

**City of Rocky River, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2010**

Issued by:

City of Rocky River  
Department of Finance

Michael A. Thomas  
Director of Finance





# Dave Yost • Auditor of State

City Council  
City of Rocky River  
21012 Hilliard Blvd.  
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, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

August 30, 2011

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# City of Rocky River, Ohio

Comprehensive Annual Financial Report  
For The Year Ended December 31, 2010

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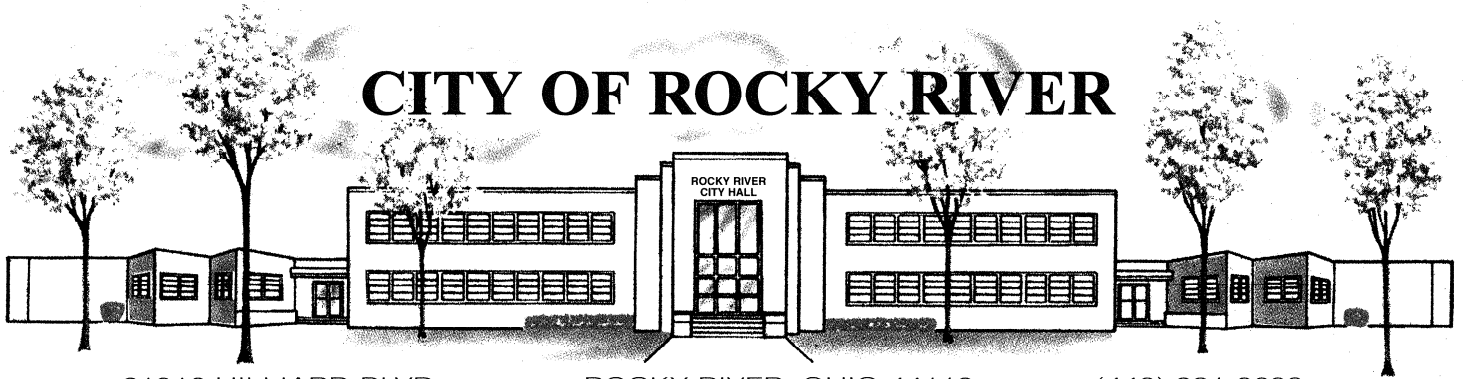
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# CITY OF ROCKY RIVER



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

July 7, 2011

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

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

The City of Rocky River, Ohio (City) is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2010. The CAFR is a more extensive report than basic financial statements and it is believed that the CAFR demonstrates the City's ongoing commitment to be accountable to its citizenry and to excellence in financial reporting. While no single report can be all things to all people, the goal in presenting this CAFR is to provide any person or entity interested in the City with information needed to gain a fair understanding of the City's financial position, results of operations and cash flows.

The Ohio Revised Code Section 117.38 requires that the City certify and file, within one hundred fifty days after the close of the fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America. The City issues this CAFR for the year ended December 31, 2010 therefore.

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

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

The financial statements of the City have been audited by independent auditor Ciuni & Panichi, Inc. The objective of an audit is to provide reasonable assurance that the financial statements are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates

made by management; and evaluating the overall financial statement presentation. Based upon the results of the audit, Ciuni & Panichi, Inc. concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2010 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of the CAFR.

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

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

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

The City is governed by a full-time Mayor 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 two year terms. The Mayor appoints the heads of the following departments: Building, Economic and Community Development, Engineering, Finance, Office on Aging, Recreation and Safety-Service. As of December 31, the City had 190 full-time employees, including the Rocky River Municipal Court.

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

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

### **Economic Conditions**

**Local Economy** Because of the proximity to major cultural, educational and medical facilities in Northeastern Ohio and ease of travel in the area, the City experiences a degree of economic stability; the City has experienced economic challenges not unlike the northeast Ohio region as a whole.

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, Ohio economy contribute a degree of economic stability now and for the foreseeable future.

The tax base of the City's municipal income tax consists of business (and employees) located within the City as well as individual, resident taxpayers. The largest organizations located within the City generating income

tax revenue are the City and the Rocky River City School District. Other significant industries in the City are senior citizen congregate housing and health care; banking; insurance (including health); and retail. Relative to residents' incomes, the website [www.city-data.com](http://www.city-data.com) reports the estimated median household income in 2009 (the most recent data available) in the City is \$60,240; while for the State of Ohio that amount is \$45,395.

City income tax collections increased by about one percent from 2009. Components of the increase were as follows:

Component	2009	2010	Change
Employee Withholding	\$3,998,910	\$4,015,456	\$16,546
Business Profit	535,170	573,157	37,987
Residence Tax	3,307,068	3,331,207	24,139
Penalties & Interest	106,301	125,493	19,192
Total	\$7,947,449	\$8,045,313	\$97,864

An indicator of the economic strength of a primarily residential community is its property values. As compiled by the website [www.city-data.com](http://www.city-data.com), the estimated median house/condominium value in 2009 (the most recent data available) was \$199,064 in the City and \$134,600 statewide. The City has experienced a decline in assessed valuation of real property of about three percent over the last five years. For taxing purposes, Cuyahoga County oversees real property appraisals within the City.

Public Utility property saw an overall decrease in value of about 21 percent. 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 eliminated in the tax base. The net revenue affect over the recent five years of these several adjustments, is the City has experienced property tax revenue growth of just under 7 percent; however, there was about a five percent revenue decline compared to 2009.

### **Major Initiatives**

Management of various phases of significant infrastructure improvement projects was the focus of attention of the City during 2010. The table below updates certain of the projects described in last year's CAFR.

Project	Project Cost	Status	Construction Schedule
Valley View Area Sanitary Sewer	\$4,979,520	Phase I completed on schedule; Phase II began in mid-2010	03/01/2009 to 03/30/2011
Elmwood Road Sanitary Sewer	\$926,417	Project complete	08/15/2009 to 06/15/2010
Hampton Road Sanitary Sewer	\$5,409,600	Phase I begun on schedule	04/01/2010 to 11/30/2012
Lake Road Storm and Sanitary Sewer and Road Reconstruction	\$4,830,000	Phase I completed on schedule; Phase II began in late 2010	06/01/2010 to 04/30/2011

Interest free loans, that are funded by the Ohio Public Works Commission (OPWC), an agency of the State of Ohio, were obtained for the Valley View Area Sanitary Sewer and Hampton Road Sanitary Sewer projects. Also, to support these projects with a local funding source, in March 2008, the City began

collection of a fixed fee of \$25 per quarter per household imposed in conjunction with sanitary sewer charges. In 2010, the City collected \$1,733,336 from this fee.

These projects have been determined as those of priority within the comprehensive sewer maintenance and rehabilitation plan drafted by the City Engineer in 2006.

The U. S. Route 6 (Lake Road) project came together with a superfecta of funding sources: 1) U. S. Federal Highway Authority (FHWA) funds; 2) State of Ohio Urban Paving funds; 3) Cuyahoga County Community Development Block Grant funds; and 4) City (or local) funds. Phase I, a section of the planned road reconstruction was completed in November 2009. The City paid its portion of the project cost to the Ohio Department of Transportation, which is managing the project, in 2010 to fund Phase II construction.

### **Long-term Financial Planning**

Through prudent planning, limited borrowing and reserved budgetary increases, the City has been able to manage through a declining revenue environment with limited service reductions or additional working capital borrowing. Carrying forward moderate reserves have served as budget stabilizing force for the most recent several years. The ability to continue to carry forward budgetary reserves will be challenged in the three to five year time frame. The City monitors cash flow in comparison to budget expectations throughout the year and attempts to be in a position to react to unexpected outside influences.

Municipal Income Tax revenue accounted for approximately to 45 percent of total General Fund revenue; that amount was 42 percent in 2009 and 40 percent in 2008. Because this revenue source is economically sensitive and has remained relatively flat in recent years, the City's financial position has continued to be negatively impacted because of a revenue decline first experienced from 2008 to 2009. In 2010, income tax revenue was short of budget expectations by about one percent. Some financial flexibility to provide resources for capital improvement projects, is gained by estate tax receipts (Intergovernmental Revenue); of which collections have ranged from \$1.446 to \$2.256 million in the most recent five years with an average of \$1.963 million per year over that period.

Property Tax revenue accounts for approximately to 22 percent of total General Fund revenue; that amount was 22 percent in 2009 and 20 percent in 2008. As of December 2010, the real property component makes up about 83 percent of the City's Total Tax Valuation. A 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%. 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. However, several projects involving new construction to increase the tax base offset the decrease. The City continues to monitor the effects of the current real estate market on its Total Tax Valuation.

The City uses on-going analysis of these and other revenue sources as a basis for its annual budget while balancing the need for reserves. In the most recent five years, the General Fund reserve (non-GAAP budgetary basis) has fallen within a range of 13 percent to 39 percent for an average of about 26 percent.

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, 2009. This was the twenty-third year that the City has received this prestigious award. A “Certificate of Achievement” is awarded to the City when its publication is issued with easily readable language; is efficiently organized and comprehensive; and conforms to the programs standards for an annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

The City would like to express its appreciation to the firm of Ciuni & Panichi, Inc. for its professional services for assistance with the preparation of the 2010 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, 2009

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**

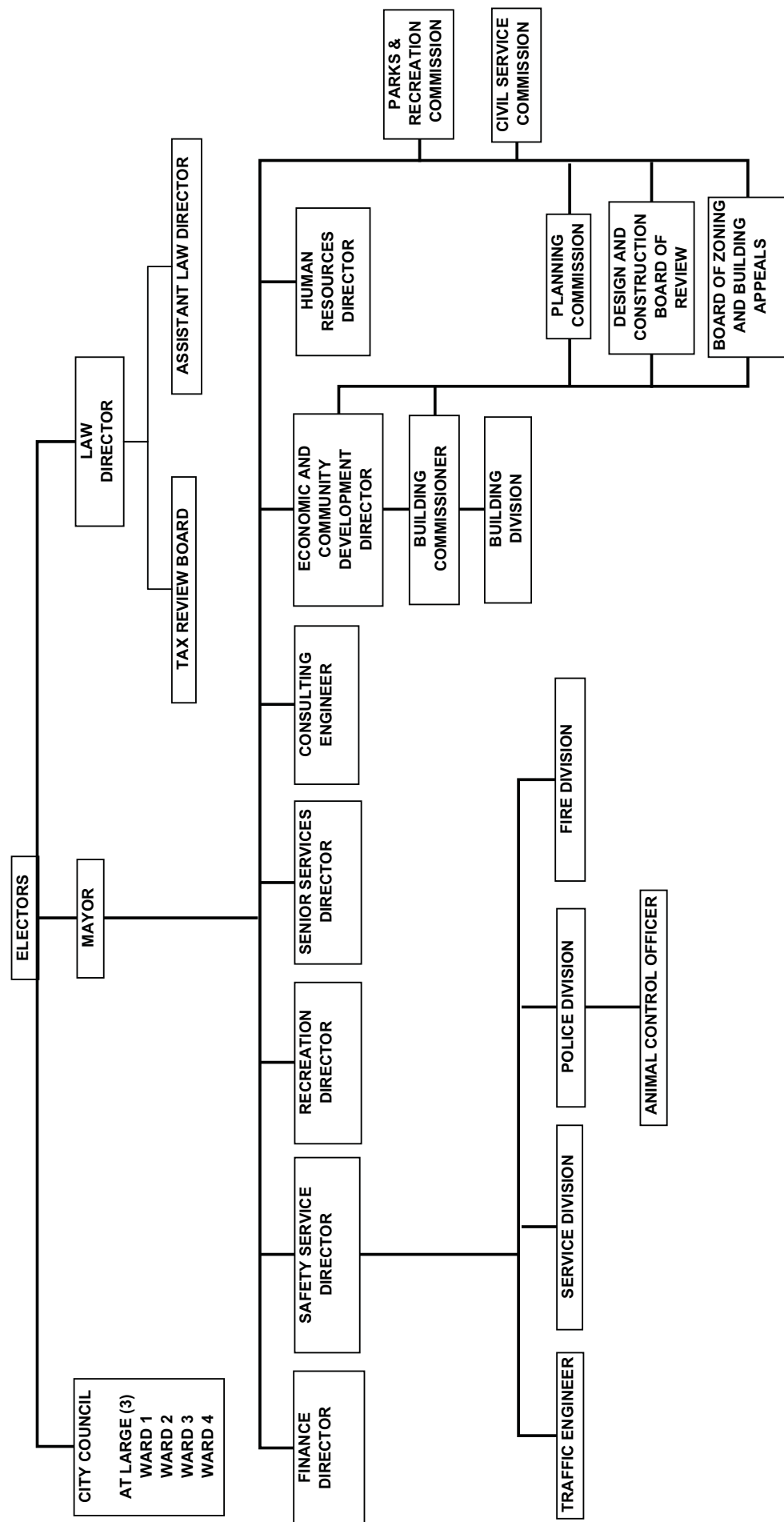
List of Elected Officials

**December 31, 2010**

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<u>TITLE</u>	<u>NAME</u>
Mayor	Pamela E. Bobst
Law Director	Andrew D. Bemer
Council Member – At-Large	Dr. James D. Shieda
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

# CITY OF ROCKY RIVER ORGANIZATIONAL CHART



## 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, 2010, 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, 2010, 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 to the financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2011 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 information 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 & Paricki, Inc.*

Cleveland, Ohio  
July 7, 2011

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2010*

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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, 2010. 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 2010 are:

- Total revenues were \$30,345,490, a decrease of 2.5 percent from 2009. Total expenses were \$30,662,372, a slight increase over 2009 levels. Because the revenue decline, total net assets decreased \$316,882 or 0.5 percent.
- Total assets decreased by \$1,608,449 or 1.6 percent from 2009.
- Total liabilities decreased by \$1,291,567 or 3.8 percent from 2009.
- Total capital assets increased by \$1,169,623 or 1.7 percent from 2009.
- Total outstanding long-term liabilities decreased \$521,343 from 2009, a decrease of 2.2 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 2010?" 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, 2010*

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These two statements report the City's *net assets* and changes in them. The City's net assets, the difference between assets, what the City owns, and liabilities, what the City owes, is one way to measure the City's financial health, or financial position. Over time, *increases or decreases* in the City's net 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, Recreation Center, General Obligation Bond Retirement, Sewer Rehabilitation, Capital Improvement and Sanitary Sewer 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, 2010*

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***Proprietary Funds***

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 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 2010 compared to restated 2009 balances.

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2010*

Table 1  
 Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Assets</b>						
Current and Other Assets	\$ 23,083,636	\$ 25,669,799	\$ 6,614,655	\$ 6,806,564	\$ 29,698,291	\$ 32,476,363
Capital Assets, Net	<u>49,990,981</u>	<u>49,950,278</u>	<u>19,160,510</u>	<u>18,031,590</u>	<u>69,151,491</u>	<u>67,981,868</u>
<b>Total Assets</b>	<u><b>73,074,617</b></u>	<u><b>75,620,077</b></u>	<u><b>25,775,165</b></u>	<u><b>24,838,154</b></u>	<u><b>98,849,782</b></u>	<u><b>100,458,231</b></u>
<b>Liabilities</b>						
Current and Other Liabilities	8,700,161	9,711,230	310,027	69,182	9,010,188	9,780,412
<b>Long-Term Liabilities</b>						
Due Within One Year	1,706,241	1,635,799	35,431	32,574	1,741,672	1,668,373
Due In More Than One Year	<u>21,211,793</u>	<u>21,796,889</u>	<u>306,944</u>	<u>316,490</u>	<u>21,518,737</u>	<u>22,113,379</u>
<b>Total Liabilities</b>	<u><b>31,618,195</b></u>	<u><b>33,143,918</b></u>	<u><b>652,402</b></u>	<u><b>418,246</b></u>	<u><b>32,270,597</b></u>	<u><b>33,562,164</b></u>
<b>Net Assets</b>						
<b>Invested in Capital Assets</b>						
Net of Related Debt	31,781,713	31,254,205	18,945,660	17,800,190	50,727,373	49,054,395
<b>Restricted for:</b>						
Capital Projects	6,304,738	6,208,401	0	0	6,304,738	6,208,401
Debt Service	129,556	295,558	0	0	129,556	295,558
Municipal Probation	387,247	421,063	0	0	387,247	421,063
Aging	51,446	124,001	0	0	51,446	124,001
<b>Street Construction and</b>						
Maintenance	414,993	406,063	0	0	414,993	406,063
Other Purposes	224,268	539,121	0	0	224,268	539,121
Unrestricted	<u>2,162,461</u>	<u>3,227,747</u>	<u>6,177,103</u>	<u>6,619,718</u>	<u>8,339,564</u>	<u>9,847,465</u>
<b>Total Net Assets</b>	<u><b>\$ 41,456,422</b></u>	<u><b>\$ 42,476,159</b></u>	<u><b>\$ 25,122,763</b></u>	<u><b>\$ 24,419,908</b></u>	<u><b>\$ 66,579,185</b></u>	<u><b>\$ 66,896,067</b></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 \$66,579,185 as of December 31, 2010.

\$50,727,373 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 2010 decreased by \$1,608,449 or 1.6 percent when compared to 2009. The decrease in Total Assets was influenced by a decrease in Cash and Cash Equivalents of 18.0 percent while an increase in Capital Assets percent moderated the decrease. The City's Total Liabilities decreased \$1,291,567 or 3.8 percent when compared to 2009. The largest decreases were due to accrued wages and benefits and the timing of the last payroll.



**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
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Table 2 shows the changes in net assets for the year ended December 31, 2010 compared to 2009.

Table 2  
 Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Program Revenues:						
Charges for Services	\$ 7,294,233	\$ 6,846,820	\$ 1,758,085	\$ 1,979,436	\$ 9,052,318	\$ 8,826,256
Operating Grants and Contributions	934,386	934,037	0	0	934,386	934,037
Capital Grants and Contributions	<u>1,286,700</u>	<u>1,044,787</u>	<u>1,501,035</u>	<u>903,127</u>	<u>2,787,735</u>	<u>1,947,914</u>
Total Program Revenues	<u>9,515,319</u>	<u>8,825,644</u>	<u>3,259,120</u>	<u>2,882,563</u>	<u>12,774,439</u>	<u>11,708,207</u>
General Revenues:						
Property and Other Local Taxes	6,684,862	7,067,140	0	0	6,684,862	7,067,140
Municipal Income Taxes	7,959,539	7,661,534	0	0	7,959,539	7,661,534
Franchise Tax	236,114	128,163	0	0	236,114	128,163
Admissions Tax	33,855	34,981	0	0	33,855	34,981
Grants and Entitlements	2,477,912	4,195,197	0	0	2,477,912	4,195,197
Investment Income	31,050	140,058	0	0	31,050	140,058
Miscellaneous	<u>41,522</u>	<u>193,193</u>	<u>0</u>	<u>0</u>	<u>41,522</u>	<u>193,193</u>
Total General Revenues	<u>17,464,854</u>	<u>19,420,266</u>	<u>0</u>	<u>0</u>	<u>17,464,854</u>	<u>19,420,266</u>
Transfers In	<u>106,197</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>106,197</u>	<u>0</u>
Total Revenues	<u>27,086,370</u>	<u>28,245,910</u>	<u>3,259,120</u>	<u>2,882,563</u>	<u>30,345,490</u>	<u>31,128,473</u>
Program Expenses:						
General Government	7,598,480	6,932,356	0	0	7,598,480	6,932,356
Security of Persons and Property	9,010,010	9,623,866	0	0	9,010,010	9,623,866
Public Health	1,428,688	1,437,857	0	0	1,428,688	1,437,857
Transportation	2,385,058	2,758,278	0	0	2,385,058	2,758,278
Community Development	816,485	720,892	0	0	816,485	720,892
Basic Utility Service	2,127,597	1,772,114	0	0	2,127,597	1,772,114
Leisure Time Activities	3,948,809	4,268,822	0	0	3,948,809	4,268,822
Interest and Fiscal Charges	790,980	824,261	0	0	790,980	824,261
Sanitary Sewer Charges	0	0	2,450,068	2,315,018	2,450,068	2,315,018
Transfers Out	<u>0</u>	<u>0</u>	<u>106,197</u>	<u>0</u>	<u>106,197</u>	<u>0</u>
Total Program Expenses	<u>28,106,107</u>	<u>28,338,446</u>	<u>2,556,265</u>	<u>2,315,018</u>	<u>30,662,372</u>	<u>30,653,464</u>
Increase (Decrease) in Net Assets	<u>(1,019,737)</u>	<u>(92,536)</u>	<u>702,855</u>	<u>567,545</u>	<u>(316,882)</u>	<u>475,009</u>
Net Assets January 1	<u>42,476,159</u>	<u>42,568,695</u>	<u>24,419,908</u>	<u>23,852,363</u>	<u>66,896,067</u>	<u>66,421,058</u>
Net Assets December 31	\$ <u>41,456,422</u>	\$ <u>42,476,159</u>	\$ <u>25,122,763</u>	\$ <u>24,419,908</u>	\$ <u>66,579,185</u>	\$ <u>66,896,067</u>

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2010*

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***Governmental Activities***

Governmental activities decreased the City's Net Assets by \$1,019,737 during 2010, compared to a decrease in 2009 of \$92,536. The difference between 2010 and 2009 change in Net Assets is attributable to a decrease in General Revenues.

Both Program Revenues and General Revenues fund the City's governmental activities. The amount that Charges for Services revenue contributed to Total Program Revenues increased \$447,413 from 2009 to 2010. Actual Charges for Services received over that period increased 6.5 percent. The City collects Charges for Services for the operation of the Rocky River Municipal Court; recreation; senior service; and building department fees.

The Municipal Income Tax is the largest source of the City's General Revenues. The income tax rate of 1/2 percent was established by City Ordinance No. 81-67, passed August 28, 1967. The income tax rate 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 2010 was \$7,959,539, a \$298,005 increase from 2009. The City monitors its sources of revenue very closely to react to any changes or fluctuations. The City accounts for municipal income tax revenues in the General Fund.

Property and Other Local Taxes are 38.3 percent of Total General Revenues. Two factors have recently negatively impacted the property tax base. First, the phase out of the tangible personal property tax enacted by the General Assembly of the State of Ohio. And also, economic and real estate market conditions compelled the Cuyahoga County Auditor, who sets real property values, to cause a valuation decrease of five percent in the City. Both factors were offset by an increase in the collection percent experienced in 2010 from an estimated 96 percent to an actual 99 percent collection. Going forward, it is beginning to appear the property tax valuation decrease of percent will have an impact on the related revenue of the same magnitude.

Grants and Entitlements decreased 40.9 percent from 2009 to 2010 due mostly to grant money received for capital projects in 2009. The amounts collected by the City under provisions of the Ohio Revised Code Chapter 5731, Estate Tax are recorded as Entitlements. During 2010, \$1,446,147 was received as current distributions. The City accounts for Estate Tax revenue in the General Fund.

Total Program Expenses for 2010 were \$28,106,107, a 0.8 percent decrease from 2009 levels. Program category increases occurred for General Government; Community Development and Basic Utility Services. Moderating those increases and resulting in an overall expense decrease, expenses were lower in the program categories of Security of Persons and Property; Public Health; Transportation; Leisure Time Activities and Interest and Fiscal Charges.

During 2010, the largest program category function for the City is Security of Persons and Property, which includes police and fire protection. This program accounts for 32.1 percent of expenses and decreased by \$613,856 or 6.4 percent from 2009. A favorable health insurance claims year contributed to about 23 percent of the noted decrease. Other factors were decreased in the level of expenditures for fuel; vehicle maintenance; overtime (and therefore a decrease in related pension contributions) and equipment maintenance.

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
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The General Government program category accounts for 27.0 percent of Program Expenses. An increase of 9.6 percent or \$666,124 occurred in this program category from 2009 to 2010. This program category reports the accumulated activity of the Rocky River Municipal Court; and other administrative functions of the City. The aforementioned affect of a favorable health insurance claims year was offset by increased cost related to property tax collections; municipal income tax collections and workers' compensation premiums.

The Leisure Time Activities program category was the third largest for 2010 and comprises 14.0 percent of Program Expenses which decreased by 7.5 percent from 2009. This program activity was affected by the elimination of a full-time position in May 2010 as well as a pay freeze for part-time, seasonal employees and an effort to control employment levels.

***Business-Type Activities***

For Business-Type Activities of the City, Charges for Services are the primary source of revenue. That revenue decreased 11.2 percent from 2009 to 2010. Capital Grants and Contributions revenue increased 66.2 percent from 2009 to 2010. This revenue category increase is related to the undertaking of Phase II of the Valley View Storm and Sanitary Sewer project, the largest phase. The Program Expenses are comprised of charges to operate the Rocky River Wastewater Treatment Plant as well as the cost to operate a crew of four employees to maintain the sanitary sewer collection system.

**The City's Funds**

***Governmental Funds***

The focus of the City's governmental funds is to provide information on a near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the 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, 2010, the City's governmental funds reported combining ending fund balances of \$10,719,566. Of that amount, \$5,455,737 constitutes unreserved fund balances, which is available for spending at the City's discretion. The \$5,263,829 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 \$27,092,111 and expenditures of \$29,119,277, leaving a \$1,369,613 current year deficit, after consideration of the sources of \$657,553 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 resources for governmental activities such as police, fire, service, legislative, and administrative functions. In 2010, the General Fund had total revenues and other financing sources of \$17,945,884 and expenditures and other financing uses of \$18,873,515 resulting in a decrease in fund balance at December 31, 2010 of \$927,631. This represents 4.91 percent of the current year General Fund expenditures and other financing uses. Revenues were approximately \$359,334 less than last year's revenues while expenditures were

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2010*

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approximately \$1,815,400 less than last year's expenditures primarily due to a decrease in transfers out of approximately \$1,000,000.

The Recreation Center Fund accounts for the operation and maintenance of the City's recreation facilities and activities. In 2010, the Recreation Center Fund had total revenues and other financing sources of \$3,069,166 and expenditures of \$3,024,946 resulting in an increase in fund balance of \$44,220 at December 31, 2010. Revenues were approximately \$118,556 above last year's while expenditures were \$263,375 less than last year's expenditures. Since many of the recreation activities are subject to weather conditions, a warmer summer in 2010 compared to 2009 contributed to the revenue increase. Elimination of a full-time position in May 2010 as well as a pay freeze for part-time, seasonal employees and an effort to control employment levels impacted the lower level of expenditures.

The General Obligation Bond Retirement Fund accounts for the repayment of general obligation bonds of the City. In 2010, the General Obligation Bond Retirement Fund had total revenues and other financing sources of \$1,417,644 and expenditures of \$1,575,068 resulting in a decrease in fund balance of \$157,424 at December 31, 2010. Revenues ended \$40,391 below last year's revenues while expenditures were \$11,385 less than last year's expenditures due to the repayment of bond principal and interest.

The Sewer Rehabilitation Fund accounts for a \$25 per quarter fixed fee charged on all sanitary sewer accounts and is used to provide resources to rehabilitate the City's sanitary sewer infrastructure through acquisition, construction or improvement. In 2010, the Sewer Rehabilitation Fund had total revenues and other financing sources of \$1,676,686 and expenditures of \$1,831,613 resulting in a decrease in fund balance of \$154,927 at December 31, 2010. Revenues approximately equaled last year's revenues while expenditures increased about \$914,910 as improvement project construction activity ramped-up in 2010.

The Capital Improvement Fund accounts for the various projects of the City financed by tax monies and General Fund transfers. In 2010, the Capital Improvement Fund had total revenues and other financing sources of \$1,495,365 and expenditures of \$1,262,663 resulting in an increase in fund balance of \$232,702 at December 31, 2010. Revenues ended approximately \$1,467,762 below last year's revenues mainly due to a decrease in intergovernmental revenue.

### **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 2010, the City supplemented the General Fund budget once. However, there was no change in total budgeted expenditures. The General Fund's actual expenditures, not including other financing uses, were \$1,405,272 under the final budgeted amount of \$16,869,792.

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

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
For the Year Ended December 31, 2010

with General Fund dollars. These funds are transferred from the General Fund to Capital Improvement Fund where the revenue and expenditures for the capital improvement project are tracked and monitored.

For the General Fund, the original budgeted revenues were \$17,519,122 and increased by \$673,442 to \$18,192,564 for final budgeted revenues, not including sale of capital assets. The level of liquidity in the General Fund, measured by the unrestricted cash at year-end, was about 11 percent of General Fund revenue and other financing sources.

**Capital Assets and Debt Administration**

*Capital Assets*

Table 3 shows fiscal 2010 balances of Capital Assets as compared to 2009:

Table 3  
Capital Assets at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 2,017,826	\$ 2,017,826	\$ 39,516	\$ 39,516	\$ 2,057,342	\$ 2,057,342
Land Improvements	203,158	203,158	0	0	203,158	203,158
Right of Way	0	0	250,000	250,000	250,000	250,000
Construction in Progress	2,951,171	1,892,166	1,896,782	1,035,202	4,847,953	2,927,368
Land Improvements	3,410,560	3,511,830	0	0	3,410,560	3,511,830
Buildings	23,252,263	23,839,090	0	0	23,252,263	23,839,090
Equipment	301,034	62,286	62,407	31,734	363,441	94,020
Vehicles	905,357	1,226,627	6,390	12,414	911,747	1,239,041
Infrastructure:						
Roads	7,610,998	7,840,167	0	0	7,610,998	7,840,167
Sidewalks	785,392	674,702	0	0	785,392	674,702
Traffic Signals	650,515	784,069	0	0	650,515	784,069
Storm Sewers	3,258,490	3,210,407	0	0	3,258,490	3,210,407
Sewer Lines	0	0	16,905,415	16,662,724	16,905,415	16,662,724
Water Mains	<u>4,644,217</u>	<u>4,687,950</u>	<u>0</u>	<u>0</u>	<u>4,644,217</u>	<u>4,687,950</u>
Total Capital Assets	\$ <u>49,990,981</u>	\$ <u>49,950,278</u>	\$ <u>19,160,510</u>	\$ <u>18,031,590</u>	\$ <u>69,151,491</u>	\$ <u>67,981,868</u>

Total Capital Assets for the City as of December 31, 2010 were \$69,151,491, a \$1,169,623 increase over 2009. Capital asset additions of \$3,572,550 were offset by \$121,726 in disposals and \$2,402,927 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 began 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)*  
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**Debt**

On December 31, 2010, the City had \$18,424,118 in bonds and loans outstanding. Table 4 summarizes bonds and loans outstanding.

Table 4  
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 16,784,498	\$ 17,877,319	\$ 0	\$ 0	\$ 16,784,498	\$ 17,877,319
Special Assessment Bonds	550,000	590,000	0	0	550,000	590,000
OPWC Loan	874,770	228,754	0	0	874,770	228,754
OWDA Loan	<u>0</u>	<u>0</u>	<u>214,850</u>	<u>231,400</u>	<u>214,850</u>	<u>231,400</u>
Total Outstanding Debt	\$ <u>18,209,268</u>	\$ <u>18,696,073</u>	\$ <u>214,850</u>	\$ <u>231,400</u>	\$ <u>18,424,118</u>	\$ <u>18,927,473</u>

The outstanding General Obligation Bonds are composed of the following: 1) Rocky River Municipal Court Facility, Series 2002, of \$2,875,000; 2) Various Purpose General Obligation Bonds, Series 2004, of \$7,060,000 and 3) Civic Facility Improvements, Series 2005 of \$6,530,000. There remains unamortized premiums related to these issues of \$319,498.

The principal and interest of 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 principal and interest of the Series 2004 Bonds are paid from monies transferred from the General Fund into the Debt Service Fund. The principal and interest of the Series 2005 Bonds are paid from property tax levy up to 1.0 mill approved for that purpose.

The Special Assessment Bonds consist of Erosion Control A & B Bonds: one for \$325,000 (Series 1998) and one for \$225,000 (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 \$54,843,755 on December 31, 2010.

See Note 17 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, 2010*

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**Current Financial Related Activities**

The City has historically enjoyed steady growth in revenues as a result of a strong tax base and moderate levels of new residential development and at the same time adopted a strong, fiscally responsible financial plan to function within available revenues. Because of economic growth of the tax base, the City has not needed an increase in taxes since 1993.

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](http://www.rrcity.com).

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# City of Rocky River, Ohio

## Statement of Net Assets

**December 31, 2010**

	Governmental Activities	Business - Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 11,056,319	\$ 214,309	\$ 11,270,628
Accrued Interest Receivable	2,035	0	2,035
Accounts Receivable, Net of Allowance			
For Doubtful Accounts	396,420	553,308	949,728
Intergovernmental Receivable	1,859,820	0	1,859,820
Internal Balances	(13,685)	13,685	0
Materials and Supplies Inventory	176,602	11,647	188,249
Prepays	6,048	0	6,048
Taxes Receivable	8,866,204	0	8,866,204
Special Assessments Receivable	705,983	0	705,983
Investment in Joint Venture	0	5,821,706	5,821,706
Deferred Charges	27,890	0	27,890
Nondepreciable Capital Assets	5,172,155	2,186,298	7,358,453
Depreciable Capital Assets, Net	<u>44,818,826</u>	<u>16,974,212</u>	<u>61,793,038</u>
Total Assets	<u>73,074,617</u>	<u>25,775,165</u>	<u>98,849,782</u>
<b>Liabilities:</b>			
Accounts Payable	1,125,153	283,353	1,408,506
Contracts Payable	159,790	0	159,790
Accrued Wages and Benefits	60,221	5,515	65,736
Intergovernmental Payable	718,203	16,174	734,377
Unearned Revenue	6,348,792	0	6,348,792
Retainage Payable	114,030	0	114,030
Accrued Interest Payable	66,499	4,985	71,484
Claims Payable	107,473	0	107,473
Long-Term Liabilities:			
Due within One Year	1,706,241	35,431	1,741,672
Due in More than One Year	<u>21,211,793</u>	<u>306,944</u>	<u>21,518,737</u>
Total Liabilities	<u>31,618,195</u>	<u>652,402</u>	<u>32,270,597</u>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	31,781,713	18,945,660	50,727,373
Restricted for:			
Capital Projects	6,304,738	0	6,304,738
Debt Service	129,556	0	129,556
Municipal Probation Services	387,247	0	387,247
Aging	51,446	0	51,446
Street Construction and Maintenance	414,993	0	414,993
Other Purposes	224,268	0	224,268
Unrestricted	<u>2,162,461</u>	<u>6,177,103</u>	<u>8,339,564</u>
Total Net Assets	<u>\$ 41,456,422</u>	<u>\$ 25,122,763</u>	<u>\$ 66,579,185</u>

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

# City of Rocky River, Ohio

## Statement of Activities

### For The Year Ended December 31, 2010

	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Government activities:				
General Government	\$ 7,598,480	\$ 2,533,392	\$ 45,122	\$ 823,491
Security of Persons and Property	9,010,010	1,105,984	26,864	0
Public Health	1,428,688	495,138	0	0
Transportation	2,385,058	350	775,539	0
Leisure Time Activities	3,948,809	2,118,323	0	0
Community Development	816,485	175	0	0
Basic Utility Service	2,127,597	1,040,871	86,861	463,209
Interest and Fiscal Charges	790,980	0	0	0
Total Governmental Activities	<u>28,106,107</u>	<u>7,294,233</u>	<u>934,386</u>	<u>1,286,700</u>
Business-Type Activities:				
Sewer	<u>2,450,068</u>	<u>1,758,085</u>	<u>0</u>	<u>1,501,035</u>
Total	<u>\$ 30,556,175</u>	<u>\$ 9,052,318</u>	<u>\$ 934,386</u>	<u>\$ 2,787,735</u>

#### General Revenues:

Property Taxes Levied for:

- General Purposes
- Recreation
- Office on Aging
- Refuse and Recycling
- Fire Levy
- Police Levy
- Capital Improvements
- General Obligation Bond Retirement

Municipal Income Taxes Levied for:

- General Purposes
- Franchise Tax
- Admissions Tax
- Grants and Entitlements not Restricted to Specific Programs
- Investment Income
- Other

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

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

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ (4,196,475)	\$ 0	\$ (4,196,475)
(7,877,162)	0	(7,877,162)
(933,550)	0	(933,550)
(1,609,169)	0	(1,609,169)
(1,830,486)	0	(1,830,486)
(816,310)	0	(816,310)
(536,656)	0	(536,656)
<u>(790,980)</u>	<u>0</u>	<u>(790,980)</u>
<u>(18,590,788)</u>	<u>0</u>	<u>(18,590,788)</u>
<u>0</u>	<u>809,052</u>	<u>809,052</u>
<u>(18,590,788)</u>	<u>809,052</u>	<u>(17,781,736)</u>
3,872,423	0	3,872,423
307,335	0	307,335
307,335	0	307,335
614,670	0	614,670
184,401	0	184,401
184,401	0	184,401
614,670	0	614,670
599,627	0	599,627
7,959,539	0	7,959,539
236,114	0	236,114
33,855	0	33,855
2,477,912	0	2,477,912
31,050	0	31,050
41,522	0	41,522
<u>106,197</u>	<u>(106,197)</u>	<u>0</u>
<u>17,571,051</u>	<u>(106,197)</u>	<u>17,464,854</u>
(1,019,737)	702,855	(316,882)
<u>42,476,159</u>	<u>24,419,908</u>	<u>66,896,067</u>
\$ <u><u>41,456,422</u></u>	\$ <u><u>25,122,763</u></u>	\$ <u><u>66,579,185</u></u>

# City of Rocky River, Ohio

## Balance Sheet Governmental Funds

**December 31, 2010**

	General	Recreation Center	General Obligation Bond Retirement
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,147,972	\$ 289,778	\$ 127,225
Accrued Interest Receivable	1,719	0	0
Accounts Receivable, Net of Allowance			
For Doubtful Accounts	312,374	7,750	0
Intergovernmental Receivable	829,263	22,504	48,119
Interfund Receivable	500,000	0	0
Materials and Supplies Inventory	17,700	6,329	0
Municipal Income Taxes Receivable	2,264,193	0	0
Prepays	6,048	0	0
Property Taxes Receivable	3,815,840	302,845	605,689
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Assets</b>	<b>\$ <u>9,895,109</u></b>	<b>\$ <u>629,206</u></b>	<b>\$ <u>781,033</u></b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 298,387	\$ 78,425	\$ 0
Contracts Payable	0	0	0
Accrued Wages and Benefits	20,106	10,010	0
Intergovernmental Payable	256,447	63,387	0
Interfund Payable	0	500,000	0
Deferred Revenue	5,760,894	325,349	653,808
Retainage Payable	<u>4,628</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities</b>	<b><u>6,340,462</u></b>	<b><u>977,171</u></b>	<b><u>653,808</u></b>
<b>Fund Balances:</b>			
Reserve for Encumbrances	353,007	42,425	0
Reserve for Inventory	17,700	6,329	0
Unreserved, Undesignated (Deficit), Reported In:			
General Fund	3,183,940	0	0
Special Revenue Funds	0	(396,719)	0
Debt Service Funds	0	0	127,225
Capital Project Funds	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Balances (Deficit)</b>	<b><u>3,554,647</u></b>	<b><u>(347,965)</u></b>	<b><u>127,225</u></b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ <u>9,895,109</u></b>	<b>\$ <u>629,206</u></b>	<b>\$ <u>781,033</u></b>

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

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<u>Sewer Rehabilitation</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,431,076 0	\$ 1,914,689 97	\$ 3,667,666 219	\$ 10,578,406 2,035
0	0	76,296	396,420
406,559	92,572	460,803	1,859,820
0	0	0	500,000
0	0	152,573	176,602
0	0	0	2,264,193
0	0	0	6,048
0	605,689	1,271,948	6,602,011
<u>0</u>	<u>0</u>	<u>705,983</u>	<u>705,983</u>
\$ <u>2,837,635</u>	\$ <u>2,613,047</u>	\$ <u>6,335,488</u>	\$ <u>23,091,518</u>
\$ 545,095 0 0 0 0 0 0	\$ 0 159,790 0 0 0 650,199 66,755	\$ 203,246 0 30,105 398,369 0 2,304,305 0	\$ 1,125,153 159,790 60,221 718,203 500,000 9,694,555 114,030
<u>42,647</u>	<u>66,755</u>	<u>0</u>	<u>114,030</u>
<u>587,742</u>	<u>876,744</u>	<u>2,936,025</u>	<u>12,371,952</u>
3,151,590 0	1,253,006 0	287,199 152,573	5,087,227 176,602
0	0	0	3,183,940
0	0	772,424	375,705
0	0	2,486	129,711
<u>(901,697)</u>	<u>483,297</u>	<u>2,184,781</u>	<u>1,766,381</u>
<u>2,249,893</u>	<u>1,736,303</u>	<u>3,399,463</u>	<u>10,719,566</u>
\$ <u>2,837,635</u>	\$ <u>2,613,047</u>	\$ <u>6,335,488</u>	\$ <u>23,091,518</u>

# City of Rocky River, Ohio

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

**December 31, 2010**

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Total Governmental Funds Balance \$ 10,719,566

*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. 49,990,981

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

Delinquent Property Taxes	\$ 253,220	
Other Local Taxes	41,685	
Municipal Income Taxes	1,255,692	
Special Assessments	705,983	
Charges for Services	66,206	
Intergovernmental	<u>1,022,977</u>	
Total		3,345,763

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (66,499)

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.

Net Assets	370,440	
Internal Balance	<u>(13,685)</u>	
Total		356,755

Bond issuance costs will be amortized over the life of the bonds on the statement of assets. 27,890

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

General Obligation Bonds	(16,784,498)	
Special Assessments	(550,000)	
Ohio Public Works Commission Loan	(874,770)	
Compensated Absences	(4,187,161)	
Police and Fire Pension Liability	<u>(521,605)</u>	
Total		<u>(22,918,034)</u>

Net Assets of Governmental Activities \$ 41,456,422

The accompanying notes are an integral part of these 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, 2010**

	General	Recreation Center	General Obligation Bond Retirement
Revenues:			
Property Taxes	\$ 3,873,395	\$ 307,412	\$ 599,782
Municipal Income Taxes	8,106,509	0	0
Other Local Taxes	37,189	0	0
Intergovernmental	2,617,257	43,431	86,862
Charges for Services	22,177	2,097,150	0
Fines, Fees and Permits	3,070,179	0	0
Special Assessments	0	0	0
Investment Income	25,156	0	0
Rentals	82,874	21,173	0
Other	99,611	0	0
<b>Total Revenues</b>	<b><u>17,934,347</u></b>	<b><u>2,469,166</u></b>	<b><u>686,644</u></b>
Expenditures:			
Current:			
Security of Persons and Property	7,585,078	0	0
Public Health	0	0	0
Leisure Time Activities	365,989	3,021,489	0
Community Development	792,068	0	0
Basic Utility Service	0	0	0
Transportation	653,615	0	0
General Government	4,959,474	0	0
Capital Outlay	46,291	3,457	0
Debt Service:			
Principal Retirement	0	0	955,000
Interest and Fiscal Charges	0	0	620,068
<b>Total Expenditures</b>	<b><u>14,402,515</u></b>	<b><u>3,024,946</u></b>	<b><u>1,575,068</u></b>
Excess of Revenues Over (Under) Expenditures	<u>3,531,832</u>	<u>(555,780)</u>	<u>(888,424)</u>
Other Financing Sources (Uses):			
Issuance of Debt	0	0	0
Sale of Capital Assets	11,537	0	0
Transfers - In	0	600,000	731,000
Transfers - Out	(4,471,000)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b><u>(4,459,463)</u></b>	<b><u>600,000</u></b>	<b><u>731,000</u></b>
Net Change in Fund Balances	(927,631)	44,220	(157,424)
Fund Balances (Deficit) at Beginning of Year	<u>4,482,278</u>	<u>(392,185)</u>	<u>284,649</u>
Fund Balances (Deficit) at End of Year	\$ <u><u>3,554,647</u></u>	\$ <u><u>(347,965)</u></u>	\$ <u><u>127,225</u></u>

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



Sewer Rehabilitation	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 614,825	\$ 1,291,133	\$ 6,686,547
0	0	0	8,106,509
0	232,780	0	269,969
0	41,944	1,894,411	4,683,905
1,030,670	1,450	484,158	3,635,605
0	550	334,590	3,405,319
0	0	61,788	61,788
0	1,666	4,228	31,050
0	0	0	104,047
0	2,150	5,611	107,372
<u>1,030,670</u>	<u>895,365</u>	<u>4,075,919</u>	<u>27,092,111</u>
0	0	1,400,769	8,985,847
0	0	1,298,805	1,298,805
0	0	0	3,387,478
0	0	0	792,068
1,831,613	0	1,555,516	3,387,129
0	0	1,552,567	2,206,182
0	0	23,541	4,983,015
0	1,262,663	812,988	2,125,399
0	0	183,080	1,138,080
0	0	195,206	815,274
<u>1,831,613</u>	<u>1,262,663</u>	<u>7,022,472</u>	<u>29,119,277</u>
<u>(800,943)</u>	<u>(367,298)</u>	<u>(2,946,553)</u>	<u>(2,027,166)</u>
646,016	0	0	646,016
0	0	0	11,537
0	600,000	2,540,000	4,471,000
0	0	0	(4,471,000)
<u>646,016</u>	<u>600,000</u>	<u>2,540,000</u>	<u>657,553</u>
(154,927)	232,702	(406,553)	(1,369,613)
<u>2,404,820</u>	<u>1,503,601</u>	<u>3,806,016</u>	<u>12,089,179</u>
\$ <u>2,249,893</u>	\$ <u>1,736,303</u>	\$ <u>3,399,463</u>	\$ <u>10,719,566</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, 2010

Net Change in Fund Balances - Total Governmental Funds \$ (1,369,613)

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

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

Capital Outlay	\$	2,025,794	
Capital Assets Transferred		106,197	
Depreciation		<u>(2,091,288)</u>	
Total			40,703

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		(1,685)	
Municipal Income Taxes		(146,970)	
Special Assessments		24,102	
Charges for Services		(2,588)	
Intergovernmental		<u>15,093</u>	
Total			(112,048)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,110,000

Proceeds from debt issues and inceptions of capital leases are other financing sources in the funds, but debt issues and new leases increase long-term liabilities in the Statement of Net Assets (646,016)

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		3,114	
Amortization of Bond Premium		22,821	
Amortization of Issuance Costs		<u>(1,641)</u>	
Total			24,294

(continued)

The accompanying notes are an integral part of these 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, 2010**

---

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)	
Police and Fire Pension Liability	<u>28,080</u>	
Total		27,849

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

Change in Net Assets	(81,221)	
Change in Internal Balance	<u>(13,685)</u>	
Total		<u>(94,906)</u>

Change in Net Assets of Governmental Activities \$ (1,019,737)

The accompanying notes are an integral part of these 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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 4,249,724	\$ 4,249,724	\$ 3,873,395	\$ (376,329)
Municipal Income Taxes	7,614,542	8,000,000	7,973,505	(26,495)
Other Local Taxes	38,073	40,000	33,855	(6,145)
Intergovernmental	2,006,375	2,107,940	2,742,053	634,113
Charges for Services	33,980	35,700	22,177	(13,523)
Rentals	71,387	75,000	82,874	7,874
Fines, Fees, and Permits	3,225,329	3,388,600	3,049,281	(339,319)
Investment Income	171,327	180,000	33,631	(146,369)
Miscellaneous Income	108,385	115,600	99,611	(15,989)
Total Revenues	<u>17,519,122</u>	<u>18,192,564</u>	<u>17,910,382</u>	<u>(282,182)</u>
Expenditures:				
Current:				
General Government	5,727,288	5,898,288	5,501,182	397,106
Security of Persons and Property	8,693,072	8,746,072	8,061,803	684,269
Transportation	801,321	789,321	687,501	101,820
Community Development	908,151	908,151	787,564	120,587
Leisure Time Activities	465,420	451,420	376,306	75,114
Capital Outlay	88,540	76,540	50,164	26,376
Total Expenditures	<u>16,683,792</u>	<u>16,869,792</u>	<u>15,464,520</u>	<u>1,405,272</u>
Excess of Revenues Over (Under) Expenditures	<u>835,330</u>	<u>1,322,772</u>	<u>2,445,862</u>	<u>1,123,090</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	19,036	20,000	110	(19,890)
Transfers - Out	<u>(5,052,000)</u>	<u>(4,866,000)</u>	<u>(4,471,000)</u>	<u>395,000</u>
Total Other Financing Sources (Uses)	<u>(5,032,964)</u>	<u>(4,846,000)</u>	<u>(4,470,890)</u>	<u>375,110</u>
Net Change in Fund Balance	(4,197,634)	(3,523,228)	(2,025,028)	1,498,200
Fund Balance at Beginning of Year	3,566,327	3,566,327	3,566,327	0
Prior Year Encumbrances Appropriated	<u>158,400</u>	<u>158,400</u>	<u>158,400</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>(427,907)</u>	\$ <u>201,499</u>	\$ <u>1,699,699</u>	\$ <u>1,498,200</u>

The accompanying notes are an integral part of these 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, 2010**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 337,280	\$ 337,280	\$ 307,412	\$ (29,868)
Charges for Services	2,262,446	2,211,000	2,095,331	(115,669)
Intergovernmental	0	0	43,431	43,431
Rentals	<u>30,698</u>	<u>30,000</u>	<u>21,173</u>	<u>(8,827)</u>
Total Revenues	<u>2,630,424</u>	<u>2,578,280</u>	<u>2,467,347</u>	<u>(110,933)</u>
Expenditures:				
Current:				
Leisure Time Activities	3,479,038	3,479,038	3,257,597	221,441
Capital Outlay	<u>6,157</u>	<u>6,157</u>	<u>4,028</u>	<u>2,129</u>
Total Expenditures	<u>3,485,195</u>	<u>3,485,195</u>	<u>3,261,625</u>	<u>223,570</u>
Excess of Revenues Over (Under) Expenditures	(854,771)	(906,915)	(794,278)	112,637
Other Financing Sources (Uses):				
Transfers-In	<u>613,961</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Net Change in Fund Balances	(240,810)	(306,915)	(194,278)	112,637
Fund Balance at Beginning of Year	342,605	342,605	342,605	0
Prior Year Encumbrances Appropriated	<u>72,100</u>	<u>72,100</u>	<u>72,100</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>173,895</u>	\$ <u>107,790</u>	\$ <u>220,427</u>	\$ <u>112,637</u>

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

# City of Rocky River, Ohio

## Statement of Fund Net Assets Proprietary Funds

**December 31, 2010**

	<u>Business Type Activities - Sewer</u>	<u>Governmental Activities - Internal Service Fund</u>
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 214,309	\$ 477,913
Accounts Receivable	553,308	0
Materials and Supplies Inventory	<u>11,647</u>	<u>0</u>
Total Current Assets	<u>779,264</u>	<u>477,913</u>
Noncurrent Assets:		
Investment in Joint Venture	5,821,706	0
Nondepreciable Capital Assets	2,186,298	0
Depreciable Capital Assets, Net	<u>16,974,212</u>	<u>0</u>
Total Noncurrent Assets	<u>24,982,216</u>	<u>0</u>
Total Assets	<u>25,761,480</u>	<u>477,913</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	283,353	0
Accrued Wages and Benefits	5,515	0
Intergovernmental Payable	16,174	0
Claims Payable	0	107,473
Accrued Interest Payable	4,985	0
Compensated Absences Payable	18,104	0
OWDA Loans Payable	<u>17,327</u>	<u>0</u>
Total Current Liabilities	<u>345,458</u>	<u>107,473</u>
Long-term Liabilities:		
Accrued Compensated Absences (Net of Current Portion)	109,421	0
OWDA Loans Payable (Net of Current Portion)	<u>197,523</u>	<u>0</u>
Total Long-Term Liabilities	<u>306,944</u>	<u>0</u>
Total Liabilities	<u>652,402</u>	<u>107,473</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	18,945,660	0
Unrestricted	<u>6,163,418</u>	<u>370,440</u>
Total Net Assets	25,109,078	\$ <u><u>370,440</u></u>
Net Assets reported for Business-Type Activities in the Statement of Net Assets are different because they include accumulated overpayments to the Internal Service Fund:		
	<u>13,685</u>	
Net Assets of Business-Type Activities	\$ <u><u>25,122,763</u></u>	

The accompanying notes are an integral part of these 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, 2010

	Business-Type Activities <u>Sewer</u>	Governmental Activities - Internal <u>Fund</u>
Operating Revenues:		
Charges for Services	\$ <u>1,758,085</u>	\$ <u>2,005,733</u>
Operating Expenses:		
Personal Service	594,079	0
Materials and Supplies	52,937	0
Contractual Services	1,462,898	303,879
Capital Outlay	7,708	0
Heat, Light and Power	20,454	0
Depreciation	311,639	0
Other	4,241	0
Claims	<u>0</u>	<u>1,783,075</u>
Total Operating Expenses	<u>2,453,956</u>	<u>2,086,954</u>
Operating Loss	(695,871)	(81,221)
Non-Operating Revenue (Expenses):		
Interest Expense	<u>(9,797)</u>	<u>0</u>
Loss before Capital Contributions and Transfers	(705,668)	(81,221)
Contributed Capital	1,501,035	0
Transfers	<u>(106,197)</u>	<u>0</u>
Total Contributed Capital and Transfers	1,394,838	0
Change in Net Assets	689,170	(81,221)
Net Assets at Beginning of Year		<u>451,661</u>
Net Assets at End of Year		\$ <u><u>370,440</u></u>
Some amount reported for Business-Type Activities in the Statement of Activities are different because of a portion of the Change in Net Assets of the Internal Service Fund is reported with Business-Type Activities:	<u>13,685</u>	
Change in Net Assets of Business-Type Activities	\$ <u><u>702,855</u></u>	

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

# City of Rocky River, Ohio

## Statement of Cash Flows Proprietary Fund Types

### For The Year Ended December 31, 2010

	Business-Type Activities <u>Sewer</u>	Governmental Activities - Internal <u>Fund</u>
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 1,739,031	\$ 2,005,733
Cash Payments for Goods and Services	(1,096,705)	(303,879)
Cash Payments to Employees for Services and Benefits	(613,119)	0
Cash Payments for Claims	0	(1,766,086)
Cash Payments for Other Operating Expenses	<u>(3,865)</u>	<u>0</u>
Net Cash Provided by (used for) Operating Activities	<u>25,342</u>	<u>(64,232)</u>
Cash Flows from Capital and Related Financing Activities:		
Capital Acquisitions	(45,721)	0
Principal Paid on OWDA Loan	(16,550)	0
Interest Paid on OWDA Loan	<u>(10,547)</u>	<u>0</u>
Net Cash Used for Capital Financing Activities	<u>(72,818)</u>	<u>0</u>
Net Decrease Cash and Cash Equivalents	(47,476)	(64,232)
Cash and cash Equivalents at Beginning of Year	<u>261,785</u>	<u>542,145</u>
Cash and Cash Equivalents at End of Year	\$ <u>214,309</u>	\$ <u>477,913</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities:		
Operating Loss	\$ (695,871)	\$ (81,221)
Adjustments:		
Depreciation	311,639	0
Change in Operating Assets and Liabilities:		
Accounts Receivable	(19,054)	0
Materials and Supplies Inventory	4,706	0
Joint Venture	172,466	0
Accounts Payable	269,420	0
Accrued Wages and Benefits	(16,069)	0
Compensated Absences Payable	9,861	0
Intergovernmental Payable	(11,756)	0
Claims Payable	<u>0</u>	<u>16,989</u>
Total Adjustments	<u>721,213</u>	<u>16,989</u>
Net Cash Provided by (used for) Operating Activities	\$ <u>25,342</u>	\$ <u>(64,232)</u>

#### Noncash investing, capital and financing activities:

During the year, the Sewer Fund acquired capital assets in the amount of \$1,501,035 via capital contributions and disposed of \$106,197 in Construction in Progress as a transfer to the Governmental Activities.

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



# City of Rocky River, Ohio

## Statement of Fiduciary Net Assets Fiduciary Funds

**December 31, 2010**

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	<u>Investment Trust</u>	
	<u>Individual Investment Account</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 339,519
Cash and Cash Equivalents:		
In Segregated Accounts	<u>5,416,062</u>	<u>545,794</u>
Total assets	<u>5,416,062</u>	\$ <u>885,313</u>
Liabilities:		
Undistributed Monies	0	\$ 270,305
Deposits Held and Due to Others	<u>0</u>	<u>615,008</u>
Total Liabilities	<u>0</u>	\$ <u>885,313</u>
Net assets:		
Held in trust for participants	\$ <u>5,416,062</u>	

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

# City of Rocky River, Ohio

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

### **For The Year Ended December 31, 2010**

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	<u>Individual Investment Account</u>
Additions:	
Interest	\$ 26,823
Capital transaction - purchases	<u>9,857,962</u>
Total additions	<u>9,884,785</u>
Deductions:	
Capital transaction - redemption	10,190,337
Distributions to participants	<u>30,140</u>
Total deductions	<u>10,220,477</u>
Changes in net assets	(335,692)
Net assets beginning of year	<u>5,751,754</u>
Net assets end of year	\$ <u><u>5,416,062</u></u>

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements

## **For The Year Ended December 31, 2010**

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

The City of Rocky River (City) is a home rule municipal corporation, established under the laws of the State of Ohio and operated under a charter. The charter provides for a 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, 2010**

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

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

The City participates in other organizations: jointly governed organizations and a related organization. See Notes 19 and 24 to the basic financial statements for further information. The City also participates in a Joint Economic Development Zone, see Note 25 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 guidance issued on or before November 30, 1989 by the Financial Accounting Standards Board ("FASB") which established the FASB Accounting Standards Codification ("ASC") as the single source of authoritative accounting principles generally accepted in the United States of America, 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 codification, 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, 2010**

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

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

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

#### ***B. Fund Accounting***

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

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

***General Fund*** The General Fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of the State of Ohio.

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

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

***Sewer Rehabilitation Fund*** The Sewer Rehabilitation Fund accounts for 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.

***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, 2010**

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

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

***Proprietary Funds*** Proprietary fund reporting focuses on the determination of operating income, changes in net 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, 2010**

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

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net 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, 2010**

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### **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, 2010, but which were levied to finance year 2011 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 2010. STAR Ohio is a statewide investment pool managed by the Ohio Treasurer of State. Participation is offered to Ohio political subdivisions as defined in Ohio Revised Code Section 135.45(F)(2)(a). STAR Ohio is not registered with the Securities Exchange Commission (SEC) as an investment company, but maintains a policy to operate as a "2a7 like pool" in a manner consistent with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2010.

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 2010 amounted to \$25,156, which includes \$14,550 assigned from other City funds.



# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2010**

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### **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 2010, investments purchased through this account were limited to a 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 expended/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, 2010 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.

#### ***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, 2010**

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### **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 2010, the City's infrastructure consists of roads, traffic signals, sidewalks, storm sewers, and water mains. In addition, the City has recorded construction in progress for City road and sewer projects initiated in 2010. 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 receivable/payable". Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. See Note 20 for interfund receivables/payables as of December 31, 2010.

#### ***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, 2010**

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### **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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

#### ***N. 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 \$7,512,248 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. 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, 2010**

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

#### ***Q. 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.

#### ***R. 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 2010.

#### ***S. 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.

#### ***T. 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, 2010**

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

#### ***T. 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.

#### ***U. Subsequent Events***

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through July 7, 2011, the date the financial statements were available to be issued.

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

For 2010, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

GASB Statement No. 51 established accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 53 enhances the usefulness and comparability of derivative instrument information reported by state and local governments. This Statement provides a comprehensive framework for measurement, recognition, and disclosure of derivative instrument transactions. The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 58 provides account and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change to the financial statements.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2010

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

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

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

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

#### Net Change in Fund Balance

	<u>General</u>	<u>Recreation Center</u>
GAAP Basis	\$ (927,631)	\$ 44,220
Net Adjustment for Revenue Accruals	(35,392)	(1,819)
Net Adjustment for Expenditure Accruals	(613,732)	(167,328)
Encumbrances	<u>(448,273)</u>	<u>(69,351)</u>
Budget Basis	\$ <u>(2,025,028)</u>	\$ <u>(194,278)</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2010**

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### **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.

At year-end, the carrying amount of the City’s deposits was \$17,221,976 and the bank balance was \$17,546,709. Of the bank balance \$4,798,319 was covered by the FDIC and \$12,748,390 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, 2010, the City has \$350,027 in STAROhio.

*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.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2010**

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### **Note 5: Deposits and Investments (continued)**

#### *Investments (continued)*

*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 and public utility located in the City. Property tax revenue received during 2010 represents collections of the 2009 taxes.

2010 real property taxes were levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by Ohio Revised Code at 35 percent of appraised value. 2010 real property taxes are collected in and intended to finance 2011.

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. 2010 public utility property taxes which became a lien December 31, 2009, were levied after October 1, 2010, and were collected in 2010 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 was 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.



# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2010**

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### **Note 6: Property Taxes (continued)**

The full tax rate for all City operations for the year ended December 31, 2010, was \$10.90 per \$1,000 of assessed value. The full rate for the City is the same as the effective rate. The assessed values of real and public utility upon which 2010 property tax receipts were based as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 686,743,340
Public Utility Real	<u>6,392,090</u>
Total	\$ <u>693,135,430</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.

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, 2010 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 2010 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.

## City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

### **For The Year Ended December 31, 2010**

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#### **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. Corporations and other individual taxpayers must pay their estimated tax quarterly and file a declaration annually. All income tax monies are credited to the General Fund.

By contractual agreement, the Central Collection Agency, a division of the City of Cleveland, administers and collects income taxes for the City. Amounts collected are remitted monthly to the City. Collection fees for 2010 were \$329,921.

#### **Note 8: Receivables**

Receivables at December 31, 2010, 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 \$4,000 in uncollectible billings for user charged services.

Special assessments expected to be collected beyond one year amount to \$510,000 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding is \$156,000 at December 31, 2010.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2010

### Note 9: Capital Assets

A summary of changes in capital assets during 2010 follows:

	<u>Balance</u> <u>12/31/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/10</u>
<b>Governmental Activities</b>				
<i>Capital Assets not Being Depreciated</i>				
Land	\$ 2,017,826	\$ 0	\$ 0	\$ 2,017,826
Land Improvements	203,158	0	0	203,158
Construction in Progress	<u>1,892,166</u>	<u>1,551,397</u>	<u>(492,392)</u>	<u>2,951,171</u>
<i>Total Capital Assets not Being Depreciated</i>	<u>4,113,150</u>	<u>1,551,397</u>	<u>(492,392)</u>	<u>5,172,155</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	4,517,967	13,350	0	4,531,317
Buildings	33,730,576	0	0	33,730,576
Furniture, Fixtures and Equipment	4,123,117	263,536	0	4,386,653
Vehicles	7,433,844	242,247	(119,603)	7,556,488
Infrastructure:				
Roads	23,198,155	276,528	(1,126)	23,473,557
Sidewalks	732,314	130,632	0	862,946
Traffic Signals	2,670,690	0	0	2,670,690
Storm Sewers	4,599,174	106,197	(210)	4,705,161
Water Mains	<u>6,765,062</u>	<u>40,496</u>	<u>0</u>	<u>6,805,558</u>
<i>Total Capital Assets Being Depreciated</i>	<u>87,770,899</u>	<u>1,072,986</u>	<u>(120,939)</u>	<u>88,722,946</u>
Less Accumulated Depreciation:				
Land Improvements	(1,006,137)	(114,620)	0	(1,120,757)
Building	(9,891,486)	(586,827)	0	(10,478,313)
Furniture, Fixtures and Equipment	(4,060,831)	(24,788)	0	(4,085,619)
Vehicles	(6,207,217)	(563,517)	119,603	(6,651,131)
Infrastructure:				
Roads	(15,357,988)	(505,697)	1,126	(15,862,559)
Sidewalks	(57,612)	(19,942)	0	(77,554)
Traffic Signals	(1,886,621)	(133,554)	0	(2,020,175)
Storm Sewers	(1,388,767)	(58,114)	210	(1,446,671)
Water Mains	<u>(2,077,112)</u>	<u>(84,229)</u>	<u>0</u>	<u>(2,161,341)</u>
<i>Total Capital Assets Being Depreciated</i>	<u>(41,933,771)</u>	<u>(2,091,288)</u>	<u>120,939</u>	<u>(43,904,120)</u>
Total Capital Assets Being Depreciated, Net	<u>45,837,128</u>	<u>(1,018,302)</u>	<u>0</u>	<u>44,818,826</u>
Governmental Activities Capital Assets, Net	\$ <u>49,950,278</u>	\$ <u>533,095</u>	\$ <u>(492,392)</u>	\$ <u>49,990,981</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2010

### Note 9: Capital Assets (continued)

	<u>Balance</u> <u>12/31/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/10</u>
<b>Business-Type Activities</b>				
<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>1,035,202</u>	<u>1,501,035</u>	<u>(639,455)</u>	<u>1,896,782</u>
<i>Total Capital Assets not Being Depreciated</i>	<u>1,324,718</u>	<u>1,501,035</u>	<u>(639,455)</u>	<u>2,186,298</u>
<i>Capital Assets Being Depreciated</i>				
Furniture, Fixtures and Equipment	67,522	45,721	0	113,243
Vehicles	540,859	0	0	540,859
Sewer Lines	<u>21,756,337</u>	<u>533,258</u>	<u>(787)</u>	<u>22,288,808</u>
<i>Total Capital Assets Being Depreciated</i>	<u>22,364,718</u>	<u>578,979</u>	<u>(787)</u>	<u>22,942,910</u>
Less Accumulated Depreciation				
Furniture, Fixtures and Equipment	(35,788)	(15,048)	0	(50,836)
Vehicles	(528,445)	(6,024)	0	(534,469)
Sewer Lines	<u>(5,093,613)</u>	<u>(290,567)</u>	<u>787</u>	<u>(5,383,393)</u>
<i>Total Capital Assets Being Depreciated</i>	<u>(5,657,846)</u>	<u>(311,639)</u>	<u>787</u>	<u>(5,968,698)</u>
Total Capital Assets Being Depreciated, Net	<u>16,706,872</u>	<u>267,340</u>	<u>0</u>	<u>16,974,212</u>
Total Business-Type Activities				
Capital Assets, Net	\$ <u>18,031,590</u>	\$ <u>1,768,375</u>	\$ <u>(639,455)</u>	\$ <u>19,160,510</u>

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

General Government	\$ 118,607
Security of Persons and Property	369,201
Public Health	43,517
Transportation	606,057
Community Development	18,599
Basic Utility Service	421,616
Leisure Time Activities	<u>513,691</u>
Total	\$ <u>2,091,288</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2010**

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### **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 \$5,821,706 which represents 25.43 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the Director of Finance, City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116, who serves as fiscal agent.

### **Note 11: Related Party Transactions**

Since the continued existence of the Plant is dependent upon the participation of each member city, all transactions between the Plant and each member city are considered related party transactions. The Plant's transactions during 2010 involving the City of Rocky River, are summarized as follows:

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

Charges for services revenue for 2010 consists of amounts charged to the member cities for wastewater treatment services provided to the member cities' residents and contributions to the Plant for plant and equipment replacement, as follows:

	Charges for <u>Services</u>	<u>Contributions</u>
Rocky River	\$ 1,080,750	\$ 161,735

As of December 31, 2010, the City of Rocky River owed the Plant \$216,150 for the charges discussed above which is recorded as Accounts Payable.

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2010**

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### **Note 12: Risk Management**

The City is exposed to various risks related to damage to, theft of and destruction of assets; torts; errors and omissions; natural disasters; and injuries to employees. During 2010, the City obtained insurance coverage with private insurance carriers to address exposure to certain of these risks.

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

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

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

The City contracts with a third party administrator to process and pay claims and has obtained stop loss coverage for claims individual and aggregate per year claims. The City pays a monthly premium into the Self Insurance Fund for each employee that varies according to employee group. These rates are paid by the fund from which the employees' salary is paid. Incurred but not reported claims of \$107,473 have been accrued as a liability at December 31, 2010 based on an estimate by the third party administrator.

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>
2006	\$ 76,204	\$ 1,593,421	\$ 1,544,522	\$ 125,103
2007	125,103	1,566,834	1,531,017	160,920
2008	160,920	2,226,471	2,100,829	286,562
2009	286,562	1,494,393	1,690,461	90,484
2010	90,484	1,800,064	1,783,075	107,473

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2010**

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### **Note 13: 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, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member directed plan.

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

For 2010, the members and employer contribution rates were consistent across all three plans. For the year ended, December 31 2010, 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 5.5 percent from January 1 through February 28 and 5.0 percent from March 1 through December 31 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, 2010, 2009, and 2008 were \$867,293, \$752,579, and \$664,080, respectively; 86.57 percent has been contributed for 2010, 100 percent for 2009 and 2008. Contributions to the member-directed plan for 2010 were \$25,303 made by the City and \$18,073 made by the plan members.

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2010**

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### **Note 13: Defined Benefit Pension Plans (continued)**

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

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, 2010, 2009, and 2008 for police officers were \$357,644, \$335,592, and \$329,033 and for firefighters were \$414,062, \$391,185, and \$373,526, respectively, equal to the required contributions for each year. The full amount has been contributed for years 2008 and 2009, and 73.95% and 73.25% has been contributed for 2010 for police and firefighters, respectively.

### **Note 14: 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.

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 or 800-222-7377.

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, 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 Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. For 2010, the employer contribution allocated to the health care plan for members in the Traditional Plan was 5.5 percent from January 1 through February 28 and 5.0 percent from March 1 through December 31 of covered payroll. The employer contribution allocated to the health care plan for members in the Combined Plan was



## City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

### **For The Year Ended December 31, 2010**

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#### **Note 14: Postemployment Benefits (continued)**

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

4.73 percent from January 1 through February 28 and 4.23 percent from March 1 through December 31 of covered payroll. The OPERS Board of Trustees 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 allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$495,719, \$550,501, and \$664,080, respectively; 86.57 percent has been contributed for 2010, 100 percent has been contributed for 2009 and 2008.

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 of each year from 2006 to 2008. These rate increases 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 (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by the OP&F. OP&F 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.

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to the Pension Fund, Attention: Chief Financial Officer, 140 E. Town St., Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of the plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 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.

## City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

### **For The Year Ended December 31, 2010**

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#### **Note 14: Postemployment Benefits (continued)**

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, 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 OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's total contributions to OP&F for police and fire for the years ending December 31, 2010, 2009, and 2008 were \$546,985, \$513,258, and \$503,227 and \$576,086, \$544,258, and \$519,688, respectively, of which \$189,341, \$177,666, and \$174,194 and \$162,024, \$153,073, and \$146,162, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2009 and 2008. For 2010, 73.95 percent for police and 73.25 percent for firefighters has been contributed, with the remainder being reported as a liability.

#### **Note 15: 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 960 hours, except for the fire division where a maximum of 1,341 hours may be accumulated. City employees with two or more years of service are paid for their accumulated sick leave upon termination or retirement.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2010

### Note 16: Conduit Debt

#### *West Shore Unitarian Universalist Church*

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

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

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Outstanding 12/31/10</u>	<u>Date of Maturity</u>
Economic Development Revenue Bonds, Series 2005	\$ 1,350,000	Variable	\$ 1,120,456	October 1, 2025

### Note 17: Long-Term Obligations

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

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>General Obligation Bonds</b>			
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
<b>Special Assessment Bonds</b>			
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
<b>OPWC Loans</b>			
Valley View Storm and Sanitary Sewer January 1, 2041	0.00		NA
Hampton Road Storm and Sanitary Sewer	0.00	NA	January 1, 2043
<b>OWDA Loan</b>			
2000 Sewer Repair	4.64	328,239	July 1, 2020

NA – Final amount of loan has not been finalized.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2010**

### **Note 17: Long-Term Obligations (continued)**

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

	Outstanding 12/31/09	Additions	Reductions	Outstanding 12/31/10	Amount Due in One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
2005 Civic Facility Improvements	\$ 6,875,000	\$ 0	\$ 345,000	\$ 6,530,000	\$ 355,000
2002 Municipal Court Facility	2,990,000	0	115,000	2,875,000	120,000
2004 General Purpose	7,670,000	0	610,000	7,060,000	615,000
Unamortized Premium	<u>342,319</u>	<u>0</u>	<u>22,821</u>	<u>319,498</u>	<u>0</u>
Total General Obligation Bonds	<u>17,877,319</u>	<u>0</u>	<u>1,092,821</u>	<u>16,784,498</u>	<u>1,090,000</u>
<b>Special Assessment Bonds</b>					
2000 Erosion Control (B)	240,000	0	15,000	225,000	15,000
1998 Erosion Control (A)	<u>350,000</u>	<u>0</u>	<u>25,000</u>	<u>325,000</u>	<u>25,000</u>
Total Special Assessment Bonds	<u>590,000</u>	<u>0</u>	<u>40,000</u>	<u>550,000</u>	<u>40,000</u>
<b>Ohio Public Works Commission (OPWC) Loans</b>					
Valley View Storm and Sanitary Sewer Improvement	228,754	469,041	0	697,795	0
Hampton Road Storm and Sanitary Sewer Improvement	<u>0</u>	<u>176,975</u>	<u>0</u>	<u>176,975</u>	<u>0</u>
Total OPWC Loans	<u>228,754</u>	<u>646,016</u>	<u>0</u>	<u>874,770</u>	<u>0</u>
Compensated Absences Payable	4,186,930	1,556,760	1,556,529	4,187,161	546,955
Police and Fire Pension Liability	<u>549,685</u>	<u>0</u>	<u>28,080</u>	<u>521,605</u>	<u>29,286</u>
<b>Total Governmental Activities</b>	<b>\$ <u>23,432,688</u></b>	<b>\$ <u>2,202,776</u></b>	<b>\$ <u>2,717,430</u></b>	<b>\$ <u>22,918,034</u></b>	<b>\$ <u>1,706,241</u></b>
<b>Business Type Activities</b>					
OWDA Loan	\$ 231,400	\$ 0	\$ 16,550	\$ 214,850	\$ 17,327
Compensated Absences Payable	<u>117,664</u>	<u>47,736</u>	<u>37,875</u>	<u>127,525</u>	<u>18,104</u>
Total Business Type Activities	<u>\$ 349,064</u>	<u>\$ 47,736</u>	<u>\$ 54,425</u>	<u>\$ 342,375</u>	<u>\$ 35,431</u>

## City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

### **For The Year Ended December 31, 2010**

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#### **Note 17: 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.

During 2009, the City obtained an Ohio Public Works Commission (OPWC) loan for the Valley View Storm and Sanitary Sewer Improvements to be repaid in semi-annual principal payments of approximately \$49,795 beginning in July 2011 for an estimated 30 years. OPWC has authorized this loan up to \$2,987,712. The above represents the monies drawn against this loan and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

Also during 2009, the City obtained a second Ohio Public Works Commission (OPWC) loan for the Hampton Road Storm and Sanitary Sewer Improvements to be repaid in semi-annual principal payments of approximately \$63,112 beginning in July 2013 for an estimated 30 years. OPWC has authorized this loan up to \$3,786,720. The above represents the monies drawn against this loan and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

During 2010, the City obtained an OPWC loan for the Frazier Drive Improvements to be repaid in semi-annual principal payments of approximately \$54,619 beginning in July 2014 for an estimated 30 years. OPWC has authorized this loan up to \$3,277,120. No draws have been made against this loan and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2010

### **Note 17: Long-Term Obligations (continued)**

The City's overall legal debt margin was \$54,843,755 at December 31, 2010. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2010, 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>
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	1,155,000	613,475	40,000	22,475	33,224	17,922	1,228,224	653,872
2015	930,000	569,413	40,000	20,463	34,651	16,495	1,004,651	606,371
2016-2020	5,310,000	2,130,326	200,000	71,163	171,671	59,034	5,681,672	2,260,523
2021-2025	5,290,000	752,400	150,000	20,025	66,339	34,355	5,506,339	806,780
2026-2030	460,000	33,013	0	0	81,864	18,831	541,864	51,844
2031-2035	0	0	0	0	42,171	2,490	42,171	2,490
Total	\$ <u>16,465,000</u>	\$ <u>6,171,613</u>	\$ <u>550,000</u>	\$ <u>213,514</u>	\$ <u>521,605</u>	\$ <u>210,881</u>	\$ <u>17,536,606</u>	\$ <u>6,596,008</u>

<u>Business Type Activity</u>		
<u>OWDA Loan</u>		
	<u>Principal</u>	<u>Interest</u>
2011	\$ 17,327	\$ 9,771
2012	18,140	8,956
2013	18,992	8,106
2014	19,884	7,214
2015	20,817	6,281
2016-2020	<u>119,690</u>	<u>15,798</u>
Total	\$ <u>214,850</u>	\$ <u>56,126</u>

### **Note 18: Litigation**

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

### **Note 19: 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.

## City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

### **For The Year Ended December 31, 2010**

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#### **Note 19: Jointly Governed Organizations**

##### ***A. West Shore Council of Governments (continued)***

The West Shore Council is governed by a board comprised of one member from each member city. The board exercises control over the operation of the West Shore Council including budgeting, appropriating, contracting and administration. The West Shore Council board adopts an annual budget governing its activities for that year. Each city's degree of control is limited to its representation on the board. In 2010, the City contributed \$38,220 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. In 2010, the City contributed \$2,000 to the Tri-City Park Council.

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.

Each city's degree of control is limited to its representation on the board. The City made no contributions to the SAFE Council in 2010.

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.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2010

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

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

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

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

The City made no contributions to the Water Council in 2010. The organizing agreement provides for the assessment of dues to members; however, no dues have been assessed since the inception of the Water Council.

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

### **Note 20: 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, 2010 were as follows:

<u>Transfer to</u>	<u>Transfer from</u>		
	<u>General</u>	<u>Sewer Fund</u>	<u>Total</u>
Recreation Center	\$ 600,000	\$ 0	\$ 600,000
General Obligation Bond Retirement	731,000	0	731,000
Capital Improvements	600,000	0	600,000
Other Governmental Funds	<u>2,540,000</u>	<u>0</u>	<u>2,540,000</u>
Subtotal Fund Transfers	<u>4,471,000</u>	<u>0</u>	<u>4,471,000</u>
Governmental Activities	<u>0</u>	<u>106,197</u>	<u>106,197</u>
Total Transfers	\$ <u>4,471,000</u>	\$ <u>106,197</u>	\$ <u>4,577,197</u>

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

During the year ended December 31, 2008, the General Fund advanced the Recreation Center Special Revenue Fund \$500,000, which created an Interfund Receivable / Payable. The advance was for monies that are expected to be repaid by December 31, 2011. No payments have been made during 2010.



# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2010

### **Note 21: Contractual Commitments**

At December 31, 2010, the City's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Court Computer Equipment Purchase	\$ 184,529	\$ 97,786	\$ 86,743
Elmwood Road Sewer Rehabilitation	926,417	782,283	144,134
Emergency Sewer Repairs	100,000	55,311	44,689
Hampton Road Watermain Rehabilitation	136,125	120,480	15,645
Lake Road Reconstruction	1,473,690	567,281	906,409
Salt Barn	196,224	0	196,224
Sanitary Sewer Engineering	599,237	434,030	165,207
Schlather Lane Slope Repair	70,000	0	70,000
Sewer Televising	75,000	70,967	4,033
Social Services Contract	29,000	12,200	16,800
Street, Sidewalk, and Curb Repair	100,000	62,081	37,919
Valley View Sewer Rehabilitation	<u>3,485,576</u>	<u>180,844</u>	<u>3,304,732</u>
Total	\$ <u>7,375,798</u>	\$ <u>2,383,263</u>	\$ <u>4,992,535</u>

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

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

#### *A. Accountability*

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

There are deficits in the Recreation Center, Refuse and Recycling, Fire Levy and Police Levy Special Revenue Funds of \$347,965, \$6,870, \$126,171 and \$109,423, respectively, caused by the application of accounting principles generally accepted in the United State of America to the fund. The General Fund is liable for any deficit in the fund and provides operating transfers when cash is required, not when accruals occur.

#### *B. Compliance*

The following had original appropriations in excess of the original estimated resources plus available balances for 2010, contrary to Ohio Revised Code, Section 5705.39:

	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund	\$ 21,104,485	\$ 21,577,392	\$ 472,907
Special Revenue Funds:			
Refuse and Recycling Fund	1,689,252	1,761,854	72,602
Motor Vehicle License Tax Fund	393,030	404,508	11,478
Capital Projects Funds:			
Sewer Rehabilitation Fund	2,221,389	5,599,336	3,377,947
Capital Improvement Fund	1,467,903	3,890,500	2,422,597

# City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2010**

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### **Note 23: 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 2010 was \$20,000.

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

2011	\$	20,000
2012		<u>11,667</u>
	\$	<u>31,667</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, 2010 was \$40,000.

In March 2009, the City entered into a 2 year lease agreement for police motorcycles. The total rental expense for year ended December 31, 2010 was \$1,805.

Future minimum rental payments for these leases are as follows:

2011	\$	40,301
2012		30,000
2013		20,000
2014		20,000
2015		20,000
2016-2020		<u>100,000</u>
	\$	<u>230,301</u>

### **Note 24: 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, 2010, the CIC has no assets or liabilities. The CIC has had no financial activity since 2005.

## City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

### **For The Year Ended December 31, 2010**

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#### **Note 25: Joint Economic Development Zone**

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

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

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

#### **Note 26: Subsequent Events**

In April 2011, the City began the process to advance refund the outstanding 2002 Municipal Court Facility General Obligation Bonds. Court officials authorized a contribution that is expected to shorten the debt service retirement schedule by about five years.

# City of Rocky River, Ohio

Combining Statements  
Non-Major Government Funds  
Fund Descriptions

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## Non-major Special Revenue Funds

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

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

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

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

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

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

**Mediation Services Fund** – To account for the collection of fees for all civil cases except cognovit notes and domestic relations filings pursuant to 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

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

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

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

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

**Indigent Driver Alcohol Monitoring (IDAM) Fund** - To account for mandatory minimum fine amounts established pursuant to Ohio 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.

**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, 2010**

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,412,553	\$ 2,838	\$ 2,252,275	\$ 3,667,666
Accrued Interest Receivable	54	0	165	219
Accounts Receivable	22,293	0	54,003	76,296
Intergovernmental Receivable	456,743	0	4,060	460,803
Materials and Supplies Inventory	152,573	0	0	152,573
Taxes Receivable	1,271,948	0	0	1,271,948
Special Assessments Receivable	<u>0</u>	<u>705,983</u>	<u>0</u>	<u>705,983</u>
 Total Assets	 <u>\$ 3,316,164</u>	 <u>\$ 708,821</u>	 <u>\$ 2,310,503</u>	 <u>\$ 6,335,488</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 188,701	\$ 0	\$ 14,545	\$ 203,246
Accrued Wages and Benefits	29,671	0	434	30,105
Intergovernmental Payable	390,739	352	7,278	398,369
Deferred Revenue	<u>1,598,322</u>	<u>705,983</u>	<u>0</u>	<u>2,304,305</u>
 Total Liabilities	 <u>2,207,433</u>	 <u>706,335</u>	 <u>22,257</u>	 <u>2,936,025</u>
<b>Fund Balances:</b>				
Reserve for Encumbrances	183,734	0	103,465	287,199
Reserve for Inventory	152,573	0	0	152,573
Unreserved, Undesignated, Reported In:				
Special Revenue Funds	772,424	0	0	772,424
Debt Service Fund	0	2,486	0	2,486
Capital Projects Funds	<u>0</u>	<u>0</u>	<u>2,184,781</u>	<u>2,184,781</u>
 Total Fund Balances	 <u>1,108,731</u>	 <u>2,486</u>	 <u>2,288,246</u>	 <u>3,399,463</u>
 Total Liabilities and Fund Balances	 <u>\$ 3,316,164</u>	 <u>\$ 708,821</u>	 <u>\$ 2,310,503</u>	 <u>\$ 6,335,488</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, 2010**

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:				
Property Taxes	\$ 1,291,133	\$ 0	\$ 0	\$ 1,291,133
Intergovernmental	1,070,920	0	823,491	1,894,411
Charges for Services	484,158	0	0	484,158
Fees, Fines and Permits	280,587	0	54,003	334,590
Special Assessments	0	61,788	0	61,788
Investment Income	413	0	3,815	4,228
Other	<u>5,611</u>	<u>0</u>	<u>0</u>	<u>5,611</u>
 Total Revenues	 <u>3,132,822</u>	 <u>61,788</u>	 <u>881,309</u>	 <u>4,075,919</u>
Expenditures:				
Current:				
Security of Persons and Property	1,400,769	0	0	1,400,769
Public Health	1,298,805	0	0	1,298,805
Basic Utility Service	1,555,516	0	0	1,555,516
Transportation	1,552,567	0	0	1,552,567
General Government	23,541	0	0	23,541
Capital Outlay	76,200	0	736,788	812,988
Debt Service:				
Principal Retirement	28,080	40,000	115,000	183,080
Interest and Fiscal Charges	<u>25,092</u>	<u>31,401</u>	<u>138,713</u>	<u>195,206</u>
 Total Expenditures	 <u>5,960,570</u>	 <u>71,401</u>	 <u>990,501</u>	 <u>7,022,472</u>
Excess of Revenues Over (Under) Expenditures	(2,827,748)	(9,613)	(109,192)	(2,946,553)
Other Financing Sources (Uses):				
Transfers – In	<u>2,440,000</u>	<u>0</u>	<u>100,000</u>	<u>2,540,000</u>
Net Change In Fund Balances	(387,748)	(9,613)	(9,192)	(406,553)
Fund Balances (Deficit) at Beginning of Year	<u>1,496,479</u>	<u>12,099</u>	<u>2,297,438</u>	<u>3,806,016</u>
Fund Balances at End of Year	\$ <u>1,108,731</u>	\$ <u>2,486</u>	\$ <u>2,288,246</u>	\$ <u>3,399,463</u>

# City of Rocky River, Ohio

## Combining Balance Sheet Non-Major Special Revenue Funds

**December 31, 2010**

	<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	\$ 98,772	\$ 6,332	\$ 137,683	\$ 13,861
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	3,073	0	2,667	120
Intergovernmental Receivable	8,387	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>110,232</u>	\$ <u>6,332</u>	\$ <u>140,350</u>	\$ <u>13,981</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 2,240	\$ 0	\$ 18,358	\$ 198
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	96	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>2,240</u>	<u>96</u>	<u>18,358</u>	<u>198</u>
Fund Balances:				
Reserve for Encumbrances	0	0	2,500	0
Reserve for Inventory	0	0	0	0
Unreserved, Undesignated (Deficit)	<u>107,992</u>	<u>6,236</u>	<u>119,492</u>	<u>13,783</u>
Total Fund Balances (Deficit)	<u>107,992</u>	<u>6,236</u>	<u>121,992</u>	<u>13,783</u>
Total Liabilities and Fund Balances	\$ <u>110,232</u>	\$ <u>6,332</u>	\$ <u>140,350</u>	\$ <u>13,981</u>



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<u>Municipal Probation Services</u>	<u>Mediation Services</u>	<u>Federal Emergency Management Agency</u>	<u>Office on Aging</u>	<u>Marine Patrol</u>
\$ 393,032	\$ 68,119	\$ 1,357	\$ 48,506	\$ 3,866
54	0	0	0	0
15,173	1,260	0	0	0
0	0	0	22,504	0
0	0	0	46,937	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>302,845</u>	<u>0</u>
\$ <u>408,259</u>	\$ <u>69,379</u>	\$ <u>1,357</u>	\$ <u>420,792</u>	\$ <u>3,866</u>
\$ 16,318	\$ 0	\$ 910	\$ 17,477	\$ 34
807	174	0	3,798	0
3,887	489	0	22,645	789
<u>0</u>	<u>0</u>	<u>0</u>	<u>325,349</u>	<u>0</u>
<u>21,012</u>	<u>663</u>	<u>910</u>	<u>369,269</u>	<u>823</u>
1,060	0	0	8,967	0
0	0	0	46,937	0
<u>386,187</u>	<u>68,716</u>	<u>447</u>	<u>(4,381)</u>	<u>3,043</u>
<u>387,247</u>	<u>68,716</u>	<u>447</u>	<u>51,523</u>	<u>3,043</u>
\$ <u>408,259</u>	\$ <u>69,379</u>	\$ <u>1,357</u>	\$ <u>420,792</u>	\$ <u>3,866</u>

(continued)

# City of Rocky River, Ohio

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

**December 31, 2010**

	<u>Community Impacts</u>	<u>Refuse and Recycling</u>	<u>Motor Vehicle License Tax</u>	<u>Street Repair and Maintenance</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,312	\$ 80,881	\$ 32,977	\$ 271,777
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	45,009	3,492	319,112
Materials and Supplies Inventory	0	3,858	0	101,778
Taxes Receivable	<u>0</u>	<u>605,689</u>	<u>0</u>	<u>0</u>
 Total Assets	 \$ <u>3,312</u>	 \$ <u>735,437</u>	 \$ <u>36,469</u>	 \$ <u>692,667</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 0	\$ 45,233	\$ 2,415	\$ 28,865
Accrued Wages and Benefits	0	11,880	2,278	10,734
Intergovernmental Payable	0	34,496	8,127	23,609
Deferred Revenue	<u>0</u>	<u>650,698</u>	<u>0</u>	<u>214,466</u>
 Total Liabilities	 <u>0</u>	 <u>742,307</u>	 <u>12,820</u>	 <u>277,674</u>
Fund Balances:				
Reserve for Encumbrances	0	28,435	7,664	109,710
Reserve for Inventory	0	3,858	0	101,778
Unreserved, Undesignated (Deficit)	<u>3,312</u>	<u>(39,163)</u>	<u>15,985</u>	<u>203,505</u>
 Total Fund Balances (Deficit)	 <u>3,312</u>	 <u>(6,870)</u>	 <u>23,649</u>	 <u>414,993</u>
 Total Liabilities and Fund Balances	 \$ <u>3,312</u>	 \$ <u>735,437</u>	 \$ <u>36,469</u>	 \$ <u>692,667</u>

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<u>State Highway</u>	<u>Indigent Driver Alcohol Monitoring</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>Total Non-major Special Revenue Funds</u>
\$ 120,122	\$ 70,949	\$ 27,929	\$ 33,078	\$ 1,412,553
0	0	0	0	54
0	0	0	0	22,293
25,874	5,359	13,503	13,503	456,743
0	0	0	0	152,573
<u>0</u>	<u>0</u>	<u>181,707</u>	<u>181,707</u>	<u>1,271,948</u>
\$ <u>145,996</u>	\$ <u>76,308</u>	\$ <u>223,139</u>	\$ <u>228,288</u>	\$ <u>3,316,164</u>
\$ 51,163	\$ 5,490	\$ 0	\$ 0	\$ 188,701
0	0	0	0	29,671
0	0	154,100	142,501	390,739
<u>17,389</u>	<u>0</u>	<u>195,210</u>	<u>195,210</u>	<u>1,598,322</u>
<u>68,552</u>	<u>5,490</u>	<u>349,310</u>	<u>337,711</u>	<u>2,207,433</u>
23,848	0	550	1,000	183,734
0	0	0	0	152,573
<u>53,596</u>	<u>70,818</u>	<u>(126,721)</u>	<u>(110,423)</u>	<u>772,424</u>
<u>77,444</u>	<u>70,818</u>	<u>(126,171)</u>	<u>(109,423)</u>	<u>1,108,731</u>
\$ <u>145,996</u>	\$ <u>76,308</u>	\$ <u>223,139</u>	\$ <u>228,288</u>	\$ <u>3,316,164</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, 2010**

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	39,687	0	0	0
Charges for Services	0	0	0	0
Fees, Fines and Permits	4,253	6,375	62,693	2,757
Investment Income	0	0	0	0
Other	0	0	0	0
<b>Total Revenues</b>	<b>43,940</b>	<b>6,375</b>	<b>62,693</b>	<b>2,757</b>
Expenditures:				
Current:				
Security of Persons and Property	3,992	3,808	40,733	2,371
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	45,238	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>49,230</b>	<b>3,808</b>	<b>40,733</b>	<b>2,371</b>
Excess of Revenues Over (Under) Expenditures	(5,290)	2,567	21,960	386
Other Financing Sources (Uses):				
Transfers – In	0	0	0	0
<b>Net Change in Fund Balances</b>	<b>(5,290)</b>	<b>2,567</b>	<b>21,960</b>	<b>386</b>
Fund Balances (Deficit) at Beginning of Year	113,282	3,669	100,032	13,397
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ 107,992</b>	<b>\$ 6,236</b>	<b>\$ 121,992</b>	<b>\$ 13,783</b>

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<u>Municipal Probation Services</u>	<u>Mediation Services</u>	<u>Federal Emergency Management Agency</u>	<u>Office on Aging</u>	<u>Marine Patrol</u>
\$ 0	\$ 0	\$ 0	\$ 307,412	\$ 0
0	0	1,300	43,431	26,864
0	0	0	473,957	0
189,159	15,350	0	0	0
413	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>932</u>	<u>0</u>
<u>189,572</u>	<u>15,350</u>	<u>1,300</u>	<u>825,732</u>	<u>26,864</u>
218,694	0	910	0	57,356
0	0	0	1,298,805	0
0	0	0	0	0
0	0	0	0	0
4,694	18,847	0	0	0
0	0	0	0	3,965
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>223,388</u>	<u>18,847</u>	<u>910</u>	<u>1,298,805</u>	<u>61,321</u>
(33,816)	(3,497)	390	(473,073)	(34,457)
<u>0</u>	<u>0</u>	<u>0</u>	<u>400,000</u>	<u>30,000</u>
(33,816)	(3,497)	390	(73,073)	(4,457)
<u>421,063</u>	<u>72,213</u>	<u>57</u>	<u>124,596</u>	<u>7,500</u>
\$ <u><u>387,247</u></u>	\$ <u><u>68,716</u></u>	\$ <u><u>447</u></u>	\$ <u><u>51,523</u></u>	\$ <u><u>3,043</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, 2010**

	Community Impacts	Refuse and Recycling	Motor Vehicle License Tax	Street Repair and Maintenance
Revenues:				
Property Taxes	\$ 0	\$ 614,825	\$ 0	\$ 0
Intergovernmental	0	86,861	39,826	680,201
Charges for Services	0	10,201	0	0
Fees, Fines and Permits	0	0	0	0
Investment Income	0	0	0	0
Other	0	4,679	0	0
<b>Total Revenues</b>	<b>0</b>	<b>716,566</b>	<b>39,826</b>	<b>680,201</b>
Expenditures:				
Current:				
Security of Persons and Property	0	0	10,407	0
Public Health	0	0	0	0
Basic Utility Service	0	1,555,516	0	0
Transportation	0	0	338,064	1,157,561
General Government	0	0	0	0
Capital Outlay	0	10	510	13,710
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>1,555,526</b>	<b>348,981</b>	<b>1,171,271</b>
Excess of Revenues Over (Under) Expenditures	0	(838,960)	(309,155)	(491,070)
Other Financing Sources (Uses):				
Transfers – In	0	810,000	275,000	500,000
<b>Net Change in Fund Balances</b>	<b>0</b>	<b>(28,960)</b>	<b>(34,155)</b>	<b>8,930</b>
Fund Balances (Deficit) at Beginning of Year				
	3,312	22,090	57,804	406,063
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ 3,312</b>	<b>\$ (6,870)</b>	<b>\$ 23,649</b>	<b>\$ 414,993</b>

<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	\$ 184,448	\$ 184,448	\$ 1,291,133
55,512	45,122	26,058	26,058	1,070,920
0	0	0	0	484,158
0	0	0	0	280,587
0	0	0	0	413
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,611</u>
<u>55,512</u>	<u>45,122</u>	<u>210,506</u>	<u>210,506</u>	<u>3,132,822</u>
0	0	546,983	515,515	1,400,769
0	0	0	0	1,298,805
0	0	0	0	1,555,516
56,942	0	0	0	1,552,567
0	0	0	0	23,541
0	12,767	0	0	76,200
0	0	7,667	20,413	28,080
<u>0</u>	<u>0</u>	<u>12,472</u>	<u>12,620</u>	<u>25,092</u>
<u>56,942</u>	<u>12,767</u>	<u>567,122</u>	<u>548,548</u>	<u>5,960,570</u>
(1,430)	32,355	(356,616)	(338,042)	(2,827,748)
<u>0</u>	<u>0</u>	<u>200,000</u>	<u>225,000</u>	<u>2,440,000</u>
(1,430)	32,355	(156,616)	(113,042)	(387,748)
<u>78,874</u>	<u>38,463</u>	<u>30,445</u>	<u>3,619</u>	<u>1,496,479</u>
\$ <u><u>77,444</u></u>	\$ <u><u>70,818</u></u>	\$ <u><u>(126,171)</u></u>	\$ <u><u>(109,423)</u></u>	\$ <u><u>1,108,731</u></u>

# City of Rocky River, Ohio

## Combining Balance Sheet Non-Major Capital Projects Funds

**December 31, 2010**

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	<u>Equipment Replacement</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 77,523	\$ 2,174,752	\$ 2,252,275
Accrued Interest Receivable	0	165	165
Accounts Receivable	0	54,003	54,003
Intergovernmental Receivable	<u>4,060</u>	<u>0</u>	<u>4,060</u>
Total Assets	\$ <u>81,583</u>	\$ <u>2,228,920</u>	\$ <u>2,310,503</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 9,567	\$ 4,978	\$ 14,545
Accrued Wages and Benefits	0	434	434
Intergovernmental Payable	<u>0</u>	<u>7,278</u>	<u>7,278</u>
Total Liabilities	<u>9,567</u>	<u>12,690</u>	<u>22,257</u>
Fund Balances:			
Reserve for Encumbrances	1,897	101,568	103,465
Unreserved, Undesignated	<u>70,119</u>	<u>2,114,662</u>	<u>2,184,781</u>
Total Fund Balances	<u>72,016</u>	<u>2,216,230</u>	<u>2,288,246</u>
Total Liabilities and Fund Balances	\$ <u>81,583</u>	\$ <u>2,228,920</u>	\$ <u>2,310,503</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, 2010**

	<u>Equipment Replacement</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
Revenues:			
Intergovernmental	\$ 40,209	\$ 783,282	\$ 823,491
Fees, Fines, and Permits	0	54,003	54,003
Investment Income	<u>0</u>	<u>3,815</u>	<u>3,815</u>
Total Revenues	<u>40,209</u>	<u>841,100</u>	<u>881,309</u>
Expenditures:			
Capital Outlay	223,914	512,874	736,788
Debt Service:			
Principal Retirement	0	115,000	115,000
Interest and Fiscal Charges	<u>0</u>	<u>138,713</u>	<u>138,713</u>
Total Expenditures	<u>223,914</u>	<u>766,587</u>	<u>990,501</u>
Excess of Revenues Over (Under) Expenditures	(183,705)	74,513	(109,192)
Other Financing Sources (Uses):			
Transfers-In	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Net Change in Fund Balances	(83,705)	74,513	(9,192)
Fund Balances at Beginning of Year	<u>155,721</u>	<u>2,141,717</u>	<u>2,297,438</u>
Fund Balances at End of Year	\$ <u><u>72,016</u></u>	\$ <u><u>2,216,230</u></u>	\$ <u><u>2,288,246</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, 2010

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,249,724	\$ 4,249,724	\$ 3,873,395	\$ (376,329)
Municipal Income Taxes	7,614,542	8,000,000	7,973,505	(26,495)
Other Local Taxes	38,073	40,000	33,855	(6,145)
Intergovernmental	2,006,375	2,107,940	2,742,053	634,113
Charges for Services	33,980	35,700	22,177	(13,523)
Rentals	71,387	75,000	82,874	7,874
Fines, Fees, and Permits	3,225,329	3,388,600	3,049,281	(339,319)
Investment Income	171,327	180,000	33,631	(146,369)
Miscellaneous Income	108,385	115,600	99,611	(15,989)
Total Revenues	<u>17,519,122</u>	<u>18,192,564</u>	<u>17,910,382</u>	<u>(282,182)</u>
Expenditures:				
Current:				
General Government:				
Council:				
Personal Service	125,726	125,726	122,320	3,406
Other	8,550	8,550	1,648	6,902
Total Council	<u>134,276</u>	<u>134,276</u>	<u>123,968</u>	<u>10,308</u>
Mayor:				
Personal Service	183,126	183,126	172,592	10,534
Other	8,755	8,755	4,296	4,459
Total Mayor	<u>191,881</u>	<u>191,881</u>	<u>176,888</u>	<u>14,993</u>
Finance Department:				
Personal Service	298,486	298,486	289,237	9,249
Other	104,367	118,367	111,252	7,115
Total Finance Department	<u>402,853</u>	<u>416,853</u>	<u>400,489</u>	<u>16,364</u>
Law Director:				
Personal Service	119,702	119,702	115,342	4,360
Other	94,348	94,348	85,004	9,344
Total Law Director	<u>214,050</u>	<u>214,050</u>	<u>200,346</u>	<u>13,704</u>
Other Executive Administration:				
Personal Service	196,019	196,019	191,578	4,441
Other	30,238	30,238	17,713	12,525
Total Other Executive Administration	<u>226,257</u>	<u>226,257</u>	<u>209,291</u>	<u>16,966</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, 2010

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Boards and Commissions:				
Personal Service	33,963	33,963	25,403	8,560
Other	<u>43,900</u>	<u>43,900</u>	<u>33,750</u>	<u>10,150</u>
Total Boards and Commissions	<u>77,863</u>	<u>77,863</u>	<u>59,153</u>	<u>18,710</u>
Building Maintenance:				
Personal Service	405,818	400,818	383,980	16,838
Other	<u>399,039</u>	<u>425,039</u>	<u>409,244</u>	<u>15,795</u>
Total Building Maintenance	<u>804,857</u>	<u>825,857</u>	<u>793,224</u>	<u>32,633</u>
Human Resources:				
Personal Service	101,024	101,024	97,247	3,777
Other	<u>46,760</u>	<u>46,760</u>	<u>27,091</u>	<u>19,669</u>
Total Human Resources	<u>147,784</u>	<u>147,784</u>	<u>124,338</u>	<u>23,446</u>
Municipal Courts:				
Personal Service	2,203,177	1,980,539	1,848,369	132,170
Other	<u>299,243</u>	<u>299,243</u>	<u>181,431</u>	<u>117,812</u>
Total Municipal Courts	<u>2,502,420</u>	<u>2,279,782</u>	<u>2,029,800</u>	<u>249,982</u>
Miscellaneous:				
Other	<u>1,025,047</u>	<u>1,383,685</u>	<u>1,383,685</u>	<u>0</u>
Total General Government	<u>5,727,288</u>	<u>5,898,288</u>	<u>5,501,182</u>	<u>397,106</u>
Security of Persons And Property:				
Police Department:				
Personal Service	3,911,942	3,911,942	3,729,037	182,905
Other	<u>537,228</u>	<u>533,228</u>	<u>351,958</u>	<u>181,270</u>
Total Police Department	<u>4,449,170</u>	<u>4,445,170</u>	<u>4,080,995</u>	<u>364,175</u>
Fire Department:				
Personal Service	3,087,483	3,087,483	2,929,177	158,306
Other	<u>389,588</u>	<u>384,588</u>	<u>325,354</u>	<u>59,234</u>
Total Fire Department	<u>3,477,071</u>	<u>3,472,071</u>	<u>3,254,531</u>	<u>217,540</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, 2010

	<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	138,038	138,038	68,343	69,695
Other	<u>151,528</u>	<u>163,528</u>	<u>133,526</u>	<u>30,002</u>
Total Police on Patrol Arresting Speeders	<u>289,566</u>	<u>301,566</u>	<u>201,869</u>	<u>99,697</u>
Street Lighting:				
Other	<u>297,000</u>	<u>347,000</u>	<u>344,698</u>	<u>2,302</u>
Administrative Support:				
Personal Service	<u>180,265</u>	<u>180,265</u>	<u>179,710</u>	<u>555</u>
Total Security of Persons and Property	<u>8,693,072</u>	<u>8,746,072</u>	<u>8,061,803</u>	<u>684,269</u>
Transportation:				
Equipment Repair and Garage:				
Personal Service	654,719	654,719	572,818	81,901
Other	<u>146,602</u>	<u>134,602</u>	<u>114,683</u>	<u>19,919</u>
Total Transportation	<u>801,321</u>	<u>789,321</u>	<u>687,501</u>	<u>101,820</u>
Community Development:				
Community Center:				
Personal Service	571,141	571,141	534,789	36,352
Other	<u>72,956</u>	<u>72,956</u>	<u>58,041</u>	<u>14,915</u>
Total Community Center	<u>644,097</u>	<u>644,097</u>	<u>592,830</u>	<u>51,267</u>
Economic Development:				
Personal Service	150,966	150,966	142,305	8,661
Other	<u>113,088</u>	<u>113,088</u>	<u>52,429</u>	<u>60,659</u>
Total Economic Development	<u>264,054</u>	<u>264,054</u>	<u>194,734</u>	<u>69,320</u>
Total Community Development	<u>908,151</u>	<u>908,151</u>	<u>787,564</u>	<u>120,587</u>
Leisure Time Activities:				
Parks Department:				
Personal Service	353,280	346,280	309,698	36,582
Other	<u>112,140</u>	<u>105,140</u>	<u>66,608</u>	<u>38,532</u>
Total Leisure Time Activities	<u>465,420</u>	<u>451,420</u>	<u>376,306</u>	<u>75,114</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, 2010

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Capital Outlay	<u>88,540</u>	<u>76,540</u>	<u>50,164</u>	<u>26,376</u>
Total Expenditures	<u>16,683,792</u>	<u>16,869,792</u>	<u>15,464,520</u>	<u>1,405,272</u>
Excess of Revenues Over (Under) Expenditures	<u>835,330</u>	<u>1,322,772</u>	<u>2,445,862</u>	<u>1,123,090</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	19,036	20,000	110	(19,890)
Transfers – Out	<u>(5,052,000)</u>	<u>(4,866,000)</u>	<u>(4,471,000)</u>	<u>395,000</u>
Total Other Financing Sources (Uses)	<u>(5,032,964)</u>	<u>(4,846,000)</u>	<u>(4,470,890)</u>	<u>375,110</u>
Net Change in Fund Balance	(4,197,634)	(3,523,228)	(2,025,028)	1,498,200
Fund Balance at Beginning of Year	3,566,327	3,566,327	3,566,327	0
Prior Year Encumbrances Appropriated	<u>158,400</u>	<u>158,400</u>	<u>158,400</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>(427,907)</u>	\$ <u>201,499</u>	\$ <u>1,699,699</u>	\$ <u>1,498,200</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, 2010**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 337,280	\$ 337,280	\$ 307,412	\$ (29,868)
Charges for Services	2,262,446	2,211,000	2,095,331	(115,669)
Intergovernmental	0	0	43,431	43,431
Rentals	<u>30,698</u>	<u>30,000</u>	<u>21,173</u>	<u>(8,827)</u>
Total Revenues	<u>2,630,424</u>	<u>2,578,280</u>	<u>2,467,347</u>	<u>(110,933)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Recreation Center:				
Personal Service	2,205,095	2,255,095	2,200,680	54,415
Other	1,273,943	1,223,943	1,056,917	167,026
Capital Outlay	<u>6,157</u>	<u>6,157</u>	<u>4,028</u>	<u>2,129</u>
Total Expenditures	<u>3,485,195</u>	<u>3,485,195</u>	<u>3,261,625</u>	<u>223,570</u>
Excess of Revenues Over (Under) Expenditures	(854,771)	(906,915)	(794,278)	112,637
Other Financing Sources (Uses):				
Transfers-In	<u>613,961</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Net Change in Fund Balances	(240,810)	(306,915)	(194,278)	112,637
Fund Balance at Beginning of Year	342,605	342,605	342,605	0
Prior Year Encumbrances Appropriated	<u>72,100</u>	<u>72,100</u>	<u>72,100</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>173,895</u>	\$ <u>107,790</u>	\$ <u>220,427</u>	\$ <u>112,637</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, 2010**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 674,560	\$ 674,560	\$ 599,782	\$ (74,778)
Intergovernmental	0	0	86,862	86,862
Total Revenues	<u>674,560</u>	<u>674,560</u>	<u>686,644</u>	<u>12,084</u>
Expenditures:				
Debt Service:				
Principal Retirement	955,000	955,000	955,000	0
Interest and Fiscal Charges	<u>620,100</u>	<u>620,100</u>	<u>620,068</u>	<u>32</u>
Total Expenditures	<u>1,575,100</u>	<u>1,575,100</u>	<u>1,575,068</u>	<u>32</u>
Excess of Revenues Over (Under) Expenditures	(900,540)	(900,540)	(888,424)	12,116
Other Financing Sources (Uses):				
Transfers – In	<u>731,000</u>	<u>731,000</u>	<u>731,000</u>	<u>0</u>
Net Change in Fund Balances	(169,540)	(169,540)	(157,424)	12,116
Fund Balance at Beginning of Year	<u>284,649</u>	<u>284,649</u>	<u>284,649</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>115,109</u>	\$ <u>115,109</u>	\$ <u>127,225</u>	\$ <u>12,116</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, 2010

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 149,687	\$ 810,000	\$ 1,030,670	\$ 220,670
Intergovernmental	<u>555,179</u>	<u>4,060,543</u>	<u>463,209</u>	<u>(3,597,334)</u>
Total Revenue	704,866	4,870,543	1,493,879	(3,376,664)
Expenditures:				
Current:				
Basic Utility Services:				
Sewer Rehabilitation:				
Other	<u>6,830,595</u>	<u>6,830,595</u>	<u>5,458,815</u>	<u>1,371,780</u>
Excess of Revenues Over (Under) Expenditures	(6,125,729)	(1,960,052)	(3,964,936)	(2,004,884)
Other Financing Sources (Uses):				
Proceeds from Debt Issuance	<u>239,457</u>	<u>239,457</u>	<u>239,457</u>	<u>0</u>
Net Change in Fund Balance	(5,886,272)	(1,720,595)	(3,725,479)	(2,004,884)
Fund Balance at Beginning of Year	1,277,066	1,277,066	1,277,066	0
Prior Year Encumbrances Appropriated	<u>1,231,259</u>	<u>1,231,259</u>	<u>1,231,259</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>(3,377,947)</u>	\$ <u>787,730</u>	\$ <u>(1,217,154)</u>	\$ <u>(2,004,884)</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, 2010**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 674,560	\$ 674,560	\$ 614,825	\$ (59,735)
Fees, Fines, And Permits	126	700	550	(150)
Charges For Services	361	2,000	1,450	(550)
Intergovernmental	18,041	100,000	86,861	(13,139)
Special Assessment	361	2,000	0	(2,000)
Investment Income	1,046	5,800	1,815	(3,985)
Other Local Taxes	29,767	165,000	184,718	19,718
Other	<u>433,954</u>	<u>2,405,400</u>	<u>2,150</u>	<u>(2,403,250)</u>
Total Revenues	1,158,216	3,355,460	892,369	(2,463,091)
Expenditures:				
Capital Outlay	<u>5,443,020</u>	<u>5,443,020</u>	<u>2,741,937</u>	<u>2,701,083</u>
Excess of Revenues Over (Under) Expenditures	(4,284,804)	(2,087,560)	(1,849,568)	237,992
Other Financing Sources (Uses):				
Transfers - In	<u>108,245</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Net Change in Fund Balance	(4,176,559)	(1,487,560)	(1,249,568)	237,992
Fund Balance at Beginning of Year	201,442	201,442	201,442	0
Prior Year Encumbrances Appropriated	<u>1,552,520</u>	<u>1,552,520</u>	<u>1,552,520</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>(2,422,597)</u>	\$ <u>266,402</u>	\$ <u>504,394</u>	\$ <u>237,992</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, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ 27,322	\$ 15,000	\$ 1,457	\$ (13,543)
Intergovernmental	<u>27,322</u>	<u>15,000</u>	<u>31,300</u>	<u>16,300</u>
Total Revenues	<u>54,644</u>	<u>30,000</u>	<u>32,757</u>	<u>2,757</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Law Enforcement Trust:				
Personal Service	15,000	15,000	0	15,000
Other	36,569	36,569	2,164	34,405
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>45,238</u>	<u>4,762</u>
Total Expenditures	<u>101,569</u>	<u>101,569</u>	<u>47,402</u>	<u>54,167</u>
Net Change in Fund Balance	(46,925)	(71,569)	(14,645)	56,924
Fund Balance at Beginning of Year	112,548	112,548	112,548	0
Prior Year Encumbrances Appropriated	<u>869</u>	<u>869</u>	<u>869</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>66,492</u>	\$ <u>41,848</u>	\$ <u>98,772</u>	\$ <u>56,924</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, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees and Permits	\$ 3,400	\$ 5,100	\$ 6,375	\$ 1,275
Expenditures:				
Current:				
Security of Persons and Property:				
Commercial Driver Program:				
Personal Service	<u>5,900</u>	<u>9,100</u>	<u>4,238</u>	<u>4,862</u>
Net Change in Fund Balance	(2,500)	(4,000)	2,137	6,137
Fund Balance at Beginning of Year	<u>4,195</u>	<u>4,195</u>	<u>4,195</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>1,695</u></u>	\$ <u><u>195</u></u>	\$ <u><u>6,332</u></u>	\$ <u><u>6,137</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, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ 40,000	\$ 41,000	\$ 62,989	\$ 21,989
Expenditures:				
Current:				
Security of Persons and Property:				
Indigent Driver Alcohol Treatment:				
Other	<u>67,460</u>	<u>67,460</u>	<u>30,906</u>	<u>36,554</u>
Net Change in Fund Balance	(27,460)	(26,460)	32,083	58,543
Fund Balance at Beginning of Year	97,469	97,469	97,469	0
Prior Year Encumbrances Appropriated	<u>2,460</u>	<u>2,460</u>	<u>2,460</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>72,469</u></u>	\$ <u><u>73,469</u></u>	\$ <u><u>132,012</u></u>	\$ <u><u>58,543</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, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ 3,600	\$ 3,600	\$ 2,713	\$ (887)
Expenditures:				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Other	<u>10,200</u>	<u>10,200</u>	<u>2,173</u>	<u>8,027</u>
Net Change in Fund Balance	(6,600)	(6,600)	540	7,140
Fund Balance at Beginning of Year	<u>13,321</u>	<u>13,321</u>	<u>13,321</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>6,721</u></u>	\$ <u><u>6,721</u></u>	\$ <u><u>13,861</u></u>	\$ <u><u>7,140</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, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees, Fines, and Permits	\$ 119,372	\$ 190,000	\$ 187,936	\$ (2,064)
Investment Income	<u>628</u>	<u>1,000</u>	<u>681</u>	<u>(319)</u>
Total Revenues	<u>120,000</u>	<u>191,000</u>	<u>188,617</u>	<u>(2,383)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Municipal Probation Services:				
Personal Service	152,500	156,778	156,778	0
Capital Outlay	8,000	9,000	5,765	3,235
Other	<u>103,041</u>	<u>97,763</u>	<u>63,068</u>	<u>34,695</u>
Total Expenditures	<u>263,541</u>	<u>263,541</u>	<u>225,611</u>	<u>37,930</u>
Net Change in Fund Balance	(143,541)	(72,541)	(36,994)	35,547
Fund Balance at Beginning of Year	420,835	420,835	420,835	0
Prior Year Encumbrances Appropriated	<u>4,541</u>	<u>4,541</u>	<u>4,541</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>281,835</u>	\$ <u>352,835</u>	\$ <u>388,382</u>	\$ <u>35,547</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, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ 18,000	\$ 20,000	\$ 15,205	\$ (4,795)
Expenditures:				
Current:				
General Government:				
Mediation Services:				
Other	<u>46,300</u>	<u>46,300</u>	<u>19,373</u>	<u>26,927</u>
Net Change in Fund Balance	(28,300)	(26,300)	(4,168)	22,132
Fund Balance at Beginning of Year	<u>72,287</u>	<u>72,287</u>	<u>72,287</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>43,987</u>	\$ <u>45,987</u>	\$ <u>68,119</u>	\$ <u>22,132</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, 2010

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,300</u>	\$ <u>1,300</u>
Net Change in Fund Balance	0	0	1,300	1,300
Fund Balance at Beginning of Year	<u>57</u>	<u>57</u>	<u>57</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>57</u></u>	\$ <u><u>57</u></u>	\$ <u><u>1,357</u></u>	\$ <u><u>1,300</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, 2010

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 337,280	\$ 337,280	\$ 307,412	\$ (29,868)
Intergovernmental	0	0	43,431	43,431
Charges for Services	436,107	432,000	473,957	41,957
Other	<u>1,010</u>	<u>1,000</u>	<u>932</u>	<u>(68)</u>
Total Revenues	<u>774,397</u>	<u>770,280</u>	<u>825,732</u>	<u>55,452</u>
Expenditures:				
Current:				
Public Health Services:				
Office on Aging:				
Personal Service	792,426	792,426	802,076	(9,650)
Other	<u>565,420</u>	<u>565,420</u>	<u>503,312</u>	<u>62,108</u>
Total Expenditures	<u>1,357,846</u>	<u>1,357,846</u>	<u>1,305,388</u>	<u>52,458</u>
Excess of Revenues Over (Under) Expenditures	(583,449)	(587,566)	(479,656)	107,910
Other Financing Sources (Uses):				
Transfers – In	<u>504,754</u>	<u>500,000</u>	<u>400,000</u>	<u>(100,000)</u>
Net Change in Fund Balance	(78,695)	(87,566)	(79,656)	7,910
Fund Balance at Beginning of Year	99,636	99,636	99,636	0
Prior Year Encumbrances Appropriated	<u>13,570</u>	<u>13,570</u>	<u>13,570</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>34,511</u>	\$ <u>25,640</u>	\$ <u>33,550</u>	\$ <u>7,910</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, 2010**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>16,398</u>	\$ <u>24,000</u>	\$ <u>26,864</u>	\$ <u>2,864</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Marine Patrol:				
Personal Service	57,000	57,000	47,927	9,073
Other	<u>18,450</u>	<u>17,450</u>	<u>9,557</u>	<u>7,893</u>
Total Marine Patrol	75,450	74,450	57,484	16,966
Capital Outlay	<u>3,000</u>	<u>4,000</u>	<u>3,965</u>	<u>35</u>
Total Expenditures	<u>78,450</u>	<u>78,450</u>	<u>61,449</u>	<u>17,001</u>
Excess of Revenues Over (Under) Expenditures	(62,052)	(54,450)	(34,585)	19,865
Other Financing Sources (Uses):				
Transfers – In	<u>34,164</u>	<u>50,000</u>	<u>30,000</u>	<u>(20,000)</u>
Net Change in Fund Balance	(27,888)	(4,450)	(4,585)	(135)
Fund Balance at Beginning of Year	<u>8,451</u>	<u>8,451</u>	<u>8,451</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>(19,437)</u></u>	\$ <u><u>4,001</u></u>	\$ <u><u>3,866</u></u>	\$ <u><u>(135)</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, 2010

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General Government:				
Community Impacts:				
Other	\$ <u>3,312</u>	\$ <u>3,312</u>	\$ <u>0</u>	\$ <u>3,312</u>
Net Change in Fund Balance	(3,312)	(3,312)	0	3,312
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><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>3,312</u></u>	\$ <u><u>3,312</u></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, 2010

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 674,560	\$ 674,560	\$ 614,825	\$ (59,735)
Charges for Services	16,171	18,000	10,201	(7,799)
Intergovernmental	0	0	86,861	86,861
Other	<u>5,390</u>	<u>6,000</u>	<u>4,679</u>	<u>(1,321)</u>
Total Revenues	<u>696,121</u>	<u>698,560</u>	<u>716,566</u>	<u>18,006</u>
Expenditures:				
Current:				
Basic Utilities Service:				
Refuse and Recycling:				
Personal Service	1,102,254	1,110,254	1,066,744	43,510
Other	<u>734,027</u>	<u>726,027</u>	<u>648,161</u>	<u>77,866</u>
Total Refuse and Recycling	<u>1,836,281</u>	<u>1,836,281</u>	<u>1,714,905</u>	<u>121,376</u>
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>10</u>	<u>990</u>
Total Expenditures	<u>1,837,281</u>	<u>1,837,281</u>	<u>1,714,915</u>	<u>122,366</u>
Excess of Revenues Over (Under) Expenditures	(1,141,160)	(1,138,721)	(998,349)	140,372
Other Financing Sources (Uses):				
Transfers – In	<u>862,439</u>	<u>960,000</u>	<u>810,000</u>	<u>(150,000)</u>
Net Change in Fund Balance	(278,721)	(178,721)	(188,349)	(9,628)
Fund Balance at Beginning of Year	130,692	130,692	130,692	0
Prior Year Encumbrances Appropriated	<u>75,427</u>	<u>75,427</u>	<u>75,427</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>(72,602)</u>	\$ <u>27,398</u>	\$ <u>17,770</u>	\$ <u>(9,628)</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, 2010**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>35,300</u>	\$ <u>38,000</u>	\$ <u>39,707</u>	\$ <u>1,707</u>
Expenditures:				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Personal Service	315,358	315,358	305,390	9,968
Other	<u>90,306</u>	<u>90,306</u>	<u>64,860</u>	<u>25,446</u>
Total Motor Vehicle License Tax	405,664	405,664	370,250	35,414
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>510</u>	<u>490</u>
Total Expenditures	<u>406,664</u>	<u>406,664</u>	<u>370,760</u>	<u>35,904</u>
Excess of Revenues Over (Under) Expenditures	(371,364)	(368,664)	(331,053)	37,611
Other Financing Sources (Uses):				
Transfers – In	<u>278,686</u>	<u>300,000</u>	<u>275,000</u>	<u>(25,000)</u>
Net Change in Fund Balance	(92,678)	(68,664)	(56,053)	12,611
Fund Balance at Beginning of Year	79,044	79,044	79,044	0
Prior Year Encumbrances Appropriated	<u>2,156</u>	<u>2,156</u>	<u>2,156</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>(11,478)</u>	\$ <u>12,536</u>	\$ <u>25,147</u>	\$ <u>12,611</u>

## City of Rocky River, Ohio

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

#### Street Repair and Maintenance Fund

#### **For The Year Ended December 31, 2010**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>595,385</u>	\$ <u>600,000</u>	\$ <u>686,964</u>	\$ <u>86,964</u>
Expenditures:				
Current:				
Transportation				
Street Repair and Maintenance:				
Personal Service	999,100	999,100	872,460	126,640
Other	<u>564,355</u>	<u>564,355</u>	<u>493,660</u>	<u>70,695</u>
Total Street Repair and Maintenance	1,563,455	1,563,455	1,366,120	197,335
Capital Outlay	<u>35,367</u>	<u>35,367</u>	<u>13,834</u>	<u>21,533</u>
Total Expenditures	<u>1,598,822</u>	<u>1,598,822</u>	<u>1,379,954</u>	<u>218,868</u>
Excess of Revenues Over (Under) Expenditures	(1,003,437)	(998,822)	(692,990)	305,832
Other Financing Sources (Uses):				
Transfers – In	<u>694,615</u>	<u>700,000</u>	<u>500,000</u>	<u>(200,000)</u>
Net Change in Fund Balance	(308,822)	(298,822)	(192,990)	105,832
Fund Balance at Beginning of Year	216,095	216,095	216,095	0
Prior Year Encumbrances Appropriated	<u>118,922</u>	<u>118,922</u>	<u>118,922</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>26,195</u></u>	\$ <u><u>36,195</u></u>	\$ <u><u>142,027</u></u>	\$ <u><u>105,832</u></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, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 47,600	\$ 49,900	\$ 56,060	\$ 6,160
Expenditures:				
Current:				
Transportation:				
State Highway Patrol:				
Other	<u>127,800</u>	<u>127,800</u>	<u>108,288</u>	<u>19,512</u>
Net Change in Fund Balance	(80,200)	(77,900)	(52,228)	25,672
Fund Balance at Beginning of Year	49,539	49,539	49,539	0
Prior Year Encumbrances Appropriated	<u>47,800</u>	<u>47,800</u>	<u>47,800</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>17,139</u></u>	\$ <u><u>19,439</u></u>	\$ <u><u>45,111</u></u>	\$ <u><u>25,672</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, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 0	\$ 30,000	\$ 42,762	\$ 12,762
Expenditures:				
Current:				
Capital Outlay	<u>20,364</u>	<u>20,364</u>	<u>8,013</u>	<u>12,351</u>
Net Change in Fund Balance	(20,364)	9,636	34,749	25,113
Fund Balance at Beginning of Year	35,836	35,836	35,836	0
Prior Year Encumbrances Appropriated	<u>364</u>	<u>364</u>	<u>364</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>15,836</u>	\$ <u>45,836</u>	\$ <u>70,949</u>	\$ <u>25,113</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, 2010

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 202,368	\$ 202,368	\$ 184,448	\$ (17,920)
Intergovernmental	<u>0</u>	<u>0</u>	<u>26,058</u>	<u>26,058</u>
Total Revenues	<u>202,368</u>	<u>202,368</u>	<u>210,506</u>	<u>8,138</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Service	620,100	620,100	553,529	66,571
Other	<u>20,139</u>	<u>20,139</u>	<u>20,139</u>	<u>0</u>
Total Expenditures	<u>640,239</u>	<u>640,239</u>	<u>573,668</u>	<u>66,571</u>
Excess of Revenues Over (Under) Expenditures	(437,871)	(437,871)	(363,162)	74,709
Other Financing Sources (Uses):				
Transfers – In	<u>423,039</u>	<u>250,000</u>	<u>200,000</u>	<u>(50,000)</u>
Net Change in Fund Balance	(14,832)	(187,871)	(163,162)	24,709
Fund Balance at Beginning of Year	<u>190,541</u>	<u>190,541</u>	<u>190,541</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>175,709</u>	\$ <u>2,670</u>	\$ <u>27,379</u>	\$ <u>24,709</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, 2010

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 202,368	\$ 202,368	\$ 184,448	\$ (17,920)
Intergovernmental	<u>0</u>	<u>0</u>	<u>26,058</u>	<u>26,058</u>
Total Revenues	<u>202,368</u>	<u>202,368</u>	<u>210,506</u>	<u>8,138</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Service	568,400	568,400	521,933	46,467
Other	<u>33,034</u>	<u>33,034</u>	<u>33,033</u>	<u>1</u>
Total Expenditures	<u>601,434</u>	<u>601,434</u>	<u>554,966</u>	<u>46,468</u>
Excess of Revenues Over (Under) Expenditures	(399,066)	(399,066)	(344,460)	54,606
Other Financing Sources (Uses):				
Transfers – In	<u>280,568</u>	<u>250,000</u>	<u>225,000</u>	<u>(25,000)</u>
Net Change in Fund Balance	(118,498)	(149,066)	(119,460)	29,606
Fund Balance at Beginning of Year	<u>151,538</u>	<u>151,538</u>	<u>151,538</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>30,040</u>	\$ <u>2,472</u>	\$ <u>32,078</u>	\$ <u>29,606</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, 2010**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ <u>53,719</u>	\$ <u>50,000</u>	\$ <u>61,788</u>	\$ <u>11,788</u>
Expenditures:				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	<u>31,238</u>	<u>31,238</u>	<u>31,049</u>	<u>189</u>
Total Expenditures	<u>71,238</u>	<u>71,238</u>	<u>71,049</u>	<u>189</u>
Excess of Revenues Over (Under) Expenditures	(17,519)	(21,238)	(9,261)	11,977
Other Financing Sources (Uses):				
Transfers – In	<u>21,487</u>	<u>20,000</u>	<u>0</u>	<u>(20,000)</u>
Net Change in Fund Balance	3,968	(1,238)	(9,261)	(8,023)
Fund balance at Beginning of Year	<u>12,099</u>	<u>12,099</u>	<u>12,099</u>	<u>0</u>
Fund balance at End of Year	\$ <u>16,067</u>	\$ <u>10,861</u>	\$ <u>2,838</u>	\$ <u>(8,023)</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, 2010

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 45,494	\$ 32,000	\$ 36,149	\$ 4,149
Expenditures:				
Capital Outlay	<u>362,131</u>	<u>362,131</u>	<u>229,689</u>	<u>132,442</u>
Excess of Revenues Over (Under) Expenditures	(316,637)	(330,131)	(193,540)	136,591
Other Financing Sources (Uses):				
Transfers – In	<u>426,506</u>	<u>300,000</u>	<u>100,000</u>	<u>(200,000)</u>
Net Change in Fund Balance	109,869	(30,131)	(93,540)	(63,409)
Fund Balance at Beginning of Year	126,168	126,168	126,168	0
Prior Year Encumbrances Appropriated	<u>33,431</u>	<u>33,431</u>	<u>33,431</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>269,468</u>	\$ <u>129,468</u>	\$ <u>66,059</u>	\$ <u>(63,409)</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, 2010

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 512,900	\$ 820,900	\$ 838,871	\$ 17,971
Investment Income	35,903	29,500	4,080	(25,420)
Total Revenues	<u>548,803</u>	<u>850,400</u>	<u>842,951</u>	<u>(7,449)</u>
Expenditures:				
Current:				
General Government:				
Personal Service	387,011	387,011	279,395	107,616
Other	233,237	230,237	164,134	66,103
Capital Outlay	243,867	246,867	209,438	37,429
Debt Service:				
Principal Retirement	115,000	115,000	115,000	0
Interest and Fiscal Charges	138,800	138,800	138,713	87
Total Expenditures	<u>1,117,915</u>	<u>1,117,915</u>	<u>906,680</u>	<u>211,235</u>
Net Change in Fund Balance	(569,112)	(267,515)	(63,729)	203,786
Fund Balance at Beginning of Year	2,124,839	2,124,839	2,124,839	0
Prior Year Encumbrances Appropriated	<u>9,804</u>	<u>9,804</u>	<u>9,804</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,565,531</u>	\$ <u>1,867,128</u>	\$ <u>2,070,914</u>	\$ <u>203,786</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, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for Services	\$ <u>1,912,500</u>	\$ <u>1,950,000</u>	\$ <u>1,739,031</u>	\$ <u>(210,969)</u>
Expenses:				
Sewer Operations:				
Personal Service	635,154	635,154	613,119	22,035
Contractual Services	1,114,061	1,156,061	1,128,822	27,239
Heat, Light, And Power	20,000	19,000	15,748	3,252
Materials And Supplies	100,074	69,074	60,011	9,063
Other	5,327	5,327	4,192	1,135
Capital Outlay	20,000	10,000	7,708	2,292
Debt Service:				
Principal Retirement	16,560	16,560	16,550	10
Interest and Fiscal Charges	<u>10,550</u>	<u>10,550</u>	<u>10,547</u>	<u>3</u>
Total Expenses	<u>1,921,726</u>	<u>1,921,726</u>	<u>1,856,697</u>	<u>65,029</u>
Net Change in Fund Equity	(9,226)	28,274	(117,666)	(145,940)
Fund Equity at Beginning of Year	231,473	231,473	231,473	0
Prior Year Encumbrances Appropriated	<u>30,312</u>	<u>30,312</u>	<u>30,312</u>	<u>0</u>
Fund Equity at End of Year	\$ <u>252,559</u>	\$ <u>290,059</u>	\$ <u>161,038</u>	\$ <u>(145,940)</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, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charge for Services	\$ <u>2,177,603</u>	\$ <u>2,665,236</u>	\$ <u>2,005,733</u>	\$ <u>(659,503)</u>
Expenses:				
Claims	2,531,636	2,531,636	1,767,086	764,550
Contractual Services	<u>359,400</u>	<u>359,400</u>	<u>304,979</u>	<u>54,421</u>
Total Expenses	<u>2,891,036</u>	<u>2,891,036</u>	<u>2,072,065</u>	<u>818,971</u>
Net Change in Fund Equity	(713,433)	(225,800)	(66,332)	159,468
Fund Equity at Beginning of Year	<u>542,145</u>	<u>542,145</u>	<u>542,145</u>	<u>0</u>
Fund Equity at End of Year	\$ <u><u>(171,288)</u></u>	\$ <u><u>316,345</u></u>	\$ <u><u>475,813</u></u>	\$ <u><u>159,468</u></u>



## City of Rocky River, Ohio

### Fiduciary Funds

#### **Fund Descriptions**

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##### **Agency Funds**

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

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

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

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

# City of Rocky River, Ohio

## Combining Statement of Assets and Liabilities – Agency Funds

**December 31, 2010**

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	<u>Deposits, Fees and Tri-City</u>	<u>Donations and Bequests</u>	<u>Municipal Court</u>	<u>S.A.F.E.</u>	<u>Total</u>
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 69,214	\$ 263,415	\$ 0	\$ 6,890	\$ 339,519
Cash and Cash Equivalents in Segregated Accounts	<u>0</u>	<u>0</u>	<u>545,794</u>	<u>0</u>	<u>545,794</u>
Total Assets	\$ <u>69,214</u>	\$ <u>263,415</u>	\$ <u>545,794</u>	\$ <u>6,890</u>	\$ <u>885,313</u>
Liabilities:					
Undistributed Monies	\$ 0	\$ 263,415	\$ 0	\$ 6,890	\$ 270,305
Deposits Held and Due To Others	<u>69,214</u>	<u>0</u>	<u>545,794</u>	<u>0</u>	<u>615,008</u>
Total Liabilities	\$ <u>69,214</u>	\$ <u>263,415</u>	\$ <u>545,794</u>	\$ <u>6,890</u>	\$ <u>885,313</u>

# City of Rocky River, Ohio

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

### For The Year Ended December 31, 2010

	<u>Balance</u> <u>12/31/09</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/10</u>
<b>Deposits, Fees and Tri-City</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>66,498</u>	\$ <u>11,455</u>	\$ <u>8,739</u>	\$ <u>69,214</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>66,498</u>	\$ <u>11,455</u>	\$ <u>8,739</u>	\$ <u>69,214</u>
<b>Donations and Bequests</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 285,484	\$ 19,713	\$ 41,782	\$ 263,415
Accounts Receivable	<u>5,000</u>	<u>0</u>	<u>5,000</u>	<u>0</u>
Total Assets	\$ <u>290,484</u>	\$ <u>19,713</u>	\$ <u>46,782</u>	\$ <u>263,415</u>
Liabilities:				
Undistributed Monies	\$ <u>290,484</u>	\$ <u>19,713</u>	\$ <u>46,782</u>	\$ <u>263,415</u>
<b>Municipal Court</b>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ <u>555,777</u>	\$ <u>6,968,137</u>	\$ <u>6,978,120</u>	\$ <u>545,794</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>555,777</u>	\$ <u>6,968,137</u>	\$ <u>6,978,120</u>	\$ <u>545,794</u>
<b>S.A.F.E.</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>15,287</u>	\$ <u>2,451</u>	\$ <u>10,848</u>	\$ <u>6,890</u>
Liabilities:				
Undistributed Monies	\$ <u>15,287</u>	\$ <u>2,451</u>	\$ <u>10,848</u>	\$ <u>6,890</u>
<b>All Agency Funds</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 367,269	\$ 33,619	\$ 61,369	\$ 339,519
Cash and Cash Equivalents in Segregated Accounts	555,777	6,968,137	6,978,120	545,794
Accounts Receivable	<u>5,000</u>	<u>0</u>	<u>5,000</u>	<u>0</u>
Total Assets	\$ <u>928,046</u>	\$ <u>7,001,756</u>	\$ <u>7,044,489</u>	\$ <u>885,313</u>
Liabilities:				
Undistributed Monies	\$ 305,771	\$ 22,164	\$ 57,630	\$ 270,305
Deposits Held and Due to Others	<u>622,275</u>	<u>6,979,592</u>	<u>6,986,859</u>	<u>615,008</u>
Total Liabilities	\$ <u>928,046</u>	\$ <u>7,001,756</u>	\$ <u>7,044,489</u>	\$ <u>885,313</u>

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# City of Rocky River, Ohio

December 31, 2010

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	116 – 123
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	124 – 130
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	131 – 136
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	137 – 139
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	140 – 145

**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 Eight Fiscal Years

### Accrual Basis of Accounting

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental Activities:</b>								
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	\$ 31,254,205	\$ 31,781,713
Restricted for:								
Capital Projects	6,697,396	8,506,497	10,244,546	8,538,517	4,038,732	4,463,366	6,208,401	6,304,738
Debt Services	933,368	436,075	311,203	370,924	299,208	434,148	295,558	129,556
Recreation	272,344	537,147	453,232	825,367	0	0	0	0
Municipal Probation	314,982	341,646	366,541	380,220	381,081	416,388	421,063	387,247
Aging	226,474	403,278	279,679	800,380	354,143	218,952	124,001	51,446
Street Construction and Maintenance	347,929	658,753	311,953	505,658	696,805	415,917	406,063	414,993
Other Purposes	212,492	712,932	421,903	848,768	364,080	816,857	539,121	224,268
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>	<u>3,227,747</u>	<u>2,162,461</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>	<u>42,476,159</u>	<u>41,456,422</u>
<b>Business-Type Activities:</b>								
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	17,800,190	18,945,660
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>	<u>6,619,718</u>	<u>6,177,103</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>	<u>24,419,908</u>	<u>25,122,763</u>
<b>Primary Government:</b>								
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	49,054,395	50,727,373
Restricted for:								
Capital Projects	6,697,396	8,506,497	10,244,546	8,538,517	4,038,732	4,463,366	6,208,401	6,304,738
Debt Services	933,368	436,075	311,203	370,924	299,208	434,148	295,558	129,556
Recreation	272,344	537,147	453,232	825,367	0	0	0	0
Municipal Probation	314,982	341,646	366,541	380,220	381,081	416,388	421,063	387,247
Aging	226,474	403,278	279,679	800,380	354,143	218,952	124,001	51,446
Street Construction and Maintenance	347,929	658,753	311,953	505,658	696,805	415,917	406,063	414,993
Other Purposes	212,492	712,932	421,903	848,768	364,080	816,857	539,121	224,268
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>	<u>9,847,465</u>	<u>8,339,564</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>	\$ <u>66,896,067</u>	\$ <u>66,579,185</u>

# City of Rocky River, Ohio

## Changes in Net Assets – Last Eight Fiscal Years

### Accrual Basis of Accounting

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Program revenues:</b>								
<b>Governmental Activities:</b>								
Charges for Services:								
General Government	\$ 2,406,821	\$ 2,368,876	\$ 2,834,113	\$ 2,931,941	\$ 2,130,339	\$ 2,293,658	\$ 2,761,052	\$ 2,533,392
Security of Persons and Property	346,364	607,429	282,092	710,930	804,196	1,175,625	740,665	1,105,984
Public Health and Welfare	397,420	347,554	441,693	436,247	489,380	467,691	369,997	495,138
Transportation	19,603	14,256	425	500	75	425	75	350
Leisure Time Activities	1,265,249	1,234,683	1,401,233	1,451,092	1,907,655	1,987,167	1,979,316	2,118,323
Community Development	715	705	525	495	270	180	260	175
Basic Utility Service	14,966	19,370	16,982	17,965	11,847	700,345	995,455	1,040,871
Operating Grants and Contributions:								
General Government	0	0	0	0	0	63,921	35,857	45,122
Security of Persons and Property	40,392	25,604	25,584	25,946	24,107	27,352	25,263	26,864
Transportation	518,181	657,577	705,137	749,323	737,192	777,503	781,961	775,539
Basic Utility Service	70,301	121,500	78,317	65,250	41,254	90,523	90,956	86,861
Capital Grants and Contributions:								
General Government	749,605	789,079	819,794	619,653	873,945	929,746	824,696	823,491
Public Health	0	0	3,628	3,700	255	0	0	0
Transportation	0	0	0	0	64,000	0	0	0
Basic Utility Service	0	0	0	0	0	0	220,091	463,209
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>	<u>8,825,644</u>	<u>9,515,319</u>
<b>Business-Type Activities:</b>								
Charges for Services:								
Sewer	1,649,436	2,012,219	1,853,327	1,882,034	1,862,049	2,012,434	1,979,436	1,758,085
Capital Grants and Contributions:								
Sewer	0	1,107,813	347,671	219,730	54,603	195,846	903,127	1,501,035
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>	<u>2,882,563</u>	<u>3,259,120</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>	<u>11,708,207</u>	<u>12,774,439</u>

(continued)

# City of Rocky River, Ohio

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

## Accrual Basis of Accounting

Expenses:	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities:</b>								
General Government	5,142,027	4,555,899	4,514,387	8,818,319	6,808,557	8,051,702	6,932,356	7,598,480
Security of Persons and Property	8,037,215	7,673,916	7,876,398	9,202,339	9,829,332	9,396,241	9,623,866	9,010,010
Public Health and Welfare	1,071,428	977,448	1,142,913	1,220,577	1,363,640	1,347,437	1,437,857	1,428,688
Leisure Time Activities	2,619,434	3,933,467	4,973,173	783,730	4,076,680	3,937,438	4,268,822	3,948,809
Community Development	823,487	803,006	703,873	257,600	790,060	801,140	720,892	816,485
Basic Utility Services	2,161,930	1,739,378	1,900,149	1,934,737	1,693,864	1,609,178	1,772,114	2,127,597
Transportation	2,738,117	4,698,400	1,587,610	3,244,883	2,314,773	3,195,503	2,758,278	2,385,058
Interest and Fiscal Charges	439,230	507,297	965,098	925,760	882,306	854,095	824,261	790,980
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>	<u>28,338,446</u>	<u>28,106,107</u>
<b>Business-Type Activities:</b>								
Sewer	2,405,376	1,279,740	2,426,198	2,078,404	2,454,298	2,308,075	2,315,018	2,450,068
Transfers	0	0	0	0	0	0	0	106,197
Total Business-Type Activities	<u>2,405,376</u>	<u>1,279,740</u>	<u>2,426,198</u>	<u>2,078,404</u>	<u>2,454,298</u>	<u>2,308,075</u>	<u>2,315,018</u>	<u>2,556,265</u>
<b>Total Primary Government Program Expenses</b>	<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>	<u>30,653,464</u>	<u>30,662,372</u>
<b>General Revenues:</b>								
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	4,093,251	3,872,423
Recreation	265,406	286,213	285,331	293,301	293,591	318,938	324,861	307,335
Office on Aging	265,406	286,213	286,175	283,755	331,210	318,938	324,861	307,335
Refuse and Recycling	530,815	572,426	569,818	596,199	624,749	637,881	649,723	614,670
Fire Levy	159,244	172,015	171,200	175,980	187,441	191,365	194,916	184,401
Police Levy	159,244	171,439	171,199	96,012	267,410	191,365	194,916	184,401
Capital Improvements	530,815	572,426	604,444	552,819	624,801	637,881	649,723	614,670
General Obligation Bond Retirement	0	0	570,663	666,569	542,651	626,790	634,889	599,627
Municipal Taxes Levied for:								
General Purposes	7,450,963	8,159,833	7,794,391	8,203,978	8,893,894	8,673,869	7,661,534	7,959,539
Franchise Tax	1,485,683	278,970	47,289	139,215	149,384	207,506	128,163	236,114
Admissions Tax	0	0	75,069	45,929	40,874	36,715	34,981	33,855
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	4,195,197	2,477,912
Investment Earnings	195,673	281,820	680,947	1,202,568	1,110,881	516,771	140,058	31,050
Other	327,212	116,350	127,716	71,946	407,662	466,811	193,193	41,522
Transfers	0	0	0	0	0	0	0	106,197
Total General Revenues and Transfers	<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>	<u>19,420,266</u>	<u>17,571,051</u>



## City of Rocky River, Ohio

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

### Accrual Basis of Accounting

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	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Change in Net Assets:</b>								
Governmental Activities	(1,032,994)	819,991	2,613,589	102,510	847,702	321,734	(92,536)	(1,019,737)
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>	<u>567,545</u>	<u>702,855</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>	\$ <u>475,009</u>	\$ <u>(316,882)</u>

# City of Rocky River, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

## Modified Accrual Basis of Accounting

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Fund</b>										
Reserved	\$ 174,205	\$ 215,449	\$ 172,542	\$ 118,309	\$ 158,475	\$ 126,594	\$ 124,594	\$ 235,188	\$ 118,863	\$ 370,707
Unreserved	<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>	<u>4,363,415</u>	<u>3,183,940</u>
Total General Fund	<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>	<u>4,482,278</u>	<u>3,554,647</u>
<b>All Other Governmental Funds</b>										
Reserved	5,158,958	1,485,769	2,061,840	1,958,494	981,092	7,003,846	1,545,110	740,155	2,615,314	4,893,122
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	1,610,920	2,280,066	1,662,708	2,274,096	1,620,122	3,179,196	1,498,981	1,494,900	722,896	375,705
Debt Service Funds	127,700	126,242	129,136	436,075	309,515	368,623	320,601	434,703	296,748	129,711
Capital Projects Funds	<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>	<u>3,971,943</u>	<u>1,766,381</u>
Total All Other Governmental Funds	<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>	<u>7,606,901</u>	<u>7,164,919</u>
Total Governmental Funds	<u>\$ 11,563,934</u>	<u>\$ 14,013,923</u>	<u>\$ 12,048,859</u>	<u>\$ 16,430,300</u>	<u>\$ 24,632,435</u>	<u>\$ 21,137,089</u>	<u>\$ 15,327,235</u>	<u>\$ 13,227,196</u>	<u>\$ 12,089,179</u>	<u>\$ 10,719,566</u>

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# City of Rocky River, Ohio

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

### Modified Accrual Basis of Accounting

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Property Taxes	\$ 5,221,797	\$ 5,280,092	\$ 5,251,769	\$ 5,667,016	\$ 6,235,604	\$ 6,335,087	\$ 7,041,339	\$ 6,947,816	\$ 7,080,115	\$ 6,686,547
Municipal Income taxes	7,397,168	7,770,663	7,553,532	7,732,660	8,064,069	8,302,551	8,524,272	8,506,159	7,748,760	8,106,509
Other Local Taxes	218,398	195,854	195,006	278,970	171,013	185,144	190,258	244,218	163,144	269,969
Intergovernmental	5,549,611	7,464,551	4,351,557	6,823,149	6,168,682	5,223,478	5,067,103	5,900,572	6,285,727	4,683,905
Charges for Services	1,686,484	1,651,871	1,609,543	1,686,685	1,850,165	2,108,616	2,362,258	3,188,107	3,317,448	3,635,605
Fines, Fees, and Permits	2,739,133	2,908,634	2,739,144	2,857,860	3,292,766	2,946,563	2,795,898	3,348,071	3,357,804	3,405,319
Special Assessments	76,550	35,324	41,018	86,950	72,514	73,625	69,545	67,171	66,757	61,788
Investment Income	559,625	267,852	195,673	281,820	680,947	1,202,568	1,110,881	516,771	140,058	31,050
Rentals	59,013	86,692	98,771	107,664	109,372	102,925	130,683	94,133	104,387	104,047
Other	243,123	164,186	327,212	315,554	155,317	137,471	489,200	480,433	209,371	107,372
<b>Total Revenues</b>	<b>23,750,902</b>	<b>25,825,719</b>	<b>22,363,225</b>	<b>25,838,328</b>	<b>26,800,449</b>	<b>26,618,028</b>	<b>27,781,437</b>	<b>29,293,451</b>	<b>28,473,571</b>	<b>27,092,111</b>
<b>Expenditures</b>										
Current:										
Security of Persons and Property	6,619,901	7,001,113	7,309,763	7,585,135	7,680,206	8,158,722	8,659,138	8,876,601	9,246,320	8,985,847
Public Health and Welfare	1,043,279	1,015,068	1,081,332	918,244	1,063,225	1,107,247	1,258,586	1,260,324	1,173,737	1,298,805
Leisure Time Activities	2,482,386	2,415,412	352,892	2,433,953	2,661,923	2,888,877	3,522,149	3,818,666	3,641,297	3,387,478
Community Development	538,504	623,812	806,798	766,159	679,701	1,341,837	965,311	932,862	917,692	792,068
Basic Utility Services	1,246,307	1,365,575	1,485,120	1,339,321	1,437,860	1,482,518	1,601,443	1,639,711	2,056,568	3,387,129
Transportation	1,999,681	2,113,204	2,317,478	2,072,377	2,323,383	2,160,615	2,167,526	2,514,664	2,268,740	2,206,182
General Government	3,211,062	3,372,844	4,544,926	4,153,103	4,661,055	4,367,663	4,630,034	4,933,287	4,991,465	4,983,015
Capital Outlay	4,563,260	6,267,738	5,611,179	9,201,024	4,773,885	6,528,974	8,759,176	5,203,465	3,595,408	2,125,399
Debt Service										
Principal	360,984	372,070	462,037	3,356,817	1,022,756	1,148,732	1,154,751	1,100,814	1,116,923	1,138,080
Interest	372,076	355,077	439,169	485,503	968,887	933,167	905,917	877,823	848,319	815,274
Bond Issuance Costs	0	41,018	0	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>22,437,440</b>	<b>24,942,931</b>	<b>24,410,694</b>	<b>32,311,636</b>	<b>27,272,881</b>	<b>30,118,352</b>	<b>33,624,031</b>	<b>31,158,220</b>	<b>29,856,469</b>	<b>29,119,277</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,313,462</b>	<b>882,788</b>	<b>(2,047,469)</b>	<b>(6,473,308)</b>	<b>(472,432)</b>	<b>(3,500,324)</b>	<b>(5,842,594)</b>	<b>(1,864,769)</b>	<b>(1,382,898)</b>	<b>(2,027,166)</b>

(continued)

# City of Rocky River, Ohio

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

### Modified Accrual Basis of Accounting

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Other Financing Sources (Uses):										
Proceeds from Issuance of Debt	0	3,700,000	0	10,840,000	8,400,000	0	0	0	228,754	646,016
Premium on General Obligation Debt	0	0	0	0	262,963	0	0	0	0	0
Proceeds from Inception of Capital Lease	0	0	0	0	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	25,689	17,571	82,405	14,749	11,604	4,978	32,740	29,730	16,127	11,537
Transfers – In	6,771,983	7,054,559	5,370,297	7,549,959	2,795,000	9,070,623	5,115,000	7,650,000	5,487,764	4,471,000
Transfers – Out	<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>	<u>(5,487,764)</u>	<u>(4,471,000)</u>
Total Other Financing Sources (Uses)	<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>	<u>244,881</u>	<u>657,553</u>
Net change in fund balances	\$ <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>	\$ <u>(1,138,017)</u>	\$ <u>(1,369,613)</u>
Debt Service as a Percentage of Noncapital Expenditures	4.52%	4.09%	4.05%	14.27%	8.92%	8.23%	8.11%	7.19%	7.18%	7.34%

# 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)
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
2009/2010	686,743,340	1,962,123,829	6,392,090	7,263,739
2010/2011	682,758,970	1,950,739,914	6,534,340	7,425,386

Source: Cuyahoga County, Ohio; County Auditor

(1) This amount is calculated for 2010 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>		
\$ 15,716,132	\$ 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
4,073,990	65,183,840	724,866,570	2,114,174,836	34.29	10.90
0	0	693,135,430	1,969,387,568	35.19	10.90
0	0	689,293,310	1,958,165,300	35.20	10.90

# City of Rocky River, Ohio

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

## Last Ten Years

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Year	City of Rocky River				Total	Rocky River School and Library	Cuyahoga County	Special(1) Taxing Districts	Total
	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Bond Service					
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	6.30	2.60	1.00	1.00	10.90	88.80	13.32	4.78	117.80
2009	6.30	2.60	1.00	1.00	10.90	88.80	13.32	4.78	117.80
2010	6.30	2.60	1.00	1.00	10.90	90.40	13.32	5.08	119.70

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

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<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Collections (1)</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Tax Collections</u>
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
2009	7,867,118	7,834,168	99.58	177,726
2010	7,810,832	7,320,406	93.72	157,753

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.

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

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	<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>
\$	5,971,809	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
	8,011,894	101.84	254,902	3.24
	7,478,159	95.74	253,220	3.23

## City of Rocky River, Ohio

Principal Taxpayers: Real and Tangible Personal Property Tax

### As of December 31, 2010 and December 31, 2001

<u>Taxpayer</u>	<u>2010</u>	
	Real and Tangible Personal Property	
	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Westwood Town Center	\$ 7,274,720	1.06%
Normandy Association, LTD.	4,854,790	0.70
Westgate Mall, LLC	4,608,070	0.67
Cleveland Illuminating Company	4,431,800	0.64
Beachcliff Properties, LP	4,161,340	0.60
Presidential Apartments, LTD.	3,992,940	0.58
Westwood Country Club, Co.	3,262,770	0.47
Linden Apartment Company	2,548,600	0.37
Gross Management, Inc.	2,500,790	0.36
SRK Perrysburg Association, LLC	<u>2,456,580</u>	<u>0.36</u>
<i>Totals</i>	\$ <u>40,092,400</u>	<u>5.81%</u>
<i>Total City Assessed Valuation</i>	\$ <u>689,293,310</u>	
<u>Taxpayer</u>	<u>2001</u>	
	Real and Tangible Personal Property	
	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Westwood Town Center	\$ 5,340,310	0.89%
Cleveland Illuminating Company	4,735,790	0.79
Normandy Association, LTD.	4,649,260	0.77
Rockport Associates Company	4,283,370	0.71
Presidential Apartments, LTD.	3,927,840	0.65
Ohio Bell Telephone Company	3,216,590	0.54
Gross Management, Inc.	2,964,820	0.49
Linden Apartment Company	2,744,460	0.46
Missouri River Corporation	2,239,830	0.37
Harbor Court	<u>1,999,310</u>	<u>0.33</u>
<i>Totals</i>	\$ <u>36,101,580</u>	<u>6.00%</u>
<i>Total City Assessed Valuation</i>	\$ <u>600,086,582</u>	

Source: Cuyahoga County, Ohio; County Auditor

## City of Rocky River, Ohio

### Ratio of Outstanding Debt by Type

#### Last Ten Years

Fiscal Year	Governmental Activities				Business-Type		Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	General Obligation Bonds	Special Assessment Bonds	OPWC Loan	Capital Lease	OWDA Loan				
2001	\$ 3,835,000	\$ 895,000	\$ 0	\$ 3,130	\$ 329,386	\$ 5,062,516	0.70 %	\$ 244.15	
2002	7,215,000	865,000	0	1,117	328,239	8,409,356	1.17	405.56	
2003	6,810,000	830,000	0	0	316,234	7,956,234	1.11	383.71	
2004	14,355,000	790,000	0	0	303,666	15,448,666	2.15	745.05	
2005	21,795,000	750,000	0	0	290,508	22,835,508	3.18	1,101.30	
2006	20,710,000	710,000	0	0	276,733	21,696,733	3.02	1,046.38	
2007	19,620,000	670,000	0	0	262,310	20,552,310	2.86	991.19	
2008	18,585,000	630,000	0	0	247,210	19,463,210	2.71	938.62	
2009	17,535,000	590,000	288,754	0	231,400	18,585,154	2.59	896.32	
2010	16,465,000	550,000	874,770	0	214,850	18,104,620	2.58	895.69	

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 138 for personal income and population data.

## City of Rocky River, Ohio

### Special Assessment Levies, Collections and Coverage

#### Last Ten Years

Year	Current Assessments		Ratio of Collections To Amount Due	Debt Service		Coverage
	Due	Collected(1)		Principal	Interest	
2001	\$ 97,650	\$ 76,550	78.39 %	\$ 30,000	\$ 51,559	0.94
2002	87,278	62,574	71.70	30,000	45,338	0.73
2003	95,383	69,497	72.86	35,000	43,888	1.42
2004	98,183	94,407	96.15	40,000	42,201	1.14
2005	102,359	96,101	93.88	40,000	40,263	1.20
2006	133,426	112,059	83.99	40,000	38,313	1.43
2007	165,931	123,640	74.51	40,000	36,363	1.62
2008	112,980	104,878	92.83	40,000	34,413	1.41
2009	109,663	101,345	92.42	40,000	32,425	1.40
2010	158,600	141,903	89.47	40,000	30,438	2.01

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 <sup>(1)</sup></u>	<u>Net General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
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	724,866,570	2.56	894.00
2009	20,735	17,821,424	693,135,430	2.57	859.49
2010	20,213	17,532,043	689,293,310	2.54	867.36

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

(a) 2010 Federal Census

(b) 2000 Federal Census

# City of Rocky River, Ohio

## Computation of Legal Debt Margin

### Last Ten Year

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed Valuation	\$ <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>724,866,570</u>	\$ <u>693,135,430</u>	\$ <u>689,293,310</u>
Debt Limit - 10.5% of Assessed Valuation	\$ 63,009,091	\$ 63,204,608	\$ 69,191,300	\$ 69,063,515	\$ 68,987,624	\$ 75,959,081	\$ 75,377,404	\$ 76,110,990	\$ 72,779,220	\$ 72,375,798
Gross Indebtedness	10,265,701	8,408,239	7,956,234	15,728,195	23,269,111	22,107,515	20,940,271	19,827,350	18,927,473	18,424,118
Less: Debt Outside Limitation	(1,230,701)	(1,193,239)	(1,146,234)	(1,093,666)	(1,040,508)	(986,733)	(932,310)	(877,210)	(821,400)	(764,850)
Less: Amount Available In Debt Service Funds	<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>	<u>(284,649)</u>	<u>(127,225)</u>
Net Debt Within 10.5% Limitation	<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>	<u>17,821,424</u>	<u>17,532,043</u>
Legal Debt Margin	\$ <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>57,573,917</u>	\$ <u>54,957,796</u>	\$ <u>54,843,755</u>
Debt Limit - 5.5% of Assessed Unvoted Value	\$ 33,004,762	\$ 33,107,176	\$ 36,243,062	\$ 36,176,127	\$ 36,136,374	\$ 39,788,090	\$ 39,483,402	\$ 39,867,661	\$ 38,122,449	\$ 37,911,132
Gross Indebtedness Authorized by Council	10,265,701	8,408,239	7,956,234	15,728,195	23,269,111	22,107,515	20,940,271	19,827,350	18,927,473	18,424,118
Less: Debt Outside Limitation	(1,230,701)	(1,193,239)	(1,146,234)	(1,093,666)	(9,200,508)	(8,836,733)	(8,467,310)	(8,087,210)	(7,696,400)	(7,294,850)
Less: Amount Available in Debt Service Funds Related to Unvoted Debt	<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>	<u>(194,020)</u>	<u>(76,937)</u>
Net Debt Within 5.5% Limitation	<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>	<u>11,037,053</u>	<u>11,052,331</u>
Unvoted Debt Margin	\$ <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>28,457,249</u>	\$ <u>27,085,396</u>	\$ <u>26,858,801</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, 2010**

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	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>16,784,498</u>	100.00%	\$ <u>16,784,498</u>
<u>Overlapping:</u>			
Cuyahoga County	319,446,948	2.31	7,379,224
Greater Cleveland Regional Transit Authority	152,760,000	2.31	3,528,756
Rocky River School District	<u>54,768,747</u>	97.07	<u>53,164,023</u>
Total Overlapping	<u>526,975,695</u>		<u>64,072,003</u>
Total	\$ <u>543,760,193</u>		\$ <u>80,856,501</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

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<u>Year</u>	<u>Debt Service</u>	<u>General Governmental Expenditures</u>	<u>Ratio of Debt Service To Total Governmental Expenditures</u>
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	6.13
2008	1,978,637	31,158,220	6.35
2009	1,965,242	29,856,469	6.56
2010	1,953,354	29,119,277	6.83

Source: City Financial Records

# City of Rocky River, Ohio

## Principal Employers

### Current Year and Nine Years Ago

2010			
	Employer	Employees	Percentage of Total City Employment
1	City of Rocky River	729	5.6%
2	Rocky River Board of Education	623	4.8
3	Westwood Country Club Co.	240	1.8
4	Marc Glassman Inc	239	1.8
5	Cleveland Yacht Club Inc.	237	1.8
6	Magnificat High School	199	1.5
7	Heinens Inc.	195	1.5
8	Cuyahoga County SAW Inc.	190	1.5
9	CRS Marketing Services, Inc.	159	1.2
10	Riser Foods Co.	143	1.1
	Total	<u>2,954</u>	<u>22.6%</u>
	Total City Employment	<u>13,085</u>	
2001			
	Employer	Employees	Percentage of Total City Employment
1	Rocky River City School District	NA	NA
2	City of Rocky River	NA	NA
3	Cuyahoga County Auditor	NA	NA
4	Heinen's Inc.	NA	NA
5	Magnificat High School	NA	NA
6	McDonald & Company Securities	NA	NA
7	North American Benefits Network	NA	NA
8	Normandy LTD.	NA	NA
9	Premier Physicians Group	NA	NA
10	Riser Foods	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.

NA - Information is not available

# City of Rocky River, Ohio

## Demographic and Economic Statistics

### Last Ten Years

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<u>Year</u>	<u>Population</u> <sup>(1)</sup>	<u>Total Personal Income</u> <sup>(2)</sup>	<u>Per Capita Personal Income</u> <sup>(1)</sup>	<u>Median Household Income</u> <sup>(1)</sup>	<u>School Enrollment</u> <sup>(3)</sup>	<u>Unemployment Cuyahoga County</u>
2001	20,735 b \$	718,737,305 \$	34,663 \$	51,636 \$	2,467	4.60%
2002	20,735 b	718,737,305	34,663	51,636	2,493	6.60
2003	20,735 b	718,737,305	34,663	51,636	2,575	6.20
2004	20,735 b	718,737,305	34,663	51,636	2,598	6.20
2005	20,735 b	718,737,305	34,663	51,636	2,623	6.50
2006	20,735 b	718,737,305	34,663	51,636	2,640	5.60
2007	20,735 b	718,737,305	34,663	51,636	2,696	6.10
2008	20,735 b	718,737,305	34,663	51,636	2,686	7.10
2009	20,735 b	718,737,305	34,663	51,636	2,681	8.90
2010	20,213 a	700,643,219	34,663	51,636	2,644	8.60

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

(a) 2010 Federal Census

(b) 2000 Federal Census

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

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

(3) Rocky River Board of Education

# City of Rocky River, Ohio

## Property Value and Construction

### Last Ten Years

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Year	Property Value (1)			Residential (2)		Commercial (2)	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
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
2009	320,690,028	1,641,433,800	1,962,123,828	6	4,034,131	1	850,000
2010	308,753,342	1,641,986,571	1,950,739,913	5	3,085,000	2	428,900

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

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

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

# City of Rocky River, Ohio

## Full-time Employees by Function/Program

### Last Nine Years

<b>Function/Program</b>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Government:</b>									
Mayor	1	1	1	1	1	1	1	1	1
Finance	3	4	4	3	3	3	3	3	3
Human Resources	0	0	0	1	1	1	1	1	1
Municipal Courts	27	27	27	27	27	25	26	24	29
Engineering	3	3	3	0	0	0	0	0	0
Building	4	4	4	6	6	6	6	6	6
Building Maintenance	5	5	5	5	5	5	5	5	5
<b>Security of Persons and Property:</b>									
Safety Service Director	2	2	2	2	2	1	2	2	2
Fire	29	30	30	30	30	30	30	30	30
Police	37	37	37	38	38	38	38	38	38
Traffic Signal	4	4	4	4	4	4	4	4	4
<b>Transportation:</b>									
Equipment Repair and Garage	7	7	7	7	7	8	8	8	7
Street Repair and Maintenance	13	13	13	13	12	14	13	12	10
<b>Community Development:</b>									
Community Development	2	2	1	1	1	1	1	1	1
<b>Leisure Time Activities:</b>									
Parks	4	4	4	4	4	4	4	4	4
Recreation Center	15	15	15	15	15	17	16	17	16
<b>Public Health:</b>									
Office on Aging	8	8	8	8	8	8	8	8	8
<b>Basic Utilities Services:</b>									
Refuse and Recycling	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>16</u>
<b>Total Governmental Activities:</b>	<u>179</u>	<u>181</u>	<u>180</u>	<u>180</u>	<u>179</u>	<u>181</u>	<u>181</u>	<u>179</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>	<u>9</u>	<u>9</u>
<b>Total Business-Type Activities:</b>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>
<b>Total Primary Government:</b>	<u>189</u>	<u>191</u>	<u>190</u>	<u>190</u>	<u>189</u>	<u>191</u>	<u>190</u>	<u>188</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 Nine Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Government:</b>									
Building Department:									
New Single Family Home Permits	10	8	12	14	11	2	1	4	5
Commercial Building/Structures									
New	1	3	3	1	2	2	2	1	2
Additions	20	22	17	27	32	19	22	13	26
Increase in Dwelling Units	16	18	28	31	25	2	0	17	13
Total Receipts – Building Permits	\$ 149,959	\$ 156,126	\$ 192,512	\$ 219,896	\$ 245,872	\$ 229,087	\$ 221,535	\$ 220,606	\$ 258,561
Council:									
Number of Ordinances/Resolutions	210	235	183	188	163	142	144	106	58
Municipal Court:									
Jurisdiction Population	120,226	120,226	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	23,592	23,574
Civil/Small Claims	2,347	2,508	2,629	2,702	2,887	3,208	2,702	3,887	3,106
<b>Security of Persons and Property:</b>									
Fire Protection:									
Emergency Responses:									
Building Fire Calls	NA	8	20	13	13	22	13	29	23
Emergency Medical Care	2,035	1,984	1,986	2,032	1,965	2,070	1,956	1,936	2,008
System Tests Witnessed:									
Commercial Kitchen	NA	97	103	84	40	18	15	14	NA
Sprinkler	NA	44	55	40	11	5	9	13	NA
Fire Alarm	NA	83	94	30	30	5	18	25	NA
Standpipe	NA	3	5	2	2	3	1	1	NA
General Inspections for Licensure	NA	22	37	17	32	20	62	58	52

(continued)

# City of Rocky River, Ohio

## Operating Indicators by Function/Program (continued)

### Last Nine Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Police Protection:</b>									
Motor Vehicle Accidents	433	318	389	377	313	335	363	336	374
BAC Licensed Operators	23	23	24	24	23	23	23	22	24
Community Diversion Cases	131	171	157	266	213	216	192	240	140
Marine Patrol Boat Hours	615	521	567	531	534	510	520	609	922
Total Prisoners	1,169	1,244	1,107	1,080	1,053	1,097	930	972	909
Miles Patrolled	293,924	247,380	330,032	265,671	239,422	278,363	272,326	256,645	250,625
<b>Transportation:</b>									
Safety Service:									
Snowfall in Inches [1]	46.0	95.7	91.2	117.9	50.6	76.5	77.2	79.7	63.1
Road Salt Purchased (tons)	800	5,700	4,000	5,600	3,200	4,500	4,800	4,000	4,800
Cold Patch Purchased (tons)	34	36	29	74	25	64	NA	25	NA
Trees Planted	111	95	109	214	351	224	270	89	92
Trees Removed	79	52	78	117	43	64	100	47	43
<b>Leisure Time Activities:</b>									
Recreation Center:									
Summer Camp – Recreation	NA	525	624	590	557	573	532	476	450
Summer Camp – Sports	NA	632	529	474	542	626	572	453	518
Concert Attendance	2,000	1,500	2,200	2,800	2,400	3,300	1,850	3,500	NA
Father-Daughter Dance Couples	NA	NA	40	39	34	35	42	19	NA
Outdoor Pool Attendance	32,658	28,931	25,651	60,273	51,376	56,518	43,955	32,721	46,697
Civic Center Daily Member Log-ins[2]	NA	NA	NA	NA	NA	15,394	142,017	150,106	168,020
New Year's Eve Skate Attendance	NA	450	350	358	450	490	350	350	NA
<b>Basic Utilities Service:</b>									
Refuse Collection:									
Refuse Truck Collections (tons)	8,382	8,799	8,761	8,546	8,219	7,739	9,823	9,093	8,853
Blue Bag Collections (tons)	300	293	278	272	284	295	255	337	375
Leaf Collections (tons)	1,930	1,177	NA	1,134	1,384	1,666	1,481	1,287	1,288
Paper Collections (tons)	552	549	493	438	380	308	240	195	155
Cardboard Collections (tons)	148	157	177	167	161	158	183	183	173

(continued)



## City of Rocky River, Ohio

Operating Indicators by Function/Program (continued)

### Last Nine Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Public Health Services:</b>									
Senior Center:									
Volunteers	189	176	155	148	154	147	150	150	158
Volunteer Hours	10,852	10,630	10,150	10,280	11,676	12,647	12,910	12,910	15,352
Senior Transportation Trips	8,402	8,713	8,549	9,551	7,932	7,308	7,958	8,578	8,178
Lunches Served	10,752	10,255	11,443	12,985	13,244	14,016	14,778	15,825	16,612
Gift Shop Sales	\$ 47,581	\$ 50,865	\$ 48,299	\$ 50,904	\$ 56,520	\$ 54,421	\$ 57,662	\$ 52,169	\$ 63,152
90 and Over Luncheon Attendees	NA	NA	NA	NA	130	166	160	250	186
Flu and Pneumonia shots	292	378	509	872	869	691	706	572	436
<b>Sanitary Sewer:</b>									
Quantity and Strength Percent of Wastewater Treatment Plant	28.35	28.35	28.35	28.35	29.53	29.53	29.40	29.40	25.43

Source: City Records

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

[2] – The Civic Center opened in September 2007

NA – Information is not available

# City of Rocky River, Ohio

## Capital Asset Statistics by Function/Program

### Last Nine Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Government:</b>									
Other Departmental Vehicles	9	9	9	10	10	10	10	10	10
Square Footage of Building	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370
Miles of Storm Sewer	90	90	90	90	90	90	90	90	90
<b>Security of Persons and Property:</b>									
Fire Protection:									
Number of Stations	1	1	1	1	1	1	1	1	1
Number of Vehicles	9	9	9	9	9	10	10	10	10
Square Footage of Fire Station	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088
Number of Fire Hydrants	1,093	1,093	1,093	1,093	993	1,003	1,003	1,003	1,041
Police Protection:									
Number of Stations	1	1	1	1	1	1	1	1	1
Number of Vehicles	24	24	24	24	24	25	25	25	25
Marine Patrol Boat	1	1	1	1	1	1	1	1	1
Canine Unit(s)	1	1	1	2	2	2	2	2	2
Square Footage of Police Station	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672
Number of Street Lights	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813
<b>Transportation:</b>									
Number of Vehicles	31	31	31	31	31	31	31	31	31
Square Footage of Service Building	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198
Miles of Streets	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49
<b>Leisure Time Activities:</b>									
Recreation and Culture:									
Number of Parks	8	8	8	9	9	9	9	9	9
Acres of Parks	105	105	105	106	106	106	106	106	106
Number of Vehicles	10	10	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	84,379	84,379
Miles of Shoreline	2.0	2.0	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 Nine Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Basic Utilities Service:</b>									
Refuse Collection:									
Refuse Vehicles	24	24	24	24	24	24	24	24	24
Transit Scooters	20	20	20	20	20	20	20	19	19
Transfer Station	1	1	1	1	1	1	1	1	1
<b>Public Health Services:</b>									
Senior Transportation:									
Number of Vehicles	6	6	6	6	6	6	6	6	5
Square Footage of Senior Center	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012
<b>Sewers:</b>									
Miles of Sanitary Sewers	90	90	90	90	90	90	90	90	90
Number of Vehicles	8	8	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	7,038	7,038

Source: City Records

Information prior to 2002 is not available

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

**For the Year Ended December 31, 2010**

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# City of Rocky River, Ohio

For The Year Ended December 31, 2010

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**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, 2010, which collectively comprise the City’s basic financial statements and have issued our report thereon dated July 7, 2011, wherein we noted the City adopted *GASB Statement No.’s. 51, 53, and 58* as disclosed 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.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over financial reporting: 2010-1. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Members of the City Council  
Rocky River, Ohio

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free 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 no instances of noncompliance or other matters that are required to be reported under *Government auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated July 7, 2011.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, the Audit Committee, others within the entity, 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 & Parichi, Inc.*

Cleveland, Ohio  
July 7, 2011

# City of Rocky River, Ohio

## Schedule of Findings

For the Year Ended December 31, 2010

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### 1. Summary of Auditors' Results

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

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

#### 2010-1 – 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 has installed a CMI capital asset module (FASX) onto the City's server; however, not all of the City's capital assets are recorded in the system.
- The City does not have a written capital asset policy.
- Based on the presentation in Note 9, vehicles for the business-type activities will be fully depreciated in less than two years. *AICPA Audit and Accounting Guide: State and Local Governments – March 2010* paragraph 7.28 provides that in estimating useful life for calculating depreciation governments should consider an asset's present condition and how long it is expected to meet service demands. On an annual basis, the City should analyze the useful life used for its assets and adjust them if necessary. A capital asset system would assist in performing this function.

We recommend the City develop a written capital asset policy and record all capital assets into the CMI capital asset module to properly 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.

**City of Rocky River, Ohio**

Schedule of Prior Year Findings

For the Year Ended December 31, 2010

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<b>Finding No.</b>	<b>Finding Summary</b>	<b>Fully Corrected</b>	<b>Explanation</b>
2009-1	Capital asset management system	No	Reissued as 2010-1.

**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***

**For the Year Ended December 31, 2010**

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<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2010-1	The City will load all assets into the CMI, Inc. system.	N/A	Mike Thomas, Finance Director



# Dave Yost • Auditor of State

**CITY OF ROCKY RIVER**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 13, 2011**