

# City of Rocky River, Ohio

Comprehensive Annual Financial Report  
for the year ended December 31, 2016







# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Rocky River, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2016 to December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

September 18, 2017

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*Introductory Section*



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**City of Rocky River, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2016**

Issued by:

City of Rocky River  
Department of Finance

Michael A. Thomas, CPA  
Director of Finance

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# City of Rocky River, Ohio

Comprehensive Annual Financial Report  
For the Year Ended December 31, 2016

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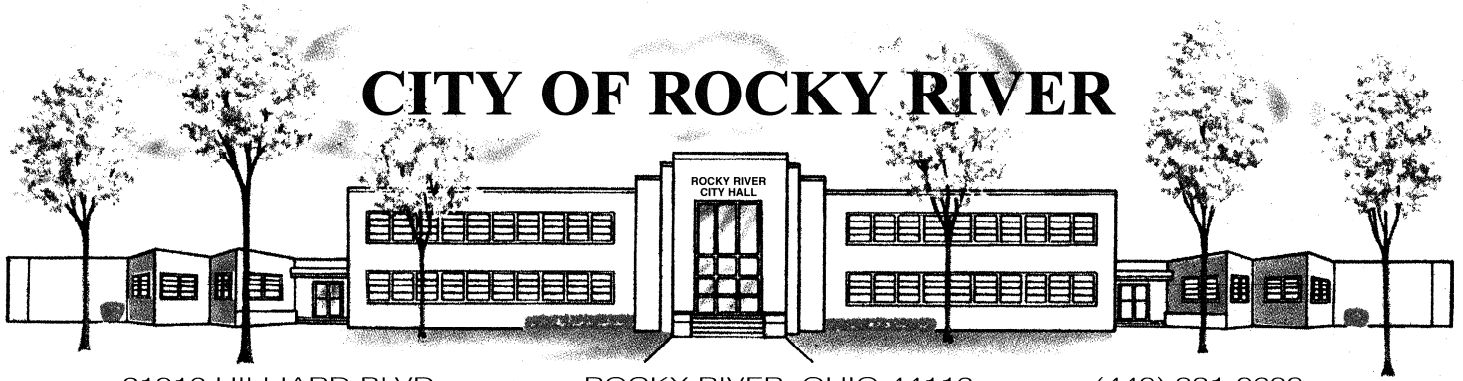
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# CITY OF ROCKY RIVER



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

June 30, 2017

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

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

The City of Rocky River, Ohio (City) is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2016. 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, 2016 therefore.

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

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

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

the audit, Ciuni & Panichi, Inc. concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of the CAFR.

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

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

The City of Rocky River is an established residential community located in northeastern Ohio that covers 4.48 square miles along the southern shore of Lake Erie west of the City of Cleveland, in Cuyahoga County. The Rocky River, which drains into Lake Erie, forms the eastern border of the City. The City's population according to the 2010 Census was 20,213. The City is a home rule municipal corporation established pursuant to the general laws of the State of Ohio and its own charter. The current charter, which provides for the Mayor/Council form of government, was originally adopted in 1960 and last amended in 2014.

The City is governed by a full-time Mayor and seven members of City Council who serve two year terms. The Law Director is also an elected office holder who serves two year terms. The Mayor appoints the heads of the following departments: Safety-Service, Finance, Human Resources, Building, Public Buildings (facilities) Office on Aging and Recreation. As of December 31, the City had 171 full-time employees, including the Rocky River Municipal Court.

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

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

### **Economic Conditions**

**Local Economy** Because of the proximity to major cultural, educational and medical facilities in Northeastern Ohio and ease of travel in the area, the City experiences a degree of economic stability. More recently, the City participated in a bit of economic recovery of the northeast Ohio region and nation as a whole. City residents in the professional, managerial, entrepreneurial categories benefit from access to the regional employment centers in the cities of Cleveland and Westlake, a community bordering the City to the west.

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



City income tax collections increased by about nine percent from 2015. Components of income tax collections are:

Component	2013	2014	2015	2016
Employee Withholding	\$4,781,813	\$4,977,855	\$6,569,368	\$6,934,657
Business Profit	779,821	1,007,954	993,280	1,035,926
Residence Tax	4,115,447	4,149,847	4,707,615	5,555,724
Penalties & Interest	157,338	145,905	157,886	74,289
Total	\$9,834,419	\$10,281,561	\$12,428,149	\$13,600,596

The more recent income tax collections are affected by a rate increase that became effective January 1, 2015. As a result of a successful ballot issue in November 2014, as authorized City Council, the municipal income tax rate increased from 1.5 percent to 2.0 percent. The reciprocity credit for income taxes paid to another city was also increased from 1.0 percent to 1.5 percent. The purpose of the increase was to provide resources for capital projects and equipment purchases, either directly or through the payment of debt service for those obligations. As expected and indicated in the table above, the employee withholding component increased by over 30 percent in 2015 and increased in 2016 by \$365,289 (or about 5.5 percent). Indicating a strong earnings demographic, in 2015, the residence tax revenue component increased by about 14 percent; and increased in 2016 beyond that amount by \$851,109 (or about 18 percent).

On behalf of the State of Ohio, the Cuyahoga County Fiscal Officer establishes real property values within the City for tax purposes. During 2015, the Cuyahoga County Fiscal Officer undertook a sexennial revaluation of real property. That process was completed in December 2015 resulting in an overall increase in City property values of about 8.3 percent. Those values, as adjusted, were the basis for the revenue received in 2016. Favorably impacting the real estate tax base are 1) a new 260 unit, luxury apartment complex which became fully occupied in the third quarter of 2014 and 2) a new retail grocery store (opened in September 2015). Both facilities were built where commercial vacancies had previously existed.

For each of the years shown in the table below the percentages of the components making up the total assessed value were consistent: residential, 84 percent; commercial, 15 percent; public utility, 1 percent.

Component	2012	2013	2014	2015
Residential	\$574,355,230	\$575,421,090	\$577,507,960	\$633,749,770
Commercial	101,218,550	102,015,460	102,497,650	103,324,300
Public Utility	7,450,940	8,289,730	8,706,580	8,855,180
Total	\$683,024,720	\$685,726,280	\$688,712,190	\$745,929,250

For the total value assigned in 2015 for real property tax revenue to be received in 2016, the percentages of the components making up the total are: residential, 85 percent; commercial, 14 percent; public utility, 1 percent. The variance from the normal percentage is inconsequential and continues to be indicative of a suburban, bedroom community. Census data confirm the importance of real estate values to the financial stability of the City. The estimated median house or condo value in 2015 (the most recent data available) was \$212,338 in the City while that amount in the State of Ohio was \$136,400. The estimated owner-occupied housing unit rate in 2015 (the most recent data available) was 72 percent in the City while that amount in the State of Ohio was 65 percent. ([www.city-data.com](http://www.city-data.com))

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

## **Major Initiatives**

Management of various phases of significant infrastructure improvement projects was the focus of attention of the City during 2016. The table below updates certain of the projects described in last year's CAFR.

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

This project is funded by an interest free loan, provided by the Ohio Public Works Commission (OPWC), an agency of the State of Ohio, for 70 percent of the project cost; the City provides the remaining 30 percent funding (as a local match) from cash reserves. The amortization period of Avalon Drive project loan is 30 years.

In July 2016, the City, the OPWC approved funding the following project:

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

This project is funded by an interest free loan, provided by the OPWC for 80 percent of the project cost; the City provides the remaining 20 percent funding (as a local match) from cash reserves. The amortization period of Hampton Road (South) and Lakeview project loan is 30 years.

An application to the OPWC was made for the following project in 2016:

<b>Project</b>	<b>Project Cost</b>	<b>Status</b>	<b>Construction Schedule</b>
Spencer Road Improvements	\$2,242,716	Engineering to begin in 2017	03/16/2018 to 08/31/2019

For this project, the City requested following funding structure from the OPWC: 1) 20 percent grant, 2) 60 percent loan, 3) 20 percent local funding match from cash reserves. The amortization period of Spencer Road project loan is 30 years.

These projects have been determined as priorities within the comprehensive sewer maintenance and rehabilitation plan drafted by the City Engineer in 2006. Completion of the projects will serve to mitigate the potential for sanitary sewer overflows and reduce the risk of compliance penalties to the City.

A new relationship with a council of governments, effective January 1, 2016 favorably affected cash flow during the year. In 2015, upon recommendation from the administration, City Council adopted an ordinance to join the Regional Council of Governments, the governing organization of the Regional Income Tax Agency (also known as RITA). The administration's recommendation was based on a cost study indicating a cost savings through the association with RITA. The cost of collection for 2016 was 2.03 percent; the cost of collection, in 2015, with the previous service provider was 3.09 percent. The City experienced the impact of the reduced cost as cash flow savings during 2016.

## **Long-term Financial Planning**

Despite stabilization and growth in revenue, the City has reacted conservatively. With staff reductions (attained through attrition), full-time City employment was 171 at December 31 while it was 192 at December 31, 2007. In accomplishing infrastructure projects and equipment purchases, the City looks to its dedicated municipal income tax revenue source for that purpose and has obtained zero percent interest loans for a portion of the project costs. Also, the *Agreement between the Cities of Cleveland and Rocky River for*

*Suburban Distribution Asset Renewal Program Project Reimbursement* put in place in 2012, has provided ongoing resources for infrastructure support to City resident needs.

Advance refunding of debt has favorably impacted cash flow and no new debt has been issued. Finally, the favorable cash flow impact of the affiliation with the RITA income tax service provider will continue in the future. As a result, in the most recent five year period, the General Fund reserve (non-GAAP budgetary basis) has held within a range of about 15 to 28 percent for an average of around 23 percent.

The City uses on-going analysis of revenue sources and appropriations as a basis for its annual budget while balancing the need for reserves. Also, the City monitors cash flow in comparison to budget expectations throughout the year and attempts to be in a position to react to unexpected outside influences.

The Municipal Income Tax revenue source is economically sensitive. The City buffers this economically sensitive revenue stream by conservative budgeting. And also, where actual revenue exceeds estimated revenue such excess is not appropriated and carries over in the General Fund budgetary balance to the next year. In addition, during the five year period 2012 to 2016, the City spent an average of about 74 percent of the total appropriation amount.

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

Source	Percent
Income Tax	34
Property Tax	24
Sewer Charges User Charges	13
Recreation Center User Charges	7
Grants/Loans	7
Other Revenue	4
Gas & License Fees	3
Ambulance Fees	2
Estate Tax	2
Local Government Fund	1
Senior Center User Fees	1
Fines	1

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

### **Awards and Acknowledgements**

**Certificate of Achievement** The Government Finance Officers Association of the United States and Canada (GFOA) last awarded a Certificate of Achievement of Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the year ending December 31, 2014, which is reported below as the City was not eligible to receive a Certificate of Achievement of Excellence in Financial Reporting for the year ending December 31, 2015. 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 meets the award program requirements, and will submit it to determine its eligibility for another certificate.

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

The CAFR represents a coordinated effort among departments of the City; each department takes pride and care managing the assets of the public that are under its control. This report is meant to demonstrate and to document such effort.

Respectfully submitted,

A handwritten signature in blue ink that reads "Michael A. Thomas". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Michael A. Thomas, CPA  
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Rocky River  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

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

List of Elected Officials

**December 31, 2016**

---

Title

Name

Mayor

Pamela E. Bobst

Law Director

Andrew D. Bemer

Council Member – At-Large

David W. Furry

Council Member – At-Large

Christopher J. Klym

Council Member – At-Large

Brian J. Sindelar

Council Member – Ward 1

Thomas J. Hunt

Council President – Ward 2

James W. Moran

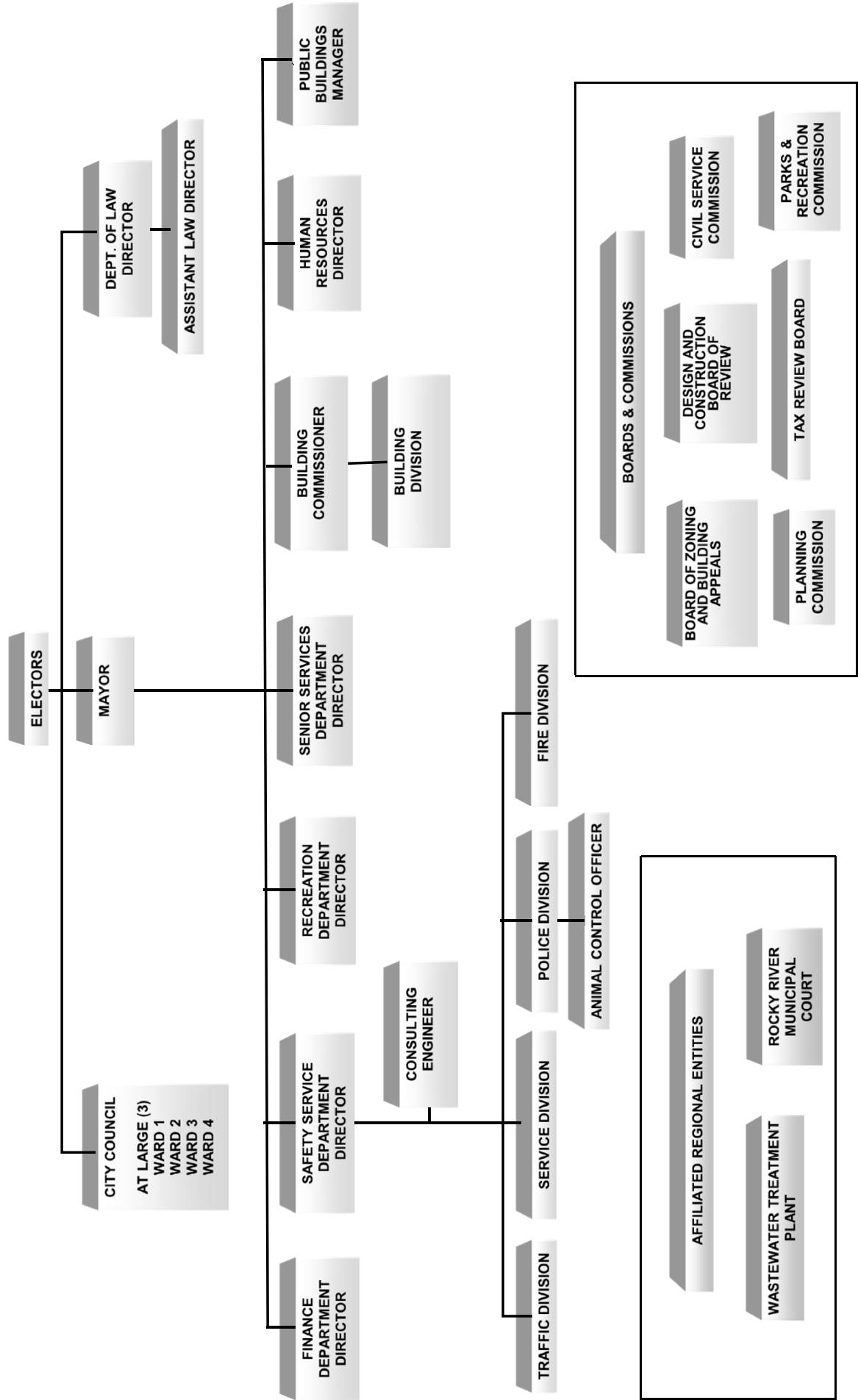
Council Member – Ward 3

Michael P. O'Donnell

Council Member – Ward 4

John B. Shephard

# CITY OF ROCKY RIVER ORGANIZATIONAL CHART



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*Financial Section*



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## Independent Auditor's Report

Members of the City Council  
City of Rocky River, Ohio

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky River, Ohio (the "City"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

***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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Recreation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17 and the schedules of the City's proportionate share of the net pension liability (asset) and schedules of the City's contributions on pages 89 through 94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements, 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 fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Members of the City Council  
City of Rocky River, Ohio

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Ciuni + Panichi, Inc.*

Cleveland, Ohio  
June 30, 2017

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**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2016*

The administration of the City of Rocky River, Ohio (the "City") offers this Management's Discussion and Analysis to provide a narrative overview and analysis of the City's financial activities for the year ended December 31, 2016. 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 2016 are:

- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2016 by \$67,078,506. This is an increase of \$4,875,069 over the 2015 net position. Net position of the City's governmental activities increased \$1,638,992 from 2015, while net position of the business-type activities increased \$3,236,077.
- Total assets increased by \$8,333,993 and deferred outflows of resources increased by \$4,744,615. The main factor affecting the total assets increase was an increase in net capital assets. The increase in deferred outflows of resources related to the City's allocation of the proportionate share of the pension amounts.
- Total liabilities increased by \$7,864,254 and deferred inflows of resources increased by \$339,285 from 2015. The main factor affecting the total liabilities increase was a \$7,662,692 increase in long term liabilities which can be attributed to the net pension liability (up \$5,906,693). The deferred inflows of resources were up in 2016 with pension being the largest contributor (up \$345,751).
- The General Fund reported a fund balance of \$8,004,880 at the end of the 2016, which is an increase of \$939,898 from 2015. The General Fund expenditures (including other financing uses) increased \$411,393 from 2015 to 2016 and revenues (including other financing sources) increased \$775,120.

**Using This Comprehensive Annual Financial Report**

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

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

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*Management's Discussion and Analysis (Unaudited)*  
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**Reporting the City of Rocky River as a Whole**

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

While this document contains information about the funds used by the City to provide services to citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

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



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

***Governmental Funds***

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

***Proprietary Funds***

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

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 32 of this report.

***Fiduciary Fund***

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

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**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 39 of this report.

**Other Information**

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with non-major governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 95 of this report.

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

The Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's Net Position for 2016 compared to 2015 balances.

	Table 1 Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and Other Assets	\$ 28,578,531	\$ 27,415,034	\$ 11,849,623	\$ 9,882,109	\$ 40,428,154	\$ 37,297,143
Capital Assets, Net	55,256,021	54,010,103	27,031,339	23,075,668	82,287,360	77,085,771
Net Pension Asset	14,459	13,131	678	613	15,137	13,744
Total Assets	83,849,011	81,438,268	38,881,640	32,958,390	122,730,651	114,396,658
Deferred Outflows of Resources:						
Deferred Charge on Refunding Pension	256,575	292,802	0	0	256,575	292,802
Total Deferred Outflows of Resources	7,521,830	2,859,080	174,222	56,130	7,696,052	2,915,210
Liabilities:						
Current and Other Liabilities	1,970,073	1,483,629	1,078,921	1,363,803	3,048,994	2,847,432
Long-Term Liabilities						
Due Within One Year	2,104,615	2,043,999	322,023	285,521	2,426,638	2,329,520
Other Amounts Due in More than One Year	12,298,735	13,555,071	12,089,155	9,173,938	24,387,890	22,729,009
Net Pension Liability	25,875,609	20,100,307	448,693	317,302	26,324,302	20,417,609
Total Liabilities	42,249,032	37,183,006	13,938,792	11,140,564	56,187,824	48,323,570
Deferred Inflows of Resources:						
Property Taxes	6,942,035	6,948,501	0	0	6,942,035	6,948,501
Pension	462,115	123,401	12,798	5,761	474,913	129,162
Total Deferred Inflows of Resources	7,404,150	7,071,902	12,798	5,761	7,416,948	7,077,663

(continued)

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Table 1  
 Net Position (continued)  
 Business-Type Activities

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Net Position:						
Net Investment in Capital						
Assets	\$ 45,354,753	\$ 42,891,009	\$ 14,686,663	\$ 13,678,763	\$ 60,041,416	\$ 56,569,772
Restricted for:						
Capital Projects	5,634,447	5,165,910	0	0	5,634,447	5,165,910
Debt Service	698,441	944,069	0	0	698,441	944,069
Refuse and Recycling	456,101	377,763	0	0	456,101	377,763
Office on Aging	291,038	243,704	0	0	291,038	243,704
Street Construction and Maintenance	951,838	821,270	0	0	951,838	821,270
Law Enforcement and Education	257,589	300,154	0	0	257,589	300,154
Fire and Police Pensions	4,101	0	0	0	4,101	0
Security of Persons and Property	402,214	464,107	0	0	402,214	464,107
Community Impact	3,312	3,312	0	0	3,312	3,312
Unrestricted	<u>(12,079,600)</u>	<u>(10,876,056)</u>	<u>10,417,609</u>	<u>8,189,432</u>	<u>(1,661,991)</u>	<u>(2,686,624)</u>
Total Net Position	\$ <u>41,974,234</u>	\$ <u>40,335,242</u>	\$ <u>25,104,272</u>	\$ <u>21,868,195</u>	\$ <u>67,078,506</u>	\$ <u>62,203,437</u>

The net pension liability (NPL) is the largest liability reported by the City at December 31, 2016 and is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension and the net pension asset.

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

The NPL under GASB 68 equals the City's proportionate share of each plan's collective:

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

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

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

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

As a result of GASB 68, the City is reporting a net pension asset/liability and deferred outflows/inflows of resources related to pension on the accrual basis of accounting.

Total assets for 2016 increased \$8,333,993 when compared to 2015 and total liabilities increased by \$7,864,254. The primary contributor to the increase in assets was net capital assets, which increased due to the City’s sanitary sewer improvement projects and road improvement projects performed during the year. The increase in total liabilities is primarily due to an increase in long term liabilities which can be attributed mostly to the increase in net pension liability (up \$5,906,693).

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

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Table 2  
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Program Revenues:</b>						
Charges for Services	\$ 6,226,264	\$ 6,048,560	\$ 6,058,487	\$ 4,553,885	\$ 12,284,751	\$ 10,602,445
Operating Grants and Contributions	1,055,795	1,130,586	0	0	1,055,795	1,130,586
Capital Grants and Contributions	<u>551,723</u>	<u>662,763</u>	<u>0</u>	<u>0</u>	<u>551,723</u>	<u>662,763</u>
Total Program Revenues	<u>7,833,782</u>	<u>7,841,909</u>	<u>6,058,487</u>	<u>4,553,885</u>	<u>13,892,269</u>	<u>12,395,794</u>
<b>General Revenues:</b>						
Property Taxes	7,154,546	6,500,018	0	0	7,154,546	6,500,018
Municipal Income Taxes	14,444,530	13,304,985	0	0	14,444,530	13,304,985
Franchise Tax	326,606	264,187	0	0	326,606	264,187
Admissions Tax	107,976	89,504	0	0	107,976	89,504
Grants and Entitlements not Restricted to Specific Programs	1,312,623	1,355,228	0	0	1,312,623	1,355,228
Investment Income	81,375	27,452	0	0	81,375	27,452
Other	<u>240,281</u>	<u>354,523</u>	<u>0</u>	<u>0</u>	<u>240,281</u>	<u>354,523</u>
Total General Revenues	<u>23,667,937</u>	<u>21,895,897</u>	<u>0</u>	<u>0</u>	<u>23,667,937</u>	<u>21,895,897</u>
Total Revenues	<u>31,501,719</u>	<u>29,737,806</u>	<u>6,058,487</u>	<u>4,553,885</u>	<u>37,560,206</u>	<u>34,291,691</u>
<b>Program Expenses:</b>						
General Government	6,005,870	5,591,132	0	0	6,005,870	5,591,132
Security of Persons and Property	11,044,627	9,391,822	0	0	11,044,627	9,391,822
Public Health	1,058,578	1,092,402	0	0	1,058,578	1,092,402
Transportation	2,898,876	4,005,442	0	0	2,898,876	4,005,442
Leisure Time Activities	4,276,788	3,497,102	0	0	4,276,788	3,497,102
Community Development	444,184	509,093	0	0	444,184	509,093
Basic Utility Service	1,832,793	1,941,569	0	0	1,832,793	1,941,569
Interest and Fiscal Charges	301,011	306,989	0	0	301,011	306,989
Sanitary Sewer Charges	<u>0</u>	<u>0</u>	<u>4,822,410</u>	<u>3,965,030</u>	<u>4,822,410</u>	<u>3,965,030</u>
Total Program Expenses	<u>27,862,727</u>	<u>26,335,551</u>	<u>4,822,410</u>	<u>3,965,030</u>	<u>32,685,137</u>	<u>30,300,581</u>
Change in Net Position Before Transfers	3,638,992	3,402,255	1,236,077	588,855	4,875,069	3,991,110
Transfers	<u>(2,000,000)</u>	<u>(65,538)</u>	<u>2,000,000</u>	<u>65,538</u>	<u>0</u>	<u>0</u>
Change in Net Position	1,638,992	3,336,717	3,236,077	654,393	4,875,069	3,991,110
Net Position, Beginning of Year	<u>40,335,242</u>	<u>36,998,525</u>	<u>21,868,195</u>	<u>21,213,802</u>	<u>62,203,437</u>	<u>58,212,327</u>
Net Position, End of Year	\$ <u>41,974,234</u>	\$ <u>40,335,242</u>	\$ <u>25,104,272</u>	\$ <u>21,868,195</u>	\$ <u>67,078,506</u>	\$ <u>62,203,437</u>

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***Governmental Activities***

Overall, total governmental activities increased by \$1,638,992. Both program revenues and general revenues fund the City's governmental activities. The amount that charges for services revenue contributed to total program revenues increased \$177,704 from 2015 to 2016. The municipal income tax is the largest source of the City's general revenues. The municipal income tax revenue amount for 2016 was \$14,444,530, a \$1,139,545 increase from 2015. The City monitors its sources of revenue very closely to react to any changes or fluctuations. The City accounts for municipal income tax revenues in the General Fund and the Capital Improvements Fund.

Property taxes are 30.2% of total general revenues. These revenues increased 10.1% from 2015 due mostly to favorable collections for both commercial and residential properties.

Grants and entitlements not restricted to specific programs decreased 3.1% from 2015 to 2016 due mostly to less grant revenue received in 2016.

Total program expenses for 2016 were \$27,862,727, a 5.8% increase from 2015 levels. Program category increases occurred for general government, security of persons and property, and leisure time activities. Moderating those increases were decreases in the program categories of transportation, public health, community development, basic utility service and interest and fiscal charges.

During 2016, the largest program category function for the City is security of persons and property, which includes police and fire protection. This program accounts for 39.6% of expenses and increased by \$1,652,805 or 17.6% from 2015. Increased pension expense related to increased net pension liability, in addition to increased compensated absences from the prior year caused the overall increase in expenditures within this program.

The general government program category accounts for 21.6% of program expenses. This program category reports the accumulated activity of the Rocky River Municipal Court and other administrative functions of the City. An increase of \$414,738 or 7.4% occurred in this program category from 2015 to 2016. The increase in expense is due primarily to increases in health insurance claims expense during the current year.

The leisure time activities program category comprises 15.3% of program expenses. This program category reports the operation and maintenance of the City's recreation facilities and activities. This category had an increase of \$779,686 or 22.3% from 2015. The increase in expense is due primarily to increases in repairs and maintenance expenditures and the purchase of equipment that did not meet capitalization threshold during the current year.

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***Business-Type Activities***

For business-type activities of the City, charges for services are the primary source of revenue. The noted increase in charges for services represents the impact of increased measured water consumption (which is the basis for billing sewer charges for services). Following the restructuring of sanitary sewer rates by eliminating fixed charges and using only water consumption for billing charges, this program revenue is more affected by fluctuations in water consumption. The Program Expenses are comprised of charges to operate the Rocky River Wastewater Treatment Plant as well as the cost to maintain the sanitary sewer collection system.

**The City's Funds**

***Governmental Funds***

The focus of the City's governmental funds is to provide information on a near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 22. These funds are accounted for by using the modified accrual basis of accounting.

As of December 31, 2016, the City's governmental funds reported combining ending fund balance of \$15,735,331. Of that amount, \$4,366,299 constitutes unassigned fund balances, which is available for spending at the City's discretion. The \$11,369,032 remainder of fund balance is reported as nonspendable, restricted, or assigned to indicate that it is not available for new spending because it has already been committed to contracts and purchases of prior period(s).

All governmental funds had total revenues of \$31,539,366 and expenditures of \$28,223,645, leaving a \$1,315,734 current year increase in fund balance, after consideration of \$1,999,987 in net other financing 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 2016, the General Fund had total revenues and other financing sources of \$19,871,449 and expenditures and other financing uses, of \$18,931,551 resulting in an increase in fund balance at December 31, 2016 of \$939,898. General Fund revenues, including other financing sources increased \$775,120 from 2015, while expenditures, including other financing uses, increased by \$411,393. The increase in General Fund revenues was due to an increase in property tax revenues and fines and fees revenue, related primarily to increases in ambulance billing. Expenditures increased primarily due to increases in health claims expenditures during the year.

The Recreation Center Fund accounts for the operation and maintenance of the City's recreation facilities and activities. In 2016, the Recreation Center Fund had total revenues and other financing sources of \$3,025,438 and expenditures of \$3,046,358 resulting in a decrease in fund balance of \$20,920 at December 31, 2016. Total revenues and other financing sources decreased \$141,236 primarily due to decreases in charges for services received. Expenditures were \$3,907 less than last year's expenditures. Expenditures decreased primarily due to decreases in operating expenditures during the year.

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The General Obligation Bond Retirement Fund accounts for the repayment of general obligation bonds of the City. In 2016, the General Obligation Bond Retirement Fund had total revenues and other financing sources of \$995,475 and expenditures and other financing uses of \$1,195,713 resulting in a decrease in fund balance of \$200,238 at December 31, 2016. Total revenues and other financing sources ended \$21,221 less than last year's and expenditures and other financing uses were \$463,050 above last year's expenditures due to increased principal retirement in the current year.

The Capital Improvement Fund accounts for the various projects of the City financed by tax monies and General Fund transfers. In 2016, the Capital Improvement Fund had total revenues of \$2,495,404 and expenditures of \$2,715,579 resulting in a decrease in fund balance of \$220,175 at December 31, 2016. Revenues decreased \$614,507 from the prior year mainly due to a decrease in municipal income tax revenue allocated to the fund. Expenditures decreased from 2015 by \$45,505 due to decreases in capital outlay offset by increases in contractual services in the current year.

**General Fund Budgeting Highlights**

The City's budget is prepared according to the general laws of the State of Ohio and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2016, the City supplemented the General Fund budget once. The General Fund's actual expenditures, not including other financing uses, were \$2,197,335 under the final budgeted amount of \$16,129,883.

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

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

For the General Fund, the original and final budgeted revenues, not including other financing sources, were \$18,941,829.



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**Capital Assets and Debt Administration**

*Capital Assets*

Table 3 shows fiscal 2016 balances of capital assets, net of any accumulated depreciation, as compared to 2015:

Table 3  
 Capital Assets, Net at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</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	3,849,227	1,450,484	6,785,873	2,464,275	10,635,100	3,914,759
Land Improvements	3,394,457	3,538,251	0	0	3,394,457	3,538,251
Buildings	20,286,020	20,873,399	0	0	20,286,020	20,873,399
Equipment	907,752	692,479	3,441	0	911,193	692,479
Vehicles	1,557,711	1,281,735	2,040	2,720	1,559,751	1,284,455
Infrastructure:						
Roads	13,445,702	14,210,902	0	0	13,445,702	14,210,902
Sidewalks	1,850,830	1,870,616	0	0	1,850,830	1,870,616
Traffic Signals	162,794	170,182	0	0	162,794	170,182
Storm Sewers	7,580,544	7,701,071	0	0	7,580,544	7,701,071
Sewer Lines	<u>0</u>	<u>0</u>	<u>19,950,469</u>	<u>20,319,157</u>	<u>19,950,469</u>	<u>20,319,157</u>
Total Capital Assets, Net	\$ <u>55,256,021</u>	\$ <u>54,010,103</u>	\$ <u>27,031,339</u>	\$ <u>23,075,668</u>	\$ <u>82,287,360</u>	\$ <u>77,085,771</u>

Total capital assets, net for the City as of December 31, 2016 were \$82,287,360, a \$5,201,589 increase from 2015. Capital asset additions of \$8,100,163 were offset by \$2,893,910 of depreciation expense and \$4,664 of disposals, net depreciation.

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

See Note 10 for additional information on capital assets.

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2016*

**Debt**

On December 31, 2016, the City had \$22,502,519 in bonds and loans outstanding. Table 4 summarizes bonds and loans outstanding.

Table 4  
 Outstanding Debt at Year-End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General Obligation Bonds \$	9,847,843	\$ 11,061,896	\$ 0	\$ 0	\$ 9,847,843	\$ 11,061,896
Special Assessment Bonds	310,000	350,000	0	0	310,000	350,000
OPWC Loans	0	0	12,246,779	9,264,658	12,246,779	9,264,658
OWDA Loans	0	0	97,897	132,247	97,897	132,247
Total Outstanding Debt	<u>\$ 10,157,843</u>	<u>\$ 11,411,896</u>	<u>\$ 12,344,676</u>	<u>\$ 9,396,905</u>	<u>\$ 22,502,519</u>	<u>\$ 20,808,801</u>

The outstanding general obligation bonds at December 31, 2016 are composed of the following: 1) Refunded General Purpose, Series 2014, of \$4,030,000; 2) Refunded Civic Facility Improvements, Series 2014 of \$4,130,000 and 3) Refunded Municipal Court Facility, Series 2011 of \$1,185,000. There remains unamortized premiums related to these issues of \$502,843.

The principal and interest of the Refunded Series 2014 General Purpose Bonds are paid from monies transferred from the General Fund into the Debt Service Fund. The principal and interest of the Series 2005 and Refunded Series 2014 Civic Facility Improvements Bonds are paid from property tax levy up to 1.0 mill approved for that purpose. The principal and interest of the Refunded Series 2011 Bonds are paid from court costs assessed and collected in accordance with Ohio Revised Code Section 1901.26(B)(1) from the Municipal Court Capital Improvement Fund.

The special assessment bonds outstanding at December 31, 2016 consist of Erosion Control A & B Bonds: \$175,000 (Series 1998) and \$135,000 (Series 2000). The principal and interest for these bonds are paid from the Special Assessment Fund with monies collected through the Cuyahoga County Fiscal Officer from the affected taxpayers.

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

Principal and interest of the Ohio Public Works Commission (OPWC) loans are paid semi-annually from the Sanitary Sewer Fund and will be paid in full in the year 2046.

The City's overall legal debt margin was \$69,580,374 on December 31, 2016.

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

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2016*

**Current Financial Related Activities**

Current financial related activities are viewed through a lens of the mix of the City's largest revenue sources: 1) the economically sensitive income tax and 2) the more foundational property tax. The City's income tax revenue base is supported meaningfully by employment in financial services/retail banking/insurance; senior services and education (public and private). The employer's in these sectors have remained stable in the recent past. Home improvement and food retailers also contribute favorably to commercial activity in the City. While the City income tax provides the larger percentage of operating revenue, conservative revenue projections create confidence in a stable budget plan each year. Property tax revenue is influenced by assessed values and the governing Ohio Revised Code. The Cuyahoga County Fiscal Officer is tax assessor. Since the recovery of the real estate market, assessed values have gained and grown contributing to growth in property tax revenue of the City.

The City maintains a modest debt burden. The most recent debt offering was an advance refunding transaction in 2014 to lower interest costs for the remaining term. There are no notes outstanding. In November 2014, the residents voted to raise income tax from 1.5% to 2.0% and increase the reciprocity credit for income taxes paid to another city from 1.0% to 1.5%. The tax increase was effective January 1, 2015. The purpose of the increase is to provide funding for capital improvements and equipment purchases, either directly or through the payment of debt service for those obligations. This resource will moderate the need to obtain outside debt financing in the near term.

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

**Contacting the City's Finance Department**

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

# City of Rocky River, Ohio

## Statement of Net Position

**December 31, 2016**

	Governmental Activities	Business - Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 14,933,994	\$ 5,928,761	\$ 20,862,755
Restricted Cash and Cash Equivalents	69,185	44,845	114,030
Accrued Interest Receivable	37,324	0	37,324
Accounts Receivable, Net	453,346	608,045	1,061,391
Intergovernmental Receivable	1,093,154	0	1,093,154
Internal Balances	(19,997)	19,997	0
Materials and Supplies Inventory	217,393	8,234	225,627
Prepaid Assets	8,703	0	8,703
Municipal Income Taxes Receivable	4,235,796	0	4,235,796
Property Taxes Receivable	7,202,250	0	7,202,250
Special Assessments Receivable	347,383	285,578	632,961
Investment in Joint Venture	0	4,954,163	4,954,163
Nondepreciable Capital Assets	6,070,211	7,075,389	13,145,600
Depreciable Capital Assets, Net	49,185,810	19,955,950	69,141,760
Net Pension Asset	14,459	678	15,137
<b>Total Assets</b>	<b><u>83,849,011</u></b>	<b><u>38,881,640</u></b>	<b><u>122,730,651</u></b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	256,575	0	256,575
Pension	7,521,830	174,222	7,696,052
<b>Total Deferred Outflows of Resources</b>	<b><u>7,778,405</u></b>	<b><u>174,222</u></b>	<b><u>7,952,627</u></b>
<b>Liabilities:</b>			
Accounts Payable	514,155	597,318	1,111,473
Contracts Payable	458,123	0	458,123
Accrued Wages and Benefits	314,690	11,677	326,367
Intergovernmental Payable	320,548	86,098	406,646
Unearned Revenue	7,986	0	7,986
Retainage Payable	66,599	382,360	448,959
Matured Compensated Absences	88,366	0	88,366
Accrued Interest Payable	26,132	1,468	27,600
Claims Payable	173,474	0	173,474
<b>Long-Term Liabilities:</b>			
Due within One Year	2,104,615	322,023	2,426,638
Due in More than One Year:			
Other Amounts Due in More than One Year	12,298,735	12,089,155	24,387,890
Net pension liability	25,875,609	448,693	26,324,302
<b>Total Liabilities</b>	<b><u>42,249,032</u></b>	<b><u>13,938,792</u></b>	<b><u>56,187,824</u></b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	6,942,035	0	6,942,035
Pension	462,115	12,798	474,913
<b>Total Deferred Inflows of Resources</b>	<b><u>7,404,150</u></b>	<b><u>12,798</u></b>	<b><u>7,416,948</u></b>

(continued)

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

# City of Rocky River, Ohio

## Statement of Net Position (Continued)

**December 31, 2016**

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	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
Net Position:			
Net Investment in Capital Assets	\$ 45,354,753	\$ 14,686,663	\$ 60,041,416
Restricted for:			
Capital Projects	5,634,447	0	5,634,447
Debt Service	698,441	0	698,441
Refuse and Recycling	456,101	0	456,101
Office on Aging	291,038	0	291,038
Street Construction and Maintenance	951,838	0	951,838
Law Enforcement and Education	257,589	0	257,589
Fire and Police Pensions	4,101	0	4,101
Security of Persons and Property	402,214	0	402,214
Community Impact	3,312	0	3,312
Unrestricted (Deficit)	<u>(12,079,600)</u>	<u>10,417,609</u>	<u>(1,661,991)</u>
Total Net Position	<u>\$ 41,974,234</u>	<u>\$ 25,104,272</u>	<u>\$ 67,078,506</u>

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

# City of Rocky River, Ohio

## Statement of Activities

### For the Year Ended December 31, 2016

	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
<b>Government Activities:</b>				
General Government	\$ 6,005,870	\$ 2,472,472	\$ 21,420	\$ 551,723
Security of Persons and Property	11,044,627	1,118,100	31,231	0
Public Health	1,058,578	347,508	0	0
Transportation	2,898,876	700	911,659	0
Leisure Time Activities	4,276,788	2,277,701	0	0
Community Development	444,184	175	0	0
Basic Utility Service	1,832,793	9,608	91,485	0
Interest and Fiscal Charges	301,011	0	0	0
Total Governmental Activities	<u>27,862,727</u>	<u>6,226,264</u>	<u>1,055,795</u>	<u>551,723</u>
<b>Business-Type Activities:</b>				
Sanitary Sewer Charges	<u>4,822,410</u>	<u>6,058,487</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 32,685,137</u>	<u>\$ 12,284,751</u>	<u>\$ 1,055,795</u>	<u>\$ 551,723</u>

#### General Revenues:

Property Taxes Levied for:

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

Municipal Income Taxes Levied for:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

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

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
\$ (2,960,255)	\$ 0	\$ (2,960,255)
(9,895,296)	0	(9,895,296)
(711,070)	0	(711,070)
(1,986,517)	0	(1,986,517)
(1,999,087)	0	(1,999,087)
(444,009)	0	(444,009)
(1,731,700)	0	(1,731,700)
<u>(301,011)</u>	<u>0</u>	<u>(301,011)</u>
<u>(20,028,945)</u>	<u>0</u>	<u>(20,028,945)</u>
<u>0</u>	<u>1,236,077</u>	<u>1,236,077</u>
<u>(20,028,945)</u>	<u>1,236,077</u>	<u>(18,792,868)</u>
4,146,236	0	4,146,236
326,994	0	326,994
326,994	0	326,994
653,990	0	653,990
196,176	0	196,176
196,176	0	196,176
653,990	0	653,990
653,990	0	653,990
14,444,530	0	14,444,530
326,606	0	326,606
107,976	0	107,976
1,312,623	0	1,312,623
81,375	0	81,375
240,281	0	240,281
<u>(2,000,000)</u>	<u>2,000,000</u>	<u>0</u>
<u>21,667,937</u>	<u>2,000,000</u>	<u>23,667,937</u>
1,638,992	3,236,077	4,875,069
<u>40,335,242</u>	<u>21,868,195</u>	<u>62,203,437</u>
\$ <u>41,974,234</u>	\$ <u>25,104,272</u>	\$ <u>67,078,506</u>

# City of Rocky River, Ohio

## Balance Sheet Governmental Funds

**December 31, 2016**

	General	Recreation Center	General Obligation Bond Retirement
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 5,292,483	\$ 250,305	\$ 303,819
Restricted Cash and Cash Equivalents	0	0	0
Accrued Interest Receivable	33,501	0	0
Accounts Receivable, Net	324,977	10,057	0
Intergovernmental Receivable	495,778	22,872	45,743
Interfund Receivable	450,000	0	0
Materials and Supplies Inventory	27,958	2,214	0
Prepaid Assets	8,703	0	0
Municipal Income Taxes Receivable	4,235,796	0	0
Property Taxes Receivable	4,206,652	333,860	591,800
Special Assessments Receivable	0	0	0
Total Assets	<u>\$ 15,075,848</u>	<u>\$ 619,308</u>	<u>\$ 941,362</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 140,625	\$ 28,690	\$ 0
Contracts Payable	0	0	0
Accrued Wages and Benefits	198,619	46,069	0
Intergovernmental Payable	104,367	35,182	0
Retainage Payable	0	0	0
Unearned revenue	0	7,986	0
Matured Compensated Absences	88,366	0	0
Interfund Payable	0	450,000	0
Total Liabilities	<u>531,977</u>	<u>567,927</u>	<u>0</u>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	4,054,860	321,813	570,115
Unavailable Revenue	<u>2,484,131</u>	<u>34,919</u>	<u>67,428</u>
Total Deferred Inflows of Resources	<u>6,538,991</u>	<u>356,732</u>	<u>637,543</u>
<b>Fund Balances:</b>			
Nonspendable	68,794	2,214	0
Restricted	0	0	303,819
Assigned	3,262,222	0	0
Unassigned (Deficit)	<u>4,673,864</u>	<u>(307,565)</u>	<u>0</u>
Total Fund Balances (Deficit)	<u>8,004,880</u>	<u>(305,351)</u>	<u>303,819</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 15,075,848</u>	<u>\$ 619,308</u>	<u>\$ 941,362</u>

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



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<u>Capital Improvement</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
\$ 3,009,218	\$ 5,328,950	\$ 14,184,775
69,185	0	69,185
0	3,823	37,324
64,722	53,590	453,346
45,743	483,018	1,093,154
0	0	450,000
0	187,221	217,393
0	0	8,703
0	0	4,235,796
667,720	1,402,218	7,202,250
0	347,383	347,383
<u>\$ 3,856,588</u>	<u>\$ 7,806,203</u>	<u>\$ 28,299,309</u>

\$ 0	\$ 344,840	\$ 514,155
458,123	0	458,123
0	70,002	314,690
0	180,999	320,548
66,599	0	66,599
0	0	7,986
0	0	88,366
0	0	450,000
<u>524,722</u>	<u>595,841</u>	<u>2,220,467</u>

643,626	1,351,621	6,942,035
<u>69,837</u>	<u>745,161</u>	<u>3,401,476</u>
<u>713,463</u>	<u>2,096,782</u>	<u>10,343,511</u>

0	187,221	258,229
2,618,403	4,926,359	7,848,581
0	0	3,262,222
0	0	4,366,299
<u>2,618,403</u>	<u>5,113,580</u>	<u>15,735,331</u>
<u>\$ 3,856,588</u>	<u>\$ 7,806,203</u>	<u>\$ 28,299,309</u>

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# City of Rocky River, Ohio

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

**December 31, 2016**

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Total Governmental Funds Balance		\$ 15,735,331
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		55,256,021
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Delinquent Property Taxes	260,215	
Municipal Income Taxes	1,805,784	
Special Assessments	347,383	
Investment income	36,288	
Charges for Services	78,430	
Intergovernmental	<u>873,376</u>	
Total		3,401,476
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(26,132)
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		
Net Position	575,745	
Internal Balance	<u>(19,997)</u>	
Total		555,748
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.		
General Obligation Bonds	(9,847,843)	
Deferred Charges on Refunding	256,575	
Special Assessments	(310,000)	
Compensated Absences	(3,919,601)	
Police and Fire Pension Liability	<u>(325,906)</u>	
Total		(14,146,775)
The net pension asset / liability are not due and receivable / payable in the current period; therefore, the asset / liability and related deferred outflows / inflows are not reported in governmental funds.		
Net Pension Asset	14,459	
Deferred Outflows of Resources - Pension	7,521,830	
Net Pension Liability	(25,875,609)	
Deferred Inflows of Resources - Pension	<u>(462,115)</u>	
Total		<u>(18,801,435)</u>
Net Position of Governmental Activities		\$ <u>41,974,234</u>

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

# City of Rocky River, Ohio

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

**For the Year Ended December 31, 2016**

	General	Recreation Center	General Obligation Bond Retirement
Revenues:			
Property Taxes	\$ 4,120,030	\$ 326,994	\$ 653,990
Municipal Income Taxes	11,300,381	0	0
Other Local Taxes	108,200	0	0
Intergovernmental	881,964	45,743	91,485
Charges for Services	41,463	2,251,576	0
Fines, Fees and Permits	3,169,509	0	0
Special Assessments	0	0	0
Investment Income	58,510	0	0
Rentals	82,264	26,125	0
Other	109,115	0	0
<b>Total Revenues</b>	<b>19,871,436</b>	<b>2,650,438</b>	<b>745,475</b>
Expenditures:			
Current:			
General Government	4,766,702	0	0
Security of Persons and Property	7,669,050	0	0
Public Health	0	0	0
Transportation	697,170	0	0
Leisure Time Activities	265,411	3,046,358	0
Community Development	478,221	0	0
Basic Utility Service	0	0	0
Capital Outlay	24,997	0	0
Debt Service:			
Principal Retirement	0	0	935,000
Interest and Fiscal Charges	0	0	260,713
<b>Total Expenditures</b>	<b>13,901,551</b>	<b>3,046,358</b>	<b>1,195,713</b>
Excess of Revenues Over (Under) Expenditures	5,969,885	(395,920)	(450,238)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	13	0	0
Transfers - In	0	375,000	250,000
Transfers - Out	(5,030,000)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(5,029,987)</b>	<b>375,000</b>	<b>250,000</b>
Net Change in Fund Balances	939,898	(20,920)	(200,238)
Fund Balances (Deficit) at Beginning of Year	7,064,982	(284,431)	504,057
Fund Balances (Deficit) at End of Year	\$ 8,004,880	\$ (305,351)	\$ 303,819

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

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<u>Capital Improvement</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
\$ 653,990	\$ 1,373,336	\$ 7,128,340
1,303,578	1,931,272	14,535,231
326,382	0	434,582
91,485	1,782,499	2,893,176
0	329,291	2,622,330
0	294,671	3,464,180
0	51,032	51,032
0	2,856	61,366
0	0	108,389
<u>119,969</u>	<u>11,656</u>	<u>240,740</u>
<u>2,495,404</u>	<u>5,776,613</u>	<u>31,539,366</u>
428,556	640,547	5,835,805
0	1,544,647	9,213,697
0	899,726	899,726
58,868	1,290,624	2,046,662
0	56,716	3,368,485
0	0	478,221
0	1,389,284	1,389,284
2,228,155	1,181,116	3,434,268
0	291,139	1,226,139
<u>0</u>	<u>70,645</u>	<u>331,358</u>
<u>2,715,579</u>	<u>7,364,444</u>	<u>28,223,645</u>
<u>(220,175)</u>	<u>(1,587,831)</u>	<u>3,315,721</u>
0	0	13
0	2,405,000	3,030,000
<u>0</u>	<u>0</u>	<u>(5,030,000)</u>
<u>0</u>	<u>2,405,000</u>	<u>(1,999,987)</u>
(220,175)	817,169	1,315,734
<u>2,838,578</u>	<u>4,296,411</u>	<u>14,419,597</u>
\$ <u><u>2,618,403</u></u>	\$ <u><u>5,113,580</u></u>	\$ <u><u>15,735,331</u></u>

# City of Rocky River, Ohio

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

### For the Year Ended December 31, 2016

Net Change in Fund Balances - Total Governmental Funds \$ 1,315,734

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

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

Capital Outlay	3,774,944	
Depreciation	<u>(2,524,362)</u>	
Total		1,250,582

In the statement of activities, only the loss on the disposal of property and equipment are reported, whereas, in the governmental funds, the proceeds from the disposal increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the property and equipment. (4,664)

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

Property and Other Local Taxes	26,206	
Municipal Income Taxes	(90,701)	
Special Assessments	(42,676)	
Investment Income	20,009	
Charges for Services	22,537	
Intergovernmental	<u>26,965</u>	
Total		(37,660)

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

General Obligation Bonds	1,150,000	
Special Assessment Bonds	<u>40,000</u>	
Total		1,190,000

(continued)

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

## City of Rocky River, Ohio

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

#### **For the Year Ended December 31, 2016**

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

Accrued Interest on Bonds	2,521	
Amortization of Bond Premium	64,053	
Loss on Refunding	<u>(36,227)</u>	
Total		30,347

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	(94,472)	
Police and Fire Pension Liability	<u>36,139</u>	
Total		(58,333)

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

Change in Net Position	(614,096)	
Change in Internal Balance	<u>17,020</u>	
Total		(597,076)

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows. 2,047,532

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities. (3,497,470)

Change in Net Position of Governmental Activities \$ 1,638,992

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

# City of Rocky River, Ohio

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

### General Fund

#### For the Year Ended December 31, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 4,554,144	\$ 4,554,144	\$ 4,120,030	\$ (434,114)
Municipal Income Taxes	9,850,000	9,850,000	10,949,999	1,099,999
Other Local Taxes	86,000	86,000	107,976	21,976
Intergovernmental	465,735	465,735	883,115	417,380
Charges for Services	45,550	45,550	31,463	(14,087)
Fines, Fees, and Permits	3,632,400	3,632,400	3,177,166	(455,234)
Investment Income	44,000	44,000	65,845	21,845
Rentals	80,000	80,000	82,264	2,264
Other	<u>184,000</u>	<u>184,000</u>	<u>109,115</u>	<u>(74,885)</u>
Total Revenues	<u>18,941,829</u>	<u>18,941,829</u>	<u>19,526,973</u>	<u>585,144</u>
Expenditures:				
Current:				
General Government	5,426,803	5,429,593	4,692,308	737,285
Security of Persons and Property	8,814,823	8,815,623	7,741,665	1,073,958
Transportation	828,653	828,653	706,684	121,969
Leisure Time Activities	385,034	386,134	264,490	121,644
Community Development	599,980	621,080	501,300	119,780
Capital Outlay	<u>49,600</u>	<u>48,800</u>	<u>26,101</u>	<u>22,699</u>
Total Expenditures	<u>16,104,893</u>	<u>16,129,883</u>	<u>13,932,548</u>	<u>2,197,335</u>
Excess of Revenues Over Expenditures	<u>2,836,936</u>	<u>2,811,946</u>	<u>5,594,425</u>	<u>2,782,479</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	12,000	12,000	13	(11,987)
Transfers - Out	<u>(6,130,000)</u>	<u>(6,130,000)</u>	<u>(5,030,000)</u>	<u>1,100,000</u>
Total Other Financing Sources (Uses)	<u>(6,118,000)</u>	<u>(6,118,000)</u>	<u>(5,029,987)</u>	<u>1,088,013</u>
Net Change in Fund Balance	(3,281,064)	(3,306,054)	564,438	3,870,492
Fund Balance at Beginning of Year	4,504,642	4,504,642	4,504,642	0
Prior Year Encumbrances Appropriated	<u>112,766</u>	<u>112,766</u>	<u>112,766</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,336,344</u>	\$ <u>1,311,354</u>	\$ <u>5,181,846</u>	\$ <u>3,870,492</u>

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



## City of Rocky River, Ohio

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

#### Recreation Center Fund

#### For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 361,440	\$ 361,440	\$ 326,994	\$ (34,446)
Intergovernmental	0	0	45,743	45,743
Charges for Services	2,356,054	2,356,054	2,268,444	(87,610)
Rentals	<u>18,000</u>	<u>18,000</u>	<u>26,125</u>	<u>8,125</u>
Total Revenues	<u>2,735,494</u>	<u>2,735,494</u>	<u>2,667,306</u>	<u>(68,188)</u>
Expenditures:				
Current:				
Leisure Time Activities	3,287,571	3,310,071	3,073,842	236,229
Capital Outlay	<u>4,000</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenditures	<u>3,291,571</u>	<u>3,310,571</u>	<u>3,073,842</u>	<u>236,729</u>
Excess of Revenues Over (Under) Expenditures	(556,077)	(575,077)	(406,536)	168,541
Other Financing Sources:				
Transfers - In	<u>375,000</u>	<u>375,000</u>	<u>375,000</u>	<u>0</u>
Net Change in Fund Balances	(181,077)	(200,077)	(31,536)	168,541
Fund Balance at Beginning of Year	200,486	200,486	200,486	0
Prior Year Encumbrances Appropriated	<u>58,593</u>	<u>58,593</u>	<u>58,593</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>78,002</u>	\$ <u>59,002</u>	\$ <u>227,543</u>	\$ <u>168,541</u>

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

# City of Rocky River, Ohio

## Statement of Fund Net Position Proprietary Funds

**December 31, 2016**

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 5,928,761	\$ 749,219
Restricted Cash and Cash Equivalents	44,845	0
Accounts Receivable	608,045	0
Materials and Supplies Inventory	8,234	0
Special Assessments Receivable	285,578	0
Total Current Assets	<u>6,875,463</u>	<u>749,219</u>
Noncurrent Assets:		
Investment in Joint Venture	4,954,163	0
Nondepreciable Capital Assets	7,075,389	0
Depreciable Capital Assets, Net	19,955,950	0
Net Pension Asset	678	0
Total Noncurrent Assets	<u>31,986,180</u>	<u>0</u>
Total Assets	<u>38,861,643</u>	<u>749,219</u>
Deferred Outflows of Resources:		
Pension	<u>174,222</u>	<u>0</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	597,318	0
Accrued Wages and Benefits	11,677	0
Intergovernmental Payable	86,098	0
Retainage Payable	382,360	0
Accrued Interest Payable	1,468	0
Claims Payable	0	173,474
Compensated Absences Payable	9,142	0
OWDA and OPWC Loans Payable	312,881	0
Total Current Liabilities	<u>1,400,944</u>	<u>173,474</u>
Long-term Liabilities:		
Accrued Compensated Absences (Net of Current Portion)	57,360	0
OWDA and OPWC Loans Payable (Net of Current Portion)	12,031,795	0
Net Pension Liability	448,693	0
Total Long-Term Liabilities	<u>12,537,848</u>	<u>0</u>
Total Liabilities	<u>13,938,792</u>	<u>173,474</u>
Deferred Inflows of Resources:		
Pension	<u>12,798</u>	<u>0</u>

(continued)

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

# City of Rocky River, Ohio

## Statement of Fund Net Position (Continued) Proprietary Funds

**December 31, 2016**

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	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
Net Position:		
Net Investment in Capital Assets	14,686,663	0
Unrestricted	<u>10,397,612</u>	<u>575,745</u>
Total Net Position	25,084,275	\$ <u><u>575,745</u></u>
 Net Position reported for Business-Type Activities in the Statement of Net Position are different because they include accumulated overpayments to the Internal Service Fund:	 <u>19,997</u>	
 Net Position of Business-Type Activities	 \$ <u><u>25,104,272</u></u>	

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

# City of Rocky River, Ohio

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

**For the Year Ended December 31, 2016**

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
Operating Revenues:		
Charges for Services	\$ 6,058,487	\$ 1,966,254
Gain on Investment in Joint Venture	3,999	0
Total Operating Revenues	<u>6,062,486</u>	<u>1,966,254</u>
Operating Expenses:		
Personal Service	510,816	0
Materials and Supplies	69,235	0
Contractual Services	3,815,863	529,034
Heat, Light and Power	22,676	0
Depreciation	369,548	0
Other	19,096	0
Claims	0	2,051,316
Total Operating Expenses	<u>4,807,234</u>	<u>2,580,350</u>
Operating Income (Loss)	<u>1,255,252</u>	<u>(614,096)</u>
Non-Operating Expense:		
Interest Expense	<u>(2,155)</u>	<u>0</u>
Income before Transfers	1,253,097	(614,096)
Transfers - in	<u>2,000,000</u>	<u>0</u>
Change in Net Position	3,253,097	(614,096)
Net Position at Beginning of Year	<u>21,831,178</u>	<u>1,189,841</u>
Net Position at End of Year	<u>\$ 25,084,275</u>	<u>\$ 575,745</u>
Amount reported for Business-Type Activities in the Statement of Activities are different because of a portion of the Change in Net Position of the Internal Service Fund is reported with Business-Type Activities:	<u>(17,020)</u>	
Change in Net Position of Business-Type Activities	<u>\$ 3,236,077</u>	

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

# City of Rocky River, Ohio

## Statement of Cash Flows Proprietary Fund Types

### **For the Year Ended December 31, 2016**

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
	<u>                    </u>	<u>                    </u>
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 6,046,297	\$ 1,966,254
Cash Payments for Goods and Services	(4,426,122)	(529,034)
Cash Payments to Employees for Services and Benefits	(486,519)	0
Cash Payments for Claims	0	(2,005,288)
Cash Payments for Other Operating Expenses	<u>(19,096)</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>1,114,560</u>	<u>(568,068)</u>
 Cash Flows from Noncapital Financing Activities		
Transfers In	2,000,000	0
 Cash Flows from Capital and Related Financing Activities:		
Capital Acquisitions	(4,325,219)	0
OPWC Loan Proceeds	3,223,989	
Principal Paid on OWDA and OPWC Loans	(276,218)	0
Interest Paid on OWDA Loan	<u>(3,744)</u>	<u>0</u>
Net Cash Used for Capital and Related Financing Activities	<u>(1,381,192)</u>	<u>0</u>
 Net Increase (Decrease) Cash and Cash Equivalents	1,733,368	(568,068)
 Cash and Cash Equivalents at Beginning of Year	<u>4,240,238</u>	<u>1,317,287</u>
 Cash and Cash Equivalents at End of Year	<u>\$ 5,973,606</u>	<u>\$ 749,219</u>

(continued)

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

# City of Rocky River, Ohio

## Statement of Cash Flows (Continued) Proprietary Fund Types

### **For the Year Ended December 31, 2016**

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
	<u>                    </u>	<u>                    </u>
Reconciliation of Operating Income to Net Cash From Operating Activities:		
Operating Income	\$ 1,255,252	\$ (614,096)
Adjustments:		
Depreciation	369,548	0
Change in Operating Assets and Liabilities:		
Accounts Receivable	25,577	0
Materials and Supplies Inventory	1,925	0
Special Assessments Receivable	(37,767)	0
Investment in Joint Venture	(240,901)	
Net Pension Asset	(65)	0
Deferred Outflows of Resources – Pension	(118,092)	0
Accounts Payable	(217,995)	0
Retainage Payable	143,321	0
Accrued Wages and Benefits	2,868	0
Compensated Absences Payable	3,948	0
Intergovernmental Payable	(211,487)	0
Claims Payable	0	46,028
Net Pension Liability	131,391	0
Deferred Inflows of Resources – Pension	<u>7,037</u>	<u>0</u>
Total Adjustments	<u>(140,692)</u>	<u>46,028</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>1,114,560</u></u>	\$ <u><u>(568,068)</u></u>

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

# City of Rocky River, Ohio

## Statement of Fiduciary Net Position Fiduciary Funds

**December 31, 2016**

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	<u>Investment Trust</u>	
	<u>Individual Investment Account</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 309,767
Cash and Cash Equivalents:		
In Segregated Accounts	<u>3,107,850</u>	<u>441,722</u>
Total Assets	<u>3,107,850</u>	\$ <u>751,489</u>
Liabilities:		
Deposits Held and Due to Others	<u>0</u>	\$ <u>751,489</u>
Net Position:		
Held in Trust for Participants	\$ <u>3,107,850</u>	

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

## City of Rocky River, Ohio

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

**For the Year Ended December 31, 2016**

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	<u>Individual Investment Account</u>
Additions:	
Interest	\$ 2,820
Capital Transaction – Purchases	<u>2,846,546</u>
Total Additions	<u>2,849,366</u>
Deductions:	
Capital Transaction – Redemptions	2,905,337
Distributions to Participants	<u>5,405</u>
Total Deductions	<u>2,910,742</u>
Change in Net Position	(61,376)
Net Position Beginning of Year	<u>3,169,226</u>
Net Position End of Year	\$ <u><u>3,107,850</u></u>

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



# City of Rocky River, Ohio

## Notes to Basic Financial Statements

### **For The Year Ended December 31, 2016**

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

The City of Rocky River (City) is a home rule municipal corporation, established under the laws of the State of Ohio and operated under a charter. The charter provides for a Mayor/City Council form of government whereby the Mayor is the administrative officer of the City. The Charter was originally adopted in 1960 and has been amended periodically; most recently in 2014. The Mayor, Law Director and seven-member City Council all serve two-year terms.

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

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

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

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

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

#### ***Reporting Entity (Continued)***

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

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

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

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

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

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

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

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

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

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

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

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

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

***Proprietary Funds*** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

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

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

#### ***C. Measurement Focus***

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

***Fund Financial Statements*** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

**For The Year Ended December 31, 2016**

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

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

Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds. Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

### ***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources and in the presentation of expenses versus expenditures.

***Revenues - Exchange and Non-exchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

**For The Year Ended December 31, 2016**

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

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

#### ***Unearned Revenue***

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding and pension reported in the government-wide Statement of Net Position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue and amounts for the pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, special assessments, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide Statement of Net Position and in the proprietary funds on the Statement of Fund Net Position.

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

To improve cash management, cash received by the City is pooled. Monies for all 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" on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts and nonnegotiable certificate of deposits are reported at cost. See Note 6 for specific disclosures relating to investments.

STAR Ohio, is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but the City has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at amortized cost.

For the year ended 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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 2016 amounted to \$58,510, which includes \$40,093 assigned from other City funds.

The City serves as fiscal agent for the Rocky River Wastewater Treatment Plant. A related individual investment account is presented, in the Statement of Fiduciary Net Position of the financial statements, as "Cash and Cash Equivalents in Segregated Accounts" and represents deposits or nonnegotiable certificates of deposit which are reported at cost.

#### ***F. Restricted Assets***

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

#### ***G. Inventory***

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

#### ***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 Assets***

Payments made to vendors for services that will benefit periods beyond December 31, 2016 are recorded as prepaid assets using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

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

General capital assets are capital assets which are associated with and arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

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

All capital assets are depreciated except for land; certain land improvements; rights of way and construction in progress. Improvements are depreciated over the estimated remaining useful lives of the related capital assets. For 2016, the City's infrastructure consists of roads, traffic signals, sidewalks, and storm sewers. In addition, the City has recorded construction in progress for City road and sewer projects initiated in 2016. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following estimated useful lives:

Land improvements	15 - 40 Years
Buildings	50 Years
Furniture, Fixtures and Equipment	10 Years
Vehicles	5 Years
Infrastructure	10 - 75 Years



# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “Interfund Receivable/Payable.” Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. See Note 21 for interfund receivables/payables as of December 31, 2016.

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

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

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

#### ***M. Payables, Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and net pension liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

**For The Year Ended December 31, 2016**

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

### ***O. Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable:*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

***Committed:*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be re-deployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned:*** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. These amounts are assigned by City Council. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

In the General Fund, assigned amounts represent intended uses established by the City Council or a City official delegated that authority by the City Council or ordinance or State statute. State statute authorized the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2017 appropriated budget.

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

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

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

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The government-wide Statement of Net Position reports \$8,699,081 of restricted net position, a portion of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

#### ***Q. Operating Revenues and Expenses***

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

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

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

#### ***S. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. During 2016, there were no extraordinary or special items.

#### ***T. Estimates***

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

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

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

#### ***U. Budgetary Data (Continued)***

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

#### ***V. Pensions***

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

#### ***W. Reclassification***

Prior year data presented in the Management's Discussion and Analysis have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2015 data in order to conform to the 2016 presentation.

## City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

### **For The Year Ended December 31, 2016**

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

For the year ended December 31, 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and GASB Statement No. 82, *Pension Issues-an Amendment of GASB Statements No. 67, No. 68 and No. 73*.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated into the City's financial statements; however, there was no effect on beginning net position.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68. These changes were incorporated into the City's financial statements; however, there was no effect on beginning net position.

GASB Statement No. 76 identifies in the context of the current governmental financial reporting environment - the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in those pools. The City incorporated the corresponding GASB 79 guidance into their financial statements; however, there was no effect on beginning net position.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City's financial statements; however, there was no effect on beginning net position.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

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

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

The major differences between the budget basis and the GAAP basis are as follows:

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

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

	<u>Net Change in Fund Balance</u>	
	<u>General</u>	<u>Recreation Center</u>
GAAP basis	\$ 939,898	\$ (20,920)
Net adjustment for revenue accruals	(344,463)	16,868
Net adjustment for expenditure accruals	96,326	(4,722)
Encumbrances	<u>(127,323)</u>	<u>(22,762)</u>
Budget basis	\$ <u>564,438</u>	\$ <u>(31,536)</u>

# City of Rocky River, Ohio

## Notes to Basic Financial Statements (Continued)

### For The Year Ended December 31, 2016

#### Note 5: Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on a fund for the major governmental funds and non-major governmental funds are presented below:

	General Fund	Recreation Center	General Obligation Bond Retirement	Capital Improvement	Total Non-major Funds	Total Governmental Funds
Nonspendable:						
Inventory	\$ 27,958	\$ 2,214	\$ 0	\$ 0	\$ 187,221	\$ 217,393
Prepaid Assets	8,703	0	0	0	0	8,703
Unclaimed funds	32,133	0	0	0	0	32,133
Total Nonspendable	<u>68,794</u>	<u>2,214</u>	<u>0</u>	<u>0</u>	<u>187,221</u>	<u>258,229</u>
Restricted for:						
Capital Improvements	0	0	0	2,618,403	2,914,439	5,532,842
Community Impacts	0	0	0	0	3,312	3,312
Debt Service	0	0	303,819	0	1,166	304,985
Law Enforcement and Education	0	0	0	0	257,589	257,589
Marine Patrol	0	0	0	0	17,801	17,801
Office on Aging	0	0	0	0	192,170	192,170
Refuse and Recycling	0	0	0	0	384,188	384,188
Security of Persons and Property	0	0	0	0	572,351	572,351
Street Construction and Maintenance	0	0	0	0	583,343	583,343
Total Restricted	<u>0</u>	<u>0</u>	<u>303,819</u>	<u>2,618,403</u>	<u>4,926,359</u>	<u>7,848,581</u>
Assigned to:						
Purchases on Order Subsequent Year's Budget: Appropriation of Fund Balance	97,914	0	0	0	0	97,914
Total Assigned	<u>3,164,308</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,164,308</u>
Unassigned (Deficit)	<u>4,673,864</u>	<u>(307,565)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,366,299</u>
Total Fund Balance	\$ <u>8,004,880</u>	\$ <u>(305,351)</u>	\$ <u>303,819</u>	\$ <u>2,618,403</u>	\$ <u>5,113,580</u>	\$ <u>15,735,331</u>



# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

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

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are monies identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily;
4. Investment grade obligations of state and local governments, and public authorities;

## City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

### **For The Year Ended December 31, 2016**

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#### **Note 6: Deposits and Investments (Continued)**

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).
7. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

#### ***Deposits***

*Custodial credit risk* is the risk that in the event of bank failure, the City's deposits may not be returned from the depository. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited either within the City or a qualified trustee by the financial institution as security for repayment, or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge security for repayment of all public moneys deposited with the institution.

At year-end, the carrying amount of the City's deposits was \$17,597,620 and the bank balance was \$17,774,453. Of the bank balance \$3,049,837 was covered by the FDIC and \$14,724,616 was uninsured. The entire uninsured bank balance was collateralized with securities held by pledging institutions' agents in its collateral pool. The City has \$5,350 of cash on hand at December 31, 2016.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

### Note 6: Deposits and Investments (Continued)

#### *Investments*

Investments are reported at fair value. As of December 31, 2016, the City had the following investments:

Fair Value:	Measurement	Maturities	Maturities
	Value	(in years) Less than 1	(in years) More than 1
Municipal Bonds	\$ 223,810	\$ 223,810	\$ 0
Municipal Bond Anticipation Note	3,496,350	3,496,350	0
School District Bond Anticipation Note	874,283	874,283	0
Amortized Cost:			
STAR Ohio	2,638,711	2,638,711	0
Total	<u>\$ 7,233,154</u>	<u>\$ 7,233,154</u>	<u>\$ 0</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2016:

- Municipal Bonds, Municipal Bond Anticipation Notes, and School District Bond Anticipation Notes are measured based on Level 2 inputs, using a matrix or model pricing method.
- STAR Ohio is valued at amortized cost, which approximates fair value.

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

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

*Credit Risk* is addressed by the City's Charter by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. The Municipal Bonds carry a rating of Aa2 by Moody's and the Municipal Bond Anticipation Notes carry ratings of Aa1, Aa2, Aa3, A2 and Aaa by Moody's. Star Ohio carries a rating AAAM by Standard & Poor's.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

### **Note 6: Deposits and Investments (Continued)**

During 2016, the City purchased obligations of Ohio political subdivisions that were unrated at the time of purchase, contrary to Ohio Rev. Code 135.14(B)(4)(b). The City has examined the underlying rating of the issuing political subdivision and found such rating complies with said requirement. The value of the obligations comprises of approximately 60.4% of the City's investment portfolio and all the obligations held mature in 2017. The City intends to hold the securities to maturity.

*Concentration of Credit Risk* is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2016:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Municipal Bonds	3.1 %
Municipal Bond Anticipation Notes	48.3 %
School District Bond Anticipation Note	12.1 %
STAR Ohio	36.5 %
	<u>100.0 %</u>

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

Property taxes include amounts levied against real and public utility properties located in the City. Property tax revenue received during 2016 represents collections of the 2015 taxes.

2016 real property taxes were levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by Ohio Revised Code at 35% of appraised value. 2016 real property taxes are collected in and intended to finance 2017.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2016 public utility property taxes which became a lien December 31, 2015, were levied after October 1, 2016, and were collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2016, was \$10.80 per \$1,000 of assessed value. The full rate for the City is the same as the effective rate. The assessed values of real and public utility properties upon which 2016 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 737,074,070
Public Utility	8,855,180
Total	<u>\$ 745,929,250</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

The Cuyahoga County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes.

Property taxes receivable represents real property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2016 and for which there is an enforceable legal claim.

In the governmental funds, the entire receivable has been offset by deferred inflows of resources – property taxes, since current taxes were not levied to finance 2016 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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

The City levies a municipal income tax of 2% on substantially all income earned within the City. In addition, residents of the City are required to pay the City municipal income tax on income earned outside the City; however, a credit is allowed for income taxes paid to other municipalities, which reduces the effective tax rate to 1% for such earnings. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly.

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

### **Note 9: Receivables**

Receivables at December 31, 2016, consisted of taxes, accounts (billings for user charged services), special assessments, interest, and intergovernmental receivables. Receivables are recorded net of an allowance for estimated uncollectible amounts. The allowance is based on a historical percentage of collections of amounts billed. The City has estimated \$159,227 in uncollectible billings for user charged services.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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### **Note 9: Receivables (Continued)**

A summary of Intergovernmental Receivables follows:

Governmental Activities:

Homestead and Rollback	\$	498,587
Local Government		189,320
Miscellaneous		10,000
Auto Registration and Gasoline Tax		375,284
Permissive Tax		11,675
Estate Tax		<u>8,288</u>
Total Intergovernmental Receivable	\$	<u>1,093,154</u>

Special assessments expected to be collected beyond one year amount to \$270,000 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding is \$120,590 at December 31, 2016.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

### Note 10: Capital Assets

A summary of changes in capital assets during 2016 follows:

	<u>Balance</u> <u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/16</u>
<b>Governmental Activities</b>				
<i>Non-Depreciable Capital Assets</i>				
Land	\$ 2,017,826	\$ 0	\$ 0	\$ 2,017,826
Land Improvements	203,158	0	0	203,158
Construction in Progress	<u>1,450,484</u>	<u>2,398,743</u>	<u>0</u>	<u>3,849,227</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>3,671,468</u>	<u>2,398,743</u>	<u>0</u>	<u>6,070,211</u>
<i>Depreciable Capital Assets</i>				
Land Improvements	5,309,096	0	0	5,309,096
Buildings	34,297,179	11,000	0	34,308,179
Furniture, Fixtures and Equipment	5,245,026	411,308	0	5,656,334
Vehicles	8,458,903	775,385	(422,445)	8,811,843
Infrastructure:				
Roads	33,143,723	144,663	0	33,288,386
Sidewalks	2,128,147	33,845	0	2,161,992
Traffic Signals	2,827,033	0	0	2,827,033
Storm Sewers	<u>9,478,944</u>	<u>0</u>	<u>0</u>	<u>9,478,944</u>
<i>Total Depreciable Capital Assets</i>	<u>100,888,051</u>	<u>1,376,201</u>	<u>(422,445)</u>	<u>101,841,807</u>
Less Accumulated Depreciation:				
Land Improvements	(1,770,845)	(143,794)	0	(1,914,639)
Building	(13,423,780)	(598,379)	0	(14,022,159)
Furniture, Fixtures and Equipment	(4,552,547)	(196,035)	0	(4,748,582)
Vehicles	(7,177,168)	(494,745)	417,781	(7,254,132)
Infrastructure:				
Roads	(18,932,821)	(909,863)	0	(19,842,684)
Sidewalks	(257,531)	(53,631)	0	(311,162)
Traffic Signals	(2,656,851)	(7,388)	0	(2,664,239)
Storm Sewers	<u>(1,777,873)</u>	<u>(120,527)</u>	<u>0</u>	<u>(1,898,400)</u>
<i>Total Accumulated Depreciation</i>	<u>(50,549,416)</u>	<u>(2,524,362)</u>	<u>417,781</u>	<u>(52,655,997)</u>
Total Depreciable Capital Assets, Net	<u>50,338,635</u>	<u>(1,148,161)</u>	<u>(4,664)</u>	<u>49,185,810</u>
Governmental Activities Capital Assets, Net	\$ <u>54,010,103</u>	\$ <u>1,250,582</u>	\$ <u>(4,664)</u>	\$ <u>55,256,021</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

### Note 10: Capital Assets (Continued)

	<u>Balance</u> <u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/16</u>
<b>Business-Type Activities</b>				
<i>Non-Depreciable Capital Assets</i>				
Land	\$ 39,516	\$ 0	\$ 0	\$ 39,516
Right-of-Way	250,000	0	0	250,000
Construction in Progress	<u>2,464,275</u>	<u>4,321,598</u>	<u>0</u>	<u>6,785,873</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>2,753,791</u>	<u>4,321,598</u>	<u>0</u>	<u>7,075,389</u>
<i>Depreciable Capital Assets</i>				
Furniture, Fixtures and Equipment	113,243	3,621	0	116,864
Vehicles	385,300	0	0	385,300
Sewer Lines	<u>27,268,015</u>	<u>0</u>	<u>0</u>	<u>27,268,015</u>
<i>Total Depreciable Capital Assets</i>	<u>27,766,558</u>	<u>3,621</u>	<u>0</u>	<u>27,770,179</u>
Less Accumulated Depreciation				
Furniture, Fixtures and Equipment	(113,243)	(180)	0	(113,423)
Vehicles	(382,580)	(680)	0	(383,260)
Sewer Lines	<u>(6,948,858)</u>	<u>(368,688)</u>	<u>0</u>	<u>(7,317,546)</u>
<i>Total Accumulated Depreciation</i>	<u>(7,444,681)</u>	<u>(369,548)</u>	<u>0</u>	<u>(7,814,229)</u>
Total Depreciable Capital Assets, Net	<u>20,321,877</u>	<u>(365,927)</u>	<u>0</u>	<u>19,955,950</u>
Total Business-Type Activities Capital Assets, Net	\$ <u>23,075,668</u>	\$ <u>3,955,671</u>	\$ <u>0</u>	\$ <u>27,031,339</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 197,163
Security of Persons and Property	273,792
Public Health	35,095
Transportation	1,023,853
Community Development	11,342
Basic Utility Service	367,660
Leisure Time Activities	<u>615,457</u>
Total	\$ <u>2,524,362</u>



# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

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

The Rocky River Wastewater Treatment Plant (the “Plant”) is a joint venture among the cities of Rocky River, Bay Village, Fairview Park, and Westlake. The Plant is governed by a management committee consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The committee has authority over all aspects of the Plant’s operation. The Plant supplies all participating residents of the member cities with wastewater treatment services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of the Plant is dependent on the City’s continued participation, and the City does have an equity interest in the Plant. The City’s equity interest is \$4,954,163 which represents approximately 25% of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the Director of Finance, City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116, who serves as fiscal agent.

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

Since the continued existence of the Plant is dependent upon the participation of each member city, all transactions between the Plant and each member city are considered related party transactions. The Plant’s transactions during 2016 involving the City of Rocky River are summarized as follows:

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

Charges for services revenue for 2016 consists of amounts charged to the member cities for wastewater treatment services provided to the member cities’ residents and contributions to the Plant for plant and equipment replacement, as follows:

	Charges for Services	Contributions
Rocky River	\$ 1,185,114	\$ 236,902

The contributions listed above are reported net of unearned revenue of \$13,533 as a result of the Plant receiving contributions in excess of services provided during 2016.

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

The Plant is located on property owned by the City. The organizing agreement (as amended) provides for an annual lease payment of \$57,000 from the Plant for use of the land. This payment was made during 2016.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

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

The City is exposed to various risks related to damage to, theft of and destruction of assets; torts; errors and omissions; natural disasters; and injuries to employees. During 2016, the City obtained insurance coverage with private insurance carriers to address exposure to certain of these risks.

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

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

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

The City contracts with a third-party administrator to process and pay claims and has obtained stop-loss coverage for claims individually and stop-loss coverage for aggregate per year claims. The City pays a monthly premium into the Self-Insurance Fund for each employee that varies according to employee group. These rates are administrator paid by the fund from which the employees' salary is paid. Incurred but not reported claims of \$173,474 have been accrued as a liability at December 31, 2016 based on an estimate by the third-party administrator.

Changes in the fund's claims liability amount were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2015	\$ 137,881	\$ 1,752,496	\$ 1,762,931	\$ 127,446
2016	127,446	2,051,316	2,005,288	173,474

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

#### ***A. Net Pension Liability***

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

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

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

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

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

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

Plan Description - City employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed plan is a defined contribution plan and the Combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed plan, substantially all employee members are in OPERS' Traditional or Combined plans.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional and Combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Final average salary (FAS) represents the average of the three highest years of earnings over the member's career for Groups A and B. Group C is based on the average of the five highest years of earning over a member's career. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

The Traditional plan is a defined benefit plan in which a member's retirement benefits are calculated on a formula that considers years of service and FAS. Pension benefits are funded by both member and employer contributions and investment earnings on those contributions.

The following table provides age and service requirements for retirement and the retirement formula applied to the FAS for the three member groups under the Traditional plan (see OPERS CAFR referenced above for additional information):

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

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

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

When a benefit recipient retiring under the Traditional plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional plan.

The Combined plan is a defined benefit plan with elements of a defined contribution plan. Members earn a formula benefit similar to, but at a factor less than the Traditional plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement, the member may choose a defined contribution distribution that is equal to the member's contributions to the plan and investment earnings (or losses). Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

Benefits in the Combined plan consist of both an age-and-service formula benefit (the defined benefit element) and a defined contribution element. Eligibility regarding age and years of service in the Combined plan is the same as the Traditional plan. The subsequent table provides age and service requirements for retirement and the retirement formula applied to the FAS for the three member groups under the Combined plan (see OPERS CAFR referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Formula:</b> 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Formula:</b> 1.0% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

Members retiring under the Combined plan receive a 3% COLA on the defined benefit portion of their benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional plan.

The Member-Directed plan is a defined contribution plan in which members self-direct the investment of both member and employer contributions. The distribution upon retirement is equal to the sum of member and vested employer contributions plus investment earnings (or losses). Employer contributions and associated investment earnings vest over a five-year period at a rate of 20% per year. Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

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

	<u>State and Local</u>
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0 %</u>
Total Employer	<u>14.0 %</u>
Employee	10.0 %

In 2016, the City's contractually required contribution, net of post-employment health care benefits, was \$937,842. Of this amount, \$117,440 is reported as accrued wages and benefits at December 31, 2016.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

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

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

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

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

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

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

### Note 14: Defined Benefit Pension Plans (Continued)

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

	<u>Police</u>	<u>Firefighter</u>
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
<b>2016 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

In 2016, the City's contractually required contribution, net of post-employment health care benefits was \$1,151,686. Of this amount, \$131,742 is reported as accrued wages and benefits at December 31, 2016.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability (asset) prior measurement date	0.058978%	0.035697%	0.256817%	
Proportion of the net pension liability (asset) current measurement date	<u>0.057848%</u>	<u>0.031106%</u>	<u>0.253444%</u>	
Change in Proportionate Share	(0.00113%)	(0.004591%)	(0.003373%)	
Proportionate share of the net pension liability (asset)	\$ 10,020,072	\$ (15,137)	\$ 16,304,230	\$ 26,309,165
Pension expense	\$ 1,359,286	\$ 8,137	\$ 2,192,312	\$ 3,559,735



# City of Rocky River, Ohio

## Notes to Basic Financial Statements (Continued)

### For The Year Ended December 31, 2016

#### Note 14: Defined Benefit Pension Plans (Continued)

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

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflow of resources</b>				
City contributions subsequent to the measurement date	\$ 922,596	\$ 15,246	\$ 1,151,686	\$ 2,089,528
Differences in employer contributions and change in proportionate share	-	1,011	-	1,011
Net difference between projected and actual earnings on pension plan investments	<u>2,945,275</u>	<u>6,535</u>	<u>2,653,703</u>	<u>5,605,513</u>
Total deferred outflow of resources	\$ <u>3,867,871</u>	\$ <u>22,792</u>	\$ <u>3,805,389</u>	\$ <u>7,696,052</u>
<b>Deferred inflow of resources</b>				
Differences in employer contributions and change in proportionate share	\$ 85,300	\$ -	\$ 143,317	\$ 228,617
Difference between expected and actual experience	<u>193,607</u>	<u>6,907</u>	<u>45,782</u>	<u>246,296</u>
Total deferred inflow of resources	\$ <u>278,907</u>	\$ <u>6,907</u>	\$ <u>189,099</u>	\$ <u>474,913</u>

The \$2,089,528 reported as deferred outflows of resources related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&amp;F</u>	<u>Total</u>
Fiscal Year Ending December 31:				
2017	\$ 604,802	\$ 926	\$ 662,358	\$ 1,268,086
2018	651,897	926	662,358	1,315,181
2019	743,153	926	662,358	1,406,437
2020	666,516	743	520,889	1,188,148
2021	-	(753)	(36,435)	(37,188)
2022-2025	<u>-</u>	<u>(2,129)</u>	<u>(6,924)</u>	<u>(9,053)</u>
	\$ <u>2,666,368</u>	\$ <u>639</u>	\$ <u>2,464,604</u>	\$ <u>5,131,611</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

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

#### *E. Actuarial Assumptions – OPERS*

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The active member population which consists of members in the Traditional and Combined plans is assumed to remain constant. For purposes of financing the unfunded actuarial accrued liabilities, total payroll is assumed to grow at the wage inflation rate indicated below.

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>
Experience Study	5-year period ended December 31, 2010	5-year period ended December 31, 2010
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	8%	8%
Wage Inflation	3.75%	3.75%
Future Salary Increases, including 3.75% inflation	4.25 to 10.05%	4.25 to 8.05%
COLA	3% Simple	3% Simple

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

### Note 14: Defined Benefit Pension Plans (Continued)

#### *E. Actuarial Assumptions – OPERS (Continued)*

OPERS manages investments in four investment portfolios: the defined benefits portfolio, the health care portfolio, the 115 health care trust portfolio and the defined contribution portfolio. The defined benefit portfolio includes the investment assets of the Traditional plan, the defined benefit component of the Combined plan, the annuitized accounts of the Member-Directed plan and the VEBA Trust. Within the defined benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return, net of investment expenses, is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the defined benefit portfolio is 0.40% for 2015.

The allocation of investment assets with the defined benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.31%
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other Investments	18.00	4.59
Total	100.00	5.27%

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

#### ***Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

#### *E. Actuarial Assumptions – OPERS (Continued)*

	1% Decrease (7%)	Discount Rate (8%)	1% Increase (9%)
City's proportionate share of the net pension liability – Traditional	\$ 15,964,422	\$ 10,020,072	\$ 5,006,200
City's proportionate share of the net pension (asset) – Combined	\$ (311)	\$ (15,137)	\$ (27,062)

#### *Changes between Measurement Date and Report Date*

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net position liability is expected to be significant.

#### *F. Actuarial Assumptions – OP&F*

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% - 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost of living adjustments	2.60% and 3.00% simple

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA. The most recent experience study was completed January 1, 2012.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

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

#### *F. Actuarial Assumptions – OP&F (Continued)*

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2015 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income	20.00	1.62
Global Inflation Protected	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00%</u>	

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

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

#### *F. Actuarial Assumptions – OP&F (Continued)*

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

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

	<u>1% Decrease (7.25%)</u>	<u>Discount Rate (8.25%)</u>	<u>1% Increase (9.25%)</u>
City's proportionate share of the net pension liability	\$ 21,503,096	\$ 16,304,230	\$ 11,900,279

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

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

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

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional and Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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

## City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

### **For The Year Ended December 31, 2016**

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and Local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed plan for 2016 was 4.0%.

The City's contributions for health care for the years ended December 31, 2016, 2015, and 2014 were \$158,753, \$171,381, and \$160,564, respectively. The full amount has been contributed for 2014 and 2015. For 2016, 87.70% has been contributed with the remainder being reported as a liability within the accrued wages and benefits.

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

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

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

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

## City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

### **For The Year Ended December 31, 2016**

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#### **Note 15: Post-Employment 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. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

The Ohio Revised Code provides for contribution requirements of the participating employers and of 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% and 24% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5 percent of covered payroll from January 1, 2016 through December 31, 2016. The amount of employer contributions allocated to the health care plan each year is subject to the Board of Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F allocated to the health care plan for police and fire for the years ending December 31, 2016, 2015, and 2014 were \$14,660, \$13,570, and \$13,324 and \$12,918, \$12,365, and \$12,367, respectively. The full amount has been contributed for 2014 and 2015. For 2016, 88.9% for police and 88.3% for firefighters has been contributed, respectively, with the remainder being reported as a liability within the accrued wages and benefits.



# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

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

### **Note 17: Conduit Debt**

#### ***West Shore Unitarian Universalist Church***

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

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

#### ***West Shore Unitarian Universalist Church (Continued)***

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Outstanding 12/31/16</u>	<u>Date of Maturity</u>
Economic Development Revenue Bonds, Series 2005	\$ 1,350,000	Variable	\$ 765,735	October 1, 2025

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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### **Note 18: Long-Term Obligations**

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

<u>Debt Issue</u>	<u>Interest Rate (%)</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>General Obligation Bonds</b>			
2011 Municipal Court Facility Refunded	2.00-3.125	2,835,000	December 1, 2022
2014 Civic Facility Improvements Refunded	1.50-3.50	4,640,000	December 1, 2024
2014 General Purpose Refunded	1.50-3.50	4,540,000	December 1, 2024
<b>Special Assessment Bonds</b>			
1998 Erosion Control (A)	4.75-5.10	605,000	December 1, 2023
2000 Erosion Control (B)	5.00-5.50	360,000	December 1, 2025
<b>OPWC Loans</b>			
Valley View Storm and Sanitary Sewer Improvement	0.00	2,541,718	January 1, 2041
Hampton Road Storm and Sanitary Sewer Improvement	0.00	3,268,413	January 1, 2043
Frazier Drive Sewer Improvement	0.00	2,891,803	January 1, 2044
Avalon Drive Sewer Improvement	0.00	NA	January 1, 2045
Hampton Road and Lakeview Avenue Sewer	0.00	NA	Pending
<b>OWDA Loans</b>			
2000 Pump Station and Sewer Repair	4.64	328,239	July 1, 2020
Avalon Drive Storm and Sanitary Sewer	3.03	252,456	July 1, 2017

NA – Amortized loan balance has not been determined.

# City of Rocky River, Ohio

## Notes to Basic Financial Statements (Continued)

### **For The Year Ended December 31, 2016**

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

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

	Outstanding 12/31/15	Additions	Reductions	Outstanding 12/31/16	Amount Due in One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
2011 Municipal Court Facility Refunded	\$ 1,400,000	\$ 0	\$ 215,000	\$ 1,185,000	\$ 215,000
2014 Civic Facility Improvements Refunded	4,580,000	0	450,000	4,130,000	465,000
2014 General Purpose Refunded	4,515,000	0	485,000	4,030,000	500,000
Unamortized Premium	566,896	0	64,053	502,843	0
Total General Obligation Bonds	<u>11,061,896</u>	<u>0</u>	<u>1,214,053</u>	<u>9,847,843</u>	<u>1,180,000</u>
<b>Special Assessment Bonds</b>					
1998 Erosion Control (A)	200,000	0	25,000	175,000	25,000
2000 Erosion Control (B)	150,000	0	15,000	135,000	15,000
Total Special Assessment Bonds	<u>350,000</u>	<u>0</u>	<u>40,000</u>	<u>310,000</u>	<u>40,000</u>
<b>Other Long-Term Obligations</b>					
Compensated Absences Payable	3,825,129	1,524,469	1,429,997	3,919,601	846,924
Police and Fire Pension Liability	362,045	0	36,139	325,906	37,691
Net Pension Liability	20,100,307	5,775,302	0	25,875,609	0
Total Other Long-Term Obligations	<u>24,287,481</u>	<u>7,299,771</u>	<u>1,466,136</u>	<u>30,121,116</u>	<u>884,615</u>
<b>Total Governmental Activities</b>	<b>\$ <u>35,699,377</u></b>	<b>\$ <u>7,299,771</u></b>	<b>\$ <u>2,720,189</u></b>	<b>\$ <u>40,278,959</u></b>	<b>\$ <u>2,104,615</u></b>
<b>Business-Type Activities</b>					
<b>Ohio Water Development Authority (OWDA) Loans</b>					
2000 Pump Station and Sewer Repair	\$ 119,691	\$ 0	\$ 21,794	\$ 97,897	\$ 22,817
Avalon Drive Storm and Sanitary Sewer	12,556	0	12,556	0	0
Total OWDA Loans	<u>132,247</u>	<u>0</u>	<u>34,350</u>	<u>97,897</u>	<u>22,817</u>
<b>Ohio Public Works Commission (OPWC) Loans</b>					
Valley View Storm and Sanitary Sewer Improvement	2,456,994	0	84,724	2,372,270	84,724
Hampton Road Storm and Sanitary Sewer Improvement	3,213,939	0	108,947	3,104,992	108,947
Frazier Drive Sewer Improvement	2,891,803	0	48,197	2,843,606	96,393
Avalon Drive Sewer Improvement	701,922	3,135,198	0	3,837,120	0
Hampton Road and Lakeview Avenue Sewer Improvement	0	88,791	0	88,791	0
Total OPWC Loans	<u>9,264,658</u>	<u>3,223,989</u>	<u>241,868</u>	<u>12,246,779</u>	<u>290,064</u>
<b>Other Long-Term Obligations</b>					
Compensated Absences Payable	62,554	34,718	30,770	66,502	9,142
Net Pension Liability	317,302	131,391	0	448,693	0
Total Other Long-Term Obligations	<u>379,856</u>	<u>166,109</u>	<u>30,770</u>	<u>515,195</u>	<u>9,142</u>
<b>Total Business-Type Activities</b>	<b>\$ <u>9,776,761</u></b>	<b>\$ <u>3,390,098</u></b>	<b>\$ <u>306,988</u></b>	<b>\$ <u>12,859,871</u></b>	<b>\$ <u>322,023</u></b>

## City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

### **For The Year Ended December 31, 2016**

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

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

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

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

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

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

The OWDA loans will be paid from revenues derived by the City from sanitary sewer charges in the Sanitary Sewer Enterprise Fund. In 2016, OWDA provided the City with an interest buy-down for the 2000 Pump Station and Sewer Repair loan, which resulted in a reduced interest rate of 1.64%.

During 2009, the City obtained an OPWC interest-free loan for the Valley View Storm and Sanitary Sewer Improvements to be repaid in semi-annual principal payments of \$42,362 for 30 years beginning January 1, 2015. These loans are repaid with revenues derived by the City's sanitary sewer charges.

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

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

During 2016, the City obtained an OPWC interest-free loan for the Avalon Drive Sewer Improvements and Hampton Road and Lakeview Avenue Sewer Improvements. OPWC has authorized these loans up to \$4,937,800 and \$5,562,400, respectively. The loan proceeds in the table on the previous page represent monies drawn against this loan through December 31, 2016, and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

# City of Rocky River, Ohio

## Notes to Basic Financial Statements (Continued)

### For The Year Ended December 31, 2016

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

The City's overall legal debt margin was \$69,580,374 at December 31, 2016. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2016, are as follows:

	Governmental Activities							
	General Obligation Bonds		Special Assessment Bonds		Police and Fire Pension		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 1,180,000	\$ 270,344	\$ 40,000	\$ 16,325	\$ 37,691	\$ 13,455	\$ 1,257,691	\$ 300,124
2018	1,195,000	242,094	40,000	14,237	39,310	11,836	1,274,310	268,167
2019	1,230,000	212,894	40,000	12,150	40,999	10,148	1,310,999	235,192
2020	1,215,000	181,988	40,000	10,050	17,532	8,589	1,272,533	200,627
2021	1,245,000	150,913	40,000	7,950	12,176	7,963	1,297,176	166,826
2022-2026	3,280,000	230,075	110,000	12,075	69,189	31,506	3,459,189	273,656
2027-2031	0	0	0	0	85,380	15,315	85,380	15,315
2032-2036	0	0	0	0	23,629	892	23,628	892
2037-2041	0	0	0	0	0	0	0	0
2042-2046	0	0	0	0	0	0	0	0
2047-2051	0	0	0	0	0	0	0	0
Total	\$ <u>9,345,000</u>	\$ <u>1,288,308</u>	\$ <u>310,000</u>	\$ <u>72,787</u>	\$ <u>325,906</u>	\$ <u>99,704</u>	\$ <u>9,980,906</u>	\$ <u>1,460,799</u>

	Business Type Activity					
	OWDA Loans		OPWC		Total	
	Principal	Interest	Principal	Principal	Interest	
2017	\$ 22,817	\$ 2,767	\$ 290,064	\$ 312,881	\$ 2,767	
2018	23,888	2,075	290,064	313,952	2,075	
2019	25,009	1,350	290,064	315,073	1,350	
2020	26,183	592	290,064	316,247	592	
2021	0	0	290,064	290,064	0	
2022-2026	0	0	1,450,320	1,450,320	0	
2027-2031	0	0	1,450,320	1,450,320	0	
2032-2036	0	0	1,450,320	1,450,320	0	
2037-2041	0	0	1,450,320	1,450,320	0	
2042-2046	0	0	1,069,268	1,069,268	0	
Total	\$ <u>97,897</u>	\$ <u>6,784</u>	\$ <u>8,320,868</u>	\$ <u>8,418,765</u>	\$ <u>6,784</u>	

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

##### **A. West Shore Council of Governments**

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

The West Shore Council is governed by a board comprised of one member from each member city. The board exercises control over the operation of the West Shore Council including budgeting, appropriating, contracting, and administration. The West Shore Council board adopts an annual budget governing its activities for that year. Each city's degree of control is limited to its representation on the board. In 2016, the City contributed \$36,792 to the West Shore Council.

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

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

The Tri-City Park Council of Governments ("Tri-City Park") was organized pursuant to the Ohio Revised Code Section 167.01 by the Ohio cities of Rocky River, Fairview Park, and Westlake. Tri-City Park was formed to operate a public park to which residents of all member cities have access and which is bordered by all member cities. Tri-City Park is governed by a board comprised of one member from each member city. The board exercises control over the operation of Tri-City Park including budgeting, appropriating, contracting, and administration. The Tri-City Park board adopts an annual budget governing its activities for that year. Each city's degree of control is limited to its representation on the board. In 2016, the City made contributions of \$3,000 to the Tri-City Park.

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

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

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

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

Each city's degree of control is limited to its representation on the board. In 2016, the City made no contributions to the S.A.F.E. Council.

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

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

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

The Water Council is governed by a Board of Trustees elected from each of nine member groups defined in the organizing agreement. The Mayor represents the City and is eligible to be elected to the Board of Trustees of the Water Council. The City made no contributions to the Water Council in 2016. The organizing agreement provides for the assessment of dues to members; however, no dues have been assessed since the inception of the Water Council.

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

### **Note 20: Litigation**

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

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

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

The transfers among City funds were made to provide additional resources for current operations and for the payment of debt. The General Fund made the following transfers during the year ended December 31, 2016:

<u>Transfer to</u>	
Recreation Center	\$ 375,000
General Obligation Bond Retirement	250,000
Other Governmental Funds	<u>2,405,000</u>
Total Governmental Funds	3,030,000
Sanitary Sewer Fund	<u>2,000,000</u>
Total Transfers	\$ <u>5,030,000</u>

#### ***B. Interfund Balances***

At December 31, 2016, the City had a \$450,000 interfund receivable/payable between the General Fund and the Recreation Center Special Revenue Fund. The advance is expected to be repaid within a year.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For The Year Ended December 31, 2016

### Note 22: Accountability

There is a deficit in the Recreation Center Special Revenue Funds of \$305,351 caused by the application of accounting principles generally accepted in the United States of America to the funds. The General Fund is liable for any deficit in the funds and provides transfers when cash is required, not when accruals occur.

### Note 23: Significant Commitments

#### A. Contracts

At December 31, 2016, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Professional Services	\$ 718,209	\$ 613,720	\$ 104,489
Building Maintenance and Repair	735,260	624,112	111,148
Equipment and Vehicle Purchases	323,298	12,100	311,198
2015 Watermain Project	1,223,784	1,131,724	92,060
Spencer Road Sanitary Sewer Project	52,000	7,705	44,295
Wooster Road Waterline Project	2,393,736	1,673,090	720,646
Morewood Road Sewer Project	921,450	717,544	203,906
Avalon Drive Water and Sewer Improvement	6,338,638	5,115,933	1,222,705
Watermain Improvement Projects	669,315	360,020	309,295
Westway Storm and Sanitary Replacement Project	187,530	50,189	137,341
Hampton Road Lakeview Sewer Project	603,790	82,223	521,567
Breezevale Cove Sanitary Sewer Project	83,000	3,543	79,457
Paving	<u>3,628,497</u>	<u>2,699,813</u>	<u>928,684</u>
Total	<u>\$ 17,878,507</u>	<u>\$ 13,091,716</u>	<u>\$ 4,786,791</u>

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

#### B. Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 97,914
Recreation Fund	21,781
Capital Improvement Fund	677,156
Other Governmental Funds	<u>412,687</u>
Total Governmental	<u>\$ 1,209,538</u>
Sanitary Sewer Fund	<u>\$ 2,920,741</u>



# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For The Year Ended December 31, 2016**

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

In August 2006, the City entered into a 15-year lease agreement with Beachcliff Properties L.P. to lease a parking structure at the Beachcliff Market Square to provide free public parking in the downtown retail district. The total rental expense for year ended December 31, 2016 was \$20,000.

Future minimum rental payments for these leases are as follows:

2017	\$	20,000
2018		20,000
2019		20,000
2020		<u>20,000</u>
	\$	<u>80,000</u>

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

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

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

At December 31, 2016, the CIC has no assets or liabilities. The CIC has had no financial activity since 2005.

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

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

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

## City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

### **For The Year Ended December 31, 2016**

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#### **Note 26: Joint Economic Development Zones (Continued)**

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

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

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

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

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

As of December 31, 2016, management's estimate of the final closure cost of the transfer station is \$26,090.

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

## City of Rocky River, Ohio

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

### Last Three Years (1)

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	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension liability	0.057848%	0.058978%	0.058978%
City's proportionate share of the net pension liability	\$ 10,020,072	\$ 7,113,422	\$ 6,952,753
City's covered payroll	\$ 7,203,524	\$ 6,876,663	\$ 7,852,692
City's proportionate share of the net pension liability as a percentage of its covered payroll	139.10%	103.44%	88.54%
Plan fiduciary net position as a percentage of the total pension liability	81.08%	86.45%	n/a

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

## City of Rocky River, Ohio

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

### Last Three Years (1)

	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension asset	0.031106%	0.035697%	0.035697%
City's proportionate share of the net pension asset	\$ 15,137	\$ 13,744	\$ 3,746
City's covered payroll	\$ 112,704	\$ 120,542	\$ 122,864
City's proportionate share of the net pension asset as a percentage of its covered payroll	13.43%	11.40%	3.05%
Plan fiduciary net position as a percentage of the total pension asset	116.90%	114.83%	n/a

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

## City of Rocky River, Ohio

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

### Last Three Years (1)

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	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension liability	0.253444%	0.256817%	0.256817%
City's proportionate share of the net pension liability	\$ 16,304,230	\$ 13,304,187	\$ 12,507,789
City's covered payroll	\$ 5,123,147	\$ 5,095,764	\$ 5,067,831
City's proportionate share of the net pension liability as a percentage of its covered payroll	318.25%	261.08%	246.81%
Plan fiduciary net position as a percentage of the total pension liability	66.77%	71.71%	n/a

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

## City of Rocky River, Ohio

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

### For The Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually-required contribution	\$ 922,596	\$ 864,423	\$ 825,200	\$ 1,020,850	\$ 828,631
Contributions in relation to the contractually-required contribution	<u>(922,596)</u>	<u>(864,423)</u>	<u>(825,200)</u>	<u>(1,020,850)</u>	<u>(828,631)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 7,688,297	\$ 7,203,524	\$ 6,876,663	\$ 7,852,692	\$ 8,286,310
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%	10.00%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually-required contribution	\$ 895,384	\$ 837,024	\$ 726,314	\$ 640,904	\$ 724,076
Contributions in relation to the contractually-required contribution	<u>(895,384)</u>	<u>(837,024)</u>	<u>(726,314)</u>	<u>(640,904)</u>	<u>(724,706)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 8,953,841	\$ 9,300,272	\$ 8,544,871	\$ 9,155,766	\$ 8,671,568
Contributions as a percentage of covered payroll	10.00%	9.00%	8.50%	7.00%	8.35%

## City of Rocky River, Ohio

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

### For The Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually-required contribution	\$ 15,246	\$ 13,524	\$ 14,465	\$ 15,972	\$ 12,965
Contributions in relation to the contractually-required contribution	<u>(15,246)</u>	<u>(13,524)</u>	<u>(14,465)</u>	<u>(15,972)</u>	<u>(12,965)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 127,053	\$ 112,704	\$ 120,542	\$ 122,864	\$ 129,648
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%	10.00%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually-required contribution	\$ 14,009	\$ 13,096	\$ 11,364	\$ 10,028	\$ 11,329
Contributions in relation to the contractually-required contribution	<u>\$ (14,009)</u>	<u>(13,096)</u>	<u>(11,364)</u>	<u>(10,028)</u>	<u>(11,329)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	140,092	\$ 145,512	\$ 133,693	\$ 143,252	\$ 135,676
Contributions as a percentage of covered payroll	10.00%	9.00%	8.50%	7.00%	8.35%

## City of Rocky River, Ohio

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

### For The Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually-required contribution	\$ 1,151,686	\$ 1,083,474	\$ 1,078,649	\$ 913,986	\$ 731,848
Contributions in relation to the contractually-required contribution	<u>(1,151,686)</u>	<u>(1,083,474)</u>	<u>(1,078,649)</u>	<u>(913,986)</u>	<u>(731,848)</u>
Contribution deficiency (excess)	\$ <u>      -</u>	\$ <u>      -</u>	\$ <u>      -</u>	\$ <u>      -</u>	\$ <u>      -</u>
City covered payroll	\$ 5,454,476	\$ 5,123,147	\$ 5,095,764	\$ 5,067,831	\$ 4,916,011
Contributions as a percentage of covered payroll	21.11%	21.15%	21.17%	18.04%	14.89%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually-required contribution	\$ 733,884	\$ 771,706	\$ 726,777	\$ 702,559	\$ 683,022
Contributions in relation to the contractually-required contribution	<u>(733,884)</u>	<u>(771,706)</u>	<u>(726,777)</u>	<u>(702,559)</u>	<u>(683,022)</u>
Contribution deficiency (excess)	\$ <u>      -</u>	\$ <u>      -</u>	\$ <u>      -</u>	\$ <u>      -</u>	\$ <u>      -</u>
City covered payroll	\$ 4,923,822	\$ 5,205,410	\$ 4,899,833	\$ 4,746,019	\$ 4,621,586
Contributions as a percentage of covered payroll	14.90%	14.83%	14.83%	14.80%	14.78%



# City of Rocky River, Ohio

Combining Statements  
Non-Major Governmental Funds  
Fund Descriptions

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## Non-major Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

## City of Rocky River, Ohio

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

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

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

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

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

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

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

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

### Non-major Debt Service Funds

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

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

### Non-major Capital Projects Fund

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

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

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

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# City of Rocky River, Ohio

## Combining Balance Sheet Non-major Governmental Funds

**December 31, 2016**

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,198,750	\$ 1,166	\$ 3,129,034	\$ 5,328,950
Accrued Interest Receivable	592	0	3,231	3,823
Accounts Receivable	18,211	0	35,379	53,590
Intergovernmental Receivable	483,018	0	0	483,018
Materials and Supplies Inventory	187,221	0	0	187,221
Property Taxes Receivable	1,402,218	0	0	1,402,218
Special Assessments Receivable	<u>0</u>	<u>347,383</u>	<u>0</u>	<u>347,383</u>
<b>Total Assets</b>	<b>\$ <u>4,290,010</u></b>	<b>\$ <u>348,549</u></b>	<b>\$ <u>3,167,644</u></b>	<b>\$ <u>7,806,203</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 103,557	\$ 0	\$ 241,283	\$ 344,840
Accrued Wages and Benefits	65,047	0	4,955	70,002
Intergovernmental Payable	<u>177,263</u>	<u>0</u>	<u>3,736</u>	<u>180,999</u>
<b>Total Liabilities</b>	<b><u>345,867</u></b>	<b><u>0</u></b>	<b><u>249,974</u></b>	<b><u>595,841</u></b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	1,351,621	0	0	1,351,621
Unavailable Revenue	<u>394,547</u>	<u>347,383</u>	<u>3,231</u>	<u>745,161</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>1,746,168</u></b>	<b><u>347,383</u></b>	<b><u>3,231</u></b>	<b><u>2,096,782</u></b>
<b>Fund Balances:</b>				
Nonspendable	187,221	0	0	187,221
Restricted	<u>2,010,754</u>	<u>1,166</u>	<u>2,914,439</u>	<u>4,926,359</u>
<b>Total Fund Balances</b>	<b><u>2,197,975</u></b>	<b><u>1,166</u></b>	<b><u>2,914,439</u></b>	<b><u>5,113,580</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ <u>4,290,010</u></b>	<b>\$ <u>348,549</u></b>	<b>\$ <u>3,167,644</u></b>	<b>\$ <u>7,806,203</u></b>

# 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, 2016**

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 1,373,336	\$ 0	\$ 0	\$ 1,373,336
Municipal Income Taxes	0	0	1,931,272	1,931,272
Intergovernmental	1,230,776	0	551,723	1,782,499
Charges for Services	326,316	0	2,975	329,291
Fees, Fines and Permits	294,671	0	0	294,671
Special Assessments	0	51,032	0	51,032
Investment Income	538	0	2,318	2,856
Other	<u>11,656</u>	<u>0</u>	<u>0</u>	<u>11,656</u>
<b>Total Revenues</b>	<u><b>3,237,293</b></u>	<u><b>51,032</b></u>	<u><b>2,488,288</b></u>	<u><b>5,776,613</b></u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	32,561	0	607,986	640,547
Leisure Time Activities	0	0	56,716	56,716
Security of Persons and Property	1,544,647	0	0	1,544,647
Public Health	899,726	0	0	899,726
Transportation	1,290,624	0	0	1,290,624
Basic Utility Service	1,389,284	0	0	1,389,284
Capital Outlay	156,585	0	1,024,531	1,181,116
<b>Debt Service:</b>				
Principal Retirement	36,139	40,000	215,000	291,139
Interest and Fiscal Charges	<u>17,033</u>	<u>18,906</u>	<u>34,706</u>	<u>70,645</u>
<b>Total Expenditures</b>	<u><b>5,366,599</b></u>	<u><b>58,906</b></u>	<u><b>1,938,939</b></u>	<u><b>7,364,444</b></u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(2,129,306)	(7,874)	549,349	(1,587,831)
<b>Other Financing Sources:</b>				
Transfers - In	<u>2,305,000</u>	<u>0</u>	<u>100,000</u>	<u>2,405,000</u>
<b>Net Change In Fund Balances</b>	175,694	(7,874)	649,349	817,169
<b>Fund Balances at Beginning of Year</b>	<u>2,022,281</u>	<u>9,040</u>	<u>2,265,090</u>	<u>4,296,411</u>
<b>Fund Balances at End of Year</b>	\$ <u><u>2,197,975</u></u>	\$ <u><u>1,166</u></u>	\$ <u><u>2,914,439</u></u>	\$ <u><u>5,113,580</u></u>

# City of Rocky River, Ohio

## Combining Balance Sheet Non-major Special Revenue Funds

**December 31, 2016**

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 236,713	\$ 14,672	\$ 124,215	\$ 27,260
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	75	0	1,825	95
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Property Taxes Receivable	0	0	0	0
<b>Total Assets</b>	<b>\$ 236,788</b>	<b>\$ 14,672</b>	<b>\$ 126,040</b>	<b>\$ 27,355</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 6,554	\$ 0	\$ 18,756	\$ 0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	18	0	0
<b>Total Liabilities</b>	<b>6,554</b>	<b>18</b>	<b>18,756</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	230,234	14,654	107,284	27,355
<b>Total Fund Balances</b>	<b>230,234</b>	<b>14,654</b>	<b>107,284</b>	<b>27,355</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 236,788</b>	<b>\$ 14,672</b>	<b>\$ 126,040</b>	<b>\$ 27,355</b>

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<u>Municipal Probation Services</u>	<u>Mediation Services</u>	<u>Federal Emergency Management Agency</u>	<u>Office on Aging</u>	<u>Marine Patrol</u>
\$ 220,775	\$ 0	\$ 47	\$ 212,865	\$ 17,859
592	0	0	0	0
15,505	0	0	0	0
0	0	0	22,872	0
0	0	0	63,949	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>333,860</u>	<u>0</u>
<u>\$ 236,872</u>	<u>\$ 0</u>	<u>\$ 47</u>	<u>\$ 633,546</u>	<u>\$ 17,859</u>
\$ 8,939	\$ 0	\$ 0	\$ 1,953	\$ 58
2,093	0	0	11,216	0
<u>1,668</u>	<u>0</u>	<u>0</u>	<u>7,526</u>	<u>0</u>
<u>12,700</u>	<u>0</u>	<u>0</u>	<u>20,695</u>	<u>58</u>
0	0	0	321,813	0
<u>592</u>	<u>0</u>	<u>0</u>	<u>34,919</u>	<u>0</u>
<u>592</u>	<u>0</u>	<u>0</u>	<u>356,732</u>	<u>0</u>
0	0	0	63,949	0
<u>223,580</u>	<u>0</u>	<u>47</u>	<u>192,170</u>	<u>17,801</u>
<u>223,580</u>	<u>0</u>	<u>47</u>	<u>256,119</u>	<u>17,801</u>
<u>\$ 236,872</u>	<u>\$ 0</u>	<u>\$ 47</u>	<u>\$ 633,546</u>	<u>\$ 17,859</u>

(continued)

# City of Rocky River, Ohio

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

**December 31, 2016**

	<u>Community Impacts</u>	<u>Refuse and Recycling</u>	<u>Motor Vehicle License Tax</u>	<u>Street Repair and Maintenance</u>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,312	\$ 471,134	\$ 172,762	\$ 286,295
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	45,743	11,675	347,138
Materials and Supplies Inventory	0	2,076	0	121,196
Property Taxes Receivable	<u>0</u>	<u>667,720</u>	<u>0</u>	<u>0</u>
 Total Assets	 \$ <u>3,312</u>	 \$ <u>1,186,673</u>	 \$ <u>184,437</u>	 \$ <u>754,629</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 45,942	\$ 1,769	\$ 2,936
Accrued Wages and Benefits	0	23,902	4,987	22,849
Intergovernmental Payable	<u>0</u>	<u>17,102</u>	<u>3,536</u>	<u>12,560</u>
 Total Liabilities	 <u>0</u>	 <u>86,946</u>	 <u>10,292</u>	 <u>38,345</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	0	643,626	0	0
Unavailable Revenue	<u>0</u>	<u>69,837</u>	<u>0</u>	<u>228,752</u>
 Total Deferred Inflows of Resources	 <u>0</u>	 <u>713,463</u>	 <u>0</u>	 <u>228,752</u>
<b>Fund Balances:</b>				
Nonspendable	0	2,076	0	121,196
Restricted	<u>3,312</u>	<u>384,188</u>	<u>174,145</u>	<u>366,336</u>
 Total Fund Balances	 <u>3,312</u>	 <u>386,264</u>	 <u>174,145</u>	 <u>487,532</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ <u>3,312</u>	 \$ <u>1,186,673</u>	 \$ <u>184,437</u>	 \$ <u>754,629</u>



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<u>State Highway</u>	<u>Indigent Driver Alcohol Monitoring</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>Total Non-major Special Revenue Funds</u>
\$ 33,263	\$ 54,195	\$ 185,293	\$ 138,090	\$ 2,198,750
0	0	0	0	592
0	711	0	0	18,211
28,146	0	13,722	13,722	483,018
0	0	0	0	187,221
<u>0</u>	<u>0</u>	<u>200,319</u>	<u>200,319</u>	<u>1,402,218</u>
\$ <u>61,409</u>	\$ <u>54,906</u>	\$ <u>399,334</u>	\$ <u>352,131</u>	\$ <u>4,290,010</u>
\$ 0	\$ 16,650	\$ 0	\$ 0	\$ 103,557
0	0	0	0	65,047
<u>0</u>	<u>0</u>	<u>72,155</u>	<u>62,698</u>	<u>177,263</u>
<u>0</u>	<u>16,650</u>	<u>72,155</u>	<u>62,698</u>	<u>345,867</u>
0	0	193,091	193,091	1,351,621
<u>18,547</u>	<u>0</u>	<u>20,950</u>	<u>20,950</u>	<u>394,547</u>
<u>18,547</u>	<u>0</u>	<u>214,041</u>	<u>214,041</u>	<u>1,746,168</u>
0	0	0	0	187,221
<u>42,862</u>	<u>38,256</u>	<u>113,138</u>	<u>75,392</u>	<u>2,010,754</u>
<u>42,862</u>	<u>38,256</u>	<u>113,138</u>	<u>75,392</u>	<u>2,197,975</u>
\$ <u>61,409</u>	\$ <u>54,906</u>	\$ <u>399,334</u>	\$ <u>352,131</u>	\$ <u>4,290,010</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, 2016**

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	75,845	0	0	0
Charges for Services	0	0	0	0
Fees, Fines and Permits	8,783	7,200	50,452	1,451
Investment Income	0	0	0	0
Other	0	0	0	0
<b>Total Revenues</b>	<u>84,628</u>	<u>7,200</u>	<u>50,452</u>	<u>1,451</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	0	18	0	0
Security of Persons and Property	58,018	4,029	49,003	2,432
Public Health	0	0	0	0
Transportation	0	0	0	0
Basic Utility Service	0	0	0	0
Capital Outlay	68,194	0	0	0
<b>Debt Service:</b>				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<u>126,212</u>	<u>4,047</u>	<u>49,003</u>	<u>2,432</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(41,584)	3,153	1,449	(981)
<b>Other Financing Sources:</b>				
Transfers - In	0	0	0	0
<b>Net Change in Fund Balances</b>	(41,584)	3,153	1,449	(981)
<b>Fund Balances at Beginning of Year</b>	<u>271,818</u>	<u>11,501</u>	<u>105,835</u>	<u>28,336</u>
<b>Fund Balances at End of Year</b>	\$ <u>230,234</u>	\$ <u>14,654</u>	\$ <u>107,284</u>	\$ <u>27,355</u>

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Municipal Probation Services	Mediation Services	Federal Emergency Management Agency	Office on Aging	Marine Patrol
\$ 0	\$ 0	\$ 0	\$ 326,994	\$ 0
0	0	0	45,743	31,231
0	0	0	316,708	0
226,074	0	0	0	0
538	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,781</u>	<u>0</u>
<u>226,612</u>	<u>0</u>	<u>0</u>	<u>694,226</u>	<u>31,231</u>
3,761	12,132	0	0	0
233,711	0	0	0	39,204
0	0	0	899,726	0
0	0	0	0	0
0	0	0	0	0
623	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>238,095</u>	<u>12,132</u>	<u>0</u>	<u>899,726</u>	<u>39,204</u>
(11,483)	(12,132)	0	(205,500)	(7,973)
<u>0</u>	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>10,000</u>
(11,483)	(12,132)	0	44,500	2,027
<u>235,063</u>	<u>12,132</u>	<u>47</u>	<u>211,619</u>	<u>15,774</u>
\$ <u><u>223,580</u></u>	\$ <u><u>0</u></u>	\$ <u><u>47</u></u>	\$ <u><u>256,119</u></u>	\$ <u><u>17,801</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, 2016**

	Community Impacts	Refuse and Recycling	Motor Vehicle License Tax	Street Repair and Maintenance
Revenues:				
Property Taxes	\$ 0	\$ 653,990	\$ 0	\$ 0
Intergovernmental	0	91,485	140,610	713,220
Charges for Services	0	9,608	0	0
Fees, Fines and Permits	0	0	0	0
Investment Income	0	0	0	0
Other	0	6,875	0	0
<b>Total Revenues</b>	<b>0</b>	<b>761,958</b>	<b>140,610</b>	<b>713,220</b>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Public Health	0	0	0	0
Transportation	0	0	274,701	976,708
Basic Utility Service	0	1,389,284	0	0
Capital Outlay	0	0	11,819	26,675
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>1,389,284</b>	<b>286,520</b>	<b>1,003,383</b>
Excess of Revenues Over (Under) Expenditures	0	(627,326)	(145,910)	(290,163)
Other Financing Sources:				
Transfers - In	0	700,000	200,000	350,000
Net Change in Fund Balances	0	72,674	54,090	59,837
Fund Balances at Beginning of Year	3,312	313,590	120,055	427,695
Fund Balances at End of Year	\$ 3,312	\$ 386,264	\$ 174,145	\$ 487,532

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<u>State Highway</u>	<u>Indigent Driver Alcohol Monitoring</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>Total Non-major Special Revenue Funds</u>
\$ 0	\$ 0	\$ 196,176	\$ 196,176	\$ 1,373,336
57,829	19,927	27,443	27,443	1,230,776
0	0	0	0	326,316
0	711	0	0	294,671
0	0	0	0	538
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,656</u>
<u>57,829</u>	<u>20,638</u>	<u>223,619</u>	<u>223,619</u>	<u>3,237,293</u>
0	16,650	0	0	32,561
0	0	606,159	552,091	1,544,647
0	0	0	0	899,726
39,215	0	0	0	1,290,624
0	0	0	0	1,389,284
0	49,274	0	0	156,585
0	0	9,867	26,272	36,139
<u>0</u>	<u>0</u>	<u>10,272</u>	<u>6,761</u>	<u>17,033</u>
<u>39,215</u>	<u>65,924</u>	<u>626,298</u>	<u>585,124</u>	<u>5,366,599</u>
18,614	(45,286)	(402,679)	(361,505)	(2,129,306)
<u>0</u>	<u>0</u>	<u>395,000</u>	<u>400,000</u>	<u>2,305,000</u>
18,614	(45,286)	(7,679)	38,495	175,694
<u>24,248</u>	<u>83,542</u>	<u>120,817</u>	<u>36,897</u>	<u>2,022,281</u>
\$ <u>42,862</u>	\$ <u>38,256</u>	\$ <u>113,138</u>	\$ <u>75,392</u>	\$ <u>2,197,975</u>

# City of Rocky River, Ohio

## Combining Balance Sheet Non-major Capital Projects Funds

**December 31, 2016**

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	<u>Equipment Replacement</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,064,276	\$ 1,064,758	\$ 3,129,034
Accrued Interest Receivable	0	3,231	3,231
Accounts Receivable	<u>0</u>	<u>35,379</u>	<u>35,379</u>
Total Assets	\$ <u>2,064,276</u>	\$ <u>1,103,368</u>	\$ <u>3,167,644</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 240,931	\$ 352	\$ 241,283
Accrued Wages and Benefits	0	4,955	4,955
Intergovernmental Payable	<u>0</u>	<u>3,736</u>	<u>3,736</u>
Total Liabilities	<u>240,931</u>	<u>9,043</u>	<u>249,974</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Revenue	<u>0</u>	<u>3,231</u>	<u>3,231</u>
<b>Fund Balances:</b>			
Nonspendable	0	0	0
Restricted	<u>1,823,345</u>	<u>1,091,094</u>	<u>2,914,439</u>
Total Fund Balances	<u>1,823,345</u>	<u>1,091,094</u>	<u>2,914,439</u>
Total Liabilities and Fund Balances	\$ <u>2,064,276</u>	\$ <u>1,103,368</u>	\$ <u>3,167,644</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, 2016**

	<u>Equipment Replacement</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
Revenues:			
Municipal Income Taxes	\$ 1,931,272	\$ 0	\$ 1,931,272
Intergovernmental	45,154	506,569	551,723
Charges for Services	2,975	0	2,975
Investment Income	<u>0</u>	<u>2,318</u>	<u>2,318</u>
 Total Revenues	 <u>1,979,401</u>	 <u>508,887</u>	 <u>2,488,288</u>
Expenditures:			
Current:			
General Government	244,596	363,390	607,986
Leisure Time Activities	56,716	0	56,716
Capital Outlay	1,012,082	12,449	1,024,531
Debt Service:			
Principal Retirement	0	215,000	215,000
Interest and Fiscal Charges	<u>0</u>	<u>34,706</u>	<u>34,706</u>
 Total Expenditures	 <u>1,313,394</u>	 <u>625,545</u>	 <u>1,938,939</u>
Excess of Revenues Over (Under) Expenditures	666,007	(116,658)	549,349
Other Financing Sources:			
Transfers - In	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Net Change in Fund Balances	766,007	(116,658)	649,349
Fund Balances at Beginning of Year	<u>1,057,338</u>	<u>1,207,752</u>	<u>2,265,090</u>
Fund Balances at End of Year	\$ <u><u>1,823,345</u></u>	\$ <u><u>1,091,094</u></u>	\$ <u><u>2,914,439</u></u>

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

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# 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, 2016

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 4,554,144	\$ 4,554,144	\$ 4,120,030	\$ (434,114)
Municipal Income Taxes	9,850,000	9,850,000	10,949,999	1,099,999
Other Local Taxes	86,000	86,000	107,976	21,976
Intergovernmental	465,735	465,735	883,115	417,380
Charges for Services	45,550	45,550	31,463	(14,087)
Fines, Fees, and Permits	3,632,400	3,632,400	3,177,166	(455,234)
Investment Income	44,000	44,000	65,845	21,845
Rentals	80,000	80,000	82,264	2,264
Other	<u>184,000</u>	<u>184,000</u>	<u>109,115</u>	<u>(74,885)</u>
Total Revenues	<u>18,941,829</u>	<u>18,941,829</u>	<u>19,526,973</u>	<u>585,144</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
<b>Council:</b>				
Personal Service	135,282	135,282	125,638	9,644
Other	<u>5,989</u>	<u>5,989</u>	<u>3,440</u>	<u>2,549</u>
Total Council	<u>141,271</u>	<u>141,271</u>	<u>129,078</u>	<u>12,193</u>
<b>Mayor:</b>				
Personal Service	160,447	160,447	145,543	14,904
Other	<u>10,570</u>	<u>10,570</u>	<u>7,112</u>	<u>3,458</u>
Total Mayor	<u>171,017</u>	<u>171,017</u>	<u>152,655</u>	<u>18,362</u>
<b>Finance Department:</b>				
Personal Service	304,195	304,695	275,199	29,496
Other	<u>137,270</u>	<u>137,270</u>	<u>124,405</u>	<u>12,865</u>
Total Finance Department	<u>441,465</u>	<u>441,965</u>	<u>399,604</u>	<u>42,361</u>
<b>Law Director:</b>				
Personal Service	121,611	121,611	111,183	10,428
Other	<u>95,111</u>	<u>95,111</u>	<u>40,806</u>	<u>54,305</u>
Total Law Director	<u>216,722</u>	<u>216,722</u>	<u>151,989</u>	<u>64,733</u>
<b>Other Executive Administration:</b>				
Personal Service	298,074	300,364	267,572	32,792
Other	<u>32,230</u>	<u>32,230</u>	<u>17,933</u>	<u>14,297</u>
Total Other Executive Administration	<u>330,304</u>	<u>332,594</u>	<u>285,505</u>	<u>47,089</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, 2016

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Boards and Commissions:				
Personal Service	33,990	33,990	21,577	12,413
Other	<u>10,456</u>	<u>10,456</u>	<u>3,343</u>	<u>7,113</u>
Total Boards and Commissions	<u>44,446</u>	<u>44,446</u>	<u>24,920</u>	<u>19,526</u>
Building Maintenance:				
Personal Service	468,162	468,162	396,904	71,258
Other	<u>373,748</u>	<u>373,748</u>	<u>315,582</u>	<u>58,166</u>
Total Building Maintenance	<u>841,910</u>	<u>841,910</u>	<u>712,486</u>	<u>129,424</u>
Human Resources:				
Personal Service	101,373	101,373	88,636	12,737
Other	<u>31,599</u>	<u>31,599</u>	<u>27,709</u>	<u>3,890</u>
Total Human Resources	<u>132,972</u>	<u>132,972</u>	<u>116,345</u>	<u>16,627</u>
Municipal Courts:				
Personal Service	1,795,909	1,795,909	1,492,052	303,857
Other	<u>285,195</u>	<u>285,195</u>	<u>214,504</u>	<u>70,691</u>
Total Municipal Courts	<u>2,081,104</u>	<u>2,081,104</u>	<u>1,706,556</u>	<u>374,548</u>
Miscellaneous:				
Other	<u>1,025,592</u>	<u>1,025,592</u>	<u>1,013,170</u>	<u>12,422</u>
Total General Government	<u>5,426,803</u>	<u>5,429,593</u>	<u>4,692,308</u>	<u>737,285</u>
Security of Persons and Property:				
Police Department:				
Personal Service	4,143,308	4,145,208	3,546,945	598,263
Other	<u>454,848</u>	<u>454,848</u>	<u>370,612</u>	<u>84,236</u>
Total Police Department	<u>4,598,156</u>	<u>4,600,056</u>	<u>3,917,557</u>	<u>682,499</u>
Fire Department:				
Personal Service	3,377,123	3,376,023	2,936,937	439,086
Other	<u>479,433</u>	<u>479,433</u>	<u>388,094</u>	<u>91,339</u>
Total Fire Department	<u>3,856,556</u>	<u>3,855,456</u>	<u>3,325,031</u>	<u>530,425</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, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Police on Patrol Arresting Speeders:				
Personal Service	115,221	115,221	63,283	51,938
Other	<u>113,233</u>	<u>113,233</u>	<u>101,100</u>	<u>12,133</u>
Total Police on Patrol Arresting Speeders	<u>228,454</u>	<u>228,454</u>	<u>164,383</u>	<u>64,071</u>
Administrative Support:				
Personal Service	<u>131,657</u>	<u>131,657</u>	<u>334,694</u>	<u>(203,037)</u>
Total Security of Persons and Property	<u>8,814,823</u>	<u>8,815,623</u>	<u>7,741,665</u>	<u>1,073,958</u>
Transportation:				
Equipment Repair and Garage:				
Personal Service	669,704	669,704	568,042	101,662
Other	<u>158,949</u>	<u>158,949</u>	<u>138,642</u>	<u>20,307</u>
Total Transportation	<u>828,653</u>	<u>828,653</u>	<u>706,684</u>	<u>121,969</u>
Leisure Time Activities:				
Parks Department:				
Personal Service	301,453	301,453	201,989	99,464
Other	<u>83,581</u>	<u>84,681</u>	<u>62,501</u>	<u>22,180</u>
Total Leisure Time Activities	<u>385,034</u>	<u>386,134</u>	<u>264,490</u>	<u>121,644</u>
Community Development:				
Community Center:				
Personal Service	448,642	448,642	334,603	114,039
Other	<u>76,317</u>	<u>77,417</u>	<u>68,745</u>	<u>8,672</u>
Total Community Center	<u>524,959</u>	<u>526,059</u>	<u>403,348</u>	<u>122,711</u>
Economic Development:				
Other	<u>75,021</u>	<u>95,021</u>	<u>97,952</u>	<u>(2,931)</u>
Total Community Development	<u>599,980</u>	<u>621,080</u>	<u>501,300</u>	<u>119,780</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, 2016

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Capital Outlay	<u>49,600</u>	<u>48,800</u>	<u>26,101</u>	<u>22,699</u>
Total Expenditures	<u>16,104,893</u>	<u>16,129,883</u>	<u>13,932,548</u>	<u>2,197,335</u>
Excess of Revenues Over (Under) Expenditures	<u>2,836,936</u>	<u>2,811,946</u>	<u>5,594,425</u>	<u>2,782,479</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	12,000	12,000	13	(11,987)
Transfers - Out	<u>(6,130,000)</u>	<u>(6,130,000)</u>	<u>(5,030,000)</u>	<u>1,100,000</u>
Total Other Financing Sources (Uses)	<u>(6,118,000)</u>	<u>(6,118,000)</u>	<u>(5,029,987)</u>	<u>1,088,013</u>
Net Change in Fund Balance	(3,281,064)	(3,306,054)	564,438	3,870,492
Fund Balance at Beginning of Year	4,504,642	4,504,642	4,504,642	0
Prior Year Encumbrances Appropriated	<u>112,766</u>	<u>112,766</u>	<u>112,766</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,336,344</u>	\$ <u>1,311,354</u>	\$ <u>5,181,846</u>	\$ <u>3,870,492</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, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 361,440	\$ 361,440	\$ 326,994	\$ (34,446)
Intergovernmental	0	0	45,743	45,743
Charges for Services	2,356,054	2,356,054	2,268,444	(87,610)
Rentals	18,000	18,000	26,125	8,125
Total Revenues	<u>2,735,494</u>	<u>2,735,494</u>	<u>2,667,306</u>	<u>(68,188)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Recreation Center:				
Personal Service	2,156,939	2,156,439	1,994,048	162,391
Other	<u>1,130,632</u>	<u>1,153,632</u>	<u>1,079,794</u>	<u>73,838</u>
Total Leisure Time Activities	3,287,571	3,310,071	3,073,842	236,229
Capital Outlay	<u>4,000</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenditures	<u>3,291,571</u>	<u>3,310,571</u>	<u>3,073,842</u>	<u>236,729</u>
Excess of Revenues Over (Under) Expenditures	(556,077)	(575,077)	(406,536)	168,541
Other Financing Sources:				
Transfers - In	<u>375,000</u>	<u>375,000</u>	<u>375,000</u>	<u>0</u>
Net Change in Fund Balances	(181,077)	(200,077)	(31,536)	168,541
Fund Balance at Beginning of Year	200,486	200,486	200,486	0
Prior Year Encumbrances Appropriated	<u>58,593</u>	<u>58,593</u>	<u>58,593</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>78,002</u>	\$ <u>59,002</u>	\$ <u>227,543</u>	\$ <u>168,541</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, 2016

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 722,879	\$ 722,879	\$ 653,990	\$ (68,889)
Intergovernmental	0	0	91,485	91,485
Total Revenues	<u>722,879</u>	<u>722,879</u>	<u>745,475</u>	<u>22,596</u>
Expenditures:				
Debt Service:				
Principal Retirement	935,000	935,000	935,000	0
Interest and Fiscal Charges	<u>260,713</u>	<u>260,713</u>	<u>260,713</u>	<u>0</u>
Total Expenditures	<u>1,195,713</u>	<u>1,195,713</u>	<u>1,195,713</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(472,834)	(472,834)	(450,238)	22,596
Other Financing Sources:				
Transfers - In	<u>335,000</u>	<u>335,000</u>	<u>250,000</u>	<u>(85,000)</u>
Net Change in Fund Balances	(137,834)	(137,834)	(200,238)	(62,404)
Fund Balance at Beginning of Year	<u>504,057</u>	<u>504,057</u>	<u>504,057</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>366,223</u>	\$ <u>366,223</u>	\$ <u>303,819</u>	\$ <u>(62,404)</u>



## City of Rocky River, Ohio

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

#### Capital Improvement Fund

#### **For the Year Ended December 31, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 722,879	\$ 722,879	\$ 653,990	\$ (68,889)
Municipal Income Taxes	1,350,000	1,350,000	1,303,578	(46,422)
Other Local Taxes	229,000	229,000	261,660	32,660
Intergovernmental	150,000	150,000	91,485	(58,515)
Other	<u>290,000</u>	<u>290,000</u>	<u>185,632</u>	<u>(104,368)</u>
Total Revenues	<u>2,741,879</u>	<u>2,741,879</u>	<u>2,496,345</u>	<u>(245,534)</u>
Expenditures:				
Current:				
General Government	468,340	468,340	29,301	439,039
Capital Outlay	<u>4,130,088</u>	<u>4,825,347</u>	<u>3,722,154</u>	<u>1,103,193</u>
Total Expenditures	<u>4,598,428</u>	<u>5,293,687</u>	<u>3,751,455</u>	<u>1,542,232</u>
Net Change in Fund Balance	(1,856,549)	(2,551,808)	(1,255,110)	1,296,698
Fund Balance at Beginning of Year	2,095,312	2,095,312	2,095,312	0
Prior Year Encumbrances Appropriated	<u>1,105,420</u>	<u>1,105,420</u>	<u>1,105,420</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,344,183</u>	\$ <u>648,924</u>	\$ <u>1,976,693</u>	\$ <u>1,296,698</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, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 46,200	\$ 46,200	\$ 75,845	\$ 29,645
Fines, Fees, and Permits	<u>10,000</u>	<u>10,000</u>	<u>8,708</u>	<u>(1,292)</u>
Total Revenues	<u>56,200</u>	<u>56,200</u>	<u>84,553</u>	<u>28,353</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Law Enforcement Trust:				
Personal Service	47,300	47,300	47,075	225
Other	<u>25,688</u>	<u>25,688</u>	<u>4,877</u>	<u>20,811</u>
Total Security of Persons and Property	72,988	72,988	51,952	21,036
Capital Outlay	<u>77,276</u>	<u>135,276</u>	<u>73,377</u>	<u>61,899</u>
Total Expenditures	<u>150,264</u>	<u>208,264</u>	<u>125,329</u>	<u>82,935</u>
Net Change in Fund Balance	(94,064)	(152,064)	(40,776)	111,288
Fund Balance at Beginning of Year	264,842	264,842	264,842	0
Prior Year Encumbrances Appropriated	<u>7,464</u>	<u>7,464</u>	<u>7,464</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>178,242</u>	\$ <u>120,242</u>	\$ <u>231,530</u>	\$ <u>111,288</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, 2016

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees and Permits	\$ 5,400	\$ 5,400	\$ 7,200	\$ 1,800
Expenditures:				
Current:				
Security of Persons and Property:				
Commercial Driver Program:				
Personal Service	<u>8,064</u>	<u>8,064</u>	<u>4,174</u>	<u>3,890</u>
Net Change in Fund Balance	(2,664)	(2,664)	3,026	5,690
Fund Balance at Beginning of Year	<u>11,646</u>	<u>11,646</u>	<u>11,646</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>8,982</u>	\$ <u>8,982</u>	\$ <u>14,672</u>	\$ <u>5,690</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, 2016

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ 45,000	\$ 45,000	\$ 50,264	\$ 5,264
Expenditures:				
Current:				
Security of Persons and Property:				
Indigent Driver Alcohol Treatment:				
Other	<u>98,500</u>	<u>98,500</u>	<u>35,147</u>	<u>63,353</u>
Net Change in Fund Balance	(53,500)	(53,500)	15,117	68,617
Fund Balance at Beginning of Year	<u>104,198</u>	<u>104,198</u>	<u>104,198</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>50,698</u>	\$ <u>50,698</u>	\$ <u>119,315</u>	\$ <u>68,617</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, 2016

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ 3,000	\$ 3,000	\$ 1,431	\$ (1,569)
Expenditures:				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Other	<u>9,500</u>	<u>9,500</u>	<u>2,432</u>	<u>7,068</u>
Net Change in Fund Balance	(6,500)	(6,500)	(1,001)	5,499
Fund Balance at Beginning of Year	<u>28,261</u>	<u>28,261</u>	<u>28,261</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>21,761</u>	\$ <u>21,761</u>	\$ <u>27,260</u>	\$ <u>5,499</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, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 229,000	\$ 229,000	\$ 226,657	\$ (2,343)
Investment Income	<u>660</u>	<u>660</u>	<u>654</u>	<u>(6)</u>
Total Revenues	<u>229,660</u>	<u>229,660</u>	<u>227,311</u>	<u>(2,349)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Municipal Probation Services:				
Personal Service	355,214	355,214	167,122	188,092
Other	<u>95,400</u>	<u>95,400</u>	<u>68,182</u>	<u>27,218</u>
Total Security of Persons and Property	450,614	450,614	235,304	215,310
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>623</u>	<u>4,377</u>
Total Expenditures	<u>455,614</u>	<u>455,614</u>	<u>235,927</u>	<u>219,687</u>
Net Change in Fund Balance	(225,954)	(225,954)	(8,616)	217,338
Fund Balance at Beginning of Year	229,016	229,016	229,016	0
Prior Year Encumbrances Appropriated	<u>266</u>	<u>266</u>	<u>266</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>3,328</u></u>	\$ <u><u>3,328</u></u>	\$ <u><u>220,666</u></u>	\$ <u><u>217,338</u></u>

# City of Rocky River, Ohio

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

### Mediation Services Fund

#### For the Year Ended December 31, 2016

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General Government:				
Mediation Services:				
Other	\$ <u>11,050</u>	\$ <u>11,050</u>	\$ <u>12,418</u>	\$ <u>(1,368)</u>
Net Change in Fund Balance	(11,050)	(11,050)	(12,418)	(1,368)
Fund Balance at Beginning of Year	<u>12,418</u>	<u>12,418</u>	<u>12,418</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>1,368</u></u>	\$ <u><u>1,368</u></u>	\$ <u><u>0</u></u>	\$ <u><u>(1,368)</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, 2016**

	<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>47</u>	\$ <u>47</u>	\$ <u>47</u>	\$ <u>0</u>
Fund Balance at End of Year	\$ <u><u>47</u></u>	\$ <u><u>47</u></u>	\$ <u><u>47</u></u>	\$ <u><u>0</u></u>



# City of Rocky River, Ohio

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

Office on Aging Fund

### For the Year Ended December 31, 2016

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 361,440	\$ 361,440	\$ 326,994	\$ (34,446)
Intergovernmental	0	0	45,743	45,743
Charges for Services	450,000	450,000	316,708	(133,292)
Other	<u>6,500</u>	<u>6,500</u>	<u>5,080</u>	<u>(1,420)</u>
Total Revenues	<u>817,940</u>	<u>817,940</u>	<u>694,525</u>	<u>(123,415)</u>
Expenditures:				
Current:				
Public Health Services:				
Office on Aging:				
Personal Service	576,914	579,992	494,447	85,545
Other	<u>569,874</u>	<u>566,796</u>	<u>455,218</u>	<u>111,578</u>
Total Expenditures	<u>1,146,788</u>	<u>1,146,788</u>	<u>949,665</u>	<u>197,123</u>
Excess of Revenues Over (Under) Expenditures	(328,848)	(328,848)	(255,140)	73,708
Other Financing Sources:				
Transfers - In	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Net Change in Fund Balance	(78,848)	(78,848)	(5,140)	73,708
Fund Balance at Beginning of Year	121,168	121,168	121,168	0
Prior Year Encumbrances Appropriated	<u>57,843</u>	<u>57,843</u>	<u>57,843</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>100,163</u>	\$ <u>100,163</u>	\$ <u>173,871</u>	\$ <u>73,708</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, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 37,400	\$ 37,400	\$ 31,231	\$ (6,169)
Expenditures:				
Current:				
Security of Persons and Property:				
Marine Patrol:				
Personal Service	26,996	26,996	26,573	423
Other	<u>18,324</u>	<u>18,324</u>	<u>14,551</u>	<u>3,773</u>
Total Security of Persons and Property	45,320	45,320	41,124	4,196
Capital Outlay	<u>500</u>	<u>500</u>	<u>155</u>	<u>345</u>
Total Expenditures	<u>45,820</u>	<u>45,820</u>	<u>41,279</u>	<u>4,541</u>
Excess of Revenues Over (Under) Expenditures	(8,420)	(8,420)	(10,048)	(1,628)
Other Financing Sources:				
Transfers - In	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balance	1,580	1,580	(48)	(1,628)
Fund Balance at Beginning of Year	15,587	15,587	15,587	0
Prior Year Encumbrances Appropriated	<u>430</u>	<u>430</u>	<u>430</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>17,597</u></u>	\$ <u><u>17,597</u></u>	\$ <u><u>15,969</u></u>	\$ <u><u>(1,628)</u></u>

**City of Rocky River, Ohio**

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

Community Impacts Fund

**For the Year Ended December 31, 2016**

	<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, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 722,879	\$ 722,879	\$ 653,990	\$ (68,889)
Intergovernmental	0	0	91,485	91,485
Charges for Services	7,000	7,000	9,608	2,608
Other	<u>27,000</u>	<u>27,000</u>	<u>6,875</u>	<u>(20,125)</u>
Total Revenues	<u>756,879</u>	<u>756,879</u>	<u>761,958</u>	<u>5,079</u>
Expenditures:				
Current:				
Basic Utilities Service:				
Refuse and Recycling:				
Personal Service	1,396,853	1,396,853	834,489	562,364
Other	<u>848,831</u>	<u>848,831</u>	<u>638,335</u>	<u>210,496</u>
Total Expenditures	<u>2,245,684</u>	<u>2,245,684</u>	<u>1,472,824</u>	<u>772,860</u>
Excess of Revenues Over (Under) Expenditures	(1,488,805)	(1,488,805)	(710,866)	777,939
Other Financing Sources:				
Transfers - In	<u>1,200,000</u>	<u>1,200,000</u>	<u>700,000</u>	<u>(500,000)</u>
Net Change in Fund Balance	(288,805)	(288,805)	(10,866)	277,939
Fund Balance at Beginning of Year	346,547	346,547	346,547	0
Prior Year Encumbrances Appropriated	<u>58,749</u>	<u>58,749</u>	<u>58,749</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>116,491</u>	\$ <u>116,491</u>	\$ <u>394,430</u>	\$ <u>277,939</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, 2016**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 141,000	\$ 141,000	\$ 140,909	\$ (91)
Expenditures:				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Personal Service	307,322	307,322	246,380	60,942
Other	<u>80,414</u>	<u>88,414</u>	<u>56,499</u>	<u>31,915</u>
Total Transportation	387,736	395,736	302,879	92,857
Capital Outlay	<u>29,800</u>	<u>21,800</u>	<u>11,819</u>	<u>9,981</u>
Total Expenditures	<u>417,536</u>	<u>417,536</u>	<u>314,698</u>	<u>102,838</u>
Excess of Revenues Over (Under) Expenditures	(276,536)	(276,536)	(173,789)	102,747
Other Financing Sources:				
Transfers - In	<u>150,000</u>	<u>150,000</u>	<u>200,000</u>	<u>50,000</u>
Net Change in Fund Balance	(126,536)	(126,536)	26,211	152,747
Fund Balance at Beginning of Year	141,985	141,985	141,985	0
Prior Year Encumbrances Appropriated	<u>4,535</u>	<u>4,535</u>	<u>4,535</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>19,984</u>	\$ <u>19,984</u>	\$ <u>172,731</u>	\$ <u>152,747</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, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 740,000	\$ 740,000	\$ 708,785	\$ (31,215)
Expenditures:				
Current:				
Transportation:				
Street Repair and Maintenance:				
Personal Service	1,040,324	1,013,208	676,301	336,907
Other	<u>374,482</u>	<u>392,598</u>	<u>333,130</u>	<u>59,468</u>
Total Transportation	1,414,806	1,405,806	1,009,431	396,375
Capital Outlay	<u>26,344</u>	<u>35,344</u>	<u>26,675</u>	<u>8,669</u>
Total Expenditures	<u>1,441,150</u>	<u>1,441,150</u>	<u>1,036,106</u>	<u>405,044</u>
Excess of Revenues Over (Under) Expenditures	(701,150)	(701,150)	(327,321)	373,829
Other Financing Sources:				
Transfers - In	<u>450,000</u>	<u>450,000</u>	<u>350,000</u>	<u>(100,000)</u>
Net Change in Fund Balance	(251,150)	(251,150)	22,679	273,829
Fund Balance at Beginning of Year	241,304	241,304	241,304	0
Prior Year Encumbrances Appropriated	<u>13,896</u>	<u>13,896</u>	<u>13,896</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>4,050</u>	\$ <u>4,050</u>	\$ <u>277,879</u>	\$ <u>273,829</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, 2016

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 57,000	\$ 57,000	\$ 57,469	\$ 469
Expenditures:				
Current:				
Transportation:				
State Highway Patrol:				
Other	<u>68,655</u>	<u>68,655</u>	<u>39,215</u>	<u>29,440</u>
Net Change in Fund Balance	(11,655)	(11,655)	18,254	29,909
Fund Balance at Beginning of Year	14,354	14,354	14,354	0
Prior Year Encumbrances Appropriated	<u>655</u>	<u>655</u>	<u>655</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>3,354</u></u>	\$ <u><u>3,354</u></u>	\$ <u><u>33,263</u></u>	\$ <u><u>29,909</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, 2016

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 21,025	\$ (13,975)
Expenditures:				
Capital Outlay	<u>59,000</u>	<u>59,000</u>	<u>58,813</u>	<u>187</u>
Net Change in Fund Balance	(24,000)	(24,000)	(37,788)	(13,788)
Fund Balance at Beginning of Year	<u>91,927</u>	<u>91,927</u>	<u>91,927</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>67,927</u></u>	\$ <u><u>67,927</u></u>	\$ <u><u>54,139</u></u>	\$ <u><u>(13,788)</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, 2016

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 216,864	\$ 216,864	\$ 196,176	\$ (20,688)
Intergovernmental	<u>0</u>	<u>0</u>	<u>27,443</u>	<u>27,443</u>
Total Revenues	216,864	216,864	223,619	6,755
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Service	677,000	677,000	599,739	77,261
Debt Service:				
Principal Retirement	<u>20,140</u>	<u>20,140</u>	<u>9,867</u>	<u>10,273</u>
Total Expenditures	<u>697,140</u>	<u>697,140</u>	<u>619,878</u>	<u>77,262</u>
Excess of Revenues Over (Under) Expenditures	(480,276)	(480,276)	(396,259)	84,017
Other Financing Sources:				
Transfers - In	<u>395,000</u>	<u>395,000</u>	<u>395,000</u>	<u>0</u>
Net Change in Fund Balance	(85,276)	(85,276)	(1,259)	84,017
Fund Balance at Beginning of Year	<u>186,552</u>	<u>186,552</u>	<u>186,552</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>101,276</u>	\$ <u>101,276</u>	\$ <u>185,293</u>	\$ <u>84,017</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, 2016

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 216,864	\$ 216,864	\$ 196,176	\$ (20,688)
Intergovernmental	<u>0</u>	<u>0</u>	<u>27,443</u>	<u>27,443</u>
Total Revenues	216,864	216,864	223,619	6,755
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Service	586,000	586,000	545,034	40,966
Debt Service:				
Principal Retirement	33,034	33,034	26,272	6,762
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>6,761</u>	<u>(6,761)</u>
Total Expenditures	<u>619,034</u>	<u>619,034</u>	<u>578,067</u>	<u>40,967</u>
Excess of Revenues Over (Under) Expenditures	(402,170)	(402,170)	(354,448)	47,722
Other Financing Sources:				
Transfers - In	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
Net Change in Fund Balance	(2,170)	(2,170)	45,552	47,722
Fund Balance at Beginning of Year	<u>92,538</u>	<u>92,538</u>	<u>92,538</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>90,368</u>	\$ <u>90,368</u>	\$ <u>138,090</u>	\$ <u>47,722</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, 2016

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special Assessments	\$ 58,000	\$ 58,000	\$ 51,032	\$ (6,968)
Expenditures:				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	<u>20,200</u>	<u>20,200</u>	<u>18,906</u>	<u>1,294</u>
Total Expenditures	<u>60,200</u>	<u>60,200</u>	<u>58,906</u>	<u>1,294</u>
Excess of Revenues Over (Under) Expenditures	(2,200)	(2,200)	(7,874)	(5,674)
Other Financing Sources:				
Transfers - In	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
Net Change in Fund Balance	7,800	7,800	(7,874)	(15,674)
Fund balance at Beginning of Year	<u>9,040</u>	<u>9,040</u>	<u>9,040</u>	<u>0</u>
Fund balance at End of Year	\$ <u>16,840</u>	\$ <u>16,840</u>	\$ <u>1,166</u>	\$ <u>(15,674)</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, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,931,272	\$ (68,728)
Intergovernmental	50,000	50,000	45,154	(4,846)
Charges for Services	<u>0</u>	<u>0</u>	<u>2,975</u>	<u>2,975</u>
Total Revenues	<u>2,050,000</u>	<u>2,050,000</u>	<u>1,979,401</u>	<u>(70,599)</u>
Expenditures:				
General Government:				
Other	58,000	61,000	60,381	619
Capital Outlay	<u>3,444,467</u>	<u>3,441,467</u>	<u>1,331,382</u>	<u>2,110,085</u>
Total Expenditures	<u>3,502,467</u>	<u>3,502,467</u>	<u>1,391,763</u>	<u>2,110,704</u>
Excess of Revenues Over (Under) Expenditures	(1,452,467)	(1,452,467)	587,638	2,040,105
Other Financing Sources:				
Transfers - In	<u>550,000</u>	<u>550,000</u>	<u>100,000</u>	<u>(450,000)</u>
Net Change in Fund Balance	(902,467)	(902,467)	687,638	1,590,105
Fund Balance at Beginning of Year	892,871	892,871	892,871	0
Prior Year Encumbrances Appropriated	<u>164,467</u>	<u>164,467</u>	<u>164,467</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>154,871</u>	\$ <u>154,871</u>	\$ <u>1,744,976</u>	\$ <u>1,590,105</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, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 544,000	\$ 544,000	\$ 507,553	\$ (36,447)
Investment Income	5,500	5,500	2,892	(2,608)
Total Revenues	<u>549,500</u>	<u>549,500</u>	<u>510,445</u>	<u>(39,055)</u>
Expenditures:				
Current:				
General Government:				
Personal Service	389,024	389,024	218,448	170,576
Other	<u>253,284</u>	<u>253,284</u>	<u>144,414</u>	<u>108,870</u>
Total General Government	642,308	642,308	362,862	279,446
Capital Outlay	80,000	80,000	25,029	54,971
Debt Service:				
Principal Retirement	215,000	215,000	215,000	0
Interest and Fiscal Charges	<u>34,707</u>	<u>34,707</u>	<u>34,706</u>	<u>1</u>
Total Expenditures	<u>972,015</u>	<u>972,015</u>	<u>637,597</u>	<u>334,418</u>
Net Change in Fund Balance	(422,515)	(422,515)	(127,152)	295,363
Fund Balance at Beginning of Year	1,190,070	1,190,070	1,190,070	0
Prior Year Encumbrances Appropriated	<u>259</u>	<u>259</u>	<u>259</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>767,814</u>	\$ <u>767,814</u>	\$ <u>1,063,177</u>	\$ <u>295,363</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, 2016

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 6,243,116	\$ 6,243,116	\$ 6,070,974	\$ (172,142)
Intergovernmental	<u>6,191,871</u>	<u>6,191,871</u>	<u>3,199,312</u>	<u>(2,992,559)</u>
Total Revenues	<u>12,434,987</u>	<u>12,434,987</u>	<u>9,270,286</u>	<u>(3,164,701)</u>
Expenses:				
Sewer Operations:				
Personal Service	714,924	714,924	489,019	225,905
Materials And Supplies	89,410	101,410	73,602	27,808
Contractual Services	13,208,510	13,188,010	10,421,010	2,767,000
Heat, Light, And Power	21,000	21,000	18,020	2,980
Other	<u>16,922</u>	<u>25,422</u>	<u>19,387</u>	<u>6,035</u>
Total Sewer Operations	14,050,766	14,050,766	11,021,038	3,029,728
Capital Outlay	2,726,148	2,726,148	1,622,940	1,103,208
Debt Service:				
Principal Retirement	336,600	336,600	276,218	60,382
Interest and Fiscal Charges	<u>9,600</u>	<u>9,600</u>	<u>3,744</u>	<u>5,856</u>
Total Expenses	<u>17,123,114</u>	<u>17,123,114</u>	<u>12,923,940</u>	<u>4,199,174</u>
Excess of Revenues Over (Under) Expenditures	(4,688,127)	(4,688,127)	(3,653,654)	1,034,473
Other Financing Sources:				
Transfers - In	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>
Net Change in Fund Equity	(2,688,127)	(2,688,127)	(1,653,654)	1,034,473
Fund Equity at Beginning of Year	1,877,288	1,877,288	1,877,288	0
Prior Year Encumbrances Appropriated	<u>2,362,950</u>	<u>2,362,950</u>	<u>2,362,950</u>	<u>0</u>
Fund Equity at End of Year	\$ <u>1,552,111</u>	\$ <u>1,552,111</u>	\$ <u>2,586,584</u>	\$ <u>1,034,473</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, 2016**

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charge for Services	\$ 2,884,895	\$ 2,884,895	\$ 1,966,254	\$ (918,641)
Expenses:				
Contractual Services	510,506	530,506	529,034	1,472
Claims	<u>2,936,365</u>	<u>2,936,365</u>	<u>2,005,288</u>	<u>931,077</u>
Total Expenses	<u>3,446,871</u>	<u>3,466,871</u>	<u>2,534,322</u>	<u>932,549</u>
Net Change in Fund Equity	(561,976)	(581,976)	(568,068)	13,908
Fund Equity at Beginning of Year	1,267,855	1,267,855	1,267,855	0
Prior Year Encumbrances Appropriated	<u>49,432</u>	<u>49,432</u>	<u>49,432</u>	<u>0</u>
Fund Equity at End of Year	\$ <u>755,311</u>	\$ <u>735,311</u>	\$ <u>749,219</u>	\$ <u>13,908</u>

## City of Rocky River, Ohio

### Fiduciary Funds

#### **Fund Descriptions**

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##### **Agency Funds**

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

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

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

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



# City of Rocky River, Ohio

## Combining Statement of Assets and Liabilities – Agency Funds

**December 31, 2016**

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	<u>Deposits, Fees and Tri-City</u>	<u>Donations and Bequests</u>	<u>Municipal Court</u>	<u>S.A.F.E.</u>	<u>Total</u>
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 86,374	\$ 208,925	\$ 0	\$ 14,468	\$ 309,767
Cash and Cash Equivalents: In Segregated Accounts	<u>0</u>	<u>0</u>	<u>441,722</u>	<u>0</u>	<u>441,722</u>
Total Assets	\$ <u>86,374</u>	\$ <u>208,925</u>	\$ <u>441,722</u>	\$ <u>14,468</u>	\$ <u>751,489</u>
Liabilities:					
Deposits Held and Due To Others	\$ <u>86,374</u>	\$ <u>208,925</u>	\$ <u>441,722</u>	\$ <u>14,468</u>	\$ <u>751,489</u>

# City of Rocky River, Ohio

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

### For the Year Ended December 31, 2016

	<u>Balance</u> <u>12/31/15</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/16</u>
<b>Deposits, Fees and Tri-City</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>78,320</u>	\$ <u>15,812</u>	\$ <u>7,758</u>	\$ <u>86,374</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>78,320</u>	\$ <u>15,812</u>	\$ <u>7,758</u>	\$ <u>86,374</u>
<b>Donations and Bequests</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>228,703</u>	\$ <u>19,740</u>	\$ <u>39,518</u>	\$ <u>208,925</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>228,703</u>	\$ <u>19,740</u>	\$ <u>39,518</u>	\$ <u>208,925</u>
<b>Municipal Court</b>				
Assets:				
Cash and Cash Equivalents: In Segregated Accounts	\$ <u>405,482</u>	\$ <u>5,045,115</u>	\$ <u>5,008,875</u>	\$ <u>441,722</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>405,482</u>	\$ <u>5,045,115</u>	\$ <u>5,008,875</u>	\$ <u>441,722</u>
<b>S.A.F.E.</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>14,860</u>	\$ <u>0</u>	\$ <u>392</u>	\$ <u>14,468</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>14,860</u>	\$ <u>0</u>	\$ <u>392</u>	\$ <u>14,468</u>
<b>All Agency Funds</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 321,883	\$ 35,552	\$ 47,668	\$ 309,767
Cash and Cash Equivalents: In Segregated Accounts	<u>405,482</u>	<u>5,045,115</u>	<u>5,008,875</u>	<u>441,722</u>
Total Assets	\$ <u>727,365</u>	\$ <u>5,080,667</u>	\$ <u>5,056,543</u>	\$ <u>751,489</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>727,365</u>	\$ <u>5,080,667</u>	\$ <u>5,056,543</u>	\$ <u>751,489</u>

*Statistical Section*



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# City of Rocky River, Ohio

December 31, 2016

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 – S11
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	S12 – S17
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S18 – S24
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S25 – S26
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S27 – S32

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

# City of Rocky River, Ohio

## Net Position by Component – Last Ten Fiscal Years

### Accrual Basis of Accounting

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>
<b>Governmental Activities:</b>										
Net Investment in										
Capital Assets	\$ 28,079,248	\$ 30,592,575	\$ 31,254,205	\$ 31,781,713	\$ 30,680,267	\$ 33,293,005	\$ 36,713,198	\$ 41,586,463	\$ 42,891,009	\$ 45,354,753
Restricted for:										
Office on Aging	354,143	218,952	124,001	51,446	71,622	93,676	115,703	159,197	243,704	291,038
Refuse and Recycling	0	0	0	0	0	157,985	230,386	119,601	377,763	456,101
Capital Projects	4,038,732	4,463,366	6,208,401	6,304,738	5,136,504	2,568,095	5,500,388	4,801,489	5,165,910	5,634,447
Debt Services	299,208	434,148	295,558	129,556	735,700	264,133	863,940	869,385	944,069	698,441
Municipal Probation	381,081	416,388	421,063	387,247	353,444	0	0	0	0	0
Street Construction and Maintenance	696,805	415,917	406,063	414,993	413,966	0	1,012,978	881,576	821,270	951,838
Law Enforcement and Education	0	0	0	0	0	0	225,320	225,765	300,154	257,589
Fire and Police Pensions	0	0	0	0	0	0	0	0	0	4,101
Security of Persons and Property	0	0	0	0	0	0	689,792	573,715	464,107	402,214
Community Impact	0	0	0	0	0	0	3,312	3,312	3,312	3,312
Other Purposes	364,080	816,857	539,121	224,268	556,500	6,464,168	0	0	0	0
Unreserved	<u>8,033,664</u>	<u>5,210,492</u>	<u>3,227,747</u>	<u>2,162,461</u>	<u>1,107,586</u>	<u>2,360,231</u>	<u>3,229,728</u>	<u>(12,221,978)</u>	<u>(10,876,056)</u>	<u>(12,079,600)</u>
Total Net Position – Governmental Activities	<u>42,246,961</u>	<u>42,568,695</u>	<u>42,476,159</u>	<u>41,456,422</u>	<u>39,055,589</u>	<u>45,201,293</u>	<u>48,584,745</u>	<u>36,998,525</u>	<u>40,335,242</u>	<u>41,974,234</u>
<b>Business-Type Activities:</b>										
Net Investment in										
Capital Assets	17,261,301	17,184,178	17,800,190	18,945,660	21,806,517	17,349,730	14,018,823	12,478,608	13,678,763	14,686,663
Unrestricted	<u>6,690,857</u>	<u>6,668,185</u>	<u>6,619,718</u>	<u>6,177,103</u>	<u>6,237,369</u>	<u>5,830,241</u>	<u>8,492,454</u>	<u>8,735,194</u>	<u>8,189,432</u>	<u>10,417,609</u>
Total Net Position – Business-Type Activities	<u>23,952,158</u>	<u>23,852,363</u>	<u>24,419,908</u>	<u>25,122,763</u>	<u>28,043,886</u>	<u>23,179,971</u>	<u>22,511,277</u>	<u>21,213,802</u>	<u>21,868,195</u>	<u>25,104,272</u>

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

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

Source: City financial records

(Continued)

# City of Rocky River, Ohio

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

### Accrual Basis of Accounting

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>
<b>Primary Government:</b>										
Net Investment in										
Capital Assets	45,340,549	47,776,753	49,054,395	50,727,373	52,486,784	50,642,735	50,732,021	54,065,071	56,569,772	60,041,416
Restricted for:										
Office on Aging	354,143	218,952	124,001	51,446	71,622	93,676	115,703	159,197	243,704	291,038
Refuse and Recycling	0	0	0	0	0	157,985	230,386	119,601	377,763	456,101
Capital Projects	4,038,732	4,463,366	6,208,401	6,304,738	5,136,504	2,568,095	5,500,388	4,801,489	5,165,910	5,634,447
Debt Services	299,208	434,148	295,558	129,556	735,700	264,133	863,940	869,385	944,069	698,441
Municipal Probation	381,081	416,388	421,063	387,247	353,444	0	0	0	0	0
Street Construction and										
Maintenance	696,805	415,917	406,063	414,993	413,966	0	1,012,978	881,576	821,270	951,838
Law Enforcement an										
Education	0	0	0	0	0	0	225,320	225,765	300,154	257,589
Fire and Police Pensions	0	0	0	0	0	0	0	0	0	4,101
Security of Persons and										
Property	0	0	0	0	0	0	689,792	573,715	464,107	402,214
Community Impact	0	0	0	0	0	0	3,312	3,312	3,312	3,312
Other Purposes	364,080	816,857	539,121	224,268	556,500	6,464,168	0	0	0	0
Unrestricted	<u>14,724,521</u>	<u>11,878,677</u>	<u>9,847,465</u>	<u>8,339,564</u>	<u>7,344,955</u>	<u>8,190,472</u>	<u>11,722,182</u>	<u>(3,486,784)</u>	<u>(2,686,624)</u>	<u>(1,661,991)</u>
Total Primary Government										
Net Position	\$ <u>66,199,119</u>	\$ <u>66,421,058</u>	\$ <u>66,896,067</u>	\$ <u>66,579,185</u>	\$ <u>67,099,475</u>	\$ <u>68,381,264</u>	\$ <u>71,096,022</u>	\$ <u>58,212,327</u>	\$ <u>62,203,437</u>	\$ <u>67,078,506</u>

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

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

# City of Rocky River, Ohio

## Changes in Net Position – Last Ten Fiscal Years

### Accrual Basis of Accounting

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>
<b>Program revenues:</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
General Government	\$ 2,130,339	\$ 2,293,658	\$ 2,761,052	\$ 2,533,392	\$ 2,688,561	\$ 2,237,380	\$ 3,629,679	\$ 2,432,809	\$ 2,088,114	\$ 2,472,472
Security of Persons and Property	804,196	1,175,625	740,665	1,105,984	1,056,599	1,640,185	148,966	1,045,198	1,196,046	1,118,100
Public Health	489,380	467,691	369,997	495,138	542,072	536,596	610,187	578,496	371,903	347,508
Transportation	75	425	75	350	400	325	625	325	975	700
Leisure Time Activities	1,907,655	1,987,167	1,979,316	2,118,323	2,067,741	2,163,408	2,238,886	2,255,732	2,381,887	2,277,701
Community Development	270	180	260	175	200	250	150	225	325	175
Basic Utility Service	11,847	700,345	995,455	1,040,871	1,103,942	1,044,484	8,839	6,025	9,310	9,608
Operating Grants and Contributions:										
General Government	0	63,921	35,857	45,122	44,331	47,288	44,799	35,811	111,317	21,420
Security of Persons and Property	24,107	27,352	25,263	26,864	25,707	25,021	24,424	24,626	30,925	31,231
Transportation	737,192	777,503	781,961	775,539	777,312	791,552	874,364	888,696	902,937	911,659
Basic Utility Service	41,254	90,523	90,956	86,861	86,220	86,123	86,083	83,952	85,407	91,485
Capital Grants and Contributions:										
General Government	873,945	929,746	824,696	823,491	864,849	936,187	606,549	3,579,488	512,763	551,723
Public Health	255	0	0	0	0	0	1,700	2,286	150,000	0
Transportation	64,000	0	0	0	0	1,976,093	0	0	0	0
Basic Utility Service	0	0	220,091	463,209	0	366,391	0	0	0	0
Total Governmental Activities										
Program Revenues	<u>7,084,515</u>	<u>8,514,136</u>	<u>8,825,644</u>	<u>9,515,319</u>	<u>9,257,934</u>	<u>11,851,283</u>	<u>8,275,251</u>	<u>10,933,669</u>	<u>7,841,909</u>	<u>7,833,782</u>
<b>Business-Type Activities:</b>										
Charges for Services:										
Sanitary Sewer Charges	1,862,049	2,012,434	1,979,436	1,758,085	1,865,441	1,867,073	2,989,388	4,203,128	4,553,885	6,058,487
Capital Grants and Contributions:										
Sanitary Sewer Charges	54,603	195,846	903,127	1,501,035	3,158,259	437,437	28,107	0	0	0
Total Business-Type Activities										
Program Revenues	<u>1,916,652</u>	<u>2,208,280</u>	<u>2,882,563</u>	<u>3,259,120</u>	<u>5,023,700</u>	<u>2,304,510</u>	<u>3,017,495</u>	<u>4,203,128</u>	<u>4,553,885</u>	<u>6,058,487</u>
Total Primary Government										
Program Revenues	<u>9,001,167</u>	<u>10,722,416</u>	<u>11,708,207</u>	<u>12,774,439</u>	<u>14,281,634</u>	<u>14,155,793</u>	<u>11,292,746</u>	<u>15,136,797</u>	<u>12,395,794</u>	<u>13,892,269</u>

(continued)



# City of Rocky River, Ohio

## Changes in Net Position – Last Ten Fiscal Years

### Accrual Basis of Accounting

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>										
<b>Governmental activities:</b>										
General Government	6,808,557	8,051,702	6,932,356	7,598,480	9,384,315	5,294,037	5,913,026	5,668,787	5,591,132	6,005,870
Security of Persons and										
Property	9,829,332	9,396,241	9,623,866	9,010,010	9,472,809	8,983,880	9,207,482	9,306,477	9,391,822	11,044,627
Public Health	1,363,640	1,347,437	1,437,857	1,428,688	1,386,701	1,185,768	1,335,546	1,175,476	1,092,402	1,058,578
Transportation	2,314,773	3,195,503	2,758,278	2,385,058	2,459,672	2,279,856	2,508,065	3,754,446	4,005,442	2,898,876
Leisure Time Activities	4,076,680	3,937,438	4,268,822	3,948,809	4,527,664	3,657,902	3,531,071	3,174,829	3,497,102	4,276,788
Community Development	790,060	801,140	720,892	816,485	673,807	760,476	714,344	651,553	509,093	444,184
Basic Utility Services	1,693,864	1,609,178	1,772,114	2,127,597	2,111,718	2,521,711	1,704,807	1,516,591	1,941,569	1,832,793
Interest and Fiscal Charges	882,306	854,095	824,261	790,980	687,642	677,987	703,744	411,086	306,989	301,011
Total Governmental										
Activities Expenses	27,759,212	29,192,734	28,338,446	28,106,107	30,704,328	25,361,617	25,618,085	25,659,245	26,335,551	27,862,727
<b>Business-Type Activities:</b>										
Sanitary Sewer Charges	2,454,298	2,308,075	2,315,018	2,450,068	2,102,577	2,431,473	2,339,335	3,862,901	3,965,030	4,822,410
Transfers	0	0	0	106,197	0	4,736,952	0	1,365,188	(65,538)	(2,000,000)
Total Business-										
Type Activities	2454,298	2,308,075	2,315,018	2,556,265	2,102,577	7,168,425	2,339,335	5,228,089	3,899,492	2,822,410
Total Primary Government										
Program Expenses	30,213,510	31,500,809	30,653,464	30,662,372	32,806,905	32,530,042	27,957,420	30,887,334	30,235,043	30,685,137
<b>General Revenues:</b>										
Property Taxes Levied for:										
General Purposes	4,210,179	4,018,607	4,093,251	3,872,423	3,788,172	3,815,055	3,700,797	3,765,359	3,756,030	4,146,236
Recreation	293,591	318,938	324,861	307,335	300,648	281,777	295,395	299,553	298,146	326,994
Office on Aging	331,210	318,938	324,861	307,335	300,648	281,777	295,395	299,553	298,146	326,994
Refuse and Recycling	624,749	637,881	649,723	614,670	601,297	563,557	590,792	599,103	596,288	653,990
Fire Levy	187,441	191,365	194,916	184,401	180,663	170,963	178,222	183,804	179,415	196,176
Police Levy	267,410	191,365	194,916	184,401	181,671	170,963	178,222	181,945	179,415	196,176
Capital Improvements	624,801	637,881	649,723	614,670	601,297	563,557	590,792	599,103	596,289	653,990
General Obligation Bond										
Retirement	542,651	626,790	634,889	599,627	597,831	563,557	592,792	599,103	596,289	653,990
Municipal Taxes Levied for										
General Purposes	8,893,894	8,673,869	7,661,534	7,959,539	8,606,720	8,906,264	9,734,666	10,246,564	13,304,985	14,444,530
Franchise Tax	149,384	207,503	128,163	236,114	201,531	159,268	214,782	229,792	264,187	326,606
Admissions Tax	40,874	36,715	34,981	33,855	32,638	35,522	31,131	58,572	89,504	107,976
Grants and Entitlements not Restricted										
to Specific Programs	3,837,407	4,156,898	4,195,197	2,477,912	2,852,477	3,122,384	2,668,592	1,556,143	1,355,228	1,312,623
Investment Earnings	1,110,881	516,771	140,058	31,050	8,162	7,499	8,083	21,536	27,452	81,375

(continued)

# City of Rocky River, Ohio

## Changes in Net Position – Last Ten Fiscal Years

### Accrual Basis of Accounting

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>
<b>General Revenues (Continued):</b>										
Other	407,662	466,811	193,193	41,522	791,806	831,526	299,771	400,006	354,523	240,281
Transfers	0	0	0	106,197	0	4,736,952	0	1,365,188	(65,538)	(2,000,000)
Special Item	0	0	0	0	0	(4,554,583)	0	0	0	0
Total General Revenues, Transfers, and Special Items	<u>21,522,134</u>	<u>21,000,332</u>	<u>19,420,266</u>	<u>17,571,051</u>	<u>19,045,561</u>	<u>19,656,038</u>	<u>19,379,432</u>	<u>20,405,324</u>	<u>21,830,359</u>	<u>21,667,937</u>
<b>Change in Net Position:</b>										
Governmental Activities	847,702	321,734	(92,536)	(1,019,737)	(2,400,833)	6,145,704	2,036,598	5,679,748	3,336,717	1,638,992
Business-Type Activities	<u>(537,646)</u>	<u>(99,795)</u>	<u>567,545</u>	<u>702,855</u>	<u>2,921,123</u>	<u>(4,863,915)</u>	<u>678,160</u>	<u>(1,024,961)</u>	<u>654,393</u>	<u>3,236,077</u>
Total Primary Government Change in Net Position	\$ <u>310,056</u>	\$ <u>221,939</u>	\$ <u>475,009</u>	\$ <u>(316,882)</u>	\$ <u>520,290</u>	\$ <u>1,281,789</u>	\$ <u>2,714,758</u>	\$ <u>4,654,787</u>	\$ <u>3,991,110</u>	\$ <u>4,875,069</u>

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# City of Rocky River, Ohio

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

### Modified Accrual Basis of Accounting

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>
<b>General Fund</b>										
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,082	\$ 39,224	\$ 20,105	\$ 41,608	\$ 60,058	\$ 68,794
Assigned	0	0	0	0	73,625	2,530,242	1,332,986	3,752,213	3,221,848	3,262,222
Unassigned	0	0	0	0	3,503,175	1,825,725	3,619,420	2,694,990	3,783,076	4,673,864
Reserved	124,595	235,188	118,863	370,707	0	0	0	0	0	0
Unreserved	<u>9,040,991</u>	<u>6,278,579</u>	<u>4,363,415</u>	<u>3,183,940</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General Fund	<u>9,165,386</u>	<u>6,513,767</u>	<u>4,482,278</u>	<u>3,554,647</u>	<u>3,596,882</u>	<u>4,395,191</u>	<u>4,972,511</u>	<u>6,488,811</u>	<u>7,064,982</u>	<u>8,004,880</u>
<b>All Other Governmental Funds</b>										
Nonspendable	0	0	0	0	117,404	134,826	97,529	160,495	159,099	189,435
Restricted	0	0	0	0	6,054,235	8,233,110	7,471,528	6,608,029	7,485,009	7,879,652
Unassigned (Deficit)	0	0	0	0	(627,575)	(504,079)	(385,379)	(482,711)	(289,493)	(307,565)
Reserved	1,545,110	740,155	2,615,314	4,893,122	0	0	0	0	0	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	1,498,981	1,494,900	722,896	375,705	0	0	0	0	0	0
Debt Service Funds	320,601	434,703	296,748	129,711	0	0	0	0	0	0
Capital Projects Funds	<u>2,797,157</u>	<u>4,043,671</u>	<u>3,971,943</u>	<u>1,766,381</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>6,161,849</u>	<u>6,713,429</u>	<u>7,606,901</u>	<u>7,164,919</u>	<u>5,544,064</u>	<u>7,863,857</u>	<u>7,183,678</u>	<u>6,285,813</u>	<u>7,354,615</u>	<u>7,730,451</u>
Total Governmental Funds	\$ <u>15,327,235</u>	\$ <u>13,227,196</u>	\$ <u>12,089,179</u>	\$ <u>10,719,566</u>	\$ <u>9,140,946</u>	\$ <u>12,259,048</u>	\$ <u>12,156,189</u>	\$ <u>12,774,624</u>	\$ <u>14,419,597</u>	\$ <u>15,735,331</u>

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

(b) In 2011, the City implemented GASB Statement No. 54.

# City of Rocky River, Ohio

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

### Modified Accrual Basis of Accounting

	2007	2008	2009	2010	2011	2012	2013 (a)	2014 (b)	2015	2016
<b>Revenues</b>										
Property Taxes	\$ 7,041,339	\$ 6,947,816	\$ 7,080,115	\$ 6,686,547	\$ 6,472,059	\$ 6,479,941	\$ 6,443,601	\$ 6,536,524	\$ 6,500,467	\$ 7,128,340
Municipal Income taxes	8,524,272	8,506,159	7,748,760	8,106,509	8,570,317	8,697,295	9,621,455	10,194,101	13,075,238	14,535,231
Other Local Taxes	190,258	244,218	163,144	269,969	234,169	194,790	245,913	288,364	353,691	434,582
Intergovernmental	5,067,103	5,900,572	6,285,727	4,683,905	4,749,825	5,356,419	4,451,998	3,199,672	3,120,298	2,893,176
Charges for Services	2,362,258	3,188,107	3,317,448	3,635,605	3,711,407	3,829,615	2,837,298	2,835,023	2,744,317	2,622,330
Fines, Fees, and Permits	2,795,898	3,348,071	3,357,804	3,405,319	3,504,950	3,652,640	3,766,444	3,432,285	3,442,054	3,464,180
Special Assessments	69,545	67,171	66,757	61,788	60,120	58,421	68,198	53,920	54,353	51,032
Investment Income	1,110,881	516,771	140,058	31,050	8,162	7,499	8,083	21,536	11,173	61,366
Rentals	130,683	94,133	104,387	104,047	86,230	93,229	91,044	92,875	96,495	108,389
Other	489,200	480,433	209,371	107,372	792,765	834,019	300,334	400,006	354,523	240,740
<b>Total Revenues</b>	<b>27,781,437</b>	<b>29,293,451</b>	<b>28,473,571</b>	<b>27,092,111</b>	<b>28,190,004</b>	<b>29,203,868</b>	<b>27,834,368</b>	<b>27,054,306</b>	<b>29,752,609</b>	<b>31,539,366</b>
<b>Expenditures</b>										
<b>Current:</b>										
General Government	4,630,034	4,933,287	4,991,465	4,983,015	4,888,964	5,106,984	4,461,355	4,972,508	5,210,524	5,835,805
Security of Persons and Property	8,659,138	8,876,601	9,246,320	8,985,847	9,104,294	8,785,151	9,245,442	9,180,199	8,992,682	9,213,697
Public Health	1,258,586	1,260,327	1,173,737	1,298,805	1,281,566	1,061,178	1,239,240	1,153,116	993,557	899,726
Transportation	2,167,526	2,514,664	2,268,740	2,206,182	2,138,947	1,702,865	1,736,448	1,963,888	2,080,847	2,046,662
Leisure Time Activities	3,522,149	3,818,666	3,641,297	3,387,478	3,188,335	3,170,232	3,172,881	3,159,934	3,314,950	3,368,485
Community Development	965,311	932,862	917,692	792,068	807,866	766,902	737,752	669,155	655,520	478,221
Basic Utility Services	1,601,443	1,639,711	2,056,568	3,387,129	4,592,412	4,481,802	1,613,539	1,511,655	1,551,473	1,389,284
Capital Outlay	8,759,176	5,203,465	3,595,408	2,125,399	2,997,396	1,035,843	1,352,306	2,081,172	4,225,764	3,434,268
Debt Service										
Principal	1,154,751	1,100,814	1,116,923	1,138,080	1,909,286	1,268,289	1,271,855	1,338,224	739,651	1,226,139
Interest	905,917	877,823	848,319	815,274	716,098	685,370	626,374	423,666	354,653	331,358
Bond Issuance Costs	0	0	0	0	74,864	0	0	128,353	0	0
<b>Total Expenditures</b>	<b>33,624,031</b>	<b>31,158,220</b>	<b>29,856,469</b>	<b>29,119,277</b>	<b>31,700,028</b>	<b>28,064,616</b>	<b>25,457,192</b>	<b>26,581,870</b>	<b>28,119,621</b>	<b>28,223,645</b>
Excess of Revenues Over (Under) Expenditures	(5,842,594)	(1,864,769)	(1,382,898)	(2,027,166)	(3,510,024)	1,139,252	2,377,176	472,436	1,632,988	3,315,721

(continued)

# City of Rocky River, Ohio

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

### Modified Accrual Basis of Accounting

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>
<b><u>Other Financing Sources (Uses)</u></b>										
Proceeds from Sale of										
Capital Assets	32,740	29,730	16,127	11,537	0	14,615	2,059	17,646	11,985	13
Issuance of Debt	0	0	228,754	646,016	4,691,540	1,964,235	0	9,180,000	0	0
Premium on General										
Obligation Debt	0	0	0	0	52,694	0	0	592,633	0	0
Payment to Escrow	0	0	0	0	(2,812,830)	0	0	(9,644,280)	0	0
Transfers - In	5,115,000	7,650,000	5,487,764	4,471,000	3,680,000	3,994,000	5,108,000	3,353,300	4,798,300	3,030,000
Transfers - Out	(5,115,000)	(7,915,000)	(5,487,764)	(4,471,000)	(3,680,000)	(3,994,000)	(5,108,000)	(3,353,300)	(4,798,300)	(5,030,000)
Total Other Financing Sources (Uses)	<u>32,740</u>	<u>(235,270)</u>	<u>244,881</u>	<u>657,553</u>	<u>1,931,404</u>	<u>1,978,850</u>	<u>2,059</u>	<u>145,999</u>	<u>11,985</u>	<u>(1,999,987)</u>
Net Change in Fund Balances	\$ <u>(5,809,854)</u>	\$ <u>(2,100,039)</u>	\$ <u>(1,138,017)</u>	\$ <u>(1,369,613)</u>	\$ <u>(1,578,620)</u>	\$ <u>3,118,102</u>	\$ <u>2,379,235</u>	\$ <u>618,435</u>	\$ <u>1,644,973</u>	\$ <u>1,315,734</u>
Debt Service as a Percentage of Noncapital Expenditures	8.11%	7.19%	7.18%	7.21%	8.56%	7.88%	8.26%	8.43%	4.36%	6.37%

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# 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)
2007/2008	\$ 707,992,790	\$ 2,022,836,543	\$ 5,790,110	\$ 6,579,670
2008/2009	714,739,290	2,042,112,257	6,053,290	6,878,739
2009/2010	686,743,340	1,962,123,829	6,392,090	7,263,739
2010/2011	682,758,970	1,950,739,914	6,534,340	7,425,386
2011/2012	678,705,910	1,939,159,743	6,797,170	7,724,057
2012/2013	675,604,330	1,930,298,086	7,420,390	8,432,261
2013/2014	677,436,550	1,935,533,000	8,289,730	9,420,148
2014/2015	680,005,610	1,942,873,171	8,706,580	9,893,841
2015/2016	737,074,070	2,105,925,914	8,855,180	10,062,704
2016/2017	740,435,050	2,115,528,714	9,372,340	10,650,386

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) This amount is calculated for 2016 based on the following percentages:

Real property is assessed at 35 percent of actual value.

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

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

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

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



<u>Tangible Personal Property</u>		<u>Total</u>		<u>Ratio</u>	<u>Total Direct Rate (2)</u>
<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>		
\$ 4,097,141	\$ 32,777,128	\$ 717,880,041	\$ 2,062,193,341	34.81	\$ 10.90
4,073,990	65,183,840	724,866,570	2,114,174,836	34.29	10.90
0	0	693,135,430	1,969,387,568	35.20	10.90
0	0	689,293,310	1,958,165,300	35.20	10.90
0	0	685,503,080	1,946,883,800	35.21	10.90
0	0	683,024,720	1,938,730,347	35.23	10.90
0	0	685,726,280	1,944,953,148	35.26	10.90
0	0	688,712,190	1,952,767,012	35.26	10.90
0	0	745,929,250	2,115,988,618	35.25	10.90
0	0	749,807,390	2,126,179,100	35.26	10.80

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## City of Rocky River, Ohio

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

### Last Ten Years

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Year	City of Rocky River					Total	Rocky River School and Library	Cuyahoga County	Special(1) Taxing Districts	Total
	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Bond Service						
2007	\$ 6.30	\$ 2.60	\$ 1.00	\$ 1.00	\$ 10.90	\$ 83.20	\$ 13.42	\$ 4.78	\$ 112.30	
2008	6.30	2.60	1.00	1.00	10.90	88.80	13.32	4.78	117.80	
2009	6.30	2.60	1.00	1.00	10.90	88.80	13.32	4.78	117.80	
2010	6.30	2.60	1.00	1.00	10.90	90.40	13.32	5.08	119.70	
2011	6.30	2.60	1.00	1.00	10.90	90.45	13.22	5.08	119.65	
2012	6.30	2.60	1.00	1.00	10.90	95.35	13.42	5.08	124.75	
2013	6.30	2.60	1.00	1.00	10.90	95.65	14.05	5.98	126.58	
2014	6.30	2.60	1.00	1.00	10.90	95.65	14.05	6.88	127.48	
2015	6.30	2.60	1.00	1.00	10.90	95.65	14.05	6.88	127.48	
2016	6.30	2.60	1.00	0.90	10.80	95.65	14.05	6.88	127.38	

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

# City of Rocky River, Ohio

## Real Property Tax Levies and Collection

### Last Ten Years

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<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Collections (1)</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Tax Collections</u>
2007	\$ 7,993,917	\$ 7,565,168	94.64 %	\$ 139,558
2008	8,054,197	7,555,361	93.81	211,861
2009	7,867,118	7,834,168	99.58	177,726
2010	7,810,832	7,320,406	93.72	157,753
2011	7,758,489	7,214,139	92.98	150,703
2012	7,822,646	7,212,012	92.19	271,795
2013	7,678,031	7,218,630	94.02	157,763
2014	7,697,980	7,276,041	94.52	148,083
2015	7,660,093	7,252,808	94.68	177,485
2016	8,312,742	7,978,215	95.98	147,000

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

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

---

	<u>Total Tax Collections</u>	<u>Percent of Total Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
\$	7,704,725	96.38%	\$ 345,085	4.32 %
	7,767,222	96.44	267,880	3.33
	8,011,894	101.84	254,902	3.24
	7,478,159	95.74	253,220	3.24
	7,364,842	94.93	333,387	4.30
	7,483,807	95.67	264,653	3.38
	7,376,393	96.07	232,038	3.02
	7,424,124	96.44	234,457	3.05
	7,430,293	97.00	234,007	3.05
	8,125,215	97.74	260,215	3.13

# City of Rocky River, Ohio

Principal Taxpayers: Real Property and Public Utility Tax

## As of December 31, 2016 and December 31, 2007

<u>Taxpayer</u>	2016	
	Real Property and Public Utility Assessed Value	Percent of Total Assessed Value
Rocky River Apartments, LLC	\$ 8,301,830	1.11%
Westwood Town Center	7,258,590	0.97
Cleveland Electric Illuminating Co.	6,887,420	0.92
Beachcliff Properties, LP	4,051,740	0.54
Inland Westgate, LLC	5,074,130	0.68
Normandy Association, LP	4,867,880	0.65
SRK Perrysburg Association, LLC	3,453,870	0.46
Westwood Country Club, Co.	2,899,760	0.39
Presidential Apartments, LTD	2,884,040	0.38
Gross Management, Inc.	2,712,300	0.36
<i>Totals</i>	\$ <u>48,391,560</u>	<u>6.45%</u>

*Total City Assessed Valuation* \$ 749,807,390

<u>Taxpayer</u>	2007	
	Real and Tangible Personal Property Assessed Value	Percent of Total Assessed Value
Westwood Town Center	\$ 7,274,720	1.01%
Normandy Association, LTD.	4,850,980	0.68
Cleveland Illuminating Company	4,576,400	0.64
Presidential Apartments, LTD.	3,992,940	0.56
Beachcliff Properties	3,945,520	0.55
John D. Spielberger	3,245,010	0.45
W & F Plaza Investments	2,624,310	0.37
Linden Apartment, Inc.	2,548,600	0.36
Gross Management, Inc.	2,500,790	0.35
SRK Perrysburg Association, LLC	2,456,580	0.34
<i>Totals</i>	\$ <u>38,015,850</u>	<u>5.31%</u>

*Total City Assessed Valuation* \$ 717,880,041

Source: Cuyahoga County, Ohio; County Fiscal Officer

# City of Rocky River, Ohio

## Ratio of Outstanding Debt by Type

### Last Ten Years

Fiscal Year	Governmental Activities				Business-Type		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	OPWC Loan	OWDA Loan	OPWC Loan	OWDA Loan			
2007	\$ 20,007,961	\$ 670,000	\$ 0	\$ 0	\$ 0	\$ 262,310	\$ 20,940,271	2.91 %	\$ 956.23
2008	18,950,140	630,000	0	0	0	247,210	19,827,350	2.76	915.72
2009	17,877,319	590,000	288,754	0	0	231,400	18,987,473	2.64	911.50
2010	16,784,498	550,000	874,770	0	0	214,850	18,424,118	2.63	919.10
2011	14,996,541	510,000	2,731,310	0	0	339,843	18,577,694	2.65	961.82
2012	13,986,760	470,000	4,660,827	144,293	0	179,383	19,441,263	2.77	956.82
2013 (a)	12,759,145	430,000	0	0	6,199,329	237,698	19,626,172	2.80	970.97
2014	11,790,949	390,000	0	0	8,700,960	224,202	21,106,111	3.01	1,044.18
2015	11,061,896	350,000	0	0	9,264,658	132,247	20,808,801	2.97	1,029.48
2016	9,847,843	310,000	0	0	12,246,779	97,897	22,502,519	3.21	1,113.27

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 S25 for personal income and population data.

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

## City of Rocky River, Ohio

### Special Assessment Levies, Collections and Coverage

#### Last Ten Years

<u>Year</u>	<u>Current Assessments</u>		<u>Ratio of Collections To Amount Due</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Due</u>	<u>Collected(1)</u>		<u>Principal</u>	<u>Interest</u>	
2007	\$ 165,931	\$ 123,640	74.51%	\$ 40,000	\$ 36,363	1.62
2008	112,980	104,878	92.83	40,000	34,413	1.41
2009	109,663	101,345	92.42	40,000	32,425	1.40
2010	158,600	141,903	89.47	40,000	30,438	2.01
2011	218,934	160,263	73.20	40,000	28,450	2.34
2012	174,446	147,289	84.43	40,000	26,463	2.22
2013	283,462	165,560	58.41	40,000	24,475	2.57
2014	354,583	194,403	54.82	40,000	22,476	3.11
2015	296,401	144,183	48.64	40,000	20,462	2.38
2016	342,452	215,899	63.05	40,000	18,400	3.69

Source: Cuyahoga County, Ohio; County Fiscal Officer

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



## City of Rocky River, Ohio

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

### Last Ten Years

<u>Year</u>	<u>Population <sup>(1)</sup></u>	<u>Net General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2007	20,735	\$ 19,678,785	\$ 717,880,041	2.74%	\$ 949.06
2008	20,735	18,537,073	724,866,570	2.56	894.00
2009	20,735	17,592,670	693,135,430	2.54	848.45
2010	20,213	16,657,273	689,293,310	2.42	824.09
2011	20,213	14,260,841	685,503,080	2.08	705.53
2012	20,213	13,556,418	683,024,720	1.98	670.68
2013 (c)	20,213	11,895,205	685,726,280	1.73	588.49
2014	20,213	10,921,564	688,712,190	1.59	540.32
2015	20,213	10,117,827	745,929,250	1.36	500.56
2016	20,213	9,149,402	749,807,390	1.22	452.65

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

(a) 2010 Federal Census

(b) 2000 Federal Census

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

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

# City of Rocky River, Ohio

## Computation of Legal Debt Margin

### Last Ten Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>
Assessed Valuation	\$ <u>717,880,041</u>	\$ <u>724,866,570</u>	\$ <u>693,135,430</u>	\$ <u>689,293,310</u>	\$ <u>685,503,080</u>	\$ <u>683,024,720</u>	\$ <u>685,726,280</u>	\$ <u>688,712,190</u>	\$ <u>745,929,250</u>	\$ <u>749,807,390</u>
Debt Limit - 10.5% of Assessed Valuation	\$ 75,377,404	\$ 76,110,990	\$ 72,779,220	\$ 72,375,798	\$ 71,977,823	\$ 71,717,596	\$ 72,001,259	\$ 72,314,780	\$ 78,322,571	\$ 78,729,776
Gross Indebtedness	20,940,271	19,827,350	18,927,473	18,424,118	18,577,694	19,275,054	19,626,172	21,106,111	20,808,801	22,502,519
Less: Debt Outside Limitation										
Special Assessment Bonds	(670,000)	(630,000)	(590,000)	(550,000)	(510,000)	(470,000)	(430,000)	(390,000)	(350,000)	(310,000)
OPWC Loans	0	0	(228,754)	(874,770)	(2,731,310)	(4,660,827)	(6,199,329)	(8,700,960)	(9,264,658)	(12,246,779)
OWDA Loans	(262,310)	(247,210)	(231,400)	(214,850)	(339,843)	(323,676)	(237,698)	(224,202)	(132,247)	(97,897)
Less: Amount Available In Debt Service Funds	<u>(329,176)</u>	<u>(413,067)</u>	<u>(284,649)</u>	<u>(127,225)</u>	<u>(735,700)</u>	<u>(264,133)</u>	<u>(863,940)</u>	<u>(869,385)</u>	<u>(944,069)</u>	<u>(698,441)</u>
Net Debt Within 10.5% Limitation	<u>19,678,785</u>	<u>18,537,073</u>	<u>17,592,670</u>	<u>16,657,273</u>	<u>14,260,841</u>	<u>13,556,418</u>	<u>11,895,205</u>	<u>10,921,564</u>	<u>10,117,827</u>	<u>9,149,402</u>
Legal Debt Margin	\$ <u>55,698,619</u>	\$ <u>57,573,917</u>	\$ <u>55,186,550</u>	\$ <u>55,718,525</u>	\$ <u>57,716,982</u>	\$ <u>58,161,178</u>	\$ <u>60,106,054</u>	\$ <u>61,393,216</u>	\$ <u>68,204,744</u>	\$ <u>69,580,374</u>
Debt Limit - 5.5% of Assessed Unvoted Value	\$ 39,483,402	\$ 39,867,661	\$ 38,122,449	\$ 37,911,132	\$ 37,702,669	\$ 37,566,360	\$ 37,714,945	\$ 37,879,170	\$ 41,026,109	\$ 41,239,406
Gross Indebtedness Authorized by Council	20,940,271	19,827,350	18,927,473	18,424,118	18,577,694	19,275,054	19,626,172	21,106,111	20,808,801	22,502,519
Less: Debt Outside Limitation										
Limitation	(9,617,670)	(8,228,725)	(8,057,824)	(8,293,445)	(9,871,133)	(11,370,638)	(12,399,317)	(14,699,605)	(14,663,904)	(17,084,231)
Less: Amount Available in Debt Service Funds Related to Unvoted Debt	<u>(225,486)</u>	<u>(321,603)</u>	<u>(194,019)</u>	<u>(76,937)</u>	<u>(695,009)</u>	<u>(219,222)</u>	<u>(820,740)</u>	<u>(869,385)</u>	<u>(944,069)</u>	<u>(619,941)</u>
Net Debt Within 5.5% Limitation	<u>11,097,115</u>	<u>11,227,022</u>	<u>10,675,630</u>	<u>10,053,736</u>	<u>8,011,552</u>	<u>7,685,194</u>	<u>6,406,115</u>	<u>5,537,121</u>	<u>5,200,828</u>	<u>4,798,347</u>
Unvoted Debt Margin	\$ <u>28,386,287</u>	\$ <u>28,590,639</u>	\$ <u>27,446,819</u>	\$ <u>27,857,396</u>	\$ <u>29,691,117</u>	\$ <u>29,881,166</u>	\$ <u>31,308,830</u>	\$ <u>32,342,049</u>	\$ <u>35,825,281</u>	\$ <u>36,441,059</u>

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

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

# City of Rocky River, Ohio

## Computation of Direct and Overlapping General Obligation Bonded Debt

**December 31, 2016**

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	Governmental Activities Debt <u>Outstanding</u>	Percentage Applicable <u>to City (1)</u>	Amount Applicable to City of <u>Rocky River</u>
<u>Direct:</u>			
General Obligation Bonds	\$ 9,847,843	100.00%	\$ 9,847,843
Special Assessment Bonds	<u>310,000</u>	100.00	<u>310,000</u>
Total Direct Debt	<u>10,157,843</u>		<u>10,157,843</u>
 <u>Overlapping:</u>			
Cuyahoga County	243,900,000	2.71	6,609,429
Greater Cleveland Regional Transit Authority	88,715,000	2.71	2,404,082
Rocky River School District	<u>45,749,328</u>	96.72	<u>44,246,792</u>
Total Overlapping	<u>378,364,328</u>		<u>53,260,303</u>
Total	\$ <u>389,776,224</u>		\$ <u>64,672,199</u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

## City of Rocky River, Ohio

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

### Last Ten Years

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<u>Year</u>	<u>Debt Service</u>	<u>General Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2007	2,060,668	33,624,031	6.13
2008	1,978,637	31,158,220	6.35
2009	1,965,242	29,856,469	6.58
2010	1,953,354	29,119,277	6.71
2011	2,625,384	31,700,028	8.28
2012	1,953,659	28,064,616	6.96
2013 (a)	1,898,229	25,457,192	7.46
2014	1,761,890	26,581,870	6.63
2015	1,094,304	28,119,621	3.89
2016	1,557,497	28,223,645	5.52

Source: City Financial Records

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

# City of Rocky River, Ohio

## Principal Employers

### Current Year and Ten Years Ago

2016		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
City of Rocky River	641	4.3%
Rocky River Board of Education	567	3.8
Riser Foods Co.	282	1.9
Westwood Country Club Co.	248	1.7
Cleveland Yacht Club Inc.	247	1.7
Marc Glassman Inc.	233	1.6
Magnificat High School	213	1.4
JP Recovery Services Inc.	211	1.4
Lowe's Home Center	206	1.4
CRS Marketing Services, Inc.	198	1.3
Total	<u>3,046</u>	<u>20.5%</u>
Total City Employment	<u>14,848</u>	

2007		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
City of Rocky River	719	4.9 %
Rocky River Board of Education	565	3.8
Target Stores	408	2.8
Normandy Manor of Rocky River	389	2.6
Riser Foods Co.	322	2.2
Cuyahoga County Auditor Payroll	285	1.9
Westwood Country Club Co.	279	1.9
Heinens Inc.	263	1.8
Magnificat High School	212	1.4
Home Depot Use Inc.	162	1.1
Total	<u>3,604</u>	<u>24.4 %</u>
Total City Employment	<u>14,766</u>	

Source: Central Collection Agency (CCA). Total City employment based upon estimate from the Central Collection Agency number of W-2's filed as of 2014, this is the most current information available.

# City of Rocky River, Ohio

## Demographic and Economic Statistics

### Last Ten Years

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<u>Year</u>	<u>Population</u> <sup>(1)</sup>	<u>Total Personal Income</u> <sup>(2)</sup>	<u>Per Capita Personal Income</u> <sup>(1)</sup>	<u>Median Household Income</u> <sup>(1)</sup>	<u>School Enrollment</u> <sup>(3)</sup>	<u>Unemployment Cuyahoga County</u>
2007	20,735 b	\$ 718,737,305	\$ 34,663	\$ 51,636	2,696	6.10%
2008	20,735 b	718,737,305	34,663	51,636	2,686	7.10
2009	20,735 b	718,737,305	34,663	51,636	2,681	8.90
2010	20,213 a	700,643,219	34,663	51,636	2,644	8.60
2011	20,213 a	700,643,219	34,663	51,636	2,612	7.10
2012	20,213 a	700,643,219	34,663	51,636	2,636	6.60
2013	20,213 a	700,643,219	34,663	51,636	2,635	7.20
2014	20,213 a	700,643,219	34,663	51,636	2,693	6.40
2015	20,213 a	700,643,219	34,663	51,636	2,770	4.00
2016	20,213 a	700,643,219	34,663	51,636	2,749	5.30

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

(a) 2010 Federal Census

(b) 2000 Federal Census

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

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

(3) Rocky River Board of Education

# City of Rocky River, Ohio

## Property Value and Construction

### Last Ten Years

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Year	Property Value (1)			Residential (2)		Commercial (2)	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
2007	\$ 296,814,600	\$ 1,726,021,943	\$ 2,022,836,543	2	\$ 362,000	2	\$ 14,716,134
2008	308,154,600	1,733,957,657	2,042,112,257	1	1,500,000	3	1,670,000
2009	320,690,028	1,641,433,800	1,962,123,828	6	4,034,131	1	850,000
2010	308,753,342	1,641,986,571	1,950,739,913	5	3,085,000	2	428,900
2011	299,554,771	1,639,604,971	1,939,159,742	3	1,240,000	1	1,200,000
2012	289,195,857	1,641,014,942	1,930,210,799	8	3,624,000	2	2,164,000
2013	291,472,742	1,644,060,257	1,935,532,999	11	28,772,065	2	750,000
2014	292,850,428	1,650,022,742	1,942,873,170	13	3,896,800	3	8,840,000
2015	295,212,286	1,810,713,628	2,105,925,914	12	5,625,350	0	0
2016	299,519,886	1,816,008,828	2,115,528,714	4	3,119,000	1	1,366,000

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

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

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

# City of Rocky River, Ohio

## Full-time Employees by Function/Program

### Last Ten Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Government:</b>										
Mayor	2	2	2	2	2	2	2	2	2	2
Finance Department	3	3	3	3	3	3	3	3	3	3
Building Maintenance	5	5	5	5	5	5	5	5	5	5
Human Resources	1	1	1	1	1	1	1	1	1	1
Municipal Courts	25	26	24	29	29	24	24	25	25	24
Building	6	6	6	6	6	6	6	6	4	4
<b>Security of Persons and Property:</b>										
Police Department	38	38	38	38	36	36	35	34	37	37
Fire Department	30	30	30	30	30	30	30	30	30	30
Safety Service Director	1	2	2	2	2	2	2	2	2	3
Traffic Signal	4	4	4	3	3	3	3	2	3	3
<b>Transportation:</b>										
Equipment Repair and Garage	8	8	8	7	7	6	6	7	7	7
Street Repair and Maintenance	14	13	12	10	9	7	8	10	10	10
<b>Leisure Time Activities:</b>										
Parks	4	4	4	4	4	2	3	3	3	3
Recreation Center	17	16	17	16	14	14	14	14	14	14
<b>Community Development:</b>										
Community Center	1	1	1	1	1	1	0	0	0	0
<b>Public Health:</b>										
Office on Aging	8	8	8	8	8	6	6	5	5	5
<b>Basic Utilities Services:</b>										
Refuse and Recycling	15	15	15	16	15	15	14	13	12	11
<b>Total Governmental Activities:</b>	<u>182</u>	<u>182</u>	<u>180</u>	<u>181</u>	<u>175</u>	<u>163</u>	<u>162</u>	<u>162</u>	<u>163</u>	<u>162</u>
Sanitary Sewer	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>6</u>	<u>7</u>	<u>8</u>
<b>Total Business-Type Activities:</b>	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>6</u>	<u>7</u>	<u>8</u>
<b>Total Primary Government:</b>	<u>192</u>	<u>191</u>	<u>189</u>	<u>190</u>	<u>182</u>	<u>171</u>	<u>170</u>	<u>168</u>	<u>170</u>	<u>170</u>

Source: City Records



# City of Rocky River, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Government:</b>										
Council:										
Total Ordinances/Resolutions:										
Introduced	142	144	106	58	89	89	95	101	91	83
Passed on 1 <sup>st</sup> Reading	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11	9	3
Passed on 2 <sup>nd</sup> Reading	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8	10	7
Passed on 3 <sup>rd</sup> Reading	N/A	N/A	N/A	N/A	N/A	N/A	N/A	82	65	73
Tabled/Postponed	N/A	N/A	N/A	N/A	N/A	0	2	1	2	1
Passed with Emergency Provision	N/A	N/A	N/A	N/A	N/A	74	78	91	58	61
Building Department:										
New Single Family Home Permits	2	1	4	5	3	8	11	13	12	4
Commercial Building/Structures										
New	2	2	1	2	1	2	2	3	0	1
Additions	19	22	13	26	11	15	25	20	25	25
Increase in Dwelling Units	2	0	17	13	9	17	285	17	9	1
Total Receipts – Building Permits	\$ 229,087	\$ 221,535	\$ 220,606	\$ 258,561	\$ 267,940	\$ 277,229	\$ 459,542	\$ 461,583	\$ 305,143	\$ 286,553
Municipal Court:										
Jurisdiction Population	120,226	120,226	120,226	120,226	118,137	118,137	118,137	118,137	118,137	118,137
Cases Filed:137										
Criminal/Traffic	24,778	25,536	23,592	23,574	23,820	25,175	16,532	13,735	13,005	13,931
Civil/Small Claims	3,208	2,702	3,887	3,106	2,771	2,751	2,188	2,391	2,126	2,364
<b>Security of Persons and Property:</b>										
Police Protection:										
Motor Vehicle Accidents	335	363	336	374	311	260	541	605	596	625
BAC Licensed Operators	23	23	22	24	23	20	17	17	17	17
Community Diversion Cases	216	192	240	140	167	105	147	N/A	N/A	N/A
Marine Patrol Boat Hours	510	520	609	922	143	449	437	516	652	534
Total Prisoners	1,097	930	972	909	901	911	997	816	771	841

(continued)

# City of Rocky River, Ohio

## Operating Indicators by Function/Program (Continued)

### Last Ten Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Fire Protection:</b>										
<b>Emergency Responses:</b>										
Building Fire Calls	22	13	29	23	29	28	35	33	38	30
Emergency Medical Care	2,070	1,956	1,936	2,008	2,240	2,113	2,074	2,173	2,403	2,380
<b>System Tests Witnessed:</b>										
Commercial Kitchen	18	15	14	N/A	2	13	6	24	38	16
Sprinkler / Standpipe	8	10	14	N/A	6	8	19	64	31	14
Fire Alarm	5	18	25	N/A	3	20	18	24	30	10
General Inspections for Licensure	20	62	58	52	128	91	95	53	103	84
<b>Public Health Services:</b>										
<b>Senior Center:</b>										
Volunteers	147	150	150	158	171	183	168	167	180	130
Volunteer Hours	12,647	12,910	12,910	15,352	15,352	15,832	16,172	13,000	15,000	15,000
Senior Transportation Trips	7,308	7,958	8,578	8,178	8,156	7,772	7,772	6,897	6,761	6,854
Lunches Served	14,016	14,778	15,825	16,612	18,085	N/A	75 / day	N/A	N/A	13,000
Gift Shop Sales	\$ 54,421	\$ 57,662	\$ 52,169	\$ 63,152	\$ 59,666	\$ 53,100	\$ 53,969	\$ 49,553	\$ 42,343	\$ 44,688
Flu and Pneumonia shots	691	706	572	436	436	270	N/A	N/A	N/A	N/A
<b>Transportation:</b>										
<b>Safety Service:</b>										
Snowfall in Inches [1]	76.5	77.2	79.7	63.1	59.8	63.3	58.4	84.2	20.9	24.3
Road Salt Purchased (tons)	4,500	4,800	4,000	4,800	4,800	NA	3,100	3,300	3,300	2,600
Cold Patch Purchased (tons)	64	N/A	25	NA	NA	NA	NA	327	355	233
Trees Planted	224	270	89	92	89	37	113	62	82	55
Trees Removed	64	100	47	43	123	43	47	59	82	75

(continued)

## City of Rocky River, Ohio

### Operating Indicators by Function/Program (Continued)

#### Last Ten Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Leisure Time Activities:</b>										
Recreation Center:										
Summer Camp – Recreation	573	532	476	450	457	395	426	342	351	368
Summer Camp – Sports	626	572	453	518	832	901	722	584	565	348
Summer Sunset Concerts	6	5	5	5	5	5	5	8	8	9
Concert Attendance	3,300	1,850	3,500	N/A	N/A	1,750	N/A	N/A	N/A	N/A
Outdoor Pool Attendance	56,518	43,955	32,721	46,697	45,000	N/A	N/A	18,144	37,309	34,06
Hockey Spectator Admissions	3,835	N/A	N/A	2,672	2,325	2,408	2,357	2,210	2,160	2,262
Learn-to-Skate Participants	N/A	1,898	1,843	2,075	1,936	N/A	N/A	N/A	2,962	N/A
Swim Team Participants	162	155	144	127	138	151	146	128	140	129
<b>Basic Utilities Service:</b>										
Refuse Collection:										
Refuse Truck Collections (tons)	7,739	9,823	9,093	8,853	8,920	8,790	8,576	8,114	7,519	7,354
Blue Bag Collections (tons)	295	255	337	375	378	390	590	968	928	1,019
Leaf Collections (tons)	1,666	1,481	1,287	1,288	1,097	1,140	1,388	1,434	1,149	1,252
Paper Collections (tons)	308	240	195	155	98	79	37	0	0	0
Cardboard Collections (tons)	158	183	183	173	174	189	185	128	136	115
<b>Sanitary Sewer:</b>										
Quantity and Strength Percent of										
Wastewater Treatment Plant	29.53	29.40	29.40	25.43	25.43	25.43	25.43	25.31	25.31	25.31

Source: City Records

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

[2] – The Civic Center opened in September 2007

N/A – Information is not available

# City of Rocky River, Ohio

## Capital Asset Statistics by Function/Program

### Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Government:</b>										
Other Departmental Vehicles	10	10	10	10	10	10	10	10	9	9
Square Footage of Building	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370
Miles of Storm Sewer	90	90	90	90	90	90	90	90	90	90
<b>Security of Persons and Property:</b>										
Police Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	25	25	25	25	25	25	23	23	26	26
Marine Patrol Boat	1	1	1	1	1	1	1	1	1	1
Canine Unit(s)	2	2	2	2	2	2	2	2	2	2
Square Footage of Police Station	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672
Number of Street Lights	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813
Fire Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	10	10	10	10	10	10	10	10	9	9
Square Footage of Fire Station	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088
Number of Fire Hydrants	1,003	1,003	1,003	1,041	1,041	1,041	1,041	1,041	1,016	1,016
<b>Public Health Services:</b>										
Senior Transportation:										
Number of Vehicles	6	6	6	5	5	5	5	5	5	5
Square Footage of Senior Center	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012
<b>Transportation:</b>										
Number of Vehicles	31	31	31	31	31	31	31	31	31	31
Square Footage of Service Building	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198
Miles of Streets	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49

(continued)

# City of Rocky River, Ohio

## Capital Asset Statistics by Function/Program (continued)

### Last Ten Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Leisure Time Activities:</b>										
Recreation and Culture:										
Number of Parks	9	9	9	9	9	9	9	9	9	9
Acres of Parks	106	106	106	106	106	106	106	106	106	106
Number of Vehicles	10	10	10	10	10	10	10	10	12	12
Square Footage of Recreation Facilities	84,379	84,379	84,379	84,379	84,379	84,379	81,379	81,379	81,379	81,379
Miles of Shoreline	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Basic Utilities Service:</b>										
Refuse Collection:										
Refuse Vehicles	24	24	24	24	24	24	24	24	22	22
Transit Scooters	20	20	19	19	17	12	10	10	11	11
Transfer Station	1	1	1	1	1	1	1	1	1	1
<b>Sewers:</b>										
Miles of Sanitary Sewers	90	90	90	90	90	90	90	90	90	90
Number of Vehicles	8	8	8	8	8	8	8	8	8	8
Number of Sanitary Sewer Accounts	7,018	7,091	7,038	7,038	7,043	6,806	6,806	6,840	6,840	6,893

Source: City Records

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# **City of Rocky River, Ohio**

**For the Year Ended December 31, 2016**

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**City of Rocky River, Ohio**

**For the Year Ended December 31, 2016**

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**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards***

Members of City Council  
City of Rocky River, Ohio

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky River, Ohio (the "City"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Members of City Council  
City of Rocky River, Ohio

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ciuni + Panichi, Inc.*

Cleveland, Ohio  
June 30, 2017

# City of Rocky River, Ohio

## Schedule of Prior Audit Findings

### For the Year Ended December 31, 2016

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain</b>
2015-001	The City administration will develop a policy to address timely completion of reconciliation procedures; stated deadlines will be considered. The consideration of timely execution will include the investigation of errors and/or unreconciled items. A component of monitoring controls will be the establishment of interim deadlines for certain tasks within the process and reporting thereof. To address segregation of duties risk, the policy may provide for a periodic rotation of reconciliation responsibilities and could give consideration to setting materiality thresholds for the City to follow to ensure that any unreconciled differences that are not corrected are not prudent as the costs may outweigh the benefit of further analysis.	No	Corrective action was taken and the finding was fully corrected prior to issuance of the 2016 financial statements.

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# Dave Yost • Auditor of State

CITY OF ROCKY RIVER

CUYAHOGA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
SEPTEMBER 26, 2017