:				
Other	<u>151,901</u>	<u>151,901</u>	<u>151,472</u>	<u>429</u>
Net Change in Fund Balance	(93,401)	(93,401)	(95,419)	(2,018)
Fund Balance at Beginning of Year	107,872	107,872	107,872	0
Prior Year Encumbrances Appropriated	<u>1,901</u>	<u>1,901</u>	<u>1,901</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>16,372</u></u>	\$ <u><u>16,372</u></u>	\$ <u><u>14,354</u></u>	\$ <u><u>(2,018)</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 Monitoring Fund

For the Year Ended December 31, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 45,000	\$ 49,500	\$ 50,976	\$ 1,476
Expenditures:				
Capital Outlay	<u>52,000</u>	<u>52,000</u>	<u>54,200</u>	<u>(2,200)</u>
Net Change in Fund Balance	(7,000)	(2,500)	(3,224)	(724)
Fund Balance at Beginning of Year	95,037	95,037	95,037	0
Prior Year Encumbrances Appropriated	<u>114</u>	<u>114</u>	<u>114</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>88,151</u></u>	\$ <u><u>92,651</u></u>	\$ <u><u>91,927</u></u>	\$ <u><u>(724)</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 201,034	\$ 201,034	\$ 179,415	\$ (21,619)
Intergovernmental	<u>0</u>	<u>0</u>	<u>25,620</u>	<u>25,620</u>
Total Revenues	<u>201,034</u>	<u>201,034</u>	<u>205,035</u>	<u>4,001</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Service	738,794	738,794	632,352	106,442
Debt Service:				
Principal Retirement	9,462	9,462	9,461	1
Interest and Fiscal Charges	<u>10,678</u>	<u>10,678</u>	<u>10,678</u>	<u>0</u>
Total Expenditures	<u>758,934</u>	<u>758,934</u>	<u>652,491</u>	<u>106,443</u>
Excess of Revenues Over (Under) Expenditures	(557,900)	(557,900)	(447,456)	110,444
Other Financing Sources:				
Transfers - In	<u>395,000</u>	<u>395,000</u>	<u>395,000</u>	<u>0</u>
Net Change in Fund Balance	(162,900)	(162,900)	(52,456)	110,444
Fund Balance at Beginning of Year	197,214	197,214	197,214	0
Prior Year Encumbrances Appropriated	<u>41,794</u>	<u>41,794</u>	<u>41,794</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>76,108</u>	\$ <u>76,108</u>	\$ <u>186,552</u>	\$ <u>110,444</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 201,034	\$ 201,034	\$ 179,415	\$ (21,619)
Intergovernmental	<u>0</u>	<u>0</u>	<u>25,620</u>	<u>25,620</u>
Total Revenues	<u>201,034</u>	<u>201,034</u>	<u>205,035</u>	<u>4,001</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Service	601,445	607,446	557,313	50,133
Debt Service:				
Principal Retirement	25,191	25,191	25,190	1
Interest and Fiscal Charges	<u>7,843</u>	<u>7,843</u>	<u>7,843</u>	<u>0</u>
Total Expenditures	<u>634,479</u>	<u>640,480</u>	<u>590,346</u>	<u>50,134</u>
Excess of Revenues Over (Under) Expenditures	(433,445)	(439,446)	(385,311)	54,135
Other Financing Sources:				
Transfers - In	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>
Net Change in Fund Balance	(83,445)	(89,446)	(35,311)	54,135
Fund Balance at Beginning of Year	92,404	92,404	92,404	0
Prior Year Encumbrances Appropriated	<u>35,445</u>	<u>35,445</u>	<u>35,445</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>44,404</u>	\$ <u>38,403</u>	\$ <u>92,538</u>	\$ <u>54,135</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ <u>60,000</u>	\$ <u>60,000</u>	\$ <u>54,353</u>	\$ <u>(5,647)</u>
Expenditures:				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	<u>30,500</u>	<u>30,500</u>	<u>19,563</u>	<u>10,937</u>
Total Expenditures	<u>70,500</u>	<u>70,500</u>	<u>59,563</u>	<u>10,937</u>
Excess of Revenues Over (Under) Expenditures	(10,500)	(10,500)	(5,210)	5,290
Other Financing Sources:				
Transfers - In	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balance	(500)	(500)	4,790	5,290
Fund balance at Beginning of Year	<u>4,250</u>	<u>4,250</u>	<u>4,250</u>	<u>0</u>
Fund balance at End of Year	\$ <u><u>3,750</u></u>	\$ <u><u>3,750</u></u>	\$ <u><u>9,040</u></u>	\$ <u><u>5,290</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 35,000	\$ 34,790	\$ (210)
Expenditures:				
Capital Outlay	<u>2,290,220</u>	<u>2,290,220</u>	<u>1,421,212</u>	<u>869,008</u>
Excess of Revenues Over (Under) Expenditures	(2,260,220)	(2,255,220)	(1,386,422)	868,798
Other Financing Sources:				
Transfers - In	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,475,000</u>	<u>(75,000)</u>
Net Change in Fund Balance	(710,220)	(705,220)	88,578	793,798
Fund Balance at Beginning of Year	753,173	753,173	753,173	0
Prior Year Encumbrances Appropriated	<u>51,120</u>	<u>51,120</u>	<u>51,120</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>94,073</u>	\$ <u>99,073</u>	\$ <u>892,871</u>	\$ <u>793,798</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 550,000	\$ 560,500	\$ 493,069	\$ (67,431)
Investment Income	700	2,000	1,679	(321)
Total Revenues	<u>550,700</u>	<u>562,500</u>	<u>494,748</u>	<u>(67,752)</u>
Expenditures:				
Current:				
General Government:				
Personal Service	361,511	364,592	297,805	66,787
Other	<u>265,664</u>	<u>273,664</u>	<u>179,468</u>	<u>94,196</u>
Total General Government	627,175	638,256	477,273	160,983
Capital Outlay	66,000	58,000	2,150	55,850
Debt Service:				
Principal Retirement	210,000	210,000	210,000	0
Interest and Fiscal Charges	<u>39,900</u>	<u>39,900</u>	<u>38,906</u>	<u>994</u>
Total Expenditures	<u>943,075</u>	<u>946,156</u>	<u>728,329</u>	<u>217,827</u>
Net Change in Fund Balance	(392,375)	(383,656)	(233,581)	150,075
Fund Balance at Beginning of Year	1,399,957	1,399,957	1,399,957	0
Prior Year Encumbrances Appropriated	<u>23,694</u>	<u>23,694</u>	<u>23,694</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,031,276</u>	\$ <u>1,039,995</u>	\$ <u>1,190,070</u>	\$ <u>150,075</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 4,487,477	\$ 4,585,477	\$ 4,375,157	\$ (210,320)
Intergovernmental	<u>4,937,800</u>	<u>4,937,800</u>	<u>702,896</u>	<u>(4,234,904)</u>
Total Revenues	<u>9,425,277</u>	<u>9,523,277</u>	<u>5,078,053</u>	<u>(4,445,224)</u>
Expenses:				
Sewer Operations:				
Personal Service	577,931	584,410	499,774	84,636
Materials And Supplies	79,082	84,082	58,997	25,085
Contractual Services	1,708,757	1,697,857	1,457,920	239,937
Heat, Light, And Power	18,000	20,000	19,600	400
Other	11,966	22,466	20,645	1,821
Capital Outlay	10,773,149	10,828,149	4,553,118	6,275,031
Debt Service:				
Principal Retirement	238,584	238,718	231,153	7,565
Interest and Fiscal Charges	<u>13,815</u>	<u>12,081</u>	<u>11,259</u>	<u>822</u>
Total Expenses	<u>13,421,284</u>	<u>13,487,763</u>	<u>6,852,466</u>	<u>6,635,297</u>
Excess of Revenues Over (Under) Expenditures	(3,996,007)	(3,964,486)	(1,774,413)	2,190,073
Other Financing Sources:				
Transfers - In	<u>1,075,000</u>	<u>1,075,000</u>	<u>0</u>	<u>(1,075,000)</u>
Net Change in Fund Equity	(2,921,007)	(2,889,486)	(1,774,413)	1,115,073
Fund Equity at Beginning of Year	2,592,633	2,592,633	2,592,633	0
Prior Year Encumbrances Appropriated	<u>1,059,068</u>	<u>1,059,068</u>	<u>1,059,068</u>	<u>0</u>
Fund Equity at End of Year	\$ <u>730,694</u>	\$ <u>762,215</u>	\$ <u>1,877,288</u>	\$ <u>1,115,073</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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charge for Services	\$ <u>2,556,779</u>	\$ <u>2,556,779</u>	\$ <u>2,499,725</u>	\$ <u>(57,054)</u>
Expenses:				
Contractual Services	289,259	289,259	284,851	4,408
Claims	<u>2,624,778</u>	<u>2,624,778</u>	<u>1,810,600</u>	<u>814,178</u>
Total Expenses	<u>2,914,037</u>	<u>2,914,037</u>	<u>2,095,451</u>	<u>818,586</u>
Net Change in Fund Equity	(357,258)	(357,258)	404,274	761,532
Fund Equity at Beginning of Year	854,629	854,629	854,629	0
Prior Year Encumbrances Appropriated	<u>8,952</u>	<u>8,952</u>	<u>8,952</u>	<u>0</u>
Fund Equity at End of Year	\$ <u><u>506,323</u></u>	\$ <u><u>506,323</u></u>	\$ <u><u>1,267,855</u></u>	\$ <u><u>761,532</u></u>

City of Rocky River, Ohio

Fiduciary Funds

Fund Descriptions

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, 2015

	<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	\$ 78,320	\$ 228,703	\$ 0	\$ 14,860	\$ 321,883
Cash and Cash Equivalents: In Segregated Accounts	<u>0</u>	<u>0</u>	<u>405,482</u>	<u>0</u>	<u>405,482</u>
Total Assets	\$ <u>78,320</u>	\$ <u>228,703</u>	\$ <u>405,482</u>	\$ <u>14,860</u>	\$ <u>727,365</u>
Liabilities:					
Undistributed Monies	\$ 0	\$ 228,703	\$ 0	\$ 14,860	\$ 243,563
Deposits Held and Due To Others	<u>78,320</u>	<u>0</u>	<u>405,482</u>	<u>0</u>	<u>483,802</u>
Total Liabilities	\$ <u>78,320</u>	\$ <u>228,703</u>	\$ <u>405,482</u>	\$ <u>14,860</u>	\$ <u>727,365</u>

City of Rocky River, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds

For the Year Ended December 31, 2015

	<u>Balance</u> <u>12/31/14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/15</u>
Deposits, Fees and Tri-City				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>74,750</u>	\$ <u>19,079</u>	\$ <u>15,509</u>	\$ <u>78,320</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>74,750</u>	\$ <u>19,079</u>	\$ <u>15,509</u>	\$ <u>78,320</u>
Donations and Bequests				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>244,032</u>	\$ <u>47,869</u>	\$ <u>63,198</u>	\$ <u>228,703</u>
Liabilities:				
Undistributed Monies	\$ <u>244,032</u>	\$ <u>47,869</u>	\$ <u>63,198</u>	\$ <u>228,703</u>
Municipal Court				
Assets:				
Cash and Cash Equivalents: In Segregated Accounts	\$ <u>434,798</u>	\$ <u>4,800,128</u>	\$ <u>4,829,444</u>	\$ <u>405,482</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>434,798</u>	\$ <u>4,800,128</u>	\$ <u>4,829,444</u>	\$ <u>405,482</u>
S.A.F.E.				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>15,024</u>	\$ <u>0</u>	\$ <u>164</u>	\$ <u>14,860</u>
Liabilities:				
Undistributed Monies	\$ <u>15,024</u>	\$ <u>0</u>	\$ <u>164</u>	\$ <u>14,860</u>
All Agency Funds				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 333,806	\$ 66,948	\$ 78,871	\$ 321,883
Cash and Cash Equivalents: In Segregated Accounts	<u>434,798</u>	<u>4,800,128</u>	<u>4,829,444</u>	<u>405,482</u>
Total Assets	\$ <u>768,604</u>	\$ <u>4,867,076</u>	\$ <u>4,908,315</u>	\$ <u>727,365</u>
Liabilities:				
Undistributed Monies	\$ 259,056	\$ 47,869	\$ 63,362	\$ 243,563
Deposits Held and Due to Others	<u>509,548</u>	<u>4,819,207</u>	<u>4,844,953</u>	<u>483,802</u>
Total Liabilities	\$ <u>768,604</u>	\$ <u>4,867,076</u>	\$ <u>4,908,315</u>	\$ <u>727,365</u>

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Statistical Section



City of Rocky River, Ohio

December 31, 2015

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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	142 – 150
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	151 – 157
Debt Capacity 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.	158 – 163
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	164 – 166
Operating Information 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.	168 – 172

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.

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City of Rocky River, Ohio

Net Position by Component – Last Ten Fiscal Years

Accrual Basis of Accounting

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 24,996,254	\$ 28,079,248	\$ 30,592,575	\$ 31,254,205	\$ 31,781,713	\$ 30,680,267	\$ 33,293,005	\$ 36,713,198	\$ 41,586,463	\$ 42,891,009
Restricted for:										
Recreation	825,367	0	0	0	0	0	0	0	0	0
Office on Aging	800,380	354,143	218,952	124,001	51,446	71,622	93,676	115,703	159,197	243,704
Refuse and Recycling	0	0	0	0	0	0	157,985	230,386	119,601	377,763
Capital Projects	8,538,517	4,038,732	4,463,366	6,208,401	6,304,738	5,136,504	2,568,095	5,500,388	4,801,489	5,165,910
Debt Services	370,924	299,208	434,148	295,558	129,556	735,700	264,133	863,940	869,385	944,069
Municipal Probation	380,220	381,081	416,388	421,063	387,247	353,444	0	0	0	0
Street Construction and										
Maintenance	505,658	696,805	415,917	406,063	414,993	413,966	0	1,012,978	881,576	821,270
Law Enforcement and										
Education	0	0	0	0	0	0	0	225,320	225,765	300,154
Security of Persons and										
Property	0	0	0	0	0	0	0	689,792	573,715	464,107
Community Impact	0	0	0	0	0	0	0	3,312	3,312	3,312
Other Purposes	848,768	364,080	816,857	539,121	224,268	556,500	6,464,168	0	0	0
Unreserved	<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>	<u>(12,221,978)</u>	<u>(10,876,056)</u>
Total Net Position –										
Governmental Activities	<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>48,584,745</u>	<u>36,998,525</u>	<u>40,335,242</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	16,369,129	17,261,301	17,184,178	17,800,190	18,945,660	21,806,517	17,349,730	14,018,823	12,478,608	13,678,763
Unrestricted	<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>8,492,454</u>	<u>8,735,194</u>	<u>8,189,432</u>
Total Net Position –										
Business-Type Activities	<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>22,511,277</u>	<u>21,213,802</u>	<u>21,868,195</u>

(a) Balances as of December 31, 2013 were restated due to City's decision to reclassify the Sewer Rehabilitation Fund from governmental activities to business-type activities.

(b) Balances as of December 31, 2014 were restated for implementation of GASB Statement No. 68.

Source: City financial records

(Continued)

City of Rocky River, Ohio

Net Position by Component – Last Ten Fiscal Years (Continued)

Accrual Basis of Accounting

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>
Primary Government:										
Net Investment in										
Capital Assets	41,365,383	45,340,549	47,776,753	49,054,395	50,727,373	52,486,784	50,642,735	50,732,021	54,065,071	56,569,772
Restricted for:										
Recreation	825,367	0	0	0	0	0	0	0	0	0
Office on Aging	800,380	354,143	218,952	124,001	51,446	71,622	93,676	115,703	159,197	243,704
Refuse and Recycling	0	0	0	0	0	0	157,985	230,386	119,601	377,763
Capital Projects	8,538,517	4,038,732	4,463,366	6,208,401	6,304,738	5,136,504	2,568,095	5,500,388	4,801,489	5,165,910
Debt Services	370,924	299,208	434,148	295,558	129,556	735,700	264,133	863,940	869,385	944,069
Municipal Probation	380,220	381,081	416,388	421,063	387,247	353,444	0	0	0	0
Street Construction and										
Maintenance	505,658	696,805	415,917	406,063	414,993	413,966	0	1,012,978	881,576	821,270
Law Enforcement and										
Education	0	0	0	0	0	0	0	225,320	225,765	300,154
Security of Persons and										
Property	0	0	0	0	0	0	0	689,792	573,715	464,107
Community Impact	0	0	0	0	0	0	0	3,312	3,312	3,312
Other Purposes	848,768	364,080	816,857	539,121	224,268	556,500	6,464,168	0	0	0
Unrestricted	<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>11,722,182</u>	<u>(3,486,784)</u>	<u>(2,686,624)</u>
Total Primary Government										
Net Position	\$ <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>	\$ <u>58,212,327</u>	\$ <u>62,203,437</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.

In 2014, the Restricted for classifications were updated and restated for 2013 to allow Restricted for Other Purposes to be defined into their restrictions within Street Construction and Maintenance, Law Enforcement and Education, Security of Persons and Property, and Community Impact restrictions.

City of Rocky River, Ohio

Changes in Net Position – Last Ten Fiscal Years

Accrual Basis of Accounting

	2006	2007	2008	2009	2010	2011	2012	2013 (a)	2014 (b)	2015
Program revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,931,941	\$ 2,130,339	\$ 2,293,658	\$ 2,761,052	\$ 2,533,392	\$ 2,688,561	\$ 2,237,380	\$ 3,629,679	\$ 2,432,809	\$ 2,088,114
Security of Persons and Property	710,930	804,196	1,175,625	740,665	1,105,984	1,056,599	1,640,185	148,966	1,045,198	1,196,046
Public Health	436,247	489,380	467,691	369,997	495,138	542,072	536,596	610,187	578,496	371,903
Transportation	500	75	425	75	350	400	325	625	325	975
Leisure Time Activities	1,451,092	1,907,655	1,987,167	1,979,316	2,118,323	2,067,741	2,163,408	2,238,886	2,255,732	2,381,887
Community Development	495	270	180	260	175	200	250	150	225	325
Basic Utility Service	17,965	11,847	700,345	995,455	1,040,871	1,103,942	1,044,484	8,839	6,025	9,310
Operating Grants and Contributions:										
General Government	0	0	63,921	35,857	45,122	44,331	47,288	44,799	35,811	111,317
Security of Persons and Property	25,946	24,107	27,352	25,263	26,864	25,707	25,021	24,424	24,626	30,925
Transportation	749,323	737,192	777,503	781,961	775,539	777,312	791,552	874,364	888,696	902,937
Basic Utility Service	65,250	41,254	90,523	90,956	86,861	86,220	86,123	86,083	83,952	85,407
Capital Grants and Contributions:										
General Government	619,653	873,945	929,746	824,696	823,491	864,849	936,187	606,549	3,579,488	512,763
Public Health	3,700	255	0	0	0	0	0	1,700	2,286	150,000
Transportation	0	64,000	0	0	0	0	1,976,093	0	0	0
Basic Utility Service	0	0	0	220,091	463,209	0	366,391	0	0	0
Total Governmental Activities										
Program Revenues	<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>8,275,251</u>	<u>10,933,669</u>	<u>7,841,909</u>
Business-Type Activities:										
Charges for Services:										
Sanitary Sewer Charges	1,882,034	1,862,049	2,012,434	1,979,436	1,758,085	1,865,441	1,867,073	2,989,388	4,203,128	4,553,885
Capital Grants and Contributions:										
Sanitary Sewer Charges	219,730	54,603	195,846	903,127	1,501,035	3,158,259	437,437	28,107	0	0
Total Business-Type Activities										
Program Revenues	<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>3,017,495</u>	<u>4,203,128</u>	<u>4,553,885</u>
Total Primary Government										
Program Revenues	<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>11,292,746</u>	<u>15,136,797</u>	<u>12,395,794</u>

(continued)

City of Rocky River, Ohio

Changes in Net Position – Last Ten Fiscal Years

Accrual Basis of Accounting

	2006	2007	2008	2009	2010	2011	2012	2013 (a)	2014 (b)	2015
Expenses										
Governmental activities:										
General Government	8,818,319	6,808,557	8,051,702	6,932,356	7,598,480	9,384,315	5,294,037	5,913,026	5,668,787	5,940,993
Security of Persons and										
Property	9,202,339	9,829,332	9,396,241	9,623,866	9,010,010	9,472,809	8,983,880	9,207,482	9,306,477	9,248,644
Public Health	1,220,577	1,363,640	1,347,437	1,437,857	1,428,688	1,386,701	1,185,768	1,335,546	1,175,476	1,090,434
Transportation	3,244,883	2,314,773	3,195,503	2,758,278	2,385,058	2,459,672	2,279,856	2,508,065	3,754,446	3,996,908
Leisure Time Activities	783,730	4,076,680	3,937,438	4,268,822	3,948,809	4,527,664	3,657,902	3,531,071	3,174,829	3,497,102
Community Development	257,600	790,060	801,140	720,892	816,485	673,807	760,476	714,344	651,553	509,093
Basic Utility Services	1,934,737	1,693,864	1,609,178	1,772,114	2,127,597	2,111,718	2,521,711	1,704,807	1,516,591	1,745,388
Interest and Fiscal Charges	925,760	882,306	854,095	824,261	790,980	687,642	677,987	703,744	411,086	306,989
Total Governmental										
Activities Expenses	26,387,945	27,759,212	29,192,734	28,338,446	28,106,107	30,704,328	25,361,617	25,618,085	25,659,245	26,335,551
Business-Type Activities:										
Sanitary Sewer Charges	2,078,404	2,454,298	2,308,075	2,315,018	2,450,068	2,102,577	2,431,473	2,339,335	3,862,901	3,965,030
Transfers	0	0	0	0	106,197	0	4,736,952	0	1,365,188	(65,538)
Total Business-										
Type Activities	2,078,404	2,454,298	2,308,075	2,315,018	2,556,265	2,102,577	7,168,425	2,339,335	5,228,089	3,899,492
Total Primary Government										
Program Expenses	28,466,349	30,213,510	31,500,809	30,653,464	30,662,372	32,806,905	32,530,042	27,957,420	30,887,334	30,235,043
General Revenues:										
Property Taxes Levied for:										
General Purposes	3,695,587	4,210,179	4,018,607	4,093,251	3,872,423	3,788,172	3,815,055	3,700,797	3,765,359	3,756,030
Recreation	293,301	293,591	318,938	324,861	307,335	300,648	281,777	295,395	299,553	298,146
Office on Aging	283,755	331,210	318,938	324,861	307,335	300,648	281,777	295,395	299,553	298,146
Refuse and Recycling	596,199	624,749	637,881	649,723	614,670	601,297	563,557	590,792	599,103	596,288
Fire Levy	175,980	187,441	191,365	194,916	184,401	180,663	170,963	178,222	183,804	179,415
Police Levy	96,012	267,410	191,365	194,916	184,401	181,671	170,963	178,222	181,945	179,415
Capital Improvements	552,819	624,801	637,881	649,723	614,670	601,297	563,557	590,792	599,103	596,289
General Obligation Bond										
Retirement	666,569	542,651	626,790	634,889	599,627	597,831	563,557	592,792	599,103	596,289
Municipal Taxes Levied for										
General Purposes	8,203,978	8,893,894	8,673,869	7,661,534	7,959,539	8,606,720	8,906,264	9,734,666	10,246,564	13,304,985
Franchise Tax	139,215	149,384	207,503	128,163	236,114	201,531	159,268	214,782	229,792	264,187
Admissions Tax	45,929	40,874	36,715	34,981	33,855	32,638	35,522	31,131	58,572	89,504
Grants and Entitlements not Restricted										
to Specific Programs	3,453,555	3,837,407	4,156,898	4,195,197	2,477,912	2,852,477	3,122,384	2,668,592	1,556,143	1,355,228
Investment Earnings	1,202,568	1,110,881	516,771	140,058	31,050	8,162	7,499	8,083	21,536	27,452

(continued)

City of Rocky River, Ohio

Changes in Net Position – Last Ten Fiscal Years

Accrual Basis of Accounting

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>
General Revenues (Continued):										
Other	71,946	407,662	466,811	193,193	41,522	791,806	831,526	299,771	400,006	354,523
Transfers	0	0	0	0	106,197	0	4,736,952	0	1,365,188	(65,538)
Special Item	0	0	0	0	0	0	(4,554,583)	0	0	0
Total General Revenues, Transfers, and Special Items	<u>19,477,413</u>	<u>21,522,134</u>	<u>21,000,332</u>	<u>19,420,266</u>	<u>17,571,051</u>	<u>19,045,561</u>	<u>19,656,038</u>	<u>19,379,432</u>	<u>20,405,324</u>	<u>21,830,359</u>
Change in Net Position:										
Governmental Activities	102,510	847,702	321,734	(92,536)	(1,019,737)	(2,400,833)	6,145,704	2,036,598	5,679,748	3,336,717
Business-Type Activities	<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>678,160</u>	<u>(1,024,961)</u>	<u>654,393</u>
Total Primary Government Change in Net Position	\$ <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>	\$ <u>4,654,787</u>	\$ <u>3,991,110</u>

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City of Rocky River, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (b)</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014</u>	<u>2015</u>
General Fund										
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,082	\$ 39,224	\$ 20,105	\$ 41,608	\$ 60,058
Assigned	0	0	0	0	0	73,625	2,530,242	1,332,986	3,752,213	3,221,848
Unassigned	0	0	0	0	0	3,503,175	1,825,725	3,619,420	2,694,990	3,783,076
Reserved	126,594	124,595	235,188	118,863	370,707	0	0	0	0	0
Unreserved	<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>	<u>0</u>	<u>0</u>
Total General Fund	<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>	<u>6,488,811</u>	<u>7,064,982</u>
All Other Governmental Funds										
Nonspendable	0	0	0	0	0	117,404	134,826	97,529	160,495	159,099
Restricted	0	0	0	0	0	6,054,235	8,233,110	7,471,528	6,608,029	7,485,009
Unassigned (Deficit)	0	0	0	0	0	(627,575)	(504,079)	(385,379)	(482,711)	(289,493)
Reserved	7,003,846	1,545,110	740,155	2,615,314	4,893,122	0	0	0	0	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	3,179,196	1,498,981	1,494,900	722,896	375,705	0	0	0	0	0
Debt Service Funds	368,623	320,601	434,703	296,748	129,711	0	0	0	0	0
Capital Projects Funds	<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>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<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>7,183,678</u>	<u>6,285,813</u>	<u>7,354,615</u>
Total Governmental Funds	\$ <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>12,156,189</u>	\$ <u>12,774,624</u>	\$ <u>14,419,597</u>

(a) Balances as of December 31, 2013 were restated due to City's decision to reclassify the Sewer Rehabilitation Fund from governmental activities to business-type activities.

(b) 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

	2006	2007	2008	2009	2010	2011	2012	2013 (a)	2014	2015
Revenues										
Property Taxes	\$ 6,335,087	\$ 7,041,339	\$ 6,947,816	\$ 7,080,115	\$ 6,686,547	\$ 6,472,059	\$ 6,479,941	\$ 6,443,601	\$ 6,536,524	\$ 6,500,467
Municipal Income taxes	8,302,551	8,524,272	8,506,159	7,748,760	8,106,509	8,570,317	8,697,295	9,621,455	10,194,101	13,075,238
Other Local Taxes	185,144	190,258	244,218	163,144	269,969	234,169	194,790	245,913	288,364	353,691
Intergovernmental	5,223,478	5,067,103	5,900,572	6,285,727	4,683,905	4,749,825	5,356,419	4,451,998	3,199,672	3,120,298
Charges for Services	2,108,616	2,362,258	3,188,107	3,317,448	3,635,605	3,711,407	3,829,615	2,837,298	2,835,023	2,744,317
Fines, Fees, and Permits	2,946,563	2,795,898	3,348,071	3,357,804	3,405,319	3,504,950	3,652,640	3,766,444	3,432,285	3,442,054
Special Assessments	73,625	69,545	67,171	66,757	61,788	60,120	58,421	68,198	53,920	54,353
Investment Income	1,202,568	1,110,881	516,771	140,058	31,050	8,162	7,499	8,083	21,536	11,173
Rentals	102,925	130,683	94,133	104,387	104,047	86,230	93,229	91,044	92,875	96,495
Other	137,471	489,200	480,433	209,371	107,372	792,765	834,019	300,334	400,006	354,523
Total Revenues	26,618,028	27,781,437	29,293,451	28,473,571	27,092,111	28,190,004	29,203,868	27,834,368	27,054,306	29,752,609
Expenditures										
Current:										
General Government	4,367,663	4,630,034	4,933,287	4,991,465	4,983,015	4,888,964	5,106,984	4,461,355	4,972,508	5,210,524
Security of Persons and Property	8,158,722	8,659,138	8,876,601	9,246,320	8,985,847	9,104,294	8,785,151	9,245,442	9,180,199	8,992,682
Public Health	1,107,247	1,258,586	1,260,327	1,173,737	1,298,805	1,281,566	1,061,178	1,239,240	1,153,116	993,557
Transportation	2,160,615	2,167,526	2,514,664	2,268,740	2,206,182	2,138,947	1,702,865	1,736,448	1,963,888	2,080,847
Leisure Time Activities	2,888,877	3,522,149	3,818,666	3,641,297	3,387,478	3,188,335	3,170,232	3,172,881	3,159,934	3,314,950
Community Development	1,341,837	965,311	932,862	917,692	792,068	807,866	766,902	737,752	669,155	655,520
Basic Utility Services	1,482,518	1,601,443	1,639,711	2,056,568	3,387,129	4,592,412	4,481,802	1,613,539	1,511,655	1,551,473
Capital Outlay	6,528,974	8,759,176	5,203,465	3,595,408	2,125,399	2,997,396	1,035,843	1,352,306	2,081,172	4,225,764
Debt Service										
Principal	1,148,732	1,154,751	1,100,814	1,116,923	1,138,080	1,909,286	1,268,289	1,271,855	1,338,224	739,651
Interest	933,167	905,917	877,823	848,319	815,274	716,098	685,370	626,374	423,666	354,653
Bond Issuance Costs	0	0	0	0	0	74,864	0	0	128,353	0
Total Expenditures	30,118,352	33,624,031	31,158,220	29,856,469	29,119,277	31,700,028	28,064,616	25,457,192	26,581,870	28,119,621
Excess of Revenues Over (Under) Expenditures	(3,500,324)	(5,842,594)	(1,864,769)	(1,382,898)	(2,027,166)	(3,510,024)	1,139,252	2,377,176	472,436	1,632,988

(continued)

City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014</u>	<u>2015</u>
<u>Other Financing Sources (Uses)</u>										
Proceeds from Sale of										
Capital Assets	4,978	32,740	29,730	16,127	11,537	0	14,615	2,059	17,646	11,985
Issuance of Debt	0	0	0	228,754	646,016	4,691,540	1,964,235	0	9,180,000	0
Premium on General										
Obligation Debt	0	0	0	0	0	52,694	0	0	592,633	0
Payment to Escrow	0	0	0	0	0	(2,812,830)	0	0	(9,644,280)	0
Transfers - In	9,070,623	5,115,000	7,650,000	5,487,764	4,471,000	3,680,000	3,994,000	5,108,000	3,353,300	4,798,300
Transfers - Out	(9,070,623)	(5,115,000)	(7,915,000)	(5,487,764)	(4,471,000)	(3,680,000)	(3,994,000)	(5,108,000)	(3,353,300)	(4,798,300)
Total Other Financing Sources (Uses)	<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>2,059</u>	<u>145,999</u>	<u>11,985</u>
Net Change in Fund Balances	\$ <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>2,379,235</u>	\$ <u>618,435</u>	\$ <u>1,644,973</u>
Debt Service as a Percentage of Noncapital Expenditures	8.23%	8.11%	7.19%	7.18%	7.21%	8.56%	7.88%	8.26%	8.43%	4.36%

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)
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
2014/2015	680,005,610	1,942,873,171	8,706,580	9,893,841
2015/2016	737,074,070	2,105,925,914	8,855,180	10,062,704

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) This amount is calculated for 2015 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 was 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 was assessed at 18.75, 12.5, and 6.25 percent of true value for all property inventory for 2006, 2007, and 2008 respectively.

The tangible personal property tax was phased out completely after 2008 for nearly all taxpayers.

(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>		
\$ 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
0	0	688,712,190	1,952,767,012	35.26	10.90
0	0	745,929,250	2,115,988,618	35.25	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

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						
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	
2014	6.30	2.60	1.00	1.00	10.90	95.65	14.05	6.88	127.48	
2015	6.30	2.60	1.00	1.00	10.90	95.65	14.05	6.88	127.48	

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

<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>
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
2014	7,697,980	7,276,041	94.52	148,083
2015	7,660,093	7,252,808	94.68	177,485

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: Cuyahoga 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>
\$	6,981,332	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
	7,424,124	96.44	234,457	3.05
	7,430,293	97.00	234,007	3.05

City of Rocky River, Ohio

Principal Taxpayers: Real and Tangible Personal Property Tax

As of December 31, 2015 and December 31, 2006

<u>Taxpayer</u>	2015	
	Real Personal Property Assessed Value	Percent of Total Assessed Value
	Rocky River Apartments, LLC	\$ 7,984,830
Westwood Town Center	7,258,590	0.97
Cleveland Electric Illuminating Co.	6,887,420	0.92
Beachcliff Properties, LP	5,429,380	0.73
Inland Westgate, LLC	5,074,130	0.68
Normandy Association, LP	4,998,290	0.67
SRK Perrysburg Association, LLC	3,277,890	0.44
Westwood Country Club, Co.	2,899,760	0.39
Presidential Apartments, LTD	2,884,040	0.39
Gross Management, Inc.	2,712,300	0.36
<i>Totals</i>	\$ <u>49,406,630</u>	<u>6.62%</u>
<i>Total City Assessed Valuation</i>	\$ <u>745,929,250</u>	
<u>Taxpayer</u>	2006	
	Real and Tangible Personal Property Assessed Value	Percent of Total Assessed Value
	Westwood Town Center	\$ 7,274,720
Normandy Association, LTD.	4,850,980	0.67
Cleveland Illuminating Company	4,431,800	0.61
Presidential Apartments, LTD.	3,992,940	0.55
John D. Spielberger	3,245,010	0.45
W & F Plaza Investments	2,624,310	0.36
Linden Apartment, Inc.	2,548,600	0.35
Gross Management, Inc.	2,500,790	0.35
SRK Perrysburg Association, LLC	2,456,580	0.34
Westwood Country Club	2,369,080	0.33
<i>Totals</i>	\$ <u>36,294,810</u>	<u>5.02%</u>
<i>Total City Assessed Valuation</i>	\$ <u>723,419,816</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 (1)	Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	OPWC Loan	OWDA Loan	OPWC Loan	OWDA Loan			
2006	\$ 21,120,782	\$ 710,000	\$ 0	\$ 0	\$ 0	\$ 276,733	\$ 22,107,515	3.08%	\$ 1,066.14
2007	20,007,961	670,000	0	0	0	262,310	20,940,271	2.91	956.23
2008	18,950,140	630,000	0	0	0	247,210	19,827,350	2.76	915.72
2009	17,877,319	590,000	288,754	0	0	231,400	18,987,473	2.64	911.50
2010	16,784,498	550,000	874,770	0	0	214,850	18,424,118	2.63	919.10
2011	14,996,541	510,000	2,731,310	0	0	339,843	18,577,694	2.65	961.82
2012	13,986,760	470,000	4,660,827	144,293	0	179,383	19,441,263	2.77	956.82
2013 (a)	12,759,145	430,000	0	0	6,199,329	237,698	19,626,172	2.80	970.97
2014	11,790,949	390,000	0	0	8,700,960	224,202	21,106,111	3.01	1,044.18
2015	11,061,896	350,000	0	0	9,264,658	132,247	20,808,801	2.97	1,029.48

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 165 for personal income and population data.

(a) Balances as of December 31, 2013 were restated due to City's decision to reclassify the Sewer Rehabilitation Fund from governmental activities to business-type activities.

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>	
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
2014	354,583	194,403	54.82	40,000	22,476	3.11
2015	296,401	144,183	48.64	40,000	20,462	2.38

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 ⁽¹⁾</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>
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 (c)	20,213	11,895,205	685,726,280	1.73	588.49
2014	20,213	10,921,564	688,712,190	1.59	540.32
2015	20,213	10,117,827	745,929,250	1.36	500.56

(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.

(c) Balances as of December 31, 2013 were restated due to City's decision to reclassify the Sewer Rehabilitation Fund from governmental activities to business-type activities.

City of Rocky River, Ohio

Computation of Legal Debt Margin

Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013 (a)	2014	2015
Assessed Valuation	\$ <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>	\$ <u>688,712,190</u>	\$ <u>745,929,250</u>
Debt Limit - 10.5% of Assessed Valuation	\$ 75,959,081	\$ 75,377,404	\$ 76,110,990	\$ 72,779,220	\$ 72,375,798	\$ 71,977,823	\$ 71,717,596	\$ 72,001,259	\$ 72,314,780	\$ 78,322,571
Gross Indebtedness	22,107,515	20,940,271	19,827,350	18,927,473	18,424,118	18,577,694	19,275,054	19,626,172	21,106,111	20,808,801
Less: Debt Outside Limitation										
Special Assessment Bonds	(710,000)	(670,000)	(630,000)	(590,000)	(550,000)	(510,000)	(470,000)	(430,000)	(390,000)	(350,000)
OPWC Loans	0	0	0	(228,754)	(874,770)	(2,731,310)	(4,660,827)	(6,199,329)	(8,700,960)	(9,264,658)
OWDA Loans	(276,733)	(262,310)	(247,210)	(231,400)	(214,850)	(339,843)	(323,676)	(237,698)	(224,202)	(132,247)
Less: Amount Available In Debt Service Funds	<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>(863,940)</u>	<u>(869,385)</u>	<u>(944,069)</u>
Net Debt Within 10.5% Limitation	<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>11,895,205</u>	<u>10,921,564</u>	<u>10,117,827</u>
Legal Debt Margin	\$ <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>60,106,054</u>	\$ <u>61,393,216</u>	\$ <u>68,204,744</u>
Debt Limit - 5.5% of Assessed Unvoted Value	\$ 39,788,090	\$ 39,483,402	\$ 39,867,661	\$ 38,122,449	\$ 37,911,132	\$ 37,702,669	\$ 37,566,360	\$ 37,714,945	\$ 37,879,170	\$ 41,026,109
Gross Indebtedness Authorized by Council	22,107,515	20,940,271	19,827,350	18,927,473	18,424,118	18,577,694	19,275,054	19,626,172	21,106,111	20,808,801
Less: Debt Outside Limitation										
Limitation	(8,995,938)	(9,617,670)	(8,228,725)	(8,057,824)	(8,293,445)	(9,871,133)	(11,370,638)	(12,399,317)	(14,699,605)	(14,663,904)
Less: Amount Available in Debt Service Funds Related to Unvoted Debt	<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>(820,740)</u>	<u>(869,385)</u>	<u>(944,069)</u>
Net Debt Within 5.5% Limitation	<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>6,406,115</u>	<u>5,537,121</u>	<u>5,200,828</u>
Unvoted Debt Margin	\$ <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>31,308,830</u>	\$ <u>32,342,049</u>	\$ <u>35,825,281</u>

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

(a) Balances as of December 31, 2013 were restated due to City's decision to reclassify the Sewer Rehabilitation Fund from governmental activities to business-type activities.

City of Rocky River, Ohio

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2015

	Governmental Activities Debt <u>Outstanding</u>	Percentage Applicable <u>to City (1)</u>	Amount Applicable to City of <u>Rocky River</u>
<u>Direct:</u>			
General Obligation Bonds	\$ 11,061,896	100.00%	\$ 11,061,896
Special Assessment Bonds	<u>350,000</u>	100.00	<u>350,000</u>
Total Direct Debt	<u>11,411,896</u>		<u>11,411,896</u>
 <u>Overlapping:</u>			
Cuyahoga County	243,900,000	2.71	6,609,429
Greater Cleveland Regional Transit Authority	88,715,000	2.71	2,404,082
Rocky River School District	<u>45,749,328</u>	96.72	<u>44,246,792</u>
Total Overlapping	<u>378,364,328</u>		<u>53,260,303</u>
Total	\$ <u>389,776,224</u>		\$ <u>64,672,199</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

<u>Year</u>	<u>Debt Service</u>	<u>General Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
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 (a)	1,898,229	25,457,192	7.46
2014	1,761,890	26,581,870	6.63
2015	1,094,304	28,119,621	3.89

Source: City Financial Records

- (a) Balances as of December 31, 2013 were restated due to City's decision to reclassify the Sewer Rehabilitation Fund from governmental activities to business-type activities.

City of Rocky River, Ohio

Principal Employers

Current Year and Ten Years Ago

2015		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
City of Rocky River	641	4.3%
Rocky River Board of Education	567	3.8
Riser Foods Co.	282	1.9
Westwood Country Club Co.	248	1.7
Cleveland Yacht Club Inc.	247	1.7
Marc Glassman Inc.	233	1.6
Magnificat High School	213	1.4
JP Recovery Services Inc.	211	1.4
Lowe's Home Center	206	1.4
CRS Marketing Services, Inc.	198	1.3
Total	<u>3,046</u>	<u>20.5%</u>
Total City Employment	<u>14,848</u>	

2006		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Rocky River Board of Education	601	10.8 %
City of Rocky River	679	12.2
Ultimate Warranty Corp.	80	1.4
McDonald Investments	46	0.8
Normandy Manor of Rocky River	337	6.0
Cuyahoga County Auditor Payroll	279	5.0
Magnificat High School	201	3.6
Riser Foods Co.	400	7.2
Dawson Corporation LTD	84	1.5
VER-A-FAST Corp.	43	0.8
Total	<u>2,750</u>	<u>49.3%</u>
Total City Employment	<u>5,582</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.

City of Rocky River, Ohio

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population</u> ⁽¹⁾	<u>Total Personal Income</u> ⁽²⁾	<u>Per Capita Personal Income</u> ⁽¹⁾	<u>Median Household Income</u> ⁽¹⁾	<u>School Enrollment</u> ⁽³⁾	<u>Unemployment Cuyahoga County</u>
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
2014	20,213 a	700,643,219	34,663	51,636	2,693	6.40
2015	20,213 a	700,643,219	34,663	51,636	2,770	4.00

(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

Year	Property Value (1)			Residential (2)		Commercial (2)	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
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
2014	292,850,428	1,650,022,742	1,942,873,170	13	3,896,800	3	8,840,000
2015	295,212,286	1,810,713,628	2,105,925,914	12	5,625,350	0	0

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government:										
Mayor	2	2	2	2	2	2	2	2	2	2
Finance Department	3	3	3	3	3	3	3	3	3	3
Building Maintenance	5	5	5	5	5	5	5	5	5	5
Human Resources	1	1	1	1	1	1	1	1	1	1
Municipal Courts	27	25	26	24	29	29	24	24	25	25
Building	6	6	6	6	6	6	6	6	6	4
Security of Persons and Property:										
Police Department	38	38	38	38	38	36	36	35	34	37
Fire Department	30	30	30	30	30	30	30	30	30	30
Safety Service Director	2	1	2	2	2	2	2	2	2	2
Traffic Signal	4	4	4	4	3	3	3	3	2	3
Transportation:										
Equipment Repair and Garage	7	8	8	8	7	7	6	6	7	7
Street Repair and Maintenance	12	14	13	12	10	9	7	8	10	10
Leisure Time Activities:										
Parks	4	4	4	4	4	4	2	3	3	3
Recreation Center	15	17	16	17	16	14	14	14	14	14
Community Development:										
Community Center	1	1	1	1	1	1	1	0	0	0
Public Health:										
Office on Aging	8	8	8	8	8	8	6	6	5	5
Basic Utilities Services:										
Refuse and Recycling	15	15	15	15	16	15	15	14	13	12
Total Governmental Activities:	<u>180</u>	<u>182</u>	<u>182</u>	<u>180</u>	<u>181</u>	<u>175</u>	<u>163</u>	<u>162</u>	<u>162</u>	<u>163</u>
Sanitary Sewer	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>6</u>	<u>7</u>
Total Business-Type Activities:	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>6</u>	<u>7</u>
Total Primary Government:	<u>190</u>	<u>192</u>	<u>191</u>	<u>189</u>	<u>190</u>	<u>182</u>	<u>171</u>	<u>170</u>	<u>168</u>	<u>170</u>

Source: City Records

City of Rocky River, Ohio

Operating Indicators by Function/Program

Last Ten Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government:										
Council:										
Number of Ordinances/Resolutions	163	142	144	106	58	89	89	95	101	101
Building Department:										
New Single Family Home Permits	11	2	1	4	5	3	8	11	13	12
Commercial Building/Structures										
New	2	2	2	1	2	1	2	2	3	0
Additions	32	19	22	13	26	11	15	25	20	25
Increase in Dwelling Units	25	2	0	17	13	9	17	285	17	9
Total Receipts – Building Permits	\$ 245,872	\$ 229,087	\$ 221,535	\$ 220,606	\$ 258,561	\$ 267,940	\$ 277,229	\$ 459,542	\$ 461,583	\$ 305,143
Municipal Court:										
Jurisdiction Population	120,226	120,226	120,226	120,226	120,226	118,137	118,137	118,137	118,137	118,137
Cases Filed:137										
Criminal/Traffic	25,536	24,778	25,536	23,592	23,574	23,820	25,175	16,532	13,735	13,005
Civil/Small Claims	2,887	3,208	2,702	3,887	3,106	2,771	2,751	2,188	2,391	2,126
Security of Persons and Property:										
Police Protection:										
Motor Vehicle Accidents	313	335	363	336	374	311	260	541	605	596
BAC Licensed Operators	23	23	23	22	24	23	20	17	17	17
Community Diversion Cases	213	216	192	240	140	167	105	147	NA	NA
Marine Patrol Boat Hours	534	510	520	609	922	143	449	437	516	652
Total Prisoners	1,053	1,097	930	972	909	901	911	997	816	771

(continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Fire Protection:										
Emergency Responses:										
Building Fire Calls	13	22	13	29	23	29	28	35	33	38
Emergency Medical Care	1,965	2,070	1,956	1,936	2,008	2,240	2,113	2,074	2,173	2,403
System Tests Witnessed:										
Commercial Kitchen	40	18	15	14	NA	2	13	6	24	38
Sprinkler / Standpipe	13	8	10	14	NA	6	8	19	64	31
Fire Alarm	30	5	18	25	NA	3	20	18	24	30
General Inspections for Licensure	32	20	62	58	52	128	91	95	53	103
Public Health Services:										
Senior Center:										
Volunteers	154	147	150	150	158	171	183	168	167	180
Volunteer Hours	11,676	12,647	12,910	12,910	15,352	15,352	15,832	16,172	13,000	15,000
Senior Transportation Trips	7,932	7,308	7,958	8,578	8,178	8,156	7,772	7,772	6,897	6,761
Lunches Served	13,244	14,016	14,778	15,825	16,612	18,085	NA	75 / day	NA	NA
Gift Shop Sales	\$ 56,520	\$ 54,421	\$ 57,662	\$ 52,169	\$ 63,152	\$ 59,666	\$ 53,100	\$ 53,969	\$ 49,553	\$ 42,343
Flu and Pneumonia shots	869	691	706	572	436	436	270	NA	NA	NA
Transportation:										
Safety Service:										
Snowfall in Inches [1]	50.6	76.5	77.2	79.7	63.1	59.8	63.3	58.4	84.2	32.8
Road Salt Purchased (tons)	3,200	4,500	4,800	4,000	4,800	4,800	NA	3,100	3,300	3,300
Cold Patch Purchased (tons)	25	64	NA	25	NA	NA	NA	NA	327	355
Trees Planted	351	224	270	89	92	89	37	113	62	82
Trees Removed	43	64	100	47	43	123	43	47	59	68

(continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Leisure Time Activities:										
Recreation Center:										
Summer Camp – Recreation	557	573	532	476	450	457	395	426	342	451
Summer Camp – Sports	542	626	572	453	518	832	901	722	584	565
Concert Attendance	2,400	3,300	1,850	3,500	NA	NA	1,750	NA	NA	NA
Outdoor Pool Attendance	51,376	56,518	43,955	32,721	46,697	45,000	NA	NA	18,144	37,309
Civic Center Daily Member Log-ins[2]	NA	15,394	142,017	150,106	168,020	122,774	NA	NA	NA	NA
Basic Utilities Service:										
Refuse Collection:										
Refuse Truck Collections (tons)	8,219	7,739	9,823	9,093	8,853	8,920	8,790	8,576	8,114	7,519
Blue Bag Collections (tons)	284	295	255	337	375	378	390	590	968	928
Leaf Collections (tons)	1,384	1,666	1,481	1,287	1,288	1,097	1,140	1,388	1,434	1,149
Paper Collections (tons)	380	308	240	195	155	98	79	37	0	0
Cardboard Collections (tons)	161	158	183	183	173	174	189	185	128	136
Sanitary Sewer:										
Quantity and Strength Percent of										
Wastewater Treatment Plant	29.53	29.53	29.40	29.40	25.43	25.43	25.43	25.43	25.31	25.31

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government:										
Other Departmental Vehicles	10	10	10	10	10	10	10	10	10	9
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
Security of Persons and Property:										
Police Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	24	25	25	25	25	25	25	23	23	26
Marine Patrol Boat	1	1	1	1	1	1	1	1	1	1
Canine Unit(s)	2	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	10	10	10	10	10	10	10	10	9
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	993	1,003	1,003	1,003	1,041	1,041	1,041	1,041	1,041	1,016
Public Health Services:										
Senior Transportation:										
Number of Vehicles	6	6	6	6	5	5	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
Transportation:										
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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Leisure Time Activities:										
Recreation and Culture:										
Number of Parks	9	9	9	9	9	9	9	9	9	9
Acres of Parks	106	106	106	106	106	106	106	106	106	106
Number of Vehicles	10	10	10	10	10	10	10	10	11	12
Square Footage of Recreation Facilities	42,379	84,379	84,379	84,379	84,379	84,379	81,379	81,379	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
Basic Utilities Service:										
Refuse Collection:										
Refuse Vehicles	24	24	24	24	24	24	24	24	24	22
Transit Scooters	20	20	20	19	19	17	12	10	10	11
Transfer Station	1	1	1	1	1	1	1	1	1	1
Sewers:										
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	7,091	7,018	7,091	7,038	7,038	7,043	6,806	6,806	6,840	6,840

Source: City Records

City of Rocky River, Ohio

For the Year Ended December 31, 2015

City of Rocky River, Ohio

For the Year Ended December 31, 2015

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CPAs and Business Advisors

Where Relationships Count.

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*

Honorable Mayor and
Members of 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 31, 2017, wherein we noted the City implemented Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and as a result restated the December 31, 2014 net position, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings, that we consider to be a material weakness (Finding No. 2015-001).

 **C&P Advisors, LLC**
Ciuni & Panichi, Inc.
C&P Wealth Management, LLC



25201 Chagrin Boulevard
Cleveland, Ohio 44122.5683
p. 216.831.7171
f. 216.831.3020
www.cp-advisors.com
Independent Member of
Geneva Group International

Honorable Mayor and
Members of 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*.

City of Rocky River, Ohio's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Ciuni + Panichi, Inc.

Cleveland, Ohio
January 31, 2017

City of Rocky River, Ohio

Schedule of Findings

For the year ended December 31, 2015

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)?	Yes
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

2015-001 - Material Weakness in Internal Control:

Condition:

We noted the City had an unreconciled difference on the bank reconciliation for the PNC Bank a/c #9132, which functions as the City's operating account. This resulted in an audit adjustment to reduce cash in the general fund by \$110,686 and to reduce cash in the aggregate remaining fund information by \$48,601.

Criteria:

The internal control structure and processes should provide for the accurate reporting of cash balances and transactions. Reconciling cash is a basic and important control instituted by management to assure the completeness, existence and accuracy of cash transactions.

Cause:

Monitoring controls were not in place to ensure that the bank reconciliation was properly performed to ensure that all transactions recorded in the City's accounting ledger existed and were complete and accurate.

Effect:

Weaknesses in controls over the bank reconciliation process can result in inaccurate data being reported and relied upon to make financial decisions. Additionally, weaknesses in this control process can allow errors and/or irregularities to go undetected. In the instances noted, the City recorded duplicate receipt entries while also failing to record severance payments for a few employees in the accounting records.

Recommendation:

We recommend that the Director of Finance's office create a written policy to govern the bank reconciliation process that is then approved by City Council. The policy should factor in segregation of duties when available. In addition, they should include a process for reconciling the information in the accounting records to information on the bank statements to ensure existence of transactions recorded in the City's records. The policy should also include a process for reconciling the information from the bank statements to the accounting records to ensure completeness of transactions recorded in the City's records. Furthermore, the policy should require that a timely review of the reconciliation be performed to ensure that any errors are investigated and corrected in an appropriate and timely manner. Finally, the policy could give consideration to setting materiality thresholds for the City to follow to ensure that any unreconciled differences that are not corrected are not prudent as the costs outweigh the benefit of further analysis.

City of Rocky River, Ohio

Schedule of Prior Audit Findings

For the year ended December 31, 2015

Finding No.	Finding Summary	Fully Corrected	Explanation
2014-01	<i>Material Weakness</i> The Sewer Rehabilitation Fund was recorded as a special revenue fund but should have been combined with the Sanitary Sewer Enterprise Fund based on the revenue source. As such, the City restated to reclassify the fund to the enterprise fund and business-type activities.	Yes	The City properly reported the fund in the Sanitary Sewer Enterprise Fund.

City of Rocky River, Ohio

Corrective Action Plan

For the year ended December 31, 2015

Finding No.	Finding Summary	Anticipated Completion Date	Responsible Contact Person
2015-001	The City administration will develop a policy to address timely completion of reconciliation procedures; stated deadlines will be considered. The consideration of timely execution will include the investigation of errors and/or unreconciled items. A component of monitoring controls will be the establishment of interim deadlines for certain tasks within the process and reporting thereof. To address segregation of duties risk, the policy may provide for a periodic rotation of reconciliation responsibilities and could give consideration to setting materiality thresholds for the City to follow to ensure that any unreconciled differences that are not corrected are not prudent as the costs may outweigh the benefit of further analysis.	February 28, 2017	Mike Thomas, Director of Finance



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
APRIL 18, 2017**