

City of Rocky River, Ohio

Comprehensive Annual Financial Report

December 31, 2008

Issued by:

City of Rocky River
Department of Finance

Michael A. Thomas
Director of Finance



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Rocky River, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2008 through December 31, 2008. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 7, 2009

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City of Rocky River, Ohio

Comprehensive Annual Financial Report
For The Year Ended December 31, 2008

Table of Contents	Page
I. Introductory Section	
Title Page	i
Table of Contents	ii
Letter of Transmittal	viii
GFOA Certificate of Achievement	xii
List of Elected Officials	xiii
Organizational Chart	xiv
II. Financial Section	
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:	
General Fund.....	26
Recreation Center Fund	27
Statement of Fund Net Assets – Proprietary Funds	28
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	29

City of Rocky River, Ohio

Comprehensive Annual Financial Report
For The Year Ended December 31, 2008

Table of Contents	Page
II. Financial Section (continued)	
Statement of Cash Flows – Proprietary Fund Types	30
Statement of Fiduciary Net Assets – Fiduciary Funds	31
Statement of Changes in Fiduciary Net Assets – Investment Trust Fund	32
Notes to Basic Financial Statements	33
Combining Statements and Individual Fund Schedules:	
Combining Statements: Non-major Governmental Funds:	
Fund Descriptions	64
Combining Balance Sheet – Non-major Governmental Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	67
Combining Balance Sheet – Non-major Special Revenue Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Special Revenue Funds	72
Combining Balance Sheet – Non-major Capital Projects Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Capital Projects Funds	77
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:	
Governmental Major Funds:	
General Fund	79
Recreation Center Fund	83
General Obligation Bond Retirement Fund	84
Capital Improvement Fund	85

City of Rocky River, Ohio

Comprehensive Annual Financial Report
For The Year Ended December 31, 2008

Table of Contents **Page**

II. Financial Section (continued)

Governmental Non-Major Funds:

Law Enforcement Trust Fund.....	86
Community Diversion Program Fund	87
Indigent Driver Alcohol Treatment Fund	88
Enforcement and Education Fund	89
Municipal Probation Services Fund.....	90
Mediation Services Fund	91
Federal Emergency Management Agency Grant Fund.....	92
Office on Aging Fund.....	93
Marine Patrol Fund.....	94
Community Impacts Fund	95
Refuse and Recycling Fund.....	96
Motor Vehicle License Tax Fund.....	97
Street Repair and Maintenance Fund.....	98
State Highway Fund	99
Indigent Driver Alcohol Monitoring Fund	100
Fire Levy Fund	101
Police Levy Fund.....	102
Special Assessment Bond Retirement Fund	103
Equipment Replacement Fund.....	104
Sewer Rehabilitation Fund	105
Municipal Court Capital Improvement Fund.....	106

Proprietary Funds:

Sanitary Sewer Fund.....	107
Self Insurance Fund.....	108

Combining Statements – Fiduciary Funds:

Fund Descriptions.....	109
Combining Statement of Assets and Liabilities Agency Funds	110
Combining Statement of Changes in Assets and Liabilities Agency Funds	111

City of Rocky River, Ohio

Comprehensive Annual Financial Report
For The Year Ended December 31, 2008

Table of Contents	Page
III. Statistical Section	
Net Assets by Component – Last Six Fiscal Years	114
Change in Net Assets – Last Six Fiscal Years	115
Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	118
Changes in Fund Balance, Governmental Funds – Last Ten Fiscal Years	120
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years	122
Property Tax Rates – Direct and Overlapping Governments – (Per \$1,000 of Assessed Valuation) – Last Ten Years	124
Real Property Tax Levies and Collections – Last Ten Years.....	126
Principal Taxpayers – Real and Tangible Personal Property – As of December 31, 2008 and 1999.....	128
Ratio of Outstanding Debt by Type – Last Ten Years	129
Special Assessment Levies and Collections – Last Ten Years	130
Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita – Last Ten Years	131
Computation of Legal Debt Margin – Last Ten Years.....	132
Computation of Direct and Overlapping General Obligation Bonded Debt.....	133
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total Governmental Expenditures – Last Ten Years	134
Principal Employers – Current and Nine Years Ago	135
Demographic Statistics.....	136
Property Value and Construction – Last Ten Years.....	137

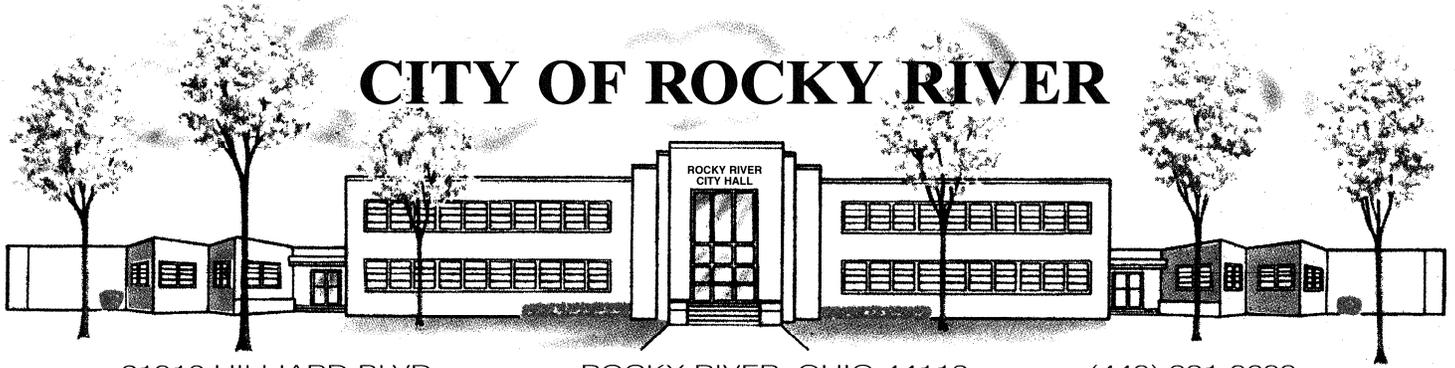
City of Rocky River, Ohio

Comprehensive Annual Financial Report
For The Year Ended December 31, 2008

Table of Contents	Page
III. Statistical Section (continued)	
Employees by Function/Program – Last Seven Years	138
Operating Indicators by Function/Program – Last Seven Years	139
Capital Asset Statistics by Function/Program – Last Seven Years	142

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CITY OF ROCKY RIVER



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

August 31, 2009

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

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 ended December 31, 2008. 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 report 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 Comprehensive Annual Financial Report for the year ended December 31, 2008 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. 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 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 unqualified opinion that the City's financial statements for the year ended December 31, 2008 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.

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

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. The MD&A complements 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 2000 Census was 20,735. The City is a home rule municipal corporation established pursuant to the general laws of the State of Ohio and has its own charter. The current charter, which provides for the Mayor/Council form of government, was originally adopted in 1960 and last amended in 2008.

The City is governed by a full-time Mayor elected for a two year term; City Council consists of seven elected members who serve two year terms. The Law Director is also an elected office holder who serves a two year term. The Mayor appoints the heads of the following departments: Building, Economic and Community Development, Engineering, Finance, Office on Aging, Recreation and Safety-Service. As of December 31, 2008 the City had 209 full-time employees.

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

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

The City's fiscally responsible approach to economic factors associated with managing a built-out suburb, an understanding of mutual benefits to be derived from intergovernmental cooperation with neighboring communities and its proximity to the City of Cleveland economy foster a degree of economic stability now and for the foreseeable future.

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. Calculated from Ohio Department of Taxation 2005 statistics (the most recent data available), the per capita income and median family income of City residents are 165% and 144.6% of the State of Ohio averages, respectively. 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. Revenue realized from the City's municipal income tax decreased a modest 2.47% from 2007.

An indicator of the economic strength of a primarily residential community is its property values. The Cuyahoga County Auditor oversees property appraisals within the City. The City's full value per capita is approximately \$90,635, mainly attributable to quality housing stock with a median value of \$188,700 or 182% of the State of Ohio average. The City has experienced growth in assessed valuation of the real property values of about two and a half percent over the last five years. Legislation in 2005 enacted by the General Assembly of the State of Ohio eliminated the tangible personal property tax. The total phase out of the tax will be effective January 1, 2009. The legislation provided for the City to be reimbursed for the lost tax revenue on a sliding scale through 2018. Therefore, the tangible personal property value has been reduced to an insignificant tax base.

Major Initiatives During 2008, the City made progress toward important priorities and/or operations.

The City put funding in place for the following significant sewer maintenance and rehabilitation projects:

Project	Project Cost	Funding	Construction Schedule
Valley View Area	\$4,979,520	60% interest free loan; 40% local funding	03/01/2009 to 03/30/2011
Elmwood Road	\$815,000	100% local funding	06/15/2009 to 09/15/2009
Hampton Interceptor	\$5,409,600	70% interest free loan; 30% local funding	04/01/2010 to 11/30/2012

The interest free loans are provided by the Ohio Public Works Commission (OPWC) an agency of the State of Ohio. To support these projects with a local funding revenue stream, in March 2008, the City began collection of a fixed fee of \$25 per quarter per household imposed in conjunction with sanitary sewer charges.

These projects have been determined as those of priority within the comprehensive sewer maintenance and rehabilitation plan drafted by the City Engineer in 2007.

The City experienced a full year of operation of the improved Don Umerley Civic Center that opened in October 2007. Participation statistics bear out that the facility, including an indoor pool and fitness center, has expanded as a hub of community activity as programs were initiated for broad appeal. Financially, recreation activities have not been self-supporting; this facility's expansion has not reversed that trend. The City supported the Recreation Center Fund with a transfer of \$800,000 and an advance of money of \$500,000 while an operational history is established.

Long-term Financial Planning

Through prudent planning, limited borrowing and reserved budgetary increases, the City expects its financial position will remain stable given a history of sound financial operations and moderately healthy reserves. Municipal Income Taxes account for approximately 40% of total General Fund revenues. While this revenue source is economically sensitive and has remained relatively flat in recent years, the City's financial position has not been negatively impacted due to conservative budgeting: collections have been within or exceeded budget expectations. Some financial flexibility to provide resources for capital improvement projects, is gained by estate tax receipts (Intergovernmental Revenue); of which collections have ranged from \$1.9 to \$3.3 million in the most recent five years.

Property tax revenue accounts for approximately 20% of total General Fund revenue. The sexennial property revaluation, last undertaken by the Cuyahoga County Auditor in 2006, on behalf of all taxing districts in Cuyahoga County, resulted in an increase in the Total Tax Valuation of property in the City of approximately 10%. However, due to the phase out of the tangible personal property tax by the State of Ohio, that component of the City's Total Tax Valuation has decreased by over 50% from 2007 to 2008 and overall 86% in the last five years. The statutory reduction of the tangible personal property tax base was partially offset by an increase in the real property component of 12.6% in that same five year period. As of December 2008, the real property component now makes up about 98% of the City's Total Tax Valuation. Finally, the City is monitoring the effects on its Total Tax Valuation of the current real estate market.

The City uses on-going analysis of these and other revenue sources as a basis for its annual budget while balancing the need for reserves. In the most recent five years, the General Fund reserve has fallen within a range of 20% to 31% with an average of just under 25%.

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, justice services, park management, air traffic monitoring and marine patrol are provided by contract with other governments or managed by multi-jurisdictional related entities.

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, 2007. This was the twenty first 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 initial appointment of the Audit Committee has also been supportive of this goal.

The City would like to express its appreciation to the firm of Ciuni & Panichi, Inc. for its professional services for assistance with the preparation of the 2008 CAFR. The CAFR represents a coordinated effort among departments of the City; each department takes pride and care managing the assets of the public that are under its control. This report is meant to demonstrate and document such effort.

Respectfully submitted,

/s/ Michael A. Thomas

Michael A. Thomas, CPA
Director of Finance

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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Rocky River, Ohio

List of Elected Officials

December 31, 2008

<u>TITLE</u>	<u>NAME</u>
Mayor	Pamela E. Bobst
Law Director	Andrew D. Bemer
Council Member – At-Large	Thomas T. Long
Council Member – At-Large	David W. Furry
Council Member – At-Large	Anjanette Arabian-Whitman
Council Member – Ward 1	Thomas J. Hunt
Council Member – Ward 2	James W. Moran
Council Member – Ward 3	Michael W. Mylen
Council President – Ward 4	John B. Shephard

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Independent Auditors' Report

Members of the City Council
Rocky River, Ohio

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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2008, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparison for the General and Recreation Center Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2008, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*, Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and Statement No. 50, *Pension Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2009 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the City Council
Rocky River, Ohio

The management's discussion and analysis on pages 3 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Cini & Panichi, Inc.

Cleveland, Ohio
August 31, 2009

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2008

The administration of the City of Rocky River, Ohio (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, 2008. 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 2008 are:

- Total revenues were \$31,722,748, an increase of 3.9 percent from 2007. Total expenses were \$31,500,809, an increase of 4.3 percent over 2007 levels. This resulted in an increase in total net assets of \$221,939 or 0.3 percent.
- Total assets decreased by \$468,864 or 0.5 percent from 2007.
- Total liabilities decreased by \$690,803 or 2.0 percent from 2007.
- Total capital assets increased by \$1,356,096 or 2.0 percent from 2007.
- Total outstanding long-term liabilities decreased \$901,218 from 2007, a decrease of 3.5 percent.

Using This Comprehensive Annual Financial Report

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

The Statement of Net Assets 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 Assets 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 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2008

These two statements report the City's *net assets* and changes in them. The City's net assets, the difference between assets, what the residents own, and liabilities, what the residents owe, is one way to measure the City's financial health, or financial position. Over time, *increases or decreases* in the City's net assets are an indicator of whether its *financial health* is improving or deteriorating. Also other nonfinancial factors, however, such as changes in the City's property tax base, income tax base, and the condition of the City's capital assets (roads, buildings, and water and sewer lines) should be considered to assess the *overall health* of the City. In the Statement of Net Assets 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, income tax, state shared revenues, court fines, and recreation fees finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's sanitary sewer activity is reported here.

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

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Revenue and Expenses
- General Revenues
- Net Assets 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 18. 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, Sanitary Sewer, Recreation Center, General Obligation Bond Retirement, and Capital Improvement Funds.

Government 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2008

Proprietary Funds

The City maintains two different types of proprietary funds. 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 charges. 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 for its self-insurance of health related employee benefits. Because this activity predominantly affects governmental rather than business functions, it has been included within the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 28 of this report.

Fiduciary Funds

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

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 33 of this report.

The City of Rocky River as a Whole

The Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2008 compared to restated 2007 balances. The December 31, 2007 Net Assets have been restated due to a cumulative miscalculation in the vacation portion of Compensated Absences related to the City's Security of Persons and Property expense line item. In addition, the Net Assets were also restated for a change in engineer estimates for Infrastructure. See Note 3 for additional information on the restatements.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2008

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
		Restated		Restated		Restated
	2008	2007	2008	2007	2008	2007
Assets						
Current and Other Assets	\$ 26,628,220	\$ 28,422,701	\$ 6,850,460	\$ 6,880,939	\$ 33,478,680	\$ 35,303,640
Capital Assets, Net	<u>50,172,715</u>	<u>48,724,396</u>	<u>17,431,388</u>	<u>17,523,611</u>	<u>67,604,103</u>	<u>66,248,007</u>
Total Assets	<u>76,800,935</u>	<u>77,147,097</u>	<u>24,281,848</u>	<u>24,404,550</u>	<u>101,082,783</u>	<u>101,551,647</u>
Liabilities						
Current and Other Liabilities	9,689,622	9,465,095	66,494	80,606	9,756,116	9,545,701
Long-Term Liabilities						
Due Within One Year	1,561,488	1,262,179	27,888	26,879	1,589,376	1,289,058
Due In More Than One Year	<u>22,981,130</u>	<u>24,172,862</u>	<u>335,103</u>	<u>344,907</u>	<u>23,316,233</u>	<u>24,517,769</u>
Total Liabilities	<u>34,232,240</u>	<u>34,900,136</u>	<u>429,485</u>	<u>452,392</u>	<u>34,661,725</u>	<u>35,352,528</u>
Net Assets						
Invested in Capital Assets						
Net of Related Debt	30,592,575	28,079,248	17,184,178	17,261,301	47,776,753	45,340,549
Restricted for:						
Capital Projects	4,463,366	4,038,732	0	0	4,463,366	4,038,732
Debt Service	434,148	299,208	0	0	434,148	299,208
Municipal Probation	416,388	381,081	0	0	416,388	381,081
Aging	218,952	354,143	0	0	218,952	354,143
Street Construction and						
Maintenance	415,917	696,805	0	0	415,917	696,805
Other Purposes	816,857	364,080	0	0	816,857	364,080
Unrestricted	<u>5,210,492</u>	<u>8,033,664</u>	<u>6,668,185</u>	<u>6,690,857</u>	<u>11,878,677</u>	<u>14,724,521</u>
Total Net Assets	\$ <u>42,568,695</u>	\$ <u>42,246,961</u>	\$ <u>23,852,363</u>	\$ <u>23,952,158</u>	\$ <u>66,421,058</u>	\$ <u>66,199,119</u>

Net Assets may serve over time as a useful indicator of a government's financial position. For the City, Total Assets exceed Total Liabilities by \$66,421,058 as of December 31, 2008.

\$47,776,753 reflects the investments in capital assets (land, construction in progress, buildings, improvements, machinery and equipment, furniture and fixtures and infrastructure) less any related debt to acquire those assets that is still 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 2008 decreased by \$468,864 or 0.5 percent when compared to 2007. The decrease in Total Assets was influenced by a decrease in Cash and Cash Equivalents; an increase in Capital Assets moderated the decrease. The impact on Cash and Cash Equivalents of the general obligation bonds issued in February 2005 has diminished to a negligible amount as the related contractual obligations have been met. The City's Total Liabilities decreased \$690,803 or 2.0 percent when compared to 2007. The largest decreases were due to contracts becoming completed during 2008 and the payment of retainage and unearned revenue accrued in relation to intergovernmental receivables.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2008

Table 2 shows the changes in net assets for the year ended December 31, 2008 compared to 2007.

Table 2
 Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Program Revenues:						
Charges for Services	\$ 6,625,091	\$ 5,344,027	\$ 2,012,434	\$ 1,862,049	\$ 8,637,525	\$ 7,206,076
Operating Grants and Contributions	959,299	802,553	0	0	959,299	802,553
Capital Grants and Contributions	929,746	874,200	195,846	54,603	1,125,592	928,803
Total Program Revenues	<u>8,514,136</u>	<u>7,020,780</u>	<u>2,208,280</u>	<u>1,916,652</u>	<u>10,722,416</u>	<u>8,937,432</u>
General Revenues:						
Property and Other Local Taxes	6,941,765	7,082,032	0	0	6,941,765	7,082,032
Municipal Income Taxes	8,673,869	8,893,894	0	0	8,673,869	8,893,894
Franchise Tax	207,503	149,384	0	0	207,503	149,384
Admissions Tax	36,715	40,874			36,715	40,874
Grants and Entitlements	4,156,898	3,837,407	0	0	4,156,898	3,837,407
Investment Income	516,771	1,110,881	0	0	516,771	1,110,881
Miscellaneous	466,811	471,662	0	0	466,811	471,662
Total General Revenues	<u>21,000,332</u>	<u>21,586,134</u>	<u>0</u>	<u>0</u>	<u>21,000,332</u>	<u>21,586,134</u>
Total Revenues	<u>29,514,468</u>	<u>28,606,914</u>	<u>2,208,280</u>	<u>1,916,652</u>	<u>31,722,748</u>	<u>30,523,566</u>
Program Expenses:						
General Government	8,051,702	6,808,557	0	0	8,051,702	6,808,557
Security of Persons and Property	9,396,241	9,829,332	0	0	9,396,241	9,829,332
Public Health	1,347,437	1,363,640	0	0	1,347,437	1,363,640
Transportation	3,195,503	2,314,773	0	0	3,195,503	2,314,773
Community Development	801,140	790,060	0	0	801,140	790,060
Basic Utility Service	1,609,178	1,693,864	0	0	1,609,178	1,693,864
Leisure Time Activities	3,937,438	4,076,680	0	0	3,937,438	4,076,680
Interest and Fiscal Charges	854,095	882,306	0	0	854,095	882,306
Sanitary Sewer Charges	0	0	2,308,075	2,454,298	2,308,075	2,308,075
Total Program Expenses	<u>29,192,734</u>	<u>27,759,212</u>	<u>2,308,075</u>	<u>2,454,298</u>	<u>31,500,809</u>	<u>30,213,510</u>
Increase (Decrease) in Net Assets	<u>321,734</u>	<u>847,702</u>	<u>(99,795)</u>	<u>(537,646)</u>	<u>221,939</u>	<u>310,056</u>
Net Assets January 1, Restated	<u>42,246,961</u>	<u>41,399,259</u>	<u>23,952,158</u>	<u>24,489,804</u>	<u>66,199,119</u>	<u>65,889,063</u>
Net Assets December 31	<u>\$ 42,568,695</u>	<u>\$ 42,246,961</u>	<u>\$ 23,852,363</u>	<u>\$ 23,952,158</u>	<u>\$ 66,421,058</u>	<u>\$ 66,199,119</u>

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2008

Governmental Activities

Governmental activities increased the City's Net Assets by \$321,734 during 2008, compared to an increase in 2007 of \$847,702. The difference between 2008 and 2007 change in Net Assets was primarily due to an increase in Program Revenues which were offset by the increase in Program Expenses of the City.

Several revenue sources fund the City's governmental activities with City income tax being the largest contribution. The income tax rate of 1/2 percent was established by City Ordinance No. 81-67, passed August 28, 1967. The Income Tax Ordinance was amended on June 24, 1968 by City Ordinance No. 82-68 to increase the income tax rate to 1 percent and then on March 28, 1977, City Ordinance No. 5-77 approved an increase in the income tax rate to 1-1/2 percent and a change in the tax credit for residents having income taxable in another community. The income tax revenue amount for 2008 was \$8,673,869, a \$220,025 decrease from 2007. The City monitors its sources of revenue very closely to react to any changes or fluctuations.

Income tax collections fluctuate year to year, however, overall, the City has enjoyed a consistent revenue stream in income tax collections for the past several years. This consistency has been especially important to the City because income tax revenue provided the City the funds needed to maintain streets, make infrastructure improvements and strengthen the safety forces. The City continues to be very aggressive in collecting delinquent income tax. The City records income tax revenues in the General Fund.

Grants and Entitlements increased \$319,491 during 2008. The amounts collected by the City under provisions of the Ohio Revised Code Chapter 5731, Estate Tax are recorded as Entitlements. During 2008, \$1,994,753 in current distributions and \$56,886 from revised distributions was received. The City accounts for Estate Tax revenue in the General Fund.

Total expenses for 2008 were \$29,192,734, a 5.2 percent increase over 2007 levels. The increases occurred in the General Government and Transportation categories; offsetting decreases in the Security in Persons and Property and Leisure Time Activities categories.

During 2008, the largest program function for the City relates to Security of Persons and Property, which includes police and fire protection. This program accounts for 32.2 percent of expenses. The decrease of \$433,091 reflects allocating Community Service Officers to activities such as prisoner management; resident courtesy calls and impound lot management to reduce overtime expenses for patrol officers in those activities. The Police Division, which is funded from the General Fund, operated within its operating budget during 2008. The Police Division capital budget allowed for the purchase of three new patrol vehicles and two command vehicles from the Equipment Purchase Fund that is supported by a General Fund transfer as well as State of Ohio Liquor Permit Fees, an Intergovernmental revenue. The Division continues to upgrade the vehicles and other safety equipment to better serve the community.

In 2008, the Fire Division operated with 28 full-time firefighters/paramedics, including officers. The Fire Division is funded with General Fund revenues. Equipment maintenance expenditures of the Division indicate the effort put forth to make equipment maintenance a priority to provide for the safety of the community and members of the Division. In 2008, the Division added a cargo van for use by the Fire Prevention Officer.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2008

Transportation accounts for 10.9 percent of expenses. Expenses under the Transportation heading were made for the maintenance and repairs to the City's roads and infrastructure. The severe winter of 2008-2009 started early in the City. To be prepared the City purchased several more loads, measured in tons, of road salt than in past years. Increased employee overtime costs related to clearing streets resulted. The result in 2008 was an increase of \$880,730 for Transportation expenses. The City pays for its road and infrastructure projects primarily from the City's general revenues, a part of which is provided by the City's income tax. The City takes great pride in maintaining its streets in above average condition and continues to set aside money towards future capital improvements. The City may either pay cash for street improvement projects or issue short-term debt and complete repayment within one or two years. The City annually designates dollars toward capital projects.

General Government accounts for 27.6 percent of expenses. There was an increase in expenses of \$1,243,145; increased expenses of operating the City's partially self-insured employee health and prescription drug benefits contributed to the increase.

Business-Type Activities

Charges for services are the primary source of revenue for the Sanitary Sewer Fund. The Sanitary Sewer Fund's expenses decreased over 2007 by 6.0 percent. Decreases in expenses for Professional Services and Equipment Maintenance more than offset the increase in expenses related to higher contractual services paid to the Rocky River Wastewater Treatment Plant for processing wastewater.

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 unreserved 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 18. These funds are accounted for by using the modified accrual basis of accounting.

As of December 31, 2008, the City's governmental funds reported combining ending fund balances of \$13,227,196. Of that amount, \$12,251,853 constitutes unreserved fund balances, which is available for spending at the City's discretion. The \$975,343 remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of prior period(s).

All governmental funds had total revenues of \$29,293,451 and expenditures of \$31,393,490, leaving a \$2,100,039 current year deficit, after consideration of the use of \$235,270 in other financing sources and uses.

The General Fund is the most significant fund as it is the source for providing a significant portion of major governmental activities such as police, fire, service, legislative, and administrative functions. In 2008, the general fund had total revenues and other financing sources of \$20,073,288 and expenditures and other financing uses of \$22,724,907 resulting in a decrease in fund balance at December 31, 2008 of \$2,651,619. This represents 11.67 percent of the current year general fund expenditures and other financing uses.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2008

Revenues were approximately \$616,959 above last year's revenues while expenditures were approximately \$3,556,072 more than last year's expenditures primarily due to a decrease in transfers out of \$2,800,000.

The Recreation Center Fund accounts for the operation and maintenance of the City's recreation activities. In 2008, the Recreation Center Fund had total revenues of \$3,419,935 and expenditures of \$3,414,445 resulting in an increase in fund balance of \$5,490 at December 31, 2008. Revenues were approximately \$1,182,469 above last year's revenues mainly due to transfers of \$800,000 in 2008 while expenditures were approximately \$292,799 more than last year's expenditures.

The General Obligation Bond Retirement Fund accounts for the repayment of general obligation bonds of the City. In 2008, the General Obligation Bond Retirement Fund had total revenues of \$1,677,869 and expenditures of \$1,593,978 resulting in an increase in fund balance of \$83,891 at December 31, 2008. Revenues ended approximately \$32,571 above last year's revenues while expenditures were approximately \$81,944 less than last year's expenditures due to the repayment of bond principal and interest.

The Capital Improvement Fund accounts for the various projects of the City financed by tax monies and general fund subsidies. In 2008, the Capital Improvement Fund had total revenues of \$2,478,393 and expenditures of \$3,410,055 resulting in a decrease in fund balance of \$931,662 at December 31, 2008. Revenues ended approximately \$47,261 under last year's revenues mainly due to a decrease in investment income. Expenditures were approximately \$3,596,023 less than last year's expenditures due to the decrease in capital outlay as bond proceeds spending was completed in 2007 with the completion of the Civic Center Improvement project.

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 2008, the City supplemented the General Fund budget three times for a total increase in budgeted expenditures of \$3,671,548. The General Fund's actual expenditures, not including other financing uses, were \$1,385,954 under the final budgeted amount of \$16,232,123.

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. By Ordinance, these funds are transferred from the General Fund to Capital Improvement Fund where the revenue and expenditures for the capital improvement project are tracked and monitored.

For the General Fund, the original budgeted revenues were \$18,036,923 and increased by \$400,001 to \$18,436,924 for final budgeted revenues, not including sale of capital assets, transfers, and advances. The City continued to maintain a comfortable level of liquidity in the General Fund by maintaining unrestricted cash at year-end of 24.06 percent of General Fund revenue and other financing sources.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2008

Capital Assets and Debt Administration

Capital Assets

Table 3 shows fiscal 2008 balances of Capital Assets as compared to 2007:

Table 3
 Capital Assets at December 31

	Governmental Activities		Business-Type Activities		Total	
	Restated		Restated		Restated	
	2008	2007	2008	2007	2008	2007
Land	\$ 2,017,826	\$ 1,455,114	\$ 39,516	\$ 39,516	\$ 2,057,342	\$ 1,494,630
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	560,592	955,207	132,075	151,566	692,667	1,106,773
Land Improvements	2,721,756	2,630,617	0	0	2,721,756	2,630,617
Buildings	24,425,917	24,631,397	0	0	24,425,917	24,631,397
Equipment	287,560	325,359	39,416	32,978	326,976	358,337
Vehicles	1,555,960	1,192,646	18,438	8,487	1,574,398	1,201,133
Infrastructure:						
Roads	8,268,240	7,814,619	0	0	8,268,240	7,814,619
Sidewalks	606,804	362,452	0	0	606,804	362,452
Traffic Signals	917,623	1,051,177	0	0	917,623	1,051,177
Storm Sewers	3,269,412	3,067,978	0	0	3,269,412	3,067,978
Sewer Lines	0	0	16,951,943	17,041,064	16,951,943	17,041,064
Water Mains	4,433,707	4,092,576	0	0	4,433,707	4,092,576
Parks	904,160	942,096	0	0	904,160	942,096
Total Capital Assets	\$ <u>50,172,715</u>	\$ <u>48,724,396</u>	\$ <u>17,431,388</u>	\$ <u>17,523,611</u>	\$ <u>67,604,103</u>	\$ <u>66,248,007</u>

Total Capital Assets for the City as of December 31, 2008 were \$67,604,103, a \$1,356,096 increase over 2007. Capital asset additions of \$4,303,897 were offset by \$528,134 in disposals and \$2,834,694 of depreciation expense.

The City seeks funding assistance for infrastructure projects as well as improving City facilities and in 2008 was able to secure two interest free loans for two separate infrastructure projects whose construction will begin in 2009. 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 9 for additional information on capital assets.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2008

Debt

On December 31, 2008, the City had \$19,827,350 in bonds and loans outstanding. Table 4 summarizes bonds and loans outstanding.

Table 4
 Outstanding Debt at Year End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General Obligation Bonds	\$ 18,950,140	\$ 20,007,961	\$ 0	\$ 0	\$ 18,950,140	\$ 20,007,961
Special Assessment Bonds	630,000	670,000	0	0	630,000	670,000
OWDA Loan	<u>0</u>	<u>0</u>	<u>247,210</u>	<u>262,310</u>	<u>247,210</u>	<u>262,310</u>
Total Outstanding Debt	<u>\$ 19,580,140</u>	<u>\$ 20,677,961</u>	<u>\$ 247,210</u>	<u>\$ 262,310</u>	<u>\$ 19,827,350</u>	<u>\$ 20,940,271</u>

The General Obligation Bonds are composed of the Various Purpose General Obligation Bonds, Series 2004, of \$8,275,000, Rocky River Municipal Court Facility, Series 2002, of \$3,100,000 and Civic Facility Improvements, Series 2005 of \$7,210,000. The Series 2004 Bonds are paid from monies transferred from the General Fund into the Debt Service Fund. The Series 2002 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 Series 2005 Bonds are paid from property tax levy proceeds approved for that purpose. There remains unamortized premiums related to these issues of \$365,140.

The Special Assessment Bonds consist of Erosion Control A & B Bonds: one for \$375,000 (Series 1998) and one for \$255,000 (Series 2000). The principal and interest for these bonds are paid from the Special Assessment Fund with monies collected through the Cuyahoga County Auditor from the affected taxpayers.

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

The City's overall legal debt margin was \$57,360,032 on December 31, 2008.

See Note 16 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, 2008

Current Financial Related Activities

The City has historically enjoyed steady growth in revenues as a result of a strong tax base and moderate levels of new residential development and at the same time adopted a strong, fiscally responsible financial plan to function within available revenues. The City has not needed an increase in taxes since 1993. The impact of the partially self-funded insurance program for employee health and prescription drug coverage has been favorable by yielding the benefit of surplus funds to invest. To buffer potential increases in workers' compensation costs, the City became a member in good standing of the Ohio Rural Water Association to be eligible for its group rating plan. Premium increases for employee health insurance and workers' compensation have been kept at reasonable levels while providing coverage to provide financial security for City employees.

The Mayor and City Council work extremely hard at keeping the debt burden low. The City makes financial plans so that certain improvements may be paid from current revenue and to maintain a high level of services.

The City has committed itself to financial excellence which is proven by the bond rating Aa2 by Moody's Investors Service that was last affirmed in 2005.

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.

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City of Rocky River, Ohio

Statement of Net Assets

December 31, 2008

	Governmental Activities	Business - Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 13,571,071	\$ 440,958	\$ 14,012,029
Accrued Interest Receivable	64,771	0	64,771
Accounts Receivable, Net of Allowance			
For Doubtful Accounts	689,305	443,444	1,132,749
Intergovernmental Receivable	1,992,042	0	1,992,042
Materials and Supplies Inventory	226,762	24,796	251,558
Taxes Receivable	9,367,547	0	9,367,547
Special Assessments Receivable	685,550	0	685,550
Investment in Joint Venture	0	5,941,262	5,941,262
Deferred Charges	31,172	0	31,172
Nondepreciable Capital Assets	2,781,576	421,591	3,203,167
Depreciable Capital Assets, Net	<u>47,391,139</u>	<u>17,009,797</u>	<u>64,400,936</u>
Total Assets	<u>76,800,935</u>	<u>24,281,848</u>	<u>101,082,783</u>
Liabilities:			
Accounts Payable	815,307	5,700	821,007
Contracts Payable	225,115	0	225,115
Accrued Wages and Benefits	489,151	20,581	509,732
Matured Compensated Absences Payable	50,418	0	50,418
Intergovernmental Payable	970,327	34,127	1,004,454
Unearned Revenue	6,651,032	0	6,651,032
Retainage Payable	129,219	0	129,219
Accrued Interest Payable	72,491	6,086	78,577
Claims Payable	286,562	0	286,562
Long-Term Liabilities:			
Due within One Year	1,561,488	27,888	1,589,376
Due in More than One Year	<u>22,981,130</u>	<u>335,103</u>	<u>23,316,233</u>
Total Liabilities	<u>34,232,240</u>	<u>429,485</u>	<u>34,661,725</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	30,592,575	17,184,178	47,776,753
Restricted for:			
Capital Projects	4,463,366	0	4,463,366
Debt Service	434,148	0	434,148
Municipal Probation Services	416,388	0	416,388
Aging	218,952	0	218,952
Street Construction and Maintenance	415,917	0	415,917
Other Purposes	816,857	0	816,857
Unrestricted	<u>5,210,492</u>	<u>6,668,185</u>	<u>11,878,677</u>
Total Net Assets	<u>\$ 42,568,695</u>	<u>\$ 23,852,363</u>	<u>\$ 66,421,058</u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Statement of Activities

For The Year Ended December 31, 2008

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Government activities:				
General Government	\$ 8,051,702	\$ 2,293,658	\$ 63,921	\$ 929,746
Security of Persons and Property	9,396,241	1,175,625	27,352	0
Public Health	1,347,437	467,691	0	0
Transportation	3,195,503	425	777,503	0
Leisure Time Activities	3,937,438	1,987,167	0	0
Community Development	801,140	180	0	0
Basic Utility Service	1,609,178	700,345	90,523	0
Interest and Fiscal Charges	854,095	0	0	0
Total Governmental Activities	<u>29,192,734</u>	<u>6,625,091</u>	<u>959,299</u>	<u>929,746</u>
Business-Type Activities:				
Sewer	<u>2,308,075</u>	<u>2,012,434</u>	<u>0</u>	<u>195,846</u>
Total	<u>\$ 31,500,809</u>	<u>\$ 8,637,525</u>	<u>\$ 959,299</u>	<u>\$ 1,125,592</u>

General Revenues:

Property Taxes Levied for:

 General Purposes

 Recreation

 Office on Aging

 Refuse and Recycling

 Fire Levy

 Police Levy

 Capital Improvements

 General Obligation Bond Retirement

Municipal Income Taxes Levied for:

 General Purposes

 Franchise Tax

 Admissions Tax

 Grants and Entitlements not Restricted to Specific Programs

 Investment Income

 Other

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year, Restated

Net Assets End of Year

See Accompanying Notes to the Basic Financial Statements

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ (4,764,377)	\$ 0	\$ (4,764,377)
(8,193,264)	0	(8,193,264)
(879,746)	0	(879,746)
(2,417,575)	0	(2,417,575)
(1,950,271)	0	(1,950,271)
(800,960)	0	(800,960)
(818,310)	0	(818,310)
<u>(854,095)</u>	<u>0</u>	<u>(854,095)</u>
<u>(20,678,598)</u>	<u>0</u>	<u>(20,678,598)</u>
<u>0</u>	<u>(99,795)</u>	<u>(99,795)</u>
<u>(20,678,598)</u>	<u>(99,795)</u>	<u>(20,778,393)</u>
4,018,607	0	4,018,607
318,938	0	318,938
318,938	0	318,938
637,881	0	637,881
191,365	0	191,365
191,365	0	191,365
637,881	0	637,881
626,790	0	626,790
8,673,869	0	8,673,869
207,503	0	207,503
36,715	0	36,715
4,156,898	0	4,156,898
516,771	0	516,771
<u>466,811</u>	<u>0</u>	<u>466,811</u>
<u>21,000,332</u>	<u>0</u>	<u>21,000,332</u>
321,734	(99,795)	221,939
<u>42,246,961</u>	<u>23,952,158</u>	<u>66,199,119</u>
\$ <u><u>42,568,695</u></u>	\$ <u><u>23,852,363</u></u>	\$ <u><u>66,421,058</u></u>

City of Rocky River, Ohio

Balance Sheet Governmental Funds

December 31, 2008

	General	Recreation Center	General Obligation Bond Retirement
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 5,111,579	\$ 381,788	\$ 413,067
Accrued Interest Receivable	59,692	0	0
Accounts Receivable, Net of Allowance			
For Doubtful Accounts	326,610	281,366	0
Intergovernmental Receivable	1,324,833	23,441	50,066
Interfund Receivable	500,000	0	0
Materials and Supplies Inventory	33,760	7,737	0
Municipal Income Taxes Receivable	2,448,637	0	0
Property Taxes Receivable	3,999,004	317,381	634,762
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 \$ <u>13,804,115</u>	 \$ <u>1,011,713</u>	 \$ <u>1,097,895</u>
 Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 226,026	\$ 51,585	\$ 0
Contracts Payable	0	0	0
Accrued Wages and Benefits	320,133	63,636	0
Matured Compensated Absences	50,418	0	0
Intergovernmental Payable	396,742	110,144	0
Interfund Payable	0	500,000	0
Deferred Revenue	6,297,029	340,822	684,828
Retainage Payable	<u>0</u>	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>7,290,348</u>	 <u>1,066,187</u>	 <u>684,828</u>
 Fund Balances:			
Reserve for Encumbrances	201,428	61,159	0
Reserve for Inventory	33,760	7,737	0
Unreserved, Undesignated (Deficit), Reported In:			
General Fund	6,278,579	0	0
Special Revenue Funds	0	(123,370)	0
Debt Service Funds	0	0	413,067
Capital Project Funds	<u>0</u>	<u>0</u>	<u>0</u>
 Total Fund Balances (Deficit)	 <u>6,513,767</u>	 <u>(54,474)</u>	 <u>413,067</u>
 Total Liabilities and Fund Balances	 \$ <u>13,804,115</u>	 \$ <u>1,011,713</u>	 \$ <u>1,097,895</u>

See Accompanying Notes to the Basic Financial Statements

<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,098,138	\$ 6,158,555	\$ 13,163,127
2,615	2,464	64,771
0	81,329	689,305
159,935	433,767	1,992,042
0	0	500,000
0	185,265	226,762
0	0	2,448,637
634,762	1,333,001	6,918,910
<u>0</u>	<u>685,550</u>	<u>685,550</u>
\$ <u>1,895,450</u>	\$ <u>8,879,931</u>	\$ <u>26,689,104</u>
\$ 0	\$ 469,190	\$ 746,801
225,115	0	225,115
0	105,382	489,151
0	0	50,418
0	463,441	970,327
0	0	500,000
681,641	2,346,557	10,350,877
<u>129,219</u>	<u>0</u>	<u>129,219</u>
<u>1,035,975</u>	<u>3,384,570</u>	<u>13,461,908</u>
400,161	85,833	748,581
0	185,265	226,762
0	0	6,278,579
0	1,618,270	1,494,900
0	21,636	434,703
<u>459,314</u>	<u>3,584,357</u>	<u>4,043,671</u>
<u>859,475</u>	<u>5,495,361</u>	<u>13,227,196</u>
\$ <u>1,895,450</u>	\$ <u>8,879,931</u>	\$ <u>26,689,104</u>

City of Rocky River, Ohio

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

December 31, 2008

Total Governmental Funds Balance \$ 13,227,196

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 50,172,715

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

Delinquent Property Taxes	\$ 267,880
Other Local Taxes	155,173
Municipal Income Taxes	1,489,888
Special Assessments	685,550
Charges for Services	94,876
Intergovernmental	<u>1,006,478</u>

Total 3,699,845

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (72,491)

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 assets. 52,876

Bond issuance costs will be amortized over the life of the bonds on the statement of assets. 31,172

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

General Obligation Bonds	(18,950,140)
Special Assessments	(630,000)
Compensated Absences	(4,385,870)
Police and Fire Pension Liability	<u>(576,608)</u>

Total (24,542,618)

Net Assets of Governmental Activities \$ 42,568,695

See Accompanying Notes to the Basic Financial Statements

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City of Rocky River, Ohio

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

For The Year Ended December 31, 2008

	General	Recreation Center	General Obligation Bond Retirement
Revenues:			
Property Taxes	\$ 4,022,105	\$ 319,216	\$ 627,345
Municipal Income Taxes	8,506,159	0	0
Other Local Taxes	40,172	0	0
Intergovernmental	3,692,774	45,263	90,524
Charges for Services	81,839	1,955,395	0
Fines, Fees and Permits	3,062,054	0	0
Special Assessments	0	0	0
Investment Income	454,518	0	0
Rentals	75,438	18,695	0
Other	<u>108,499</u>	<u>281,366</u>	<u>0</u>
Total Revenues	<u>20,043,558</u>	<u>2,619,935</u>	<u>717,869</u>
Expenditures:			
Current:			
Security of Persons and Property	7,616,443	0	0
Public Health	0	0	0
Leisure Time Activities	413,330	3,405,336	0
Community Development	932,862	0	0
Basic Utility Service	0	0	0
Transportation	811,553	0	0
General Government	4,918,615	0	0
Capital Outlay	117,104	9,109	0
Debt Service:			
Principal Retirement	0	0	925,000
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>668,978</u>
Total Expenditures	<u>14,809,907</u>	<u>3,414,445</u>	<u>1,593,978</u>
Excess of Revenues Over (Under) Expenditures	<u>5,233,651</u>	<u>(794,510)</u>	<u>(876,109)</u>
Other Financing Sources (Uses):			
Sale of Capital Assets	29,730	0	0
Transfers - In	0	800,000	960,000
Transfers - Out	<u>(7,915,000)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(7,885,270)</u>	<u>800,000</u>	<u>960,000</u>
Net Change in Fund Balances	(2,651,619)	5,490	83,891
Fund Balances (Deficit) at Beginning of Year	<u>9,165,386</u>	<u>(59,964)</u>	<u>329,176</u>
Fund Balances (Deficit) at End of Year	\$ <u>6,513,767</u>	\$ <u>(54,474)</u>	\$ <u>413,067</u>

See Accompanying Notes to the Basic Financial Statements

<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 638,436	\$ 1,340,714	\$ 6,947,816
0	0	8,506,159
204,046	0	244,218
121,245	1,950,766	5,900,572
1,510	1,149,363	3,188,107
2,245	283,772	3,348,071
1,886	65,285	67,171
26,403	35,850	516,771
0	0	94,133
<u>82,622</u>	<u>7,946</u>	<u>480,433</u>
<u>1,078,393</u>	<u>4,833,696</u>	<u>29,293,451</u>
0	1,260,158	8,876,601
0	1,260,327	1,260,327
0	0	3,818,666
0	0	932,862
0	1,639,711	1,639,711
0	1,703,111	2,514,664
0	14,672	4,933,287
3,410,055	1,667,197	5,203,465
0	175,814	1,100,814
<u>0</u>	<u>208,845</u>	<u>877,823</u>
<u>3,410,055</u>	<u>7,929,835</u>	<u>31,158,220</u>
<u>(2,331,662)</u>	<u>(3,096,139)</u>	<u>(1,864,769)</u>
0	0	29,730
1,400,000	4,490,000	7,650,000
<u>0</u>	<u>0</u>	<u>(7,915,000)</u>
<u>1,400,000</u>	<u>4,490,000</u>	<u>(235,270)</u>
(931,662)	1,393,861	(2,100,039)
<u>1,791,137</u>	<u>4,101,500</u>	<u>15,327,235</u>
\$ <u><u>859,475</u></u>	\$ <u><u>5,495,361</u></u>	\$ <u><u>13,227,196</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, 2008

Net Change in Fund Balances - Total Governmental Funds \$ (2,100,039)

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

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

Capital Outlay	\$	4,090,614	
Depreciation		<u>(2,529,222)</u>	
Total			1,561,392

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. (113,073)

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

Property and Other Taxes		(6,051)	
Municipal Income Taxes		167,710	
Special Assessments		(29,132)	
Charges for Services		26,462	
Intergovernmental		<u>145,371</u>	
Total			304,360

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,075,000

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		2,548	
Amortization of Bond Premium		22,821	
Amortization of Issuance Costs		<u>(1,641)</u>	
Total			23,728

(continued)

See Accompanying Notes to the 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, 2008

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	(231,212)	
Police and Fire Pension Liability	<u>25,814</u>	
Total		(205,398)

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

(224,236)

Change in Net Assets of Governmental Activities \$ 321,734

See Accompanying Notes to the 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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 4,390,584	\$ 4,390,584	\$ 4,022,105	\$ (368,479)
Municipal Income Taxes	7,900,000	7,900,000	8,616,455	716,455
Other Local Taxes	42,000	42,000	36,715	(5,285)
Intergovernmental	2,134,439	2,534,440	3,528,634	994,194
Charges for Services	38,200	38,200	32,023	(6,177)
Rentals	78,000	78,000	75,438	(2,562)
Fines, Fees, and Permits	2,851,700	2,851,700	3,052,476	200,776
Investment Income	575,000	575,000	538,924	(36,076)
Miscellaneous Income	27,000	27,000	108,379	81,379
Total Revenues	<u>18,036,923</u>	<u>18,436,924</u>	<u>20,011,149</u>	<u>1,574,225</u>
Expenditures:				
Current:				
General Government	5,358,350	5,508,542	4,943,976	564,566
Security of Persons and Property	8,072,202	8,177,388	7,615,168	562,220
Transportation	677,394	812,208	758,475	53,733
Community Development	959,905	1,076,614	979,028	97,586
Leisure Time Activities	478,916	491,116	416,485	74,631
Capital Outlay	116,255	166,255	133,037	33,218
Total Expenditures	<u>15,663,022</u>	<u>16,232,123</u>	<u>14,846,169</u>	<u>1,385,954</u>
Excess of Revenues Over (Under) Expenditures	<u>2,373,901</u>	<u>2,204,801</u>	<u>5,164,980</u>	<u>2,960,179</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	20,000	20,000	29,730	9,730
Advances – Out	0	(500,000)	(500,000)	0
Transfers - Out	<u>(6,160,000)</u>	<u>(8,762,447)</u>	<u>(7,915,000)</u>	<u>847,447</u>
Total Other Financing Sources (Uses)	<u>(6,140,000)</u>	<u>(9,242,447)</u>	<u>(8,385,270)</u>	<u>857,177</u>
Net Change in Fund Balance	(3,766,099)	(7,037,646)	(3,220,290)	3,817,356
Fund Balance at Beginning of Year	7,898,749	7,898,749	7,898,749	0
Prior Year Encumbrances Appropriated	<u>142,799</u>	<u>142,799</u>	<u>142,799</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>4,275,449</u>	\$ <u>1,003,902</u>	\$ <u>4,821,258</u>	\$ <u>3,817,356</u>

See Accompanying Notes to the 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, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 348,460	\$ 348,460	\$ 319,216	\$ (29,244)
Charges for Services	2,589,000	2,589,000	1,958,728	(630,272)
Intergovernmental	0	0	45,263	45,263
Rentals	<u>37,500</u>	<u>37,500</u>	<u>29,450</u>	<u>(8,050)</u>
Total Revenues	<u>2,974,960</u>	<u>2,974,960</u>	<u>2,352,657</u>	<u>(622,303)</u>
Expenditures:				
Current:				
Leisure Time Activities	3,790,624	3,822,924	3,501,676	321,248
Capital Outlay	<u>27,039</u>	<u>26,039</u>	<u>9,109</u>	<u>16,930</u>
Total Expenditures	<u>3,817,663</u>	<u>3,848,963</u>	<u>3,510,785</u>	<u>338,178</u>
Excess of Revenues Over (Under) Expenditures	<u>(842,703)</u>	<u>(874,003)</u>	<u>(1,158,128)</u>	<u>(284,125)</u>
Other Financing Sources (Uses):				
Advances-In	0	0	500,000	500,000
Transfers-In	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>800,000</u>	<u>1,300,000</u>	<u>500,000</u>
Net Change in Fund Balances	(42,703)	(74,003)	141,872	215,875
Fund Balance at Beginning of Year	106,762	106,762	106,762	0
Prior Year Encumbrances Appropriated	<u>59,668</u>	<u>59,668</u>	<u>59,668</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>123,727</u>	\$ <u>92,427</u>	\$ <u>308,302</u>	\$ <u>215,875</u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Statement of Fund Net Assets Proprietary Funds

December 31, 2008

	Business Type Activities - Sewer	Governmental Activities - Internal Service Fund
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 440,958	\$ 407,944
Accounts Receivable	443,444	0
Materials and Supplies Inventory	<u>24,796</u>	<u>0</u>
Total Current Assets	<u>909,198</u>	<u>407,944</u>
Noncurrent Assets:		
Investment in Joint Venture	5,941,262	0
Nondepreciable Capital Assets	421,591	0
Depreciable Capital Assets, Net	<u>17,009,797</u>	<u>0</u>
Total Noncurrent Assets	<u>23,372,650</u>	<u>0</u>
Total Assets	<u>24,281,848</u>	<u>407,944</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	5,700	68,506
Accrued Wages and Benefits	20,581	0
Intergovernmental Payable	34,127	0
Claims Payable	0	286,562
Accrued Interest Payable	6,086	0
Compensated Absences Payable	12,078	0
OWDA Loans Payable	<u>15,810</u>	<u>0</u>
Total Current Liabilities	<u>94,382</u>	<u>355,068</u>
Long-term Liabilities:		
Accrued Compensated Absences (Net of Current Portion)	103,703	0
OWDA Loans Payable (Net of Current Portion)	<u>231,400</u>	<u>0</u>
Total Long-Term Liabilities	<u>335,103</u>	<u>0</u>
Total Liabilities	<u>429,485</u>	<u>355,068</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	17,184,178	0
Unrestricted	<u>6,668,185</u>	<u>52,876</u>
Total Net Assets	\$ <u>23,852,363</u>	\$ <u>52,876</u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

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

For The Year Ended December 31, 2008

	Business-Type Activities <u>Sewer</u>	Governmental Activities - Internal <u>Fund</u>
Operating Revenues:		
Charges for Services	\$ <u>2,012,434</u>	\$ <u>1,949,030</u>
Operating Expenses:		
Personal Service	638,600	0
Materials and Supplies	118,141	0
Contractual Services	1,022,137	337,437
Capital Outlay	13,260	0
Heat, Light and Power	12,847	0
Depreciation	305,472	0
Other	6,345	0
Claims	<u>0</u>	<u>2,100,829</u>
Total Operating Expenses	<u>2,116,802</u>	<u>2,438,266</u>
Operating Loss	<u>(104,368)</u>	<u>(489,236)</u>
Non-Operating Revenue (Expenses):		
Equity in Loss of Joint Venture	(179,275)	0
Interest Expense	<u>(11,998)</u>	<u>0</u>
Total Nonoperating Revenues (Expenses)	<u>(191,273)</u>	<u>0</u>
Loss before Capital Contributions and Transfers	(295,641)	(489,236)
Transfers – In	0	265,000
Contributed Capital	<u>195,846</u>	<u>0</u>
Change in Net Assets	(99,795)	(224,236)
Net Assets at Beginning of Year	<u>23,952,158</u>	<u>277,112</u>
Net Assets at End of Year	\$ <u>23,852,363</u>	\$ <u>52,876</u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Statement of Cash Flows Proprietary Fund Types

For The Year Ended December 31, 2008

	Business-Type Activities <u>Sewer</u>	Governmental Activities - Internal <u>Fund</u>
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 1,847,571	\$ 1,949,030
Cash Payments for Goods and Services	(1,224,833)	(269,056)
Cash Payments to Employees for Services and Benefits	(593,412)	0
Cash Payments for Claims	0	(1,975,187)
Cash Payments for Other Operating Expenses	(5,996)	0
Net Cash Provided by (Used for) Operating Activities	<u>23,330</u>	<u>(295,213)</u>
Cash Flows from Noncapital Financing Activities:		
Transfer - In	<u>0</u>	<u>265,000</u>
Net Cash Provided by Capital Financing Activities	<u>0</u>	<u>265,000</u>
Cash Flows from Capital and Related Financing Activities:		
Capital Acquisitions	(17,403)	0
Principal Paid on OWDA Loan	(15,100)	0
Interest Paid on OWDA Loan	(11,998)	0
Net Cash Used for Capital Financing Activities	<u>(44,501)</u>	<u>0</u>
Cash Flows from Investing Activities:		
Capital Contributed to Joint Venture	<u>(186,984)</u>	<u>0</u>
Net Decrease Cash and Cash Equivalents	(208,155)	(30,213)
Cash and cash Equivalents at Beginning of Year	<u>649,113</u>	<u>438,157</u>
Cash and Cash Equivalents at End of Year	\$ <u>440,958</u>	\$ <u>407,944</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities:		
Operating Loss	\$ (104,368)	\$ (489,236)
Adjustments:		
Depreciation	305,472	0
Change in Operating Assets and Liabilities:		
Accounts Receivable	(164,863)	0
Materials and Supplies Inventory	(5,104)	0
Accounts Payable	(5,188)	68,381
Accrued Wages and Benefits	4,756	0
Compensated Absences Payable	6,305	0
Intergovernmental Payable	(13,680)	0
Claims Payable	<u>0</u>	<u>125,642</u>
Total Adjustments	<u>127,698</u>	<u>194,023</u>
Net Cash Provided by (Used for) Operating Activities	\$ <u>23,330</u>	\$ <u>(295,213)</u>

Noncash investing, capital and financing activities:

During the year, the Sewer Fund acquired capital assets in the amount of \$195,846 via capital contributions.

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds

December 31, 2008

	<u>Investment Trust</u>	
	<u>Individual Investment Account</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 371,724
Cash and cash equivalents:		
In segregated accounts	<u>6,506,787</u>	<u>605,827</u>
Total assets	<u>6,506,787</u>	\$ <u>977,551</u>
Liabilities:		
Undistributed Monies	0	\$ 301,680
Deposits Held and Due to Others	<u>0</u>	<u>675,871</u>
Total Liabilities	<u>0</u>	\$ <u>977,551</u>
Net assets:		
Held in trust for participants	\$ <u>6,506,787</u>	

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Statement of Changes in Fiduciary Net Assets Investment Trust Funds

For The Year Ended December 31, 2008

	<u>Individual Investment Account</u>
Additions:	
Interest	\$ 238,382
Capital transaction - purchases	<u>12,113,000</u>
Total additions	<u>12,351,382</u>
Deductions:	
Capital transaction - redemption	12,434,357
Distributions to participants	<u>169,591</u>
Total deductions	<u>12,603,948</u>
Changes in net assets	(252,566)
Net assets beginning of year	<u>6,759,353</u>
Net assets end of year	\$ <u><u>6,506,787</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Notes to Basic Financial Statements

For The Year Ended December 31, 2008

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 Council/Mayor form of government whereby the Mayor is the administrative officer of the City. The Charter was originally adopted in 1960 and has been amended periodically; most recently in 2008. The Mayor, Law Director and seven member Council all serve two year terms.

Reporting Entity

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

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

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

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

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

The City has an explicit and measurable equity interest in the Plant. There exists a residual interest in the assets upon dissolution of the joint venture. The City also has an ongoing financial responsibility for its share of the joint venture liabilities. Additionally, the City has an ongoing financial responsibility since the City's participation is essential to the continued existence of the Plant. The Plant is further described in Note 10 of the basic financial statements.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

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

Reporting Entity (continued)

The City participates in other organizations: jointly governed organizations and a related organization. See Notes 18 and 23 to the basic financial statements 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 City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business type activities and enterprise fund. 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 assets 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 assets 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 assets 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 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, 2008

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

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

B. Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities 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 State of Ohio.

Recreation Center Fund The Recreation 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, 2008

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 assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

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

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

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

C. Measurement Focus (continued)

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. 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 revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange 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 sixty days of year-end.

Nonexchange 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 6). 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 nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, State 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, 2008

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Unearned/Deferred Revenue Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Cash and Cash Equivalents

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

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

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, 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, 2008.

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 2008 amounted to \$454,518, which includes \$235,528 assigned from other City funds.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents (continued)

The City serves as fiscal agent for the Rocky River Wastewater Treatment Plant. A related individual investment account is presented as “cash and cash equivalents in segregated accounts” and represent deposits or nonnegotiable certificates of deposit which are reported at cost. During 2008, investments purchased through this account were limited to a negotiable order of withdrawal (NOW) deposit account and nonnegotiable certificates of deposit and are reported at fair value.

F. Inventory

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

G. Deferred Charges

Bond issuance costs and any premium or discount are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method.

H. Investment in Joint Venture

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. There are no prepaid items noted at December 31, 2008.

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 assets 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 assets and in the respective funds.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

All capital assets are depreciated except for land; certain land improvements; rights of way and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. For 2008, the City's infrastructure consists of roads, traffic signals, sidewalks, storm sewers, water mains and parks. In addition, the City has recorded construction in progress for City road and sewer projects initiated in 2008. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

K. Interfund Balances

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". 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 assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. See Note 19 for interfund receivables/payables as of December 31, 2008.

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.

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 twenty 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. 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 2: Summary of Significant Accounting Policies (continued)

M. Accrued Liabilities and Long-term Obligations (continued)

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, special termination benefits and contractually required pension contributions 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. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances and inventories.

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include miscellaneous State and Federal grants.

The government-wide Statement of Net Assets reports \$6,765,628 of Restricted Net Assets, none of which are restricted by enabling legislation. Net assets restricted for other purposes include resources for police and fire programs, refuse and recycling programs, and streets and highways. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

P. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivable/payable". Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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 nonoperating.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

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 nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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. Neither occurred in 2008.

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 Council may appropriate. The Appropriations Ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by 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 Council.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

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 Council during the year.

V. Comparative Data/Reclassification

Prior year data presented in Management's Discussion and Analysis and in the Statistical Section 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 2007 financial statements in order to conform to the 2008 operations.

Note 3: Change in Accounting Principles and Restatement of Prior Year Balances

A. Changes in Accounting Principles

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*, GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and GASB Statement No. 50, *Pension Disclosures*.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The City has determined that the adoption of this statement did not have an impact on the City's financial statements; however, note disclosures related to post-employment benefits have been modified. An OPEB liability at transition was determined in accordance with this Statement for both the Ohio Public Employees Retirement System and Ohio Police and Fire and Fire Pension Fund post-employment healthcare plans in the amount of \$65,253 and \$88,420, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 49 provides guidance on how to calculate and report costs and obligations associated with pollution cleanup efforts.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements.

The implementation of GASB Statements No. 49 and No. 50 did not affect the presentation of the financial statements of the City.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 3: Change in Accounting Principles and Restatement of Prior Year Balances (continued)

B. Restatement of Prior Year Balances

	<u>Governmental Activities</u>	<u>Business-Type Activities Sewer Fund</u>
Net assets, December 31, 2007	\$ 42,097,210	\$ 22,869,503
Restatement of Compensated Absences	(935,731)	0
Restatement of Infrastructure	<u>1,085,482</u>	<u>1,082,655</u>
Net assets, December 31, 2007, restated	\$ <u>42,246,961</u>	\$ <u>23,952,158</u>

The December 31, 2007 Net Assets have been restated due to a cumulative miscalculation in the vacation portion of Compensated Absences related to the City's Security of Persons and Property expense line item. In addition, the Net Assets were also restated for a change in engineer estimates for Infrastructure.

Note 4: Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by the general laws of the State of Ohio is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual for the General Fund and Recreation Center Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 4: Budgetary Basis of Accounting (continued)

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

	Net Change in Fund Balance	
	<u>General</u>	<u>Recreation Center</u>
GAAP Basis	\$ (2,651,619)	\$ 5,490
Net Adjustment for Revenue Accruals	(32,409)	232,722
Net Adjustment for Expenditure Accruals	(245,941)	(22,854)
Encumbrances	<u>(290,321)</u>	<u>(73,486)</u>
Budget Basis	\$ <u>(3,220,290)</u>	\$ <u>141,872</u>

Note 5: 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 Rev. Code Chapter 135: Uniform Depository Act.

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

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City’s deposits may not be returned from the depository. Protection of the City’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 5: Deposits and Investments (continued)

Deposits (continued)

At year-end, the carrying amount of the City's deposits was \$21,496,397 and the bank balance was \$21,639,224. Of the bank balance \$2,731,300 was covered by the FDIC and \$18,907,924 was uninsured. The entire uninsured bank balance was collateralized with securities held by pledging institutions' agents in its collateral pool.

Investments

Investments are reported at fair value. As of December 31, 2008, the City had no security investments.

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 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.

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.

Concentration of Credit Risk is defined by GASB as five percent or more in the securities of a single issuer. The City's Charter provides for diversification of the portfolio but does not indicate specific percentage allocations.

Note 6: Property Taxes

Property taxes include amounts levied against real, public utility and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax revenue received during 2008 for tangible personal property (other than public utility property) represents collections of the 2008 taxes.

2008 real property taxes were levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by Ohio Revised Code at 35 percent of appraised value. 2008 real property taxes are collected in and intended to finance 2009.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 6: Property Taxes (continued)

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien December 31, 2007, were levied after October 1, 2008, and were collected in 2008 with real property taxes.

In June 2005, House Bill No. 66 (HB 66), a budget bill that included major changes to the State of Ohio tax code, was enacted. One provision of HB 66 was the elimination of the tangible personal property tax; machinery and equipment installed or first used in business after December 31, 2004 was immediately exempt from personal property taxation and the tax on existing machinery and equipment will be phased out by January 1, 2009.

HB 66 also provided local governments, including the City, to receive reimbursements for the lost tax revenue. The reimbursements began in 2006 and will continue through 2018. During a hold-harmless period of 2006 through 2010, the City will be fully compensated by the State of Ohio for the reduced tax revenue resulting from the elimination of the tangible personal property tax; from 2011 through 2018, with certain exceptions, the reimbursements will be phased-out. The reimbursed amounts only are reported as Intergovernmental Revenue.

2008 tangible personal property taxes are levied after October 1, 2007, on the values as of December 31, 2007. Collections were made in 2008. Prior to 2006, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25 percent of its true value, 18.75 and 12.5 percent for 2006 and 2007, respectively. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009.

The full tax rate for all City operations for the year ended December 31, 2008, 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 tangible personal property upon which 2008 property tax receipts were based as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 714,739,290
Public Utility Real	6,053,290
Tangible Personal	<u>2,036,995</u>
Total	\$ <u><u>722,829,575</u></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, Ohio Revised Code permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 6: Property Taxes (continued)

The Cuyahoga County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since current taxes were not levied to finance 2008 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 a revenue while on the modified accrual basis the revenue is deferred.

Note 7: Income Taxes

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

By contractual agreement, the Central Collection Agency, a division of the City of Cleveland, administers and collects income taxes for the City. Amounts collected are remitted monthly to the City. Collection fees for 2008 were \$274,750.

Note 8: Receivables

Receivables at December 31, 2008, consisted of taxes, accounts (billings for user charged services), special assessments, interest, and intergovernmental receivables. All receivables recorded are deemed collectible in full, as they are recorded net of an allowance for uncollectible portions. The allowance is based on aged accounts receivable and current year revenues. The City has approximately \$53,000 in uncollectible billings for user charged services.

Special assessments expected to be collected beyond one year amount to \$590,000 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding is \$55,550 at December 31, 2008.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 9: Capital Assets

A summary of changes in capital assets during 2008 follows:

	Restated Balance 12/31/07	Additions	Deletions	Balance 12/31/08
Governmental Activities				
<i>Capital Assets not Being Depreciated</i>				
Land	\$ 1,455,114	\$ 562,712	\$ 0	\$ 2,017,826
Land Improvements	203,158	0	0	203,158
Construction in Progress	<u>955,207</u>	<u>312,715</u>	<u>(707,330)</u>	<u>560,592</u>
<i>Total Capital Assets not Being Depreciated</i>	<u>2,613,479</u>	<u>875,427</u>	<u>(707,330)</u>	<u>2,781,576</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	2,833,254	167,288	0	3,000,542
Buildings	33,349,229	486,047	(104,700)	33,730,576
Furniture, Fixtures and Equipment	3,952,388	178,874	0	4,131,262
Vehicles	6,597,924	930,823	(229,653)	7,299,094
Infrastructure:				
Roads	21,656,624	1,217,550	(56,721)	22,817,453
Sidewalks	387,917	258,865	0	646,782
Traffic Signals	2,670,690	0	0	2,670,690
Storm Sewers	4,341,936	258,811	(1,573)	4,599,174
Water Mains	5,998,221	424,259	(14,337)	6,408,143
Parks	<u>1,517,425</u>	<u>0</u>	<u>0</u>	<u>1,517,425</u>
<i>Total Capital Assets Being Depreciated</i>	<u>83,305,608</u>	<u>3,922,517</u>	<u>(406,984)</u>	<u>86,821,141</u>
Less Accumulated Depreciation:				
Land Improvements	(202,637)	(76,149)	0	(278,786)
Building	(8,717,832)	(586,827)	0	(9,304,659)
Furniture, Fixtures and Equipment	(3,627,029)	(216,673)	0	(3,843,702)
Vehicles	(5,405,278)	(563,277)	225,421	(5,743,134)
Infrastructure:				
Roads	(13,842,005)	(763,929)	56,721	(14,549,213)
Sidewalks	(25,465)	(14,513)	0	(39,978)
Traffic Signals	(1,619,513)	(133,554)	0	(1,753,067)
Storm Sewers	(1,273,958)	(57,346)	1,542	(1,329,762)
Water Mains	(1,905,645)	(79,018)	10,227	(1,974,436)
Parks	<u>(575,329)</u>	<u>(37,936)</u>	<u>0</u>	<u>(613,265)</u>
<i>Total Capital Assets Being Depreciated</i>	<u>(37,194,691)</u>	<u>(2,529,222)</u>	<u>293,911</u>	<u>(39,430,002)</u>
Total Capital Assets Being Depreciated, Net	<u>46,110,917</u>	<u>1,393,295</u>	<u>(113,073)</u>	<u>47,391,139</u>
Governmental Activities Capital Assets, Net	<u>\$ 48,724,396</u>	<u>\$ 2,268,722</u>	<u>\$ (820,403)</u>	<u>\$ 50,172,715</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 9: Capital Assets (continued)

	Restated Balance <u>12/31/07</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/08</u>
Business-Type Activities				
<i>Capital Assets not Being Depreciated</i>				
Land	\$ 39,516	\$ 0	\$ 0	\$ 39,516
Right of Way	250,000	0	0	250,000
Construction in Progress	<u>151,566</u>	<u>138,522</u>	<u>(158,013)</u>	<u>132,075</u>
<i>Total Capital Assets not Being Depreciated</i>	<u>441,082</u>	<u>138,522</u>	<u>(158,013)</u>	<u>421,591</u>
<i>Capital Assets Being Depreciated</i>				
Furniture, Fixtures and Equipment	44,961	17,403	0	62,364
Vehicles	644,312	15,975	(119,428)	540,859
Sewer Lines	<u>21,558,663</u>	<u>199,396</u>	<u>(1,722)</u>	<u>21,756,337</u>
<i>Total Capital Assets Being Depreciated</i>	<u>22,247,936</u>	<u>232,774</u>	<u>(121,150)</u>	<u>22,359,560</u>
Less Accumulated Depreciation				
Furniture, Fixtures and Equipment	(11,983)	(10,965)	0	(22,948)
Vehicles	(635,825)	(6,024)	119,428	(522,421)
Sewer Lines	<u>(4,517,599)</u>	<u>(288,483)</u>	<u>1,688</u>	<u>(4,804,394)</u>
<i>Total Capital Assets Being Depreciated</i>	<u>(5,165,407)</u>	<u>(305,472)</u>	<u>121,116</u>	<u>(5,349,763)</u>
Total Capital Assets Being Depreciated, Net	<u>17,082,529</u>	<u>(72,698)</u>	<u>(34)</u>	<u>17,009,797</u>
Total Business-Type Activities Capital Assets, Net	\$ <u>17,523,611</u>	\$ <u>65,824</u>	\$ <u>(158,047)</u>	\$ <u>17,431,388</u>

*Depreciation expense was charged to governmental functions as follows:

General Government	\$ 161,877
Security of Persons and Property	395,602
Public Health	55,326
Transportation	929,726
Community Development	30,575
Basic Utility Service	390,210
Leisure Time Activities	<u>565,906</u>
Total	\$ <u>2,529,222</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 10: Joint Venture - Rocky River Wastewater Treatment Plant

The Rocky River Wastewater Treatment Plant (Plant) is a joint venture among the cities of Rocky River, Bay Village, Fairview Park and Westlake. The Plant is governed by a management committee consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The committee has authority over all aspects of the Plant's operation. The Plant supplies all participating residents of the member cities with sanitary sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of the Plant is dependent on the City's continued participation, and the City does have an equity interest in the Plant. The City's equity interest is \$5,941,262 which represents 29.40 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 11: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk. There were no significant reductions in insurance coverage from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three years.

Since May 2002, the City has provided employees (and eligible dependents) medical and prescription drug benefits on a partially self-insured basis. Medical Mutual of Ohio Inc. serves as third party administrator to process and pay claims. The City has stop loss coverage for claims in excess of \$75,000 per individual and \$1,103,495 aggregate per year. The City pays a monthly premium into the Self Insurance Fund for each employee that varies according to employee group. These rates are paid by the fund from which the employees' salary is paid. Incurred but not reported claims of \$286,562 have been accrued as a liability at December 31, 2008 based on an estimate by Medical Mutual.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 11: Risk Management (continued)

The claims liability of \$286,562 reported in the funds at December 31, 2008, was estimated by reviewing current claims and is based on the requirements of GASB No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. Changes in the fund's claims liability amount were:

	<u>Balance at</u>	<u>Current Year</u>	<u>Claim</u>	<u>Balance at</u>
	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2007	\$ 125,103	\$ 1,566,834	\$ 1,531,017	\$ 160,920
2008	160,920	2,226,471	2,100,829	286,562

The City is a member in good standing of the Ohio Rural Water Authority (ORWA). The intent of the City's membership in the ORWA is to achieve the benefit of reduced workers' compensation premiums, foster safer working conditions and promote cost effective claims management by virtue of its grouping and representation with other members of the ORWA. CompManagement, Inc. is the third party administrator that provides case management, consulting and administrative services to participating members of the ORWA. University CompCare, Inc. is the City's workers' compensation managed care organization.

The City provides dental insurance benefits to employees (and eligible dependents) on a fully insured basis through CIGNA Healthcare Inc.

Note 12: Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 12: Defined Benefit Pension Plans (continued)

A. Ohio Public Employees Retirement System (continued)

For 2008, the members and employer contribution rates were consistent across all three plans. For the year ended, December 31 2008, the members of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City contributed 14.0 percent of covered payroll, of which 7.0 percent was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations, excluding the health care portion, to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$664,080, \$750,260, and \$762,795, respectively; 90.17 percent has been contributed for 2008, 82.71 percent for 2007 and 100 percent for 2006. Contributions to the member-directed plan for 2008 were \$25,462 made by the City and \$18,187 made by the plan members.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (Pension Fund), a cost-sharing multiple-employer defined benefit pension plan. The Pension Fund provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Pension Fund 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 Pension Fund, Attention: Chief Financial Officer, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24 percent for firefighters. Contributions are authorized by State statute. The City's contributions, excluding the health care portion, for the years ended December 31, 2008, 2007, and 2006 for police officers were \$329,033, \$323,571, and \$291,857 and for firefighters were \$373,526, \$359,451, and \$329,273, respectively, equal to the required contributions for each year. The full amount has been contributed for years 2006 and 2007, and 72.23% and 72.60% has been contributed for 2008 for police and firefighters, respectively.

Note 13: Postemployment Benefits

A. Ohio Public Employees Retirement System

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 13: Postemployment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

In order to qualify for post-retirement health care coverage, age and service retirees under the traditional pension and combined plans must have 10 or more years of qualifying service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained in writing to OPERS, 227 E. Town St., Columbus, OH, 43215-4642, or by calling (614)222-5601.

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care for the years ended December 31, 2008, 2007, and 2006 were \$664,0080, \$495,815, and \$331,650, respectively; 90.17 percent has been contributed for 2008, 82.71 percent has been contributed for 2007 and 100 percent for 2006.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by the Pension Fund. The Pension Fund provides healthcare 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, 2008

Note 13: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

The Pension Fund provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by the Pension Fund 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 the Pension Fund to provide OPEB benefits. Authority for the Pension Fund 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.

The Pension Fund 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.

The Ohio Revised Code provides for contribution requirements of the participating employers and of the plan members to the Pension Fund (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio revised Code states that the employer contribution may not exceed 19.5 percent of the covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Pension Fund 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. For the year ended December 31, 2008, the employer contribution allocated to health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 1150 and 401(h).

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

The City's contributions to the Pension Fund for police and fire for the years ending December 31, 2008, 2007, and 2006 were \$503,227, \$494,874, and \$484,359 and \$519,688, \$500,106 and \$486,312, respectively, of which \$174,194, \$171,303, and \$192,501 and \$146,162, \$140,655 and \$157,038, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2007 and 2006. For 2008, 72.23 percent for police and 72.60 percent for firefighters has been contributed, with the remainder being reported as a liability.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 14: Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements, 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 forty hours worked, except for the fire division where employees earn 9.69 hours for every 168 hours worked. Sick leave accumulation is limited to 1,080 hours, except for the fire division where a maximum of 1,512 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 15: Conduit Debt

A. Cleveland Lutheran High School Association, Inc.

In December 2002, the City issued \$7,000,000 Multi-Mode Variable Rate Revenue Bonds, Series 2002 (Bonds) under the provisions of a Trust Indenture dated December 1, 2002 between the City and Fifth Third Bank, as Trustee. The Bonds were issued for the purpose of making a loan to the Cleveland Lutheran High School Association, Inc. also known as Cleveland Lutheran West High School, an Ohio nonprofit corporation, the Borrower, to assist in financing the costs of acquiring, constructing, renovating, improving, furnishing and equipping of the real and personal property comprising facilities for a private secondary educational facility located at 3850 Linden Road in the City.

The Bonds are special obligations of the City and the principal of and interest and any premiums thereon will be payable from revenues assigned by an indenture to secure such payment and 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 annual payments from December 1, 2006 through December 1, 2022 inclusive.

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Outstanding 12/31/08</u>	<u>Date of Maturity</u>
Multi-Mode Variable Rate Revenue Bonds, Series 2002	\$ 7,000,000	Variable	\$ 6,220,000	December 1, 2022

B. 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 15: Conduit Debt (continued)

B. West Shore Unitarian Universalist Church (continued)

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

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Outstanding 12/31/08</u>	<u>Date of Maturity</u>
Economic Development Revenue Bonds, Series 2005	\$ 1,350,000	Variable	\$ 1,216,547	October 1, 2025

Note 16: Long-Term Obligations

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

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
General Obligation Bonds			
2005 Civic Facility Improvements	2.50-4.00%	\$ 8,400,000	December 1, 2024
2002 Municipal Court Facility	3.00-4.75	3,700,000	December 1, 2026
2004 General Purpose	2.00-5.00	10,840,000	December 1, 2024
Special Assessment Bonds			
2000 Erosion Control (B)	5.00-5.50	360,000	December 1, 2025
1998 Erosion Control (A)	4.75-5.10	605,000	December 1, 2023
OWDA Loan			
2000 Sewer Repair	4.64	328,239	July 1, 2020

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 16: Long-Term Obligations (continued)

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

	Outstanding 12/31/07	Additions	Reductions	Outstanding 12/31/08	Amount Due in One Year
Governmental Activities					
General Obligation Bonds					
2005 Civic Facility Improvements	\$ 7,535,000	\$ 0	\$ 325,000	\$ 7,210,000	\$ 335,000
2002 Municipal Court Facility	3,210,000	0	110,000	3,100,000	110,000
2004 General Purpose	8,875,000	0	600,000	8,275,000	605,000
Unamortized Premium	<u>387,961</u>	<u>0</u>	<u>22,821</u>	<u>365,140</u>	<u>0</u>
Total General Obligation Bonds	<u>20,007,961</u>	<u>0</u>	<u>1,057,821</u>	<u>18,950,140</u>	<u>1,050,000</u>
Special Assessment Bonds					
2000 Erosion Control (B)	270,000	0	15,000	255,000	15,000
1998 Erosion Control (A)	<u>400,000</u>	<u>0</u>	<u>25,000</u>	<u>375,000</u>	<u>25,000</u>
Total Special Assessment Bonds	670,000	0	40,000	630,000	40,000
Compensated Absences Payable	4,154,658	1,451,975	1,220,763	4,385,870	444,565
Police and Fire Pension Liability	<u>602,422</u>	<u>0</u>	<u>25,814</u>	<u>576,608</u>	<u>26,923</u>
Total Governmental Activities	\$ <u>25,435,041</u>	\$ <u>1,451,975</u>	\$ <u>2,344,398</u>	\$ <u>24,542,618</u>	\$ <u>1,561,488</u>
Business Type Activities					
OWDA Loan	\$ 262,310	\$ 0	\$ 15,100	\$ 247,210	\$ 15,810
Compensated Absences Payable	<u>109,476</u>	<u>50,400</u>	<u>44,095</u>	<u>115,781</u>	<u>12,078</u>
Total Business Type Activities	\$ <u>371,786</u>	\$ <u>50,400</u>	\$ <u>59,195</u>	\$ <u>362,991</u>	\$ <u>27,888</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 16: Long-Term Obligations (continued)

General purpose general obligation bonds will be paid from property taxes and money transferred to the Debt Service Fund. Municipal Court Facility general obligation bonds will be paid from the Municipal Court Capital Improvement Fund. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments. The police and fire pension liability will be paid from levied taxes in the Police and Fire Pension special revenue funds. Compensated absences will be paid from the general fund, the recreation center, office on aging, refuse and recycling, motor vehicle license tax and street construction and repair special revenue funds, and the sanitary sewer enterprise fund. The OWDA loan reported in the Sanitary Sewer Enterprise Fund will be paid from revenues derived by the City from sanitary sewer charges.

The City's overall legal debt margin was \$57,360,032 at December 31, 2008. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2008, are as follows:

	<u>General Obligation Bonds</u>		<u>Special Assessment Bonds</u>		<u>Police and Fire Pension</u>		<u>Total Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,050,000	\$ 789,016	\$ 40,000	\$ 32,425	\$ 26,923	\$ 24,223	\$ 1,116,923	\$ 845,664
2010	1,070,000	758,781	40,000	30,438	28,080	23,066	1,138,080	812,285
2011	1,090,000	725,818	40,000	28,450	29,286	21,860	1,159,286	776,128
2012	1,105,000	691,918	40,000	26,463	30,544	20,603	1,175,544	738,984
2013	1,125,000	655,250	40,000	24,475	31,855	19,291	1,196,855	699,016
2014-2018	5,140,000	2,617,676	200,000	91,900	181,015	74,716	5,521,015	2,784,292
2019-2023	5,975,000	1,321,913	200,000	39,750	96,652	41,034	6,271,652	1,402,697
2024-2028	2,030,000	159,038	30,000	2,475	75,260	25,435	2,135,260	186,948
2029-2033	0	0	0	0	76,993	7,944	76,996	7,944
Total	\$ <u>18,585,000</u>	\$ <u>7,719,410</u>	\$ <u>630,000</u>	\$ <u>276,376</u>	\$ <u>576,608</u>	\$ <u>258,172</u>	\$ <u>19,791,611</u>	\$ <u>8,253,958</u>

<u>Business Type Activity</u>	
<u>OWDA Loan</u>	
<u>Principal</u>	<u>Interest</u>
2009	\$ 15,810
2010	16,550
2011	17,327
2012	18,140
2013	18,992
2014-2018	109,200
2019-2023	51,191
Total	\$ <u>247,210</u>

Note 17: Litigation

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 18: Jointly Governed Organizations

A. West Shore Council of Governments

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

The West Shore Council is governed by a board comprised of one member from each member city. The board exercises control over the operation of the West Shore Council including budgeting, appropriating, contracting and administration. The West Shore Council board adopts an annual budget governing its activities for that year. Each city's degree of control is limited to its representation on the board. In 2008, the City contributed \$50,025 to the West Shore Council.

Financial information for the West Shore Council may be obtained from the Director of Finance, City of Bay Village, 350 Dover Center Road, Bay Village, Ohio 44140, who serves as fiscal agent.

B. Tri-City Park Council of Governments

The Tri-City Park Council of Governments (Tri-City Park) was organized pursuant to 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. The City made no contributions to the Tri-City Park Council in 2008.

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 18: Jointly Governed Organizations (continued)

C. S.A.F.E. Council of Governments (continued)

Each city's degree of control is limited to its representation on the board. The City made no contributions to the SAFE Council in 2008.

Financial information for the SAFE 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.

Note 19: Interfund Activity

A. Transfers

The transfers among City funds were made to provide additional resources for current operations and for the payment of debt. Transfers made during the year ended December 31, 2008 were as follows:

<u>Transfer to</u>	<u>Transfer from</u> <u>General</u>
Recreation Center	\$ 800,000
General Obligation Bond Retirement	960,000
Capital Improvements	1,400,000
Other Governmental Funds	4,490,000
Internal Service Fund	<u>265,000</u>
Total Governmental Activities	\$ <u>7,915,000</u>

B. Receivable/Payable

The General Fund advanced the Recreation Center Special Revenue Fund \$500,000, which created an Interfund Receivable / Payable. The advance was for operating monies that are expected to be repaid by December 31, 2011.

Note 20: Contractual Commitments

At December 31, 2008, the City's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract</u> <u>Amount</u>	<u>Amount</u> <u>Paid</u>	<u>Remaining</u> <u>on Contract</u>
Development Code Update	\$ 69,800	\$ 22,093	\$ 47,707
Emergency Sewer Repairs	75,000	31,667	43,333
Gasser Boulevard Watermain Relining	159,843	132,343	27,500
Police and Fire Support Services	50,026	37,519	12,507
Rear Loading Refuse Packer	135,780	0	135,780
Sewer Televising	120,000	27,046	92,954
Social Services Contract	43,500	32,625	10,875
Street Repair	1,406,469	1,202,054	204,415
Zamboni Ice Machine	<u>80,790</u>	<u>0</u>	<u>80,790</u>
Total	\$ <u>2,141,208</u>	\$ <u>1,485,347</u>	\$ <u>655,861</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 21: Accountability

Fund Equity Deficit – Special Revenue Funds

There are deficits in the Recreation Center and Police Levy Special Revenue Funds of \$54,474 and \$54,159 caused by the application of accounting principles generally accepted in the United State of America to these funds. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

Note 22: Operating Leases

A. Lessor

In July 2007, the City entered into a five year lease agreement with Fairview Hospital (the Hospital) whereby the Hospital will operate an Outpatient Physical Therapy Center at the Don Umerley Civic Center. Total revenue from this lease in 2008 was \$20,000.

Future minimum rents to be received from this lease are as follows:

2009	\$	20,000
2010		20,000
2011		20,000
2012		<u>11,667</u>
	\$	<u><u>71,667</u></u>

B. Lessee

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, 2008 was \$150,000.

Future minimum rental payments for this lease are as follows:

2009	\$	100,000
2010		50,000
2011		40,000
2012		30,000
2013		20,000
2014-2018		100,000
2019-2020		<u>40,000</u>
	\$	<u><u>380,000</u></u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2008

Note 23: Related Organization

The Rocky River Community Improvement Corporation (CIC) was organized pursuant to 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 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, 2008, the CIC has no assets or liabilities. The CIC has had no financial activity since 2005.

Note 24: Subsequent Events

As required by the Ohio Revised Code, the Cuyahoga County Auditor will be updating real estate property valuations for the City in 2009. In April 2009, the Cuyahoga County Auditor, based on statistical analysis of sales prices and market conditions within the City, calculated a proposed valuation adjustment of a five percent decrease. The City-wide proposed valuations have been sent to the State of Ohio Department of Taxation for final approval. The revenue affect is not direct; it has been estimated that the City will experience a three percent revenue decrease as a result of the proposed real property valuations.

In July 2009, the State of Ohio Department of Taxation communicated to the City to expect a reduction of approximately 14 percent from the State of Ohio Local Government Fund from the amount received in 2008. The State of Ohio Local Government Fund receives 4.2 percent of collections from four State of Ohio taxes that have been impacted by the weak revenue performance of those taxes.

City of Rocky River, Ohio

Combining Statements
Non-Major Government 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 cognovit notes and domestic relations filings pursuant to ORC 2303.201(E)(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 Rev. 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.

Sewer Rehabilitation Fund - To account for a fixed fee sanitary sewer charge to be used for the accumulation of resources to rehabilitate through acquisition, construction, or improvement the City's sanitary sewer infrastructure.

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, 2008

	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	\$ 2,220,733	\$ 21,636	\$ 3,916,186	\$ 6,158,555
Accrued Interest Receivable	0	0	2,464	2,464
Accounts Receivable	16,176	0	65,153	81,329
Intergovernmental Receivable	433,767	0	0	433,767
Materials and Supplies Inventory	185,265	0	0	185,265
Taxes Receivable	1,333,001	0	0	1,333,001
Special Assessments Receivable	<u>0</u>	<u>685,550</u>	<u>0</u>	<u>685,550</u>
 Total Assets	 <u>\$ 4,188,942</u>	 <u>\$ 707,186</u>	 <u>\$ 3,983,803</u>	 <u>\$ 8,879,931</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 107,364	\$ 0	\$ 361,826	\$ 469,190
Accrued Wages and Benefits	100,432	0	4,950	105,382
Intergovernmental Payable	450,860	0	12,581	463,441
Deferred Revenue	<u>1,661,007</u>	<u>685,550</u>	<u>0</u>	<u>2,346,557</u>
 Total Liabilities	 <u>2,319,663</u>	 <u>685,550</u>	 <u>379,357</u>	 <u>3,384,570</u>
Fund Balances:				
Reserve for Encumbrances	65,744	0	20,089	85,833
Reserve for Inventory	185,265	0	0	185,265
Unreserved, Undesignated, Reported In:				
Special Revenue Funds	1,618,270	0	0	1,618,270
Debt Service Fund	0	21,636	0	21,636
Capital Projects Funds	<u>0</u>	<u>0</u>	<u>3,584,357</u>	<u>3,584,357</u>
 Total Fund Balances	 <u>1,869,279</u>	 <u>21,636</u>	 <u>3,604,446</u>	 <u>5,495,361</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,188,942</u>	 <u>\$ 707,186</u>	 <u>\$ 3,983,803</u>	 <u>\$ 8,879,931</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, 2008

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:				
Property Taxes	\$ 1,340,714	\$ 0	\$ 0	\$ 1,340,714
Intergovernmental	1,021,020	0	929,746	1,950,766
Charges for Services	461,314	0	688,049	1,149,363
Fees, Fines and Permits	265,475	0	18,297	283,772
Special Assessments	0	65,285	0	65,285
Investment Income	0	0	35,850	35,850
Other	<u>7,946</u>	<u>0</u>	<u>0</u>	<u>7,946</u>
 Total Revenues	 <u>3,096,469</u>	 <u>65,285</u>	 <u>1,671,942</u>	 <u>4,833,696</u>
Expenditures:				
Current:				
Security of Persons and Property	1,260,158	0	0	1,260,158
Public Health	1,260,327	0	0	1,260,327
Basic Utility Service	1,601,728	0	37,983	1,639,711
Transportation	1,703,111	0	0	1,703,111
General Government	14,672	0	0	14,672
Capital Outlay	75,109	0	1,592,088	1,667,197
Debt Service:				
Principal Retirement	25,814	40,000	110,000	175,814
Interest and Fiscal Charges	<u>27,358</u>	<u>35,074</u>	<u>146,413</u>	<u>208,845</u>
 Total Expenditures	 <u>5,968,277</u>	 <u>75,074</u>	 <u>1,886,484</u>	 <u>7,929,835</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,871,808)</u>	<u>(9,789)</u>	<u>(214,542)</u>	<u>(3,096,139)</u>
Other Financing Sources (Uses):				
Transfers – In	2,900,000	40,000	1,550,000	4,490,000
Net Change In Fund Balances	28,192	30,211	1,335,458	1,393,861
Fund Balances (Deficit) at Beginning of Year	<u>1,841,087</u>	<u>(8,575)</u>	<u>2,268,988</u>	<u>4,101,500</u>
Fund Balances at End of Year	\$ <u>1,869,279</u>	\$ <u>21,636</u>	\$ <u>3,604,446</u>	\$ <u>5,495,361</u>

City of Rocky River, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds

December 31, 2008

	<u>Law Enforcement Trust</u>	<u>Community Diversion Program</u>	<u>Indigent Driver Alcohol Treatment</u>	<u>Enforcement and Education</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 94,107	\$ 5,173	\$ 61,409	\$ 11,643
Accounts Receivable	150	0	924	291
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Taxes Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 \$ <u>94,257</u>	 \$ <u>5,173</u>	 \$ <u>62,333</u>	 \$ <u>11,934</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	437	0	0
Intergovernmental Payable	290	224	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>290</u>	 <u>661</u>	 <u>0</u>	 <u>0</u>
Fund Balances:				
Reserve for Encumbrances	406	0	0	0
Reserve for Inventory	0	0	0	0
Unreserved, Undesignated (Deficit)	<u>93,561</u>	<u>4,512</u>	<u>62,333</u>	<u>11,934</u>
 Total Fund Balances (Deficit)	 <u>93,967</u>	 <u>4,512</u>	 <u>62,333</u>	 <u>11,934</u>
 Total Liabilities and Fund Balances	 \$ <u>94,257</u>	 \$ <u>5,173</u>	 \$ <u>62,333</u>	 \$ <u>11,934</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>
\$ 420,108	\$ 70,332	\$ 1,357	\$ 211,970	\$ 37,132
11,164	1,800	0	0	0
0	0	0	23,441	0
0	0	0	95,010	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>317,381</u>	<u>0</u>
\$ <u>431,272</u>	\$ <u>72,132</u>	\$ <u>1,357</u>	\$ <u>647,802</u>	\$ <u>37,132</u>
\$ 8,754	\$ 74	\$ 0	\$ 25,425	\$ 95
2,783	432	0	23,376	0
3,347	367	0	38,949	815
<u>0</u>	<u>0</u>	<u>0</u>	<u>340,822</u>	<u>0</u>
<u>14,884</u>	<u>873</u>	<u>0</u>	<u>428,572</u>	<u>910</u>
465	0	0	12,566	18
0	0	0	95,010	0
<u>415,923</u>	<u>71,259</u>	<u>1,357</u>	<u>111,654</u>	<u>36,204</u>
<u>416,388</u>	<u>71,259</u>	<u>1,357</u>	<u>219,230</u>	<u>36,222</u>
\$ <u>431,272</u>	\$ <u>72,132</u>	\$ <u>1,357</u>	\$ <u>647,802</u>	\$ <u>37,132</u>

(continued)

City of Rocky River, Ohio

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

December 31, 2008

	Community Impacts	Refuse and Recycling	Motor Vehicle License Tax	Street Repair and Maintenance
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,312	\$ 280,986	\$ 320,136	\$ 328,047
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	46,879	3,548	306,890
Materials and Supplies Inventory	0	3,201	0	87,054
Taxes Receivable	<u>0</u>	<u>634,762</u>	<u>0</u>	<u>0</u>
Total Assets	\$ <u>3,312</u>	\$ <u>965,828</u>	\$ <u>323,684</u>	\$ <u>721,991</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 0	\$ 57,368	\$ 2,112	\$ 12,996
Accrued Wages and Benefits	0	33,936	9,477	29,991
Intergovernmental Payable	0	57,701	16,285	50,744
Deferred Revenue	<u>0</u>	<u>681,641</u>	<u>0</u>	<u>212,343</u>
Total Liabilities	<u>0</u>	<u>830,646</u>	<u>27,874</u>	<u>306,074</u>
Fund Balances:				
Reserve for Encumbrances	0	21,414	16,353	14,522
Reserve for Inventory	0	3,201	0	87,054
Unreserved, Undesignated (Deficit)	<u>3,312</u>	<u>110,567</u>	<u>279,457</u>	<u>314,341</u>
Total Fund Balances (Deficit)	<u>3,312</u>	<u>135,182</u>	<u>295,810</u>	<u>415,917</u>
Total Liabilities and Fund Balances	\$ <u>3,312</u>	\$ <u>965,828</u>	\$ <u>323,684</u>	\$ <u>721,991</u>

<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>
\$ 75,102	\$ 3,985	\$ 210,370	\$ 85,564	\$ 2,220,733
0	1,847	0	0	16,176
24,883	0	14,063	14,063	433,767
0	0	0	0	185,265
<u>0</u>	<u>0</u>	<u>190,429</u>	<u>190,429</u>	<u>1,333,001</u>
\$ <u>99,985</u>	\$ <u>5,832</u>	\$ <u>414,862</u>	\$ <u>290,056</u>	\$ <u>4,188,942</u>
\$ 0	\$ 540	\$ 0	\$ 0	\$ 107,364
0	0	0	0	100,432
0	0	142,415	139,723	450,860
<u>17,217</u>	<u>0</u>	<u>204,492</u>	<u>204,492</u>	<u>1,661,007</u>
<u>17,217</u>	<u>540</u>	<u>346,907</u>	<u>344,215</u>	<u>2,319,663</u>
0	0	0	0	65,744
0	0	0	0	185,265
<u>82,768</u>	<u>5,292</u>	<u>67,955</u>	<u>(54,159)</u>	<u>1,618,270</u>
<u>82,768</u>	<u>5,292</u>	<u>67,955</u>	<u>(54,159)</u>	<u>1,869,279</u>
\$ <u>99,985</u>	\$ <u>5,832</u>	\$ <u>414,862</u>	\$ <u>290,056</u>	\$ <u>4,188,942</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, 2008

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	22,082	0	0	0
Charges for Services	0	0	0	0
Fees, Fines and Permits	25,686	7,200	38,878	3,488
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>47,768</u>	<u>7,200</u>	<u>38,878</u>	<u>3,488</u>
Expenditures:				
Current:				
Security of Persons and Property	28,850	5,093	4,770	0
Public Health	0	0	0	0
Basic Utility Service	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Capital Outlay	8,471	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>37,321</u>	<u>5,093</u>	<u>4,770</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	10,447	2,107	34,108	3,488
Other Financing Sources (Uses):				
Transfers – In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	10,447	2,107	34,108	3,488
Fund Balances (Deficit) at Beginning of Year	<u>83,520</u>	<u>2,405</u>	<u>28,225</u>	<u>8,446</u>
Fund Balances (Deficit) at End of Year	\$ <u><u>93,967</u></u>	\$ <u><u>4,512</u></u>	\$ <u><u>62,333</u></u>	\$ <u><u>11,934</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	\$ 319,216	\$ 0
0	0	0	45,263	27,352
0	0	0	449,018	0
164,466	23,910	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,220</u>	<u>0</u>
<u>164,466</u>	<u>23,910</u>	<u>0</u>	<u>814,717</u>	<u>27,352</u>
123,029	0	0	0	58,056
0	0	0	1,260,327	0
0	0	0	0	0
0	0	0	0	0
6,130	8,002	0	0	0
0	0	0	0	4,727
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>129,159</u>	<u>8,002</u>	<u>0</u>	<u>1,260,327</u>	<u>62,783</u>
35,307	15,908	0	(445,610)	(35,431)
<u>0</u>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>50,000</u>
35,307	15,908	0	(145,610)	14,569
<u>381,081</u>	<u>55,351</u>	<u>1,357</u>	<u>364,840</u>	<u>21,653</u>
\$ <u><u>416,388</u></u>	\$ <u><u>71,259</u></u>	\$ <u><u>1,357</u></u>	\$ <u><u>219,230</u></u>	\$ <u><u>36,222</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, 2008

	Community Impacts	Refuse and Recycling	Motor Vehicle License Tax	Street Repair and Maintenance
Revenues:				
Property Taxes	\$ 0	\$ 638,436	\$ 0	\$ 0
Intergovernmental	0	90,523	42,872	679,534
Charges for Services	0	12,296	0	0
Fees, Fines and Permits	0	0	0	0
Other	0	6,726	0	0
Total Revenues	0	747,981	42,872	679,534
Expenditures:				
Current:				
Security of Persons and Property	0	0	8,437	0
Public Health	0	0	0	0
Basic Utility Service	0	1,601,728	0	0
Transportation	0	0	339,692	1,313,517
General Government	0	0	0	0
Capital Outlay	0	800	14,206	46,905
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	0	1,602,528	362,335	1,360,422
Excess of Revenues Over (Under) Expenditures	0	(854,547)	(319,463)	(680,888)
Other Financing Sources (Uses):				
Transfers – In	0	900,000	450,000	400,000
Net Change in Fund Balances	0	45,453	130,537	(280,888)
Fund Balances (Deficit) at Beginning of Year				
	3,312	89,729	165,273	696,805
Fund Balances (Deficit) at End of Year	\$ 3,312	\$ 135,182	\$ 295,810	\$ 415,917

<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	\$ 191,531	\$ 191,531	\$ 1,340,714
55,097	3,985	27,156	27,156	1,021,020
0	0	0	0	461,314
0	1,847	0	0	265,475
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,946</u>
<u>55,097</u>	<u>5,832</u>	<u>218,687</u>	<u>218,687</u>	<u>3,096,469</u>
0	0	526,789	505,134	1,260,158
0	0	0	0	1,260,327
0	0	0	0	1,601,728
49,902	0	0	0	1,703,111
0	540	0	0	14,672
0	0	0	0	75,109
0	0	7,047	18,767	25,814
<u>0</u>	<u>0</u>	<u>13,092</u>	<u>14,266</u>	<u>27,358</u>
<u>49,902</u>	<u>540</u>	<u>546,928</u>	<u>538,167</u>	<u>5,968,277</u>
5,195	5,292	(328,241)	(319,480)	(2,871,808)
<u>0</u>	<u>0</u>	<u>400,000</u>	<u>400,000</u>	<u>2,900,000</u>
5,195	5,292	71,759	80,520	28,192
<u>77,573</u>	<u>0</u>	<u>(3,804)</u>	<u>(134,679)</u>	<u>1,841,087</u>
\$ <u>82,768</u>	\$ <u>5,292</u>	\$ <u>67,955</u>	\$ <u>(54,159)</u>	\$ <u>1,869,279</u>

City of Rocky River, Ohio

Combining Balance Sheet Non-Major Capital Projects Funds

December 31, 2008

	<u>Equipment Replacement</u>	<u>Sewer Rehabilitation Fund</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 330,673	\$ 1,650,066	\$ 1,935,447	\$ 3,916,186
Accrued Interest Receivable	0	0	2,464	2,464
Accounts Receivable	<u>0</u>	<u>0</u>	<u>65,153</u>	<u>65,153</u>
Total Assets	\$ <u>330,673</u>	\$ <u>1,650,066</u>	\$ <u>2,003,064</u>	\$ <u>3,983,803</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 302,310	\$ 8,767	\$ 50,749	\$ 361,826
Accrued Wages and Benefits	0	0	4,950	4,950
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>12,581</u>	<u>12,581</u>
Total Liabilities	<u>302,310</u>	<u>8,767</u>	<u>68,280</u>	<u>379,357</u>
Fund Balances:				
Reserve for Encumbrances	10,958	0	9,131	20,089
Unrestricted, Undesignated	<u>17,405</u>	<u>1,641,299</u>	<u>1,925,653</u>	<u>3,584,357</u>
Total Fund Balances	<u>28,363</u>	<u>1,641,299</u>	<u>1,934,784</u>	<u>3,604,446</u>
Total Liabilities and Fund Balances	\$ <u>330,673</u>	\$ <u>1,650,066</u>	\$ <u>2,003,064</u>	\$ <u>3,983,803</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, 2008

	<u>Equipment Replacement</u>	<u>Sewer Rehabilitation Fund</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
Revenues:				
Intergovernmental	\$ 24,446	\$ 0	\$ 905,300	\$ 929,746
Charges for Services	0	688,049	0	688,049
Fees, Fines, and Permits	0	0	18,297	18,297
Investment Income	<u>0</u>	<u>0</u>	<u>35,850</u>	<u>35,850</u>
Total Revenues	<u>24,446</u>	<u>688,049</u>	<u>959,447</u>	<u>1,671,942</u>
Expenditures:				
Current:				
Basic Utility Service	0	37,983	0	37,983
Capital Outlay	1,122,071	8,767	461,250	1,592,088
Debt Service:				
Principal Retirement	0	0	110,000	110,000
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>146,413</u>	<u>146,413</u>
Total Expenditures	<u>1,122,071</u>	<u>46,750</u>	<u>717,663</u>	<u>1,886,484</u>
Excess of Revenues Over (Under) Expenditures	(1,097,625)	641,299	241,784	(214,542)
Other Financing Sources (Uses):				
Transfers-In	<u>550,000</u>	<u>1,000,000</u>	<u>0</u>	<u>1,550,000</u>
Net Change in Fund Balances	(547,625)	1,641,299	241,784	1,335,458
Fund Balances at Beginning of Year	<u>575,988</u>	<u>0</u>	<u>1,693,000</u>	<u>2,268,988</u>
Fund Balances at End of Year	\$ <u><u>28,363</u></u>	\$ <u><u>1,641,299</u></u>	\$ <u><u>1,934,784</u></u>	\$ <u><u>3,604,446</u></u>

**Individual Fund
Schedules of Revenues, Expenditures/Expense and
Changes in Fund Balances/Equity -
Budget (Non – GAAP 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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,390,584	\$ 4,390,584	\$ 4,022,105	\$ (368,479)
Municipal Income Taxes	7,900,000	7,900,000	8,616,455	716,455
Other Local Taxes	42,000	42,000	36,715	(5,285)
Intergovernmental	2,134,439	2,534,440	3,528,634	994,194
Charges for Services	38,200	38,200	32,023	(6,177)
Rentals	78,000	78,000	75,438	(2,562)
Fines, Fees, and Permits	2,851,700	2,851,700	3,052,476	200,776
Investment Income	575,000	575,000	538,924	(36,076)
Miscellaneous Income	27,000	27,000	108,379	81,379
Total Revenues	<u>18,036,923</u>	<u>18,436,924</u>	<u>20,011,149</u>	<u>1,574,225</u>
Expenditures:				
Current:				
General Government:				
Council:				
Personal Service	116,522	119,546	116,804	2,742
Other	<u>15,024</u>	<u>13,724</u>	<u>5,045</u>	<u>8,679</u>
Total Council	<u>131,546</u>	<u>133,270</u>	<u>121,849</u>	<u>11,421</u>
Mayor:				
Personal Service	169,452	171,586	163,293	8,293
Other	<u>13,414</u>	<u>13,414</u>	<u>6,746</u>	<u>6,668</u>
Total Mayor	<u>182,866</u>	<u>185,000</u>	<u>170,039</u>	<u>14,961</u>
Finance Department:				
Personal Service	249,131	275,837	246,228	29,609
Other	<u>141,141</u>	<u>141,141</u>	<u>95,396</u>	<u>45,745</u>
Total Finance Department	<u>390,272</u>	<u>416,978</u>	<u>341,624</u>	<u>75,354</u>
Law Director:				
Personal Service	110,993	112,477	107,810	4,667
Other	<u>143,088</u>	<u>143,088</u>	<u>79,172</u>	<u>63,916</u>
Total Law Director	<u>254,081</u>	<u>255,565</u>	<u>186,982</u>	<u>68,583</u>
Other Executive Administration:				
Personal Service	170,154	176,321	170,855	5,466
Other	<u>35,644</u>	<u>32,644</u>	<u>26,155</u>	<u>6,489</u>
Total Other Executive Administration	<u>205,798</u>	<u>208,965</u>	<u>197,010</u>	<u>11,955</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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Boards and Commissions:				
Personal Service	32,658	33,170	24,942	8,228
Other	<u>38,850</u>	<u>32,850</u>	<u>18,913</u>	<u>13,937</u>
Total Boards and Commissions	<u>71,508</u>	<u>66,020</u>	<u>43,855</u>	<u>22,165</u>
Building Maintenance:				
Personal Service	357,456	386,005	367,265	18,740
Other	<u>428,258</u>	<u>428,258</u>	<u>378,838</u>	<u>49,420</u>
Total Building Maintenance	<u>785,714</u>	<u>814,263</u>	<u>746,103</u>	<u>68,160</u>
Charter Review:				
Personal Service	3,534	3,548	3,066	482
Other	<u>1,300</u>	<u>1,300</u>	<u>38</u>	<u>1,262</u>
Total Charter Review	<u>4,834</u>	<u>4,848</u>	<u>3,104</u>	<u>1,744</u>
Human Resources:				
Personal Service	70,298	91,196	88,507	2,689
Other	<u>35,700</u>	<u>35,700</u>	<u>23,488</u>	<u>12,212</u>
Total Building Maintenance	<u>105,998</u>	<u>126,896</u>	<u>111,995</u>	<u>14,901</u>
Municipal Courts:				
Personal Service	1,826,858	1,886,962	1,782,346	104,616
Other	<u>288,095</u>	<u>288,995</u>	<u>224,809</u>	<u>64,186</u>
Total Municipal Courts	<u>2,114,953</u>	<u>2,175,957</u>	<u>2,007,155</u>	<u>168,802</u>
Miscellaneous:				
Other	<u>1,110,780</u>	<u>1,120,780</u>	<u>1,014,260</u>	<u>106,520</u>
Total General Government	<u>5,358,350</u>	<u>5,508,542</u>	<u>4,943,976</u>	<u>564,566</u>
Security of Persons And Property:				
Police Department:				
Personal Service	3,701,931	3,726,864	3,503,455	223,409
Other	<u>577,153</u>	<u>597,153</u>	<u>459,328</u>	<u>137,825</u>
Total Police Department	<u>4,279,084</u>	<u>4,324,017</u>	<u>3,962,783</u>	<u>361,234</u>
Fire Department:				
Personal Service	2,782,636	2,795,503	2,753,912	41,591
Other	<u>395,979</u>	<u>442,179</u>	<u>361,768</u>	<u>80,411</u>
Total Fire Department	<u>3,178,615</u>	<u>3,237,682</u>	<u>3,115,680</u>	<u>122,002</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Police on Patrol Arresting Speeders:				
Personal Service	136,751	137,199	99,762	37,437
Other	<u>26,547</u>	<u>26,547</u>	<u>7,000</u>	<u>19,547</u>
Total Police on Patrol Arresting Speeders	<u>163,298</u>	<u>163,746</u>	<u>106,762</u>	<u>56,984</u>
Street Lighting:				
Other	<u>285,000</u>	<u>285,000</u>	<u>265,476</u>	<u>19,524</u>
Administrative Support:				
Personal Service	<u>166,205</u>	<u>166,943</u>	<u>164,467</u>	<u>2,476</u>
Total Security of Persons and Property	<u>8,072,202</u>	<u>8,177,388</u>	<u>7,615,168</u>	<u>562,220</u>
Transportation:				
Equipment Repair and Garage:				
Personal Service	494,672	629,486	604,693	24,793
Other	<u>182,722</u>	<u>182,722</u>	<u>153,782</u>	<u>28,940</u>
Total Transportation	<u>677,394</u>	<u>812,208</u>	<u>758,475</u>	<u>53,733</u>
Community Development:				
Community Center:				
Personal Service	418,262	516,280	493,991	22,289
Other	<u>92,854</u>	<u>93,854</u>	<u>63,029</u>	<u>30,825</u>
Total Community Center	<u>511,116</u>	<u>610,134</u>	<u>557,020</u>	<u>53,114</u>
Economic Development:				
Personal Service	133,927	135,618	131,448	4,170
Other	<u>314,862</u>	<u>330,862</u>	<u>290,560</u>	<u>40,302</u>
Total Economic Development	<u>448,789</u>	<u>466,480</u>	<u>422,008</u>	<u>44,472</u>
Total Community Development	<u>959,905</u>	<u>1,076,614</u>	<u>979,028</u>	<u>97,586</u>
Leisure Time Activities:				
Parks Department:				
Personal Service	357,733	361,933	311,625	50,308
Other	<u>121,183</u>	<u>129,183</u>	<u>104,860</u>	<u>24,323</u>
Total Leisure Time Activities	<u>478,916</u>	<u>491,116</u>	<u>416,485</u>	<u>74,631</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Capital Outlay	<u>116,255</u>	<u>166,255</u>	<u>133,037</u>	<u>33,218</u>
Total Expenditures	<u>15,663,022</u>	<u>16,232,123</u>	<u>14,846,169</u>	<u>1,385,954</u>
Excess of Revenues Over (Under) Expenditures	<u>2,373,901</u>	<u>2,204,801</u>	<u>5,164,980</u>	<u>2,960,179</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	20,000	20,000	29,730	9,730
Advances – Out	0	(500,000)	(500,000)	0
Transfers – Out	<u>(6,160,000)</u>	<u>(8,762,447)</u>	<u>(7,915,000)</u>	<u>847,447</u>
Total Other Financing Sources (Uses)	<u>(6,140,000)</u>	<u>(9,242,447)</u>	<u>(8,385,270)</u>	<u>857,177</u>
Net Change in Fund Balance	(3,766,099)	(7,037,646)	(3,220,290)	3,817,356
Fund Balance at Beginning of Year	7,898,749	7,898,749	7,898,749	0
Prior Year Encumbrances Appropriated	<u>142,799</u>	<u>142,799</u>	<u>142,799</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>4,275,449</u>	\$ <u>1,003,902</u>	\$ <u>4,821,258</u>	\$ <u>3,817,356</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, 2008

	Budget		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 348,460	\$ 348,460	\$ 319,216	\$ (29,244)
Charges for Services	2,589,000	2,589,000	1,958,728	(630,272)
Intergovernmental	0	0	45,263	45,263
Rentals	37,500	37,500	29,450	(8,050)
Total Revenues	<u>2,974,960</u>	<u>2,974,960</u>	<u>2,352,657</u>	<u>(622,303)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Recreation Center:				
Personal Service	2,177,945	2,244,445	2,211,783	32,662
Other	1,612,679	1,578,479	1,289,893	288,586
Capital Outlay	27,039	26,039	9,109	16,930
Total Expenditures	<u>3,817,663</u>	<u>3,848,963</u>	<u>3,510,785</u>	<u>338,178</u>
Excess of Revenues Over (Under) Expenditures	<u>(842,703)</u>	<u>(874,003)</u>	<u>(1,158,128)</u>	<u>(284,125)</u>
Other Financing Sources (Uses):				
Advances-In	0	0	500,000	500,000
Transfers-In	800,000	800,000	800,000	0
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>800,000</u>	<u>1,300,000</u>	<u>500,000</u>
Net Change in Fund Balances	(42,703)	(74,003)	141,872	215,875
Fund Balance at Beginning of Year	106,762	106,762	106,762	0
Prior Year Encumbrances Appropriated	<u>59,668</u>	<u>59,668</u>	<u>59,668</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>123,727</u>	\$ <u>92,427</u>	\$ <u>308,302</u>	\$ <u>215,875</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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 696,918	\$ 696,918	\$ 627,345	\$ (69,573)
Intergovernmental	0	0	90,524	90,524
Total Revenues	<u>696,918</u>	<u>696,918</u>	<u>717,869</u>	<u>20,951</u>
Expenditures:				
Debt Service:				
Principal Retirement	925,000	925,000	925,000	0
Interest and Fiscal Charges	<u>669,000</u>	<u>669,000</u>	<u>668,978</u>	<u>22</u>
Total Expenditures	<u>1,594,000</u>	<u>1,594,000</u>	<u>1,593,978</u>	<u>22</u>
Excess of Revenues Over (Under) Expenditures	(897,082)	(897,082)	(876,109)	20,973
Other Financing Sources (Uses):				
Transfers – In	<u>960,000</u>	<u>960,000</u>	<u>960,000</u>	<u>0</u>
Net Change in Fund Balances	62,918	62,918	83,891	20,973
Fund Balance at Beginning of Year	<u>329,176</u>	<u>329,176</u>	<u>329,176</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>392,094</u>	\$ <u>392,094</u>	\$ <u>413,067</u>	\$ <u>20,973</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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 696,918	\$ 696,918	\$ 638,436	\$ (58,482)
Fees, Fines, And Permits	400	400	2,245	1,845
Charges For Services	0	0	1,510	1,510
Intergovernmental	3,222,400	3,222,400	90,523	(3,131,877)
Special Assessment	6,000	6,000	1,886	(4,114)
Investment Income	5,200	5,200	26,592	21,392
Other Local Taxes	130,000	130,000	160,714	30,714
Other	<u>3,000</u>	<u>3,000</u>	<u>82,622</u>	<u>79,622</u>
Total Revenues	4,063,918	4,063,918	1,004,528	(3,059,390)
Expenditures:				
Capital Outlay	<u>10,355,527</u>	<u>11,080,527</u>	<u>4,390,288</u>	<u>6,690,239</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,291,609)</u>	<u>(7,016,609)</u>	<u>(3,385,760)</u>	<u>3,630,849</u>
Other Financing Sources (Uses):				
Proceeds from Debt Issuances	7,104,520	7,104,520	0	(7,104,520)
Transfers - In	<u>400,000</u>	<u>400,000</u>	<u>1,400,000</u>	<u>1,000,000</u>
Total Other Financing Sources (Uses)	<u>7,504,520</u>	<u>7,504,520</u>	<u>1,400,000</u>	<u>(6,104,520)</u>
Net Change in Fund Balance	1,212,911	487,911	(1,985,760)	(2,473,671)
Fund Balance at Beginning of Year	1,049,871	1,049,871	1,049,871	0
Prior Year Encumbrances Appropriated	<u>1,412,927</u>	<u>1,412,927</u>	<u>1,412,927</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>3,675,709</u>	\$ <u>2,950,709</u>	\$ <u>477,038</u>	\$ <u>(2,473,671)</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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 10,000	\$ 10,000	\$ 25,536	\$ 15,536
Intergovernmental	<u>17,000</u>	<u>17,000</u>	<u>40,843</u>	<u>23,843</u>
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>66,379</u>	<u>39,379</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Law Enforcement Trust:				
Personal Service	15,000	15,000	15,000	0
Other	26,658	26,658	14,961	11,697
Capital Outlay	<u>11,600</u>	<u>11,600</u>	<u>8,471</u>	<u>3,129</u>
Total Expenditures	<u>53,258</u>	<u>53,258</u>	<u>38,432</u>	<u>14,826</u>
Net Change in Fund Balance	(26,258)	(26,258)	27,947	54,205
Fund Balance at Beginning of Year	65,096	65,096	65,096	0
Prior Year Encumbrances Appropriated	<u>658</u>	<u>658</u>	<u>658</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>39,496</u>	\$ <u>39,496</u>	\$ <u>93,701</u>	\$ <u>54,205</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees and Permits	\$ <u>5,600</u>	\$ <u>5,600</u>	\$ <u>7,200</u>	\$ <u>1,600</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Commercial Driver Program:				
Personal Service	<u>5,300</u>	<u>5,300</u>	<u>4,955</u>	<u>345</u>
Net Change in Fund Balance	300	300	2,245	1,945
Fund Balance at Beginning of Year	<u>2,928</u>	<u>2,928</u>	<u>2,928</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>3,228</u></u>	\$ <u><u>3,228</u></u>	\$ <u><u>5,173</u></u>	\$ <u><u>1,945</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ <u>37,000</u>	\$ <u>37,000</u>	\$ <u>37,954</u>	\$ <u>954</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Indigent Driver Alcohol Treatment:				
Other	<u>35,000</u>	<u>35,000</u>	<u>7,500</u>	<u>27,500</u>
Net Change in Fund Balance	2,000	2,000	30,454	28,454
Fund Balance at Beginning of Year	<u>30,955</u>	<u>30,955</u>	<u>30,955</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>32,955</u></u>	\$ <u><u>32,955</u></u>	\$ <u><u>61,409</u></u>	\$ <u><u>28,454</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ <u>3,500</u>	\$ <u>3,500</u>	\$ <u>3,197</u>	\$ <u>(303)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Other	<u>10,200</u>	<u>10,200</u>	<u>0</u>	<u>10,200</u>
Net Change in Fund Balance	(6,700)	(6,700)	3,197	9,897
Fund Balance at Beginning of Year	<u>8,446</u>	<u>8,446</u>	<u>8,446</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>1,746</u></u>	\$ <u><u>1,746</u></u>	\$ <u><u>11,643</u></u>	\$ <u><u>9,897</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees, Fines, and Permits	\$ <u>100,000</u>	\$ <u>100,000</u>	\$ <u>160,163</u>	\$ <u>60,163</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Municipal Probation Services:				
Personal Service	100,482	100,982	76,947	24,035
Capital Outlay	27,579	12,579	11,891	688
Other	<u>40,479</u>	<u>55,479</u>	<u>43,531</u>	<u>11,948</u>
Total Expenditures	<u>168,540</u>	<u>169,040</u>	<u>132,369</u>	<u>36,671</u>
Net Change in Fund Balance	(68,540)	(69,040)	27,794	96,834
Fund Balance at Beginning of Year	375,791	375,791	375,791	0
Prior Year Encumbrances Appropriated	<u>12,058</u>	<u>12,058</u>	<u>12,058</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>319,309</u></u>	\$ <u><u>318,809</u></u>	\$ <u><u>415,643</u></u>	\$ <u><u>96,843</u></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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ <u>13,000</u>	\$ <u>13,000</u>	\$ <u>22,110</u>	\$ <u>9,110</u>
Expenditures:				
Current:				
General Government:				
Mediation Services:				
Other	<u>15,007</u>	<u>15,107</u>	<u>7,394</u>	<u>7,713</u>
Net Change in Fund Balance	(2,007)	(2,107)	14,716	16,823
Fund Balance at Beginning of Year	<u>55,616</u>	<u>55,616</u>	<u>55,616</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>53,609</u></u>	\$ <u><u>53,509</u></u>	\$ <u><u>70,332</u></u>	\$ <u><u>16,823</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Security of Persons and Property:				
Federal Emergency Management Agency:				
Other	\$ <u>500</u>	\$ <u>500</u>	\$ <u>0</u>	\$ <u>500</u>
Net Change in Fund Balance	(500)	(500)	0	500
Fund Balance at Beginning of Year	<u>1,357</u>	<u>1,357</u>	<u>1,357</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>857</u></u>	\$ <u><u>857</u></u>	\$ <u><u>1,357</u></u>	\$ <u><u>500</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 348,460	\$ 348,460	\$ 319,216	\$ (29,244)
Intergovernmental	0	0	45,263	45,263
Charges for Services	468,000	468,000	449,018	(18,982)
Other	<u>1,000</u>	<u>1,000</u>	<u>1,220</u>	<u>220</u>
Total Revenues	<u>817,460</u>	<u>817,460</u>	<u>814,717</u>	<u>(2,743)</u>
Expenditures:				
Current:				
Public Health Services:				
Office on Aging:				
Personal Service	726,462	752,562	737,881	14,681
Other	<u>690,204</u>	<u>670,204</u>	<u>537,813</u>	<u>132,391</u>
Total Expenditures	<u>1,416,666</u>	<u>1,422,766</u>	<u>1,275,694</u>	<u>147,072</u>
Excess of Revenues Over (Under) Expenditures	(599,206)	(605,306)	(460,977)	144,329
Other Financing Sources (Uses):				
Transfers – In	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Net Change in Fund Balance	(299,206)	(305,306)	(160,977)	144,329
Fund Balance at Beginning of Year	322,294	322,294	322,294	0
Prior Year Encumbrances Appropriated	<u>20,079</u>	<u>20,079</u>	<u>20,079</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>43,167</u>	\$ <u>37,067</u>	\$ <u>181,396</u>	\$ <u>144,329</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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>24,000</u>	\$ <u>24,000</u>	\$ <u>27,352</u>	\$ <u>3,352</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Marine Patrol:				
Personal Service	53,600	53,600	47,791	5,809
Other	<u>16,000</u>	<u>15,000</u>	<u>10,132</u>	<u>4,868</u>
Total Marine Patrol	69,600	68,600	57,923	10,677
Capital Outlay	<u>4,400</u>	<u>5,400</u>	<u>4,727</u>	<u>673</u>
Total Expenditures	<u>74,000</u>	<u>74,000</u>	<u>62,650</u>	<u>11,350</u>
Excess of Revenues Over (Under) Expenditures	(50,000)	(50,000)	(35,298)	14,702
Other Financing Sources (Uses):				
Transfers – In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Net Change in Fund Balance	0	0	14,702	14,702
Fund Balance at Beginning of Year	<u>22,321</u>	<u>22,321</u>	<u>22,321</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>22,321</u></u>	\$ <u><u>22,321</u></u>	\$ <u><u>37,023</u></u>	\$ <u><u>14,702</u></u>

City of Rocky River, Ohio

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

Community Impacts Fund

For The Year Ended December 31, 2008

	<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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 696,918	\$ 696,918	\$ 638,436	\$ (58,482)
Charges for Services	18,000	18,000	12,296	(5,704)
Intergovernmental	0	0	90,523	90,523
Other	<u>6,000</u>	<u>6,000</u>	<u>6,726</u>	<u>726</u>
Total Revenues	<u>720,918</u>	<u>720,918</u>	<u>747,981</u>	<u>27,063</u>
Expenditures:				
Current:				
Basic Utilities Service:				
Refuse and Recycling:				
Personal Service	977,827	1,010,027	989,747	20,280
Other	<u>773,322</u>	<u>808,322</u>	<u>672,222</u>	<u>136,100</u>
Total Refuse and Recycling	1,751,149	1,818,349	1,661,969	156,380
Capital Outlay	<u>1,067</u>	<u>1,067</u>	<u>800</u>	<u>267</u>
Total Expenditures	<u>1,752,216</u>	<u>1,819,416</u>	<u>1,662,769</u>	<u>156,647</u>
Excess of Revenues Over (Under) Expenditures	(1,031,298)	(1,098,498)	(914,788)	183,710
Other Financing Sources (Uses):				
Transfers – In	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>0</u>
Net Change in Fund Balance	(131,298)	(198,498)	(14,788)	183,710
Fund Balance at Beginning of Year	153,766	153,766	153,766	0
Prior Year Encumbrances Appropriated	<u>67,689</u>	<u>67,689</u>	<u>67,689</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>90,157</u>	\$ <u>22,957</u>	\$ <u>206,667</u>	\$ <u>183,710</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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 42,000	\$ 42,000	\$ 42,591	\$ 591
Expenditures:				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Personal Service	291,963	294,063	278,534	15,529
Other	125,358	130,358	81,587	48,771
Total Motor Vehicle License Tax	417,321	424,421	360,121	64,300
Capital Outlay	27,000	27,000	14,206	12,794
Total Expenditures	444,321	451,421	374,327	77,094
Excess of Revenues Over (Under) Expenditures	(402,321)	(409,421)	(331,736)	77,685
Other Financing Sources (Uses):				
Transfers – In	450,000	450,000	450,000	0
Net Change in Fund Balance	47,679	40,579	118,264	77,685
Fund Balance at Beginning of Year	174,216	174,216	174,216	0
Prior Year Encumbrances Appropriated	11,058	11,058	11,058	0
Fund Balance at End of Year	\$ 232,953	\$ 225,853	\$ 303,538	\$ 77,685

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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>599,000</u>	\$ <u>599,000</u>	\$ <u>697,166</u>	\$ <u>98,166</u>
Expenditures:				
Current:				
Transportation				
Street Repair and Maintenance:				
Personal Service	1,033,977	1,039,177	894,132	145,045
Other	<u>491,221</u>	<u>583,221</u>	<u>505,790</u>	<u>77,431</u>
Total Street Repair and Maintenance	1,525,198	1,622,398	1,399,922	222,476
Capital Outlay	<u>63,000</u>	<u>51,000</u>	<u>47,160</u>	<u>3,840</u>
Total Expenditures	<u>1,588,198</u>	<u>1,673,398</u>	<u>1,447,082</u>	<u>226,316</u>
Excess of Revenues Over (Under) Expenditures	(989,198)	(1,074,398)	(749,916)	324,482
Other Financing Sources (Uses):				
Transfers – In	<u>700,000</u>	<u>700,000</u>	<u>400,000</u>	<u>(300,000)</u>
Net Change in Fund Balance	(289,198)	(374,398)	(349,916)	24,482
Fund Balance at Beginning of Year	569,427	569,427	569,427	0
Prior Year Encumbrances Appropriated	<u>86,021</u>	<u>86,021</u>	<u>86,021</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>366,250</u>	\$ <u>281,050</u>	\$ <u>305,532</u>	\$ <u>24,482</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ <u>50,500</u>	\$ <u>50,500</u>	\$ <u>56,527</u>	\$ <u>6,027</u>
Expenditures:				
Current:				
Transportation:				
State Highway Patrol:				
Other	<u>50,001</u>	<u>50,001</u>	<u>49,902</u>	<u>99</u>
Net Change in Fund Balance	499	499	6,625	6,126
Fund Balance at Beginning of Year	<u>68,477</u>	<u>68,477</u>	<u>68,477</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>68,976</u></u>	\$ <u><u>68,976</u></u>	\$ <u><u>75,102</u></u>	\$ <u><u>6,126</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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>0</u>	\$ <u>0</u>	\$ <u>3,985</u>	\$ <u>3,985</u>
Net Change in Fund Balance	0	0	3,985	3,985
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>3,985</u></u>	\$ <u><u>3,985</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 209,075	\$ 209,075	\$ 191,531	\$ (17,544)
Intergovernmental	<u>0</u>	<u>0</u>	<u>27,156</u>	<u>27,156</u>
Total Revenues	<u>209,075</u>	<u>209,075</u>	<u>218,687</u>	<u>9,612</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Service	584,000	584,000	517,178	66,822
Other	<u>20,139</u>	<u>20,139</u>	<u>20,139</u>	<u>0</u>
Total Expenditures	<u>604,139</u>	<u>604,139</u>	<u>537,317</u>	<u>66,822</u>
Excess of Revenues Over (Under) Expenditures	(395,064)	(395,064)	(318,630)	76,434
Other Financing Sources (Uses):				
Transfers – In	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
Net Change in Fund Balance	4,936	4,936	81,370	76,434
Fund Balance at Beginning of Year	<u>129,000</u>	<u>129,000</u>	<u>129,000</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>133,936</u>	\$ <u>133,936</u>	\$ <u>210,370</u>	\$ <u>76,434</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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 209,075	\$ 209,075	\$ 191,531	\$ (17,544)
Intergovernmental	<u>0</u>	<u>0</u>	<u>27,156</u>	<u>27,156</u>
Total Revenues	<u>209,075</u>	<u>209,075</u>	<u>218,687</u>	<u>9,612</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Service	512,000	512,000	492,568	19,432
Other	<u>34,000</u>	<u>34,000</u>	<u>33,033</u>	<u>967</u>
Total Expenditures	<u>546,000</u>	<u>546,000</u>	<u>525,601</u>	<u>20,399</u>
Excess of Revenues Over (Under) Expenditures	(336,925)	(336,925)	(306,914)	30,011
Other Financing Sources (Uses):				
Transfers – In	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
Net Change in Fund Balance	63,075	63,075	93,086	30,011
Fund Balance at Beginning of Year	<u>(7,522)</u>	<u>(7,522)</u>	<u>(7,522)</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>55,553</u>	\$ <u>55,553</u>	\$ <u>85,564</u>	\$ <u>30,011</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special Assessments	\$ <u>70,000</u>	\$ <u>70,000</u>	\$ <u>65,285</u>	\$ <u>(4,715)</u>
Expenditures:				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	<u>35,300</u>	<u>35,300</u>	<u>35,074</u>	<u>226</u>
Total Expenditures	<u>75,300</u>	<u>75,300</u>	<u>75,074</u>	<u>226</u>
Excess of Revenues Over (Under) Expenditures	(5,300)	(5,300)	(9,789)	(4,489)
Other Financing Sources (Uses):				
Transfers – In	<u>20,000</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Net Change in Fund Balance	14,700	34,700	30,211	(4,489)
Fund balance at Beginning of Year	<u>(8,575)</u>	<u>(8,575)</u>	<u>(8,575)</u>	<u>0</u>
Fund balance at End of Year	\$ <u><u>6,125</u></u>	\$ <u><u>26,125</u></u>	\$ <u><u>21,636</u></u>	\$ <u><u>(4,489)</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, 2008

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ <u>32,000</u>	\$ <u>32,000</u>	\$ <u>24,446</u>	\$ <u>(7,554)</u>
Expenditures:				
Capital Outlay	<u>1,461,267</u>	<u>1,461,267</u>	<u>1,081,484</u>	<u>379,783</u>
Excess of Revenues Over (Under) Expenditures	(1,429,267)	(1,429,267)	(1,057,038)	372,229
Other Financing Sources (Uses):				
Transfers – In	<u>850,000</u>	<u>850,000</u>	<u>550,000</u>	<u>(300,000)</u>
Net Change in Fund Balance	(579,267)	(579,267)	(507,038)	72,229
Fund Balance at Beginning of Year	507,506	507,506	507,506	0
Prior Year Encumbrances Appropriated	<u>96,902</u>	<u>96,902</u>	<u>96,902</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>25,141</u></u>	\$ <u><u>25,141</u></u>	\$ <u><u>97,370</u></u>	\$ <u><u>72,229</u></u>

City of Rocky River, Ohio

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

Sewer Rehabilitation Fund

For The Year Ended December 31, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ <u>670,000</u>	\$ <u>670,000</u>	\$ <u>688,049</u>	\$ <u>18,049</u>
Expenditures:				
Current:				
Basic Utility Services:				
Sewer Rehabilitation:				
Other	<u>5,519,520</u>	<u>5,519,520</u>	<u>37,983</u>	<u>5,481,537</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,849,520)</u>	<u>(4,849,520)</u>	<u>650,066</u>	<u>5,499,586</u>
Other Financing Sources (Uses):				
Proceeds from Debt Issuance	2,987,712	2,987,712	0	(2,987,712)
Transfers – In	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>(1,000,000)</u>
Total Other Financing Sources (Uses)	<u>4,987,712</u>	<u>4,987,712</u>	<u>1,000,000</u>	<u>(3,987,712)</u>
Net Change in Fund Balance	138,192	138,192	1,650,066	1,511,874
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>138,192</u>	\$ <u>138,192</u>	\$ <u>1,650,066</u>	\$ <u>1,511,874</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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 661,000	\$ 661,000	\$ 905,300	\$ 244,300
Investment Income	50,000	50,000	48,928	(1,072)
Total Revenues	<u>711,000</u>	<u>711,000</u>	<u>954,228</u>	<u>243,228</u>
Expenditures:				
Current:				
General Government:				
Personal Service	355,305	325,305	216,839	108,466
Other	168,998	221,998	143,732	78,266
Capital Outlay	188,117	168,117	113,656	54,461
Debt Service:				
Principal Retirement	110,000	110,000	110,000	0
Interest and Fiscal Charges	147,000	147,000	146,413	587
Total Expenditures	<u>969,420</u>	<u>972,420</u>	<u>730,640</u>	<u>241,780</u>
Net Change in Fund Balance	(258,420)	(261,420)	223,588	485,008
Fund Balance at Beginning of Year	1,662,956	1,662,956	1,662,956	0
Prior Year Encumbrances Appropriated	<u>17,315</u>	<u>17,315</u>	<u>17,315</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,421,851</u>	\$ <u>1,418,851</u>	\$ <u>1,903,859</u>	\$ <u>485,008</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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ <u>1,905,000</u>	\$ <u>1,905,000</u>	\$ <u>1,847,571</u>	\$ <u>(57,429)</u>
Expenses:				
Sewer Operations:				
Personal Service	667,757	672,757	593,412	79,345
Contractual Services	1,288,603	1,291,603	1,275,218	16,385
Heat, Light, And Power	17,000	22,000	20,868	1,132
Materials And Supplies	135,538	138,538	130,423	8,115
Other	8,606	7,606	5,996	1,610
Capital Outlay	43,670	43,670	30,663	13,007
Debt Service:				
Principal Retirement	15,100	15,100	15,100	0
Interest and Fiscal Charges	<u>12,000</u>	<u>12,000</u>	<u>11,998</u>	<u>2</u>
Total Expenses	<u>2,188,274</u>	<u>2,203,274</u>	<u>2,083,678</u>	<u>119,596</u>
Net Change in Fund Equity	(283,274)	(298,274)	(236,107)	62,167
Fund Equity at Beginning of Year	618,596	618,596	618,596	0
Prior Year Encumbrances Appropriated	<u>30,517</u>	<u>30,517</u>	<u>30,517</u>	<u>0</u>
Fund Equity at End of Year	\$ <u><u>365,839</u></u>	\$ <u><u>350,839</u></u>	\$ <u><u>413,006</u></u>	\$ <u><u>62,167</u></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, 2008

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charge for Services	\$ <u>1,721,000</u>	\$ <u>1,821,000</u>	\$ <u>1,949,030</u>	\$ <u>128,030</u>
Expenses:				
Claims	1,710,002	2,165,002	1,975,188	189,814
Contractual Services	<u>336,915</u>	<u>346,915</u>	<u>279,970</u>	<u>66,945</u>
Total Expenses	<u>2,046,917</u>	<u>2,511,917</u>	<u>2,255,158</u>	<u>256,759</u>
Excess of Revenues Over (Under) Expenditures	(325,917)	(690,917)	(306,128)	384,789
Other Financing Sources (Uses):				
Transfers – In	<u>0</u>	<u>265,000</u>	<u>265,000</u>	<u>0</u>
Net Change in Fund Equity	(325,917)	(425,917)	(41,128)	384,789
Fund Equity at Beginning of Year	427,240	427,240	427,240	0
Prior Year Encumbrances Appropriated	<u>10,917</u>	<u>10,917</u>	<u>10,917</u>	<u>0</u>
Fund Equity at End of Year	\$ <u><u>112,240</u></u>	\$ <u><u>12,240</u></u>	\$ <u><u>397,029</u></u>	\$ <u><u>384,789</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, 2008

	<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	\$ 70,044	\$ 281,283	\$ 0	\$ 20,397	\$ 371,724
Cash and Cash Equivalents in Segregated Accounts	<u>0</u>	<u>0</u>	<u>605,827</u>	<u>0</u>	<u>605,827</u>
Total Assets	\$ <u>70,044</u>	\$ <u>281,283</u>	\$ <u>605,827</u>	\$ <u>20,397</u>	\$ <u>977,551</u>
Liabilities:					
Undistributed Monies	\$ 0	\$ 281,283	\$ 0	\$ 20,397	\$ 301,680
Deposits Held and Due To Others	<u>70,044</u>	<u>0</u>	<u>605,827</u>	<u>0</u>	<u>675,871</u>
Total Liabilities	\$ <u>70,044</u>	\$ <u>281,283</u>	\$ <u>605,827</u>	\$ <u>20,397</u>	\$ <u>977,551</u>

City of Rocky River, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds

For The Year Ended December 31, 2008

	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/08</u>
Deposits, Fees and Tri-City				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>70,512</u>	\$ <u>6,522</u>	\$ <u>6,990</u>	\$ <u>70,044</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>70,512</u>	\$ <u>6,522</u>	\$ <u>6,990</u>	\$ <u>70,044</u>
Donations and Bequests				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>282,449</u>	\$ <u>9,279</u>	\$ <u>10,445</u>	\$ <u>281,283</u>
Liabilities:				
Undistributed Monies	\$ <u>282,449</u>	\$ <u>9,279</u>	\$ <u>10,445</u>	\$ <u>281,283</u>
Municipal Court				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ <u>441,208</u>	\$ <u>6,558,197</u>	\$ <u>6,393,578</u>	\$ <u>605,827</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>441,208</u>	\$ <u>6,558,197</u>	\$ <u>6,393,578</u>	\$ <u>605,827</u>
S.A.F.E.				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>23,475</u>	\$ <u>1,066</u>	\$ <u>4,144</u>	\$ <u>20,397</u>
Liabilities:				
Undistributed Monies	\$ <u>23,475</u>	\$ <u>1,066</u>	\$ <u>4,144</u>	\$ <u>20,397</u>
All Agency Funds				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 376,436	\$ 16,867	\$ 21,579	\$ 371,724
Cash and Cash Equivalents in Segregated Accounts	<u>441,208</u>	<u>6,558,197</u>	<u>6,393,578</u>	<u>605,827</u>
Total Assets	\$ <u>817,644</u>	\$ <u>6,575,064</u>	\$ <u>6,415,157</u>	\$ <u>977,551</u>
Liabilities:				
Undistributed Monies	\$ 305,924	\$ 10,345	\$ 14,589	\$ 301,680
Deposits Held and Due to Others	<u>511,720</u>	<u>6,564,719</u>	<u>6,400,568</u>	<u>675,871</u>
Total Liabilities	\$ <u>817,644</u>	\$ <u>6,575,064</u>	\$ <u>6,415,157</u>	\$ <u>977,551</u>

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City of Rocky River, Ohio

December 31, 2008

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.	114 – 121
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	122 – 128
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.	129 – 134
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.	135 – 137
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.	138 – 143

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

City of Rocky River, Ohio

Net Assets by Component – Last Six Fiscal Years

Accrual Basis of Accounting

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:						
Invested in Capital Assets, Net of Related Debt	\$ 25,694,191	\$ 21,762,917	\$ 24,062,462	\$ 24,996,254	\$ 28,079,248	\$ 30,592,575
Restricted for:						
Capital Projects	6,697,396	8,506,497	10,244,546	8,538,517	4,038,732	4,463,366
Debt Services	933,368	436,075	311,203	370,924	299,208	434,148
Recreation	272,344	537,147	453,232	825,367	0	0
Municipal Probation	314,982	341,646	366,541	380,220	381,081	416,388
Aging	226,474	403,278	279,679	800,380	354,143	218,952
Street Construction and Maintenance	347,929	658,753	311,953	505,658	696,805	415,917
Other Purposes	212,492	712,932	421,903	848,768	364,080	816,857
Unreserved	<u>2,078,511</u>	<u>4,238,433</u>	<u>3,759,748</u>	<u>3,047,689</u>	<u>8,033,664</u>	<u>5,210,492</u>
Total Net Assets – Governmental Activities	<u>36,777,687</u>	<u>37,597,678</u>	<u>40,211,267</u>	<u>40,313,777</u>	<u>42,246,961</u>	<u>42,568,695</u>
Business-Type Activities:						
Invested in Capital Assets, Net of Related Debt	14,798,306	16,580,359	16,408,395	16,369,129	17,261,301	17,184,178
Unrestricted	<u>6,970,391</u>	<u>7,028,630</u>	<u>6,975,394</u>	<u>7,038,020</u>	<u>6,690,857</u>	<u>6,668,185</u>
Total Net Assets – Business-Type Activities	<u>21,768,697</u>	<u>23,608,989</u>	<u>23,383,789</u>	<u>23,407,149</u>	<u>23,952,158</u>	<u>23,852,363</u>
Primary Government:						
Invested in Capital, Net of Related Debt	40,492,497	38,343,276	40,470,857	41,365,383	45,340,549	47,776,753
Restricted for:						
Capital Projects	6,697,396	8,506,497	10,244,546	8,538,517	4,038,732	4,463,366
Debt Services	933,368	436,075	311,203	370,924	299,208	434,148
Recreation	272,344	537,147	453,232	825,367	0	0
Municipal Probation	314,982	341,646	366,541	380,220	381,081	416,388
Aging	226,474	403,278	279,679	800,380	354,143	218,952
Street Construction and Maintenance	347,929	658,753	311,953	505,658	696,805	415,917
Other Purposes	212,492	712,932	421,903	848,768	364,080	816,857
Unrestricted	<u>9,048,902</u>	<u>11,267,063</u>	<u>10,735,142</u>	<u>10,085,709</u>	<u>14,724,521</u>	<u>11,878,677</u>
Total Primary Government Net Assets	\$ <u>58,546,384</u>	\$ <u>61,206,667</u>	\$ <u>63,595,056</u>	\$ <u>63,720,926</u>	\$ <u>66,199,119</u>	\$ <u>66,421,058</u>

City of Rocky River, Ohio

Changes in Net Assets – Last Six Fiscal Years

Accrual Basis of Accounting

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Program revenues:						
Governmental Activities:						
Charges for Services:						
General Government	\$ 2,406,821	\$ 2,368,876	\$ 2,834,113	\$ 2,931,941	\$ 2,130,339	\$ 2,293,658
Security of Persons and Property	346,364	607,429	282,092	710,930	804,196	1,175,625
Public Health and Welfare	397,420	347,554	441,693	436,247	489,380	467,691
Transportation	19,603	14,256	425	500	75	425
Leisure Time Activities	1,265,249	1,234,683	1,401,233	1,451,092	1,907,655	1,987,167
Community Development	715	705	525	495	270	180
Basic Utility Service	14,966	19,370	16,982	17,965	11,847	700,345
Operating Grants and Contributions:						
General Government	0	0	0	0	0	63,921
Security of Persons and Property	40,392	25,604	25,584	25,946	24,107	27,352
Transportation	518,181	657,577	705,137	749,323	737,192	777,503
Basic Utility Service	70,301	121,500	78,317	65,250	41,254	90,523
Capital Grants and Contributions:						
General Government	749,605	789,079	819,794	619,653	873,945	929,746
Public Health	0	0	3,628	3,700	255	0
Transportation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>64,000</u>	<u>0</u>
Total Governmental Activities						
Program Revenues	<u>5,829,617</u>	<u>6,186,633</u>	<u>6,609,523</u>	<u>7,013,042</u>	<u>7,084,515</u>	<u>8,514,136</u>
Business-Type Activities:						
Charges for Services:						
Sewer	1,649,436	2,012,219	1,853,327	1,882,034	1,862,049	2,012,434
Capital Grants and Contributions:						
Sewer	<u>0</u>	<u>1,107,813</u>	<u>347,671</u>	<u>219,730</u>	<u>54,603</u>	<u>195,846</u>
Total Business-Type Activities						
Program Revenues	<u>1,649,436</u>	<u>3,120,032</u>	<u>2,200,998</u>	<u>2,101,764</u>	<u>1,916,652</u>	<u>2,208,280</u>
Total Primary Government						
Program Revenues	<u>7,479,053</u>	<u>9,306,665</u>	<u>8,810,521</u>	<u>9,114,806</u>	<u>9,001,167</u>	<u>10,722,416</u>

(continued)

City of Rocky River, Ohio

Changes in Net Assets – Last Six Fiscal Years (continued)

Accrual Basis of Accounting

Expenses:	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:						
General Government	5,142,027	4,555,899	4,514,387	8,818,319	6,808,557	8,051,702
Security of Persons and Property	8,037,215	7,673,916	7,876,398	9,202,339	9,829,332	9,396,241
Public Health and Welfare	1,071,428	977,448	1,142,913	1,220,577	1,363,640	1,347,437
Leisure Time Activities	2,619,434	3,933,467	4,973,173	783,730	4,076,680	3,937,438
Community Development	823,487	803,006	703,873	257,600	790,060	801,140
Basic Utility Services	2,161,930	1,739,378	1,900,149	1,934,737	1,693,864	1,609,178
Transportation	2,738,117	4,698,400	1,587,610	3,244,883	2,314,773	3,195,503
Interest and Fiscal Charges	439,230	507,297	965,098	925,760	882,306	854,095
Total Governmental Activities Expenses	<u>23,032,868</u>	<u>24,888,811</u>	<u>23,663,601</u>	<u>26,387,945</u>	<u>27,759,212</u>	<u>29,192,734</u>
Business-Type Activities:						
Sewer	2,405,376	1,279,740	2,426,198	2,078,404	2,454,298	2,308,075
Total Primary Government Program Expenses	<u>25,438,244</u>	<u>26,168,551</u>	<u>26,089,799</u>	<u>28,466,349</u>	<u>30,213,510</u>	<u>31,500,809</u>
General Revenues:						
Property taxes and Other Local Taxes Levied for:						
General Purposes	3,344,189	3,669,410	3,595,174	3,695,587	4,210,179	4,018,607
Recreation	265,406	286,213	285,331	293,301	293,591	318,938
Office on Aging	265,406	286,213	286,175	283,755	331,210	318,938
Refuse and Recycling	530,815	572,426	569,818	596,199	624,749	637,881
Fire Levy	159,244	172,015	171,200	175,980	187,441	191,365
Police Levy	159,244	171,439	171,199	96,012	267,410	191,365
Capital Improvements	530,815	572,426	604,444	552,819	624,801	637,881
General Obligation Bond Retirement	0	0	570,663	666,569	542,651	626,790
Municipal Taxes Levied for:						
General Purposes	7,450,963	8,159,833	7,794,391	8,203,978	8,893,894	8,673,869
Franchise Tax	1,485,683	278,970	47,289	139,215	149,384	207,503
Admissions Tax	0	0	75,069	45,929	40,874	36,715
Grants and Entitlements not Restricted to Specific Programs	1,455,607	4,955,054	4,688,251	3,453,555	3,837,407	4,156,898
Investment Earnings	195,673	281,820	680,947	1,202,568	1,110,881	516,771
Other	327,212	116,350	127,716	71,946	407,662	466,811
Total General Revenues	<u>16,170,257</u>	<u>19,522,169</u>	<u>19,667,667</u>	<u>19,477,413</u>	<u>21,522,134</u>	<u>21,000,332</u>

City of Rocky River, Ohio

Changes in Net Assets – Last Six Fiscal Years (continued)

Accrual Basis of Accounting

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Change in Net Assets:						
Governmental Activities	(1,032,994)	819,991	2,613,589	102,510	847,702	321,734
Business-Type Activities	<u>(755,940)</u>	<u>1,840,292</u>	<u>(225,200)</u>	<u>23,360</u>	<u>(537,646)</u>	<u>(99,795)</u>
Total Primary Government Change in Net Assets	\$ <u>(1,788,934)</u>	\$ <u>2,660,283</u>	\$ <u>2,388,389</u>	\$ <u>125,870</u>	\$ <u>310,056</u>	\$ <u>221,939</u>

City of Rocky River, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund										
Reserved	\$ 67,580	\$ 99,183	\$ 174,205	\$ 215,449	\$ 172,542	\$ 118,309	\$ 158,475	\$ 126,594	\$ 124,594	\$ 235,188
Unreserved	<u>3,202,084</u>	<u>4,845,263</u>	<u>5,484,515</u>	<u>4,062,024</u>	<u>3,353,437</u>	<u>4,961,316</u>	<u>12,092,669</u>	<u>8,751,298</u>	<u>9,040,991</u>	<u>6,278,579</u>
Total General Fund	<u>3,269,664</u>	<u>4,944,446</u>	<u>5,658,720</u>	<u>4,277,473</u>	<u>3,525,979</u>	<u>5,079,625</u>	<u>12,251,144</u>	<u>8,877,892</u>	<u>9,165,386</u>	<u>6,513,767</u>
All Other Governmental Funds										
Reserved	1,148,717	2,691,366	5,158,958	1,485,769	2,061,840	1,958,494	981,092	7,003,846	1,545,110	740,155
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	1,167,500	1,417,632	1,610,920	2,280,066	1,662,708	2,274,096	1,620,122	3,179,196	1,498,981	1,494,900
Debt Service Funds	125,868	126,473	127,700	126,242	129,136	436,075	309,515	368,623	320,601	434,703
Capital Projects Funds	<u>5,272,441</u>	<u>948,909</u>	<u>(992,364)</u>	<u>5,844,373</u>	<u>4,669,196</u>	<u>6,682,010</u>	<u>9,470,562</u>	<u>1,707,532</u>	<u>2,797,157</u>	<u>4,043,671</u>
Total All Other Governmental Funds	<u>7,714,526</u>	<u>5,184,380</u>	<u>5,905,214</u>	<u>9,736,450</u>	<u>8,522,880</u>	<u>11,350,675</u>	<u>12,381,291</u>	<u>12,259,197</u>	<u>6,161,849</u>	<u>6,713,429</u>
Total Governmental Funds	\$ <u><u>10,984,190</u></u>	\$ <u><u>10,128,826</u></u>	\$ <u><u>11,563,934</u></u>	\$ <u><u>14,013,923</u></u>	\$ <u><u>12,048,859</u></u>	\$ <u><u>16,430,300</u></u>	\$ <u><u>24,632,435</u></u>	\$ <u><u>21,137,089</u></u>	\$ <u><u>15,327,235</u></u>	\$ <u><u>13,227,196</u></u>

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City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Property Taxes	\$ 4,709,924	\$ 4,578,689	\$ 5,221,797	\$ 5,280,092	\$ 5,251,769	\$ 5,667,016	\$ 6,235,604	\$ 6,335,087	\$ 7,041,339	\$ 6,947,816
Municipal Income taxes	7,066,577	7,662,097	7,397,168	7,770,663	7,553,532	7,732,660	8,064,069	8,302,551	8,524,272	8,506,159
Other Local Taxes	81,758	168,846	218,398	195,854	195,006	278,970	171,013	185,144	190,258	244,218
Intergovernmental	5,721,211	5,195,635	5,549,611	7,464,551	4,351,557	6,823,149	6,168,682	5,223,478	5,067,103	5,900,572
Charges for Services	1,302,873	1,562,961	1,686,484	1,651,871	1,609,543	1,686,685	1,850,165	2,108,616	2,362,258	3,188,107
Fines, Fees, and Permits	1,933,030	2,299,698	2,739,133	2,908,634	2,739,144	2,857,860	3,292,766	2,946,563	2,795,898	3,348,071
Special Assessments	72,729	64,163	76,550	35,324	41,018	86,950	72,514	73,625	69,545	67,171
Investment Income	467,281	874,993	559,625	267,852	195,673	281,820	680,947	1,202,568	1,110,881	516,771
Rentals	0	36,195	59,013	86,692	98,771	107,664	109,372	102,925	130,683	94,133
Other	118,981	89,786	243,123	164,186	327,212	315,554	155,317	137,471	489,200	480,433
Total Revenues	21,474,364	22,533,063	23,750,902	25,825,719	22,363,225	25,838,328	26,800,449	26,618,028	27,781,437	29,293,451
Expenditures										
Current:										
Security of Persons and Property	5,929,591	6,144,881	6,619,901	7,001,113	7,309,763	7,585,135	7,680,206	8,158,722	8,659,138	8,876,601
Public Health and Welfare	725,795	1,037,212	1,043,279	1,015,068	1,081,332	918,244	1,063,225	1,107,247	1,258,586	1,260,327
Leisure Time Activities	2,167,980	2,175,412	2,482,386	2,415,412	352,892	2,433,953	2,661,923	2,888,877	3,522,149	3,818,666
Community Development	444,319	519,004	538,504	623,812	806,798	766,159	679,701	1,341,837	965,311	932,862
Basic Utility Services	1,228,850	1,344,343	1,246,307	1,365,575	1,485,120	1,339,321	1,437,860	1,482,518	1,601,443	1,639,711
Transportation	1,734,809	1,880,336	1,999,681	2,113,204	2,317,478	2,072,377	2,323,383	2,160,615	2,167,526	2,514,664
General Government	2,854,029	2,950,905	3,211,062	3,372,844	4,544,926	4,153,103	4,661,055	4,367,663	4,630,034	4,933,287
Capital Outlay	2,331,325	7,014,377	4,563,260	6,267,738	5,611,179	9,201,024	4,773,885	6,528,974	8,759,176	5,203,465
Debt Service										
Principal	371,749	371,623	360,984	372,070	462,037	3,356,817	1,022,756	1,148,732	1,154,751	1,100,814
Interest	331,229	415,875	372,076	355,077	439,169	485,503	968,887	933,167	905,917	877,823
Bond Issuance Costs	0	0	0	41,018	0	0	0	0	0	0
Total Expenditures	18,119,676	23,853,968	22,437,440	24,942,931	24,410,694	32,311,636	27,272,881	30,118,352	33,624,031	31,158,220
Excess of Revenues Over (Under) Expenditures	3,354,688	(1,320,905)	1,313,462	882,788	(2,047,469)	(6,473,308)	(472,432)	(3,500,324)	(5,842,594)	(1,864,769)

(continued)

City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Other Financing Sources (Uses):										
Proceeds from Issuance of Bonds	0	360,000	0	3,700,000	0	10,840,000	8,400,000	0	0	0
Premium on General Obligation Debt	0	0	0	0	0	0	262,963	0	0	0
Proceeds from Inception of Capital Lease	0	5,701	0	0	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	46,199	24,840	25,689	17,571	82,405	14,749	11,604	4,978	32,740	29,730
Transfers – In	6,975,257	7,212,271	6,771,983	7,054,559	5,370,297	7,549,959	2,795,000	9,070,623	5,115,000	7,650,000
Transfers – Out	<u>(6,860,257)</u>	<u>(7,137,271)</u>	<u>(6,676,026)</u>	<u>(9,204,929)</u>	<u>(5,370,297)</u>	<u>(7,549,959)</u>	<u>(2,795,000)</u>	<u>(9,070,623)</u>	<u>(5,115,000)</u>	<u>(7,915,000)</u>
Total Other Financing Sources (Uses)	<u>161,199</u>	<u>465,541</u>	<u>121,646</u>	<u>1,567,201</u>	<u>82,405</u>	<u>10,854,749</u>	<u>8,674,567</u>	<u>4,978</u>	<u>32,740</u>	<u>(235,270)</u>
Net change in fund balances	\$ <u>3,515,887</u>	\$ <u>(855,364)</u>	\$ <u>1,435,108</u>	\$ <u>2,449,989</u>	\$ <u>(1,965,064)</u>	\$ <u>4,381,441</u>	\$ <u>8,202,135</u>	\$ <u>(3,495,346)</u>	\$ <u>(5,809,854)</u>	\$ <u>(2,100,039)</u>
Debt Service as a Percentage of Noncapital Expenditures	4.12%	4.15%	4.52%	4.09%	4.05%	14.27%	8.92%	8.23%	8.11%	7.19%

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)
1999/2000	\$ 494,359,080	\$ 1,412,454,514	\$ 13,324,420	\$ 15,141,386
2000/2001	498,017,510	1,422,907,171	12,157,730	13,815,602
2001/2002	571,695,000	1,633,414,286	12,675,450	14,403,920
2002/2003	577,506,520	1,650,018,629	9,536,030	10,836,398
2003/2004	634,723,650	1,813,496,142	9,544,580	10,846,113
2004/2005	636,121,350	1,817,489,571	9,737,980	11,065,806
2005/2006	637,972,350	1,822,778,143	8,772,100	9,968,295
2006/2007	704,756,080	2,013,588,800	8,279,590	9,408,625
2007/2008	707,992,790	2,022,836,543	5,790,110	6,579,670
2008/2009	714,739,290	2,042,112,257	6,053,290	6,878,739

Source: Cuyahoga County, Ohio; County Auditor

(1) This amount is calculated for 2008 based on the following percentages:

Real property is assessed at 35 percent of actual value.

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

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

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

<u>Tangible Personal Property</u>		<u>Total</u>		<u>Ratio</u>	<u>Total Direct Rate (2)</u>
<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>		
\$ 15,823,705	\$ 63,294,820	\$ 523,507,205	\$ 1,490,890,720	35.11%	\$ 9.90
15,769,844	63,079,376	525,945,084	1,499,802,149	35.07	9.90
15,716,132	62,864,528	600,086,582	1,710,682,734	35.08	9.90
14,906,102	59,624,408	601,948,652	1,720,479,435	34.99	9.90
14,696,532	58,786,128	658,964,762	1,883,128,383	34.99	9.90
11,888,430	51,688,826	657,747,760	1,880,244,283	34.98	10.90
10,280,540	44,698,000	657,024,990	1,877,444,438	34.99	10.90
10,384,146	55,382,112	723,419,816	2,078,379,537	34.81	10.90
4,097,141	32,777,128	717,880,041	2,062,193,341	34.81	10.90
2,036,995	32,591,920	722,829,575	2,081,582,916	34.72	10.90

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					
1999	\$ 6.30	\$ 2.60	\$ 1.00	\$ 0	\$ 9.90	\$ 68.50	\$ 10.82	\$ 4.48	\$ 93.70
2000	6.30	2.60	1.00	0	9.90	73.30	10.82	1.55	95.57
2001	6.30	2.60	1.00	0	9.90	72.70	11.72	1.55	95.87
2002	6.30	2.60	1.00	0	9.90	72.20	11.72	4.48	98.30
2003	6.30	2.60	1.00	0	9.90	76.70	13.52	4.48	104.60
2004	6.30	2.60	1.00	1.00	10.90	78.10	13.52	4.78	107.30
2005	6.30	2.60	1.00	1.00	10.90	83.10	13.52	4.78	112.30
2006	6.30	2.60	1.00	1.00	10.90	83.30	13.42	4.78	112.40
2007	6.30	2.60	1.00	1.00	10.90	83.20	13.42	4.78	112.30
2008	7.30	2.60	0.00	1.00	10.90	88.80	13.32	4.78	117.80

Source: Cuyahoga County, Ohio; County Auditor

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

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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>
1999	\$ 5,258,181	\$ 5,149,513	97.93 %	\$ 83,151
2000	5,206,250	5,084,043	97.65	98,465
2001	5,960,601	5,813,998	97.54	157,811
2002	6,366,351	5,872,530	92.24	160,298
2003	6,258,955	5,889,910	94.10	122,928
2004	6,568,175	6,170,368	93.94	139,194
2005	7,216,321	6,814,655	94.43	124,325
2006	7,232,129	6,847,235	94.68	134,097
2007	7,993,917	7,565,168	94.64	139,558
2008	8,054,197	7,555,361	93.81	211,861

Source: Cuyahoga County, Ohio; County Auditor

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

	<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>
\$	5,232,664	99.51%	\$ 149,061	2.83 %
	5,182,508	99.54	196,071	3.77
	5,971,809	100.19	267,631	4.49
	6,032,828	94.76	195,557	3.07
	6,012,838	96.07	248,027	3.96
	6,309,562	96.06	292,542	4.45
	6,938,980	96.16	286,098	3.96
	6,981,332	96.53	315,249	4.36
	7,704,725	96.38	345,085	4.32
	7,767,222	96.44	267,880	3.33

City of Rocky River, Ohio

Principal Taxpayers: Real and Tangible Personal Property Tax

As of December 31, 2008 and December 31, 1999

<u>Taxpayer</u>	2008	
	Real and Tangible Personal Property Assessed Value	Percent of Total Assessed Value
Westwood Town Center	\$ 7,274,720	1.01%
Normandy Association, LTD.	4,850,980	.67
Westgate Mall, LLC	4,452,250	.62
Cleveland Electric Illuminating Company	4,431,800	.61
Presidential Apartments, LTD.	3,992,940	.55
Beachcliff Properties	3,916,680	.54
W & F Plaza Investments	2,624,310	.36
Linden Apartment Company	2,548,600	.35
Gross Management, Inc.	2,500,790	.35
SRK Perrysburg Association, LLC	2,456,580	.34
<i>Totals</i>	\$ <u>39,049,650</u>	<u>5.40%</u>

Total City Assessed Valuation \$ 722,829,575

<u>Taxpayer</u>	1999	
	Real and Tangible Personal Property Assessed Value	Percent of Total Assessed Value
Cleveland Electric Company	\$ 6,287,620	1.20%
Westwood Town Center	4,730,600	0.90
Ohio Bell Telephone Company	4,228,180	0.81
Normandy Association, LTD.	3,931,200	0.75
Presidential Apartments, LTD.	3,512,600	0.67
Rockport Associates Company	3,368,900	0.64
Gross Management, Inc.	2,578,940	0.50
Linden Apartment Company	2,400,580	0.46
East Ohio Gas Company	2,168,310	0.41
Rockport Retirement LTD.	1,944,950	0.38
<i>Totals</i>	\$ <u>35,151,880</u>	<u>6.72%</u>

Total City Assessed Valuation \$ 523,507,205

Source: Cuyahoga County, Ohio; County Auditor

City of Rocky River, Ohio

Ratio of Outstanding Debt by Type

Last Ten Years

Fiscal Year	<u>Governmental Activities</u>			<u>Business-Type</u>	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	<u>General Obligation Bonds</u>	<u>Special Assessment Bonds</u>	<u>Capital Lease</u>	<u>OWDA Loan</u>			
1999	\$ 4,455,000	\$ 606,000	\$ 1,364	\$ 0	\$ 5,062,364	NA	\$ 248.03
2000	4,145,000	925,000	4,882	293,132	5,368,014	0.75 %	258.89
2001	3,835,000	895,000	3,130	329,386	5,062,516	0.70	244.15
2002	7,215,000	865,000	1,117	328,239	8,409,356	1.17	405.56
2003	6,810,000	830,000	0	316,234	7,956,234	1.11	383.71
2004	14,355,000	790,000	0	303,666	15,448,666	2.15	745.05
2005	21,795,000	750,000	0	290,508	22,835,508	3.18	1,101.30
2006	20,710,000	710,000	0	276,733	21,696,733	3.02	1,046.38
2007	19,620,000	670,000	0	262,310	20,552,310	2.86	991.19
2008	18,585,000	630,000	0	247,210	19,462,210	2.71	938.62

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 134 for personal income and population data.

NA – Information not available

City of Rocky River, Ohio

Special Assessment Levies and Collections (1)

Last Ten Years

<u>Year</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected(1)</u>	<u>Ratio of Collections To Amount Due</u>
1999	\$ 83,900	\$ 72,729	86.69 %
2000	80,549	64,163	79.66
2001	97,650	76,550	78.39
2002	87,278	62,574	71.70
2003	95,383	69,497	72.86
2004	98,183	94,407	96.15
2005	102,359	96,101	93.88
2006	133,426	112,059	83.99
2007	165,931	123,640	74.51
2008	112,980	104,878	92.83

Source: Cuyahoga County, Ohio; County Auditor

(1) Collections made by Cuyahoga County Auditor 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</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>
1999	20,410	\$ 4,340,585	\$ 523,507,205	0.83 %	\$ 212.67
2000	20,735	6,980,585	525,945,084	1.16	336.66
2001	20,735	8,920,585	600,086,582	1.49	430.22
2002	20,735	7,100,585	601,948,652	1.18	342.44
2003	20,735	6,695,585	658,964,762	1.02	322.91
2004	20,735	14,228,490	657,747,760	2.16	686.21
2005	20,735	21,938,364	657,024,990	3.34	1,058.04
2006	20,735	20,760,982	723,419,816	2.87	1,001.25
2007	20,735	19,678,785	717,880,041	2.74	949.06
2008	20,735	18,537,073	722,829,575	2.56	894.00

City of Rocky River, Ohio

Computation of Legal Debt Margin

Last Ten Year

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assessed Valuation	\$ <u>523,507,205</u>	\$ <u>599,842,962</u>	\$ <u>600,086,582</u>	\$ <u>601,948,652</u>	\$ <u>658,964,762</u>	\$ <u>657,747,760</u>	\$ <u>657,024,990</u>	\$ <u>723,419,816</u>	\$ <u>717,880,041</u>	\$ <u>722,829,575</u>
Debt Limit - 10.5% of Assessed Valuation	54,968,257	62,983,511	63,009,091	63,204,608	69,191,300	69,063,515	68,987,624	75,959,081	75,377,404	75,897,105
Gross Indebtedness	5,061,000	8,313,132	10,265,701	8,408,239	7,956,234	15,728,195	23,269,111	22,107,515	20,940,271	19,827,350
Less: Debt Outside Limitation	(606,000)	(1,218,132)	(1,230,701)	(1,193,239)	(1,146,234)	(1,093,666)	(1,040,508)	(986,733)	(932,310)	(877,210)
Less: Amount Available In Debt Service Funds	<u>(114,415)</u>	<u>(114,415)</u>	<u>(114,415)</u>	<u>(114,415)</u>	<u>(114,415)</u>	<u>(406,039)</u>	<u>(290,239)</u>	<u>(359,800)</u>	<u>(329,176)</u>	<u>(413,067)</u>
Net Debt Within 10.5% Limitation	<u>4,340,585</u>	<u>6,980,585</u>	<u>8,920,585</u>	<u>7,100,585</u>	<u>6,695,585</u>	<u>14,228,490</u>	<u>21,938,364</u>	<u>20,760,982</u>	<u>19,678,785</u>	<u>18,537,073</u>
Legal Debt Margin	\$ <u>50,627,672</u>	\$ <u>56,002,926</u>	\$ <u>54,088,506</u>	\$ <u>56,104,023</u>	\$ <u>62,495,715</u>	\$ <u>54,835,025</u>	\$ <u>47,049,260</u>	\$ <u>55,198,099</u>	\$ <u>55,698,619</u>	\$ <u>57,360,032</u>
Debt Limit - 5.5% of Assessed Unvoted Value	\$ 28,792,896	\$ 32,991,363	\$ 33,004,762	\$ 33,107,176	\$ 36,243,062	\$ 36,176,127	\$ 36,136,374	\$ 39,788,090	\$ 39,483,402	\$ 39,755,627
Gross Indebtedness Authorized by Council	5,061,000	8,313,132	10,265,701	8,408,239	7,956,234	15,728,195	23,269,111	22,107,515	20,940,271	19,827,350
Less: Debt Outside Limitation	(606,000)	(1,218,132)	(1,230,701)	(1,193,239)	(1,146,234)	(1,093,666)	(9,200,508)	(8,836,733)	(8,467,310)	(8,087,210)
Less: Amount Available in Debt Service Funds Related to Unvoted Debt	<u>(114,415)</u>	<u>(114,415)</u>	<u>(114,415)</u>	<u>(114,415)</u>	<u>(114,415)</u>	<u>(406,039)</u>	<u>(118,102)</u>	<u>(131,040)</u>	<u>(225,486)</u>	<u>(329,728)</u>
Net Debt Within 5.5% Limitation	<u>4,340,585</u>	<u>6,980,585</u>	<u>8,920,585</u>	<u>7,100,585</u>	<u>6,695,585</u>	<u>14,228,490</u>	<u>13,950,501</u>	<u>13,139,742</u>	<u>12,247,475</u>	<u>11,410,412</u>
Unvoted Debt Margin	\$ <u>24,452,311</u>	\$ <u>26,010,778</u>	\$ <u>24,084,177</u>	\$ <u>26,006,591</u>	\$ <u>29,547,477</u>	\$ <u>21,947,637</u>	\$ <u>22,185,873</u>	\$ <u>26,648,348</u>	\$ <u>27,235,927</u>	\$ <u>28,345,215</u>

Source: Cuyahoga County, Ohio; County Auditor, and City Financial records

City of Rocky River, Ohio

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2008

	General Obligation Debt <u>Outstanding</u>	Percentage Applicable to City (1) <u>to City (1)</u>	Amount Applicable to City of Rocky River <u>Rocky River</u>
<u>Direct:</u>			
City of Rocky River	\$ <u>18,950,140</u>	100.00%	\$ <u>18,950,140</u>
<u>Overlapping:</u>			
Cuyahoga County	248,899,326	2.29	5,712,019
Greater Cleveland Regional Transit Authority	172,765,000	2.29	3,964,803
Rocky River School District	<u>14,897,928</u>	97.10	<u>14,465,274</u>
Total Overlapping	<u>436,562,254</u>		<u>24,142,096</u>
Total	\$ <u>455,512,394</u>		\$ <u>43,092,236</u>

Source: Cuyahoga County, Ohio; County Auditor

(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>
1999	\$ 567,233	\$ 18,135,285	3.13%
2000	550,570	23,858,688	2.31
2001	533,830	22,619,372	2.36
2002	527,090	24,942,931	2.11
2003	769,349	24,410,694	3.15
2004	3,842,320	32,065,983	12.00
2005	1,991,643	27,272,881	7.30
2006	2,081,899	30,118,352	6.91
2007	2,060,668	33,624,031	6.73
2008	1,978,637	31,158,220	6.13

Source: City Financial Records

City of Rocky River, Ohio

Principal Employers

Current Year and Nine Years Ago

2008			
	Employer	Employees	Percentage of Total City Employment
1	City of Rocky River	603	4.2%
2	Rocky River Board of Education	573	4.0
3	Normandy Manor of Rocky River	386	2.7
4	Riser Foods Co.	326	2.3
5	Cuyahoga County Auditor	286	2.0
6	Target Stores	284	2.0
7	Westwood Country Club	279 *	2.0
8	Marc Glassman Inc	277	1.9
9	Heinens Inc.	241	1.7
10	Cleveland Yacht Club Inc.	237	1.7
	Total	<u>3,492</u>	<u>24.5</u>
	Total City Employment	<u>14,310</u>	

1999			
	Employer	Employees	Percentage of Total City Employment
1	City of Rocky River	NA	NA
2	Cuyahoga County Auditor	NA	NA
3	Hyland Software, Inc.	NA	NA
4	Lake West Group, LTD.	NA	NA
5	LESCO, Inc.	NA	NA
6	McDonald & Company Securities	NA	NA
7	Normandy LTD.	NA	NA
8	North American Benefits Network	NA	NA
9	Riser Foods	NA	NA
10	Rocky River City School District	NA	NA
	Total	<u>NA</u>	<u>NA</u>
	Total City Employment	<u>NA</u>	

Source: Central Collection Agency (CCA). Total City employment based upon estimate from the Central Collection Agency number of W-2's filed.

* Estimated number of employees based on previous filings with CCA

NA - Information is not 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>
1999	20,410	N/A	N/A	N/A	2,321	4.50 %
2000	20,735	\$ 718,737,305	\$ 34,663	\$ 51,636	2,397	4.50
2001	20,735	718,737,305	34,663	51,636	2,467	4.60
2002	20,735	718,737,305	34,663	51,636	2,493	6.60
2003	20,735	718,737,305	34,663	51,636	2,575	6.20
2004	20,735	718,737,305	34,663	51,636	2,598	6.20
2005	20,735	718,737,305	34,663	51,636	2,623	6.50
2006	20,735	718,737,305	34,663	51,636	2,640	5.60
2007	20,735	718,737,305	34,663	51,636	2,696	6.10
2008	20,735	718,737,305	34,663	51,636	2,686	7.10

(1) Sources: U.S. Bureau of the Census. For years 2000 – current utilized 2000 Federal Census, for years prior to 2000 utilized 1990 Federal Census.

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

(3) Rocky River Board of Education

N/A – Information not available

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
1999	\$ 221,891,543	\$ 1,190,562,971	\$ 1,412,454,514	14	\$ 5,810,000	3	\$ 1,917,500
2000	222,395,743	1,200,511,428	1,422,907,171	7	2,476,750	2	6,119,202
2001	259,539,257	1,373,875,029	1,633,414,286	16	6,646,000	5	6,469,000
2002	265,627,200	1,384,391,429	1,650,018,629	16	5,190,000	1	9,570,917
2003	283,572,742	1,529,923,400	1,813,496,142	18	6,195,000	3	6,843,800
2004	284,197,186	1,533,292,385	1,817,489,571	28	9,652,000	3	3,013,000
2005	280,632,371	1,542,145,771	1,822,778,142	31	11,465,275	1	5,500,000
2006	296,426,314	1,717,162,486	2,013,588,800	25	6,025,000	2	9,929,000
2007	296,814,600	1,726,021,943	2,022,836,543	2	362,000	2	14,716,134
2008	308,154,600	1,733,957,657	2,042,112,257	1	1,500,000	3	1,670,000

Sources: Cuyahoga County, Ohio - County Auditor; City Building Department

(1) Represents total estimated market value of real property

(2) Number of units include new construction only. Obtained information for 2008 from City Records.

City of Rocky River, Ohio

Employees by Function/Program

Last Seven Years

Function/Program	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government:							
Mayor	1	1	1	1	1	1	1
Finance	3	4	4	3	3	3	3
Human Resources	0	0	0	1	1	1	1
Municipal Courts	27	27	27	27	27	25	26
Engineering	3	3	3	0	0	0	0
Building	4	4	4	6	6	6	6
Building Maintenance	5	5	5	5	5	5	5
Security of Persons and Property:							
Safety Service Director	2	2	2	2	2	1	2
Fire	29	30	30	30	30	30	30
Police	37	37	37	38	38	38	38
Traffic Signal	4	4	4	4	4	4	4
Transportation:							
Equipment Repair and Garage	7	7	7	7	7	8	8
Street Repair and Maintenance	13	13	13	13	12	14	13
Community Development:							
Community Development	2	2	1	1	1	1	1
Leisure Time Activities:							
Parks	4	4	4	4	4	4	4
Recreation Center	15	15	15	15	15	17	16
Public Health:							
Office on Aging	8	8	8	8	8	8	8
Basic Utilities Services:							
Refuse and Recycling	<u>15</u>						
Total Governmental Activities:	<u>179</u>	<u>181</u>	<u>180</u>	<u>180</u>	<u>179</u>	<u>181</u>	<u>181</u>
Sanitary Sewer	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>9</u>
Total Business-Type Activities:	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>9</u>
Total Primary Government:	<u>189</u>	<u>191</u>	<u>190</u>	<u>190</u>	<u>189</u>	<u>191</u>	<u>190</u>

Source: City Records

Note: Information prior to 2002 is not available.

City of Rocky River, Ohio

Operating Indicators by Function/Program

Last Seven Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government:							
Building Department:							
New Single Family Home Permits	10	8	12	14	11	2	1
Commercial Building/Structures							
New	1	3	3	1	2	2	2
Additions	20	22	17	27	32	19	22
Increase in Dwelling Units	16	18	28	31	25	2	0
Total Receipts – Building Permits	\$ 149,959	\$ 156,126	\$ 192,512	\$ 219,896	\$ 245,872	\$ 229,087	\$ 221,535
Council:							
Number of Ordinances/Resolutions	210	235	183	188	163	142	144
Municipal Court:							
Jurisdiction Population	120,226	120,226	120,226	120,226	120,226	120,226	120,226
Cases Filed:							
Criminal/Traffic	32,422	33,774	28,825	32,825	25,536	24,778	25,536
Civil/Small Claims	2,347	2,508	2,629	2,702	2,887	3,208	2,702
Security of Persons and Property:							
Fire Protection:							
Emergency Responses:							
Building Fires	NA	8	20	13	13	22	13
Emergency Medical Care	2,035	1,984	1,986	2,032	1,965	2,070	1,956
System Tests Witnessed:							
Commercial Kitchen	NA	97	103	84	40	18	15
Sprinkler	NA	44	55	40	11	5	9
Fire Alarm	NA	83	94	30	30	5	18
Standpipe	NA	3	5	2	2	3	1
General	NA	22	37	17	32	20	62

(continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (continued)

Last Seven Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Police Protection:							
Motor Vehicle Accidents	433	318	389	377	313	335	363
BAC Licensed Operators	23	23	24	24	23	23	23
Community Diversion Cases	131	171	157	266	213	216	192
Marine Patrol Boat Hours	615	521	567	531	534	510	520
Total Prisoners	1,169	1,244	1,107	1,080	1,053	1,097	930
Miles Patrolled	293,924	247,380	330,032	265,671	239,422	278,363	272,326
Transportation:							
Safety Service:							
Snowfall in Inches [1]	46.0	95.7	91.2	117.9	50.6	76.5	77.2
Road Salt Purchased (tons)	800	5,700	4,000	5,600	3,200	4,500	4,800
Cold Patch Purchased (tons)	34	36	29	74	25	64	NA
Trees Planted	111	95	109	214	351	224	270
Trees Removed	79	52	78	117	43	64	100
Leisure Time Activities:							
Recreation Center:							
Summer Camp – Recreation	NA	525	624	590	557	573	532
Summer Camp – Sports	NA	632	529	474	542	626	572
Concert Attendance	2,000	1,500	2,200	2,800	2,400	3,300	1,850
Father-Daughter Dance Couples	NA	NA	40	39	34	35	42
Outdoor Pool Attendance	32,658	28,931	25,651	60,273	51,376	56,518	43,955
Civic Center Daily Member Log-ins[2]	NA	NA	NA	NA	NA	15,394	142,017
New Year's Eve Skate Attendance	NA	450	350	358	450	490	350
Basic Utilities Service:							
Refuse Collection:							
Refuse Truck Collections (tons)	8,382	8,799	8,761	8,546	8,219	7,739	9,823
Blue Bag Collections (tons)	300	293	278	272	284	295	255
Leaf Collections (tons)	1,930	1,177	NA	1,134	1,384	1,666	1,481
Paper Collections (tons)	552	549	493	438	380	308	240
Cardboard Collections (tons)	148	157	177	167	161	158	183

(continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (continued)

Last Seven Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Public Health Services:							
Senior Center:							
Volunteers	189	176	155	148	154	147	150
Volunteer Hours	10,852	10,630	10,150	10,280	11,676	12,647	12,910
Senior Transportation Trips	8,402	8,713	8,549	9,551	7,932	7,308	7,958
Lunches Served	10,752	10,255	11,443	12,985	13,244	14,016	14,778
Gift Shop Sales	\$ 47,581	\$ 50,865	\$ 48,299	\$ 50,904	\$ 56,520	\$ 54,421	\$ 57,662
90 and Over Luncheon Attendees	NA	NA	NA	NA	130	166	160
Flu and Pneumonia shots	292	378	509	872	869	691	706
Sanitary Sewer:							
Quantity and Strength Percent of Wastewater Treatment Plant	28.35	28.35	28.35	28.35	29.53	29.53	29.40

Source: City Records

Information prior to 2002 is not available

[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 Seven Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government:							
Other Departmental Vehicles	9	9	9	10	10	10	10
Square Footage of Building	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
Security of Persons and Property:							
Fire Protection:							
Number of Stations	1	1	1	1	1	1	1
Number of Vehicles	9	9	9	9	9	10	10
Square Footage of Fire Station	10,088	10,088	10,088	10,088	10,088	10,088	10,088
Number of Fire Hydrants	1,093	1,093	1,093	1,093	993	1,003	1,003
Police Protection:							
Number of Stations	1	1	1	1	1	1	1
Number of Vehicles	24	24	24	24	24	25	25
Marine Patrol Boat	1	1	1	1	1	1	1
Canine Unit(s)	1	1	1	2	2	2	2
Square Footage of Police Station	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
Transportation:							
Number of Vehicles	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
Miles of Streets	60.49	60.49	60.49	60.49	60.49	60.49	60.49
Leisure Time Activities:							
Recreation and Culture:							
Number of Parks	8	8	8	9	9	9	9
Acres of Parks	105	105	105	106	106	106	106
Number of Vehicles	10	10	10	10	10	10	10
Square Footage of Recreation Facilities	42,379	42,379	42,379	42,379	42,379	84,379	84,379
Miles of Shoreline	2.0	2.0	2.0	2.0	2.0	2.0	2.0

(continued)

City of Rocky River, Ohio

Capital Asset Statistics by Function/Program (continued)

Last Seven Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Basic Utilities Service:							
Refuse Collection:							
Refuse Vehicles	24	24	24	24	24	24	24
Transit Scooters	20	20	20	20	20	20	20
Transfer Station	1	1	1	1	1	1	1
Public Health Services:							
Senior Transportation:							
Number of Vehicles	6	6	6	6	6	6	6
Square Footage of Senior Center	20,012	20,012	20,012	20,012	20,012	20,012	20,012
Sewers:							
Miles of Sanitary Sewers	90	90	90	90	90	90	90
Number of Vehicles	8	8	8	8	8	8	8
Number of Sanitary Sewer Accounts	7,080	7,087	7,087	7,094	7,091	7,018	7,091

Source: City Records

Information prior to 2002 is not available

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

December 31, 2008

City of Rocky River, Ohio

For The Year Ended December 31, 2008

Table of Contents

<u>TITLE</u>	<u>PAGE</u>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Schedule of Findings.....	3
Schedule of Prior Year Findings	5
Responses to Findings Associated with Audit Conducted in Accordance with <i>Government Auditing Standards</i> for the Year Ended December 31, 2008.....	6

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance With
*Government Auditing Standards***

Members of the City Council
Rocky River, Ohio

We have audited 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, 2008, which collectively comprise the City’s basic financial statements and have issued our report thereon dated August 31, 2009, wherein we noted the City, adopted *GASB Statements Nos. 45, 49 and 50*, as discussed in Note 3. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City’s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City’s financial statements that is more than inconsequential will not be prevented or detected by the City’s internal control. We consider the following deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting: 2008-1 and 2008-2.

Members of the City Council
Rocky River, Ohio

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiency described above, we consider the finding number 2008-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 an instance of noncompliance or other matters that is required to be reported under *Governmental Auditing Standards* and which is described in the accompanying schedule of findings as item 2008-3.

We noted certain matters that we have reported to management of the City of Rocky River, in a separate letter dated August 31, 2009.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City Council, Audit Committee, Management and the Auditor of State's Office and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Panichi, Inc.

Cleveland, Ohio
August 31, 2009

City of Rocky River, Ohio

Schedule of Findings

December 31, 2008

1. Summary of Auditors' Results

Type of Financial Statement Opinion	Unqualified
Were there any significant deficiencies reported at the financial statement level (GAGAS)?	Yes
Was there any material weaknesses reported at the financial statement level (GAGAS)?	Yes
Was there any material noncompliance reported at the financial statement level (GAGAS)?	Yes

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

2008-1 – Significant Deficiency/Material Weakness

Sound financial reporting is the responsibility of the City Finance Director and the City Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The lack of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

The following audit adjustments were made to the financial statements:

1. Restatement of Net Assets at December 31, 2007 for prior year understatement of governmental activities and business-type capital assets.
2. Restatement of Net Assets at December 31, 2007 for prior year understatement of accrued compensated absences of governmental activities.

The lack of controls over financial reporting can result in errors and irregularities that may go undetected and decrease the reliability of financial data at year-end.

We recommend that the City adopts polices and procedures for controls over year-end financial reporting to help ensure the information accurately reflects the activity of the City thereby increasing the reliability of the financial data at year-end. Although the City has contracted a third party to perform their GAAP conversion, the City's management needs to review the underlying data to be sure that all items are being properly recorded.

City of Rocky River, Ohio

Schedule of Findings (Continued)

December 31, 2008

2008-2 – Significant Deficiency

A capital asset management system is a system of methods, policies and procedures that address the acquisition, use, control, protection, maintenance and disposal of assets. Accurate accounting for assets is required for the correct and complete presentation of capital asset financial information. While reviewing the City's procedures for maintaining capital asset records, we noted the following:

- The City maintains a listing of certain movable equipment and vehicles; however, the City does not maintain a complete detailed list of all capital assets, including the year of acquisition, the original or estimated historical cost of each capital asset, the serial number or tag number and, if applicable, accumulated depreciation and current depreciation for each capital asset or asset class.
- The City does not have a written capital asset policy.

We recommend the City develop a written capital asset policy and consider obtaining a computerized capital asset system which will account for the acquisition date, description of the asset, identification or tag number, fund and function the asset is assigned to, original or estimated historical cost, accumulated depreciation, current year depreciation expense, salvage value, and, if applicable, the carrying value of each asset. If a computerized system is not considered feasible, the City should tag all purchase orders for capital asset additions and maintain a complete detailed listing of capital assets as indicated above.

2008-3 – Material Noncompliance

Ohio Revised Code 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

During our testing of non-payroll disbursements, we tested 40 non-payroll checks issued during the period. Testing indicated 3 of the 40 disbursements were entered into prior to receiving the Fiscal Officer's certification.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the City's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that funds are or will be available prior to obligation by the City. When prior certification is not possible, "then and now" certifications should be used.

City of Rocky River, Ohio

Schedule of Prior Year Findings

December 31, 2008

Finding No.	Finding Summary	Fully Corrected	Explanation
2007-1	Proper encumbrance of funds	No	Reissued as 2008-3
2007-2	Capital asset management system	No	Reissued as 2008-2

City of Rocky River, Ohio

21012 Hilliard Blvd
Rocky River, Ohio 44116
(440) 331-0600

**Responses To Findings Associated With Audit Conducted
In Accordance With *Government Auditing Standards***

December 31, 2008

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2008-1	Management will enhance procedures relating to the financial reporting process over compensated absences and capital assets to accurately capture data underlying the financial statements.	N/A	Mike Thomas, Finance Director
2008-2	The City purchased a capital asset accounting system from software provider CMI, Inc. that will be installed in July 2009.	December 2009	Mike Thomas, Finance Director
2008-3	Management will communicate with departments as well as utilize blanket purchase orders and “Then and Now” stamps, when applicable.	N/A	Mike Thomas, Finance Director



Mary Taylor, CPA
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
NOVEMBER 5, 2009**