

City of Rocky River, Ohio

Comprehensive Annual Financial Report

December 31, 2009

Issued by:

City of Rocky River
Department of Finance

Michael A. Thomas
Director of Finance



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Rocky River, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 6, 2010

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City of Rocky River, Ohio

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For The Year Ended December 31, 2009

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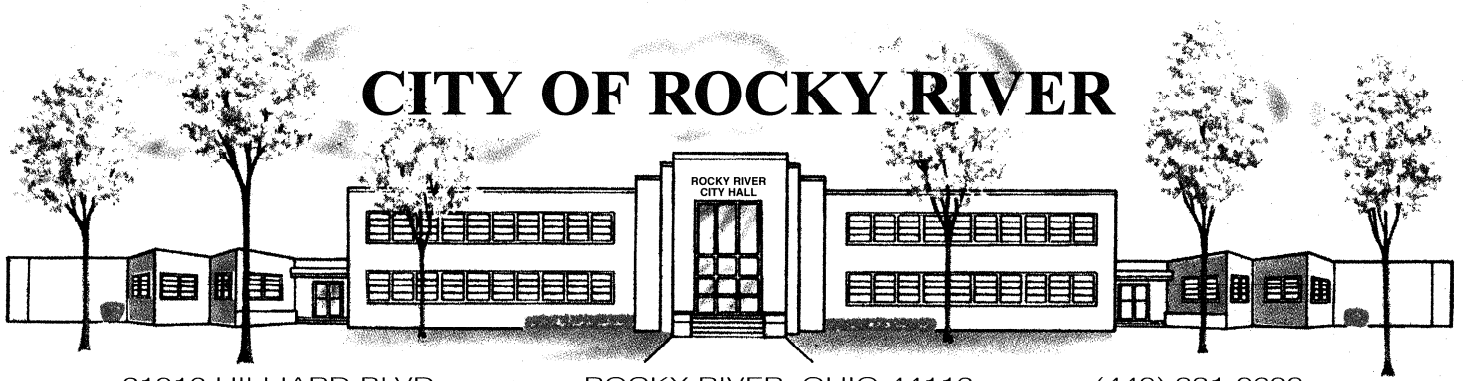
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CITY OF ROCKY RIVER



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

June 28, 2010

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

Transmittal of the Comprehensive Annual Financial Report

The City of Rocky River, Ohio (City) is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2009. 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, 2009 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, 2009 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 2000 Census was 20,735. The City is a home rule municipal corporation established pursuant to the general laws of the State of Ohio and 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 188 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 elementary schools and churches that contribute to the sense of community in the City.

Economic Conditions

Local Economy Because of the proximity to major cultural, educational and medical facilities in Northeastern Ohio and ease of travel in the area, the City experiences a degree of economic stability.

The City's fiscally responsible approach to economic factors associated with managing a built-out suburb, an understanding of mutual benefits to be derived from intergovernmental cooperation with neighboring communities and its proximity to the City of Cleveland, 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 reports the median household income in the City is \$60,654; while for the State of Ohio that amount is \$47,988. Gross revenue collected from the City's municipal income tax decreased by over eight percent from 2008. Components of the decrease were as follows:

Component	2008	2009	Change
Employee Withholding	\$4,251,812	\$3,998,910	\$(252,902)
Business Profit	633,356	535,170	(98,186)
Residence Tax	3,630,956	3,307,068	(323,888)
Penalties & Interest	144,696	106,301	(38,395)
Total	\$8,660,820	\$7,947,449	(713,371)

An indicator of the economic strength of a primarily residential community is its property values. As compiled by the website www.city-data.com, the estimated median house or condominium value was \$237,727 in the City and \$140,200 statewide. The City has experienced growth in assessed valuation of real property of about seven percent over the last five years. For taxing purposes, the Cuyahoga County Auditor oversees real property appraisals within the City.

Public Utility property saw an overall decrease in value of about 27%. Legislation in 2005 enacted by the General Assembly of the State of Ohio eliminated the tangible personal property tax. The total phase out of the tax will be effective January 1, 2009. The legislation provided for the City to be reimbursed for the lost tax revenue on a sliding scale through 2018. Therefore, the tangible personal property value has been reduced to an insignificant tax base. The net revenue affect over the recent five years of these several adjustments, is the City has experienced property tax revenue growth of 13.5%.

Major Initiatives

Management of various phases of significant infrastructure improvement projects was the focus of attention of the City during 2009. 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	03/01/2009 to 03/30/2011
Elmwood Road Sanitary Sewer	\$926,417	75% 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	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 revenue stream, in March 2008, the City began collection of a fixed fee of \$25 per quarter per household imposed in conjunction with sanitary sewer charges.

With the passage of the American Recovery and Reinvestment Act of 2009 (ARRA), the City submitted a request for funding of the Elmwood Road Sanitary Sewer project as "shovel ready". The award amounted to 50% of the project cost or \$463,208. The contract for that project was awarded in August 2009 and construction has continued into early 2010.

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

The Lake Road (U. S. Route 6) 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. A portion of the planned road reconstruction was completed in November 2009.

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 remains in a position to react to unexpected outside influences.

Municipal Income Tax revenue accounted for approximately to 42% of total General Fund revenue; that amount was 40% in 2008. While this revenue source is economically sensitive and has remained relatively flat in recent years, the City's financial position has just begun to be negatively impacted because of a revenue decline first experienced from 2008 to 2009 and revenues were short of budget expectations by 2%. Some financial flexibility to provide resources for capital improvement projects, is gained by estate tax receipts (Intergovernmental Revenue); of which collections have ranged from \$1.995 to \$2.349 million in the most recent five years.

Property Tax revenue accounts for approximately to 22% of total General Fund revenue; that amount was 20% in 2008. 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%. While such valuation increase serves to increase property tax revenue, there have been several off-setting factors. First, due to the phase out of the tangible personal property tax by the State of Ohio, that component of the City's Total Tax Valuation has decreased by about 50% from 2007 to 2008 and 86% overall in the last five years. 2009 was the final year for collection of the tangible personal property tax.

The statutory reduction of the tangible personal property tax base was partially offset by an increase in the real property component of over seven percent in that same five year period. As of December 2009, the real property component now makes up about 99% of the City's Total Tax Valuation. Finally, in April 2009, the Cuyahoga County Auditor, based on statistical analysis of sales prices and market conditions within the City, calculated a proposed valuation adjustment of a five percent decrease. The City-wide proposed valuations were subsequently approved by the State of Ohio Department of Taxation. The revenue affect is not direct; it has been estimated that the City will experience a three percent revenue decrease as a result of the proposed real property valuations. The City continues to monitor the effects on its Total Tax Valuation by the current real estate market.

The City uses on-going analysis of these and other revenue sources as a basis for its annual budget while balancing the need for reserves. In the most recent five years, the General Fund reserve (non-GAAP budgetary basis) has fallen within a range of 19% to 39% with an average of almost 29%.

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, 2008. This was the twenty-second 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 2009 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, 2008

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emmer".

Executive Director

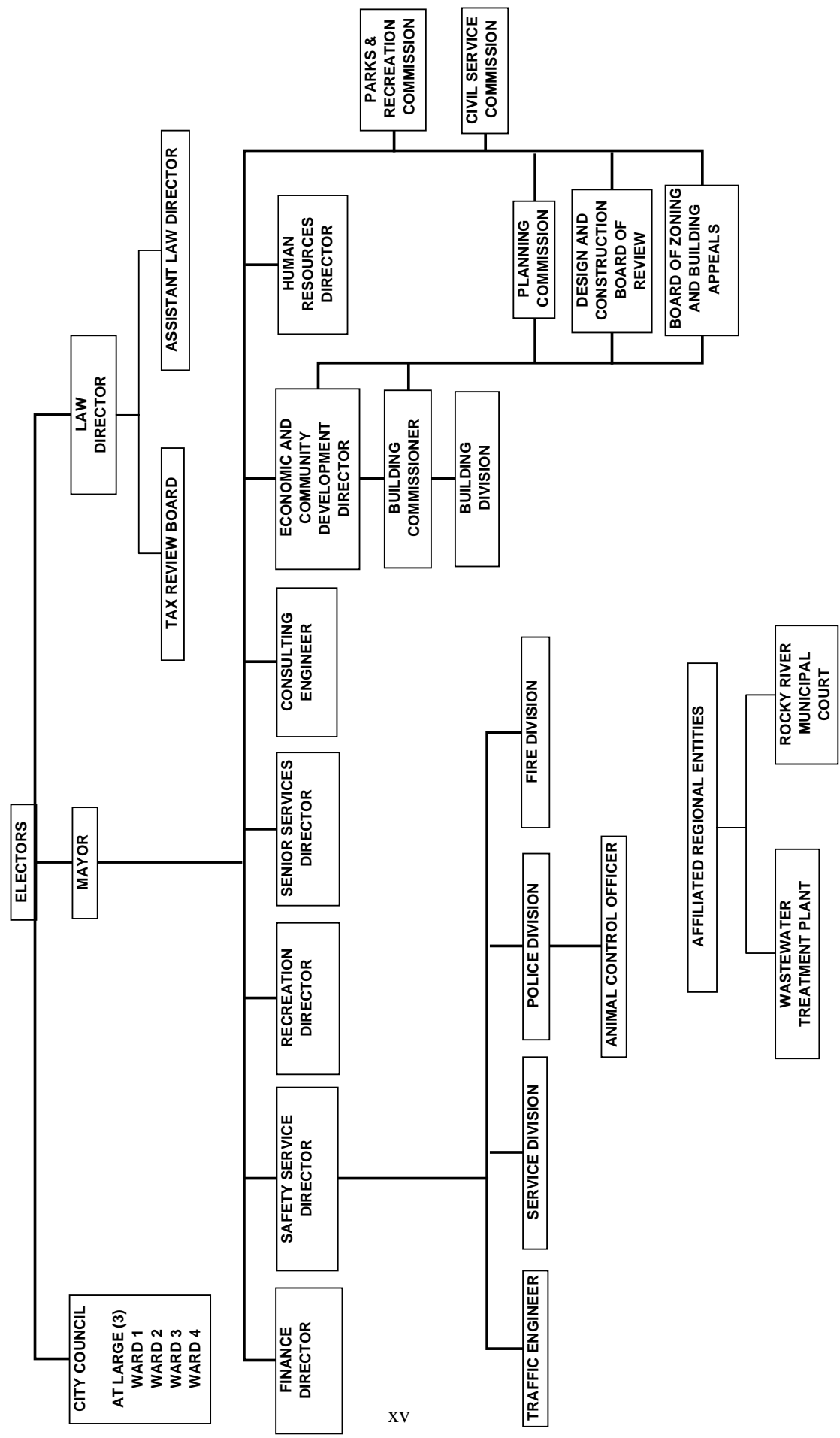
City of Rocky River, Ohio

List of Elected Officials

December 31, 2009

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

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, 2009, 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, 2009, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparison for the General and Recreation Center Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2009, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in AICPA Statements on Auditing Standards*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2010 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 28, 2010

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2009

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, 2009. 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 2009 are:

- Total revenues were \$31,128,473, a decrease of 1.9 percent from 2008. Total expenses were \$30,653,464, a decrease of 2.7 percent under 2008 levels. Because the expense decline exceeded the revenue decline, total net assets increased \$475,009 or 0.7 percent.
- Total assets decreased by \$624,552 or 0.6 percent from 2008.
- Total liabilities decreased by \$1,099,561 or 3.2 percent from 2008.
- Total capital assets increased by \$377,765 or 0.6 percent from 2008.
- Total outstanding long-term liabilities decreased \$1,123,857 from 2008, a decrease of 4.5 percent.

Using This Comprehensive Annual Financial Report

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

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

Reporting the City of Rocky River as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the funds used by the City to provide services to citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2009?" 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, 2009

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, Sanitary Sewer, Recreation Center, General Obligation Bond Retirement, Sewer Rehabilitation, and Capital Improvement Funds.

Government Funds

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

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2009

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities. The City uses an enterprise fund to account for the operations of its sanitary sewer charges. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains this type of fund 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 2009 compared to restated 2008 balances.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2009

	Table 1 Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and Other Assets	\$ 25,669,799	\$ 26,628,220	\$ 6,806,564	\$ 6,850,460	\$ 32,476,363	\$ 33,478,680
Capital Assets, Net	<u>49,950,278</u>	<u>50,172,715</u>	<u>18,031,590</u>	<u>17,431,388</u>	<u>67,981,868</u>	<u>67,604,103</u>
Total Assets	<u>75,620,077</u>	<u>76,800,935</u>	<u>24,838,154</u>	<u>24,281,848</u>	<u>100,458,231</u>	<u>101,082,783</u>
Liabilities						
Current and Other Liabilities	9,711,230	9,689,622	69,182	66,494	9,780,412	9,756,116
Long-Term Liabilities						
Due Within One Year	1,635,799	1,561,488	32,574	27,888	1,668,373	1,589,376
Due In More Than One Year	<u>21,796,889</u>	<u>22,981,130</u>	<u>316,490</u>	<u>335,103</u>	<u>22,113,379</u>	<u>23,316,233</u>
Total Liabilities	<u>33,143,918</u>	<u>34,232,240</u>	<u>418,246</u>	<u>429,485</u>	<u>33,562,164</u>	<u>34,661,725</u>
Net Assets						
Invested in Capital Assets						
Net of Related Debt	31,254,205	30,592,575	17,800,190	17,184,178	49,054,395	47,776,753
Restricted for:						
Capital Projects	6,208,401	4,463,366	0	0	6,208,401	4,463,366
Debt Service	295,558	434,148	0	0	295,558	434,148
Municipal Probation	421,063	416,388	0	0	421,063	416,388
Aging	124,001	218,952	0	0	124,001	218,952
Street Construction and Maintenance	406,063	415,917	0	0	406,063	415,917
Other Purposes	539,121	816,857	0	0	539,121	816,857
Unrestricted	<u>3,227,747</u>	<u>5,210,492</u>	<u>6,619,718</u>	<u>6,668,185</u>	<u>9,847,465</u>	<u>11,878,677</u>
Total Net Assets	<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 may serve over time as a useful indicator of a government's financial position. For the City, Total Assets exceed Total Liabilities by \$66,896,067 as of December 31, 2009.

\$49,054,395 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 2009 decreased by \$624,552 or 0.6 percent when compared to 2008. The decrease in Total Assets was influenced by a decrease in Cash and Cash Equivalents of 1.6 percent while an increase in Capital Assets percent moderated the decrease. The City's Total Liabilities decreased \$1,099,561 or 3.2 percent when compared to 2008. The largest decreases were due to contracts becoming completed during 2009 and the payment of retainage and unearned revenue accrued in relation to intergovernmental receivables.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2009

Table 2 shows the changes in net assets for the year ended December 31, 2009 compared to 2008.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Program Revenues:						
Charges for Services	\$ 6,846,820	\$ 6,625,091	\$ 1,979,436	\$ 2,012,434	\$ 8,826,256	\$ 8,637,525
Operating Grants and Contributions	934,037	959,299	0	0	934,037	959,299
Capital Grants and Contributions	<u>1,044,787</u>	<u>929,746</u>	<u>903,127</u>	<u>195,846</u>	<u>1,947,914</u>	<u>1,125,592</u>
Total Program Revenues	<u>8,825,644</u>	<u>8,514,136</u>	<u>2,882,563</u>	<u>2,208,280</u>	<u>11,708,207</u>	<u>10,722,416</u>
General Revenues:						
Property and Other Local Taxes	7,067,140	6,941,765	0	0	7,067,140	6,941,765
Municipal Income Taxes	7,661,534	8,673,869	0	0	7,661,534	8,673,869
Franchise Tax	128,163	207,503	0	0	128,163	207,503
Admissions Tax	34,981	36,715	0	0	34,981	36,715
Grants and Entitlements	4,195,197	4,156,898	0	0	4,195,197	4,156,898
Investment Income	140,058	516,771	0	0	140,058	516,771
Miscellaneous	<u>193,193</u>	<u>466,811</u>	<u>0</u>	<u>0</u>	<u>193,193</u>	<u>466,811</u>
Total General Revenues	<u>19,420,266</u>	<u>21,000,332</u>	<u>0</u>	<u>0</u>	<u>19,420,266</u>	<u>21,000,332</u>
Total Revenues	<u>28,245,910</u>	<u>29,514,468</u>	<u>2,882,563</u>	<u>2,208,280</u>	<u>31,128,473</u>	<u>31,722,748</u>
Program Expenses:						
General Government	6,932,356	8,051,702	0	0	6,932,356	8,051,702
Security of Persons and Property	9,623,866	9,396,241	0	0	9,623,866	9,396,241
Public Health	1,437,857	1,347,437	0	0	1,437,857	1,347,437
Transportation	2,758,278	3,195,503	0	0	2,758,278	3,195,503
Community Development	720,892	801,140	0	0	720,892	801,140
Basic Utility Service	1,772,114	1,609,178	0	0	1,772,114	1,609,178
Leisure Time Activities	4,268,822	3,937,438	0	0	4,268,822	3,937,438
Interest and Fiscal Charges	824,261	854,095	0	0	824,261	854,095
Sanitary Sewer Charges	<u>0</u>	<u>0</u>	<u>2,315,018</u>	<u>2,308,075</u>	<u>2,315,018</u>	<u>2,308,075</u>
Total Program Expenses	<u>28,338,446</u>	<u>29,192,734</u>	<u>2,315,018</u>	<u>2,308,075</u>	<u>30,653,464</u>	<u>31,500,809</u>
Increase (Decrease) in Net Assets	<u>(92,536)</u>	<u>321,734</u>	<u>567,545</u>	<u>(99,795)</u>	<u>475,009</u>	<u>221,939</u>
Net Assets January 1	<u>42,568,695</u>	<u>42,246,961</u>	<u>23,852,363</u>	<u>23,952,158</u>	<u>66,421,058</u>	<u>66,199,119</u>
Net Assets December 31	\$ <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>

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2009

Governmental Activities

Governmental activities decreased the City's Net Assets by \$92,536 during 2009, compared to an increase in 2008 of \$321,734. The difference between 2009 and 2008 change in Net Assets is attributable to an increase in Program Revenues offset by a decrease in General Revenues of the City.

Both Program Revenues and General Revenues fund the City's governmental activities. The amount that Charges for Services revenue contributed to Total Program Revenues was virtually unchanged from 2008 to 2009. Actual Charges for Services received over that period increased 3.3 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 2009 was \$7,661,534, a \$1,012,335 decrease from 2008; the first year-to-year decrease experienced by the City. 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 36.4 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 2009 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 increased less than one percent from 2008 to 2009. The amounts collected by the City under provisions of the Ohio Revised Code Chapter 5731, Estate Tax are recorded as Entitlements. During 2009, \$2,059,211 was received as current distributions. The City accounts for Estate Tax revenue in the General Fund.

Total Program Expenses for 2009 were \$28,338,446, a 2.9 percent decrease from 2008 levels. Program category increases occurred for Security in Persons and Property; Public Health; Basic Utility Services and Leisure Time Activities. Moderating those increases and resulting in an overall expense decrease, expenses were lower in the program categories of General Government; Transportation; Community Development and Interest and Fiscal Charges.

During 2009, the largest program category function for the City is Security of Persons and Property, which includes police and fire protection. This program accounts for 34.0 percent of expenses and increased by \$277,625 or 2.4 percent from 2008. Negotiated wage increases and the increased cost of employee health insurance drove this program category costs higher in both the Fire and Police Division in 2009. An employee's long-term extended absence led to increased overtime costs in the Fire Division to maintain adequate public safety. The overtime increase closely paralleled the increase in this program category.

City of Rocky River, Ohio
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The General Government program category accounts for 24.5 percent of Program Expenses. A decrease of 13.9 percent or \$1,119,346 occurred in this program category from 2008 to 2009. This program category reports the accumulated activity of the Rocky River Municipal Court; and other administrative functions of the City. The decrease was most significantly impacted by reduced transfers needed to provide resources to other program categories and for operating the City's partially self-insured employee health, prescription drug and dental insurance benefits.

The Leisure Time Activities program category was the third largest for 2009 and comprises just over 15 percent of Program Expenses which increased by 8.4 percent from 2008. While cash disbursements decreased for operations of activities in this program category, capital outlays and increased depreciation expense resulted in the increase for the year.

Business-Type Activities

For Business-Type Activities of the City, Charges for Services are the primary source of revenue. That revenue decreased just over 1.5 percent from 2008 to 2009. Capital Grants and Contributions revenue more than tripled from 2008 to 2009 as the sanitary sewer fee designated for capital purposed experienced a full year's collection in 2009. 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, 2009, the City's governmental funds reported combining ending fund balances of \$12,089,179. Of that amount, \$9,355,002 constitutes unreserved fund balances, which is available for spending at the City's discretion. The \$2,734,177 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 \$28,473,571 and expenditures of \$29,856,469, leaving a \$1,138,017 current year deficit, after consideration of the sources of \$244,881 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 2009, the General Fund had total revenues and other financing sources of \$18,305,218 and expenditures and other financing uses of \$20,336,707 resulting in a decrease in fund balance at December 31, 2009 of \$2,031,489. This represents 9.99 percent of the current year General Fund expenditures and other financing uses. Revenues were approximately \$1,768,070 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, 2009

approximately \$2,385,200 less than last year's expenditures primarily due to a decrease in transfers out of approximately \$2,400,000.

The Recreation Center Fund accounts for the operation and maintenance of the City's recreation facilities and activities. In 2009, the Recreation Center Fund had total revenues of \$2,950,610 and expenditures of \$3,288,321 resulting in a decrease in fund balance of \$337,711 at December 31, 2009. Revenues were approximately \$469,325 below last year's revenues mainly due to \$200,000 less in transfers and a decrease in miscellaneous revenues while expenditures were approximately \$126,124 less than last year's expenditures.

The General Obligation Bond Retirement Fund accounts for the repayment of general obligation bonds of the City. In 2009, the General Obligation Bond Retirement Fund had total revenues of \$1,458,035 and expenditures of \$1,586,453 resulting in a decrease in fund balance of \$128,418 at December 31, 2009. Revenues ended approximately \$219,834 below last year's revenues while expenditures were approximately \$7,525 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 2009, the Sewer Rehabilitation Fund had total revenues of \$1,680,224 and expenditures of \$916,703 resulting in an increase in fund balance of \$763,521 at December 31, 2009. Revenues approximately equaled last year's revenues while expenditures increased about \$869,953 as improvement project construction activity ramped-up in 2009.

The Capital Improvement Fund accounts for the various projects of the City financed by tax monies and General Fund transfers. In 2009, the Capital Improvement Fund had total revenues of \$2,963,127 and expenditures of \$2,319,001 resulting in an increase in fund balance of \$644,126 at December 31, 2009. Revenues ended approximately \$484,734 above last year's revenues mainly due to an increase 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 2009, the City supplemented the General Fund budget three times for a total increase in budgeted expenditures of \$264,920. The General Fund's actual expenditures, not including other financing uses, were \$1,451,841 under the final budgeted amount of \$16,249,191.

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

The General Fund supports many major activities such as the Police Division, Fire Division, Engineer/Building, Finance, Rocky River Municipal Court, and Economic/Community Development Departments as well as the legislative and most executive activities. Some major capital projects are funded with General Fund dollars. These funds are transferred from the General Fund to Capital Improvement Fund where the revenue and expenditures for the capital improvement project are tracked and monitored.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
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For the General Fund, the original budgeted revenues were \$17,682,388 and increased by \$1,248,400 to \$18,930,788 for final budgeted revenues, not including sale of capital assets, transfers, and advances. The level of liquidity in the General Fund, measured by the unrestricted cash at year-end, was about 20 percent of General Fund revenue and other financing sources.

Capital Assets and Debt Administration

Capital Assets

Table 3 shows fiscal 2009 balances of Capital Assets as compared to 2008:

Table 3
 Capital Assets at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 2,017,826	\$ 2,017,826	\$ 39,516	\$ 39,516	\$ 2,057,342	\$ 2,057,342
Land Improvements	203,158	203,158	0	0	203,158	203,158
Right of Way	0	0	250,000	250,000	250,000	250,000
Construction in Progress	1,892,166	560,592	1,035,202	132,075	2,927,368	692,667
Land Improvements	3,511,830	2,721,756	0	0	3,511,830	2,721,756
Buildings	23,839,090	24,425,917	0	0	23,839,090	24,425,917
Equipment	62,286	287,560	31,734	39,416	94,020	326,976
Vehicles	1,226,627	1,555,960	12,414	18,438	1,239,041	1,574,398
Infrastructure:						
Roads	7,840,167	8,268,240	0	0	7,840,167	8,268,240
Sidewalks	674,702	606,804	0	0	674,702	606,804
Traffic Signals	784,069	917,623	0	0	784,069	917,623
Storm Sewers	3,210,407	3,269,412	0	0	3,210,407	3,269,412
Sewer Lines	0	0	16,662,724	16,951,943	16,662,724	16,951,943
Water Mains	4,687,950	4,433,707	0	0	4,687,950	4,433,707
Parks	0	904,160	0	0	0	904,160
Total Capital Assets	\$ <u>49,950,278</u>	\$ <u>50,172,715</u>	\$ <u>18,031,590</u>	\$ <u>17,431,388</u>	\$ <u>67,981,868</u>	\$ <u>67,604,103</u>

Total Capital Assets for the City as of December 31, 2009 were \$67,981,868, a \$377,765 increase over 2008. Capital asset additions of \$3,398,294 were offset by \$208,677 in disposals and \$3,018,775 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.

The amount reported in the Parks category as of December 31, 2008 was reviewed and found to be more appropriately reported as Land Improvements as of December 31, 2009.

See Note 9 for additional information on capital assets.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2009

Debt

On December 31, 2009, the City had \$18,927,473 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	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 17,877,319	\$ 18,950,140	\$ 0	\$ 0	\$ 17,877,319	\$ 18,950,140
Special Assessment Bonds	590,000	630,000	0	0	590,000	630,000
OPWC Loan	228,754	0	0	0	228,754	0
OWDA Loan	<u>0</u>	<u>0</u>	<u>231,400</u>	<u>247,210</u>	<u>231,400</u>	<u>247,210</u>
Total Outstanding Debt	\$ <u>18,696,073</u>	\$ <u>19,580,140</u>	\$ <u>231,400</u>	\$ <u>247,210</u>	\$ <u>18,927,473</u>	\$ <u>19,827,350</u>

The outstanding General Obligation Bonds are composed of the following: 1) Rocky River Municipal Court Facility, Series 2002, of \$2,990,000; 2) Various Purpose General Obligation Bonds, Series 2004, of \$7,670,000 and 3) Civic Facility Improvements, Series 2005 of \$6,875,000. There remains unamortized premiums related to these issues of \$342,319.

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 \$350,000 (Series 1998) and one for \$240,000 (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 \$54,957,796 on December 31, 2009.

See Note 16 of the Basic Financial Statements for additional information on the City's debt.

City of Rocky River, Ohio
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For the Year Ended December 31, 2009

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.

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City of Rocky River, Ohio

Statement of Net Assets

December 31, 2009

	Governmental Activities	Business - Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 13,486,359	\$ 261,785	\$ 13,748,144
Accrued Interest Receivable	11,192	0	11,192
Accounts Receivable, Net of Allowance			
For Doubtful Accounts	365,536	534,254	899,790
Intergovernmental Receivable	2,009,082	0	2,009,082
Materials and Supplies Inventory	184,214	16,353	200,567
Taxes Receivable	8,902,004	0	8,902,004
Special Assessments Receivable	681,881	0	681,881
Investment in Joint Venture	0	5,994,172	5,994,172
Deferred Charges	29,531	0	29,531
Nondepreciable Capital Assets	4,113,150	1,324,718	5,437,868
Depreciable Capital Assets, Net	<u>45,837,128</u>	<u>16,706,872</u>	<u>62,544,000</u>
Total Assets	<u>75,620,077</u>	<u>24,838,154</u>	<u>100,458,231</u>
Liabilities:			
Accounts Payable	1,058,192	13,933	1,072,125
Contracts Payable	149,956	0	149,956
Accrued Wages and Benefits	668,892	21,584	690,476
Matured Compensated Absences Payable	204,322	0	204,322
Intergovernmental Payable	950,637	27,930	978,567
Unearned Revenue	6,368,942	0	6,368,942
Retainage Payable	150,192	0	150,192
Accrued Interest Payable	69,613	5,735	75,348
Claims Payable	90,484	0	90,484
Long-Term Liabilities:			
Due within One Year	1,635,799	32,574	1,668,373
Due in More than One Year	<u>21,796,889</u>	<u>316,490</u>	<u>22,113,379</u>
Total Liabilities	<u>33,143,918</u>	<u>418,246</u>	<u>33,562,164</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	31,254,205	17,800,190	49,054,395
Restricted for:			
Capital Projects	6,208,401	0	6,208,401
Debt Service	295,558	0	295,558
Municipal Probation Services	421,063	0	421,063
Aging	124,001	0	124,001
Street Construction and Maintenance	406,063	0	406,063
Other Purposes	539,121	0	539,121
Unrestricted	<u>3,227,747</u>	<u>6,619,718</u>	<u>9,847,465</u>
Total Net Assets	<u>\$ 42,476,159</u>	<u>\$ 24,419,908</u>	<u>\$ 66,896,067</u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Statement of Activities

For The Year Ended December 31, 2009

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Government activities:				
General Government	\$ 6,932,356	\$ 2,761,052	\$ 35,857	\$ 824,696
Security of Persons and Property	9,623,866	740,665	25,263	0
Public Health	1,437,857	369,997	0	0
Transportation	2,758,278	75	781,961	0
Leisure Time Activities	4,268,822	1,979,316	0	0
Community Development	720,892	260	0	0
Basic Utility Service	1,772,114	995,455	90,956	220,091
Interest and Fiscal Charges	824,261	0	0	0
Total Governmental Activities	<u>28,338,446</u>	<u>6,846,820</u>	<u>934,037</u>	<u>1,044,787</u>
Business-Type Activities:				
Sewer	<u>2,315,018</u>	<u>1,979,436</u>	<u>0</u>	<u>903,127</u>
Total	<u>\$ 30,653,464</u>	<u>\$ 8,826,256</u>	<u>\$ 934,037</u>	<u>\$ 1,947,914</u>

General Revenues:

Property Taxes Levied for:

 General Purposes

 Recreation

 Office on Aging

 Refuse and Recycling

 Fire Levy

 Police Levy

 Capital Improvements

 General Obligation Bond Retirement

Municipal Income Taxes Levied for:

 General Purposes

 Franchise Tax

 Admissions Tax

 Grants and Entitlements not Restricted to Specific Programs

 Investment Income

 Other

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See Accompanying Notes to the Basic Financial Statements

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ (3,310,751)	\$ 0	\$ (3,310,751)
(8,857,938)	0	(8,857,938)
(1,067,860)	0	(1,067,860)
(1,976,242)	0	(1,976,242)
(2,289,506)	0	(2,289,506)
(720,632)	0	(720,632)
(465,612)	0	(465,612)
(824,261)	0	(824,261)
<u>(19,512,802)</u>	<u>0</u>	<u>(19,512,802)</u>
<u>0</u>	<u>567,545</u>	<u>567,545</u>
<u>(19,512,802)</u>	<u>567,545</u>	<u>(18,945,257)</u>
4,093,251	0	4,093,251
324,861	0	324,861
324,861	0	324,861
649,723	0	649,723
194,916	0	194,916
194,916	0	194,916
649,723	0	649,723
634,889	0	634,889
7,661,534	0	7,661,534
128,163	0	128,163
34,981	0	34,981
4,195,197	0	4,195,197
140,058	0	140,058
<u>193,193</u>	<u>0</u>	<u>193,193</u>
<u>19,420,266</u>	<u>0</u>	<u>19,420,266</u>
(92,536)	567,545	475,009
<u>42,568,695</u>	<u>23,852,363</u>	<u>66,421,058</u>
\$ <u><u>42,476,159</u></u>	\$ <u><u>24,419,908</u></u>	\$ <u><u>66,896,067</u></u>

City of Rocky River, Ohio

Balance Sheet Governmental Funds

December 31, 2009

	General	Recreation Center	General Obligation Bond Retirement
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 3,724,727	\$ 414,705	\$ 284,649
Accrued Interest Receivable	10,194	0	0
Accounts Receivable, Net of Allowance			
For Doubtful Accounts	282,636	5,931	0
Intergovernmental Receivable	918,496	23,590	50,531
Interfund Receivable	500,000	0	0
Materials and Supplies Inventory	15,690	4,999	0
Municipal Income Taxes Receivable	2,278,159	0	0
Property Taxes Receivable	3,828,458	303,846	607,693
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 \$ <u>11,558,360</u>	 \$ <u>753,071</u>	 \$ <u>942,873</u>
 Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 224,156	\$ 87,706	\$ 0
Contracts Payable	0	0	0
Accrued Wages and Benefits	450,998	83,464	0
Matured Compensated Absences	119,522	51,223	0
Intergovernmental Payable	385,942	95,427	0
Interfund Payable	0	500,000	0
Deferred Revenue	5,890,840	327,436	658,224
Retainage Payable	<u>4,624</u>	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>7,076,082</u>	 <u>1,145,256</u>	 <u>658,224</u>
 Fund Balances:			
Reserve for Encumbrances	103,173	35,398	0
Reserve for Inventory	15,690	4,999	0
Unreserved, Undesignated (Deficit), Reported In:			
General Fund	4,363,415	0	0
Special Revenue Funds	0	(432,582)	0
Debt Service Funds	0	0	284,649
Capital Project Funds	<u>0</u>	<u>0</u>	<u>0</u>
 Total Fund Balances (Deficit)	 <u>4,482,278</u>	 <u>(392,185)</u>	 <u>284,649</u>
 Total Liabilities and Fund Balances	 \$ <u>11,558,360</u>	 \$ <u>753,071</u>	 \$ <u>942,873</u>

See Accompanying Notes to the Basic Financial Statements

<u>Sewer Rehabilitation</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,508,325	\$ 1,753,962	\$ 4,257,846	\$ 12,944,214
0	246	752	11,192
0	0	76,969	365,536
463,209	92,096	461,160	2,009,082
0	0	0	500,000
0	0	163,525	184,214
0	0	0	2,278,159
0	607,693	1,276,155	6,623,845
<u>0</u>	<u>0</u>	<u>681,881</u>	<u>681,881</u>
\$ <u>2,971,534</u>	\$ <u>2,453,997</u>	\$ <u>6,918,288</u>	\$ <u>25,598,123</u>
\$ 566,714	\$ 0	\$ 179,616	\$ 1,058,192
0	149,956	0	149,956
0	0	134,430	668,892
0	0	33,577	204,322
0	0	469,268	950,637
0	0	0	500,000
0	654,872	2,295,381	9,826,753
<u>0</u>	<u>145,568</u>	<u>0</u>	<u>150,192</u>
<u>566,714</u>	<u>950,396</u>	<u>3,112,272</u>	<u>13,508,944</u>
708,362	1,486,514	216,516	2,549,963
0	0	163,525	184,214
0	0	0	4,363,415
0	0	1,155,478	722,896
0	0	12,099	296,748
<u>1,696,458</u>	<u>17,087</u>	<u>2,258,398</u>	<u>3,971,943</u>
<u>2,404,820</u>	<u>1,503,601</u>	<u>3,806,016</u>	<u>12,089,179</u>
\$ <u>2,971,534</u>	\$ <u>2,453,997</u>	\$ <u>6,918,288</u>	\$ <u>25,598,123</u>

City of Rocky River, Ohio

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

December 31, 2009

Total Governmental Funds Balance \$ 12,089,179

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. 49,950,278

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

Delinquent Property Taxes	\$ 254,905
Other Local Taxes	65,977
Municipal Income Taxes	1,402,662
Special Assessments	681,881
Charges for Services	68,793
Intergovernmental	<u>983,593</u>

Total 3,457,811

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (69,613)

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. 451,661

Bond issuance costs will be amortized over the life of the bonds on the statement of assets. 29,531

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

General Obligation Bonds	(17,877,319)
Special Assessments	(590,000)
Ohio Public Works Commission Loan	(228,754)
Compensated Absences	(4,186,930)
Police and Fire Pension Liability	<u>(549,685)</u>

Total (23,432,688)

Net Assets of Governmental Activities \$ 42,476,159

See Accompanying Notes to the Basic Financial Statements

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City of Rocky River, Ohio

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

For The Year Ended December 31, 2009

	General	Recreation Center	General Obligation Bond Retirement
Revenues:			
Property Taxes	\$ 4,100,752	\$ 325,456	\$ 636,079
Municipal Income Taxes	7,748,760	0	0
Other Local Taxes	31,524	0	0
Intergovernmental	3,090,473	45,478	90,956
Charges for Services	21,571	1,941,927	0
Fines, Fees and Permits	2,990,866	0	0
Special Assessments	0	0	0
Investment Income	113,880	0	0
Rentals	72,569	31,818	0
Other	118,696	5,931	0
Total Revenues	<u>18,289,091</u>	<u>2,350,610</u>	<u>727,035</u>
Expenditures:			
Current:			
Security of Persons and Property	7,882,232	0	0
Public Health	0	0	0
Leisure Time Activities	359,127	3,282,170	0
Community Development	917,692	0	0
Basic Utility Service	0	0	0
Transportation	685,393	0	0
General Government	4,969,691	0	0
Capital Outlay	34,808	6,151	0
Debt Service:			
Principal Retirement	0	0	940,000
Interest and Fiscal Charges	0	0	646,453
Total Expenditures	<u>14,848,943</u>	<u>3,288,321</u>	<u>1,586,453</u>
Excess of Revenues Over (Under) Expenditures	<u>3,440,148</u>	<u>(937,711)</u>	<u>(859,418)</u>
Other Financing Sources (Uses):			
Issuance of Debt	0	0	0
Sale of Capital Assets	16,127	0	0
Transfers - In	0	600,000	731,000
Transfers - Out	(5,487,764)	0	0
Total Other Financing Sources (Uses)	<u>(5,471,637)</u>	<u>600,000</u>	<u>731,000</u>
Net Change in Fund Balances	(2,031,489)	(337,711)	(128,418)
Fund Balances (Deficit) at Beginning of Year	<u>6,513,767</u>	<u>(54,474)</u>	<u>413,067</u>
Fund Balances (Deficit) at End of Year	\$ <u>4,482,278</u>	\$ <u>(392,185)</u>	\$ <u>284,649</u>

See Accompanying Notes to the Basic Financial Statements

<u>Sewer Rehabilitation</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 650,913	\$ 1,366,915	\$ 7,080,115
0	0	0	7,748,760
0	131,620	0	163,144
463,209	738,908	1,856,703	6,285,727
988,261	3,645	362,044	3,317,448
0	900	366,038	3,357,804
0	3,240	63,517	66,757
0	8,999	17,179	140,058
0	0	0	104,387
0	74,902	9,842	209,371
<u>1,451,470</u>	<u>1,613,127</u>	<u>4,042,238</u>	<u>28,473,571</u>
0	0	1,364,088	9,246,320
0	0	1,173,737	1,173,737
0	0	0	3,641,297
0	0	0	917,692
434,900	0	1,621,668	2,056,568
0	0	1,583,347	2,268,740
0	0	21,774	4,991,465
481,803	2,319,001	753,645	3,595,408
0	0	176,923	1,116,923
0	0	201,866	848,319
<u>916,703</u>	<u>2,319,001</u>	<u>6,897,048</u>	<u>29,856,469</u>
<u>534,767</u>	<u>(705,874)</u>	<u>(2,854,810)</u>	<u>(1,382,898)</u>
228,754	0	0	228,754
0	0	0	16,127
0	1,350,000	2,806,764	5,487,764
0	0	0	(5,487,764)
<u>228,754</u>	<u>1,350,000</u>	<u>2,806,764</u>	<u>244,881</u>
763,521	644,126	(48,046)	(1,138,017)
<u>1,641,299</u>	<u>859,475</u>	<u>3,854,062</u>	<u>13,227,196</u>
\$ <u>2,404,820</u>	\$ <u>1,503,601</u>	\$ <u>3,806,016</u>	\$ <u>12,089,179</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, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (1,138,017)

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	\$ 2,490,009	
Depreciation	<u>(2,710,692)</u>	
Total		(220,683)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. (1,754)

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	(12,975)	
Municipal Income Taxes	(87,226)	
Special Assessments	(3,669)	
Charges for Services	(26,083)	
Intergovernmental	<u>(112,081)</u>	
Total		(242,034)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,090,000

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 (228,754)

(continued)

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

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

For The Year Ended December 31, 2009

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

Accrued Interest on Bonds	2,878	
Amortization of Bond Premium	22,821	
Amortization of Issuance Costs	<u>(1,641)</u>	
Total		24,058

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	198,940	
Police and Fire Pension Liability	<u>26,923</u>	
Total		225,863

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

	<u>398,785</u>	
Change in Net Assets of Governmental Activities		\$ <u><u>(92,536)</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

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

General Fund

For The Year Ended December 31, 2009

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and Other Taxes	\$ 4,419,488	\$ 4,419,488	\$ 4,100,752	\$ (318,736)
Municipal Income Taxes	8,000,000	8,000,000	7,832,012	(167,988)
Other Local Taxes	40,000	40,000	34,981	(5,019)
Intergovernmental	1,668,900	2,772,900	3,371,019	598,119
Charges for Services	35,400	36,200	21,571	(14,629)
Rentals	75,000	75,000	72,569	(2,431)
Fines, Fees, and Permits	2,802,100	2,945,700	3,008,637	62,937
Investment Income	525,000	525,000	163,378	(361,622)
Miscellaneous Income	<u>116,500</u>	<u>116,500</u>	<u>118,816</u>	<u>2,316</u>
Total Revenues	<u>17,682,388</u>	<u>18,930,788</u>	<u>18,723,735</u>	<u>(207,053)</u>
Expenditures:				
Current:				
General Government	5,518,600	5,528,295	4,981,531	546,764
Security of Persons and Property	7,973,638	8,279,142	7,765,358	513,784
Transportation	800,967	798,859	712,026	86,833
Community Development	1,066,334	1,062,598	938,394	124,204
Leisure Time Activities	510,802	509,367	362,792	146,575
Capital Outlay	<u>70,930</u>	<u>70,930</u>	<u>37,249</u>	<u>33,681</u>
Total Expenditures	<u>15,941,271</u>	<u>16,249,191</u>	<u>14,797,350</u>	<u>1,451,841</u>
Excess of Revenues Over (Under) Expenditures	<u>1,741,117</u>	<u>2,681,597</u>	<u>3,926,385</u>	<u>1,244,788</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	20,000	20,000	16,127	(3,873)
Advances – In	0	0	100,000	100,000
Advances – Out	0	(100,000)	(100,000)	0
Transfers - Out	<u>(5,831,000)</u>	<u>(5,688,000)</u>	<u>(5,487,764)</u>	<u>200,236</u>
Total Other Financing Sources (Uses)	<u>(5,811,000)</u>	<u>(5,768,000)</u>	<u>(5,471,637)</u>	<u>296,363</u>
Net Change in Fund Balance	(4,069,883)	(3,086,403)	(1,545,252)	1,541,151
Fund Balance at Beginning of Year	4,821,258	4,821,258	4,821,258	0
Prior Year Encumbrances Appropriated	<u>290,321</u>	<u>290,321</u>	<u>290,321</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,041,696</u>	\$ <u>2,025,176</u>	\$ <u>3,566,327</u>	\$ <u>1,541,151</u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

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

Recreation Center Fund

For The Year Ended December 31, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 350,753	\$ 350,753	\$ 325,456	\$ (25,297)
Charges for Services	2,243,700	2,243,700	2,223,293	(20,407)
Intergovernmental	0	0	45,478	45,478
Rentals	<u>30,000</u>	<u>30,000</u>	<u>31,818</u>	<u>1,818</u>
Total Revenues	<u>2,624,453</u>	<u>2,624,453</u>	<u>2,626,045</u>	<u>1,592</u>
Expenditures:				
Current:				
Leisure Time Activities	3,628,586	3,624,028	3,258,920	365,108
Capital Outlay	<u>12,000</u>	<u>12,000</u>	<u>6,308</u>	<u>5,692</u>
Total Expenditures	<u>3,640,586</u>	<u>3,636,028</u>	<u>3,265,228</u>	<u>370,800</u>
Excess of Revenues Over (Under) Expenditures	(1,016,133)	(1,011,575)	(639,183)	372,392
Other Financing Sources (Uses):				
Transfers-In	<u>800,000</u>	<u>800,000</u>	<u>600,000</u>	<u>(200,000)</u>
Net Change in Fund Balances	(216,133)	(211,575)	(39,183)	172,392
Fund Balance at Beginning of Year	308,302	308,302	308,302	0
Prior Year Encumbrances Appropriated	<u>73,486</u>	<u>73,486</u>	<u>73,486</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>165,655</u>	\$ <u>170,213</u>	\$ <u>342,605</u>	\$ <u>172,392</u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Statement of Fund Net Assets Proprietary Funds

December 31, 2009

	Business Type Activities - Sewer	Governmental Activities - Internal Service Fund
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 261,785	\$ 542,145
Accounts Receivable	534,254	0
Materials and Supplies Inventory	<u>16,353</u>	<u>0</u>
Total Current Assets	<u>812,392</u>	<u>542,145</u>
Noncurrent Assets:		
Investment in Joint Venture	5,994,172	0
Nondepreciable Capital Assets	1,324,718	0
Depreciable Capital Assets, Net	<u>16,706,872</u>	<u>0</u>
Total Noncurrent Assets	<u>24,025,762</u>	<u>0</u>
Total Assets	<u>24,838,154</u>	<u>542,145</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	13,933	0
Accrued Wages and Benefits	21,584	0
Intergovernmental Payable	27,930	0
Claims Payable	0	90,484
Accrued Interest Payable	5,735	0
Compensated Absences Payable	16,024	0
OWDA Loans Payable	<u>16,550</u>	<u>0</u>
Total Current Liabilities	<u>101,756</u>	<u>90,484</u>
Long-term Liabilities:		
Accrued Compensated Absences (Net of Current Portion)	101,640	0
OWDA Loans Payable (Net of Current Portion)	<u>214,850</u>	<u>0</u>
Total Long-Term Liabilities	<u>316,490</u>	<u>0</u>
Total Liabilities	<u>418,246</u>	<u>90,484</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	17,800,190	0
Unrestricted	<u>6,619,718</u>	<u>451,661</u>
Total Net Assets	<u>\$ 24,419,908</u>	<u>\$ 451,661</u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

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

For The Year Ended December 31, 2009

	Business-Type Activities <u>Sewer</u>	Governmental Activities - Internal <u>Fund</u>
Operating Revenues:		
Charges for Services	\$ <u>1,979,436</u>	\$ <u>2,322,274</u>
Operating Expenses:		
Personal Service	626,131	0
Materials and Supplies	68,471	0
Contractual Services	1,137,786	233,028
Capital Outlay	1,250	0
Heat, Light and Power	25,121	0
Depreciation	308,083	0
Other	3,164	0
Claims	<u>0</u>	<u>1,690,461</u>
Total Operating Expenses	<u>2,170,006</u>	<u>1,923,489</u>
Operating Income (Loss)	<u>(190,570)</u>	<u>398,785</u>
Non-Operating Revenue (Expenses):		
Equity in Loss of Joint Venture	(134,074)	0
Interest Expense	<u>(10,938)</u>	<u>0</u>
Total Nonoperating Revenues (Expenses)	<u>(145,012)</u>	<u>0</u>
Income (Loss) before Capital Contributions and Transfers	(335,582)	398,785
Contributed Capital	<u>903,127</u>	<u>0</u>
Change in Net Assets	567,545	398,785
Net Assets at Beginning of Year	<u>23,852,363</u>	<u>52,876</u>
Net Assets at End of Year	\$ <u><u>24,419,908</u></u>	\$ <u><u>451,661</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Statement of Cash Flows Proprietary Fund Types

For The Year Ended December 31, 2009

	Business-Type Activities <u>Sewer</u>	Governmental Activities - Internal <u>Fund</u>
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 1,888,626	\$ 2,322,274
Cash Payments for Goods and Services	(1,216,347)	(301,534)
Cash Payments to Employees for Services and Benefits	(629,442)	0
Cash Payments for Claims	0	(1,886,539)
Cash Payments for Other Operating Expenses	<u>(2,769)</u>	<u>0</u>
Net Cash Provided by Operating Activities	<u>40,068</u>	<u>134,201</u>
Cash Flows from Capital and Related Financing Activities:		
Capital Acquisitions	(5,158)	0
Principal Paid on OWDA Loan	(15,810)	0
Interest Paid on OWDA Loan	<u>(11,289)</u>	<u>0</u>
Net Cash Used for Capital Financing Activities	<u>(32,257)</u>	<u>0</u>
Cash Flows from Investing Activities:		
Capital Contributed to Joint Venture	<u>(186,984)</u>	<u>0</u>
Net Increase (Decrease) Cash and Cash Equivalents	(179,173)	134,201
Cash and cash Equivalents at Beginning of Year	<u>440,958</u>	<u>407,944</u>
Cash and Cash Equivalents at End of Year	\$ <u>261,785</u>	\$ <u>542,145</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:		
Operating Income (Loss)	\$ (190,570)	\$ 398,785
Adjustments:		
Depreciation	308,083	0
Change in Operating Assets and Liabilities:		
Accounts Receivable	(90,810)	0
Materials and Supplies Inventory	8,443	0
Accounts Payable	8,233	(68,506)
Accrued Wages and Benefits	1,003	0
Compensated Absences Payable	1,883	0
Intergovernmental Payable	(6,197)	0
Claims Payable	<u>0</u>	<u>(196,078)</u>
Total Adjustments	<u>230,638</u>	<u>(264,584)</u>
Net Cash Provided by Operating Activities	\$ <u>40,068</u>	\$ <u>134,201</u>

Noncash investing, capital and financing activities:

During the year, the Sewer Fund acquired capital assets in the amount of \$903,127 via capital contributions.

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds

December 31, 2009

	<u>Investment Trust</u>	
	<u>Individual Investment Account</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 367,269
Cash and Cash Equivalents:		
In Segregated Accounts	5,751,754	555,777
Accounts Receivable	<u>0</u>	<u>5,000</u>
Total assets	<u>5,751,754</u>	\$ <u>928,046</u>
Liabilities:		
Undistributed Monies	0	\$ 305,771
Deposits Held and Due to Others	<u>0</u>	<u>622,275</u>
Total Liabilities	<u>0</u>	\$ <u>928,046</u>
Net assets:		
Held in trust for participants	\$ <u>5,751,754</u>	

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Statement of Changes in Fiduciary Net Assets Investment Trust Funds

For The Year Ended December 31, 2009

	<u>Individual Investment Account</u>
Additions:	
Interest	\$ 54,355
Capital transaction - purchases	<u>16,126,322</u>
Total additions	<u>16,180,677</u>
Deductions:	
Capital transaction - redemption	16,752,044
Distributions to participants	<u>183,666</u>
Total deductions	<u>16,935,710</u>
Changes in net assets	(755,033)
Net assets beginning of year	<u>6,506,787</u>
Net assets end of year	\$ <u><u>5,751,754</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Rocky River, Ohio

Notes to Basic Financial Statements

For The Year Ended December 31, 2009

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, 2009

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

Reporting Entity (continued)

The City participates in other organizations: jointly governed organizations and a related organization. See Notes 18 and 23 to the basic financial statements for further information.

Note 2: Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB codification, pronouncements and interpretations issued after November 30, 1989, to its business type activities and enterprise fund. The more significant of the City's accounting policies are described below.

A. Basis of Presentation

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

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

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, 2009

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, 2009

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, 2009

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, 2009, but which were levied to finance year 2010 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 2009. 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, 2009.

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 2009 amounted to \$113,880, which includes \$62,027 assigned from other City funds.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

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 2009, investments purchased through this account were limited to a negotiable order of withdrawal (NOW) deposit account and nonnegotiable certificates of deposit and are reported at fair value.

F. Inventory

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

G. Deferred Charges

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

H. Investment in Joint Venture

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. There are no prepaid items noted at December 31, 2009.

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, 2009

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 2009, the City's infrastructure consists of roads, traffic signals, sidewalks, storm sewers, water mains and parks. In addition, the City has recorded construction in progress for City road and sewer projects initiated in 2009. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

K. Interfund Balances

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. See Note 19 for interfund receivables/payables as of December 31, 2009.

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, 2009

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 \$7,994,207 of Restricted Net Assets, none of which are restricted by enabling legislation. Net assets restricted for other purposes include resources for police and fire programs, refuse and recycling programs, and streets and highways. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

P. Interfund Balances

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

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sanitary sewer services and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

R. Interfund Activity

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

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. Neither occurred in 2009.

T. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

U. Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the Alternative Tax Budget Information, the Certificate of Estimated Resources, and the Appropriations Ordinance, all of which are prepared on the budgetary basis of accounting. The Alternative Tax Budget Information demonstrates a need for existing or increased tax rates. The Certificate of Estimated Resources establishes a limit on the amount Council may appropriate. The Appropriations Ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council through the Appropriation Ordinance at the object level within each department for the general fund and at the object level for all other funds. Budgetary modifications may only be made by ordinance of the City Council at the legal level of control.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

U. Budgetary Data (continued)

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

V. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 28, 2010, the date the financial statements were available to be issued.

W. Comparative Data/Reclassification

Prior year data presented in Management's Discussion and Analysis and in the Statistical Section have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2008 financial statements in order to conform to the 2009 operations.

Note 3: Change in Accounting Principles

For 2009, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in AICPA Statements on Auditing Standards*.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations and subsequent events from the AICPA literature. 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, 2009

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	\$ (2,031,489)	\$ (337,711)
Net Adjustment for Revenue Accruals	534,644	275,435
Net Adjustment for Expenditure Accruals	109,993	95,193
Encumbrances	<u>(158,400)</u>	<u>(72,100)</u>
Budget Basis	\$ <u>(1,545,252)</u>	\$ <u>(39,183)</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

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 \$20,422,944 and the bank balance was \$20,292,265. Of the bank balance \$2,822,651 was covered by the FDIC and \$17,469,614 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, 2009, the City had no security investments.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

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, public utility and tangible personal property located in the City. Property tax revenue received during 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax revenue received during 2009 for tangible personal property (other than public utility property) represents collections of the 2009 taxes.

2009 real property taxes were levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by Ohio Revised Code at 35 percent of appraised value. 2009 real property taxes are collected in and intended to finance 2010.

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. 2009 public utility property taxes which became a lien December 31, 2008, were levied after October 1, 2009, and were collected in 2009 with real property taxes.

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 6: Property Taxes (continued)

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

The full tax rate for all City operations for the year ended December 31, 2009, was \$10.90 per \$1,000 of assessed value. The full rate for the City is the same as the effective rate. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 714,739,290
Public Utility Real	6,053,290
Tangible Personal	<u>4,073,990</u>
Total	\$ <u>724,866,570</u>

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

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

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, 2009 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 2009 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, 2009

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 2009 were \$317,397.

Note 8: Receivables

Receivables at December 31, 2009, 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 \$13,000 in uncollectible billings for user charged services.

Special assessments expected to be collected beyond one year amount to \$550,000 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding is \$92,000 at December 31, 2009.

During 2009, the City entered into an agreement with the Ohio Environmental Protection Agency (EPA), through its Water Pollution Control Loan Fund and administered by the Ohio Water Development Authority to receive a loan with full principal forgiveness for the City's Elmwood Road Sanitary Sewer project. The funding was made available to the Ohio EPA through the American Recovery and Reinvestment Act of 2009 (ARRA). The full amount of the principal forgiveness loan proceeds (\$463,208) is recorded as an intergovernmental receivable at December 31, 2009.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 9: Capital Assets

A summary of changes in capital assets during 2009 follows:

	Balance 12/31/08	Additions	Deletions	Transfers	Balance 12/31/09
Governmental Activities					
<i>Capital Assets not Being Depreciated</i>					
Land	\$ 2,017,826	\$ 0	\$ 0	\$ 0	\$ 2,017,826
Land Improvements	203,158	0	0	0	203,158
Construction in Progress	<u>560,592</u>	<u>1,331,574</u>	<u>0</u>	<u>0</u>	<u>1,892,166</u>
<i>Total Capital Assets not Being Depreciated</i>	<u>2,781,576</u>	<u>1,331,574</u>	<u>0</u>	<u>0</u>	<u>4,113,150</u>
<i>Capital Assets Being Depreciated</i>					
Land Improvements	3,000,542	0	0	1,517,425	4,517,967
Buildings	33,730,576	0	0	0	33,730,576
Furniture, Fixtures and Equipment	4,131,262	72,645	0	(80,790)	4,123,117
Vehicles	7,299,094	228,933	(174,973)	80,790	7,433,844
Infrastructure:					
Roads	22,817,453	405,536	(24,834)	0	23,198,155
Sidewalks	646,782	85,532	0	0	732,314
Traffic Signals	2,670,690	0	0	0	2,670,690
Storm Sewers	4,599,174	0	0	0	4,599,174
Water Mains	6,408,143	365,789	(8,870)	0	6,765,062
Parks	<u>1,517,425</u>	<u>0</u>	<u>0</u>	<u>(1,517,425)</u>	<u>0</u>
<i>Total Capital Assets Being Depreciated</i>	<u>86,821,141</u>	<u>1,158,435</u>	<u>(208,677)</u>	<u>0</u>	<u>87,770,899</u>
Less Accumulated Depreciation:					
Land Improvements	(278,786)	(114,086)	0	(613,265)	(1,006,137)
Building	(9,304,659)	(586,827)	0	0	(9,891,486)
Furniture, Fixtures and Equipment	(3,843,702)	(221,169)	0	4,040	(4,060,831)
Vehicles	(5,743,134)	(635,016)	174,973	(4,040)	(6,207,217)
Infrastructure:					
Roads	(14,549,213)	(833,609)	24,834	0	(15,357,988)
Sidewalks	(39,978)	(17,634)	0	0	(57,612)
Traffic Signals	(1,753,067)	(133,554)	0	0	(1,886,621)
Storm Sewers	(1,329,762)	(59,005)	0	0	(1,388,767)
Water Mains	(1,974,436)	(109,792)	7,116	0	(2,077,112)
Parks	<u>(613,265)</u>	<u>0</u>	<u>0</u>	<u>613,265</u>	<u>0</u>
<i>Total Capital Assets Being Depreciated</i>	<u>(39,430,002)</u>	<u>(2,710,692)</u>	<u>206,923</u>	<u>0</u>	<u>(41,933,771)</u>
Total Capital Assets Being Depreciated, Net	<u>47,391,139</u>	<u>(1,552,257)</u>	<u>(1,754)</u>	<u>0</u>	<u>45,837,128</u>
Governmental Activities Capital Assets, Net	\$ <u>50,172,715</u>	\$ <u>(220,683)</u>	\$ <u>(1,754)</u>	\$ <u>0</u>	\$ <u>49,950,278</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 9: Capital Assets (continued)

	Balance 12/31/08	Additions	Deletions	Balance 12/31/09
Business-Type Activities				
<i>Capital Assets not Being Depreciated</i>				
Land	\$ 39,516	\$ 0	\$ 0	\$ 39,516
Right of Way	250,000	0	0	250,000
Construction in Progress	132,075	903,127	0	1,035,202
<i>Total Capital Assets not Being Depreciated</i>	<u>421,591</u>	<u>903,127</u>	<u>0</u>	<u>1,324,718</u>
<i>Capital Assets Being Depreciated</i>				
Furniture, Fixtures and Equipment	62,364	5,158	0	67,522
Vehicles	540,859	0	0	540,859
Sewer Lines	21,756,337	0	0	21,756,337
<i>Total Capital Assets Being Depreciated</i>	<u>22,359,560</u>	<u>5,158</u>	<u>0</u>	<u>22,364,718</u>
Less Accumulated Depreciation				
Furniture, Fixtures and Equipment	(22,948)	(12,840)	0	(35,788)
Vehicles	(522,421)	(6,024)	0	(528,445)
Sewer Lines	(4,804,394)	(289,219)	0	(5,093,613)
<i>Total Capital Assets Being Depreciated</i>	<u>(5,349,763)</u>	<u>(308,083)</u>	<u>0</u>	<u>(5,657,846)</u>
Total Capital Assets Being Depreciated, Net	<u>17,009,797</u>	<u>(302,925)</u>	<u>0</u>	<u>16,706,872</u>
Total Business-Type Activities Capital Assets, Net	\$ <u>17,431,388</u>	\$ <u>600,202</u>	\$ <u>0</u>	\$ <u>18,031,590</u>

*Depreciation expense was charged to governmental functions as follows:

General Government	\$ 166,810
Security of Persons and Property	409,612
Public Health	55,326
Transportation	1,006,548
Community Development	31,320
Basic Utility Service	450,374
Leisure Time Activities	<u>590,702</u>
Total	\$ <u>2,710,692</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

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 \$5,994,172 which represents 29.40 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the Director of Finance, City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116, who serves as fiscal agent.

Note 11: Risk Management

The City is exposed to various risks related to damage to, theft of and destruction of assets; torts; errors and omissions; natural disasters; and injuries to employees. During 2009, the City obtained insurance coverage with private insurance carriers to address exposure to certain of these risks.

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.

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.

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 \$90,484 have been accrued as a liability at December 31, 2009 based on an estimate by the third party administrator.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 11: Risk Management (continued)

The incurred but not recorded claims liability was estimated by reviewing current claims and generally accepted accounting principles which require that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. Changes in the fund's claims liability amount were:

	<u>Balance at</u>	<u>Current Year</u>	<u>Claim</u>	<u>Balance at</u>
	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2005	\$ 117,082	\$ 1,256,606	\$ 1,297,484	\$ 76,204
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	1,494,383	1,690,461	90,484

Note 12: Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

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

For 2009, the members and employer contribution rates were consistent across all three plans. For the year ended, December 31 2009, the members of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City contributed 14.0 percent of covered payroll, of which 7.0 percent from January 1 through March 31 and 5.5 percent from April 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 12: Defined Benefit Pension Plans (continued)

A. Ohio Public Employees Retirement System (continued)

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, 2009, 2008, and 2007 were \$752,579, \$664,080, and \$750,260, respectively; 87.69 percent has been contributed for 2009, 100 percent for 2008 and 90.18 percent for 2007. Contributions to the member-directed plan for 2009 were \$25,386 made by the City and \$18,133 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.

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, 2009, 2008, and 2007 for police officers were \$335,592, \$329,033, and \$323,571 and for firefighters were \$391,185, \$373,526, and \$359,451, respectively, equal to the required contributions for each year. The full amount has been contributed for years 2007 and 2008, and 71.18% and 70.58% has been contributed for 2009 for police and firefighters, respectively.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 13: Postemployment Benefits

A. Ohio Public Employees Retirement System

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 2009, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0 percent from January 1 through March 31 and 5.5 percent from April 1 through December 31 of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care for the years ended December 31, 2009, 2008, and 2007 were \$550,501, \$664,080, and \$495,815, respectively; 87.69 percent has been contributed for 2009, 100 percent has been contributed for 2008 and 90.18 percent for 2007.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 13: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

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.

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, 2009, 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, 2009, 2008, and 2007 were \$513,258, \$503,227, and \$494,874 and \$544,258, \$519,688, and \$500,106, respectively, of which \$177,666, \$174,194, and \$171,303 and \$153,073, \$146,162, and \$140,655, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2008 and 2007. For 2009, 71.18 percent for police and 70.58 percent for firefighters has been contributed, with the remainder being reported as a liability.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 14: Compensated Absences

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

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

Note 15: Conduit Debt

A. Cleveland Lutheran High School Association, Inc.

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

In November 2009, pursuant to the Bond Indenture, the Cleveland Lutheran High School Association, Inc. redeemed the entire \$6,220,000 outstanding principal amount of the Bonds.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 15: Conduit Debt (continued)

B. West Shore Unitarian Universalist Church

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

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 12/31/09</u>	<u>Date of Maturity</u>
Economic Development Revenue Bonds, Series 2005	\$ 1,350,000	Variable	\$ 1,169,726	October 1, 2025

Note 16: Long-Term Obligations

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

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
General Obligation Bonds			
2005 Civic Facility Improvements	2.50-4.00%	\$ 8,400,000	December 1, 2024
2002 Municipal Court Facility	3.00-4.75	3,700,000	December 1, 2026
2004 General Purpose	2.00-5.00	10,840,000	December 1, 2024
Special Assessment Bonds			
2000 Erosion Control (B)	5.00-5.50	360,000	December 1, 2025
1998 Erosion Control (A)	4.75-5.10	605,000	December 1, 2023
OPWC Loans			
Valleyview Storm and Sanitary Sewer	0.00	NA	January 1, 2041
Hampton Road Storm and Sanitary Sewer	0.00	NA	January 1, 2043
OWDA Loan			
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, 2009

Note 16: Long-Term Obligations (continued)

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

	Outstanding 12/31/08	Additions	Reductions	Outstanding 12/31/09	Amount Due in One Year
Governmental Activities					
General Obligation Bonds					
2005 Civic Facility Improvements	\$ 7,210,000	\$ 0	\$ 335,000	\$ 6,875,000	\$ 345,000
2002 Municipal Court Facility	3,100,000	0	110,000	2,990,000	115,000
2004 General Purpose	8,275,000	0	605,000	7,670,000	610,000
Unamortized Premium	<u>365,140</u>	<u>0</u>	<u>22,821</u>	<u>342,319</u>	<u>0</u>
Total General Obligation Bonds	<u>18,950,140</u>	<u>0</u>	<u>1,072,821</u>	<u>17,877,319</u>	<u>1,070,000</u>
Special Assessment Bonds					
2000 Erosion Control (B)	255,000	0	15,000	240,000	15,000
1998 Erosion Control (A)	<u>375,000</u>	<u>0</u>	<u>25,000</u>	<u>350,000</u>	<u>25,000</u>
Total Special Assessment Bonds	<u>630,000</u>	<u>0</u>	<u>40,000</u>	<u>590,000</u>	<u>40,000</u>
Ohio Public Works Commission Loans					
Valleyview Storm and Sanitary Sewer Improvement	<u>0</u>	<u>228,754</u>	<u>0</u>	<u>228,754</u>	<u>0</u>
Compensated Absences Payable	4,385,870	1,485,734	1,684,674	4,186,930	497,719
Police and Fire Pension Liability	<u>576,608</u>	<u>0</u>	<u>26,923</u>	<u>549,685</u>	<u>28,080</u>
Total Governmental Activities	<u>\$ 24,542,618</u>	<u>\$ 1,714,488</u>	<u>\$ 2,824,418</u>	<u>\$ 23,432,688</u>	<u>\$ 1,635,799</u>
Business Type Activities					
OWDA Loan	\$ 247,210	\$ 0	\$ 15,810	\$ 231,400	\$ 16,550
Compensated Absences Payable	<u>115,781</u>	<u>47,136</u>	<u>45,253</u>	<u>117,664</u>	<u>16,024</u>
Total Business Type Activities	<u>\$ 362,991</u>	<u>\$ 47,136</u>	<u>\$ 61,063</u>	<u>\$ 349,064</u>	<u>\$ 32,574</u>

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 16: Long-Term Obligations (continued)

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 Valleyview 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. 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.

The City's overall legal debt margin was \$54,957,796 at December 31, 2009. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2009, are as follows:

	General Obligation Bonds		Special Assessment Bonds		Police and Fire Pension		Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,070,000	\$ 758,781	\$ 40,000	\$ 30,438	\$ 28,080	\$ 23,066	\$ 1,138,080	\$ 812,285
2011	1,090,000	725,818	40,000	28,450	29,286	21,860	1,159,286	776,128
2012	1,105,000	691,918	40,000	26,463	30,544	20,603	1,175,544	738,984
2013	1,125,000	655,250	40,000	24,475	31,855	19,291	1,196,855	699,016
2014	1,155,000	613,475	40,000	22,475	33,224	17,922	1,228,224	653,872
2015-2019	5,110,000	2,379,889	200,000	81,575	188,790	66,941	5,498,790	2,528,405
2020-2024	6,205,000	1,040,188	175,000	29,250	69,466	37,212	6,449,466	1,106,650
2025-2029	675,000	65,075	15,000	825	78,490	22,202	768,490	88,102
2030-2034	0	0	0	0	59,950	4,850	59,950	4,850
Total	\$ <u>17,535,000</u>	\$ <u>6,930,394</u>	\$ <u>590,000</u>	\$ <u>243,951</u>	\$ <u>549,685</u>	\$ <u>233,947</u>	\$ <u>18,674,685</u>	\$ <u>7,408,292</u>

Business Type Activity

OWDA Loan

	Principal	Interest
2010	\$ 16,550	\$ 10,547
2011	17,327	9,771
2012	18,140	8,956
2013	18,992	8,106
2014	19,884	7,214
2015-2019	114,325	21,165
2020-2024	<u>26,182</u>	<u>914</u>
Total	\$ <u>231,400</u>	\$ <u>66,673</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 17: Litigation

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 18: Jointly Governed Organizations

A. West Shore Council of Governments

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

The West Shore Council is governed by a board comprised of one member from each member city. The board exercises control over the operation of the West Shore Council including budgeting, appropriating, contracting and administration. The West Shore Council board adopts an annual budget governing its activities for that year. Each city's degree of control is limited to its representation on the board. In 2009, the City contributed \$44,160 to the West Shore Council.

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

B. Tri-City Park Council of Governments

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

Tri-City Park is governed by a board comprised of one member from each member city. The board exercises control over the operation of Tri-City Park including budgeting, appropriating, contracting and administration. The Tri-City Park board adopts an annual budget governing its activities for that year. Each city's degree of control is limited to its representation on the board. The City made no contributions to the Tri-City Park Council in 2009.

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 18: Jointly Governed Organizations (continued)

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

Each city's degree of control is limited to its representation on the board. The City made no contributions to the SAFE Council in 2009.

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

Note 19: Interfund Activity

A. Transfers

The transfers among City funds were made to provide additional resources for current operations and for the payment of debt. Transfers made during the year ended December 31, 2009 were as follows:

<u>Transfer to</u>	<u>Transfer from</u> <u>General</u>
Recreation Center	\$ 600,000
General Obligation Bond Retirement	731,000
Capital Improvements	1,350,000
Other Governmental Funds	<u>2,806,764</u>
Total Governmental Activities	\$ <u>5,487,764</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 2009.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 20: Contractual Commitments

At December 31, 2009, the City's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
City Engineer Retainer	\$ 36,000	\$ 24,000	\$ 12,000
Development Code Update	69,800	63,104	6,696
Elmwood Road Sewer Rehabilitation	926,417	0	926,417
Fire Department Equipment	27,238	573	26,665
Gasser Boulevard Watermain Relining	159,843	132,343	27,500
Lake Road Reconstruction	1,404,672	435,565	969,107
Police and Fire Support Services	219,000	190,647	28,353
Sewer Televising	220,000	113,788	106,212
Social Services Contract	32,000	19,334	12,666
Street, Sidewalk, and Curb Repair	882,051	698,109	183,942
Valleyview Sewer Rehabilitation	341,409	196,484	144,925
Total	\$ <u>4,318,430</u>	\$ <u>1,873,947</u>	\$ <u>2,444,483</u>

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

Note 21: Accountability

Fund Equity Deficit – Special Revenue Funds

There are deficits in the Recreation Center Special Revenue Funds of \$392,185 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 22: Operating Leases

A. Lessor

In July 2007, the City entered into a five year lease agreement with Fairview Hospital (the Hospital) whereby the Hospital will operate an Outpatient Physical Therapy Center at the Don Umerley Civic Center. Total revenue from this lease in 2009 was \$20,000.

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

2010	\$	20,000
2011		20,000
2012		<u>11,667</u>
	\$	<u>51,667</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, 2009 was \$100,000.

In March 2009, the City entered into a 2 year lease agreement for police motorcycles. The total rental expense for year ended December 31, 2009 was \$1,503.

Future minimum rental payments for these leases are as follows:

2010	\$	51,805
2011		40,301
2012		30,000
2013		20,000
2014		20,000
2015-2019		100,000
2020		<u>20,000</u>
	\$	<u>280,000</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (continued)

For The Year Ended December 31, 2009

Note 23: Related Organization

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

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

At December 31, 2009, the CIC has no assets or liabilities. The CIC has had no financial activity since 2005.

Note 24: Subsequent Events

In April 2010, the City received a Statutory Order (Order) from the United States Environmental Protection Agency that is being finalized related to sanitary sewer overflows at three locations in the City. One of these and overflows at four other locations in the City that will be eliminated in 2010 during a scheduled street and sewer rehabilitation project for Lake Road (U. S. Route 6).

All sanitary sewer overflow locations had been recognized by the City in a comprehensive sewer rehabilitation plan that was developed by the City Engineer in 2006.

The Order did not impose fines at this time, and with continued progress toward eliminating the sanitary sewer overflows, the City is of the opinion that potential fines that may be imposed by the Order will not have a material effect, if any, on the financial condition of the City.

City of Rocky River, Ohio

Combining Statements
Non-Major Government Funds
Fund Descriptions

Non-major Special Revenue Funds

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

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

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

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

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

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

Mediation Services Fund – To account for the collection of fees for all civil cases except cognovit notes and domestic relations filings pursuant to ORC 2303.201(E)(1).

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

Office on Aging Fund - To account for levied property tax revenues, charges for services and general fund subsidies used for the operation of the Senior Center.

Marine Patrol Fund - To account for monies received from the State and general fund subsidies used for the operation of the City’s police boat.

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

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

(continued)

City of Rocky River, Ohio

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

Non-major Special Revenue Funds (continued)

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

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

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

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

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

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

Non-major Debt Service Funds

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

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

Non-major Capital Projects Fund

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

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

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, 2009

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 1,951,505	\$ 12,099	\$ 2,294,242	\$ 4,257,846
Accrued Interest Receivable	322	0	430	752
Accounts Receivable	21,380	0	55,589	76,969
Intergovernmental Receivable	461,160	0	0	461,160
Materials and Supplies Inventory	163,525	0	0	163,525
Taxes Receivable	1,276,155	0	0	1,276,155
Special Assessments Receivable	<u>0</u>	<u>681,881</u>	<u>0</u>	<u>681,881</u>
 Total Assets	 <u>\$ 3,874,047</u>	 <u>\$ 693,980</u>	 <u>\$ 2,350,261</u>	 <u>\$ 6,918,288</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 148,021	\$ 0	\$ 31,595	\$ 179,616
Accrued Wages and Benefits	125,046	0	9,384	134,430
Matured Compensated Absences	33,577	0	0	33,577
Intergovernmental Payable	457,424	0	11,844	469,268
Deferred Revenue	<u>1,613,500</u>	<u>681,881</u>	<u>0</u>	<u>2,295,381</u>
 Total Liabilities	 <u>2,377,568</u>	 <u>681,881</u>	 <u>52,823</u>	 <u>3,112,272</u>
Fund Balances:				
Reserve for Encumbrances	177,476	0	39,040	216,516
Reserve for Inventory	163,525	0	0	163,525
Unreserved, Undesignated, Reported In:				
Special Revenue Funds	1,155,478	0	0	1,155,478
Debt Service Fund	0	12,099	0	12,099
Capital Projects Funds	<u>0</u>	<u>0</u>	<u>2,258,398</u>	<u>2,258,398</u>
 Total Fund Balances	 <u>1,496,479</u>	 <u>12,099</u>	 <u>2,297,438</u>	 <u>3,806,016</u>
 Total Liabilities and Fund Balances	 <u>\$ 3,874,047</u>	 <u>\$ 693,980</u>	 <u>\$ 2,350,261</u>	 <u>\$ 6,918,288</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, 2009

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:				
Property Taxes	\$ 1,366,915	\$ 0	\$ 0	\$ 1,366,915
Intergovernmental	1,032,007	0	824,696	1,856,703
Charges for Services	362,044	0	0	362,044
Fees, Fines and Permits	310,449	0	55,589	366,038
Special Assessments	0	63,517	0	63,517
Investment Income	1,392	0	15,787	17,179
Other	<u>9,842</u>	<u>0</u>	<u>0</u>	<u>9,842</u>
 Total Revenues	 <u>3,082,649</u>	 <u>63,517</u>	 <u>896,072</u>	 <u>4,042,238</u>
Expenditures:				
Current:				
Security of Persons and Property	1,364,088	0	0	1,364,088
Public Health	1,173,737	0	0	1,173,737
Basic Utility Service	1,621,668	0	0	1,621,668
Transportation	1,583,347	0	0	1,583,347
General Government	21,774	0	0	21,774
Capital Outlay	44,427	0	709,218	753,645
Debt Service:				
Principal Retirement	26,923	40,000	110,000	176,923
Interest and Fiscal Charges	<u>26,249</u>	<u>33,054</u>	<u>142,563</u>	<u>201,866</u>
 Total Expenditures	 <u>5,862,213</u>	 <u>73,054</u>	 <u>961,781</u>	 <u>6,897,048</u>
Excess of Revenues Over (Under) Expenditures	(2,779,564)	(9,537)	(65,709)	(2,854,810)
Other Financing Sources (Uses):				
Transfers – In	<u>2,406,764</u>	<u>0</u>	<u>400,000</u>	<u>2,806,764</u>
Net Change In Fund Balances	(372,800)	(9,537)	334,291	(48,046)
Fund Balances (Deficit) at Beginning of Year	<u>1,869,279</u>	<u>21,636</u>	<u>1,963,147</u>	<u>3,854,062</u>
Fund Balances at End of Year	\$ <u>1,496,479</u>	\$ <u>12,099</u>	\$ <u>2,297,438</u>	\$ <u>3,806,016</u>

City of Rocky River, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds

December 31, 2009

	<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	\$ 113,417	\$ 4,195	\$ 99,929	\$ 13,321
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	277	0	2,963	76
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Taxes Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 \$ <u>113,694</u>	 \$ <u>4,195</u>	 \$ <u>102,892</u>	 \$ <u>13,397</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 412	\$ 0	\$ 2,860	\$ 0
Accrued Wages and Benefits	0	338	0	0
Matured Compensated Absences	0	0	0	0
Intergovernmental Payable	0	188	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>412</u>	 <u>526</u>	 <u>2,860</u>	 <u>0</u>
Fund Balances:				
Reserve for Encumbrances	457	0	0	0
Reserve for Inventory	0	0	0	0
Unreserved, Undesignated (Deficit)	<u>112,825</u>	<u>3,669</u>	<u>100,032</u>	<u>13,397</u>
 Total Fund Balances (Deficit)	 <u>113,282</u>	 <u>3,669</u>	 <u>100,032</u>	 <u>13,397</u>
 Total Liabilities and Fund Balances	 \$ <u>113,694</u>	 \$ <u>4,195</u>	 \$ <u>102,892</u>	 \$ <u>13,397</u>

<u>Municipal Probation Services</u>	<u>Mediation Services</u>	<u>Federal Emergency Management Agency</u>	<u>Office on Aging</u>	<u>Marine Patrol</u>
\$ 425,376	\$ 72,287	\$ 57	\$ 113,206	\$ 8,451
322	0	0	0	0
13,950	1,115	0	0	0
0	0	0	23,590	0
0	0	0	93,848	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>303,846</u>	<u>0</u>
<u>\$ 439,648</u>	<u>\$ 73,402</u>	<u>\$ 57</u>	<u>\$ 534,490</u>	<u>\$ 8,451</u>
\$ 8,847	\$ 0	\$ 0	\$ 18,051	\$ 27
4,980	592	0	29,934	0
0	0	0	0	0
4,758	597	0	34,473	924
<u>0</u>	<u>0</u>	<u>0</u>	<u>327,436</u>	<u>0</u>
<u>18,585</u>	<u>1,189</u>	<u>0</u>	<u>409,894</u>	<u>951</u>
0	0	0	4,708	0
0	0	0	93,848	0
<u>421,063</u>	<u>72,213</u>	<u>57</u>	<u>26,040</u>	<u>7,500</u>
<u>421,063</u>	<u>72,213</u>	<u>57</u>	<u>124,596</u>	<u>7,500</u>
<u>\$ 439,648</u>	<u>\$ 73,402</u>	<u>\$ 57</u>	<u>\$ 534,490</u>	<u>\$ 8,451</u>

(continued)

City of Rocky River, Ohio

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

December 31, 2009

	<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	\$ 206,119	\$ 81,200	\$ 335,017
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	47,179	3,373	331,807
Materials and Supplies Inventory	0	1,727	0	67,950
Taxes Receivable	<u>0</u>	<u>607,693</u>	<u>0</u>	<u>0</u>
 Total Assets	 \$ <u>3,312</u>	 \$ <u>862,718</u>	 \$ <u>84,573</u>	 \$ <u>734,774</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 0	\$ 60,159	\$ 2,271	\$ 27,160
Accrued Wages and Benefits	0	40,970	10,720	37,512
Matured Compensated Absences	0	33,577	0	0
Intergovernmental Payable	0	51,050	13,778	43,641
Deferred Revenue	<u>0</u>	<u>654,872</u>	<u>0</u>	<u>220,398</u>
 Total Liabilities	 <u>0</u>	 <u>840,628</u>	 <u>26,769</u>	 <u>328,711</u>
Fund Balances:				
Reserve for Encumbrances	0	20,416	2,002	102,093
Reserve for Inventory	0	1,727	0	67,950
Unreserved, Undesignated (Deficit)	<u>3,312</u>	<u>(53)</u>	<u>55,802</u>	<u>236,020</u>
 Total Fund Balances (Deficit)	 <u>3,312</u>	 <u>22,090</u>	 <u>57,804</u>	 <u>406,063</u>
 Total Liabilities and Fund Balances	 \$ <u>3,312</u>	 \$ <u>862,718</u>	 \$ <u>84,573</u>	 \$ <u>734,774</u>

<u>State Highway</u>	<u>Indigent Driver Alcohol Monitoring</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>Total Non-major Special Revenue Funds</u>
\$ 97,339	\$ 36,200	\$ 190,541	\$ 151,538	\$ 1,951,505
0	0	0	0	322
0	2,999	0	0	21,380
26,903	0	14,154	14,154	461,160
0	0	0	0	163,525
<u>0</u>	<u>0</u>	<u>182,308</u>	<u>182,308</u>	<u>1,276,155</u>
\$ <u>124,242</u>	\$ <u>39,199</u>	\$ <u>387,003</u>	\$ <u>348,000</u>	\$ <u>3,874,047</u>
\$ 27,498	\$ 736	\$ 0	\$ 0	\$ 148,021
0	0	0	0	125,046
0	0	0	0	33,577
0	0	160,096	147,919	457,424
<u>17,870</u>	<u>0</u>	<u>196,462</u>	<u>196,462</u>	<u>1,613,500</u>
<u>45,368</u>	<u>736</u>	<u>356,558</u>	<u>344,381</u>	<u>2,377,568</u>
47,800	0	0	0	177,476
0	0	0	0	163,525
<u>31,074</u>	<u>38,463</u>	<u>30,445</u>	<u>3,619</u>	<u>1,155,478</u>
<u>78,874</u>	<u>38,463</u>	<u>30,445</u>	<u>3,619</u>	<u>1,496,479</u>
\$ <u>124,242</u>	\$ <u>39,199</u>	\$ <u>387,003</u>	\$ <u>348,000</u>	\$ <u>3,874,047</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, 2009

	<u>Law Enforcement Trust</u>	<u>Community Diversion Program</u>	<u>Indigent Driver Alcohol Treatment</u>	<u>Enforcement and Education</u>
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	0	0
Charges for Services	0	0	0	0
Fees, Fines and Permits	30,986	3,825	57,691	3,312
Investment Income	0	0	0	0
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>30,986</u>	<u>3,825</u>	<u>57,691</u>	<u>3,312</u>
Expenditures:				
Current:				
Security of Persons and Property	8,226	4,668	19,992	1,849
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	3,445	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>11,671</u>	<u>4,668</u>	<u>19,992</u>	<u>1,849</u>
Excess of Revenues Over (Under) Expenditures	19,315	(843)	37,699	1,463
Other Financing Sources (Uses):				
Transfers – In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	19,315	(843)	37,699	1,463
Fund Balances (Deficit) at Beginning of Year	<u>93,967</u>	<u>4,512</u>	<u>62,333</u>	<u>11,934</u>
Fund Balances (Deficit) at End of Year	\$ <u><u>113,282</u></u>	\$ <u><u>3,669</u></u>	\$ <u><u>100,032</u></u>	\$ <u><u>13,397</u></u>

<u>Municipal Probation Services</u>	<u>Mediation Services</u>	<u>Federal Emergency Management Agency</u>	<u>Office on Aging</u>	<u>Marine Patrol</u>
\$ 0	\$ 0	\$ 0	\$ 325,456	\$ 0
0	0	0	45,478	25,263
0	0	0	354,850	0
194,363	19,120	0	0	0
1,392	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,319</u>	<u>0</u>
<u>195,755</u>	<u>19,120</u>	<u>0</u>	<u>727,103</u>	<u>25,263</u>
187,472	0	1,300	0	52,228
0	0	0	1,173,737	0
0	0	0	0	0
0	0	0	0	0
3,608	18,166	0	0	0
0	0	0	0	1,757
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>191,080</u>	<u>18,166</u>	<u>1,300</u>	<u>1,173,737</u>	<u>53,985</u>
4,675	954	(1,300)	(446,634)	(28,722)
<u>0</u>	<u>0</u>	<u>0</u>	<u>352,000</u>	<u>0</u>
4,675	954	(1,300)	(94,634)	(28,722)
<u>416,388</u>	<u>71,259</u>	<u>1,357</u>	<u>219,230</u>	<u>36,222</u>
\$ <u><u>421,063</u></u>	\$ <u><u>72,213</u></u>	\$ <u><u>57</u></u>	\$ <u><u>124,596</u></u>	\$ <u><u>7,500</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, 2009

	Community Impacts	Refuse and Recycling	Motor Vehicle License Tax	Street Repair and Maintenance
Revenues:				
Property Taxes	\$ 0	\$ 650,913	\$ 0	\$ 0
Intergovernmental	0	90,956	37,899	688,258
Charges for Services	0	7,194	0	0
Fees, Fines and Permits	0	0	0	0
Investment Income	0	0	0	0
Other	0	8,523	0	0
Total Revenues	0	757,586	37,899	688,258
Expenditures:				
Current:				
Security of Persons and Property	0	0	12,909	0
Public Health	0	0	0	0
Basic Utility Service	0	1,621,668	0	0
Transportation	0	0	342,828	1,180,821
General Government	0	0	0	0
Capital Outlay	0	10	20,168	17,291
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	0	1,621,678	375,905	1,198,112
Excess of Revenues Over (Under) Expenditures	0	(864,092)	(338,006)	(509,854)
Other Financing Sources (Uses):				
Transfers – In	0	751,000	100,000	500,000
Net Change in Fund Balances	0	(113,092)	(238,006)	(9,854)
Fund Balances (Deficit) at Beginning of Year				
	3,312	135,182	295,810	415,917
Fund Balances (Deficit) at End of Year	\$ 3,312	\$ 22,090	\$ 57,804	\$ 406,063

<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	\$ 195,273	\$ 195,273	\$ 1,366,915
55,804	33,775	27,287	27,287	1,032,007
0	0	0	0	362,044
0	1,152	0	0	310,449
0	0	0	0	1,392
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,842</u>
<u>55,804</u>	<u>34,927</u>	<u>222,560</u>	<u>222,560</u>	<u>3,082,649</u>
0	0	554,931	520,513	1,364,088
0	0	0	0	1,173,737
0	0	0	0	1,621,668
59,698	0	0	0	1,583,347
0	0	0	0	21,774
0	1,756	0	0	44,427
0	0	7,351	19,572	26,923
<u>0</u>	<u>0</u>	<u>12,788</u>	<u>13,461</u>	<u>26,249</u>
<u>59,698</u>	<u>1,756</u>	<u>575,070</u>	<u>553,546</u>	<u>5,862,213</u>
(3,894)	33,171	(352,510)	(330,986)	(2,779,564)
<u>0</u>	<u>0</u>	<u>315,000</u>	<u>388,764</u>	<u>2,406,764</u>
(3,894)	33,171	(37,510)	57,778	(372,800)
<u>82,768</u>	<u>5,292</u>	<u>67,955</u>	<u>(54,159)</u>	<u>1,869,279</u>
\$ <u><u>78,874</u></u>	\$ <u><u>38,463</u></u>	\$ <u><u>30,445</u></u>	\$ <u><u>3,619</u></u>	\$ <u><u>1,496,479</u></u>

City of Rocky River, Ohio

Combining Balance Sheet Non-Major Capital Projects Funds

December 31, 2009

	<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	\$ 159,599	\$ 2,134,643	\$ 2,294,242
Accrued Interest Receivable	0	430	430
Accounts Receivable	<u>0</u>	<u>55,589</u>	<u>55,589</u>
Total Assets	\$ <u>159,599</u>	\$ <u>2,190,662</u>	\$ <u>2,350,261</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 3,878	\$ 27,717	\$ 31,595
Accrued Wages and Benefits	0	9,384	9,384
Intergovernmental Payable	<u>0</u>	<u>11,844</u>	<u>11,844</u>
Total Liabilities	<u>3,878</u>	<u>48,945</u>	<u>52,823</u>
Fund Balances:			
Reserve for Encumbrances	31,202	7,838	39,040
Unreserved, Undesignated	<u>124,519</u>	<u>2,133,879</u>	<u>2,258,398</u>
Total Fund Balances	<u>155,721</u>	<u>2,141,717</u>	<u>2,297,438</u>
Total Liabilities and Fund Balances	\$ <u>159,599</u>	\$ <u>2,190,662</u>	\$ <u>2,350,261</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, 2009

	<u>Equipment Replacement</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
Revenues:			
Intergovernmental	\$ 28,169	\$ 796,527	\$ 824,696
Fees, Fines, and Permits	0	55,589	55,589
Investment Income	<u>0</u>	<u>15,787</u>	<u>15,787</u>
Total Revenues	<u>28,169</u>	<u>867,903</u>	<u>896,072</u>
Expenditures:			
Capital Outlay	300,811	408,407	709,218
Debt Service:			
Principal Retirement	0	110,000	110,000
Interest and Fiscal Charges	<u>0</u>	<u>142,563</u>	<u>142,563</u>
Total Expenditures	<u>300,811</u>	<u>660,970</u>	<u>961,781</u>
Excess of Revenues Over (Under) Expenditures	(272,642)	206,933	(65,709)
Other Financing Sources (Uses):			
Transfers-In	<u>400,000</u>	<u>0</u>	<u>400,000</u>
Net Change in Fund Balances	127,358	206,933	334,291
Fund Balances at Beginning of Year	<u>28,363</u>	<u>1,934,784</u>	<u>1,963,147</u>
Fund Balances at End of Year	\$ <u>155,721</u>	\$ <u>2,141,717</u>	\$ <u>2,297,438</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,419,488	\$ 4,419,488	\$ 4,100,752	\$ (318,736)
Municipal Income Taxes	8,000,000	8,000,000	7,832,012	(167,988)
Other Local Taxes	40,000	40,000	34,981	(5,019)
Intergovernmental	1,668,900	2,772,900	3,371,019	598,119
Charges for Services	35,400	36,200	21,571	(14,629)
Rentals	75,000	75,000	72,569	(2,431)
Fines, Fees, and Permits	2,802,100	2,945,700	3,008,637	62,937
Investment Income	525,000	525,000	163,378	(361,622)
Miscellaneous Income	<u>116,500</u>	<u>116,500</u>	<u>118,816</u>	<u>2,316</u>
Total Revenues	<u>17,682,388</u>	<u>18,930,788</u>	<u>18,723,735</u>	<u>(207,053)</u>
Expenditures:				
Current:				
General Government:				
Council:				
Personal Service	121,446	121,631	119,621	2,010
Other	<u>10,230</u>	<u>10,230</u>	<u>1,588</u>	<u>8,642</u>
Total Council	<u>131,676</u>	<u>131,861</u>	<u>121,209</u>	<u>10,652</u>
Mayor:				
Personal Service	172,811	172,225	169,040	3,185
Other	<u>10,611</u>	<u>10,611</u>	<u>4,173</u>	<u>6,438</u>
Total Mayor	<u>183,422</u>	<u>182,836</u>	<u>173,213</u>	<u>9,623</u>
Finance Department:				
Personal Service	289,304	288,170	275,768	12,402
Other	<u>133,219</u>	<u>133,219</u>	<u>102,382</u>	<u>30,837</u>
Total Finance Department	<u>422,523</u>	<u>421,389</u>	<u>378,150</u>	<u>43,239</u>
Law Director:				
Personal Service	117,286	116,415	114,064	2,351
Other	<u>116,403</u>	<u>116,403</u>	<u>107,950</u>	<u>8,453</u>
Total Law Director	<u>233,689</u>	<u>232,818</u>	<u>222,014</u>	<u>10,804</u>
Other Executive Administration:				
Personal Service	183,905	183,996	180,917	3,079
Other	<u>32,393</u>	<u>31,393</u>	<u>22,502</u>	<u>8,891</u>
Total Other Executive Administration	<u>216,298</u>	<u>215,389</u>	<u>203,419</u>	<u>11,970</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Boards and Commissions:				
Personal Service	33,720	33,053	25,297	7,756
Other	<u>38,073</u>	<u>38,073</u>	<u>14,154</u>	<u>23,919</u>
Total Boards and Commissions	<u>71,793</u>	<u>71,126</u>	<u>39,451</u>	<u>31,675</u>
Building Maintenance:				
Personal Service	401,818	399,579	374,094	25,485
Other	<u>426,036</u>	<u>426,036</u>	<u>351,569</u>	<u>74,467</u>
Total Building Maintenance	<u>827,854</u>	<u>825,615</u>	<u>725,663</u>	<u>99,952</u>
Human Resources:				
Personal Service	95,110	94,824	93,702	1,122
Other	<u>40,843</u>	<u>40,843</u>	<u>26,312</u>	<u>14,531</u>
Total Human Resources	<u>135,953</u>	<u>135,667</u>	<u>120,014</u>	<u>15,653</u>
Municipal Courts:				
Personal Service	1,992,381	1,986,583	1,779,879	206,704
Other	<u>286,676</u>	<u>286,676</u>	<u>232,203</u>	<u>54,473</u>
Total Municipal Courts	<u>2,279,057</u>	<u>2,273,259</u>	<u>2,012,082</u>	<u>261,177</u>
Miscellaneous:				
Other	<u>1,016,335</u>	<u>1,038,335</u>	<u>986,316</u>	<u>52,019</u>
Total General Government	<u>5,518,600</u>	<u>5,528,295</u>	<u>4,981,531</u>	<u>546,764</u>
Security of Persons And Property:				
Police Department:				
Personal Service	3,805,560	3,729,893	3,574,749	155,144
Other	<u>536,022</u>	<u>536,022</u>	<u>392,052</u>	<u>143,970</u>
Total Police Department	<u>4,341,582</u>	<u>4,265,915</u>	<u>3,966,801</u>	<u>299,114</u>
Fire Department:				
Personal Service	2,564,912	2,900,727	2,868,357	32,370
Other	<u>383,892</u>	<u>383,892</u>	<u>294,895</u>	<u>88,997</u>
Total Fire Department	<u>2,948,804</u>	<u>3,284,619</u>	<u>3,163,252</u>	<u>121,367</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Police on Patrol Arresting Speeders:				
Personal Service	136,369	136,137	71,380	64,757
Other	<u>100,500</u>	<u>126,000</u>	<u>100,029</u>	<u>25,971</u>
Total Police on Patrol Arresting Speeders	<u>236,869</u>	<u>262,137</u>	<u>171,409</u>	<u>90,728</u>
Street Lighting:				
Other	<u>275,000</u>	<u>296,000</u>	<u>295,702</u>	<u>298</u>
Administrative Support:				
Personal Service	<u>171,383</u>	<u>170,471</u>	<u>168,194</u>	<u>2,277</u>
Total Security of Persons and Property	<u>7,973,638</u>	<u>8,279,142</u>	<u>7,765,358</u>	<u>513,784</u>
Transportation:				
Equipment Repair and Garage:				
Personal Service	636,755	634,647	586,406	48,241
Other	<u>164,212</u>	<u>164,212</u>	<u>125,620</u>	<u>38,592</u>
Total Transportation	<u>800,967</u>	<u>798,859</u>	<u>712,026</u>	<u>86,833</u>
Community Development:				
Community Center:				
Personal Service	538,817	539,060	524,706	14,354
Other	<u>107,929</u>	<u>92,661</u>	<u>56,122</u>	<u>36,539</u>
Total Community Center	<u>646,746</u>	<u>631,721</u>	<u>580,828</u>	<u>50,893</u>
Economic Development:				
Personal Service	141,424	140,713	139,299	1,414
Other	<u>278,164</u>	<u>290,164</u>	<u>218,267</u>	<u>71,897</u>
Total Economic Development	<u>419,588</u>	<u>430,877</u>	<u>357,566</u>	<u>73,311</u>
Total Community Development	<u>1,066,334</u>	<u>1,062,598</u>	<u>938,394</u>	<u>124,204</u>
Leisure Time Activities:				
Parks Department:				
Personal Service	380,495	379,060	292,070	86,990
Other	<u>130,307</u>	<u>130,307</u>	<u>70,722</u>	<u>59,585</u>
Total Leisure Time Activities	<u>510,802</u>	<u>509,367</u>	<u>362,792</u>	<u>146,575</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, 2009

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Capital Outlay	<u>70,930</u>	<u>70,930</u>	<u>37,249</u>	<u>33,681</u>
Total Expenditures	<u>15,941,271</u>	<u>16,249,191</u>	<u>14,797,350</u>	<u>1,451,841</u>
Excess of Revenues Over (Under) Expenditures	<u>1,741,117</u>	<u>2,681,597</u>	<u>3,926,385</u>	<u>1,244,788</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	20,000	20,000	16,127	(3,873)
Advances – In	0	0	100,000	100,000
Advances – Out	0	(100,000)	(100,000)	0
Transfers – Out	<u>(5,831,000)</u>	<u>(5,688,000)</u>	<u>(5,487,764)</u>	<u>200,236</u>
Total Other Financing Sources (Uses)	<u>(5,811,000)</u>	<u>(5,768,000)</u>	<u>(5,471,637)</u>	<u>296,363</u>
Net Change in Fund Balance	(4,069,883)	(3,086,403)	(1,545,252)	1,541,151
Fund Balance at Beginning of Year	4,821,258	4,821,258	4,821,258	0
Prior Year Encumbrances Appropriated	<u>290,321</u>	<u>290,321</u>	<u>290,321</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,041,696</u>	\$ <u>2,025,176</u>	\$ <u>3,566,327</u>	\$ <u>1,541,151</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 350,753	\$ 350,753	\$ 325,456	\$ (25,297)
Charges for Services	2,243,700	2,243,700	2,223,293	(20,407)
Intergovernmental	0	0	45,478	45,478
Rentals	<u>30,000</u>	<u>30,000</u>	<u>31,818</u>	<u>1,818</u>
Total Revenues	<u>2,624,453</u>	<u>2,624,453</u>	<u>2,626,045</u>	<u>1,592</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Recreation Center:				
Personal Service	2,256,000	2,251,442	2,158,948	92,494
Other	1,372,586	1,372,586	1,099,972	272,614
Capital Outlay	<u>12,000</u>	<u>12,000</u>	<u>6,308</u>	<u>5,692</u>
Total Expenditures	<u>3,640,586</u>	<u>3,636,028</u>	<u>3,265,228</u>	<u>370,800</u>
Excess of Revenues Over (Under) Expenditures	(1,016,133)	(1,011,575)	(639,183)	372,392
Other Financing Sources (Uses):				
Transfers-In	<u>800,000</u>	<u>800,000</u>	<u>600,000</u>	<u>(200,000)</u>
Net Change in Fund Balances	(216,133)	(211,575)	(39,183)	172,392
Fund Balance at Beginning of Year	308,302	308,302	308,302	0
Prior Year Encumbrances Appropriated	<u>73,486</u>	<u>73,486</u>	<u>73,486</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>165,655</u>	\$ <u>170,213</u>	\$ <u>342,605</u>	\$ <u>172,392</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 701,506	\$ 701,506	\$ 636,079	\$ (65,427)
Intergovernmental	<u>0</u>	<u>0</u>	<u>90,956</u>	<u>90,956</u>
Total Revenues	<u>701,506</u>	<u>701,506</u>	<u>727,035</u>	<u>25,529</u>
Expenditures:				
Debt Service:				
Principal Retirement	940,000	940,000	940,000	0
Interest and Fiscal Charges	<u>647,000</u>	<u>647,000</u>	<u>646,453</u>	<u>547</u>
Total Expenditures	<u>1,587,000</u>	<u>1,587,000</u>	<u>1,586,453</u>	<u>547</u>
Excess of Revenues Over (Under) Expenditures	(885,494)	(885,494)	(859,418)	26,076
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	(154,494)	(154,494)	(128,418)	26,076
Fund Balance at Beginning of Year	<u>413,067</u>	<u>413,067</u>	<u>413,067</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>258,573</u>	\$ <u>258,573</u>	\$ <u>284,649</u>	\$ <u>26,076</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 700,000	\$ 810,000	\$ 988,261	\$ 178,261
Expenditures:				
Current:				
Basic Utility Services:				
Sewer Rehabilitation:				
Other	<u>3,420,001</u>	<u>3,420,001</u>	<u>1,590,015</u>	<u>1,829,986</u>
Excess of Revenues Over (Under) Expenditures	(2,720,001)	(2,610,001)	(601,754)	2,008,247
Other Financing Sources (Uses):				
Proceeds from Debt Issuance	<u>1,500,000</u>	<u>1,500,000</u>	<u>228,754</u>	<u>(1,271,246)</u>
Net Change in Fund Balance	(1,220,001)	(1,110,001)	(373,000)	737,001
Fund Balance at Beginning of Year	<u>1,650,066</u>	<u>1,650,066</u>	<u>1,650,066</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>430,065</u></u>	\$ <u><u>540,065</u></u>	\$ <u><u>1,277,066</u></u>	\$ <u><u>737,001</u></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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 701,506	\$ 701,506	\$ 650,913	\$ (50,593)
Fees, Fines, And Permits	400	400	900	500
Charges For Services	2,000	2,000	3,645	1,645
Intergovernmental	0	0	763,715	763,715
Special Assessment	6,000	6,000	3,240	(2,760)
Investment Income	8,200	8,200	11,368	3,168
Other Local Taxes	140,000	140,000	174,952	34,952
Other	<u>723,000</u>	<u>723,000</u>	<u>74,902</u>	<u>(648,098)</u>
Total Revenues	1,581,106	1,581,106	1,683,635	102,529
Expenditures:				
Capital Outlay	<u>4,995,600</u>	<u>4,995,600</u>	<u>3,930,331</u>	<u>1,065,269</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,414,494)</u>	<u>(3,414,494)</u>	<u>(2,246,696)</u>	<u>1,167,798</u>
Other Financing Sources (Uses):				
Proceeds From Issuance of Debt	1,624,000	1,624,000	0	(1,624,000)
Transfers - In	<u>900,000</u>	<u>1,660,000</u>	<u>1,350,000</u>	<u>(310,000)</u>
Total Other Financing Sources (Uses)	<u>2,524,000</u>	<u>3,284,000</u>	<u>1,350,000</u>	<u>(1,934,000)</u>
Net Change in Fund Balance	(890,494)	(130,494)	(896,696)	(766,202)
Fund Balance at Beginning of Year	477,038	477,038	477,038	0
Prior Year Encumbrances Appropriated	<u>621,100</u>	<u>621,100</u>	<u>621,100</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>207,644</u>	\$ <u>967,644</u>	\$ <u>201,442</u>	\$ <u>(766,202)</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 10,000	\$ 35,000	\$ 30,859	\$ (4,141)
Intergovernmental	<u>17,000</u>	<u>17,000</u>	<u>0</u>	<u>(17,000)</u>
Total Revenues	<u>27,000</u>	<u>52,000</u>	<u>30,859</u>	<u>(21,141)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Law Enforcement Trust:				
Personal Service	15,000	15,000	0	15,000
Other	30,606	31,606	8,973	22,633
Capital Outlay	<u>50,000</u>	<u>49,000</u>	<u>3,445</u>	<u>45,555</u>
Total Expenditures	<u>95,606</u>	<u>95,606</u>	<u>12,418</u>	<u>83,188</u>
Net Change in Fund Balance	(68,606)	(43,606)	18,441	62,047
Fund Balance at Beginning of Year	93,701	93,701	93,701	0
Prior Year Encumbrances Appropriated	<u>406</u>	<u>406</u>	<u>406</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>25,501</u>	\$ <u>50,501</u>	\$ <u>112,548</u>	\$ <u>62,047</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, 2009

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees and Permits	\$ 7,200	\$ 7,200	\$ 3,825	\$ (3,375)
Expenditures:				
Current:				
Security of Persons and Property:				
Commercial Driver Program:				
Personal Service	<u>7,230</u>	<u>7,230</u>	<u>4,803</u>	<u>2,427</u>
Net Change in Fund Balance	(30)	(30)	(978)	(948)
Fund Balance at Beginning of Year	<u>5,173</u>	<u>5,173</u>	<u>5,173</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>5,143</u></u>	\$ <u><u>5,143</u></u>	\$ <u><u>4,195</u></u>	\$ <u><u>(948)</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, 2009

	<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	\$ 40,000	\$ 55,652	\$ 15,652
Expenditures:				
Current:				
Security of Persons and Property:				
Indigent Driver Alcohol Treatment:				
Other	<u>50,000</u>	<u>50,000</u>	<u>19,592</u>	<u>30,408</u>
Net Change in Fund Balance	(10,000)	(10,000)	36,060	46,060
Fund Balance at Beginning of Year	<u>61,409</u>	<u>61,409</u>	<u>61,409</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>51,409</u>	\$ <u>51,409</u>	\$ <u>97,469</u>	\$ <u>46,060</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, 2009

	<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	\$ 3,527	\$ (73)
Expenditures:				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Other	<u>10,200</u>	<u>10,200</u>	<u>1,849</u>	<u>8,351</u>
Net Change in Fund Balance	(6,600)	(6,600)	1,678	8,278
Fund Balance at Beginning of Year	<u>11,643</u>	<u>11,643</u>	<u>11,643</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>5,043</u></u>	\$ <u><u>5,043</u></u>	\$ <u><u>13,321</u></u>	\$ <u><u>8,278</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, 2009

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees, Fines, and Permits	\$ 120,000	\$ 200,000	\$ 191,577	\$ (8,423)
Investment Income	<u>0</u>	<u>0</u>	<u>1,070</u>	<u>1,070</u>
Total Revenues	<u>120,000</u>	<u>200,000</u>	<u>192,647</u>	<u>(7,353)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Municipal Probation Services:				
Personal Service	153,300	153,300	136,735	16,565
Capital Outlay	9,232	9,232	1,232	8,000
Other	<u>96,233</u>	<u>96,233</u>	<u>53,953</u>	<u>42,280</u>
Total Expenditures	<u>258,765</u>	<u>258,765</u>	<u>191,920</u>	<u>66,845</u>
Net Change in Fund Balance	(138,765)	(58,765)	727	59,492
Fund Balance at Beginning of Year	415,643	415,643	415,643	0
Prior Year Encumbrances Appropriated	<u>4,465</u>	<u>4,465</u>	<u>4,465</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>281,343</u>	\$ <u>361,343</u>	\$ <u>420,835</u>	\$ <u>59,492</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, 2009

	<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	\$ 18,000	\$ 19,805	\$ 1,805
Expenditures:				
Current:				
General Government:				
Mediation Services:				
Other	<u>46,300</u>	<u>46,300</u>	<u>17,850</u>	<u>28,450</u>
Net Change in Fund Balance	(28,300)	(28,300)	1,955	30,255
Fund Balance at Beginning of Year	<u>70,332</u>	<u>70,332</u>	<u>70,332</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>42,032</u></u>	\$ <u><u>42,032</u></u>	\$ <u><u>72,287</u></u>	\$ <u><u>30,255</u></u>

City of Rocky River, Ohio

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

Federal Emergency Management Agency Grant Fund

For The Year Ended December 31, 2009

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 0	\$ 500	\$ 0	\$ (500)
Expenditures:				
Current:				
Security of Persons and Property:				
Federal Emergency Management Agency:				
Other	<u>1,000</u>	<u>1,300</u>	<u>1,300</u>	<u>0</u>
Net Change in Fund Balance	(1,000)	(800)	(1,300)	(500)
Fund Balance at Beginning of Year	<u>1,357</u>	<u>1,357</u>	<u>1,357</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>357</u></u>	\$ <u><u>557</u></u>	\$ <u><u>57</u></u>	\$ <u><u>(500)</u></u>

City of Rocky River, Ohio

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

Office on Aging Fund

For The Year Ended December 31, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 350,753	\$ 350,753	\$ 325,456	\$ (25,297)
Intergovernmental	0	0	45,478	45,478
Charges for Services	473,000	473,000	354,850	(118,150)
Other	<u>1,000</u>	<u>1,000</u>	<u>1,319</u>	<u>319</u>
Total Revenues	<u>824,753</u>	<u>824,753</u>	<u>727,103</u>	<u>(97,650)</u>
Expenditures:				
Current:				
Public Health Services:				
Office on Aging:				
Personal Service	782,190	782,115	782,115	0
Other	<u>689,374</u>	<u>687,702</u>	<u>409,322</u>	<u>278,380</u>
Total Expenditures	<u>1,471,564</u>	<u>1,469,817</u>	<u>1,191,437</u>	<u>278,380</u>
Excess of Revenues Over (Under) Expenditures	(646,811)	(645,064)	(464,334)	180,730
Other Financing Sources (Uses):				
Transfers – In	<u>500,000</u>	<u>500,000</u>	<u>352,000</u>	<u>(148,000)</u>
Net Change in Fund Balance	(146,811)	(145,064)	(112,334)	32,730
Fund Balance at Beginning of Year	181,396	181,396	181,396	0
Prior Year Encumbrances Appropriated	<u>30,574</u>	<u>30,574</u>	<u>30,574</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>65,159</u></u>	\$ <u><u>66,906</u></u>	\$ <u><u>99,636</u></u>	\$ <u><u>32,730</u></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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>24,000</u>	\$ <u>24,000</u>	\$ <u>25,263</u>	\$ <u>1,263</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Marine Patrol:				
Personal Service	55,500	55,500	42,022	13,478
Other	<u>19,209</u>	<u>18,209</u>	<u>10,165</u>	<u>8,044</u>
Total Marine Patrol	74,709	73,709	52,187	21,522
Capital Outlay	<u>4,100</u>	<u>5,100</u>	<u>1,757</u>	<u>3,343</u>
Total Expenditures	<u>78,809</u>	<u>78,809</u>	<u>53,944</u>	<u>24,865</u>
Excess of Revenues Over (Under) Expenditures	(54,809)	(54,809)	(28,681)	26,128
Other Financing Sources (Uses):				
Transfers – In	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>
Net Change in Fund Balance	(4,809)	(4,809)	(28,681)	(23,872)
Fund Balance at Beginning of Year	37,023	37,023	37,023	0
Prior Year Encumbrances Appropriated	<u>109</u>	<u>109</u>	<u>109</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>32,323</u>	\$ <u>32,323</u>	\$ <u>8,451</u>	\$ <u>(23,872)</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, 2009

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

City of Rocky River, Ohio

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

Refuse and Recycling Fund

For The Year Ended December 31, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 701,506	\$ 701,506	\$ 650,913	\$ (50,593)
Charges for Services	18,000	18,000	7,194	(10,806)
Intergovernmental	0	0	90,956	90,956
Other	<u>6,000</u>	<u>6,000</u>	<u>8,523</u>	<u>2,523</u>
Total Revenues	<u>725,506</u>	<u>725,506</u>	<u>757,586</u>	<u>32,080</u>
Expenditures:				
Current:				
Basic Utilities Service:				
Refuse and Recycling:				
Personal Service	1,055,100	1,059,327	1,058,974	353
Other	<u>769,419</u>	<u>766,919</u>	<u>599,896</u>	<u>167,023</u>
Total Refuse and Recycling	<u>1,824,519</u>	<u>1,826,246</u>	<u>1,658,870</u>	<u>167,376</u>
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>10</u>	<u>990</u>
Total Expenditures	<u>1,825,519</u>	<u>1,827,246</u>	<u>1,658,880</u>	<u>168,366</u>
Excess of Revenues Over (Under) Expenditures	(1,100,013)	(1,101,740)	(901,294)	200,446
Other Financing Sources (Uses):				
Transfers – In	<u>860,000</u>	<u>860,000</u>	<u>751,000</u>	<u>(109,000)</u>
Net Change in Fund Balance	(240,013)	(241,740)	(150,294)	91,446
Fund Balance at Beginning of Year	206,667	206,667	206,667	0
Prior Year Encumbrances Appropriated	<u>74,319</u>	<u>74,319</u>	<u>74,319</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>40,973</u>	\$ <u>39,246</u>	\$ <u>130,692</u>	\$ <u>91,446</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>42,000</u>	\$ <u>42,000</u>	\$ <u>38,074</u>	\$ <u>(3,926)</u>
Expenditures:				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Personal Service	304,700	304,517	286,737	17,780
Other	<u>129,648</u>	<u>129,648</u>	<u>72,261</u>	<u>57,387</u>
Total Motor Vehicle License Tax	434,348	434,165	358,998	75,167
Capital Outlay	<u>21,000</u>	<u>21,000</u>	<u>20,168</u>	<u>832</u>
Total Expenditures	<u>455,348</u>	<u>455,165</u>	<u>379,166</u>	<u>75,999</u>
Excess of Revenues Over (Under) Expenditures	(413,348)	(413,165)	(341,092)	72,073
Other Financing Sources (Uses):				
Transfers – In	<u>200,000</u>	<u>200,000</u>	<u>100,000</u>	<u>(100,000)</u>
Net Change in Fund Balance	(213,348)	(213,165)	(241,092)	(27,927)
Fund Balance at Beginning of Year	303,538	303,538	303,538	0
Prior Year Encumbrances Appropriated	<u>16,598</u>	<u>16,598</u>	<u>16,598</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>106,788</u>	\$ <u>106,971</u>	\$ <u>79,044</u>	\$ <u>(27,927)</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>590,000</u>	\$ <u>610,000</u>	\$ <u>671,396</u>	\$ <u>61,396</u>
Expenditures:				
Current:				
Transportation				
Street Repair and Maintenance:				
Personal Service	1,060,100	1,064,197	912,760	151,437
Other	<u>470,060</u>	<u>470,060</u>	<u>353,054</u>	<u>117,006</u>
Total Street Repair and Maintenance	1,530,160	1,534,257	1,265,814	268,443
Capital Outlay	<u>56,755</u>	<u>56,755</u>	<u>17,534</u>	<u>39,221</u>
Total Expenditures	<u>1,586,915</u>	<u>1,591,012</u>	<u>1,283,348</u>	<u>307,664</u>
Excess of Revenues Over (Under) Expenditures	(996,915)	(981,012)	(611,952)	369,060
Other Financing Sources (Uses):				
Transfers – In	<u>700,000</u>	<u>700,000</u>	<u>500,000</u>	<u>(200,000)</u>
Net Change in Fund Balance	(296,915)	(281,012)	(111,952)	169,060
Fund Balance at Beginning of Year	305,532	305,532	305,532	0
Prior Year Encumbrances Appropriated	<u>22,515</u>	<u>22,515</u>	<u>22,515</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>31,132</u></u>	\$ <u><u>47,035</u></u>	\$ <u><u>216,095</u></u>	\$ <u><u>169,060</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 47,600	\$ 57,600	\$ 54,437	\$ (3,163)
Expenditures:				
Current:				
Transportation:				
State Highway Patrol:				
Other	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>0</u>
Net Change in Fund Balance	(32,400)	(22,400)	(25,563)	(3,163)
Fund Balance at Beginning of Year	<u>75,102</u>	<u>75,102</u>	<u>75,102</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>42,702</u></u>	\$ <u><u>52,702</u></u>	\$ <u><u>49,539</u></u>	\$ <u><u>(3,163)</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, 2009

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ <u>0</u>	\$ <u>35,000</u>	\$ <u>33,775</u>	\$ <u>(1,225)</u>
Expenditures:				
Current:				
General Government:				
Indigent Driver Alcohol Monitoring:				
Other	0	800	540	260
Capital Outlay	<u>2,500</u>	<u>1,700</u>	<u>1,384</u>	<u>316</u>
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>1,924</u>	<u>576</u>
Net Change in Fund Balance	(2,500)	32,500	31,851	(649)
Fund Balance at Beginning of Year	<u>3,985</u>	<u>3,985</u>	<u>3,985</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>1,485</u></u>	\$ <u><u>36,485</u></u>	\$ <u><u>35,836</u></u>	\$ <u><u>(649)</u></u>

City of Rocky River, Ohio

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

Fire Levy Fund

For The Year Ended December 31, 2009

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 210,452	\$ 210,452	\$ 195,273	\$ (15,179)
Intergovernmental	<u>0</u>	<u>0</u>	<u>27,287</u>	<u>27,287</u>
Total Revenues	<u>210,452</u>	<u>210,452</u>	<u>222,560</u>	<u>12,108</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Service	599,000	599,000	537,250	61,750
Other	<u>20,139</u>	<u>20,139</u>	<u>20,139</u>	<u>0</u>
Total Expenditures	<u>619,139</u>	<u>619,139</u>	<u>557,389</u>	<u>61,750</u>
Excess of Revenues Over (Under) Expenditures	(408,687)	(408,687)	(334,829)	73,858
Other Financing Sources (Uses):				
Transfers – In	<u>225,000</u>	<u>225,000</u>	<u>315,000</u>	<u>90,000</u>
Net Change in Fund Balance	(183,687)	(183,687)	(19,829)	163,858
Fund Balance at Beginning of Year	<u>210,370</u>	<u>210,370</u>	<u>210,370</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>26,683</u>	\$ <u>26,683</u>	\$ <u>190,541</u>	\$ <u>163,858</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 210,452	\$ 210,452	\$ 195,273	\$ (15,179)
Intergovernmental	<u>0</u>	<u>0</u>	<u>27,287</u>	<u>27,287</u>
Total Revenues	<u>210,452</u>	<u>210,452</u>	<u>222,560</u>	<u>12,108</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Service	608,000	568,400	512,317	56,083
Other	<u>34,000</u>	<u>34,000</u>	<u>33,033</u>	<u>967</u>
Total Expenditures	<u>642,000</u>	<u>602,400</u>	<u>545,350</u>	<u>57,050</u>
Excess of Revenues Over (Under) Expenditures	(431,548)	(391,948)	(322,790)	69,158
Other Financing Sources (Uses):				
Transfers – In	<u>385,000</u>	<u>385,000</u>	<u>388,764</u>	<u>3,764</u>
Net Change in Fund Balance	(46,548)	(6,948)	65,974	72,922
Fund Balance at Beginning of Year	<u>85,564</u>	<u>85,564</u>	<u>85,564</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>39,016</u>	\$ <u>78,616</u>	\$ <u>151,538</u>	\$ <u>72,922</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ <u>50,000</u>	\$ <u>65,000</u>	\$ <u>63,517</u>	\$ <u>(1,483)</u>
Expenditures:				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	<u>33,300</u>	<u>33,300</u>	<u>33,054</u>	<u>246</u>
Total Expenditures	<u>73,300</u>	<u>73,300</u>	<u>73,054</u>	<u>246</u>
Excess of Revenues Over (Under) Expenditures	(23,300)	(8,300)	(9,537)	(1,237)
Other Financing Sources (Uses):				
Transfers – In	<u>40,000</u>	<u>40,000</u>	<u>0</u>	<u>(40,000)</u>
Net Change in Fund Balance	16,700	31,700	(9,537)	(41,237)
Fund balance at Beginning of Year	<u>21,636</u>	<u>21,636</u>	<u>21,636</u>	<u>0</u>
Fund balance at End of Year	\$ <u><u>38,336</u></u>	\$ <u><u>53,336</u></u>	\$ <u><u>12,099</u></u>	\$ <u><u>(41,237)</u></u>

City of Rocky River, Ohio

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

Equipment Replacement Fund

For The Year Ended December 31, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>32,000</u>	\$ <u>32,000</u>	\$ <u>28,169</u>	\$ <u>(3,831)</u>
Expenditures:				
Capital Outlay	1,181,903	1,163,403	632,674	530,729
Debt Service:				
Principal Retirement	25,000	18,000	0	18,000
Interest and Fiscal Charges	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Total Expenditures	<u>1,221,903</u>	<u>1,196,403</u>	<u>632,674</u>	<u>563,729</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,189,903)</u>	<u>(1,164,403)</u>	<u>(604,505)</u>	<u>559,898</u>
Other Financing Sources (Uses):				
Proceeds Issuance of Debt	620,500	620,500	0	(620,500)
Transfers – In	<u>500,000</u>	<u>500,000</u>	<u>400,000</u>	<u>(100,000)</u>
Total Other Financing Sources (Uses)	<u>1,120,500</u>	<u>1,120,500</u>	<u>400,000</u>	<u>(720,500)</u>
Net Change in Fund Balance	<u>(69,403)</u>	<u>(43,903)</u>	<u>(204,505)</u>	<u>(160,602)</u>
Fund Balance at Beginning of Year	97,370	97,370	97,370	0
Prior Year Encumbrances Appropriated	<u>233,303</u>	<u>233,303</u>	<u>233,303</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>261,270</u>	\$ <u>286,770</u>	\$ <u>126,168</u>	\$ <u>(160,602)</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 806,000	\$ 916,000	\$ 861,680	\$ (54,320)
Investment Income	59,000	59,000	17,821	(41,179)
Total Revenues	<u>865,000</u>	<u>975,000</u>	<u>879,501</u>	<u>(95,499)</u>
Expenditures:				
Current:				
General Government:				
Personal Service	377,600	377,600	268,583	109,017
Other	276,721	276,721	129,780	146,941
Capital Outlay	163,867	163,867	39,183	124,684
Debt Service:				
Principal Retirement	110,000	110,000	110,000	0
Interest and Fiscal Charges	143,600	143,600	142,563	1,037
Total Expenditures	<u>1,071,788</u>	<u>1,071,788</u>	<u>690,109</u>	<u>381,679</u>
Net Change in Fund Balance	(206,788)	(96,788)	189,392	286,180
Fund Balance at Beginning of Year	1,903,859	1,903,859	1,903,859	0
Prior Year Encumbrances Appropriated	<u>31,588</u>	<u>31,588</u>	<u>31,588</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,728,659</u>	\$ <u>1,838,659</u>	\$ <u>2,124,839</u>	\$ <u>286,180</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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ <u>1,912,500</u>	\$ <u>1,912,500</u>	\$ <u>1,888,626</u>	\$ <u>(23,874)</u>
Expenses:				
Sewer Operations:				
Personal Service	636,800	659,325	629,442	29,883
Contractual Services	1,489,306	1,396,306	1,344,488	51,818
Heat, Light, And Power	19,712	19,712	16,678	3,034
Materials And Supplies	115,334	95,334	71,100	24,234
Other	5,600	5,600	2,896	2,704
Capital Outlay	15,000	15,000	6,408	8,592
Debt Service:				
Principal Retirement	15,809	15,810	15,810	0
Interest and Fiscal Charges	<u>11,290</u>	<u>11,289</u>	<u>11,289</u>	<u>0</u>
Total Expenses	<u>2,308,851</u>	<u>2,218,376</u>	<u>2,098,111</u>	<u>120,265</u>
Excess of Revenues Over (Under) Expenditures	<u>(396,351)</u>	<u>(305,876)</u>	<u>(209,485)</u>	<u>96,391</u>
Other Financing Sources (Uses):				
Advance – In	0	0	100,000	100,000
Advance – Out	<u>0</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>
Net Change in Fund Equity	(396,351)	(405,876)	(209,485)	196,391
Fund Equity at Beginning of Year	413,006	413,006	413,006	0
Prior Year Encumbrances Appropriated	<u>27,952</u>	<u>27,952</u>	<u>27,952</u>	<u>0</u>
Fund Equity at End of Year	\$ <u>44,607</u>	\$ <u>35,082</u>	\$ <u>231,473</u>	\$ <u>196,391</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, 2009

	<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>2,177,603</u>	\$ <u>2,322,274</u>	\$ <u>144,671</u>
Expenses:				
Claims	1,910,001	1,910,001	1,886,539	23,462
Contractual Services	<u>346,914</u>	<u>346,914</u>	<u>301,534</u>	<u>45,380</u>
Total Expenses	<u>2,256,915</u>	<u>2,256,915</u>	<u>2,188,073</u>	<u>68,842</u>
Net Change in Fund Equity	(79,312)	(79,312)	134,201	213,513
Fund Equity at Beginning of Year	397,029	397,029	397,029	0
Prior Year Encumbrances Appropriated	<u>10,915</u>	<u>10,915</u>	<u>10,915</u>	<u>0</u>
Fund Equity at End of Year	\$ <u><u>328,632</u></u>	\$ <u><u>328,632</u></u>	\$ <u><u>542,145</u></u>	\$ <u><u>213,513</u></u>

City of Rocky River, Ohio

Fiduciary Funds

Fund Descriptions

Agency Funds

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

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

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

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

City of Rocky River, Ohio

Combining Statement of Assets and Liabilities – Agency Funds

December 31, 2009

	<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	\$ 66,498	\$ 285,484	\$ 0	\$ 15,287	\$ 367,269
Cash and Cash Equivalents in Segregated Accounts	0	0	555,777	0	555,777
Accounts Receivable	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
Total Assets	\$ <u>66,498</u>	\$ <u>290,484</u>	\$ <u>555,777</u>	\$ <u>15,287</u>	\$ <u>928,046</u>
Liabilities:					
Undistributed Monies	\$ 0	\$ 290,484	\$ 0	\$ 15,287	\$ 305,771
Deposits Held and Due To Others	<u>66,498</u>	<u>0</u>	<u>555,777</u>	<u>0</u>	<u>622,275</u>
Total Liabilities	\$ <u>66,498</u>	\$ <u>290,484</u>	\$ <u>555,777</u>	\$ <u>15,287</u>	\$ <u>928,046</u>

City of Rocky River, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds

For The Year Ended December 31, 2009

	<u>Balance</u> <u>12/31/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/09</u>
Deposits, Fees and Tri-City				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>70,044</u>	\$ <u>3,492</u>	\$ <u>7,038</u>	\$ <u>66,498</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>70,044</u>	\$ <u>3,492</u>	\$ <u>7,038</u>	\$ <u>66,498</u>
Donations and Bequests				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 281,283	\$ 41,577	\$ 37,376	\$ 285,484
Accounts Receivable	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Assets	\$ <u>281,283</u>	\$ <u>46,577</u>	\$ <u>37,376</u>	\$ <u>290,484</u>
Liabilities:				
Undistributed Monies	\$ <u>281,283</u>	\$ <u>46,577</u>	\$ <u>37,376</u>	\$ <u>290,484</u>
Municipal Court				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ <u>605,827</u>	\$ <u>6,536,180</u>	\$ <u>6,586,230</u>	\$ <u>555,777</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>605,827</u>	\$ <u>6,536,180</u>	\$ <u>6,586,230</u>	\$ <u>555,777</u>
S.A.F.E.				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>20,397</u>	\$ <u>870</u>	\$ <u>5,980</u>	\$ <u>15,287</u>
Liabilities:				
Undistributed Monies	\$ <u>20,397</u>	\$ <u>870</u>	\$ <u>5,980</u>	\$ <u>15,287</u>
All Agency Funds				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 371,724	\$ 45,939	\$ 50,394	\$ 367,269
Cash and Cash Equivalents in Segregated Accounts	605,827	6,536,180	6,586,230	555,777
Accounts Receivable	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Assets	\$ <u>977,551</u>	\$ <u>6,587,119</u>	\$ <u>6,636,624</u>	\$ <u>928,046</u>
Liabilities:				
Undistributed Monies	\$ 301,680	\$ 47,447	\$ 43,356	\$ 305,771
Deposits Held and Due to Others	<u>675,871</u>	<u>6,539,672</u>	<u>6,593,268</u>	<u>622,275</u>
Total Liabilities	\$ <u>977,551</u>	\$ <u>6,587,119</u>	\$ <u>6,636,624</u>	\$ <u>928,046</u>

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City of Rocky River, Ohio

December 31, 2009

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	116 – 123
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	124 – 130
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	131 – 136
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	137 – 139
Operating Information These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	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 Seven 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>
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 25,694,191	\$ 21,762,917	\$ 24,062,462	\$ 24,996,254	\$ 28,079,248	\$ 30,592,575	\$ 31,254,205
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
Debt Services	933,368	436,075	311,203	370,924	299,208	434,148	295,558
Recreation	272,344	537,147	453,232	825,367	0	0	0
Municipal Probation	314,982	341,646	366,541	380,220	381,081	416,388	421,063
Aging	226,474	403,278	279,679	800,380	354,143	218,952	124,001
Street Construction and Maintenance	347,929	658,753	311,953	505,658	696,805	415,917	406,063
Other Purposes	212,492	712,932	421,903	848,768	364,080	816,857	539,121
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>
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>
Business-Type Activities:							
Invested in Capital Assets, Net of Related Debt	14,798,306	16,580,359	16,408,395	16,369,129	17,261,301	17,184,178	17,800,190
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>
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>
Primary Government:							
Invested in Capital, Net of Related Debt	40,492,497	38,343,276	40,470,857	41,365,383	45,340,549	47,776,753	49,054,395
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
Debt Services	933,368	436,075	311,203	370,924	299,208	434,148	295,558
Recreation	272,344	537,147	453,232	825,367	0	0	0
Municipal Probation	314,982	341,646	366,541	380,220	381,081	416,388	421,063
Aging	226,474	403,278	279,679	800,380	354,143	218,952	124,001
Street Construction and Maintenance	347,929	658,753	311,953	505,658	696,805	415,917	406,063
Other Purposes	212,492	712,932	421,903	848,768	364,080	816,857	539,121
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>
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>

City of Rocky River, Ohio

Changes in Net Assets – Last Seven Fiscal Years

Accrual Basis of Accounting

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

(continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

Expenses:	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:							
General Government	5,142,027	4,555,899	4,514,387	8,818,319	6,808,557	8,051,702	6,932,356
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
Public Health and Welfare	1,071,428	977,448	1,142,913	1,220,577	1,363,640	1,347,437	1,437,857
Leisure Time Activities	2,619,434	3,933,467	4,973,173	783,730	4,076,680	3,937,438	4,268,822
Community Development	823,487	803,006	703,873	257,600	790,060	801,140	720,892
Basic Utility Services	2,161,930	1,739,378	1,900,149	1,934,737	1,693,864	1,609,178	1,772,114
Transportation	2,738,117	4,698,400	1,587,610	3,244,883	2,314,773	3,195,503	2,758,278
Interest and Fiscal Charges	439,230	507,297	965,098	925,760	882,306	854,095	824,261
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>
Business-Type Activities:							
Sewer	<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>
Total Primary Government Program Expenses	<u>25,438,244</u>	<u>26,168,551</u>	<u>26,089,799</u>	<u>28,466,349</u>	<u>30,213,510</u>	<u>31,500,809</u>	<u>30,653,464</u>
General Revenues:							
Property taxes and Other Local Taxes Levied for:							
General Purposes	3,344,189	3,669,410	3,595,174	3,695,587	4,210,179	4,018,607	4,093,251
Recreation	265,406	286,213	285,331	293,301	293,591	318,938	324,861
Office on Aging	265,406	286,213	286,175	283,755	331,210	318,938	324,861
Refuse and Recycling	530,815	572,426	569,818	596,199	624,749	637,881	649,723
Fire Levy	159,244	172,015	171,200	175,980	187,441	191,365	194,916
Police Levy	159,244	171,439	171,199	96,012	267,410	191,365	194,916
Capital Improvements	530,815	572,426	604,444	552,819	624,801	637,881	649,723
General Obligation Bond Retirement	0	0	570,663	666,569	542,651	626,790	634,889
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
Franchise Tax	1,485,683	278,970	47,289	139,215	149,384	207,506	128,163
Admissions Tax	0	0	75,069	45,929	40,874	36,715	34,981
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
Investment Earnings	195,673	281,820	680,947	1,202,568	1,110,881	516,771	140,058
Other	<u>327,212</u>	<u>116,350</u>	<u>127,716</u>	<u>71,946</u>	<u>407,662</u>	<u>466,811</u>	<u>193,193</u>
Total General Revenues	<u>16,170,257</u>	<u>19,522,169</u>	<u>19,667,667</u>	<u>19,477,413</u>	<u>21,522,134</u>	<u>21,000,332</u>	<u>19,420,266</u>

City of Rocky River, Ohio

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

Accrual Basis of Accounting

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Change in Net Assets:							
Governmental Activities	(1,032,994)	819,991	2,613,589	102,510	847,702	321,734	(92,536)
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>
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>

City of Rocky River, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund										
Reserved	\$ 99,183	\$ 174,205	\$ 215,449	\$ 172,542	\$ 118,309	\$ 158,475	\$ 126,594	\$ 124,594	\$ 235,188	\$ 118,863
Unreserved	<u>4,845,263</u>	<u>5,484,515</u>	<u>4,062,024</u>	<u>3,353,437</u>	<u>4,961,316</u>	<u>12,092,669</u>	<u>8,751,298</u>	<u>9,040,991</u>	<u>6,278,579</u>	<u>4,363,415</u>
Total General Fund	<u>4,944,446</u>	<u>5,658,720</u>	<u>4,277,473</u>	<u>3,525,979</u>	<u>5,079,625</u>	<u>12,251,144</u>	<u>8,877,892</u>	<u>9,165,386</u>	<u>6,513,767</u>	<u>4,482,278</u>
All Other Governmental Funds										
Reserved	2,691,366	5,158,958	1,485,769	2,061,840	1,958,494	981,092	7,003,846	1,545,110	740,155	2,615,314
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	1,417,632	1,610,920	2,280,066	1,662,708	2,274,096	1,620,122	3,179,196	1,498,981	1,494,900	722,896
Debt Service Funds	126,473	127,700	126,242	129,136	436,075	309,515	368,623	320,601	434,703	296,748
Capital Projects Funds	<u>948,909</u>	<u>(992,364)</u>	<u>5,844,373</u>	<u>4,669,196</u>	<u>6,682,010</u>	<u>9,470,562</u>	<u>1,707,532</u>	<u>2,797,157</u>	<u>4,043,671</u>	<u>3,971,943</u>
Total All Other Governmental Funds	<u>5,184,380</u>	<u>5,905,214</u>	<u>9,736,450</u>	<u>8,522,880</u>	<u>11,350,675</u>	<u>12,381,291</u>	<u>12,259,197</u>	<u>6,161,849</u>	<u>6,713,429</u>	<u>7,606,901</u>
Total Governmental Funds	<u>\$ 10,128,826</u>	<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>

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City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Property Taxes	\$ 4,578,689	\$ 5,221,797	\$ 5,280,092	\$ 5,251,769	\$ 5,667,016	\$ 6,235,604	\$ 6,335,087	\$ 7,041,339	\$ 6,947,816	\$ 7,080,115
Municipal Income taxes	7,662,097	7,397,168	7,770,663	7,553,532	7,732,660	8,064,069	8,302,551	8,524,272	8,506,159	7,748,760
Other Local Taxes	168,846	218,398	195,854	195,006	278,970	171,013	185,144	190,258	244,218	163,144
Intergovernmental	5,195,635	5,549,611	7,464,551	4,351,557	6,823,149	6,168,682	5,223,478	5,067,103	5,900,572	6,285,727
Charges for Services	1,562,961	1,686,484	1,651,871	1,609,543	1,686,685	1,850,165	2,108,616	2,362,258	3,188,107	3,317,448
Fines, Fees, and Permits	2,299,698	2,739,133	2,908,634	2,739,144	2,857,860	3,292,766	2,946,563	2,795,898	3,348,071	3,357,804
Special Assessments	64,163	76,550	35,324	41,018	86,950	72,514	73,625	69,545	67,171	66,757
Investment Income	874,993	559,625	267,852	195,673	281,820	680,947	1,202,568	1,110,881	516,771	140,058
Rentals	36,195	59,013	86,692	98,771	107,664	109,372	102,925	130,683	94,133	104,387
Other	89,786	243,123	164,186	327,212	315,554	155,317	137,471	489,200	480,433	209,371
Total Revenues	22,533,063	23,750,902	25,825,719	22,363,225	25,838,328	26,800,449	26,618,028	27,781,437	29,293,451	28,473,571
Expenditures										
Current:										
Security of Persons and Property	6,144,881	6,619,901	7,001,113	7,309,763	7,585,135	7,680,206	8,158,722	8,659,138	8,876,601	9,246,320
Public Health and Welfare	1,037,212	1,043,279	1,015,068	1,081,332	918,244	1,063,225	1,107,247	1,258,586	1,260,324	1,173,737
Leisure Time Activities	2,175,412	2,482,386	2,415,412	352,892	2,433,953	2,661,923	2,888,877	3,522,149	3,818,666	3,641,297
Community Development	519,004	538,504	623,812	806,798	766,159	679,701	1,341,837	965,311	932,862	917,692
Basic Utility Services	1,344,343	1,246,307	1,365,575	1,485,120	1,339,321	1,437,860	1,482,518	1,601,443	1,639,711	2,056,568
Transportation	1,880,336	1,999,681	2,113,204	2,317,478	2,072,377	2,323,383	2,160,615	2,167,526	2,514,664	2,268,740
General Government	2,950,905	3,211,062	3,372,844	4,544,926	4,153,103	4,661,055	4,367,663	4,630,034	4,933,287	4,991,465
Capital Outlay	7,014,377	4,563,260	6,267,738	5,611,179	9,201,024	4,773,885	6,528,974	8,759,176	5,203,465	3,595,408
Debt Service										
Principal	371,623	360,984	372,070	462,037	3,356,817	1,022,756	1,148,732	1,154,751	1,100,814	1,116,923
Interest	415,875	372,076	355,077	439,169	485,503	968,887	933,167	905,917	877,823	848,319
Bond Issuance Costs	0	0	41,018	0	0	0	0	0	0	0
Total Expenditures	23,853,968	22,437,440	24,942,931	24,410,694	32,311,636	27,272,881	30,118,352	33,624,031	31,158,220	29,856,469
Excess of Revenues Over (Under) Expenditures	(1,320,905)	1,313,462	882,788	(2,047,469)	(6,473,308)	(472,432)	(3,500,324)	(5,842,594)	(1,864,769)	(1,382,898)

(continued)

City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Other Financing Sources (Uses):										
Proceeds from Issuance of Debt	360,000	0	3,700,000	0	10,840,000	8,400,000	0	0	0	228,754
Premium on General Obligation Debt	0	0	0	0	0	262,963	0	0	0	0
Proceeds from Inception of Capital Lease	5,701	0	0	0	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	24,840	25,689	17,571	82,405	14,749	11,604	4,978	32,740	29,730	16,127
Transfers – In	7,212,271	6,771,983	7,054,559	5,370,297	7,549,959	2,795,000	9,070,623	5,115,000	7,650,000	5,487,764
Transfers – Out	<u>(7,137,271)</u>	<u>(6,676,026)</u>	<u>(9,204,929)</u>	<u>(5,370,297)</u>	<u>(7,549,959)</u>	<u>(2,795,000)</u>	<u>(9,070,623)</u>	<u>(5,115,000)</u>	<u>(7,915,000)</u>	<u>(5,487,764)</u>
Total Other Financing Sources (Uses)	<u>465,541</u>	<u>121,646</u>	<u>1,567,201</u>	<u>82,405</u>	<u>10,854,749</u>	<u>8,674,567</u>	<u>4,978</u>	<u>32,740</u>	<u>(235,270)</u>	<u>244,881</u>
Net change in fund balances	\$ <u>(855,364)</u>	\$ <u>1,435,108</u>	\$ <u>2,449,989</u>	\$ <u>(1,965,064)</u>	\$ <u>4,381,441</u>	\$ <u>8,202,135</u>	\$ <u>(3,495,346)</u>	\$ <u>(5,809,854)</u>	\$ <u>(2,100,039)</u>	\$ <u>(1,138,017)</u>
Debt Service as a Percentage of Noncapital Expenditures	4.15%	4.52%	4.09%	4.05%	14.27%	8.92%	8.23%	8.11%	7.19%	7.18%

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)
2000/2001	\$ 498,017,510	\$ 1,422,907,171	\$ 12,157,730	\$ 13,815,602
2001/2002	571,695,000	1,633,414,286	12,675,450	14,403,920
2002/2003	577,506,520	1,650,018,629	9,536,030	10,836,398
2003/2004	634,723,650	1,813,496,142	9,544,580	10,846,113
2004/2005	636,121,350	1,817,489,571	9,737,980	11,065,806
2005/2006	637,972,350	1,822,778,143	8,772,100	9,968,295
2006/2007	704,756,080	2,013,588,800	8,279,590	9,408,625
2007/2008	707,992,790	2,022,836,543	5,790,110	6,579,670
2008/2009	714,739,290	2,042,112,257	6,053,290	6,878,739
2009/2010	686,743,340	1,962,123,829	6,392,090	7,263,739

Source: Cuyahoga County, Ohio; County Auditor

(1) This amount is calculated for 2009 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>		
\$ 15,769,844	\$ 63,079,376	\$ 525,945,084	\$ 1,499,802,149	35.07%	\$ 9.90
15,716,132	62,864,528	600,086,582	1,710,682,734	35.08	9.90
14,906,102	59,624,408	601,948,652	1,720,479,435	34.99	9.90
14,696,532	58,786,128	658,964,762	1,883,128,383	34.99	9.90
11,888,430	51,688,826	657,747,760	1,880,244,283	34.98	10.90
10,280,540	44,698,000	657,024,990	1,877,444,438	34.99	10.90
10,384,146	55,382,112	723,419,816	2,078,379,537	34.81	10.90
4,097,141	32,777,128	717,880,041	2,062,193,341	34.81	10.90
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

City of Rocky River, Ohio

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

Last Ten Years

Year	City of Rocky River				Total	Rocky River School and Library	Cuyahoga County	Special(1) Taxing Districts	Total
	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Bond Service					
2000	\$ 6.30	\$ 2.60	\$ 1.00	\$ 0	\$ 9.90	\$ 73.30	\$ 10.82	\$ 1.55	\$ 95.57
2001	6.30	2.60	1.00	0	9.90	72.70	11.72	1.55	95.87
2002	6.30	2.60	1.00	0	9.90	72.20	11.72	4.48	98.30
2003	6.30	2.60	1.00	0	9.90	76.70	13.52	4.48	104.60
2004	6.30	2.60	1.00	1.00	10.90	78.10	13.52	4.78	107.30
2005	6.30	2.60	1.00	1.00	10.90	83.10	13.52	4.78	112.30
2006	6.30	2.60	1.00	1.00	10.90	83.30	13.42	4.78	112.40
2007	6.30	2.60	1.00	1.00	10.90	83.20	13.42	4.78	112.30
2008	7.30	2.60	0.00	1.00	10.90	88.80	13.32	4.78	117.80
2009	7.30	2.60	0.00	1.00	10.90	88.80	13.32	4.78	117.80

Source: Cuyahoga County, Ohio; County Auditor

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

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City of Rocky River, Ohio

Real Property Tax Levies and Collection

Last Ten Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Collections (1)</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Tax Collections</u>
2000	\$ 5,206,250	\$ 5,084,043	97.65 %	\$ 98,465
2001	5,960,601	5,813,998	97.54	157,811
2002	6,366,351	5,872,530	92.24	160,298
2003	6,258,955	5,889,910	94.10	122,928
2004	6,568,175	6,170,368	93.94	139,194
2005	7,216,321	6,814,655	94.43	124,325
2006	7,232,129	6,847,235	94.68	134,097
2007	7,993,917	7,565,168	94.64	139,558
2008	8,054,197	7,555,361	93.81	211,861
2009	7,867,118	7,834,168	99.58	177,726

Source: Cuyahoga County, Ohio; County Auditor

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

	<u>Total Tax Collections</u>	<u>Percent of Total Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
\$	5,182,508	99.54%	\$ 196,071	3.77 %
	5,971,809	100.19	267,631	4.49
	6,032,828	94.76	195,557	3.07
	6,012,838	96.07	248,027	3.96
	6,309,562	96.06	292,542	4.45
	6,938,980	96.16	286,098	3.96
	6,981,332	96.53	315,249	4.36
	7,704,725	96.38	345,085	4.32
	7,767,222	96.44	267,880	3.33
	8,011,894	101.84	254,902	3.24

City of Rocky River, Ohio

Principal Taxpayers: Real and Tangible Personal Property Tax

As of December 31, 2009 and December 31, 2000

<u>Taxpayer</u>	<u>2009</u>	
	Real and Tangible Personal Property	
	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Westwood Town Center	\$ 7,274,720	1.05%
Normandy Association, LTD.	5,324,110	0.77
Cleveland Illuminating Company	4,431,800	0.64
Beachcliff Properties	4,068,170	0.59
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	2,456,580	0.35
W & F Plaza Investments	<u>2,450,740</u>	<u>0.35</u>
<i>Totals</i>	\$ <u>38,311,220</u>	<u>5.53%</u>

Total City Assessed Valuation \$ 693,135,430

<u>Taxpayer</u>	<u>2000</u>	
	Real and Tangible Personal Property	
	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Cleveland Illuminating Company	\$ 5,974,830	1.00%
Westwood Town Center	5,259,560	0.88
Ohio Bell Telephone Company	3,664,270	0.61
Normandy Association, LTD.	4,649,260	0.78
Presidential Apartments, LTD.	3,927,840	0.65
Rockport Associates Company	2,235,100	0.37
Gross Management, Inc.	2,964,820	0.50
Linden Apartment Company	2,744,460	0.46
Rockport Retirement LTD.	2,239,831	0.38
East Ohio Gas Company	<u>2,195,850</u>	<u>0.37</u>
<i>Totals</i>	\$ <u>35,855,820</u>	<u>5.99%</u>

Total City Assessed Valuation \$ 599,842,962

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 ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	Special Assessment Bonds	OPWC Loan	Capital Lease	OWDA Loan				
2000	\$ 4,145,000	\$ 925,000	\$ 0	\$ 4,882	\$ 293,132	\$ 5,368,014	0.75 %	\$ 258.89	
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	228,754	0	231,400	18,585,154	2.59	896.32	

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.

NA – Information not available

City of Rocky River, Ohio

Special Assessment Levies and Collections (1)

Last Ten Years

<u>Year</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected(1)</u>	<u>Ratio of Collections To Amount Due</u>
2000	\$ 80,549	\$ 64,163	79.66 %
2001	97,650	76,550	78.39
2002	87,278	62,574	71.70
2003	95,383	69,497	72.86
2004	98,183	94,407	96.15
2005	102,359	96,101	93.88
2006	133,426	112,059	83.99
2007	165,931	123,640	74.51
2008	112,980	104,878	92.83
2009	109,663	101,345	92.42

Source: Cuyahoga County, Ohio; County Auditor

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

City of Rocky River, Ohio

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

Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Net General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2000	20,735	\$ 6,980,585	\$ 525,945,084	1.16 %	\$ 336.66
2001	20,735	8,920,585	600,086,582	1.49	430.22
2002	20,735	7,100,585	601,948,652	1.18	342.44
2003	20,735	6,695,585	658,964,762	1.02	322.91
2004	20,735	14,228,490	657,747,760	2.16	686.21
2005	20,735	21,938,364	657,024,990	3.34	1,058.04
2006	20,735	20,760,982	723,419,816	2.87	1,001.25
2007	20,735	19,678,785	717,880,041	2.74	949.06
2008	20,735	18,537,073	724,866,570	2.56	894.00
2009	20,735	17,821,424	693,135,430	2.57	859.49

City of Rocky River, Ohio

Computation of Legal Debt Margin

Last Ten Year

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed Valuation	\$ <u>599,842,962</u>	\$ <u>600,086,582</u>	\$ <u>601,948,652</u>	\$ <u>658,964,762</u>	\$ <u>657,747,760</u>	\$ <u>657,024,990</u>	\$ <u>723,419,816</u>	\$ <u>717,880,041</u>	\$ <u>724,866,570</u>	\$ <u>693,135,430</u>
Debt Limit - 10.5% of Assessed Valuation	\$ 62,983,511	\$ 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
Gross Indebtedness	8,313,132	10,265,701	8,408,239	7,956,234	15,728,195	23,269,111	22,107,515	20,940,271	19,827,350	18,927,473
Less: Debt Outside Limitation	(1,218,132)	(1,230,701)	(1,193,239)	(1,146,234)	(1,093,666)	(1,040,508)	(986,733)	(932,310)	(877,210)	(821,400)
Less: Amount Available In Debt Service Funds	<u>(114,415)</u>	<u>(114,415)</u>	<u>(114,415)</u>	<u>(114,415)</u>	<u>(406,039)</u>	<u>(290,239)</u>	<u>(359,800)</u>	<u>(329,176)</u>	<u>(413,067)</u>	<u>(284,649)</u>
Net Debt Within 10.5% Limitation	<u>6,980,585</u>	<u>8,920,585</u>	<u>7,100,585</u>	<u>6,695,585</u>	<u>14,228,490</u>	<u>21,938,364</u>	<u>20,760,982</u>	<u>19,678,785</u>	<u>18,537,073</u>	<u>17,821,424</u>
Legal Debt Margin	\$ <u>56,002,926</u>	\$ <u>54,088,506</u>	\$ <u>56,104,023</u>	\$ <u>62,495,715</u>	\$ <u>54,835,025</u>	\$ <u>47,049,260</u>	\$ <u>55,198,099</u>	\$ <u>55,698,619</u>	\$ <u>57,573,917</u>	\$ <u>54,957,796</u>
Debt Limit - 5.5% of Assessed Unvoted Value	\$ 32,991,363	\$ 33,004,762	\$ 33,107,176	\$ 36,243,062	\$ 36,176,127	\$ 36,136,374	\$ 39,788,090	\$ 39,483,402	\$ 39,867,661	\$ 38,122,449
Gross Indebtedness Authorized by Council	8,313,132	10,265,701	8,408,239	7,956,234	15,728,195	23,269,111	22,107,515	20,940,271	19,827,350	18,927,473
Less: Debt Outside Limitation	(1,218,132)	(1,230,701)	(1,193,239)	(1,146,234)	(1,093,666)	(9,200,508)	(8,836,733)	(8,467,310)	(8,087,210)	(7,696,400)
Less: Amount Available in Debt Service Funds Related to Unvoted Debt	<u>(114,415)</u>	<u>(114,415)</u>	<u>(114,415)</u>	<u>(114,415)</u>	<u>(406,039)</u>	<u>(118,102)</u>	<u>(131,040)</u>	<u>(225,486)</u>	<u>(329,728)</u>	<u>(194,020)</u>
Net Debt Within 5.5% Limitation	<u>6,980,585</u>	<u>8,920,585</u>	<u>7,100,585</u>	<u>6,695,585</u>	<u>14,228,490</u>	<u>13,950,501</u>	<u>13,139,742</u>	<u>12,247,475</u>	<u>11,410,412</u>	<u>11,037,053</u>
Unvoted Debt Margin	\$ <u>26,010,778</u>	\$ <u>24,084,177</u>	\$ <u>26,006,591</u>	\$ <u>29,547,477</u>	\$ <u>21,947,637</u>	\$ <u>22,185,873</u>	\$ <u>26,648,348</u>	\$ <u>27,235,927</u>	\$ <u>28,457,249</u>	\$ <u>27,085,396</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, 2009

	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>17,877,319</u>	100.00%	\$ <u>17,877,319</u>
<u>Overlapping:</u>			
Cuyahoga County	336,472,572	2.10	7,065,924
Greater Cleveland Regional Transit Authority	163,025,000	2.10	3,423,525
Rocky River School District	<u>13,405,186</u>	96.86	<u>12,984,263</u>
Total Overlapping	<u>512,902,758</u>		<u>23,473,712</u>
Total	\$ <u>530,780,077</u>		\$ <u>41,351,031</u>

Source: Cuyahoga County, Ohio; County Auditor

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

City of Rocky River, Ohio

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

Last Ten Years

<u>Year</u>	<u>Debt Service</u>	<u>General Governmental Expenditures</u>	<u>Ratio of Debt Service To Total Governmental Expenditures</u>
2000	\$ 550,570	\$ 23,858,688	2.31%
2001	533,830	22,619,372	2.36
2002	527,090	24,942,931	2.11
2003	769,349	24,410,694	3.15
2004	3,842,320	32,065,983	12.00
2005	1,991,643	27,272,881	7.30
2006	2,081,899	30,118,352	6.91
2007	2,060,668	33,624,031	6.13
2008	1,978,637	31,158,220	6.35
2009	1,965,242	29,856,469	6.56

Source: City Financial Records

City of Rocky River, Ohio

Principal Employers

Current Year and Nine Years Ago

2009			
	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
1	City of Rocky River	774	5.4%
2	Rocky River Board of Education	611	4.2
3	Normandy Manor of Rocky River	436	3.0
4	Riser Foods Co.	298	2.1
5	Marc Glassman Inc	261	1.8
6	Cleveland Yacht Club Inc.	235	1.6
7	Heinens Inc.	210	1.5
8	Magnificat High School	205	1.4
9	Lowe's	204	1.4
10	Cuyahoga County Auditor	106	0.7
	Total	<u>3,340</u>	<u>23.1%</u>
	Total City Employment	<u>14,464</u>	

2000			
	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
1	City of Rocky River	NA	NA
2	Cuyahoga County Auditor	NA	NA
3	Hyland Software, Inc.	NA	NA
4	LESCO, Inc.	NA	NA
5	McDonald & Company Securities	NA	NA
6	Normandy LTD.	NA	NA
7	North American Benefits Network	NA	NA
8	Riser Foods	NA	NA
9	Rocky River City School District	NA	NA
10	Vera-Fast Corp.	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

<u>Year</u>	<u>Population</u> ⁽¹⁾	<u>Total Personal Income</u> ⁽²⁾	<u>Per Capita Personal Income</u> ⁽¹⁾	<u>Median Household Income</u> ⁽¹⁾	<u>School Enrollment</u> ⁽³⁾	<u>Unemployment Cuyahoga County</u>
2000	20,735	\$ 718,737,305	\$ 34,663	\$ 51,636	2,397	4.50%
2001	20,735	718,737,305	34,663	51,636	2,467	4.60
2002	20,735	718,737,305	34,663	51,636	2,493	6.60
2003	20,735	718,737,305	34,663	51,636	2,575	6.20
2004	20,735	718,737,305	34,663	51,636	2,598	6.20
2005	20,735	718,737,305	34,663	51,636	2,623	6.50
2006	20,735	718,737,305	34,663	51,636	2,640	5.60
2007	20,735	718,737,305	34,663	51,636	2,696	6.10
2008	20,735	718,737,305	34,663	51,636	2,686	7.10
2009	20,735	718,737,305	34,663	51,636	2,681	8.90

(1) Sources: U.S. Bureau of the Census. For years 2000 – current utilized 2000 Federal Census.

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

(3) Rocky River Board of Education

City of Rocky River, Ohio

Property Value and Construction

Last Ten Years

Year	Property Value (1)			Residential (2)		Commercial (2)	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
2000	\$ 222,395,743	\$ 1,200,511,428	\$ 1,422,907,171	7	\$ 2,476,750	2	\$ 6,119,202
2001	259,539,257	1,373,875,029	1,633,414,286	16	6,646,000	5	6,469,000
2002	265,627,200	1,384,391,429	1,650,018,629	16	5,190,000	1	9,570,917
2003	283,572,742	1,529,923,400	1,813,496,142	18	6,195,000	3	6,843,800
2004	284,197,186	1,533,292,385	1,817,489,571	28	9,652,000	3	3,013,000
2005	280,632,371	1,542,145,771	1,822,778,142	31	11,465,275	1	5,500,000
2006	296,426,314	1,717,162,486	2,013,588,800	25	6,025,000	2	9,929,000
2007	296,814,600	1,726,021,943	2,022,836,543	2	362,000	2	14,716,134
2008	308,154,600	1,733,957,657	2,042,112,257	1	1,500,000	3	1,670,000
2009	320,690,028	1,641,433,800	1,962,123,828	6	4,034,131	1	850,000

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

Employees by Function/Program

Last Eight Years

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

Source: City Records

Note: Information prior to 2002 is not available.

City of Rocky River, Ohio

Operating Indicators by Function/Program

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

(continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (continued)

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

(continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (continued)

Last Eight 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>
Public Health Services:								
Senior Center:								
Volunteers	189	176	155	148	154	147	150	150
Volunteer Hours	10,852	10,630	10,150	10,280	11,676	12,647	12,910	12,910
Senior Transportation Trips	8,402	8,713	8,549	9,551	7,932	7,308	7,958	8,578
Lunches Served	10,752	10,255	11,443	12,985	13,244	14,016	14,778	15,825
Gift Shop Sales	\$ 47,581	\$ 50,865	\$ 48,299	\$ 50,904	\$ 56,520	\$ 54,421	\$ 57,662	\$ 52,169
90 and Over Luncheon Attendees	NA	NA	NA	NA	130	166	160	250
Flu and Pneumonia shots	292	378	509	872	869	691	706	572
Sanitary Sewer:								
Quantity and Strength Percent of Wastewater Treatment Plant	28.35	28.35	28.35	28.35	29.53	29.53	29.40	29.4

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 Eight 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>
General Government:								
Other Departmental Vehicles	9	9	9	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
Miles of Storm Sewer	90	90	90	90	90	90	90	90
Security of Persons and Property:								
Fire Protection:								
Number of Stations	1	1	1	1	1	1	1	1
Number of Vehicles	9	9	9	9	9	10	10	10
Square Footage of Fire Station	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
Police Protection:								
Number of Stations	1	1	1	1	1	1	1	1
Number of Vehicles	24	24	24	24	24	25	25	25
Marine Patrol Boat	1	1	1	1	1	1	1	1
Canine Unit(s)	1	1	1	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
Number of Street Lights	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813
Transportation:								
Number of Vehicles	31	31	31	31	31	31	31	31
Square Footage of Service Building	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
Leisure Time Activities:								
Recreation and Culture:								
Number of Parks	8	8	8	9	9	9	9	9
Acres of Parks	105	105	105	106	106	106	106	106
Number of Vehicles	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
Miles of Shoreline	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 Eight 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>
Basic Utilities Service:								
Refuse Collection:								
Refuse Vehicles	24	24	24	24	24	24	24	24
Transit Scooters	20	20	20	20	20	20	20	19
Transfer Station	1	1	1	1	1	1	1	1
Public Health Services:								
Senior Transportation:								
Number of Vehicles	6	6	6	6	6	6	6	6
Square Footage of Senior Center	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012
Sewers:								
Miles of Sanitary Sewers	90	90	90	90	90	90	90	90
Number of Vehicles	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

Source: City Records

Information prior to 2002 is not available

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

December 31, 2009

City of Rocky River, Ohio

For The Year Ended December 31, 2009

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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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2010, wherein we noted the City, adopted *GASB Statement Nos. 52, 55, and 56*. 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.

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 is required to be reported under *Governmental Auditing Standard*.

We noted certain matters that we reported to management of the City, in a separate letter dated June 28, 2010.

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

This report is intended solely for the information and use of 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.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 28, 2010

City of Rocky River, Ohio

Schedule of Findings

December 31, 2009

1. Summary of Auditors' Results

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

2009-1 – 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.

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

December 31, 2009

Finding No.	Finding Summary	Fully Corrected	Explanation
2008-1	Restatement of Net Assets	Yes	No restatements made during 2009 audit.
2008-2	Capital asset management system	No	Reissued as 2009-1
2008-3	Encumbrances / Then and Now Certificates	No	Management has made improvements; therefore the item has been included in the management recommendation letter.

City of Rocky River, Ohio

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

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

December 31, 2009

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2009-1	The City will load all assets into the CMI, Inc. system.	N/A	Mike Thomas, Finance Director



Mary Taylor, CPA
Auditor of State

CITY OF ROCKY RIVER

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 19, 2010