

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

James G. Zupka, CPA, Inc.
Certified Public Accountants



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Members of Council
City of Rocky River
21012 Hilliard Blvd
Rocky River, OH 44116

We have reviewed the *Independent Auditor's Report* of the City of Rocky River, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2019 through December 31, 2019. 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.

Keith Faber
Auditor of State
Columbus, Ohio

November 18, 2020

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**CITY OF ROCKY RIVER
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019**

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

To the Members of City Council
City of Rocky River
Rocky River , Ohio

The Honorable Keith Faber
Auditor of State
State of 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 , Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated August 28, 2020, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

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. Therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses that we considered a material weakness as item **2019-001**.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James G. Zupka, CPA, Inc.
Certified Public Accountants

August 28, 2020

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Finding No. 2019-001 – Material Weakness – Bank Reconciliations

Condition/Criteria

During our audit of the cash function for the City, we noted the following:

1. The City did not reconcile December 31, 2019 bank balances to its book balances. The City's book balance is overstated by \$181,357, which was recorded as an adjustment by the City in 2020.
2. In addition, after the City implemented new accounting software, the City did not transfer funds from the Wastewater Treatment Plant bank account for the monthly reimbursement of Wastewater Treatment Plant expenses. As a result, the City's main bank account bank balance is underfunded by approximately \$605,000.
3. The City identified a reconciling amount on its December bank reconciliation in the amount of \$624,368 for outstanding checks recorded as expense in December 2019 that were not written until January 2020. An adjustment on the accrual basis financial statements was made recording the outstanding checks as Accounts Payables.
4. The City did not record interest earned on a monthly basis for all bank accounts, resulting in a GAAP adjustment to the financial statements.
5. At December 31, 2019, the City was carrying numerous outstanding checks dating back to 2018 for both criminal/traffic and civil bank accounts. These checks have not cleared the bank as of the date of this audit.

Cause/Effect

Timely reconciliation of cash receipts and disbursements is critical in determining the cash fund balances and obligations of the City. The reconciliation process verifies that the cash balance reported agrees to the adjusted balance per the bank statements, and it is also used to determine whether all cash receipts and disbursements have been properly recorded and distributed per system generated reports.

Lack of timely reconciliations could result in errors or irregularities, including theft, which would not be detected by management in a timely manner. Also, reconciliations not being performed timely limits the ability of the City to efficiently and effectively conduct its operations and diminishes its transparency regarding the City's operations, which could be hindered. In addition, each month reconciling items remain on the books makes the reconciliation process more time consuming and also could lead to more substantial errors.

Not transferring funds between bank accounts indicates the account has more available for expenditures than is actually available.

Having stale outdated checks which are included on the outstanding check list can make the reconciliation process cumbersome. It is also possible that supporting documentation for these items could become lost or misplaced over an extended period of time.

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Finding No. 2019-001 – Material Weakness – Bank Reconciliations (Continued)

Recommendation

We recommend that City management take appropriate steps to ensure all bank accounts post all activities timely and all bank accounts are reconciled on a monthly basis, and that any unreconciled variances be investigated and corrected in a timely manner and supported by accurate system generated reports. We also recommend that the City take steps to alleviate or adjust outstanding reconciling items after they are fully investigated and approved.

City's Response

The City noted exceptions in certain processes of new accounting software implementation that was effective September 1, 2019. It was discovered that certain configurations, settings and procedures were not aligned.

As of the date of this report, the necessary system configurations have been updated, staff training given and procedures implemented and in use in the processes that created the noted exceptions.

Finally, the Rocky River Municipal Court has confirmed it will recognize amounts of outstanding checks that are over 12 months old on a rolling, month-to-month basis by closing them out as unclaimed funds.

**CITY OF ROCKY RIVER
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

The prior audit report, as of December 31, 2018, included a noncompliance and a material weakness finding.

| Finding Number | Finding Summary | Status | Additional Information |
|-------------------|--|------------|------------------------|
| 2018-001 | Federal Receipts and Expenditures not Recorded | Corrected. | None |

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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City of Rocky River, Ohio

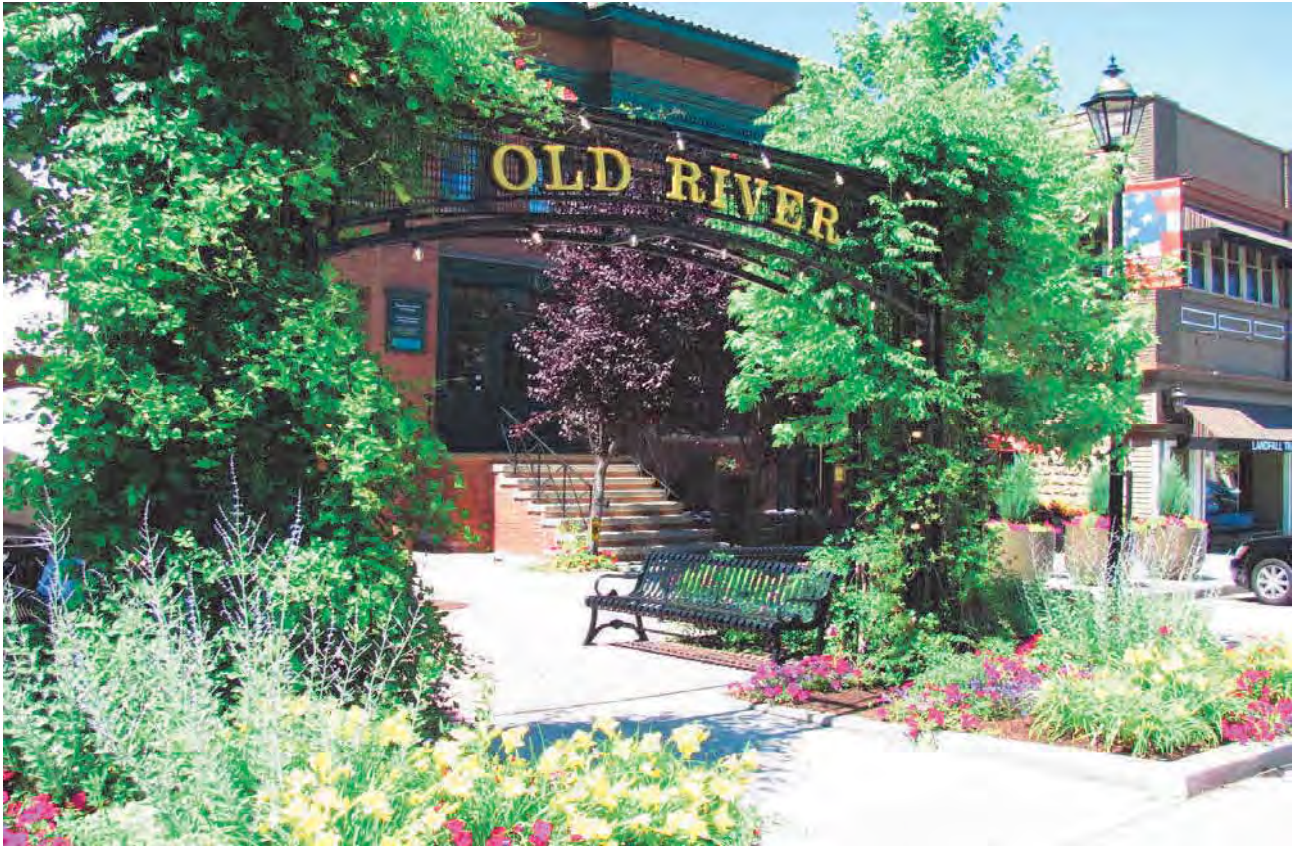
Comprehensive Annual Financial Report



for the year ended
December 31, 2019

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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, 2019

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

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For the Year Ended December 31, 2019

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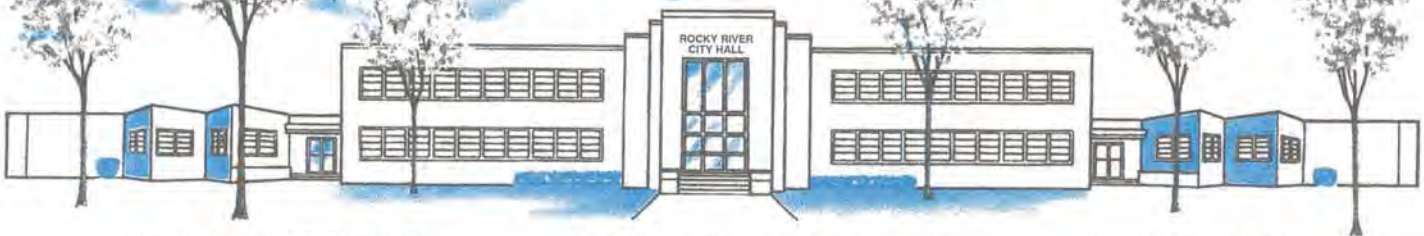
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CITY OF ROCKY RIVER



21012 HILLIARD BLVD.

• ROCKY RIVER, OHIO 44116

• (440) 331-0600

August 28, 2020

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) submits this Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2019. 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 the CAFR for the year ended December 31, 2019 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 James G. Zupka, CPA, 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, James. G. Zupka, CPA, 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, 2019 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 was last amended in 2014 with the next review for potential amendment(s) scheduled to occur in 2020.

The City is governed by an elected full-time Mayor and seven City Council members City Council all of whom serve two year terms. The Law Director is also an elected office holder who also serves two year terms. The Mayor appoints the heads of the following departments: Safety-Service, Finance, Human Resources, Building, Service, Public Buildings (facilities) Office on Aging and Recreation. As of December 31, the City had 182 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, refuse pick-up and recycling 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 the economic expansion of the northeast Ohio region and nation as a whole. City residents in the professional, managerial, entrepreneurial categories benefit from convenient access to the City of Cleveland and other suburban regional employment centers.

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; financial services and banking; shipping/logistics; and retail. According to www.city-data.com, estimated median household income in the City in 2017 was \$72,841; while for the State of Ohio that amount was \$54,021.

Components of income tax collections are:

| Component | 2016 | 2017 | 2018 | 2019 |
|----------------------|--------------|--------------|--------------|--------------|
| Employee Withholding | \$6,934,657 | \$7,543,693 | \$7,656,837 | \$7,900,389 |
| Residence Tax | 5,555,724 | 5,631,001 | 5,524,352 | 6,516,241 |
| Business Profit | 1,035,926 | 1,592,316 | 1,063,994 | 1,321,593 |
| Penalties & Interest | 74,289 | 386,985 | 463,697 | 499,353 |
| Total | \$13,600,596 | \$15,153,995 | \$14,708,880 | \$16,237,576 |

Over the most recent four year period, City income tax collections have increased annually by an average of about 7 percent. The City's income tax rate is 2.0 percent with a credit to residents of 1.5 percent for income taxes paid to another city. As approved by a ballot issue in 2014, one-half percent of the City income tax provides resources for capital projects and equipment purchases, either directly or through the payment of debt service for those activities.

Collections from the withholding component have continued to grow as employment levels in the City expanded over the indicated period. The Employee Withholding average annual increase over the most recent four year period was about 4.75 percent; that amount for the Residence Tax component was about 8.75 percent. While the Business Profit component is the smallest, the average annual increase over the indicated period was over 12 percent. While this revenue source is economically sensitive in the short-term, it has been proven to be durable in the long-term. Prior to the 2015 rate increase, the last rate increase was put in place in 1977.

For the City, and within the State of Ohio, property tax revenue received during 2019 represents collections of the 2018 tax levies. On behalf of the State of Ohio, the Cuyahoga County Fiscal Officer establishes property values within the City for tax purposes. As required by Ohio law, the Fiscal Officer completed a sexennial revaluation in 2018 which is continuing to favorably affect revenue. In addition, during 2019 seven new single-family homes were built, which amount was 12 in 2018 and 14 in 2017.

Generally, the percentages of the components making up the total assessed value were in the range of: residential, 85 percent; commercial, 14 percent; public utility, 1 percent. Notably, in the 2018 values, there was a shift of one percent between the residential and commercial components.

| Component | 2015 | 2016 | 2017 | 2018 |
|----------------------|---------------|---------------|---------------|---------------|
| Residential | \$633,749,770 | \$635,603,090 | \$636,818,330 | \$757,396,340 |
| Commercial | 103,324,300 | 104,831,960 | 103,637,190 | 110,876,470 |
| Public Utility | 8,855,180 | 9,375,340 | 10,034,290 | 10,407,290 |
| Total Assessed Value | \$745,929,250 | \$749,807,390 | \$750,489,810 | \$878,680,100 |

The observed consistency is indicative of the City's character as a suburban, bedroom community. Demographic data confirm the importance of real estate values to the financial stability of the City. The estimated median house/condo value in 2017 (the most recent data available) was \$250,774 in the City while that amount in the State of Ohio was \$144,200. The estimated owner-occupied housing unit rate in 2017 (the most recent data available) was 72 percent in the City while that amount in the State of Ohio was 66 percent. (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 2019. The table below updates a project described in last year's CAFR.

| Project | Project Cost | Status | Initial Construction Schedule |
|--|---------------------|----------------------------|--------------------------------------|
| Hampton Road (South) and Lakeview Avenue Sewer Improvement | \$6,953,000 | Construction began in 2017 | 06/01/2017 to 10/31/2018 |

During 2018, the scope of this project was expanded and construction continued beyond the end of 2019. The project is funded by an interest free loan, provided by the Ohio Public Works Commission (OPWC) for 80 percent of the project cost; the City provides the remaining 20 percent funding (as a local match). The amortization period of the project loan is 30 years. In addition, in cooperation with the City of Cleveland and pursuant to the existing funding component of the *Agreement between the Cities of Cleveland and Rocky River for Suburban Distribution Asset Renewal Program Project Reimbursement*, certain waterline improvements were undertaken with the cost of said project work reimbursed by the City of Cleveland.

In 2019, the City applied for another interest free loan from the OPWC the 2020 Rocky River Sewer Improvement Project. The total project cost is estimated to be \$7,886,000; the loan request was for 56 percent of the project cost with the City providing the remaining 44 percent funding (as a local match). The amortization period of the project loan would be 30 years. A source of a portion of the local match amount will be the *Agreement between the Cities of Cleveland and Rocky River for Suburban Distribution Asset Renewal Program Project Reimbursement* for the waterline improvement cost of the project.

The projects described above were undertaken within the comprehensive sewer maintenance and rehabilitation plan drafted by the City Engineer in 2006. Completion of the projects in the plan will serve to mitigate the potential for sanitary sewer overflows and reduce the City's exposure to potential compliance penalties.

During 2019, the City issued a total of \$6,000,000 one-year bond anticipation notes (BANs) to finance a portion of construction of a new Police Station as an addition to the City Hall building. The total project cost is estimated to be \$12,650,000. The City anticipates rolling over 2019 BANs in 2020 and adding \$4,000,000 in BANs to fund continued construction. In addition to debt financing a portion of the project, the City has the flexibility to contribute from two revenue streams designated for capital purposes.

During 2019, the City issued a total of \$750,000 one-year bond anticipation notes (BANs) to finance a portion of the purchase of a ladder fire truck, the cost of which was nearly \$1,200,000. The City anticipates retiring the 2019 BANs in 2020. Insurance and litigation settlement proceeds as well as City funding are the resources available to retire said debt.

Also in 2019, the City advanced plans for rehabilitation of the City's Bradstreet Landing Park lakefront park. Professional services costs were incurred to obtain appropriate permits and to develop biddable plans within those permits. The project cost estimate is in the range of \$2,000,000 to \$3,000,000.

Long-term Financial Planning

Despite economic stabilization and growth in revenue, the City administration proceeds with each annual budget conservatively. With staff reductions (attained through attrition), full-time City employment was 182 at December 31 while it was 190 at December 31, 2010. In accomplishing infrastructure projects and equipment purchases, the City looks to its property tax levy and dedicated municipal income tax revenue sources for that purpose and has obtained zero percent interest loans for a portion of many 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 certain to support City resident needs.

Since the City’s property tax revenue was favorably impacted as a result of the 2018 Cuyahoga County Fiscal Officer sexennial property revaluation, in 2019, the City established a Budget Stabilization Fund, pursuant to Ohio Revised Code 5705.13. Such a fund structure is an indicator of the intent of the administration and City Council to keep a stable long-term financial position. In 2019, \$688,290 was added to the new Budget Stabilization Fund; there were no expenditures from the fund during the year.

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 in the short-term. The City buffers this economically sensitive revenue stream by conservative budgeting. And also, where actual revenue exceeds estimated revenue such excess is generally not appropriated and carries over to the next year. In addition, during the five year period 2015 to 2019, the City spent an average of about 68 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 | 38 |
| Property Tax | 22 |
| Sewer Charges User Charges | 14 |
| Recreation Center User Charges | 7 |
| Grants/Loans | 7 |
| Other Revenue | 4 |
| Gas & License Fees | 3 |
| Ambulance Fees | 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, wastewater treatment, judicial services, income tax collection, certain safety services, park management and air traffic monitoring are provided by contract with other governments or managed by multi-jurisdictional related entities.

Awards and Acknowledgements

Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the year ending December 31, 2018. This was the thirtieth year that the City has received this prestigious award. A “Certificate of Achievement” is awarded to the City when its publication is issued with easily readable language; is efficiently organized and comprehensive; and conforms to the programs standards for an annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

s/Michael A. Thomas

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, 2018

Executive Director/CEO

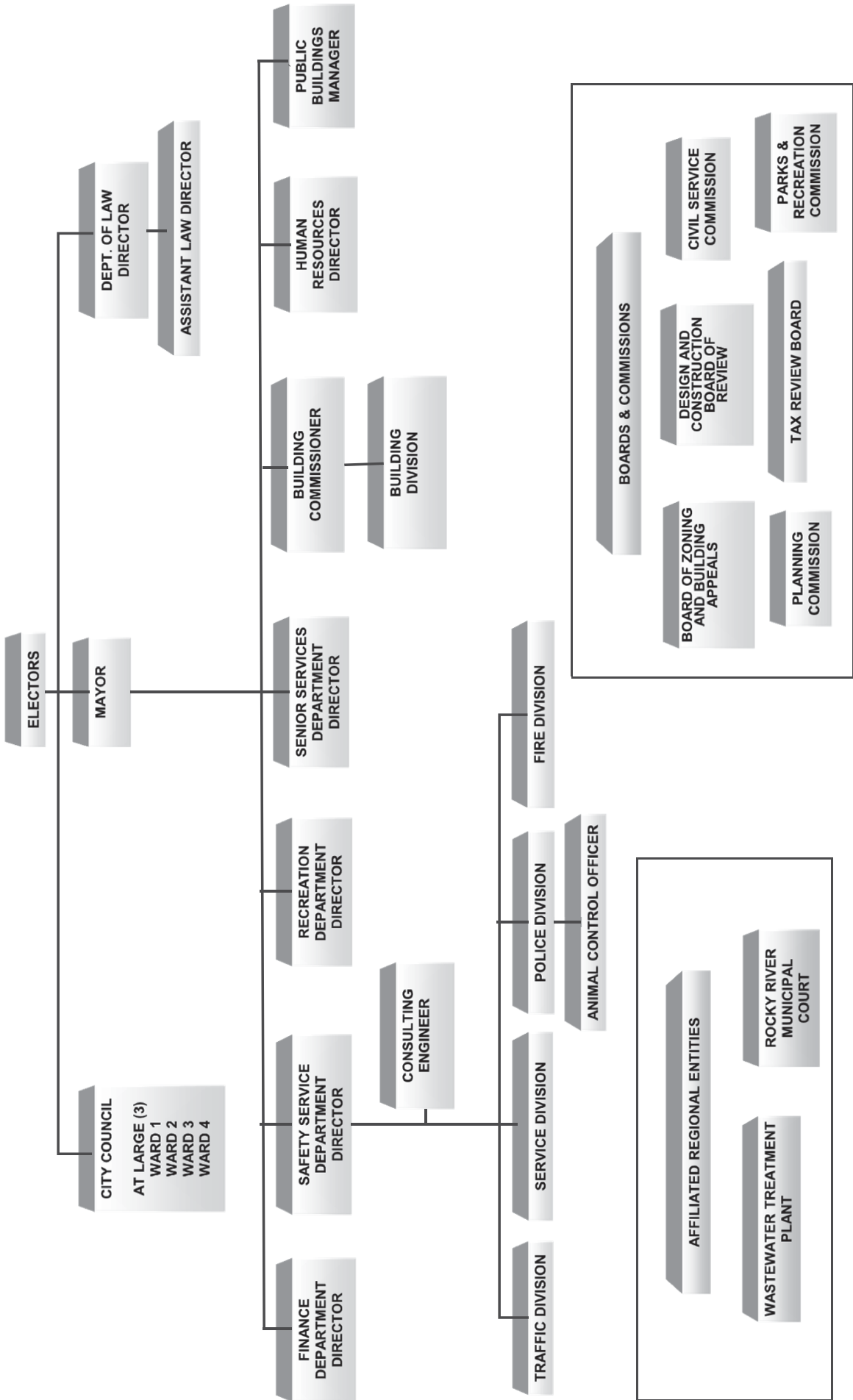
City of Rocky River, Ohio

List of Elected Officials

December 31, 2019

| <u>Title</u> | <u>Name</u> |
|----------------------------|----------------------|
| 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. Shepherd |

CITY OF ROCKY RIVER ORGANIZATIONAL CHART



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Financial Section



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JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Rocky River
Rocky River , Ohio

The Honorable Keith Faber
Auditor of State
State of 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 , Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2019, 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 of Rocky River as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Recreation Center Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 28 to the basic financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, 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 nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2020, 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.



James G. Zupka, CPA, Inc.
Certified Public Accountants

August 28, 2020

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City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2019

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, 2019. 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 2019 are:

- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2019 by \$65,833,687. This is an increase of \$11,251,171 over the 2018 net position. Net position of the City's governmental activities increased \$11,319,285 from 2018, while net position of the business-type activities decreased \$68,114.
- Total assets and total deferred outflows of resources both increased during 2019. The main factors affecting total assets were increases equity in pooled cash and cash equivalents, intergovernmental receivable, and capital assets, net. The main fluctuation in deferred outflows of resources is related to the pension systems.
- Total liabilities increased and deferred inflows of resources decreased from 2018. The main factors affecting total liabilities was the issuance of bond anticipation notes during 2019 and the net pension liability is up significantly. These increases were offset by a significant decrease in net OPEB liability. The deferred inflows of resources were down in 2019 with deferred inflows of resources related to pension being the most significant contributor.

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.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2019

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 2019?" 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

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2019

Reporting the Most Significant Funds of the City of Rocky River

Fund Financial Statements

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 Fund, Recreation Center Special Revenue Fund and Capital Improvement Capital Projects Fund.

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.

Fiduciary Funds

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

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2019

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 can be found immediately following the Statement of Changes in Fiduciary Net Position.

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 required supplementary information, 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.

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 2019 compared to 2018 balances.

| | Table 1 Net Position | | | | | |
|---|-------------------------|-------------------|--------------------------|-------------------|--------------------|--------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Assets: | | | | | | |
| Current and Other Assets | \$ 40,230,832 | \$ 33,975,582 | \$ 12,398,592 | \$ 12,803,196 | \$ 52,629,424 | \$ 46,778,778 |
| Capital Assets, Net | 65,238,484 | 60,993,719 | 28,074,082 | 28,008,871 | 93,312,566 | 89,002,590 |
| Net Pension Asset | 42,512 | 45,029 | 2,291 | 2,426 | 44,803 | 47,455 |
| Total Assets | <u>105,511,828</u> | <u>95,014,330</u> | <u>40,474,965</u> | <u>40,814,493</u> | <u>145,986,793</u> | <u>135,828,823</u> |
| Deferred Outflows of Resources: | | | | | | |
| Deferred Charge on Refunding Pension | 147,894 | 184,121 | 0 | 0 | 147,894 | 184,121 |
| OPEB | 10,305,245 | 4,654,878 | 283,004 | 148,829 | 10,588,249 | 4,803,707 |
| Total Deferred Outflows of Resources | <u>2,177,839</u> | <u>2,098,347</u> | <u>41,828</u> | <u>29,033</u> | <u>2,219,667</u> | <u>2,127,380</u> |
| Liabilities: | | | | | | |
| Current and Other Liabilities | 12,630,978 | 6,937,346 | 324,832 | 177,862 | 12,955,810 | 7,115,208 |
| Long-Term Liabilities | | | | | | |
| Due Within One Year | 8,980,689 | 2,197,516 | 437,833 | 627,302 | 9,418,522 | 2,824,818 |
| Other Amounts Due in More than One Year | 3,086,551 | 2,216,153 | 499,209 | 467,930 | 3,585,760 | 2,684,083 |
| Net Pension Liability | 7,904,776 | 10,160,131 | 15,302,077 | 15,609,842 | 23,206,853 | 25,769,973 |
| Net OPEB Liability | 36,420,927 | 24,332,613 | 868,119 | 480,196 | 37,289,046 | 24,812,809 |
| Total Liabilities | <u>9,650,617</u> | <u>20,167,421</u> | <u>397,966</u> | <u>319,588</u> | <u>10,048,583</u> | <u>20,487,009</u> |
| | <u>66,043,560</u> | <u>59,073,834</u> | <u>17,505,204</u> | <u>17,504,858</u> | <u>83,548,764</u> | <u>76,578,692</u> |

(Continued)

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2019

Table 1
 Net Position (Continued)

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Deferred Inflows of Resources: | | | | | | |
| Property Taxes | 8,162,851 | 8,069,932 | 0 | 0 | 8,162,851 | 8,069,932 |
| Pension | 567,272 | 2,967,012 | 12,731 | 114,794 | 580,003 | 3,081,806 |
| OPEB | 816,218 | 607,278 | 1,080 | 23,807 | 817,298 | 631,085 |
| Total Deferred Inflows of Resources | <u>9,546,341</u> | <u>11,644,222</u> | <u>13,811</u> | <u>138,601</u> | <u>9,560,152</u> | <u>11,782,823</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 56,810,711 | 53,411,670 | 12,314,284 | 12,032,701 | 69,124,995 | 65,444,371 |
| Restricted for: | | | | | | |
| Capital Projects | 11,891,776 | 9,335,895 | 0 | 0 | 11,891,776 | 9,335,895 |
| Debt Service | 267,982 | 387,087 | 0 | 0 | 267,982 | 387,087 |
| Refuse and Recycling | 550,878 | 411,657 | 0 | 0 | 550,878 | 411,657 |
| Office on Aging | 218,999 | 248,791 | 0 | 0 | 218,999 | 248,791 |
| Street Construction and Maintenance | 1,367,285 | 882,471 | 0 | 0 | 1,367,285 | 882,471 |
| Law Enforcement and Education | 159,645 | 185,206 | 0 | 0 | 159,645 | 185,206 |
| Fire and Police Pensions | 107,478 | 112,410 | 0 | 0 | 107,478 | 112,410 |
| Security of Persons and Property | 317,396 | 314,167 | 0 | 0 | 317,396 | 314,167 |
| Community Impact | 3,312 | 3,312 | 0 | 0 | 3,312 | 3,312 |
| Unrestricted | <u>(29,142,557)</u> | <u>(34,059,046)</u> | <u>10,966,498</u> | <u>11,316,195</u> | <u>(18,176,059)</u> | <u>(22,742,851)</u> |
| Total Net Position | \$ <u>42,552,905</u> | \$ <u>31,233,620</u> | \$ <u>23,280,782</u> | \$ <u>23,348,896</u> | \$ <u>65,833,687</u> | \$ <u>54,582,516</u> |

The City follows Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to pensions and other postemployment benefits (OPEB). 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/OPEB, the net pension/OPEB liability to the reported net position and subtracting deferred outflows related to pension/OPEB and the net pension asset.

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension/OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension/OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2019

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension/OPEB 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/OPEB. GASB noted that the unfunded portion of this 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 these liabilities. In Ohio, the employee shares the obligation of funding 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 Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan 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 retirement system is responsible for the administration of the pension/OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension/OPEB liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension/OPEB liability is satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on the accrual basis of accounting include an annual pension/OPEB expense for their proportionate share of each plan's change in net pension/OPEB liability and net pension asset not accounted for as deferred inflows/outflows.

Net position may serve over time as a useful indicator of a government's financial position. For the City, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$65,833,687 as of December 31, 2019, which is a \$11,251,171 increase from the prior year. At the end of the current year, the City is able to report positive balances in the net investment in capital assets and restricted net position. Unrestricted net position is negative as a result of GASB 68 and GASB 75.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2019

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.

Table 2
Changes in Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 6,063,086 | \$ 6,097,152 | \$ 3,555,105 | \$ 4,227,218 | \$ 9,618,191 | \$ 10,324,370 |
| Operating Grants and Contributions | 2,074,247 | 1,588,287 | 0 | 0 | 2,074,247 | 1,588,287 |
| Capital Grants and Contributions | <u>287,289</u> | <u>2,421,686</u> | <u>0</u> | <u>0</u> | <u>287,289</u> | <u>2,421,686</u> |
| Total Program Revenues | <u>8,424,622</u> | <u>10,107,125</u> | <u>3,555,105</u> | <u>4,227,218</u> | <u>11,979,727</u> | <u>14,334,343</u> |
| General Revenues: | | | | | | |
| Property Taxes | 8,300,515 | 7,140,047 | 0 | 0 | 8,300,515 | 7,140,047 |
| Municipal Income Taxes | 15,937,337 | 14,836,850 | 0 | 1,265,712 | 15,937,337 | 16,102,562 |
| Other Local Taxes | 340,060 | 284,922 | 0 | 0 | 340,060 | 284,922 |
| Grants and Entitlements not Restricted to Specific Programs | 1,211,407 | 1,354,155 | 0 | 0 | 1,211,407 | 1,354,155 |
| Investment Income | 582,984 | 314,231 | 0 | 0 | 582,984 | 314,231 |
| Other | <u>243,034</u> | <u>118,851</u> | <u>0</u> | <u>0</u> | <u>243,034</u> | <u>118,851</u> |
| Total General Revenues | <u>26,615,337</u> | <u>24,049,056</u> | <u>0</u> | <u>1,265,712</u> | <u>26,615,337</u> | <u>25,314,768</u> |
| Total Revenues | <u>35,039,959</u> | <u>34,156,181</u> | <u>3,555,105</u> | <u>5,492,930</u> | <u>38,595,064</u> | <u>39,649,111</u> |
| Program Expenses: | | | | | | |
| General Government | 7,503,253 | 7,358,241 | 0 | 0 | 7,503,253 | 7,358,241 |
| Security of Persons and Property | 1,251,659 | 12,094,504 | 0 | 0 | 1,251,659 | 12,094,504 |
| Public Health | 1,375,982 | 1,180,829 | 0 | 0 | 1,375,982 | 1,180,829 |
| Transportation | 4,240,707 | 4,011,387 | 0 | 0 | 4,240,707 | 4,011,387 |
| Leisure Time Activities | 5,376,837 | 4,494,796 | 0 | 0 | 5,376,837 | 4,494,796 |
| Community Development | 732,960 | 612,083 | 0 | 0 | 732,960 | 612,083 |
| Basic Utility Service | 2,804,059 | 2,512,750 | 0 | 0 | 2,804,059 | 2,512,750 |
| Interest and Fiscal Charges | 260,577 | 240,917 | 0 | 0 | 260,577 | 240,917 |
| Sanitary Sewer Charges | <u>0</u> | <u>0</u> | <u>3,797,859</u> | <u>4,651,116</u> | <u>3,797,859</u> | <u>4,651,116</u> |
| Total Program Expenses | <u>23,546,034</u> | <u>32,505,507</u> | <u>3,797,859</u> | <u>4,651,116</u> | <u>27,343,893</u> | <u>37,156,623</u> |
| Change in Net Position Before Transfers | 11,493,925 | 1,650,674 | (242,754) | 841,814 | 11,251,171 | 2,492,488 |
| Transfers, Net | <u>(174,640)</u> | <u>838,994</u> | <u>174,640</u> | <u>(838,994)</u> | <u>0</u> | <u>0</u> |
| Change in Net Position | 11,319,285 | 2,489,668 | (68,114) | 2,820 | 11,251,171 | 2,492,488 |
| Net Position, Beginning of Year | <u>31,233,620</u> | <u>28,743,952</u> | <u>23,348,896</u> | <u>23,346,076</u> | <u>54,582,516</u> | <u>52,090,028</u> |
| Net Position, End of Year | \$ <u>42,552,905</u> | \$ <u>31,233,620</u> | \$ <u>23,280,782</u> | \$ <u>23,348,896</u> | \$ <u>65,833,687</u> | \$ <u>54,582,516</u> |

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2019

Governmental Activities

Overall, total governmental activities net position increased by \$11,319,285 primarily due to an increase in property tax revenues and a significant decrease in expenses as a result of change in benefit terms of the Ohio Police and Fire Pension's OPEB plan flowing through the current year results.

Total program expenses for 2019 were \$23,546,034, a 28% decrease from 2018 levels. In prior years the most significant program category was the security of persons and property, which includes police and fire protection. During 2019, these expenses decrease from \$12.1 million to \$1.3 million as a result of the already disclosed changes in the OPEB plan for the Ohio Police and Fire Pension.

During 2019, the largest program category for the City is general government, which reports the accumulated activity of the Rocky River Municipal Court and other administrative functions of the City. This program accounts for 32% of expenses and is fairly consistent with 2018.

Business-Type Activities

For business-type activities of the City, charges for services are the primary source of revenue. The noted decrease in charges for services represents the impact of decreased 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, 2019, the City's governmental funds reported combining ending fund balance of \$18,432,291. Of that amount, \$2,040,753 constitutes unassigned fund balances, which is available for spending at the City's discretion. The \$16,391,538 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 \$35,117,486 and expenditures of \$35,592,425, resulting in a \$402,516 current year decrease in fund balance, after consideration of \$72,423 in net other financing sources.

The General Fund is the most significant fund as it is the source for providing a significant portion of resources for governmental activities such as police, fire, service, legislative, and administrative functions.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2019

In 2019, the General Fund had total revenues and other financing sources of \$21,664,815 and expenditures and other financing uses, of \$22,140,139 resulting in a decrease in fund balance at December 31, 2019 of \$475,324. General Fund revenues, including other financing sources increased \$3,956,442 from 2018, while expenditures, including other financing uses, increased by \$3,018,511. The increase in General Fund revenues was due primarily to increases in municipal income tax and property tax revenues. Expenditures increased primarily due to increases in operating transfers out and personnel costs.

The Recreation Center Fund accounts for the operation and maintenance of the City's recreation facilities and activities. In 2019, the Recreation Center Fund had total revenues and other financing sources of \$3,191,688 and expenditures of \$3,225,268 resulting in a decrease in fund balance of \$33,580 at December 31, 2019. Total revenues and other financing sources increased \$163,040 primarily due to increased transfers and increased rental fees. Expenditures were \$105,166 more than last year's expenditures.

The Capital Improvement Fund accounts for the various projects of the City financed by tax monies and General Fund transfers. In 2019, the Capital Improvement Fund had total revenues and other financing sources of \$7,042,263 and expenditures of \$5,754,200 resulting in an increase in fund balance of \$1,288,063 at December 31, 2019. Revenues and other financing sources decreased \$1,108,028 from the prior year due to decreased grant funding for capital projects. Expenditures increased from 2018 due to more capital outlay expenditures in the current year as a result several capital improvement projects during the 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 2019, the City supplemented the General Fund budget once. The General Fund's actual expenditures, not including other financing uses, were \$2,581,833 under the final budgeted amount of \$18,290,477. The main reason for the fluctuation is due to lower than expected costs to operate the Rocky River Municipal Court in the general government expenses and lower than expected police costs in the security of persons and property expenses.

Actual revenues exceeded budgetary estimates as actual collections for municipal income taxes and intergovernmental revenue were both greater than budgeted amounts. Municipal income taxes were higher in 2019 due to an increased net profits tax collections and intergovernmental revenue exceeded the budget because the homestead and rollback remittances from the State of Ohio are treated as intergovernmental revenue rather than property tax revenue.

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.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2019

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 \$21,264,589, and \$21,264,589, respectively.

Capital Assets and Debt Administration

Capital Assets

Table 3 shows fiscal year 2019 balances of capital assets, net of any accumulated depreciation, as compared to 2018:

Table 3
Capital Assets, Net at December 31

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|---------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</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 | 8,603,757 | 4,397,736 | 6,346,784 | 5,956,044 | 14,950,541 | 10,353,780 |
| Land Improvements | 2,994,705 | 3,140,167 | 0 | 0 | 2,994,705 | 3,140,167 |
| Buildings | 19,191,909 | 19,122,731 | 0 | 0 | 19,191,909 | 19,122,731 |
| Equipment | 2,891,309 | 2,498,599 | 70,812 | 73,366 | 2,962,121 | 2,571,965 |
| Vehicles | 2,257,836 | 1,257,334 | 366,604 | 293,878 | 2,624,440 | 1,551,212 |
| Infrastructure: | | | | | | |
| Roads | 14,955,280 | 15,986,226 | 0 | 0 | 14,955,280 | 15,986,226 |
| Sidewalks | 1,947,857 | 2,008,782 | 0 | 0 | 1,947,857 | 2,008,782 |
| Traffic Signals | 153,624 | 180,680 | 0 | 0 | 153,624 | 180,680 |
| Storm Sewers | 10,021,223 | 10,180,480 | 0 | 0 | 10,021,223 | 10,180,480 |
| Sewer Lines | <u>0</u> | <u>0</u> | <u>21,000,366</u> | <u>21,396,067</u> | <u>21,000,366</u> | <u>21,396,067</u> |
| Total Capital Assets, Net | \$ <u>65,238,484</u> | \$ <u>60,993,719</u> | \$ <u>28,074,082</u> | \$ <u>28,008,871</u> | \$ <u>93,312,566</u> | \$ <u>89,002,590</u> |

Total capital assets, net for the City as of December 31, 2019 were \$93,312,566, a \$4,309,976 increase from 2018. Capital asset additions of \$9,323,425 were offset by \$3,768,868 of depreciation expense and \$1,244,581 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, 2019

Debt

On December 31, 2019, the City had \$22,140,810 in bonds and loans outstanding. Table 4 summarizes bonds and loans outstanding.

Table 4
 Outstanding Debt at Year-End

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------|-------------------------|---------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| General Obligation Bonds \$ | 6,050,684 | \$ 7,344,737 | \$ 0 | \$ 0 | \$ 6,050,684 | \$ 7,344,737 |
| Special Assessment Bonds | 190,000 | 230,000 | 0 | 0 | 190,000 | 230,000 |
| OPWC Loans | 224,165 | 191,433 | 15,649,778 | 15,924,978 | 15,873,943 | 16,116,411 |
| OWDA Loans | <u>0</u> | <u>0</u> | <u>26,183</u> | <u>51,192</u> | <u>26,183</u> | <u>51,192</u> |
| Total Outstanding Debt \$ | <u>6,464,849</u> | <u>\$ 7,766,170</u> | <u>\$ 15,675,961</u> | <u>\$ 15,976,170</u> | <u>\$ 22,140,810</u> | <u>\$ 23,742,340</u> |

The outstanding general obligation bonds at December 31, 2019 are composed of the following: 1) Refunded General Purpose, Series 2014, of \$2,515,000; 2) Refunded Civic Facility Improvements, Series 2014 of \$2,700,000 and 3) Refunded Municipal Court Facility, Series 2011 of \$525,000. There remains unamortized premiums related to these issues of \$310,684.

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, 2019 consist of Erosion Control A & B Bonds: \$100,000 (Series 1998) and \$90,000 (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 \$80,343,944 on December 31, 2019.

See Note 19 of the basic financial statements for additional information on the City's debt.

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City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2019

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 most recent reassessment by the Fiscal Officer was completed in 2018.

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

Contacting the City's Finance Department

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

City of Rocky River, Ohio

Statement of Net Position

December 31, 2019

| | Governmental Activities | Business - Type Activities | Total |
|---|----------------------------|----------------------------------|--------------------|
| Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 24,068,219 | \$ 7,140,481 | \$ 31,208,700 |
| Restricted Cash and Cash Equivalents | 69,425 | 44,606 | 114,031 |
| Accrued Interest Receivable | 69,072 | 0 | 69,072 |
| Accounts Receivable, Net | 355,528 | 446,897 | 802,425 |
| Intergovernmental Receivable | 1,480,043 | 0 | 1,480,043 |
| Internal Balances | (7,932) | 7,932 | 0 |
| Materials and Supplies Inventory | 221,462 | 10,467 | 231,929 |
| Prepaid Assets | 30,736 | 1,592 | 32,328 |
| Municipal Income Taxes Receivable | 5,341,143 | 0 | 5,341,143 |
| Property Taxes Receivable | 8,407,358 | 0 | 8,407,358 |
| Special Assessments Receivable | 195,778 | 271,480 | 467,258 |
| Investment in Joint Venture | 0 | 4,475,137 | 4,475,137 |
| Nondepreciable Capital Assets | 10,824,741 | 6,636,300 | 17,461,041 |
| Depreciable Capital Assets, Net | 54,413,743 | 21,437,782 | 75,851,525 |
| Net Pension Asset | 42,512 | 2,291 | 44,803 |
| Total Assets | 105,511,828 | 40,474,965 | 145,986,793 |
| Deferred Outflows of Resources: | | | |
| Deferred Charge on Refunding | 147,894 | 0 | 147,894 |
| Pension | 10,305,245 | 283,004 | 10,588,249 |
| OPEB | 2,177,839 | 41,828 | 2,219,667 |
| Total Deferred Outflows of Resources | 12,630,978 | 324,832 | 12,955,810 |
| Liabilities: | | | |
| Accounts Payable | 905,719 | 332,570 | 1,238,289 |
| Accrued Wages and Benefits | 468,538 | 21,054 | 489,592 |
| Intergovernmental Payable | 305,154 | 10,108 | 315,262 |
| Unearned Revenue | 6,381 | 0 | 6,381 |
| Retainage Payable | 174,998 | 73,709 | 248,707 |
| Matured Compensated Absences | 115,168 | 0 | 115,168 |
| Accrued Interest Payable | 49,566 | 392 | 49,958 |
| Claims Payable | 205,165 | 0 | 205,165 |
| Notes Payable | 6,750,000 | 0 | 6,750,000 |
| Long-Term Liabilities: | | | |
| Due within One Year | 3,086,551 | 499,209 | 3,585,760 |
| Due in More than One Year: | | | |
| Other Amounts Due in More than One Year | 7,904,776 | 15,302,077 | 23,206,853 |
| Net Pension Liability | 36,420,927 | 868,119 | 37,289,046 |
| Net OPEB Liability | 9,650,617 | 397,966 | 10,048,583 |
| Total Liabilities | 66,043,560 | 17,505,204 | 83,548,764 |
| Deferred Inflows of Resources: | | | |
| Property Taxes | 8,162,851 | 0 | 8,162,851 |
| Pension | 567,272 | 12,731 | 580,003 |
| OPEB | 816,218 | 1,080 | 817,298 |
| Total Deferred Inflows of Resources | 9,546,341 | 13,811 | 9,560,152 |

(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, 2019

| | <u>Governmental Activities</u> | <u>Business - Type Activities</u> | <u>Total</u> |
|-------------------------------------|------------------------------------|---|----------------------|
| Net Position: | | | |
| Net Investment in Capital Assets | 56,810,711 | 12,314,284 | 69,124,995 |
| Restricted for: | | | |
| Capital Projects | 11,891,776 | 0 | 11,891,776 |
| Debt Service | 267,982 | 0 | 267,982 |
| Refuse and Recycling | 550,878 | 0 | 550,878 |
| Office on Aging | 218,999 | 0 | 218,999 |
| Street Construction and Maintenance | 1,367,285 | 0 | 1,367,285 |
| Law Enforcement and Education | 159,645 | 0 | 159,645 |
| Fire and Police Pensions | 107,478 | 0 | 107,478 |
| Security of Persons and Property | 317,396 | 0 | 317,396 |
| Community Impact | 3,312 | 0 | 3,312 |
| Unrestricted (Deficit) | <u>(29,142,557)</u> | <u>10,966,498</u> | <u>(18,176,059)</u> |
| Total Net Position | \$ <u>42,552,905</u> | \$ <u>23,280,782</u> | \$ <u>65,833,687</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, 2019

| | Expenses | Program Revenues | | |
|----------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Government Activities: | | | | |
| General Government | \$ 7,503,253 | \$ 2,214,094 | \$ 447,897 | \$ 127,470 |
| Security of Persons and Property | 1,251,659 | 1,313,335 | 48,259 | 0 |
| Public Health | 1,375,982 | 312,758 | 0 | 23,885 |
| Transportation | 4,240,707 | 3,500 | 1,472,721 | 0 |
| Leisure Time Activities | 5,376,837 | 2,214,201 | 0 | 135,934 |
| Community Development | 732,960 | 575 | 0 | 0 |
| Basic Utility Service | 2,804,059 | 4,623 | 105,370 | 0 |
| Interest and Fiscal Charges | 260,577 | 0 | 0 | 0 |
| Total Governmental Activities | <u>23,546,034</u> | <u>6,063,086</u> | <u>2,074,247</u> | <u>287,289</u> |
| Business-Type Activities: | | | | |
| Sanitary Sewer Charges | <u>3,797,859</u> | <u>3,555,105</u> | <u>0</u> | <u>0</u> |
| Total | <u>\$ 27,343,893</u> | <u>\$ 9,618,191</u> | <u>\$ 2,074,247</u> | <u>\$ 287,289</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
 - Other Local Taxes
- 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> |
| \$ (4,713,792) | \$ 0 | \$ (4,713,792) |
| 109,935 | 0 | 109,935 |
| (1,039,339) | 0 | (1,039,339) |
| (2,764,486) | 0 | (2,764,486) |
| (3,026,702) | 0 | (3,026,702) |
| (732,385) | 0 | (732,385) |
| (2,694,066) | 0 | (2,694,066) |
| <u>(260,577)</u> | <u>0</u> | <u>(260,577)</u> |
| <u>(15,121,412)</u> | <u>0</u> | <u>(15,121,412)</u> |
| <u>0</u> | <u>(242,754)</u> | <u>(242,754)</u> |
| <u>(15,121,412)</u> | <u>(242,754)</u> | <u>(15,364,166)</u> |
| 4,789,888 | 0 | 4,789,888 |
| 486,249 | 0 | 486,249 |
| 400,753 | 0 | 400,753 |
| 716,011 | 0 | 716,011 |
| 240,467 | 0 | 240,467 |
| 240,468 | 0 | 240,468 |
| 801,506 | 0 | 801,506 |
| 625,173 | 0 | 625,173 |
| 15,937,337 | 0 | 15,937,337 |
| 340,060 | 0 | 340,060 |
| 1,211,407 | 0 | 1,211,407 |
| 582,984 | 0 | 582,984 |
| 243,034 | 0 | 243,034 |
| <u>(174,640)</u> | <u>174,640</u> | <u>0</u> |
| <u>26,440,697</u> | <u>174,640</u> | <u>26,615,337</u> |
| 11,319,285 | (68,114) | 11,251,171 |
| <u>31,233,620</u> | <u>23,348,896</u> | <u>54,582,516</u> |
| \$ <u>42,552,905</u> | \$ <u>23,280,782</u> | \$ <u>65,833,687</u> |

City of Rocky River, Ohio

Balance Sheet Governmental Funds

December 31, 2019

| | <u>General</u> | <u>Recreation Center</u> |
|---|----------------------|------------------------------|
| Assets: | | |
| Current Assets: | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 5,233,632 | \$ 217,752 |
| Restricted Cash and Cash Equivalents | 0 | 0 |
| Accrued Interest Receivable | 69,072 | 0 |
| Accounts Receivable, Net | 266,798 | 10,527 |
| Intergovernmental Receivable | 651,624 | 26,186 |
| Materials and Supplies Inventory | 47,681 | 196 |
| Prepaid Assets | 19,272 | 3,814 |
| Municipal Income Taxes Receivable | 4,272,914 | 0 |
| Property Taxes Receivable | 4,959,398 | 393,605 |
| Special Assessments Receivable | 0 | 0 |
| Non-Current Assets: | | |
| Advances to Other Funds | 250,000 | 0 |
| Total Assets | <u>\$ 15,770,391</u> | <u>\$ 652,080</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances: | | |
| Liabilities: | | |
| Current Liabilities: | | |
| Accounts Payable | \$ 212,386 | \$ 36,354 |
| Accrued Wages and Benefits | 314,903 | 58,447 |
| Intergovernmental Payable | 78,138 | 23,165 |
| Retainage Payable | 0 | 0 |
| Unearned revenue | 0 | 6,381 |
| Matured Compensated Absences | 73,410 | 41,758 |
| Notes Payable | 0 | 0 |
| Accrued Interest Payable | 0 | 0 |
| Non-Current Liabilities: | | |
| Advances from Other Funds | 0 | 250,000 |
| Total Liabilities | <u>678,837</u> | <u>416,105</u> |
| Deferred Inflows of Resources: | | |
| Property Taxes | 4,815,166 | 382,158 |
| Unavailable Revenue | <u>3,031,351</u> | <u>37,633</u> |
| Total Deferred Inflows of Resources | <u>7,846,517</u> | <u>419,791</u> |
| Fund Balances: | | |
| Nonspendable | 376,504 | 4,010 |
| Restricted | 0 | 0 |
| Assigned | 4,639,954 | 0 |
| Unassigned (Deficit) | <u>2,228,579</u> | <u>(187,826)</u> |
| Total Fund Balances (Deficit) | <u>7,245,037</u> | <u>(183,816)</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 15,770,391</u> | <u>\$ 652,080</u> |

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

| <u>Capital Improvement</u> | <u>Total Non-major Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------|--------------------------------------|---|
| \$ 13,365,744 | \$ 4,854,841 | \$ 23,671,969 |
| 69,425 | 0 | 69,425 |
| 0 | 0 | 69,072 |
| 65,646 | 12,557 | 355,528 |
| 56,098 | 746,135 | 1,480,043 |
| 0 | 173,585 | 221,462 |
| 0 | 7,650 | 30,736 |
| 694,349 | 373,880 | 5,341,143 |
| 787,204 | 2,267,151 | 8,407,358 |
| 0 | 195,778 | 195,778 |
| 0 | 0 | 250,000 |
| \$ 15,038,466 | \$ 8,631,577 | \$ 40,092,514 |
| | | |
| \$ 520,405 | \$ 136,574 | \$ 905,719 |
| 0 | 95,188 | 468,538 |
| 0 | 203,851 | 305,154 |
| 174,998 | 0 | 174,998 |
| 0 | 0 | 6,381 |
| 0 | 0 | 115,168 |
| 6,000,000 | 750,000 | 6,750,000 |
| 29,833 | 3,729 | 33,562 |
| 0 | 0 | 250,000 |
| 6,725,236 | 1,189,342 | 9,009,520 |
| | | |
| 764,310 | 2,201,217 | 8,162,851 |
| 443,868 | 975,000 | 4,487,852 |
| 1,208,178 | 3,176,217 | 12,650,703 |
| | | |
| 0 | 181,235 | 561,749 |
| 7,105,052 | 4,084,783 | 11,189,835 |
| 0 | 0 | 4,639,954 |
| 0 | 0 | 2,040,753 |
| 7,105,052 | 4,266,018 | 18,432,291 |
| | | |
| \$ 15,038,466 | \$ 8,631,577 | \$ 40,092,514 |

City of Rocky River, Ohio

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

December 31, 2019

Total Governmental Funds Balance \$ 18,432,291

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 65,238,484

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

| | | |
|---------------------------|----|------------------|
| Delinquent Property Taxes | \$ | 244,507 |
| Municipal Income Taxes | | 2,806,740 |
| Investment Income | | 69,072 |
| Special Assessments | | 195,778 |
| Fines, Fees and Permits | | 101,193 |
| Intergovernmental | | <u>1,070,562</u> |

Total 4,487,852

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (16,004)

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 | | 191,085 |
| Internal Balance | | <u>(7,932)</u> |

Total 183,153

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

| | | |
|-------------------------------|--|--------------------|
| General Obligation Bonds | | (6,050,684) |
| Deferred Charges on Refunding | | 147,894 |
| Special Assessments | | (190,000) |
| OPWC Loans | | (224,165) |
| Compensated Absences | | <u>(4,526,478)</u> |

Total (10,843,433)

(Continued)

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

City of Rocky River, Ohio

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities (Continued)

December 31, 2019

The net pension liability is not due and payable in the current period and the net pension asset is not available for spending in the current period; therefore, the asset/liability and related deferred outflows/inflows are not reported in the governmental funds:

| | | |
|--|------------------|--------------|
| Net Pension Asset | 42,512 | |
| Deferred Outflows of Resources - Pension | 10,305,245 | |
| Net Pension Liability | (36,420,927) | |
| Deferred Inflows of Resources - Pension | <u>(567,272)</u> | |
| Total | | (26,640,442) |

The net OPEB liability is not due in the current period; therefore, the liability and related deferred outflows/inflows are not reported in governmental funds.

| | | |
|---------------------------------------|------------------|--------------------|
| Deferred Outflows of Resources - OPEB | 2,177,839 | |
| Net OPEB Liability | (9,650,617) | |
| Deferred Inflows of Resources - OPEB | <u>(816,218)</u> | |
| Total | | <u>(8,288,996)</u> |

Net Position of Governmental Activities \$ 42,552,905

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, 2019

| | <u>General</u> | <u>Recreation Center</u> |
|--|----------------------------|------------------------------|
| Revenues: | | |
| Property Taxes | \$ 4,905,216 | \$ 474,802 |
| Municipal Income Taxes | 11,726,366 | 0 |
| Other Local Taxes | 106,776 | 0 |
| Intergovernmental | 1,092,067 | 52,685 |
| Charges for Services | 139,657 | 2,077,647 |
| Fines, Fees and Permits | 2,840,455 | 0 |
| Special Assessments | 0 | 0 |
| Investment Income | 508,057 | 0 |
| Rentals | 178,581 | 133,091 |
| Other | <u>167,640</u> | <u>3,463</u> |
| Total Revenues | <u>21,664,815</u> | <u>2,741,688</u> |
| Expenditures: | | |
| Current: | | |
| General Government | 5,053,082 | 0 |
| Security of Persons and Property | 8,798,903 | 0 |
| Public Health | 0 | 0 |
| Transportation | 754,980 | 0 |
| Leisure Time Activities | 499,478 | 3,225,268 |
| Community Development | 583,696 | 0 |
| Basic Utility Service | 0 | 0 |
| Capital Outlay | 0 | 0 |
| Debt Service: | | |
| Principal Retirement | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 |
| Issuance Costs | <u>0</u> | <u>0</u> |
| Total Expenditures | <u>15,690,139</u> | <u>3,225,268</u> |
| Excess of Revenues Over (Under) Expenditures | <u>5,974,676</u> | <u>(483,580)</u> |
| Other Financing Sources (Uses): | | |
| OPWC Loan Issuance | 0 | 0 |
| Premium on Issuance of Bond Anticipation Notes | 0 | 0 |
| Transfers - In | 0 | 450,000 |
| Transfers - Out | <u>(6,450,000)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>(6,450,000)</u> | <u>450,000</u> |
| Net Change in Fund Balances | (475,324) | (33,580) |
| Fund Balances (Deficit) at Beginning of Year | <u>7,720,361</u> | <u>(150,236)</u> |
| Fund Balances (Deficit) at End of Year | \$ <u><u>7,245,037</u></u> | \$ <u><u>(183,816)</u></u> |

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

| <u>Capital Improvement</u> | <u>Total Non-major Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------|--------------------------------------|---|
| \$ 778,612 | \$ 2,156,938 | \$ 8,315,568 |
| 3,470,523 | 1,166,763 | 16,363,652 |
| 224,508 | 0 | 331,284 |
| 232,840 | 1,947,986 | 3,325,578 |
| 0 | 316,731 | 2,534,035 |
| 0 | 301,437 | 3,141,892 |
| 0 | 46,191 | 46,191 |
| 18,361 | 14,390 | 540,808 |
| 0 | 0 | 311,672 |
| <u>13,679</u> | <u>22,024</u> | <u>206,806</u> |
| <u>4,738,523</u> | <u>5,972,460</u> | <u>35,117,486</u> |
| 39,047 | 694,322 | 5,786,451 |
| 0 | 1,440,269 | 10,239,172 |
| 0 | 1,078,986 | 1,078,986 |
| 0 | 1,610,084 | 2,365,064 |
| 0 | 0 | 3,724,746 |
| 0 | 0 | 583,696 |
| 0 | 1,968,209 | 1,968,209 |
| 5,664,312 | 2,370,038 | 8,034,350 |
| 0 | 1,518,906 | 1,518,906 |
| 29,833 | 239,378 | 269,211 |
| <u>21,008</u> | <u>2,626</u> | <u>23,634</u> |
| <u>5,754,200</u> | <u>10,922,818</u> | <u>35,592,425</u> |
| <u>(1,015,677)</u> | <u>(4,950,358)</u> | <u>(474,939)</u> |
| 32,732 | 0 | 32,732 |
| 21,008 | 18,683 | 39,691 |
| 2,250,000 | 3,750,000 | 6,450,000 |
| <u>0</u> | <u>0</u> | <u>(6,450,000)</u> |
| <u>2,303,740</u> | <u>3,768,683</u> | <u>72,423</u> |
| 1,288,063 | (1,181,675) | (402,516) |
| <u>5,816,989</u> | <u>5,447,693</u> | <u>18,834,807</u> |
| \$ <u><u>7,105,052</u></u> | \$ <u><u>4,266,018</u></u> | \$ <u><u>18,432,291</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, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (402,516)

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 and contributed capital in the current period.

| | | |
|----------------|--------------------|-----------|
| Capital Outlay | \$ 7,554,439 | |
| Depreciation | <u>(3,262,404)</u> | |
| Total | | 4,292,035 |

Governmental Funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount by which the City reported a loss on disposal. (47,270)

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 | (15,053) | |
| Municipal Income Taxes | (426,315) | |
| Special Assessments | (37,415) | |
| Investment Income | 42,176 | |
| Fines, Fees and Permits | 34,280 | |
| Intergovernmental | <u>132,889</u> | |
| Total | | (269,438) |

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

| | | |
|--------------------------|---------------|-----------|
| General Obligation Bonds | 1,230,000 | |
| Special Assessment Bonds | <u>40,000</u> | |
| Total | | 1,270,000 |

(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, 2019

The issuance of debt results in other financing sources in the Governmental Funds but increase long-term liabilities in the Statement of Net Position. (32,732)

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 | 4,442 | |
| Amortization of Bond Premium | 64,053 | |
| Loss on Refunding | (36,227) | |
| Compensated Absences | (165,270) | |
| Police and Fire Pension Liability | <u>248,906</u> | |
| Total | | 115,904 |

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 | 49,734 | |
| Change in Internal Balance | <u>(3,064)</u> | |
| Total | | 46,670 |

Contractually required contributions are reported as expenditures in Governmental Funds; however, the Statement of Net Position reports these amounts as deferred outflows. 2,410,894

Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB liability are reported as pension/OPEB contra-expense in the Statement of Activities. 3,935,738

Change in Net Position of Governmental Activities \$ 11,319,285

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, 2019

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 5,424,417 | \$ 5,424,417 | \$ 4,905,216 | \$ (519,201) |
| Municipal Income Taxes | 11,175,000 | 11,175,000 | 12,231,136 | 1,056,136 |
| Other Local Taxes | 86,000 | 86,000 | 96,371 | 10,371 |
| Intergovernmental | 364,572 | 364,572 | 1,076,271 | 711,699 |
| Charges for Services | 43,500 | 43,500 | 73,617 | 30,117 |
| Fines, Fees, and Permits | 3,649,100 | 3,649,100 | 2,861,784 | (787,316) |
| Investment Income | 312,000 | 312,000 | 486,880 | 174,880 |
| Rentals | 80,000 | 80,000 | 178,581 | 98,581 |
| Other | <u>130,000</u> | <u>130,000</u> | <u>167,679</u> | <u>37,679</u> |
| Total Revenues | <u>21,264,589</u> | <u>21,264,589</u> | <u>22,077,535</u> | <u>812,946</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 6,153,622 | 6,153,622 | 5,002,324 | 1,151,298 |
| Security of Persons and Property | 9,860,417 | 9,920,417 | 8,831,542 | 1,088,875 |
| Transportation | 987,121 | 987,121 | 771,519 | 215,602 |
| Leisure Time Activities | 586,805 | 586,805 | 505,455 | 81,350 |
| Community Development | <u>642,512</u> | <u>642,512</u> | <u>597,804</u> | <u>44,708</u> |
| Total Expenditures | <u>18,230,477</u> | <u>18,290,477</u> | <u>15,708,644</u> | <u>2,581,833</u> |
| Excess of Revenues Over Expenditures | <u>3,034,112</u> | <u>2,974,112</u> | <u>6,368,891</u> | <u>3,394,779</u> |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 12,000 | 12,000 | 0 | (12,000) |
| Advances - In | 50,000 | 50,000 | 0 | (50,000) |
| Transfers - Out | <u>(7,432,000)</u> | <u>(7,432,000)</u> | <u>(7,138,290)</u> | <u>293,710</u> |
| Total Other Financing Sources (Uses) | <u>(7,370,000)</u> | <u>(7,370,000)</u> | <u>(7,138,290)</u> | <u>231,710</u> |
| Net Change in Fund Balance | (4,335,888) | (4,395,888) | (769,399) | 3,626,489 |
| Fund Balance at Beginning of Year | 4,933,426 | 4,933,426 | 4,933,426 | 0 |
| Prior Year Encumbrances Appropriated | <u>152,189</u> | <u>152,189</u> | <u>152,189</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>749,727</u> | \$ <u>689,727</u> | \$ <u>4,316,216</u> | \$ <u>3,626,489</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, 2019

| | Budget | | Actual | Variance with |
|--|------------------|------------------|-------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Property Taxes | \$ 430,509 | \$ 430,509 | \$ 474,802 | \$ 44,293 |
| Intergovernmental | 0 | 0 | 52,685 | 52,685 |
| Charges for Services | 2,350,530 | 2,350,530 | 2,067,340 | (283,190) |
| Rentals | 26,000 | 26,000 | 133,091 | 107,091 |
| Other | <u>4,500</u> | <u>4,500</u> | <u>3,463</u> | <u>(1,037)</u> |
| Total Revenues | 2,811,539 | 2,811,539 | 2,731,381 | (80,158) |
| Expenditures: | | | | |
| Current: | | | | |
| Leisure Time Activities | <u>3,422,152</u> | <u>3,422,152</u> | <u>3,284,109</u> | <u>138,043</u> |
| Excess of Revenues (Under) Over Expenditures | <u>(610,613)</u> | <u>(610,613)</u> | <u>(552,728)</u> | <u>57,885</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers - In | 450,000 | 450,000 | 450,000 | 0 |
| Advances - Out | <u>(50,000)</u> | <u>(50,000)</u> | <u>0</u> | <u>50,000</u> |
| Total Other Financing Sources (Uses) | <u>400,000</u> | <u>400,000</u> | <u>450,000</u> | <u>50,000</u> |
| Net Change in Fund Balances | (210,613) | (210,613) | (102,728) | 107,885 |
| Fund Balance at Beginning of Year | 190,546 | 190,546 | 190,546 | 0 |
| Prior Year Encumbrances Appropriated | <u>67,458</u> | <u>67,458</u> | <u>67,458</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>47,391</u> | \$ <u>47,391</u> | \$ <u>155,276</u> | \$ <u>107,885</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, 2019

| | Business-Type Activities Sanitary Sewer | Governmental Activities - Internal Service Fund |
|---|--|--|
| Assets: | | |
| Current Assets: | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 7,140,481 | \$ 396,250 |
| Restricted Cash and Cash Equivalents | 44,606 | 0 |
| Accounts Receivable | 446,897 | 0 |
| Materials and Supplies Inventory | 10,467 | 0 |
| Prepaid | 1,592 | 0 |
| Special Assessments Receivable | 271,480 | 0 |
| Total Current Assets | <u>7,915,523</u> | <u>396,250</u> |
| Noncurrent Assets: | | |
| Investment in Joint Venture | 4,475,137 | 0 |
| Nondepreciable Capital Assets | 6,636,300 | 0 |
| Depreciable Capital Assets, Net | 21,437,782 | 0 |
| Net Pension Asset | 2,291 | 0 |
| Total Noncurrent Assets | <u>32,551,510</u> | <u>0</u> |
| Total Assets | <u>40,467,033</u> | <u>396,250</u> |
| Deferred Outflows of Resources: | | |
| Pension | 283,004 | 0 |
| OPEB | 41,828 | 0 |
| Total Deferred Outflows of Resources | <u>324,832</u> | <u>0</u> |
| Liabilities: | | |
| Current Liabilities: | | |
| Accounts Payable | 332,570 | 0 |
| Accrued Wages and Benefits | 21,054 | 0 |
| Intergovernmental Payable | 10,108 | 0 |
| Retainage Payable | 73,709 | 0 |
| Accrued Interest Payable | 392 | 0 |
| Claims Payable | 0 | 205,165 |
| Compensated Absences Payable | 43,068 | 0 |
| OWDA and OPWC Loans Payable | 456,141 | 0 |
| Total Current Liabilities | <u>937,042</u> | <u>205,165</u> |
| Long-term Liabilities: | | |
| Accrued Compensated Absences (Net of Current Portion) | 82,257 | 0 |
| OWDA and OPWC Loans Payable (Net of Current Portion) | 15,219,820 | 0 |
| Net Pension Liability | 868,119 | 0 |
| Net OPEB Liability | 397,966 | 0 |
| Total Long-Term Liabilities | <u>16,568,162</u> | <u>0</u> |
| Total Liabilities | <u>17,505,204</u> | <u>205,165</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, 2019

| | Business-Type Activities Sanitary Sewer | Governmental Activities - Internal Service Fund |
|---|--|--|
| Deferred Inflows of Resources: | | |
| Pension | 12,731 | 0 |
| OPEB | <u>1,080</u> | <u>0</u> |
| Total Deferred Inflows of Resources | <u>13,811</u> | <u>0</u> |
| Net Position: | | |
| Net Investment in Capital Assets | 12,314,284 | 0 |
| Unrestricted | <u>10,958,566</u> | <u>191,085</u> |
| Total Net Position | 23,272,850 | \$ <u><u>191,085</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>7,932</u> | |
| Net Position of Business-Type Activities | \$ <u><u>23,280,782</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, 2019

| | Business-Type Activities Sanitary Sewer | Governmental Activities - Internal Service Fund |
|---|--|--|
| Operating Revenues: | | |
| Charges for Services | \$ <u>3,555,105</u> | \$ <u>3,152,326</u> |
| Operating Expenses: | | |
| Personal Service | 985,996 | 0 |
| Materials and Supplies | 100,495 | 0 |
| Contractual Services | 1,711,497 | 662,382 |
| Heat, Light and Power | 21,639 | 0 |
| Depreciation | 506,464 | 0 |
| Other | 121,209 | 0 |
| Claims | 0 | 2,440,210 |
| Loss on Investment in Joint Venture | <u>353,007</u> | <u>0</u> |
| Total Operating Expenses | <u>3,800,307</u> | <u>3,102,592</u> |
| Operating (Loss) Income | (245,202) | 49,734 |
| Non-Operating Expense: | | |
| Interest Expense | <u>(616)</u> | <u>0</u> |
| (Loss) Income Before Capital Contributions | (245,818) | 49,734 |
| Capital Contributions | <u>174,640</u> | <u>0</u> |
| Change in Net Position | (71,178) | 49,734 |
| Net Position at Beginning of Year | <u>23,344,028</u> | <u>141,351</u> |
| Net Position at End of Year | \$ <u><u>23,272,850</u></u> | \$ <u><u>191,085</u></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>3,064</u> | |
| Change in Net Position of Business-Type Activities | \$ <u><u>(68,114)</u></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, 2019

| | Business-Type Activities Sanitary Sewer | Governmental Activities - Internal Service Fund |
|---|--|--|
| Cash Flows from Operating Activities: | | |
| Cash Received from Customers | \$ 3,716,176 | \$ 3,152,326 |
| Cash Payments for Goods and Services | (2,035,488) | (660,445) |
| Cash Payments to Employees for Services and Benefits | (763,910) | 0 |
| Cash Payments for Claims | 0 | (2,750,068) |
| Cash Payments for Other Operating Expenses | (9,855) | 0 |
| Net Cash Provided (Used) by Operating Activities | <u>906,923</u> | <u>(258,187)</u> |
| Cash Flows from Capital and Related Financing Activities: | | |
| Capital Acquisitions | (800,243) | 0 |
| OPWC Loan Proceeds | 154,759 | |
| Principal Paid on OWDA and OPWC Loans | (454,968) | 0 |
| Interest Paid on OWDA Loan | (1,350) | 0 |
| Net Cash Used by Capital and Related Financing Activities | <u>(1,101,802)</u> | <u>0</u> |
| Net Decrease in Cash and Cash Equivalents | (194,879) | (258,187) |
| Cash and Cash Equivalents at Beginning of Year | <u>7,379,966</u> | <u>654,437</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 7,185,087</u> | <u>\$ 396,250</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, 2019

| | Business-Type Activities Sanitary Sewer | Governmental Activities - Internal Service Fund |
|---|--|--|
| Reconciliation of Operating (Loss) Income to Net Cash Provided (Used) by Operating Activities: | | |
| Operating (Loss) Income | \$ (245,202) | \$ 49,734 |
| Adjustments: | | |
| Depreciation | 506,464 | 0 |
| Change in Operating Assets and Liabilities: | | |
| Accounts Receivable | 207,482 | 0 |
| Materials and Supplies Inventory | 1,224 | 0 |
| Prepaid | (863) | 1,937 |
| Special Assessments Receivable | (46,411) | 0 |
| Investment in Joint Venture | 51,357 | |
| Net Pension Asset | 135 | 0 |
| Deferred Outflows of Resources – Pension | (134,175) | 0 |
| Deferred Outflows of Resources – OPEB | (12,795) | 0 |
| Accounts Payable | 265,308 | 0 |
| Retainage Payable | (47,814) | 0 |
| Accrued Wages and Benefits | 2,786 | 0 |
| Compensated Absences Payable | 23,723 | 0 |
| Intergovernmental Payable | (5,807) | 0 |
| Claims Payable | 0 | (309,858) |
| Net Pension Liability | 387,923 | 0 |
| Net OPEB Liability | 78,378 | 0 |
| Deferred Inflows of Resources – Pension | (102,063) | 0 |
| Deferred Inflows of Resources – OPEB | (22,727) | 0 |
| Total Adjustments | <u>1,152,125</u> | <u>(307,921)</u> |
| Net Cash Provided (Used) by Operating Activities | \$ <u>906,923</u> | \$ <u>(258,187)</u> |
| Noncash Transactions from Capital and Related Financing Activities: | | |
| Capital Assets from Accounts Payable and Retainage Payable | \$ 83,837 | \$ 0 |
| Capital Assets Transferred to Governmental Activities | 174,640 | 0 |

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

City of Rocky River, Ohio

Statement of Fiduciary Net Position Fiduciary Funds

December 31, 2019

| | <u>Investment Trust</u> | |
|--|--|---------------------|
| | <u>Individual Investment Account</u> | <u>Agency</u> |
| Assets: | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 0 | \$ 663,300 |
| Cash and Cash Equivalents: | | |
| In Segregated Accounts | <u>3,490,846</u> | <u>338,929</u> |
| Total Assets | <u>3,490,846</u> | \$ <u>1,002,229</u> |
| Liabilities: | | |
| Accounts Payable | \$ 0 | \$ 51,214 |
| Retainage Payable | 0 | 8,360 |
| Deposits Held and Due to Others | <u>0</u> | <u>942,655</u> |
| Total Liabilities | <u>0</u> | \$ <u>1,002,229</u> |
| Net Position: | | |
| Held in Trust for Participants | \$ <u>3,490,846</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 Fund

For the Year Ended December 31, 2019

| | <u>Individual Investment Account</u> |
|---------------------------------|--|
| Additions: | |
| Interest | \$ 7,967 |
| Capital Transaction – Purchases | <u>395,947</u> |
| Total Additions | <u>403,914</u> |
| | |
| Deductions: | |
| Distributions to Participants | <u>8,061</u> |
| Total Deductions | <u>8,061</u> |
| | |
| Change in Net Position | 395,853 |
| | |
| Net Position Beginning of Year | <u>3,094,993</u> |
| | |
| Net Position End of Year | \$ <u><u>3,490,846</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, 2019

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, 2019

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 20 and 26 to the basic financial statements for further information. The City also participates in two Municipal Utility Districts, see Note 27 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, 2019

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.

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, 2019

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, 2019

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 outflow/inflows 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, 2019

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, pension and OPEB (other postemployment benefits) plans 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.

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 and OPEB plans. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 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, investment income, fines, fees and permits 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 and OPEB plans are reported on the government-wide Statement of Net Position and in the proprietary funds on the Statement of Fund Net Position.

The deferred outflows and inflows of resources related to pension and OPEB plans are explained in Note 14 and Note 15.

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, 2019

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 the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the year ended 2019, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 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 2019 amounted to \$508,057, which includes \$406,059 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 of \$3,122,935 and money market funds of \$367,911.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 2: Summary of Significant Accounting Policies (Continued)

G. Inventory

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

H. Investment in Joint Venture

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

I. Prepaid Assets

Payments made to vendors for services that will benefit periods beyond December 31, 2019 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. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." 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. On fund financial statements, long-term interfund loans, reported as "advances to/from other funds", are classified as nonspendable fund balance, which indicate that they are not in spendable form even though it is a component of net current assets. Repayment is expected to be made within a reasonable period of time.

K. 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 acquisition value as of the date received. The City maintains a capitalization threshold of \$2,500. Improvements are capitalized with the exception of the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 2: Summary of Significant Accounting Policies (Continued)

K. Capital Assets (Continued)

All capital assets are depreciated except for land; certain land improvements; rights of way and construction in progress. Improvements are depreciated over the estimated remaining useful lives of the related capital assets. For 2019, 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 2019. 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 |

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 2: Summary of Significant Accounting Policies (Continued)

M. Payables, Accrued Liabilities and Long-term Obligations (Continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and net pension/OPEB 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.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 2: Summary of Significant Accounting Policies (Continued)

O. Fund Balance (Continued)

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.

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 2020 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 2: Summary of Significant Accounting Policies (Continued)

P. Net Position (Continued)

The government-wide Statement of Net Position reports \$14,884,751 of restricted net position, none 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.

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. Estimates

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

T. Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget information, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The alternative tax budget information demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 2: Summary of Significant Accounting Policies (Continued)

T. Budgetary Data (Continued)

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.

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.

U. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liabilities and asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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/OPEB systems report investments at fair value.

V. Capital Contributions

Capital contributions in the proprietary fund financial statements arise from contributions of capital assets or resources restricted to capital acquisition and construction. These are shown as transfers on the Statement of Activities. The City had contributed capital from governmental funds to the Sewer Fund totaling \$174,640 for the year ended December 31, 2019.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 3: Change in Accounting Principles

Newly Adopted Accounting Pronouncements

For the year ended December 31, 2019, the City implemented the following accounting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to the financial statements, including: unused lines of credit, assets pledged as collateral for the debt and terms specified in debt agreements related to significant events with finance-related consequences including default, termination, and subjective acceleration clauses. These disclosures were incorporated in the City's 2019 Notes to the Financial Statements; however, there was no effect on beginning net position.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period by simplifying accounting for interest cost incurred before the end of a construction period. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 90, *Majority Equity Interests, and amendment to GASB 14 and 61*. This statement modified previous guidance for reporting a government's equity interest in a legally separate organization. This statement also provides guidance for reporting a component unit if a government acquires a 100% equity interest in the component unit. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement was issued in May 2020 and extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The requirements of this Statement were effective immediately and implemented by the City.

GASB Implementation Guide No. 2018-1, *Implementation Guidance Update – 2018*, issued in May, 2018, provides guidance that clarifies, explains or elaborates on GASB Statements. The requirements of this Implementation Guide apply to the financial statements of all state and local governments unless narrower applicability is specifically provided for in the pronouncement addressed by a question and answer. These changes were incorporated in the City's 2019 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, 2019

Note 3: Change in Accounting Principles (Continued)

Newly Issued Accounting Pronouncements, Not Yet Adopted

GASB Statement No. 83, *Certain Asset Retirement Obligations (AROs)*. This Statement requires a governmental entity that has legal obligation (laws and regulatory requirements, court judgements, contracts, etc.) to perform future asset retirement activities related to its tangible capital assets to recognize a liability, and a corresponding deferred outflow of resources. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2019. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Activities meeting the criteria should be reported in a fiduciary fund in the basic financial statements. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2019. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Implementation Guide No. 2019-2, *Fiduciary Activities*, issued in June 2019, provides guidance to address issues related to accounting and financial reporting for fiduciary activities in accordance with the requirements of GASB Statement No. 84. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2019. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2021. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Implementation Guide No. 2019-1, *Implementation Guide Update-2019* and GASB Implementation Guide No. 2019-3, *Leases*, effective dates were also deferred as a result of GASB Statement No. 95. The effective date of these implementation guides are reporting periods beginning after June 15, 2020 and June 15, 2021, respectively. The City has not yet determined the impact that these implementation guides will have on its financial statements and disclosures.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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 restricted, committed, or assigned fund balance (GAAP).
4. Short-term note proceeds, short-term note principal retirements, advances-in, and advances-out for governmental funds are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Investments are reported at fair value (GAAP) rather than cost (budget).

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 | \$ (475,324) | \$ (33,580) |
| Net adjustment for revenue accruals | 391,543 | (10,307) |
| Net adjustment for expenditure accruals | (524,742) | 3,635 |
| Fair value adjustment for investments | 21,177 | 0 |
| Encumbrances | <u>(182,053)</u> | <u>(62,476)</u> |
| Budget basis | \$ <u><u>(769,399)</u></u> | \$ <u><u>(102,728)</u></u> |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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 | Capital Improvement | Total Non-major Funds | Total Governmental Funds |
|---|---------------------|----------------------|------------------------|-----------------------------|--------------------------------|
| Nonspendable: | | | | | |
| Inventory | \$ 47,681 | \$ 196 | \$ 0 | \$ 173,585 | \$ 221,462 |
| Long-term Advances | 250,000 | 0 | 0 | 0 | 250,000 |
| Prepaid Assets | 19,272 | 3,814 | 0 | 7,650 | 30,736 |
| Unclaimed funds | <u>59,551</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>59,551</u> |
| Total Nonspendable | <u>376,504</u> | <u>4,010</u> | <u>0</u> | <u>181,235</u> | <u>561,749</u> |
| Restricted for: | | | | | |
| Capital Improvements | 0 | 0 | 7,105,052 | 2,036,312 | 9,141,364 |
| Community Impacts | 0 | 0 | 0 | 3,312 | 3,312 |
| Debt Service | 0 | 0 | 0 | 28,227 | 28,227 |
| Law Enforcement and Education | 0 | 0 | 0 | 159,645 | 159,645 |
| Marine Patrol | 0 | 0 | 0 | 2,544 | 2,544 |
| Office on Aging | 0 | 0 | 0 | 159,088 | 159,088 |
| Refuse and Recycling | 0 | 0 | 0 | 470,521 | 470,521 |
| Security of Persons and Property | 0 | 0 | 0 | 377,170 | 377,170 |
| Street Construction and Maintenance | <u>0</u> | <u>0</u> | <u>0</u> | <u>847,964</u> | <u>847,964</u> |
| Total Restricted | <u>0</u> | <u>0</u> | <u>7,105,052</u> | <u>4,084,783</u> | <u>11,189,835</u> |
| Assigned to: | | | | | |
| Purchases on Order Subsequent Year's Budget: Appropriation of Fund Balance | 90,886 | 0 | 0 | 0 | 90,886 |
| Total Assigned | <u>4,549,068</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>4,549,068</u> |
| Unassigned (Deficit) | <u>2,228,579</u> | <u>(187,826)</u> | <u>0</u> | <u>0</u> | <u>2,040,753</u> |
| Total Fund Balance | \$ <u>7,245,037</u> | \$ <u>(183,816)</u> | \$ <u>7,105,052</u> | \$ <u>4,266,018</u> | \$ <u>18,432,291</u> |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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 deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. 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. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 6: Deposits and Investments (Continued)

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio).
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40% of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and the term of the agreement must not exceed thirty days.

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 to it.

The City has no deposit policy for custodial risk beyond the requirements of state statute. Ohio law requires that deposits be either insured be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by establishing and pledging to the Treasurer of State a single pool of collateral for the benefit of every public depositor. The total market value of the securities pledged must meet either of the following:

One hundred two percent of the total amount of all uninsured public deposits; or

An amount determined by rules adopted by the Treasurer of State that set forth the criteria for determining the aggregate market value of the pool of eligible securities pledged by a public depository.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 6: Deposits and Investments (Continued)

Deposits (Continued)

At year-end, the bank balance of the City's deposits were \$9,118,647. At year-end \$986,439 of the City's total bank balance was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Remaining bank balances insured by FDIC coverages or the Ohio Pooled Collateral System. Two of the City's financial institution participate in the Ohio Pooled Collateral System (OPCS) and were approved for a reduced collateral floor of 50% resulting in the uninsured and uncollateralized balance.

Investments

Investments are reported at fair value. As of December 31, 2019, the City had the following investments:

| Amortized Cost: | Measurement | Maturities | Maturities |
|-----------------|----------------------|---------------------------|---------------------------|
| | Value | (in years) Less than 1 | (in years) More than 1 |
| Money Market | \$ 9,772,349 | \$ 9,772,349 | \$ 0 |
| STAR Ohio | 13,022,123 | 13,022,123 | 0 |
| Total | \$ <u>22,794,472</u> | \$ <u>22,794,472</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's investments in a money market account and STAR Ohio are valued at amortized cost.

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. At December 31, 2019, the average days to maturity for STAR Ohio was 55.7 days.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 6: Deposits and Investments (Continued)

Investments (Continued)

Credit Risk is addressed by the City's Charter by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. The City's investments in Star Ohio and the money market both carry an "AAAm" money market rating by Standard & Poor's. The negotiable certificates of deposit are unrated.

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, 2019:

| <u>Investment Issuer</u> | <u>Percentage of Investments</u> |
|--------------------------|--------------------------------------|
| Money Market | 43 % |
| STAR Ohio | 57 % |
| | <u>100 %</u> |

Note 7: Property Taxes

Property taxes include amounts levied against real and public utility properties located in the City. Property tax revenue received during 2019 represents collections of the 2018 taxes.

2019 real property taxes were levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by Ohio Revised Code at 35% of appraised value. 2019 real property taxes are collected in and intended to finance 2020.

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. 2019 public utility property taxes which became a lien December 31, 2018, were levied after October 1, 2019, and were collected in 2019 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2019, was \$10.68 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 2019 property tax receipts were based are as follows:

| <u>Category</u> | <u>Assessed Value</u> |
|-----------------|-----------------------|
| Real Property | \$ 868,272,810 |
| Public Utility | <u>10,407,290</u> |
| Total | <u>\$ 878,680,100</u> |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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, 2019 and for which there is an enforceable legal claim.

In the governmental funds, a portion of the receivable has been offset by deferred inflows of resources – property taxes, since current taxes were not levied to finance 2019 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 utilizes the Regional Income Tax Agency (RITA) to collect and administer its local income tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to RITA at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The tax is collected by RITA and remitted to the City on the 1st and 10th business days of each month.

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 of 1.5% is allowed for income taxes paid to other municipalities, which reduces the effective tax rate to 0.5% 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, Equipment Replacement Fund and Capital Improvements Fund.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 9: Receivables

Receivables at December 31, 2019, 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 \$220,920 in uncollectible billings for user charged services.

A summary of Intergovernmental Receivables follows:

Governmental Activities:

| | | |
|------------------------------------|----|-------------------------|
| Homestead and Rollback | \$ | 559,356 |
| Local Government | | 219,661 |
| Rocky River Municipal Court | | 129,011 |
| Miscellaneous | | 7,599 |
| Auto Registration and Gasoline Tax | | 553,147 |
| Permissive Tax | | <u>11,269</u> |
| Total Intergovernmental Receivable | \$ | <u><u>1,480,043</u></u> |

Special assessments expected to be collected beyond one year amount to \$150,000 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding is \$277,258 at December 31, 2019.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Capital Assets

A summary of changes in capital assets during 2019 follows:

| | Balance <u>12/31/18</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>12/31/19</u> |
|--|----------------------------|---------------------|-----------------------|----------------------------|
| Governmental Activities | | | | |
| <i>Non-Depreciable Capital Assets</i> | | | | |
| Land | \$ 2,017,826 | \$ 0 | \$ 0 | \$ 2,017,826 |
| Land Improvements | 203,158 | 0 | 0 | 203,158 |
| Construction in Progress | <u>4,397,736</u> | <u>5,403,332</u> | <u>(1,197,311)</u> | <u>8,603,757</u> |
| <i>Total Non-Depreciable Capital Assets</i> | <u>6,618,720</u> | <u>5,403,332</u> | <u>(1,197,311)</u> | <u>10,824,741</u> |
| <i>Depreciable Capital Assets</i> | | | | |
| Land Improvements | 5,344,743 | 0 | 0 | 5,344,743 |
| Buildings | 34,358,263 | 739,104 | (472,661) | 34,624,706 |
| Furniture, Fixtures and Equipment | 7,925,502 | 827,338 | 0 | 8,752,840 |
| Vehicles | 8,660,623 | 1,781,976 | (260,438) | 10,182,161 |
| Infrastructure: | | | | |
| Roads | 36,607,391 | 0 | 0 | 36,607,391 |
| Sidewalks | 2,436,683 | 0 | 0 | 2,436,683 |
| Traffic Signals | 2,878,617 | 0 | 0 | 2,878,617 |
| Storm Sewers | <u>12,359,810</u> | <u>0</u> | <u>0</u> | <u>12,359,810</u> |
| <i>Total Depreciable Capital Assets</i> | <u>110,571,632</u> | <u>3,348,418</u> | <u>(733,099)</u> | <u>113,186,951</u> |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Land Improvements | (2,204,576) | (145,462) | 0 | (2,350,038) |
| Building | (15,235,532) | (622,656) | 425,391 | (15,432,797) |
| Furniture, Fixtures and Equipment | (5,426,903) | (434,628) | 0 | (5,861,531) |
| Vehicles | (7,403,289) | (781,474) | 260,438 | (7,924,325) |
| Infrastructure: | | | | |
| Roads | (20,621,165) | (1,030,946) | 0 | (21,652,111) |
| Sidewalks | (427,901) | (60,925) | 0 | (488,826) |
| Traffic Signals | (2,697,937) | (27,056) | 0 | (2,724,993) |
| Storm Sewers | <u>(2,179,330)</u> | <u>(159,257)</u> | <u>0</u> | <u>(2,338,587)</u> |
| <i>Total Accumulated Depreciation</i> | <u>(56,196,633)</u> | <u>(3,262,404)</u> | <u>685,829</u> | <u>(58,773,208)</u> |
| Total Depreciable Capital Assets, Net | <u>54,374,999</u> | <u>86,014</u> | <u>(47,270)</u> | <u>54,413,743</u> |
| Total Governmental Activities Capital Assets, Net | \$ <u>60,993,719</u> | \$ <u>5,489,346</u> | \$ <u>(1,244,581)</u> | \$ <u>65,238,484</u> |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 10: Capital Assets (Continued)

| | Balance 12/31/18 | Additions | Deletions | Balance 12/31/19 |
|---|----------------------|------------------|-------------|----------------------|
| Business-Type Activities | | | | |
| <i>Non-Depreciable Capital Assets</i> | | | | |
| Land | \$ 39,516 | \$ 0 | 0 | \$ 39,516 |
| Right-of-Way | 250,000 | 0 | 0 | 250,000 |
| Construction in Progress | 5,956,044 | 390,740 | 0 | 6,346,784 |
| <i>Total Non-Depreciable Capital Assets</i> | <u>6,245,560</u> | <u>390,740</u> | <u>0</u> | <u>6,636,300</u> |
| <i>Depreciable Capital Assets</i> | | | | |
| Furniture, Fixtures and Equipment | 198,582 | 6,295 | 0 | 204,877 |
| Vehicles | 516,871 | 174,640 | 0 | 691,511 |
| Sewer Lines | 29,483,764 | 0 | 0 | 29,483,764 |
| <i>Total Depreciable Capital Assets</i> | <u>30,199,217</u> | <u>180,935</u> | <u>0</u> | <u>30,380,152</u> |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Furniture, Fixtures and Equipment | (125,216) | (8,849) | 0 | (134,065) |
| Vehicles | (222,993) | (101,914) | 0 | (324,907) |
| Sewer Lines | (8,087,697) | (395,701) | 0 | (8,483,398) |
| <i>Total Accumulated Depreciation</i> | <u>(8,435,906)</u> | <u>(506,464)</u> | <u>0</u> | <u>(8,942,370)</u> |
| Total Depreciable Capital Assets, Net | <u>21,763,311</u> | <u>(325,529)</u> | <u>0</u> | <u>21,437,782</u> |
| Total Business-Type Activities Capital Assets, Net | \$ <u>28,008,871</u> | \$ <u>65,211</u> | \$ <u>0</u> | \$ <u>28,074,082</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------------------|---------------------|
| General Government | \$ 316,431 |
| Security of Persons and Property | 447,030 |
| Public Health | 65,098 |
| Transportation | 1,245,160 |
| Community Development | 13,628 |
| Basic Utility Service | 435,936 |
| Leisure Time Activities | <u>739,121</u> |
| Total | \$ <u>3,262,404</u> |

During 2019, the City purchased a vehicle from the Equipment Replacement Capital Projects Fund on behalf of the Sewer Enterprise Fund resulting in contributed capital on the Statement of Revenues, Expenses and Changes in Net Position and a transfer from the governmental activities to the business-type activities on the Statement of Activities of \$174,640.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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 \$4,475,137 which represents approximately 24% 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 2019 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 2019 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:

| | <u>Charges for Services</u> | <u>Contributions</u> |
|-------------|---------------------------------|----------------------|
| Rocky River | \$ 1,269,629 | \$ 301,650 |

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.

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 2019, the City obtained insurance coverage with private insurance carriers to address exposure to certain of these risks.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 13: Risk Management (Continued)

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 coverage elected. These rates are administrator paid by the fund from which the employees' salary is paid. Incurred but not reported claims of \$205,165 have been accrued as a liability at December 31, 2019 based on an estimate by the third-party administrator.

Changes in the fund's claims liability amount were:

| | <u>Balance at</u> | <u>Current Year</u> | <u>Claim</u> | <u>Balance at</u> |
|------|--------------------------|---------------------|-----------------|--------------------|
| | <u>Beginning of Year</u> | <u>Claims</u> | <u>Payments</u> | <u>End of Year</u> |
| 2019 | \$ 515,023 | \$ 2,440,210 | \$ 2,750,068 | \$ 205,165 |
| 2018 | 151,274 | 2,680,756 | 2,317,007 | 515,023 |

Note 14: Defined Benefit Pension Plans

A. Net Pension/OPEB Liability (Asset)

The net pension/OPEB liability (asset) reported on the Statement of Net Position represents a liability (asset) to employees for pensions/OPEB. Pensions/OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions/OPEB 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/OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

A. Net Pension/OPEB Liability (Asset) (Continued)

The net pension/OPEB liabilities (assets) represents the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) 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/OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68 and 75 assumes the liability (asset) 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). The retirement systems may allocate a portion of the employer contributions to provide for OPEB benefits including primarily health care. In most cases, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium.

State statute requires the retirement systems to amortize unfunded pension/OPEB liabilities within 30 years. If the pension/OPEB amortization period exceeds 30 years, each retirement system's board must propose corrective action to the state legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

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

Plan Description – City employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional pension plan, a defined benefit plan; the Combined plan, a combination defined benefit/defined contribution plan; and the Member-Directed plan, a defined contribution plan. While members (e.g., City employees) may elect the Member-Directed plan, substantially all employee members are in OPERS' Traditional or Combined plans; therefore, the following disclosure focuses on the Traditional and Combined plans.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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):

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

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

Once a benefit recipient retiring under the Traditional pension plan has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the member's base retirement benefit at the date of retirement and is not compounded. Members retiring under the Combined plan receive a COLA on the defined benefit portion of their retirement benefit. For those who retired prior to January 7, 2013, current law provides for a 3% COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

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 pension plan and Combined plan.

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS-contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care.

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 pension 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 (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined plan is the same as the Traditional pension plan.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

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

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):

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS Board. Both Member-Directed plan and Combined plan members who have met the eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10% of covered payroll for members in the state and local classifications.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

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

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2019 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Directed plan for 2019. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2019, the City's contractually required contribution, net of postemployment health care benefits, was \$1,210,504. Of this amount, \$149,875 is reported as intergovernmental payable at December 31, 2019.

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

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

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

OP&F also offers a deferred-retirement option plan (DROP). DROP is a cost neutral benefit offered by OP&F. Upon the DROP effective date, the member's pension is calculated as if that were their date of retirement. While the member continues to work and draw their normal salary, the amount they would have received in retirement benefits accumulates tax-deferred at OP&F on their behalf, as well as a portion of their OP&F employee contributions and interest.

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 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

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

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 and currently limits the employer contribution to a rate not to exceed 19.5% of covered payroll for police employer units and 24.0% for fire employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 12.25% of covered payroll for police and fire. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0.5% for 2019. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

In 2019, the City's contractually required contribution, net of postemployment health care benefits, was \$1,229,189. Of this amount, \$154,449 is reported as intergovernmental payable at December 31, 2019.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

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

Following is information related to the proportionate share and pension expense:

| | <u>OPERS Traditional</u> | <u>OPERS Combined</u> | <u>OP&F</u> | <u>Total</u> |
|--|------------------------------|---------------------------|------------------|---------------|
| Proportion of the Net Pension Liability/Asset Prior Measurement Date | 0.059858% | 0.034861% | 0.251282% | |
| Proportion of the Net Pension Liability/Asset Current Measurement Date | <u>0.061985%</u> | <u>0.040066%</u> | <u>0.248847%</u> | |
| Change in Proportionate Share | 0.002127% | 0.005205% | (0.00243%) | |
| Proportionate Share of the Net Pension Liability | \$ 16,976,555 | \$ 0 | \$ 20,312,491 | \$ 37,289,046 |
| Proportionate Share of the Net Pension Asset | \$ 0 | \$ 44,803 | \$ 0 | \$ 44,803 |
| Pension Expense | \$ 3,973,468 | \$ 11,844 | \$ 2,646,925 | \$ 6,632,237 |

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>OPERS Traditional</u> | <u>OPERS Combined</u> | <u>OP&F</u> | <u>Total</u> |
|--|------------------------------|---------------------------|---------------------|----------------------|
| Deferred Outflow of Resources | | | | |
| City Contributions Subsequent to the Measurement Date | \$ 1,183,550 | \$ 26,954 | \$ 1,229,189 | \$ 2,439,693 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 2,304,194 | 9,651 | 2,502,482 | 4,816,327 |
| Differences in Employer Contributions and Change in Proportionate Share | 336,220 | 872 | 133,426 | 470,518 |
| Difference Between Expected and Actual Experience | 783 | 0 | 834,559 | 835,342 |
| Change in Assumptions | <u>1,477,851</u> | <u>10,006</u> | <u>538,512</u> | <u>2,026,369</u> |
| Total Deferred Outflow of Resources | \$ <u>5,302,598</u> | \$ <u>47,483</u> | \$ <u>5,238,168</u> | \$ <u>10,588,249</u> |
| Deferred Inflow of Resources | | | | |
| Differences in Employer Contributions and Change in Proportionate Share | \$ 1,124 | \$ 5,889 | \$ 312,811 | \$ 319,824 |
| Difference Between Expected and Actual Experience | <u>222,912</u> | <u>18,299</u> | <u>18,968</u> | <u>260,179</u> |
| Total Deferred Inflow of Resources | \$ <u>224,036</u> | \$ <u>24,188</u> | \$ <u>331,779</u> | \$ <u>580,003</u> |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

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

The \$2,439,693 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Fiscal Year Ending December 31: | OPERS | | OPERS | | OP&F | Total |
|---------------------------------|---------------------|----|----------------|----|------------------|---------------------|
| | Traditional | | Combined | | | |
| 2020 | \$ 1,758,375 | \$ | 931 | \$ | 1,145,636 | \$ 2,904,942 |
| 2021 | 851,256 | | (999) | | 598,419 | 1,448,676 |
| 2022 | 213,761 | | (795) | | 724,475 | 937,441 |
| 2023 | 1,071,620 | | 2,226 | | 1,139,555 | 2,213,401 |
| 2024 | 0 | | (1,740) | | 69,115 | 67,375 |
| 2025-2028 | 0 | | (3,282) | | 0 | (3,282) |
| | \$ <u>3,895,012</u> | \$ | <u>(3,659)</u> | \$ | <u>3,677,200</u> | \$ <u>7,568,553</u> |

E. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The 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 (asset) in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | OPERS | |
|---------------------------|--|--|
| | Traditional Plan | Combined Plan |
| Valuation date | December 31, 2018 | December 31, 2018 |
| Experience study | 5-year period ended December 31, 2015 | 5-year period ended December 31, 2015 |
| Actuarial cost method | Individual entry age | Individual entry age |
| Actuarial assumptions: | | |
| Investment rate of return | 7.20% | 7.20% |
| Wage inflation | 3.25% | 3.25% |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

| | <u>OPERS Traditional Plan</u> | <u>OPERS Combined Plan</u> |
|--|--|--|
| Projected salary increases, including 3.25% inflation | 3.25 to 10.75% | 3.25 to 8.25% |
| COLA or Ad Hoc COLA: | | |
| Pre-Jan 7, 2013 retirees | 3.00% Simple | 3.00% Simple |
| Post-Jan 7, 2013 retirees | 3.00% Simple through 2018 then 2.15% Simple | 3.00% Simple through 2018 then 2.15% Simple |

OPERS conducts an experience study every five years in accordance with Ohio Revised Code Section 145.22. The study for the five-year period ended December 31, 2015 and methods and assumptions were approved and adopted by the OPERS Board of Trustees.

Pre-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010.

The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 Mortality Improvement Scale to the above described tables.

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.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional plan, the defined benefit component of the Combined plan and the annuitized accounts of the Member-Directed plan. The money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for changing amounts actually invested for the Defined Benefit portfolio was a loss of 2.94% for 2018.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board 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 2018 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% | 2.79% |
| Domestic equities | 19.00 | 6.21 |
| Real estate | 10.00 | 4.90 |
| Private equity | 10.00 | 10.81 |
| International equities | 20.00 | 7.83 |
| Other investments | 18.00 | 5.50 |
| Total | 100.00% | 5.95% |

Discount Rate The discount rate used to measure the total pension liability (asset) was 7.2%. 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 (asset).

Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2%, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2%) or one-percentage-point higher (8.2%) than the current rate:

| | 1% Decrease (6.2%) | Discount Rate (7.2%) | 1% Increase (8.2%) |
|---|-----------------------|-------------------------|-----------------------|
| City’s Proportionate Share of the Net Pension Liability – Traditional | \$ 25,079,309 | \$ 16,976,555 | \$ 10,243,094 |
| City’s Proportionate Share of the Net Pension Asset – Combined | \$ 14,825 | \$ 44,803 | \$ 66,510 |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

Assumption Changes Since the Prior Measurement Date In October 2018, the OPERS Board voted to lower the investment return assumption for its defined benefit fund from 7.5% to 7.2%.

F. Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increase and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below:

| | |
|----------------------------|--|
| Actuarial cost method | Entry age normal |
| Investment rate of return | 8.00% |
| Salary increases | 3.75% - 10.50% |
| Payroll growth | Inflation rate of 2.75% plus productivity increase rate of 0.5% |
| Cost of living adjustments | 3.00% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3.00% |

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

| <u>Age</u> | <u>Police</u> | <u>Fire</u> |
|------------|---------------|-------------|
| 67 or less | 77% | 68% |
| 68-77 | 105% | 87% |
| 78 and up | 115% | 120% |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

F. Actuarial Assumptions – OP&F (Continued)

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

| <u>Age</u> | <u>Police</u> | <u>Fire</u> |
|------------|---------------|-------------|
| 59 or less | 35% | 35% |
| 60-69 | 60% | 45% |
| 70-79 | 75% | 70% |
| 80 and up | 100% | 90% |

The most recent experience study was completed for the five-year period ended December 31, 2016.

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 OP&F's 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 average 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, 2018 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% | 0.80% |
| Domestic equity | 16.00 | 5.50 |
| Non-US equity | 16.00 | 5.90 |
| Private markets | 8.00 | 8.40 |
| Core fixed income* | 23.00 | 2.60 |
| High yield fixed income | 7.00 | 4.80 |
| Private credit | 5.00 | 7.50 |
| U.S. inflation linked bonds* | 17.00 | 2.30 |
| Master limited partnerships | 8.00 | 6.40 |
| Real assets | 8.00 | 7.00 |
| Private real estate | 12.00 | 6.10 |

*Levered 2x

Note: Assumptions are geometric

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 14: Defined Benefit Pension Plans (Continued)

F. Actuarial Assumptions – OP&F (Continued)

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 8.00%. 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 8.00%. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

| | 1% Decrease <u>(7.00%)</u> | Discount Rate <u>(8.00%)</u> | 1% Increase <u>(9.00%)</u> |
|--|-------------------------------|---------------------------------|-------------------------------|
| City’s Proportionate Share of the Net Pension Liability | \$ 26,699,369 | \$ 20,312,491 | \$ 14,975,331 |

Note 15: Postemployment Benefits

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

Plan Description – OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional plan, a defined benefit plan; the Combined plan, a combination defined benefit/defined contribution plan; and the Member-Directed plan, a defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment 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 pension and the Combined plans. This trust is also used to fund health care for Member-Directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Postemployment Benefits (Continued)

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

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional pension and Combined plans must have twenty 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 OPEB as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, 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 2019, state and local employers contributed at a rate of 14% of earnable salary. This is the maximum employer contribution rates 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 0% for 2019. The portion of employer contributions allocated to health care for members in the Member-Directed plan was 4% during 2019.

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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2019, the City's contractually required contribution for postemployment health care benefits was \$4,201.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Postemployment Benefits (Continued)

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

Plan Description – the City’s full-time police and fire participate in the OP&F sponsored health care program, a cost-sharing, multiple-employer defined postemployment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. This stipend provided by OP&F meets the definition of another post-employment benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – 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% of covered payroll for police and 24.0% of covered payroll for fire. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police and 24.0% for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Postemployment Benefits (Continued)

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

The OP&F Board of Trustees is also 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 contractually required contribution to OP&F was \$29,115 for 2019. Of this amount, \$3,655 is reported as intergovernmental payable at December 31, 2019.

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability for OPERS was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|------------------|------------------|-----------------|
| Proportion of the Net OPEB Liability Prior Measurement Date | 0.057552% | 0.251282% | |
| Proportion of the Net OPEB Liability Current Measurement Date | <u>0.059692%</u> | <u>0.248847%</u> | |
| Change in Proportionate Share | 0.002140% | (0.002435%) | |
| Proportionate Share of the Net OPEB Liability | \$ 7,782,450 | \$ 2,266,133 | \$ 10,048,583 |
| OPEB Expense (Reduction of Expense) | \$ 842,271 | \$ (11,153,455) | \$ (10,311,184) |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Postemployment Benefits (Continued)

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|-------------------|---------------------|---------------------|
| Deferred Outflow of Resources | | | |
| City Contributions Subsequent to the Measurement Date | \$ 4,201 | \$ 29,115 | \$ 33,316 |
| Difference Between Expected and Actual Experience | 2,636 | 0 | 2,636 |
| Differences in Employer Contributions and Change in Proportionate Share | 203,429 | 121,226 | 324,655 |
| Change in Assumptions | 250,915 | 1,174,655 | 1,425,570 |
| Net Difference Between Projected and Actual Earnings on OPEB Plan Investments | <u>356,779</u> | <u>76,711</u> | <u>433,490</u> |
| Total Deferred Outflow of Resources | \$ <u>817,960</u> | \$ <u>1,401,707</u> | \$ <u>2,219,667</u> |
| Deferred Inflow of Resources | | | |
| Difference Between Expected and Actual Experience | \$ 21,117 | \$ 60,715 | \$ 81,832 |
| Change in Assumptions | 0 | 627,373 | 627,373 |
| Differences in Employer Contributions and Change in Proportionate Share | <u>0</u> | <u>108,093</u> | <u>108,093</u> |
| Total Deferred Inflow of Resources | \$ <u>21,117</u> | \$ <u>796,181</u> | \$ <u>817,298</u> |

The \$33,316 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year Ending December 31: | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---------------------------------|-------------------|-------------------|---------------------|
| 2020 | \$ 401,972 | \$ 103,514 | \$ 505,486 |
| 2021 | 149,923 | 103,514 | 253,437 |
| 2022 | 61,014 | 103,514 | 164,528 |
| 2023 | 179,733 | 126,716 | 306,449 |
| 2024 | 0 | 90,137 | 90,137 |
| 2025-2026 | <u>0</u> | <u>49,016</u> | <u>49,016</u> |
| | \$ <u>792,642</u> | \$ <u>576,411</u> | \$ <u>1,369,053</u> |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Postemployment Benefits (Continued)

D. 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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability for the measurement period December 31, 2018 was determined using the following actuarial assumptions that follow.

| | <u>Assumptions</u> |
|--|--|
| Wage inflation | 3.25% |
| Valuation date | December 31, 2017 |
| Rolled-forward measurement date | December 31, 2018 |
| Experience study | 5-year period ended December 31, 2015 |
| Actuarial cost method | Individual entry age normal |
| Projected salary increases, including 3.25% inflation | 3.25 to 10.75% |
| Projected payroll/active member increase | 3.25% per year |
| Investment rate of return | 6.00% |
| Municipal bond rate | 3.71% |
| Single discount rate of return: | |
| Current measurement date | 3.96% |
| Prior measurement date | 3.85% |
| Health care cost trend | Initial 10.00% to 3.25% ultimate in 2029 |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

The long-term expected rate of return on health care 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.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional pension plan, Combined plan and Member-Directed plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60% for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit.

The table below displays the Board-approved asset allocation policy and the long-term expected real rates of return:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u> |
|------------------------------|--------------------------|---|
| Fixed income | 34.00% | 2.42% |
| Domestic equities | 21.00 | 6.21 |
| Real estate investment trust | 6.00 | 5.98 |
| International equities | 22.00 | 7.83 |
| Other investments | 17.00 | 5.57 |
| Total | <u>100.00%</u> | <u>5.16%</u> |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

Discount Rate A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71% for the measurement date of December 31, 2018. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be met at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

| | 1% Decrease <u>(2.96%)</u> | Discount Rate <u>(3.96%)</u> | 1% Increase <u>(4.96%)</u> |
|---|-------------------------------|---------------------------------|-------------------------------|
| City’s Proportionate Share of the Net OPEB Liability | \$ 9,956,652 | \$ 7,782,450 | \$ 6,053,382 |

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries’ project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1% lower or 1% higher than the current rate.

| | <u>1% Decrease</u> | <u>Cost Trend Rate</u> | <u>1% Increase</u> |
|---|--------------------|----------------------------|--------------------|
| City's Proportionate Share of the Net OPEB Liability | \$ 7,480,621 | \$ 7,782,450 | \$ 8,130,072 |

Assumption Changes Since the Prior Measurement Date The OPERS Board voted to lower the investment return assumption for its health care investment portfolio from 6.50% to 6.00%. Municipal bond rate increased from 3.31% to 3.71% and the single discount rate increased from 3.85% to 3.96%. The health care cost trend rate also increased from 7.50% initial, 3.25% ultimate in 2028 to 10.00% initial, 3.25% ultimate in 2029.

E. Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, 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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

| | |
|----------------------------|--|
| Actuarial cost method | Entry age normal |
| Investment rate of return | 8.00% |
| Price inflation | 2.75% |
| Salary increases | 3.75% – 10.50% |
| Single discount rate: | |
| Current measurement date | 4.66% |
| Prior measurement date | 3.24% |
| Payroll growth | Inflation rate of 2.75% plus productivity increase rate of 0.5% |
| Cost of living adjustments | 3.00% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3.00% |

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77% | 68% |
| 68-77 | 105% | 87% |
| 78 and up | 115% | 120% |

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35% | 35% |
| 60-69 | 60% | 45% |
| 70-79 | 75% | 70% |
| 80 and up | 100% | 90% |

The most recent experience study was completed for the five-year period ended December 31, 2016.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

The long-term expected rate of return on OPEB 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 expected. 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, 2018, 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% | 0.80% |
| Domestic equity | 16.00 | 5.50 |
| Non-US equity | 16.00 | 5.90 |
| Private markets | 8.00 | 8.40 |
| Core fixed income* | 23.00 | 2.60 |
| High yield fixed income | 7.00 | 4.80 |
| Private credit | 5.00 | 7.50 |
| U.S. inflation linked bonds* | 17.00 | 2.30 |
| Master limited partnerships | 8.00 | 6.40 |
| Real assets | 8.00 | 7.00 |
| Private real estate | 12.00 | 6.10 |

*Levered 2x

Note: Assumptions are geometric

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 the 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 OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017 was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66%), or one percentage point higher (5.66%) than the current rate.

| | 1% Decrease <u>(3.66%)</u> | Discount Rate <u>(4.66%)</u> | 1% Increase <u>(5.66%)</u> |
|---|-------------------------------|---------------------------------|-------------------------------|
| City’s Proportionate Share of the Net OPEB Liability | \$ 2,760,770 | \$ 2,266,133 | \$ 1,850,930 |

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Assumption Changes Since the Prior Measurement Date The single discount rate increased from 3.24% to 4.66%.

Changes in Benefit Terms Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

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 1,384 hours may be accumulated. City employees with two or more years of service are paid for their accumulated sick leave upon termination or retirement.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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.

| <u>Description</u> | <u>Original Issue</u> | <u>Interest Rate</u> | <u>Outstanding 12/31/19</u> | <u>Date of Maturity</u> |
|---|---------------------------|--------------------------|---------------------------------|-----------------------------|
| Economic Development Revenue Bonds, Series 2005 | \$ 1,350,000 | 2.35% | \$ 164,814 | October 1, 2025 |

The loan agreement provides for interest rate adjustments at five-year increments. The rate shown became effective October 1, 2015, with the next rate adjustment effective October 1, 2020.

Note 18: Short Term Notes Payable

A summary of the notes transactions for the year ended December 31, 2019, follows:

| | <u>Balance 12/31/18</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance 12/31/19</u> |
|---------------------------------------|-----------------------------|---------------------|----------------|-----------------------------|
| Governmental activities: | | | | |
| Various Purpose Notes, Series 2019 | \$ <u>0</u> | \$ <u>6,750,000</u> | \$ <u>0</u> | \$ <u>6,750,000</u> |

The various purpose notes were issued, via private sale, for the purpose of improving the new police facility and acquiring and equipping a new ladder fire truck. The notes are dated September 26, 2019 and are due on September 24, 2020 at an interest rate of 2%. All of the notes are bond anticipation notes, and are backed by the full faith and credit of the City. The note liability is reflected in the fund which received the proceeds.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 19: Long-Term Obligations

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

| <u>Debt Issue</u> | <u>Interest Rate (%)</u> | <u>Original Issue Amount</u> | <u>Date of Maturity</u> |
|---|--------------------------|------------------------------|-------------------------|
| General Obligation Bonds | | | |
| 2011 Municipal Court Facility Refunded | 2.625-3.125 | \$ 2,835,000 | December 1, 2022 |
| 2014 Civic Facility Improvements Refunded | 3.00-3.50 | 4,640,000 | December 1, 2024 |
| 2014 General Purpose Refunded | 2.00-3.50 | 4,540,000 | December 1, 2024 |
| Special Assessment Bonds | | | |
| 1998 Erosion Control (A) | 5.10 | 605,000 | December 1, 2023 |
| 2000 Erosion Control (B) | 5.25-5.50 | 360,000 | December 1, 2025 |
| OPWC Loans | | | |
| Valley View Storm and Sanitary Sewer Improvement | 0.00 | 2,541,718 | July 1, 2044 |
| Hampton Road Storm and Sanitary Sewer Improvement | 0.00 | 3,268,413 | January 1, 2045 |
| Frazier Drive Sewer Improvement | 0.00 | 2,891,803 | January 1, 2046 |
| Avalon Drive Sewer Improvement | 0.00 | 4,196,825 | January 1, 2048 |
| Hampton Road and Lakeview Avenue Sewer | 0.00 | NA | Pending |
| OWDA Loans | | | |
| 2000 Pump Station and Sewer Repair | 4.64 | 328,239 | July 1, 2020 |

NA – Amortized loan balance has not been determined.

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

| | <u>Outstanding 12/31/18</u> | <u>Additions</u> | <u>Reductions</u> | <u>Outstanding 12/31/19</u> | <u>Amount Due in One Year</u> |
|--|---------------------------------|------------------|-------------------|---------------------------------|---------------------------------------|
| Governmental Activities | | | | | |
| General Obligation Bonds | | | | | |
| 2011 Municipal Court Facility Refunded | \$ 750,000 | \$ 0 | \$ 225,000 | \$ 525,000 | \$ 230,000 |
| 2014 Civic Facility Improvements Refunded | 3,190,000 | 0 | 490,000 | 2,700,000 | 505,000 |
| 2014 General Purpose Refunded | 3,030,000 | 0 | 515,000 | 2,515,000 | 480,000 |
| Unamortized Premium | 374,737 | 0 | 64,053 | 310,684 | 0 |
| Total General Obligation Bonds | <u>7,344,737</u> | <u>0</u> | <u>1,294,053</u> | <u>6,050,684</u> | <u>1,215,000</u> |
| Special Assessment Bonds | | | | | |
| 1998 Erosion Control (A) | 125,000 | 0 | 25,000 | 100,000 | 25,000 |
| 2000 Erosion Control (B) | 105,000 | 0 | 15,000 | 90,000 | 15,000 |
| Total Special Assessment Bonds | <u>230,000</u> | <u>0</u> | <u>40,000</u> | <u>190,000</u> | <u>40,000</u> |
| Ohio Public Works Commission (OPWC) Loans | | | | | |
| Hampton Road and Lakeview Avenue Sewer Improvement | 191,433 | 32,732 | 0 | 224,165 | 0 |

(Continued)

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 19: Long-Term Obligations (Continued)

| | Outstanding 12/31/18 | Additions | Reductions | Outstanding 12/31/19 | Amount Due in One Year |
|---|-------------------------|----------------------|----------------------|-------------------------|------------------------------|
| Governmental Activities (continued) | | | | | |
| Other Long-Term Obligations | | | | | |
| Compensated Absences Payable | 4,361,208 | 1,738,324 | 1,573,054 | 4,526,478 | 1,831,551 |
| Police and Fire Pension Liability | 248,906 | 0 | 248,906 | 0 | 0 |
| Net Pension Liability | 24,332,613 | 12,088,314 | 0 | 36,420,927 | 0 |
| OPEB Liability | <u>20,167,421</u> | <u>0</u> | <u>10,516,804</u> | <u>9,650,617</u> | <u>0</u> |
| Total Other Long-Term Obligations | <u>49,110,148</u> | <u>13,826,638</u> | <u>12,338,764</u> | <u>50,598,022</u> | <u>1,831,551</u> |
| <i>Total Governmental Activities</i> | \$ <u>56,876,318</u> | \$ <u>13,859,370</u> | \$ <u>13,672,817</u> | \$ <u>57,062,871</u> | \$ <u>3,086,551</u> |
| Business-Type Activities | | | | | |
| Ohio Water Development Authority (OWDA) Loan | | | | | |
| 2000 Pump Station and Sewer Repair | \$ <u>51,192</u> | \$ <u>0</u> | \$ <u>25,009</u> | \$ <u>26,183</u> | \$ <u>26,183</u> |
| Ohio Public Works Commission (OPWC) Loans | | | | | |
| Valley View Storm and Sanitary Sewer Improvement | 2,202,822 | 0 | 84,724 | 2,118,098 | 84,724 |
| Hampton Road Storm and Sanitary Sewer Improvement | 2,887,098 | 0 | 108,947 | 2,778,151 | 108,947 |
| Frazier Drive Sewer Improvement | 2,650,820 | 0 | 96,394 | 2,554,426 | 96,393 |
| Avalon Drive Sewer Improvement | 4,126,875 | 0 | 139,894 | 3,986,981 | 139,894 |
| Hampton Road and Lakeview Avenue Sewer Improvement | <u>4,057,363</u> | <u>154,759</u> | <u>0</u> | <u>4,212,122</u> | <u>0</u> |
| Total OPWC Loans | <u>15,924,978</u> | <u>154,759</u> | <u>429,959</u> | <u>15,649,778</u> | <u>429,958</u> |
| Other Long-Term Obligations | | | | | |
| Compensated Absences Payable | 101,602 | 68,645 | 44,922 | 125,325 | 43,068 |
| Net Pension Liability | 480,196 | 387,923 | 0 | 868,119 | 0 |
| OPEB Liability | <u>319,588</u> | <u>78,378</u> | <u>0</u> | <u>397,966</u> | <u>0</u> |
| Total Other Long-Term Obligations | <u>901,386</u> | <u>534,946</u> | <u>44,922</u> | <u>1,391,410</u> | <u>43,068</u> |
| <i>Total Business-Type Activities</i> | \$ <u>16,877,556</u> | \$ <u>689,705</u> | \$ <u>499,890</u> | \$ <u>17,067,371</u> | \$ <u>499,209</u> |

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.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 19: Long-Term Obligations (Continued)

Net pension and OPEB liabilities will generally be paid from the General Fund, the Recreation Center, Office on Aging, Refuse and Recycling, Fire Levy, Police Levy, Motor Vehicle License Tax, and Street Construction and Repair Special Revenue Funds, and the Sanitary Sewer Enterprise Fund.

The OWDA loan 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. This loan is 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. This loan is 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. This loan is 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. This loan is to be repaid in semi-annual principal payments of \$69,947 for 30 years beginning July 1, 2018. This loan is repaid with revenues derived by the City's sanitary sewer charges.

During 2016, the City obtained an OPWC interest-free loan for the Hampton Road and Lakeview Avenue Sewer Improvements. OPWC has authorized this loan up to \$5,562,400. The loan proceeds in the long-term obligations table represent monies drawn against this loan through December 31, 2019, and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

The City's overall legal debt margin was \$80,343,944 at December 31, 2019. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019, are as follows:

| | Governmental Activities | | | | | |
|-------|--------------------------|-------------------|--------------------------|------------------|---------------------|-------------------|
| | General Obligation Bonds | | Special Assessment Bonds | | Total | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2020 | \$ 1,215,000 | \$ 181,988 | \$ 40,000 | \$ 10,050 | \$ 1,255,000 | \$ 192,038 |
| 2021 | 1,245,000 | 150,913 | 40,000 | 7,950 | 1,285,000 | 158,863 |
| 2022 | 1,095,000 | 114,575 | 40,000 | 5,850 | 1,135,000 | 120,425 |
| 2023 | 1,070,000 | 76,475 | 40,000 | 3,750 | 1,110,000 | 80,225 |
| 2024 | 1,115,000 | 39,025 | 15,000 | 1,650 | 1,130,000 | 40,675 |
| 2025 | 0 | 0 | 15,000 | 825 | 15,000 | 825 |
| Total | \$ <u>5,740,000</u> | \$ <u>562,976</u> | \$ <u>190,000</u> | \$ <u>30,075</u> | \$ <u>5,930,000</u> | \$ <u>593,051</u> |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 19: Long-Term Obligations (Continued)

| | Business Type Activity | | | | | |
|-----------|------------------------|---------------|----------------------|----------------------|---------------|--|
| | OWDA Loans | | OPWC | Total | | |
| | Principal | Interest | Principal | Principal | Interest | |
| 2020 | \$ 26,183 | \$ 914 | \$ 429,958 | \$ 456,141 | \$ 914 | |
| 2021 | 0 | 0 | 429,958 | 429,958 | 0 | |
| 2022 | 0 | 0 | 429,958 | 429,958 | 0 | |
| 2023 | 0 | 0 | 429,958 | 429,958 | 0 | |
| 2024 | 0 | 0 | 429,958 | 429,958 | 0 | |
| 2025-2029 | 0 | 0 | 2,149,790 | 2,149,790 | 0 | |
| 2030-2034 | 0 | 0 | 2,149,790 | 2,149,790 | 0 | |
| 2035-2039 | 0 | 0 | 2,149,790 | 2,149,790 | 0 | |
| 2040-2044 | 0 | 0 | 2,149,788 | 2,149,788 | 0 | |
| 2045-2048 | 0 | 0 | 688,708 | 688,708 | 0 | |
| Total | \$ <u>26,183</u> | \$ <u>914</u> | \$ <u>11,437,656</u> | \$ <u>11,463,839</u> | \$ <u>914</u> | |

Note 20: Jointly Governed Organizations

A. West Shore Council of Governments

The West Shore Council of Governments (the “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.

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 2019, the City contributed \$46,740 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 (the “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 2019, the City made contributions of \$18,000 to the Tri-City Park.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 20: Jointly Governed Organizations (Continued)

B. Tri-City Park Council of Governments (Continued)

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 (the “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 2019, 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.

D. Suburban Water Regional Council of Governments

The Suburban Water Regional Council of Governments (the “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 2019. 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 20: Jointly Governed Organizations (Continued)

E. Regional Council of Governments

The Regional Council of Governments (the “Regional Council”) was organized in 1971 pursuant to Ohio Revised Code Section 167.01 by 38 municipalities. At that time, the Regional Council formed the Regional Income Tax Agency (RITA) whose purpose is to administer municipal income tax collection and enforcement for member communities. The City joined the Regional Council to obtain the services of RITA effective January 1, 2016.

The Regional Council is governed by officers elected to annual terms by designated delegates of its member communities. In addition, RITA is governed by a Board of Trustees elected to staggered and varied terms by designated delegates of the Regional Council. The Director of Finance is the City’s appointed delegate to the Regional Council. During 2019, the City contributed \$513,507 to the Regional Council for RITA services. Financial information for the Regional Council may be obtained from the Executive Director of RITA at 10107 Brecksville Road, Brecksville, Ohio 44141 or www.ritaohio.com.

Note 21: 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 22: 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, 2019:

| <u>Transfer to</u> | |
|------------------------------|---------------------|
| Recreation Center | \$ 450,000 |
| Capital Improvement | 2,250,000 |
| Non-Major Governmental Funds | <u>3,750,000</u> |
| Total Transfers | \$ <u>6,450,000</u> |

In addition to the transfers noted above, the City had a transfer of \$174,640 from governmental activities to business-type activities related to the purchase of a vehicle. See Note 10 for additional information.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 22: Interfund Activity (Continued)

B. Interfund Balances

As of December 31, 2019, interfund balances were as follows:

| | Receivable | | Payable | |
|-------------------------------|------------|---------------------------|-----------|-----------------------------|
| | Interfund | Advance to Other Funds | Interfund | Advance from Other Funds |
| Governmental Activities: | | | | |
| General Fund | \$ 0 | \$ 250,000 | \$ 0 | \$ 0 |
| Recreation Center Fund | 0 | 0 | 0 | 250,000 |
| Total Governmental Activities | \$ 0 | \$ 250,000 | \$ 0 | \$ 250,000 |

The General Fund loaned the Recreation Fund operating monies that will be paid back in future years.

Note 23: Accountability and Compliance

A. Accountability

There is a deficit in the Recreation Center Special Revenue Fund of \$183,816 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.

B. Compliance

The following fund had expenditures plus encumbrances in excess of appropriations, contrary to Ohio Revised Code Section 5705.41.

| Fund | Appropriations Plus Prior Year Encumbrances | Expenditures Plus Encumbrances | Excess |
|---------------------------|---|--------------------------------------|------------|
| General Fund | | | |
| <i>Finance Department</i> | | | |
| Personal Service | \$ 248,600 | \$ 258,324 | \$ (9,724) |
| <i>Miscellaneous</i> | | | |
| Fringe Benefit | 0 | 5,509 | (5,509) |
| <i>Building</i> | | | |
| Fringe Benefit | 105,548 | 106,787 | (1,239) |
| Recreation Center Fund | | | |
| Other Expenses | 1,225,527 | 1,241,996 | (16,469) |
| Fire Levy Fund | | | |
| Other Expenses | 75,000 | 203,448 | (128,448) |
| Self Insurance Fund | | | |
| Other Expenses | 3,109,600 | 3,411,042 | (301,442) |

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 24: Significant Commitments

A. Contracts

At December 31, 2019, the City's significant contractual commitments consisted of:

| <u>Project</u> | <u>Contract Amount</u> | <u>Amount Paid</u> | <u>Remaining on Contract</u> |
|---|----------------------------|------------------------|----------------------------------|
| Professional Services | \$ 100,725 | \$ 50,047 | \$ 50,678 |
| Building Construction, Maintenance and Repair | 2,477,797 | 912,439 | 1,565,358 |
| Equipment, Vehicle, Computer Purchases and Repair | 933,480 | 163,355 | 770,125 |
| Watermain Improvement Projects | 442,265 | 65,042 | 377,223 |
| Sanitary and Storm Sewer Projects | 1,996,780 | 973,158 | 1,023,622 |
| Tree and Sidewalk Projects | 63,742 | 0 | 63,742 |
| Park Improvements | 380,343 | 190,183 | 190,160 |
| Paving | 7,115,934 | 3,981,881 | 3,134,053 |
| Total | \$ <u>13,511,066</u> | \$ <u>6,336,105</u> | \$ <u>7,174,961</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 | \$ 90,886 |
| Recreation Fund | 54,163 |
| Capital Improvement Fund | 4,983,093 |
| Other Governmental Funds | <u>863,255</u> |
| Total Governmental | \$ <u>5,991,397</u> |

Note 25: 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, 2019 was \$20,000.

Future minimum rental payments for these leases are as follows:

| | |
|------|------------------|
| 2020 | \$ <u>20,000</u> |
|------|------------------|

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

Note 26: Related Organization

The Rocky River Community Improvement Corporation (CIC) was organized pursuant to the Ohio Revised Code Chapter 1724 in October 2002. 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, 2019, the CIC has no assets or liabilities. The CIC has had no financial activity since 2005.

Note 27: Municipal Utility Districts

In 2008, 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 Municipal Utility District (District) for the purpose of facilitating new or expanded growth for commercial or economic development. The District is known as the Nagel-Interstate 90 Municipal Utility District and consists of about 791 acres in the City of Avon, Lorain County, Ohio.

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

In 2012, the City entered into a 20-year agreement with the City of Cleveland to create a Municipal Utility District (District) to facilitate new or expanded growth for commercial or economic development for the residents of each city and the State of Ohio. The District is known as the Cleveland – Rocky River Municipal Utility District, the territorial boundaries of which are the combined total area of the two cities.

The agreement provides that for any business relocating to the District 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2019

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, 2019, management's estimate of the final closure cost of the transfer station is \$28,600.

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.

Note 28: Subsequent Events

In early 2020, the world began dealing with the effects of the Coronavirus pandemic (COVID-19). Disruptions to operations, including government mandated actions, employee, and supplier related challenges have impacted many entities. The financial markets have experienced significant declines and high volatility. Governmental agencies have made indications of their desire to provide aid to those affected by COVID-19, however, the availability, form, and amount of such aid that may be available to the City is not yet known, but the aid will not be revenue replacement for the income tax losses the City has incurred. The City is currently evaluating the effects of COVID-19 on its operations and has taken steps to ensure the health and safety of employees and residents is a top priority. Budget cuts have been made to address the reduced estimated resources and temporary shutdown of certain City operations, by the State's declaration of emergency.

In July 2020, Ordinance No. 62-20 was introduced to authorize the issuance of bond anticipation notes of a principal amount not to exceed \$10,000,000. Pursuant to said ordinance, the notes will be issued 1) to retire the portion for the 2019 notes issued to finance the new police facility and 2) to finance additional costs of the new police facility.

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

For the Last Six Years (1)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------|--------------|---------------|---------------|--------------|--------------|
| City's Proportion of the Net Pension Liability | 0.061985% | 0.059858% | 0.057764% | 0.057848% | 0.058978% | 0.058978% |
| City's Proportionate Share of the Net Pension Liability | \$ 16,976,555 | \$ 9,390,498 | \$ 13,117,249 | \$ 10,020,072 | \$ 7,113,422 | \$ 6,952,753 |
| City's Covered Payroll | \$ 8,233,828 | \$ 7,914,791 | \$ 7,688,297 | \$ 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 | 206.18% | 118.64% | 170.61% | 139.10% | 103.44% | 88.54% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 74.70% | 84.66% | 77.25% | 81.08% | 86.45% | 86.36% |

(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

For the Last Six Years (1)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------------|------------|------------|------------|------------|------------|
| City's Proportion of the Net Pension Asset | 0.040066% | 0.034861% | 0.031672% | 0.031106% | 0.035697% | 0.035697% |
| City's Proportionate Share of the Net Pension Asset | \$ 44,803 | \$ 47,455 | \$ 17,626 | \$ 15,137 | \$ 13,744 | \$ 3,746 |
| City's Covered Payroll | \$ 168,593 | \$ 142,748 | \$ 127,053 | \$ 112,704 | \$ 120,542 | \$ 122,864 |
| City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll | 26.57% | 33.24% | 13.87% | 13.43% | 11.40% | 3.05% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Asset | 126.64% | 137.28% | 116.55% | 116.90% | 114.83% | 104.56% |

(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

For the Last Six Years (1)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| City's Proportion of the Net Pension Liability | 0.248847% | 0.251282% | 0.247857% | 0.253444% | 0.256817% | 0.256817% |
| City's Proportionate Share of the Net Pension Liability | \$ 20,312,491 | \$ 15,422,311 | \$ 15,699,015 | \$ 16,304,230 | \$ 13,304,187 | \$ 12,507,789 |
| City's Covered Payroll | \$ 5,678,026 | \$ 5,496,825 | \$ 5,454,476 | \$ 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 | 357.74% | 280.57% | 287.82% | 318.25% | 261.08% | 246.81% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 63.07% | 70.91% | 68.36% | 66.77% | 71.71% | 73.00% |

(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 Pension Contributions
 Ohio Public Employee Retirement System – Traditional Plan

For the Last Ten Years

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------------|--------------------|--------------------|------------------|------------------|
| Contractually-Required Contribution | \$ 1,183,550 | \$ 1,152,736 | \$ 1,028,923 | \$ 922,596 | \$ 864,423 |
| Contributions in Relation to the Contractually-Required Contribution | <u>(1,183,550)</u> | <u>(1,152,736)</u> | <u>(1,028,923)</u> | <u>(922,596)</u> | <u>(864,423)</u> |
| Contribution Deficiency (Excess) | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> |
| City Covered Payroll | \$ 8,453,929 | \$ 8,233,828 | \$ 7,914,791 | \$ 7,688,297 | \$ 7,203,524 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 13.00% | 12.00% | 12.00% |
| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| Contractually-Required Contribution | \$ 825,200 | \$ 1,020,850 | \$ 828,631 | \$ 895,384 | \$ 837,024 |
| Contributions in Relation to the Contractually-Required Contribution | <u>(825,200)</u> | <u>(1,020,850)</u> | <u>(828,631)</u> | <u>(895,384)</u> | <u>(837,024)</u> |
| Contribution Deficiency (Excess) | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> |
| City Covered Payroll | \$ 6,876,663 | \$ 7,852,692 | \$ 8,286,310 | \$ 8,953,841 | \$ 9,300,272 |
| Contributions as a Percentage of Covered Payroll | 12.00% | 13.00% | 10.00% | 10.00% | 9.00% |

See Accompanying Note to the Required Supplementary Information

City of Rocky River, Ohio

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

For the Last Ten Years

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually-Required Contribution | \$ 26,954 | \$ 23,603 | \$ 18,557 | \$ 15,246 | \$ 13,524 |
| Contributions in Relation to the Contractually-Required Contribution | <u>(26,954)</u> | <u>(23,603)</u> | <u>(18,557)</u> | <u>(15,246)</u> | <u>(13,524)</u> |
| Contribution Deficiency (Excess) | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> |
| City Covered Payroll | \$ 192,529 | \$ 168,593 | \$ 142,748 | \$ 127,053 | \$ 112,704 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 13.00% | 12.00% | 12.00% |
| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| Contractually-Required Contribution | \$ 14,465 | \$ 15,972 | \$ 12,965 | \$ 14,009 | \$ 13,096 |
| Contributions in Relation to the Contractually-Required Contribution | <u>(14,465)</u> | <u>(15,972)</u> | <u>(12,965)</u> | <u>(14,009)</u> | <u>(13,096)</u> |
| Contribution Deficiency (Excess) | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> |
| City Covered Payroll | \$ 120,542 | \$ 122,864 | \$ 129,648 | 140,092 | \$ 145,512 |
| Contributions as a Percentage of Covered Payroll | 12.00% | 13.00% | 10.00% | 10.00% | 9.00% |

See Accompanying Note to the Required Supplementary Information

City of Rocky River, Ohio

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

For the Last Ten Years

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually-Required Contribution | \$ 1,229,189 | \$ 1,199,543 | \$ 1,161,998 | \$ 1,151,686 | \$ 1,083,474 |
| Contributions in Relation to the Contractually-Required Contribution | <u>(1,229,189)</u> | <u>(1,199,543)</u> | <u>(1,161,998)</u> | <u>(1,151,686)</u> | <u>(1,083,474)</u> |
| Contribution Deficiency (Excess) | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> |
| City Covered Payroll | \$ 5,822,994 | \$ 5,678,025 | \$ 5,496,825 | \$ 5,454,476 | \$ 5,123,147 |
| Contributions as a Percentage of Covered Payroll | 21.11% | 21.13% | 21.14% | 21.11% | 21.15% |
| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| Contractually-Required Contribution | \$ 1,078,649 | \$ 913,986 | \$ 731,848 | \$ 733,884 | \$ 771,706 |
| Contributions in Relation to the Contractually-Required Contribution | <u>(1,078,649)</u> | <u>(913,986)</u> | <u>(731,848)</u> | <u>(733,884)</u> | <u>(771,706)</u> |
| Contribution Deficiency (Excess) | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> |
| City Covered Payroll | \$ 5,095,764 | \$ 5,067,831 | \$ 4,916,011 | \$ 4,923,822 | \$ 5,205,410 |
| Contributions as a Percentage of Covered Payroll | 21.17% | 18.04% | 14.89% | 14.90% | 14.83% |

See Accompanying Note to the Required Supplementary Information

City of Rocky River, Ohio

Required Supplementary Information
Schedule of the City Proportionate Share of the Net OPEB Liability
Ohio Public Employee Retirement System

For the Last Three Years (1)

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|--------------|--------------|--------------|
| City's Proportion of the Net OPEB Liability | 0.059692% | 0.057552% | 0.055983% |
| City's Proportionate Share of the Net OPEB Liability | \$ 7,782,450 | \$ 6,249,724 | \$ 5,654,434 |
| City's Covered Payroll | \$ 8,514,817 | \$ 8,183,271 | \$ 8,033,489 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 91.40% | 76.37% | 70.39% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 46.33% | 54.14% | 54.04% |

(1) Information prior to 2017 is not available. Amounts presented for each fiscal year were determined as of the City's measurement date which is December 31 of the prior fiscal year.

City of Rocky River, Ohio

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

For the Last Three Years (1)

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|--------------|---------------|---------------|
| City's Proportion of the Net OPEB Liability | 0.248847% | 0.251282% | 0.247857% |
| City's Proportionate Share of the Net OPEB Liability | \$ 2,266,133 | \$ 14,237,285 | \$ 11,765,214 |
| City's Covered Payroll | \$ 5,678,025 | \$ 5,496,825 | \$ 5,454,476 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 39.91% | 259.01% | 215.70% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 46.57% | 14.13% | 15.96% |

(1) Information prior to 2017 is not available. Amounts presented for each fiscal year were determined as of the City's measurement date which is December 31 of the prior fiscal year.

City of Rocky River, Ohio

Required Supplementary Information Schedule of the City's OPEB Contributions Ohio Public Employee Retirement System

For the Last Four Years (2)

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|----------------|----------------|-----------------|------------------|
| Contractually Required Contribution (1) | \$ 4,201 | \$ 4,496 | \$ 84,828 | \$ 163,682 |
| Contributions in Relation to the Contractually Required Contribution | <u>(4,201)</u> | <u>(4,496)</u> | <u>(84,828)</u> | <u>(163,682)</u> |
| Contribution Deficiency (Excess) | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> |
| City Covered Payroll | \$ 8,751,487 | \$ 8,514,817 | \$ 8,183,271 | \$ 8,033,489 |
| Contributions as a Percentage of Covered Payroll | 0.05% | 0.05% | 1.04% | 2.04% |

(1) Includes surcharge

(2) Information prior to 2016 is not available.

City of Rocky River, Ohio

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

For the Last Ten Years

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-----------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 29,115 | \$ 28,390 | \$ 27,484 | \$ 27,272 | \$ 25,616 |
| Contributions in Relation to the Contractually Required Contribution | <u>(29,115)</u> | <u>(28,390)</u> | <u>(27,484)</u> | <u>(27,272)</u> | <u>(25,616)</u> |
| Contribution Deficiency (Excess) | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> |
| City Covered Payroll | \$ 5,822,994 | \$ 5,678,025 | \$ 5,496,825 | \$ 5,454,476 | \$ 5,123,147 |
| Contributions as a Percentage of Covered Payroll | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| Contractually Required Contribution | \$ 25,479 | \$ 183,455 | \$ 331,831 | \$ 332,358 | \$ 351,365 |
| Contributions in Relation to the Contractually Required Contribution | <u>(25,479)</u> | <u>(183,455)</u> | <u>(331,831)</u> | <u>(332,358)</u> | <u>(351,365)</u> |
| Contribution Deficiency (Excess) | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> |
| City Covered Payroll | \$ 5,095,764 | \$ 5,067,831 | \$ 4,916,011 | \$ 4,932,822 | \$ 5,205,410 |
| Contributions as a Percentage of Covered Payroll | 0.50% | 3.62% | 6.75% | 6.75% | 6.75% |

See Accompanying Note to the Required Supplementary Information

City of Rocky River, Ohio

Note to Required Supplementary Information

For the Year Ended December 31, 2019

Note 1: Net Pension Liability

Changes in Assumptions – OPERS

Amounts reported in the required supplementary information for OPERS Traditional and Combined Plans incorporate changes in assumptions used by OPERS in calculating the pension liability. These assumptions are presented below for the periods indicated:

Key Methods and Assumptions in Valuing Total Pension Liability – 2019

| | OPERS <u>Traditional plan</u> | OPERS <u>Combined plan</u> |
|--|---|--|
| Valuation Date | December 31, 2018 | December 31, 2018 |
| Experience Study | 5-year period ended December 31, 2015 | 5-year period ended December 31, 2015 |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |
| Actuarial Assumptions: | | |
| Investment Rate of Return | 7.20% | 7.20% |
| Wage Inflation | 3.25% | 3.25% |
| Projected Salary Increases, including 3.25% inflation | 3.25 to 10.75% | 3.25 to 8.25% |
| COLA or Ad Hoc COLA: | | |
| Pre-Jan 7, 2013 Retirees | 3% Simple | 3% Simple |
| Post-Jan 7, 2013 Retirees | 3% Simple through 2018 then 2.15% Simple | 3% Simple though 2018 then 2.15% Simple |

Key Methods and Assumptions in Valuing Total Pension Liability – 2017-2018

| | OPERS <u>Traditional plan</u> | OPERS <u>Combined plan</u> |
|--|---|--|
| Valuation Date | December 31, 2017 | December 31, 2017 |
| Experience Study | 5-year period ended December 31, 2015 | 5-year period ended December 31, 2015 |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |
| Actuarial Assumptions: | | |
| Investment Rate of Return | 7.50% | 7.50% |
| Wage Inflation | 3.25% | 3.25% |
| Projected Salary Increases, including 3.25% inflation | 3.25 to 10.75% | 3.25 to 8.25% |
| COLA or Ad Hoc COLA: | | |
| Pre-Jan 7, 2013 Retirees | 3% Simple | 3% Simple |
| Post-Jan 7, 2013 Retirees | 3% Simple through 2018 then 2.15% Simple | 3% Simple though 2018 then 2.15% Simple |

City of Rocky River, Ohio

Note to Required Supplementary Information

For the Year Ended December 31, 2019

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OPERS (continued)

Key Methods and Assumptions in Valuing Total Pension Liability – 2016 and prior

| | OPERS <u>Traditional plan</u> | OPERS <u>Combined plan</u> |
|--|--|--|
| Valuation Date | December 31, 2015 | December 31, 2015 |
| 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 | 8.00% | 8.00% |
| Wage Inflation | 3.75% | 3.75% |
| Projected Salary Increases, including 3.75% inflation | 4.25 to 10.05% | 4.25 to 8.05% |
| COLA or Ad Hoc COLA: | | |
| Pre-Jan 7, 2013 Retirees | 3% Simple | 3% Simple |
| Post-Jan 7, 2013 Retirees | 3% Simple through 2018 then 2.8% Simple | 3% Simple through 2018 then 2.8% Simple |

For 2019, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5% to 7.2%.

Mortality rates – Amounts reported beginning in 2017 use mortality rates based on the RP-2014. Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

City of Rocky River, Ohio

Note to Required Supplementary Information

For the Year Ended December 31, 2019

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OP&F

Amounts reported for 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

| | <u>2019-2018</u> | <u>2017 and Prior</u> |
|----------------------------|--|--|
| Valuation Date | January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017 | January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal |
| Investment Rate of Return | 8.00% | 8.25% |
| Projected Salary Increases | 3.75% to 10.50% | 4.25% to 11.00% |
| Payroll Growth | Inflation rate of 2.75% plus productivity increase rate of 0.50% | Inflation rate of 3.25% plus productivity increase rate of 0.50% |
| Cost of Living Adjustments | 3.00% simple; 2.20% simple for increased based on the lesser of the increase in CPI and 3% | 3.00% simple; 2.60% simple for increased based on the lesser of the increase in CPI and 3% |

Amounts reported for 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| <u>Age</u> | <u>Police</u> | <u>Fire</u> |
|------------|---------------|-------------|
| 67 or less | 77% | 68% |
| 68-77 | 105% | 87% |
| 79 and up | 115% | 120% |

Amounts reported for 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

| <u>Age</u> | <u>Police</u> | <u>Fire</u> |
|------------|---------------|-------------|
| 59 or less | 35% | 35% |
| 60-69 | 60% | 45% |
| 70-79 | 75% | 70% |
| 80 and up | 100% | 100% |

Amounts reported for 2017 and prior use valuation, rates of death were 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.

City of Rocky River, Ohio

Note to Required Supplementary Information

For the Year Ended December 31, 2019

Note 2: Net OPEB Liability

Changes in Assumptions – OPERS

For 2019, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5% to 6.0%. For 2019, the single discount rate changed from 3.85% in 2018 to 3.96%. Prior to 2018, the single discount rate was 4.23%. For 2019, the municipal bond rate changed from 3.31% to 3.71%. For 2019, the health care cost trend rate changed from 7.5% initial, 3.25%, ultimate in 2028 to 10% initial, 3.25% ultimate in 2029.

For 2018, the single discount rate changed from 4.23% to 3.85%.

Changes in Assumptions – OP&F

For 2019, the single discount rate changed from 3.24% to 4.66%.

For 2018, the single discount rate changed from 3.79% to 3.24%.

Changes in Benefit Terms – OP&F

Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

City of Rocky River, Ohio

Combining Statements
Non-Major Governmental Funds
Fund Descriptions

Non-major Special Revenue Funds

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

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

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

Indigent Driver Alcohol Treatment Fund – Required by the Ohio Revised Code to account for 50 percent of fines received by the City for convictions related to persons whose 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.

Federal Emergency Management Agency (FEMA) Fund – To account for federal monies received to pay for expenses incurred during emergencies. This fund did not have any budgetary activity in 2019, therefore, budgetary information is not provided.

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. This fund did not have any budgetary activity in 2019, therefore, budgetary information is not provided.

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.

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.

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City of Rocky River, Ohio

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

Non-major Special Revenue Funds (Continued)

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.

Budget Stabilization Fund – This fund accounts for resources set-aside to stabilize budgets against cyclical changes in revenues and expenditures. This fund is combined with the General Fund on the governmental fund financial statements but remains a separate fund in the budgetary schedules because it has a legally adopted budget.

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.

General Obligation Bond Retirement Fund – To account for proceeds and payment of general obligation bonds and related interest.

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, municipal income taxes and transfers to provide for the future replacement of equipment.

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

City of Rocky River, Ohio

Combining Balance Sheet Non-major Governmental Funds

December 31, 2019

| | Non-major Special Revenue Funds | Non-major Debt Service Fund | Non-major Capital Projects Funds | Total Non-major Governmental Funds |
|--|--|--------------------------------------|---|---|
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 2,219,995 | \$ 28,227 | \$ 2,606,619 | \$ 4,854,841 |
| Accounts Receivable | 12,557 | 0 | 0 | 12,557 |
| Intergovernmental Receivable | 680,274 | 40,853 | 25,008 | 746,135 |
| Materials and Supplies Inventory | 173,585 | 0 | 0 | 173,585 |
| Prepaid Asset | 7,125 | 0 | 525 | 7,650 |
| Municipal Income Taxes Receivable | 0 | 0 | 373,880 | 373,880 |
| Property Taxes Receivable | 1,653,133 | 614,018 | 0 | 2,267,151 |
| Special Assessments Receivable | <u>0</u> | <u>195,778</u> | <u>0</u> | <u>195,778</u> |
| Total Assets | \$ <u>4,746,669</u> | \$ <u>878,876</u> | \$ <u>3,006,032</u> | \$ <u>8,631,577</u> |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 123,336 | \$ 0 | \$ 13,238 | \$ 136,574 |
| Accrued Wages and Benefits | 91,789 | 0 | 3,399 | 95,188 |
| Intergovernmental Payable | 201,494 | 0 | 2,357 | 203,851 |
| Notes Payable | 0 | 0 | 750,000 | 750,000 |
| Accrued Interest Payable | <u>0</u> | <u>0</u> | <u>3,729</u> | <u>3,729</u> |
| Total Liabilities | <u>416,619</u> | <u>0</u> | <u>772,723</u> | <u>1,189,342</u> |
| Deferred Inflows of Resources: | | | | |
| Property Taxes | 1,605,056 | 596,161 | 0 | 2,201,217 |
| Unavailable Revenue | <u>524,040</u> | <u>254,488</u> | <u>196,472</u> | <u>975,000</u> |
| Total Deferred Inflows of Resources | <u>2,129,096</u> | <u>850,649</u> | <u>196,472</u> | <u>3,176,217</u> |
| Fund Balances: | | | | |
| Nonspendable | 180,710 | 0 | 525 | 181,235 |
| Restricted | <u>2,020,244</u> | <u>28,227</u> | <u>2,036,312</u> | <u>4,084,783</u> |
| Total Fund Balances | <u>2,200,954</u> | <u>28,227</u> | <u>2,036,837</u> | <u>4,266,018</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ <u>4,746,669</u> | \$ <u>878,876</u> | \$ <u>3,006,032</u> | \$ <u>8,631,577</u> |

City of Rocky River, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Governmental Funds

For the Year Ended December 31, 2019

| | Non-major Special Revenue Funds | Non-major Debt Service Fund | Non-major Capital Projects Funds | Total Non-major Governmental Funds |
|------------------------------------|--|--------------------------------------|---|---|
| Revenues: | | | | |
| Property Taxes | \$ 1,549,622 | \$ 607,316 | \$ 0 | \$ 2,156,938 |
| Municipal Income Taxes | 0 | 0 | 1,166,763 | 1,166,763 |
| Intergovernmental | 1,405,899 | 82,188 | 459,899 | 1,947,986 |
| Charges for Services | 331,998 | 0 | 0 | 316,731 |
| Fees, Fines and Permits | 301,437 | 0 | 0 | 301,437 |
| Special Assessments | 0 | 46,191 | 0 | 46,191 |
| Investment Income | 1,728 | 0 | 12,662 | 14,390 |
| Other | 6,757 | 0 | 0 | 22,024 |
| | <u>3,597,441</u> | <u>735,695</u> | <u>1,639,324</u> | <u>5,972,460</u> |
| Total Revenues | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 217,700 | 0 | 476,622 | 694,322 |
| Security of Persons and Property | 1,440,269 | 0 | 0 | 1,440,269 |
| Public Health | 1,078,986 | 0 | 0 | 1,078,986 |
| Transportation | 1,610,084 | 0 | 0 | 1,610,084 |
| Basic Utility Service | 1,968,209 | 0 | 0 | 1,968,209 |
| Capital Outlay | 50,396 | 0 | 2,319,642 | 2,370,038 |
| Debt Service: | | | | |
| Principal Retirement | 248,906 | 1,045,000 | 225,000 | 1,518,906 |
| Interest and Fiscal Charges | 10,148 | 204,345 | 24,885 | 239,378 |
| Issuance Costs | 0 | 0 | 2,626 | 2,626 |
| | <u>6,624,698</u> | <u>1,249,345</u> | <u>3,048,775</u> | <u>10,922,818</u> |
| Total Expenditures | | | | |
| Excess of Revenues Over (Under) | | | | |
| Expenditures | <u>(3,027,257)</u> | <u>(513,650)</u> | <u>(1,409,451)</u> | <u>(4,950,358)</u> |
| Other Financing Sources: | | | | |
| Premium on Issuance of Bond | | | | |
| Anticipation Notes | 0 | 16,057 | 2,626 | 18,683 |
| Transfers - In | 3,335,000 | 415,000 | 0 | 3,750,000 |
| Total Other Financing Sources | <u>3,335,000</u> | <u>431,057</u> | <u>2,626</u> | <u>3,768,683</u> |
| Net Change in Fund Balances | 307,743 | (82,593) | (1,406,825) | (1,181,675) |
| Fund Balances at Beginning of Year | <u>1,893,211</u> | <u>110,820</u> | <u>3,443,662</u> | <u>5,447,693</u> |
| Fund Balances at End of Year | \$ <u>2,200,954</u> | \$ <u>28,227</u> | \$ <u>2,036,837</u> | \$ <u>4,266,018</u> |

City of Rocky River, Ohio

Combining Balance Sheet Non-major Special Revenue Funds

December 31, 2019

| | Law Enforcement Trust | Community Diversion Program | Indigent Driver Alcohol Treatment | Enforcement and Education |
|---|-----------------------------|-----------------------------------|--|---------------------------------|
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 134,078 | \$ 14,769 | \$ 163,165 | \$ 25,635 |
| Accounts Receivable | 0 | 0 | 0 | 0 |
| Intergovernmental Receivable | 0 | 0 | 1,315 | 0 |
| Materials and Supplies Inventory | 0 | 0 | 0 | 0 |
| Prepaid Assets | 0 | 0 | 0 | 0 |
| Property Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ 134,078 | \$ 14,769 | \$ 164,480 | \$ 25,635 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 68 | \$ 8 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits | 0 | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 4 | 0 | 0 |
| Total Liabilities | 68 | 12 | 0 | 0 |
| Deferred Inflows of Resources: | | | | |
| Property Taxes | 0 | 0 | 0 | 0 |
| Unavailable Revenue | 0 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | 0 | 0 | 0 | 0 |
| Fund Balances: | | | | |
| Nonspendable | 0 | 0 | 0 | 0 |
| Restricted | 134,010 | 14,757 | 164,480 | 25,635 |
| Total Fund Balances | 134,010 | 14,757 | 164,480 | 25,635 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 134,078 | \$ 14,769 | \$ 164,480 | \$ 25,635 |

| <u>Municipal Probation Services</u> | <u>Federal Emergency Management Agency</u> | <u>Office on Aging</u> | <u>Marine Patrol</u> |
|---|--|----------------------------|--------------------------|
| \$ 84,230 | \$ 47 | \$ 195,866 | \$ 2,571 |
| 12,557 | 0 | 0 | 0 |
| 0 | 0 | 26,186 | 0 |
| 0 | 0 | 15,153 | 0 |
| 0 | 0 | 7,125 | 0 |
| <u>0</u> | <u>0</u> | <u>393,605</u> | <u>0</u> |
| \$ <u>96,787</u> | \$ <u>47</u> | \$ <u>637,935</u> | \$ <u>2,571</u> |
| | | | |
| \$ 3,099 | \$ 0 | \$ 14,846 | \$ 27 |
| 0 | 0 | 14,722 | 0 |
| <u>55</u> | <u>0</u> | <u>7,210</u> | <u>0</u> |
| | | | |
| <u>3,154</u> | <u>0</u> | <u>36,778</u> | <u>27</u> |
| | | | |
| 0 | 0 | 382,158 | 0 |
| <u>0</u> | <u>0</u> | <u>37,633</u> | <u>0</u> |
| | | | |
| <u>0</u> | <u>0</u> | <u>419,791</u> | <u>0</u> |
| | | | |
| 0 | 0 | 22,278 | 0 |
| <u>93,633</u> | <u>47</u> | <u>159,088</u> | <u>2,544</u> |
| | | | |
| <u>93,633</u> | <u>47</u> | <u>181,366</u> | <u>2,544</u> |
| | | | |
| \$ <u>96,787</u> | \$ <u>47</u> | \$ <u>637,935</u> | \$ <u>2,571</u> |

(Continued)

City of Rocky River, Ohio

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

December 31, 2019

| | Community Impacts | Refuse and Recycling | Motor Vehicle License Tax | Street Repair and Maintenance |
|--|------------------------|----------------------------|------------------------------------|-------------------------------------|
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 3,312 | \$ 587,519 | \$ 214,608 | \$ 447,938 |
| Accounts Receivable | 0 | 0 | 0 | 0 |
| Intergovernmental Receivable | 0 | 52,375 | 11,269 | 515,536 |
| Materials and Supplies Inventory | 0 | 5,088 | 293 | 153,051 |
| Prepaid Assets | 0 | 0 | 0 | 0 |
| Property Taxes Receivable | 0 | 787,204 | 0 | 0 |
| Total Assets | \$ <u>3,312</u> | \$ <u>1,432,186</u> | \$ <u>226,170</u> | \$ <u>1,116,525</u> |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 0 | \$ 62,020 | \$ 27,174 | \$ 16,094 |
| Accrued Wages and Benefits | 0 | 37,762 | 4,479 | 34,826 |
| Intergovernmental Payable | 0 | 17,216 | 4,377 | 14,528 |
| Total Liabilities | <u>0</u> | <u>116,998</u> | <u>36,030</u> | <u>65,448</u> |
| Deferred Inflows of Resources: | | | | |
| Property Taxes | 0 | 764,310 | 0 | 0 |
| Unavailable Revenue | 0 | 75,269 | 0 | 338,819 |
| Total Deferred Inflows of Resources | <u>0</u> | <u>839,579</u> | <u>0</u> | <u>338,819</u> |
| Fund Balances: | | | | |
| Nonspendable | 0 | 5,088 | 293 | 153,051 |
| Restricted | 3,312 | 470,521 | 189,847 | 559,207 |
| Total Fund Balances | <u>3,312</u> | <u>475,609</u> | <u>190,140</u> | <u>712,258</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ <u>3,312</u> | \$ <u>1,432,186</u> | \$ <u>226,170</u> | \$ <u>1,116,525</u> |

| <u>State Highway</u> | <u>Indigent Driver Alcohol Monitoring</u> | <u>Fire Levy</u> | <u>Police Levy</u> | <u>Total Non-major Special Revenue Funds</u> |
|----------------------|---|-------------------|--------------------|--|
| \$ 84,581 | \$ 41,254 | \$ 91,055 | \$ 129,367 | \$ 2,219,995 |
| 0 | 0 | 0 | 0 | 12,557 |
| 41,488 | 681 | 15,712 | 15,712 | 680,274 |
| 0 | 0 | 0 | 0 | 173,585 |
| 0 | 0 | 0 | 0 | 7,125 |
| <u>0</u> | <u>0</u> | <u>236,162</u> | <u>236,162</u> | <u>1,653,133</u> |
| \$ <u>126,069</u> | \$ <u>41,935</u> | \$ <u>342,929</u> | \$ <u>381,241</u> | \$ <u>4,746,669</u> |
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 123,336 |
| 0 | 0 | 0 | 0 | 91,789 |
| <u>0</u> | <u>0</u> | <u>83,010</u> | <u>75,094</u> | <u>201,494</u> |
| <u>0</u> | <u>0</u> | <u>83,010</u> | <u>75,094</u> | <u>416,619</u> |
| 0 | 0 | 229,294 | 229,294 | 1,605,056 |
| <u>27,159</u> | <u>0</u> | <u>22,580</u> | <u>22,580</u> | <u>524,040</u> |
| <u>27,159</u> | <u>0</u> | <u>251,874</u> | <u>251,874</u> | <u>2,129,096</u> |
| 0 | 0 | 0 | 0 | 180,710 |
| <u>98,910</u> | <u>41,935</u> | <u>8,045</u> | <u>54,273</u> | <u>2,020,244</u> |
| <u>98,910</u> | <u>41,935</u> | <u>8,045</u> | <u>54,273</u> | <u>2,200,954</u> |
| \$ <u>126,069</u> | \$ <u>41,935</u> | \$ <u>342,929</u> | \$ <u>381,241</u> | \$ <u>4,746,669</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, 2019

| | Law Enforcement Trust | Community Diversion Program | Indigent Driver Alcohol Treatment | Enforcement and Education |
|---|-----------------------------|-----------------------------------|--|---------------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Intergovernmental | 8,201 | 8,400 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 |
| Fees, Fines and Permits | 44,209 | 0 | 49,156 | 705 |
| Investment Income | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| Total Revenues | <u>52,410</u> | <u>8,400</u> | <u>49,156</u> | <u>705</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 0 | 0 | 0 | 0 |
| Security of Persons and Property | 78,676 | 5,547 | 40,388 | 0 |
| Public Health | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| Basic Utility Service | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>78,676</u> | <u>5,547</u> | <u>40,388</u> | <u>0</u> |
| Excess of Revenues Over (Under) Expenditures | (26,266) | 2,853 | 8,768 | 705 |
| Other Financing Sources: | | | | |
| Transfers - In | 0 | 0 | 0 | 0 |
| Net Change in Fund Balances | (26,266) | 2,853 | 8,768 | 705 |
| Fund Balances at Beginning of Year | <u>160,276</u> | <u>11,904</u> | <u>155,712</u> | <u>24,930</u> |
| Fund Balances at End of Year | <u>\$ 134,010</u> | <u>\$ 14,757</u> | <u>\$ 164,480</u> | <u>\$ 25,635</u> |

| <u>Municipal Probation Services</u> | <u>Federal Emergency Management Agency</u> | <u>Office on Aging</u> | <u>Marine Patrol</u> |
|---|--|----------------------------|--------------------------|
| \$ 0 | \$ 0 | \$ 389,306 | \$ 0 |
| 0 | 0 | 52,685 | 30,000 |
| 0 | 0 | 327,375 | 0 |
| 207,367 | 0 | 0 | 0 |
| 1,728 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>699</u> | <u>0</u> |
| <u>209,095</u> | <u>0</u> | <u>770,065</u> | <u>30,000</u> |
| 217,700 | 0 | 0 | 0 |
| 0 | 0 | 0 | 42,867 |
| 0 | 0 | 1,078,986 | 0 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>217,700</u> | <u>0</u> | <u>1,078,986</u> | <u>42,867</u> |
| (8,605) | 0 | (308,921) | (12,867) |
| <u>0</u> | <u>0</u> | <u>280,000</u> | <u>10,000</u> |
| (8,605) | 0 | (28,921) | (2,867) |
| <u>102,238</u> | <u>47</u> | <u>210,287</u> | <u>5,411</u> |
| \$ <u><u>93,633</u></u> | \$ <u><u>47</u></u> | \$ <u><u>181,366</u></u> | \$ <u><u>2,544</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, 2019

| | Community Impacts | Refuse and Recycling | Motor Vehicle License Tax | Street Repair and Maintenance |
|---|----------------------|-------------------------|------------------------------------|-------------------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 0 | \$ 693,117 | \$ 0 | \$ 0 |
| Intergovernmental | 0 | 105,370 | 139,000 | 899,483 |
| Charges for Services | 0 | 4,623 | 0 | 0 |
| Fees, Fines and Permits | 0 | 0 | 0 | 0 |
| Investment Income | 0 | 0 | 0 | 0 |
| Other | 0 | 6,058 | 0 | 0 |
| Total Revenues | 0 | 809,168 | 139,000 | 899,483 |
| 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 | 360,587 | 1,186,902 |
| Basic Utility Service | 0 | 1,968,209 | 0 | 0 |
| Capital Outlay | 0 | 0 | 17,530 | 8,546 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 1,968,209 | 378,117 | 1,195,448 |
| Excess of Revenues Over (Under) Expenditures | 0 | (1,159,041) | (239,117) | (295,965) |
| Other Financing Sources: | | | | |
| Transfers - In | 0 | 1,300,000 | 300,000 | 600,000 |
| Net Change in Fund Balances | 0 | 140,959 | 60,883 | 304,035 |
| Fund Balances at Beginning of Year | 3,312 | 334,650 | 129,257 | 408,223 |
| Fund Balances at End of Year | \$ 3,312 | \$ 475,609 | \$ 190,140 | \$ 712,258 |

| <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 | \$ 233,599 | \$ 233,600 | \$ 1,549,622 |
| 72,136 | 27,400 | 31,612 | 31,612 | 1,405,899 |
| 0 | 0 | 0 | 0 | 331,998 |
| 0 | 0 | 0 | 0 | 301,437 |
| 0 | 0 | 0 | 0 | 1,728 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>6,757</u> |
| <u>72,136</u> | <u>27,400</u> | <u>265,211</u> | <u>265,212</u> | <u>3,597,441</u> |
| 0 | 0 | 0 | 0 | 217,700 |
| 0 | 0 | 666,423 | 606,368 | 1,440,269 |
| 0 | 0 | 0 | 0 | 1,078,986 |
| 62,595 | 0 | 0 | 0 | 1,610,084 |
| 0 | 0 | 0 | 0 | 1,968,209 |
| 0 | 24,320 | 0 | 0 | 50,396 |
| 0 | 0 | 195,478 | 53,428 | 248,906 |
| <u>0</u> | <u>0</u> | <u>7,970</u> | <u>2,178</u> | <u>10,148</u> |
| <u>62,595</u> | <u>24,320</u> | <u>869,871</u> | <u>661,974</u> | <u>6,624,698</u> |
| 9,541 | 3,080 | (604,660) | (396,762) | (3,027,257) |
| <u>0</u> | <u>0</u> | <u>520,000</u> | <u>325,000</u> | <u>3,335,000</u> |
| 9,541 | 3,080 | (84,660) | (71,762) | 307,743 |
| <u>89,369</u> | <u>38,855</u> | <u>92,705</u> | <u>126,035</u> | <u>1,893,211</u> |
| \$ <u>98,910</u> | \$ <u>41,935</u> | \$ <u>8,045</u> | \$ <u>54,273</u> | \$ <u>2,200,954</u> |

City of Rocky River, Ohio

Combining Balance Sheet Non-major Debt Service Funds

December 31, 2019

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Total Non-major Debt Service Funds |
|--|---|---|---|
| Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 24,273 | \$ 3,954 | \$ 28,227 |
| Intergovernmental Receivable | 40,853 | 0 | 40,853 |
| Property Taxes Receivable | 614,018 | 0 | 614,018 |
| Special Assessment Receivable | <u>0</u> | <u>195,778</u> | <u>195,778</u> |
| Total Assets | \$ <u>679,144</u> | \$ <u>199,732</u> | \$ <u>878,876</u> |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits | 0 | 0 | 0 |
| Intergovernmental Payable | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Liabilities | <u>0</u> | <u>0</u> | <u>0</u> |
| Deferred Inflows of Resources: | | | |
| Property Taxes | 596,161 | 0 | 596,161 |
| Unavailable Revenue | <u>58,710</u> | <u>195,778</u> | <u>254,488</u> |
| Total Deferred Inflows of Resources | <u>654,871</u> | <u>195,778</u> | <u>850,649</u> |
| Fund Balances: | | | |
| Restricted | <u>24,273</u> | <u>3,954</u> | <u>28,227</u> |
| Total Fund Balances | <u>24,273</u> | <u>3,954</u> | <u>28,227</u> |
| Total Liabilities and Fund Balances | \$ <u>679,144</u> | \$ <u>199,732</u> | \$ <u>878,876</u> |

City of Rocky River, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Debt Service Funds

For the Year Ended December 31, 2019

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Total Non-major Debt Service Funds |
|--|---|---|---|
| Revenues: | | | |
| Property Taxes | \$ 607,316 | \$ 0 | \$ 607,316 |
| Intergovernmental | 82,188 | 0 | 82,188 |
| Special Assessments | <u>0</u> | <u>46,191</u> | <u>46,191</u> |
| Total Revenues | <u>689,504</u> | <u>46,191</u> | <u>735,695</u> |
| Expenditures: | | | |
| Debt Service: | | | |
| Principal Retirement | 1,005,000 | 40,000 | 1,045,000 |
| Interest and Fiscal Charges | <u>191,738</u> | <u>12,607</u> | <u>204,345</u> |
| Total Expenditures | <u>1,196,738</u> | <u>52,607</u> | <u>1,249,345</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(507,234)</u> | <u>(6,416)</u> | <u>(513,650)</u> |
| Other Financing Sources: | | | |
| Premium on Issuance of Bond | | | |
| Anticipation Notes | 16,057 | 0 | 16,057 |
| Transfers – In | <u>410,000</u> | <u>5,000</u> | <u>415,000</u> |
| Total other financing sources | <u>426,057</u> | <u>5,000</u> | <u>431,057</u> |
| Net Change in Fund Balances | (81,177) | (1,416) | (82,593) |
| Fund Balances at Beginning of Year | <u>105,450</u> | <u>5,370</u> | <u>110,820</u> |
| Fund Balances at End of Year | \$ <u>24,273</u> | \$ <u>3,954</u> | \$ <u>28,227</u> |

City of Rocky River, Ohio

Combining Balance Sheet Non-major Capital Projects Funds

December 31, 2019

| | <u>Equipment Replacement</u> | <u>Municipal Court Capital Improvement</u> | <u>Total Non-major Capital Project Funds</u> |
|--|----------------------------------|--|--|
| Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 2,230,233 | \$ 376,386 | \$ 2,606,619 |
| Intergovernmental Receivable | 0 | 25,008 | 25,008 |
| Prepaid Assets | 0 | 525 | 525 |
| Municipal Income Taxes Receivable | <u>373,880</u> | <u>0</u> | <u>373,880</u> |
| Total Assets | \$ <u>2,604,113</u> | \$ <u>401,919</u> | \$ <u>3,006,032</u> |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 13,046 | \$ 192 | \$ 13,238 |
| Accrued Wages and Benefits | 0 | 3,399 | 3,399 |
| Intergovernmental Payable | 0 | 2,357 | 2,357 |
| Notes Payable | 750,000 | 0 | 750,000 |
| Accrued Interest Payable | <u>3,729</u> | <u>0</u> | <u>3,729</u> |
| Total Liabilities | <u>766,775</u> | <u>5,948</u> | <u>772,723</u> |
| Deferred Inflows of Resources: | | | |
| Unavailable Revenue | <u>196,472</u> | <u>0</u> | <u>196,472</u> |
| Fund Balances: | | | |
| Nonspendable | 0 | 525 | 525 |
| Restricted | <u>1,640,866</u> | <u>395,446</u> | <u>2,036,312</u> |
| Total Fund Balances | <u>1,640,866</u> | <u>395,971</u> | <u>2,036,837</u> |
| Total Liabilities and Fund Balances | \$ <u>2,604,113</u> | \$ <u>401,919</u> | \$ <u>3,006,032</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, 2019

| | <u>Equipment Replacement</u> | <u>Municipal Court Capital Improvement</u> | <u>Total Non-major Capital Project Funds</u> |
|---|----------------------------------|--|--|
| Revenues: | | | |
| Municipal Income Taxes | \$ 1,166,763 | \$ 0 | \$ 1,166,763 |
| Intergovernmental | 39,402 | 420,497 | 459,899 |
| Investment Income | <u>0</u> | <u>12,662</u> | <u>12,662</u> |
| Total Revenues | <u>1,206,165</u> | <u>433,159</u> | <u>1,639,324</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 9,830 | 466,792 | 476,622 |
| Capital Outlay | 2,312,282 | 7,360 | 2,319,642 |
| Debt Service: | | | |
| Principal Retirement | 0 | 225,000 | 225,000 |
| Interest and Fiscal Charges | 0 | 21,156 | 24,885 |
| Issuance Costs | <u>2,626</u> | <u>0</u> | <u>2,626</u> |
| Total Expenditures | <u>2,328,467</u> | <u>720,308</u> | <u>3,048,775</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1,122,302)</u> | <u>(287,149)</u> | <u>(1,409,451)</u> |
| Other Financing Sources: | | | |
| Premium on Issuance of Bond Anticipation Notes | <u>2,626</u> | <u>0</u> | <u>2,626</u> |
| Net Change in Fund Balances | (1,119,676) | (287,149) | (1,406,825) |
| Fund Balances at Beginning of Year | <u>2,760,542</u> | <u>683,120</u> | <u>3,443,662</u> |
| Fund Balances at End of Year | \$ <u><u>1,640,866</u></u> | \$ <u><u>395,971</u></u> | \$ <u><u>2,036,837</u></u> |

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

City of Rocky River, Ohio

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

General Fund

For the Year Ended December 31, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 5,424,417 | \$ 5,424,417 | \$ 4,905,216 | \$ (519,201) |
| Municipal Income Taxes | 11,175,000 | 11,175,000 | 12,231,136 | 1,056,136 |
| Other Local Taxes | 86,000 | 86,000 | 96,371 | 10,371 |
| Intergovernmental | 364,572 | 364,572 | 1,076,271 | 711,699 |
| Charges for Services | 43,500 | 43,500 | 73,617 | 30,117 |
| Fines, Fees, and Permits | 3,649,100 | 3,649,100 | 2,861,784 | (787,316) |
| Investment Income | 312,000 | 312,000 | 486,880 | 174,880 |
| Rentals | 80,000 | 80,000 | 178,581 | 98,581 |
| Other | 130,000 | 130,000 | 167,679 | 37,679 |
| Total Revenues | <u>21,264,589</u> | <u>21,264,589</u> | <u>22,077,535</u> | <u>812,946</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government: | | | | |
| Council: | | | | |
| Personal Service | 118,000 | 118,000 | 117,912 | 88 |
| Fringe Benefit | 21,868 | 21,868 | 17,802 | 4,066 |
| Other | <u>6,851</u> | <u>6,851</u> | <u>2,838</u> | <u>4,013</u> |
| Total Council | <u>146,719</u> | <u>146,719</u> | <u>138,552</u> | <u>8,167</u> |
| Mayor: | | | | |
| Personal Service | 143,275 | 143,275 | 143,283 | (8) |
| Fringe Benefit | 46,684 | 46,684 | 36,537 | 10,147 |
| Other | <u>13,596</u> | <u>13,596</u> | <u>8,804</u> | <u>4,792</u> |
| Total Mayor | <u>203,555</u> | <u>203,555</u> | <u>188,624</u> | <u>14,931</u> |
| Finance Department: | | | | |
| Personal Service | 248,600 | 248,600 | 258,324 | (9,724) |
| Fringe Benefit | 66,700 | 66,700 | 62,011 | 4,689 |
| Other | <u>138,209</u> | <u>138,209</u> | <u>120,889</u> | <u>17,320</u> |
| Total Finance Department | <u>453,509</u> | <u>453,509</u> | <u>441,224</u> | <u>12,285</u> |
| Law Director: | | | | |
| Personal Service | 113,100 | 113,100 | 113,746 | (646) |
| Fringe Benefit | 20,823 | 20,823 | 17,190 | 3,633 |
| Other | <u>81,535</u> | <u>81,535</u> | <u>36,509</u> | <u>45,026</u> |
| Total Law Director | <u>215,458</u> | <u>215,458</u> | <u>167,445</u> | <u>48,013</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|-----------|-----------|-----------|---|
| | Original | Final | | |
| Other Executive Administration: | | | | |
| Personal Service | 280,700 | 280,700 | 205,368 | 75,332 |
| Fringe Benefit | 135,455 | 135,455 | 111,809 | 23,646 |
| Other | 53,532 | 53,532 | 38,964 | 14,568 |
| Total Other Executive Administration | 469,687 | 469,687 | 356,141 | 113,546 |
| Boards and Commissions: | | | | |
| Personal Service | 30,500 | 30,500 | 27,626 | 2,874 |
| Fringe Benefit | 6,674 | 6,674 | 3,779 | 2,895 |
| Other | 37,621 | 37,621 | 35,197 | 2,424 |
| Total Boards and Commissions | 74,795 | 74,795 | 66,602 | 8,193 |
| Building Maintenance: | | | | |
| Personal Service | 390,800 | 390,800 | 344,389 | 46,411 |
| Fringe Benefit | 181,078 | 181,078 | 135,276 | 45,802 |
| Other | 426,991 | 426,991 | 354,944 | 72,047 |
| Total Building Maintenance | 998,869 | 998,869 | 834,609 | 164,260 |
| Human Resources: | | | | |
| Personal Service | 80,200 | 80,200 | 79,589 | 611 |
| Fringe Benefit | 22,002 | 22,002 | 18,738 | 3,264 |
| Other | 38,580 | 38,580 | 27,900 | 10,680 |
| Total Human Resources | 140,782 | 140,782 | 126,227 | 14,555 |
| Municipal Courts: | | | | |
| Personal Service | 814,500 | 814,500 | 515,694 | 298,806 |
| Fringe Benefit | 261,820 | 261,820 | 167,875 | 93,945 |
| Other | 122,914 | 122,914 | 33,032 | 89,882 |
| Total Municipal Courts | 1,199,234 | 1,199,234 | 716,601 | 482,633 |
| Clerk of Courts: | | | | |
| Personal Service | 730,100 | 730,100 | 605,826 | 124,274 |
| Fringe Benefit | 277,573 | 277,573 | 240,265 | 37,308 |
| Other | 189,414 | 189,414 | 155,994 | 33,420 |
| Total Clerk of Courts | 1,197,087 | 1,197,087 | 1,002,085 | 195,002 |
| Information Technology | | | | |
| Personal Service | 75,900 | 75,900 | 75,786 | 114 |
| Fringe Benefit | 34,388 | 34,388 | 13,641 | 20,747 |
| Other | 55,299 | 55,299 | 8,120 | 47,179 |
| Total Information Technology | 165,587 | 165,587 | 97,547 | 68,040 |

(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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|-----------|-----------|-----------|---|
| | Original | Final | | |
| Miscellaneous: | | | | |
| Fringe Benefit | 0 | 0 | 5,509 | (5,509) |
| Other | 888,340 | 888,340 | 861,158 | 27,182 |
| Total Miscellaneous | 888,340 | 888,340 | 866,667 | 21,673 |
| Total General Government | 6,153,622 | 6,153,622 | 5,002,324 | 1,151,298 |
| Security of Persons and Property: | | | | |
| Police Department: | | | | |
| Personal Service | 3,841,720 | 3,841,720 | 3,564,327 | 277,393 |
| Fringe Benefit | 862,057 | 862,057 | 713,584 | 148,473 |
| Other | 640,033 | 640,033 | 405,944 | 234,089 |
| Total Police Department | 5,343,810 | 5,343,810 | 4,683,855 | 659,955 |
| Fire Department: | | | | |
| Personal Service | 2,945,700 | 2,985,700 | 2,932,861 | 52,839 |
| Fringe Benefit | 742,359 | 742,359 | 662,337 | 80,022 |
| Other | 518,403 | 518,403 | 356,326 | 162,077 |
| Total Fire Department | 4,206,462 | 4,246,462 | 3,951,524 | 294,938 |
| Police on Patrol Arresting Speeders: | | | | |
| Personal Service | 96,600 | 96,600 | 35,959 | 60,641 |
| Fringe Benefit | 22,826 | 22,826 | 1,396 | 24,222 |
| Other | 190,719 | 210,719 | 161,600 | 49,119 |
| Total Police on Patrol Arresting Speeders | 310,145 | 330,145 | 196,163 | 133,982 |
| Total Security of Persons and Property | 9,860,417 | 9,920,417 | 8,831,542 | 1,088,875 |
| Transportation: | | | | |
| Equipment Repair and Garage: | | | | |
| Personal Service | 551,900 | 551,900 | 459,843 | 92,057 |
| Fringe Benefit | 243,346 | 243,346 | 172,916 | 70,430 |
| Other | 191,875 | 191,875 | 138,760 | 53,115 |
| Total Transportation | 987,121 | 987,121 | 771,519 | 215,602 |
| Leisure Time Activities: | | | | |
| Parks Department: | | | | |
| Personal Service | 343,400 | 343,400 | 294,619 | 48,781 |
| Fringe Benefit | 121,202 | 121,202 | 114,090 | 7,112 |
| Other | 122,203 | 122,203 | 96,746 | 25,457 |
| Total Leisure Time Activities | 586,805 | 586,805 | 505,455 | 81,350 |

(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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Community Development: | | | | |
| Engineering: | | | | |
| Other | <u>42,858</u> | <u>42,858</u> | <u>42,645</u> | <u>213</u> |
| Building: | | | | |
| Personal Service | 324,125 | 324,125 | 311,374 | 12,751 |
| Fringe Benefit | 105,548 | 105,548 | 106,787 | (1,239) |
| Other | <u>104,766</u> | <u>104,766</u> | <u>72,999</u> | <u>31,767</u> |
| Total Building | <u>534,439</u> | <u>534,439</u> | <u>491,160</u> | <u>43,279</u> |
| Economic Development: | | | | |
| Other | <u>65,215</u> | <u>65,215</u> | <u>63,999</u> | <u>1,216</u> |
| Total Community Development | <u>642,512</u> | <u>642,512</u> | <u>597,804</u> | <u>44,708</u> |
| Total Expenditures | <u>18,230,477</u> | <u>18,290,477</u> | <u>15,708,644</u> | <u>2,581,833</u> |
| Excess of Revenues Over Expenditures | <u>3,034,112</u> | <u>2,974,112</u> | <u>6,368,891</u> | <u>3,394,779</u> |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 12,000 | 12,000 | 0 | (12,000) |
| Advances - In | 50,000 | 50,000 | 0 | (50,000) |
| Transfers - Out | <u>(7,432,000)</u> | <u>(7,432,000)</u> | <u>(7,138,290)</u> | <u>293,710</u> |
| Total Other Financing Sources (Uses) | <u>(7,370,000)</u> | <u>(7,370,000)</u> | <u>(7,138,290)</u> | <u>231,710</u> |
| Net Change in Fund Balance | (4,335,888) | (4,395,888) | (769,399) | 3,626,489 |
| Fund Balance at Beginning of Year | 4,933,426 | 4,933,426 | 4,933,426 | 0 |
| Prior Year Encumbrances Appropriated | <u>152,189</u> | <u>152,189</u> | <u>152,189</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>749,727</u> | \$ <u>689,727</u> | \$ <u>4,316,216</u> | \$ <u>3,626,489</u> |

City of Rocky River, Ohio

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

Budget Stabilization Fund

For the Year Ended December 31, 2019

| | <u>Budget</u> | | <u>Actual</u> | Variance With Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Other Financing Sources: | | | | |
| Transfers - In | <u>697,000</u> | <u>697,000</u> | <u>688,290</u> | <u>(8,710)</u> |
| Net Change in Fund Balances | 697,000 | 697,000 | 688,290 | (8,710) |
| Fund Balance at Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>697,000</u> | \$ <u>697,000</u> | \$ <u>688,290</u> | \$ <u>(8,710)</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 430,509 | \$ 430,509 | \$ 474,802 | \$ 44,293 |
| Intergovernmental | 0 | 0 | 52,685 | 52,685 |
| Charges for Services | 2,350,530 | 2,350,530 | 2,067,340 | (283,190) |
| Rentals | 26,000 | 26,000 | 133,091 | 107,091 |
| Other | 4,500 | 4,500 | 3,463 | (1,037) |
| Total Revenues | <u>2,811,539</u> | <u>2,811,539</u> | <u>2,731,381</u> | <u>(80,158)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Leisure Time Activities: | | | | |
| Personal Service | 1,678,657 | 1,678,657 | 1,555,633 | 123,024 |
| Fringe Benefits | 517,968 | 517,968 | 486,480 | 31,488 |
| Other | <u>1,225,527</u> | <u>1,225,527</u> | <u>1,241,996</u> | <u>(16,469)</u> |
| Total Expenditures | <u>3,422,152</u> | <u>3,422,152</u> | <u>3,284,109</u> | <u>138,043</u> |
| Excess of Revenues (Under) Over Expenditures | <u>(610,613)</u> | <u>(610,613)</u> | <u>(552,728)</u> | <u>57,885</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers - In | 450,000 | 450,000 | 450,000 | 0 |
| Advance - Out | <u>(50,000)</u> | <u>(50,000)</u> | <u>0</u> | <u>(50,000)</u> |
| Total Other Financing Sources (Uses) | <u>400,000</u> | <u>400,000</u> | <u>450,000</u> | <u>(50,000)</u> |
| Net Change in Fund Balances | (210,613) | (210,613) | (102,728) | 107,885 |
| Fund Balance at Beginning of Year | 190,546 | 190,546 | 190,546 | 0 |
| Prior Year Encumbrances Appropriated | <u>67,458</u> | <u>67,458</u> | <u>67,458</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>47,391</u> | \$ <u>47,391</u> | \$ <u>155,276</u> | \$ <u>107,885</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 861,019 | \$ 861,019 | \$ 778,612 | \$ (82,407) |
| Municipal Income Taxes | 2,975,000 | 2,975,000 | 3,141,050 | 166,050 |
| Other Local Taxes | 250,000 | 250,000 | 226,752 | (23,248) |
| Intergovernmental | 4,220,000 | 4,220,000 | 232,840 | (3,987,160) |
| Other | 18,500 | 18,500 | 7,429 | (11,071) |
| Total Revenues | <u>8,324,519</u> | <u>8,324,519</u> | <u>4,386,683</u> | <u>(3,937,836)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 10,402,444 | 10,402,444 | 39,047 | 10,363,397 |
| Capital Outlay | 13,292,349 | 13,292,349 | 10,985,229 | 2,307,120 |
| Debt Service: | | | | |
| Issuance Costs | 0 | 0 | 21,008 | (21,008) |
| Total Expenditures | <u>23,694,793</u> | <u>23,694,793</u> | <u>11,045,284</u> | <u>12,649,509</u> |
| Excess of Revenues (Under) Over Expenditures | <u>(15,370,274)</u> | <u>(15,370,274)</u> | <u>(6,658,601)</u> | <u>8,711,673</u> |
| Other Financing Sources: | | | | |
| Sale of Debt | 10,000,000 | 10,000,000 | 6,032,732 | (3,967,268) |
| Premium on the Sale of Debt | 0 | 0 | 21,008 | 21,008 |
| Transfers - In | <u>2,450,000</u> | <u>2,450,000</u> | <u>2,250,000</u> | <u>(200,000)</u> |
| Total Other Financing Sources | <u>12,450,000</u> | <u>12,450,000</u> | <u>8,303,740</u> | <u>(4,146,260)</u> |
| Net Change in Fund Balance | (2,920,274) | (2,920,274) | 1,645,139 | 4,565,413 |
| Fund Balance at Beginning of Year | 3,817,450 | 3,817,450 | 3,817,450 | 0 |
| Prior Year Encumbrances Appropriated | <u>2,369,010</u> | <u>2,369,010</u> | <u>2,369,010</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>3,266,186</u> | \$ <u>3,266,186</u> | \$ <u>7,831,599</u> | \$ <u>4,565,413</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 0 | \$ 0 | \$ 8,201 | \$ 8,201 |
| Fines, Fees, and Permits | <u>56,200</u> | <u>56,200</u> | <u>44,284</u> | <u>(11,916)</u> |
| Total Revenues | <u>56,200</u> | <u>56,200</u> | <u>52,485</u> | <u>(3,715)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Personal Service | 49,900 | 49,900 | 49,000 | 900 |
| Fringe Benefits | 1,202 | 1,202 | 1,240 | (38) |
| Other | <u>99,500</u> | <u>99,500</u> | <u>39,046</u> | <u>60,454</u> |
| Total Expenditures | <u>150,602</u> | <u>150,602</u> | <u>89,286</u> | <u>61,316</u> |
| Net Change in Fund Balance | (94,402) | (94,402) | (36,801) | 57,601 |
| Fund Balance at Beginning of Year | <u>157,572</u> | <u>157,572</u> | <u>157,572</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u><u>63,170</u></u> | \$ <u><u>63,170</u></u> | \$ <u><u>120,771</u></u> | \$ <u><u>57,601</u></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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|------------------------|------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 0 | \$ 0 | \$ 8,400 | \$ 8,400 |
| Fines, Fees and Permits | <u>5,400</u> | <u>5,400</u> | <u>0</u> | <u>(5,400)</u> |
| Total Revenues | <u>5,400</u> | <u>5,400</u> | <u>8,400</u> | <u>3,000</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Personal Service | 8,000 | 8,000 | 5,258 | 2,742 |
| Fringe Benefits | 1,543 | 1,543 | 616 | 927 |
| Other | <u>425</u> | <u>425</u> | <u>75</u> | <u>350</u> |
| Total Expenditures | <u>9,968</u> | <u>9,968</u> | <u>5,949</u> | <u>4,019</u> |
| Net Change in Fund Balance | (4,568) | (4,568) | 2,451 | 7,019 |
| Fund Balance at Beginning of Year | <u>12,318</u> | <u>12,318</u> | <u>12,318</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u><u>7,750</u></u> | \$ <u><u>7,750</u></u> | \$ <u><u>14,769</u></u> | \$ <u><u>7,019</u></u> |

City of Rocky River, Ohio

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

Indigent Driver Alcohol Treatment Fund

For the Year Ended December 31, 2019

| | <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 | \$ 49,062 | \$ 4,062 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Other | <u>85,000</u> | <u>85,000</u> | <u>40,388</u> | <u>44,612</u> |
| Net Change in Fund Balance | (40,000) | (40,000) | 8,674 | 48,674 |
| Fund Balance at Beginning of Year | <u>154,491</u> | <u>154,491</u> | <u>154,491</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>114,491</u> | \$ <u>114,491</u> | \$ <u>163,165</u> | \$ <u>48,674</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, 2019

| | <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 | \$ 792 | \$ (2,208) |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Other | <u>15,000</u> | <u>15,000</u> | <u>0</u> | <u>15,000</u> |
| Net Change in Fund Balance | (12,000) | (12,000) | 792 | 12,792 |
| Fund Balance at Beginning of Year | <u>24,843</u> | <u>24,843</u> | <u>24,843</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u><u>12,843</u></u> | \$ <u><u>12,843</u></u> | \$ <u><u>25,635</u></u> | \$ <u><u>12,792</u></u> |

City of Rocky River, Ohio

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

Municipal Probation Services Fund

For the Year Ended December 31, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines, Fees, and Permits | \$ 335,000 | \$ 335,000 | \$ 211,984 | \$ (123,016) |
| Investment Income | <u>2,100</u> | <u>2,100</u> | <u>1,563</u> | <u>(537)</u> |
| Total Revenues | <u>337,100</u> | <u>337,100</u> | <u>213,547</u> | <u>(123,553)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government: | | | | |
| Personal Service | 265,000 | 265,000 | 162,598 | 102,402 |
| Fringe Benefits | 70,524 | 70,524 | 19,351 | 51,173 |
| Other | <u>54,400</u> | <u>54,400</u> | <u>42,500</u> | <u>11,900</u> |
| Total General Government | 389,924 | 389,924 | 224,449 | 165,475 |
| Capital Outlay | <u>5,000</u> | <u>5,000</u> | <u>0</u> | <u>5,000</u> |
| Total Expenditures | <u>394,924</u> | <u>394,924</u> | <u>224,449</u> | <u>170,475</u> |
| Net Change in Fund Balance | (57,824) | (57,824) | (10,902) | 46,922 |
| Fund Balance at Beginning of Year | <u>95,132</u> | <u>95,132</u> | <u>95,132</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u><u>37,308</u></u> | \$ <u><u>37,308</u></u> | \$ <u><u>84,230</u></u> | \$ <u><u>46,922</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 430,509 | \$ 430,509 | \$ 389,306 | \$ (41,203) |
| Intergovernmental | 0 | 0 | 52,685 | 52,685 |
| Charges for Services | 430,000 | 430,000 | 329,795 | (100,205) |
| Other | <u>7,000</u> | <u>7,000</u> | <u>699</u> | <u>(6,301)</u> |
| Total Revenues | <u>867,509</u> | <u>867,509</u> | <u>772,485</u> | <u>(95,024)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Health Services: | | | | |
| Personal Service | 533,100 | 533,100 | 505,495 | 27,605 |
| Fringe Benefits | 150,972 | 150,972 | 142,923 | 8,049 |
| Other | <u>587,725</u> | <u>587,725</u> | <u>421,846</u> | <u>165,879</u> |
| Total Expenditures | <u>1,271,797</u> | <u>1,271,797</u> | <u>1,070,264</u> | <u>201,533</u> |
| Excess of Revenues (Under) Over Expenditures | (404,288) | (404,288) | (297,779) | 106,509 |
| Other Financing Sources: | | | | |
| Transfers - In | <u>250,000</u> | <u>250,000</u> | <u>280,000</u> | <u>30,000</u> |
| Net Change in Fund Balance | (154,288) | (154,288) | (17,779) | 136,509 |
| Fund Balance at Beginning of Year | 149,962 | 149,962 | 149,962 | 0 |
| Prior Year Encumbrances Appropriated | <u>25,032</u> | <u>25,032</u> | <u>25,032</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>20,706</u> | \$ <u>20,706</u> | \$ <u>157,215</u> | \$ <u>136,509</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------------|------------------------|------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ <u>37,400</u> | \$ <u>37,400</u> | \$ <u>30,000</u> | \$ <u>(7,400)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Personal Service | 23,700 | 23,700 | 19,361 | 4,339 |
| Fringe Benefits | 3,371 | 3,371 | 1,026 | 2,345 |
| Other | <u>18,840</u> | <u>18,840</u> | <u>22,759</u> | <u>(3,919)</u> |
| Total Security of Persons and Property | 45,911 | 45,911 | 43,146 | 2,765 |
| Capital Outlay | <u>5,000</u> | <u>5,000</u> | <u>0</u> | <u>5,000</u> |
| Total Expenditures | <u>50,911</u> | <u>50,911</u> | <u>43,146</u> | <u>7,765</u> |
| Excess of Revenues (Under) Over Expenditures | (13,511) | (13,511) | (13,146) | 365 |
| 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 | (3,511) | (3,511) | (3,146) | 365 |
| Fund Balance at Beginning of Year | 32 | 32 | 32 | 0 |
| Prior Year Encumbrances Appropriated | <u>5,540</u> | <u>5,540</u> | <u>5,540</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u><u>2,061</u></u> | \$ <u><u>2,061</u></u> | \$ <u><u>2,426</u></u> | \$ <u><u>365</u></u> |

City of Rocky River, Ohio

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

Refuse and Recycling Fund

For the Year Ended December 31, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 861,019 | \$ 861,019 | \$ 693,117 | \$ (167,902) |
| Intergovernmental | 0 | 0 | 105,370 | 105,370 |
| Charges for Services | 7,000 | 7,000 | 4,623 | (2,377) |
| Other | <u>27,000</u> | <u>27,000</u> | <u>6,058</u> | <u>(20,942)</u> |
| Total Revenues | <u>895,019</u> | <u>895,019</u> | <u>809,168</u> | <u>(85,851)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Basic Utilities Service: | | | | |
| Personal Service | 969,100 | 969,100 | 861,384 | 107,716 |
| Fringe Benefits | 407,077 | 407,077 | 377,392 | 29,685 |
| Other | <u>868,216</u> | <u>868,216</u> | <u>792,001</u> | <u>76,215</u> |
| Total Expenditures | <u>2,244,393</u> | <u>2,244,393</u> | <u>2,030,777</u> | <u>213,616</u> |
| Excess of Revenues (Under) Over Expenditures | (1,349,374) | (1,349,374) | (1,221,609) | 127,765 |
| Other Financing Sources: | | | | |
| Transfers - In | <u>1,000,000</u> | <u>1,000,000</u> | <u>1,300,000</u> | <u>300,000</u> |
| Net Change in Fund Balance | (349,374) | (349,374) | 78,391 | 427,765 |
| Fund Balance at Beginning of Year | 351,920 | 351,920 | 351,920 | 0 |
| Prior Year Encumbrances Appropriated | <u>88,864</u> | <u>88,864</u> | <u>88,864</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>91,410</u> | \$ <u>91,410</u> | \$ <u>519,175</u> | \$ <u>427,765</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ <u>141,000</u> | \$ <u>141,000</u> | \$ <u>138,767</u> | \$ <u>(2,233)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Personal Service | 226,525 | 226,525 | 203,164 | 23,361 |
| Fringe Benefits | 141,306 | 141,306 | 84,595 | 56,711 |
| Other | <u>93,909</u> | <u>93,909</u> | <u>75,200</u> | <u>18,709</u> |
| Total Transportation | 461,740 | 461,740 | 362,959 | 98,781 |
| Capital Outlay | <u>31,000</u> | <u>31,000</u> | <u>17,530</u> | <u>13,470</u> |
| Total Expenditures | <u>492,740</u> | <u>492,740</u> | <u>380,489</u> | <u>112,251</u> |
| Excess of Revenues (Under) Over Expenditures | (351,740) | (351,740) | (241,722) | 110,018 |
| Other Financing Sources: | | | | |
| Transfers - In | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> | <u>0</u> |
| Net Change in Fund Balance | (51,740) | (51,740) | 58,278 | 110,018 |
| Fund Balance at Beginning of Year | 133,200 | 133,200 | 133,200 | 0 |
| Prior Year Encumbrances Appropriated | <u>1,128</u> | <u>1,128</u> | <u>1,128</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>82,588</u> | \$ <u>82,588</u> | \$ <u>192,606</u> | \$ <u>110,018</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ <u>740,000</u> | \$ <u>740,000</u> | \$ <u>839,793</u> | \$ <u>99,793</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Personal Service | 776,600 | 776,600 | 647,286 | 129,314 |
| Fringe Benefits | 309,358 | 309,358 | 292,538 | 16,820 |
| Other | <u>423,632</u> | <u>423,632</u> | <u>353,389</u> | <u>70,243</u> |
| Total Transportation | 1,509,590 | 1,509,590 | 1,293,213 | 216,377 |
| Capital Outlay | <u>31,945</u> | <u>31,945</u> | <u>13,823</u> | <u>18,122</u> |
| Total Expenditures | <u>1,541,535</u> | <u>1,541,535</u> | <u>1,307,036</u> | <u>234,499</u> |
| Excess of Revenues (Under) Over Expenditures | (801,535) | (801,535) | (467,243) | 334,292 |
| Other Financing Sources: | | | | |
| Transfers - In | <u>600,000</u> | <u>600,000</u> | <u>600,000</u> | <u>0</u> |
| Net Change in Fund Balance | (201,535) | (201,535) | 132,757 | 334,292 |
| Fund Balance at Beginning of Year | 230,508 | 230,508 | 230,508 | 0 |
| Prior Year Encumbrances Appropriated | <u>36,444</u> | <u>36,444</u> | <u>36,444</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u><u>65,417</u></u> | \$ <u><u>65,417</u></u> | \$ <u><u>399,709</u></u> | \$ <u><u>334,292</u></u> |

City of Rocky River, Ohio

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

State Highway Fund

For the Year Ended December 31, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 57,000 | \$ 57,000 | \$ 67,296 | \$ 10,296 |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Other | <u>63,100</u> | <u>63,100</u> | <u>62,895</u> | <u>205</u> |
| Net Change in Fund Balance | (6,100) | (6,100) | 4,401 | 10,501 |
| Fund Balance at Beginning of Year | 79,780 | 79,780 | 79,780 | 0 |
| Prior Year Encumbrances Appropriated | <u>100</u> | <u>100</u> | <u>100</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u><u>73,780</u></u> | \$ <u><u>73,780</u></u> | \$ <u><u>84,281</u></u> | \$ <u><u>10,501</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 35,000 | \$ 35,000 | \$ 27,026 | \$ (7,974) |
| Expenditures: | | | | |
| Capital Outlay | <u>35,000</u> | <u>35,000</u> | <u>24,320</u> | <u>10,680</u> |
| Net Change in Fund Balance | 0 | 0 | 2,706 | 2,706 |
| Fund Balance at Beginning of Year | <u>38,548</u> | <u>38,548</u> | <u>38,548</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u><u>38,548</u></u> | \$ <u><u>38,548</u></u> | \$ <u><u>41,254</u></u> | \$ <u><u>2,706</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|---------------------------------------|-------------------|-------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 258,306 | \$ 258,306 | \$ 233,599 | \$ (24,707) |
| Intergovernmental | <u>0</u> | <u>0</u> | <u>31,612</u> | <u>31,612</u> |
| Total Revenues | <u>258,306</u> | <u>258,306</u> | <u>265,211</u> | <u>6,905</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Other | 694,900 | 704,500 | 663,060 | 41,440 |
| Debt Service: | | | | |
| Principal Retirement | 75,000 | 75,000 | 195,478 | (120,478) |
| Interest and fiscal charges | <u>0</u> | <u>0</u> | <u>7,970</u> | <u>(7,970)</u> |
| Total Expenditures | <u>769,900</u> | <u>779,500</u> | <u>866,508</u> | <u>(87,008)</u> |
| Excess of Revenues Under Expenditures | (511,594) | (521,194) | (601,297) | (80,103) |
| Other Financing Sources: | | | | |
| Transfers - In | <u>520,000</u> | <u>520,000</u> | <u>520,000</u> | <u>0</u> |
| Net Change in Fund Balance | 8,406 | (1,194) | (81,297) | (80,103) |
| Fund Balance at Beginning of Year | <u>172,352</u> | <u>172,352</u> | <u>172,352</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>180,758</u> | \$ <u>171,158</u> | \$ <u>91,055</u> | \$ <u>(80,103)</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 258,306 | \$ 258,306 | \$ 233,600 | \$ (24,706) |
| Intergovernmental | <u>0</u> | <u>0</u> | <u>31,612</u> | <u>31,612</u> |
| Total Revenues | <u>258,306</u> | <u>258,306</u> | <u>265,212</u> | <u>6,906</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Other | 629,000 | 629,000 | 602,403 | 26,597 |
| Debt Service: | | | | |
| Principal Retirement | 225,000 | 225,000 | 53,428 | 171,572 |
| Interest and fiscal charges | <u>0</u> | <u>0</u> | <u>2,178</u> | <u>(2,178)</u> |
| Total Expenditures | <u>854,000</u> | <u>854,000</u> | <u>658,009</u> | <u>195,991</u> |
| Excess of Revenues (Under) Over Expenditures | (595,694) | (595,694) | (392,797) | 202,897 |
| Other Financing Sources: | | | | |
| Transfers - In | <u>625,000</u> | <u>625,000</u> | <u>325,000</u> | <u>(300,000)</u> |
| Net Change in Fund Balance | 29,306 | 29,306 | (67,797) | (97,103) |
| Fund Balance at Beginning of Year | <u>197,164</u> | <u>197,164</u> | <u>197,164</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>226,470</u> | \$ <u>226,470</u> | \$ <u>129,367</u> | \$ <u>(97,103)</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 671,595 | \$ 671,595 | \$ 607,316 | \$ (64,279) |
| Intergovernmental | <u>0</u> | <u>0</u> | <u>82,188</u> | <u>82,188</u> |
| Total Revenues | <u>671,595</u> | <u>671,595</u> | <u>689,504</u> | <u>17,909</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal Retirement | 1,005,000 | 1,005,000 | 1,005,000 | 0 |
| Interest and Fiscal Charges | <u>192,000</u> | <u>192,000</u> | <u>191,738</u> | <u>262</u> |
| Total Expenditures | <u>1,197,000</u> | <u>1,197,000</u> | <u>1,196,738</u> | <u>262</u> |
| Excess of Revenues (Under) Over Expenditures | <u>(525,405)</u> | <u>(525,405)</u> | <u>(507,234)</u> | <u>18,171</u> |
| Other Financing Sources: | | | | |
| Premium on the Sale of Debt | 0 | 0 | 16,057 | 16,057 |
| Transfers - In | <u>510,000</u> | <u>510,000</u> | <u>410,000</u> | <u>(100,000)</u> |
| Total Other Financing Sources | <u>510,000</u> | <u>510,000</u> | <u>426,057</u> | <u>(83,943)</u> |
| Net Change in Fund Balances | (15,405) | (15,405) | (81,177) | (65,772) |
| Fund Balance at Beginning of Year | <u>105,450</u> | <u>105,450</u> | <u>105,450</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>90,045</u> | \$ <u>90,045</u> | \$ <u>24,273</u> | \$ <u>(65,772)</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Special Assessments | \$ <u>58,000</u> | \$ <u>58,000</u> | \$ <u>46,191</u> | \$ <u>(11,809)</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal Retirement | 40,000 | 40,000 | 40,000 | 0 |
| Interest and Fiscal Charges | <u>13,950</u> | <u>13,950</u> | <u>12,607</u> | <u>1,343</u> |
| Total Expenditures | <u>53,950</u> | <u>53,950</u> | <u>52,607</u> | <u>1,343</u> |
| Excess of Revenues Over (Under) Expenditures | 4,050 | 4,050 | (6,416) | (10,466) |
| Other Financing Sources: | | | | |
| Transfers - In | <u>20,000</u> | <u>20,000</u> | <u>5,000</u> | <u>(15,000)</u> |
| Net Change in Fund Balance | 24,050 | 24,050 | (1,416) | (25,466) |
| Fund balance at Beginning of Year | <u>5,370</u> | <u>5,370</u> | <u>5,370</u> | <u>0</u> |
| Fund balance at End of Year | \$ <u>29,420</u> | \$ <u>29,420</u> | \$ <u>3,954</u> | \$ <u>(25,466)</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Municipal Income Taxes | \$ 750,000 | \$ 750,000 | \$ 989,355 | \$ 239,355 |
| Intergovernmental | 70,000 | 70,000 | 39,402 | (30,598) |
| Charges for Services | <u>250,000</u> | <u>250,000</u> | <u>0</u> | <u>(250,000)</u> |
| Total Revenues | <u>1,070,000</u> | <u>1,070,000</u> | <u>1,028,757</u> | <u>(41,243)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Other | 50,000 | 50,000 | 9,830 | 40,170 |
| Capital Outlay | 4,990,412 | 4,955,412 | 3,176,324 | 1,779,088 |
| Debt Service: | | | | |
| Issuance Costs | <u>0</u> | <u>0</u> | <u>2,626</u> | <u>(2,626)</u> |
| Total Expenditures | <u>5,040,412</u> | <u>5,005,412</u> | <u>3,188,780</u> | <u>1,816,632</u> |
| Excess of Revenues (Under) Over Expenditures | <u>(3,970,412)</u> | <u>(3,935,412)</u> | <u>(2,160,023)</u> | <u>1,775,389</u> |
| Other Financing Sources: | | | | |
| Proceeds from Sale of Debt | 1,250,000 | 1,250,000 | 750,000 | (500,000) |
| Premium on the Sale of Debt | <u>0</u> | <u>0</u> | <u>2,626</u> | <u>2,626</u> |
| Total Other Financing Sources | <u>1,250,000</u> | <u>1,250,000</u> | <u>752,626</u> | <u>(497,374)</u> |
| Net Change in Fund Balance | (2,720,412) | (2,685,412) | (1,407,397) | 1,278,015 |
| Fund Balance at Beginning of Year | 774,183 | 774,183 | 774,183 | 0 |
| Prior Year Encumbrances Appropriated | <u>2,102,967</u> | <u>2,102,967</u> | <u>2,102,967</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>156,738</u> | \$ <u>191,738</u> | \$ <u>1,469,753</u> | \$ <u>1,278,015</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 544,000 | \$ 544,000 | \$ 422,001 | \$ (121,999) |
| Investment Income | <u>15,100</u> | <u>15,100</u> | <u>11,479</u> | <u>(3,621)</u> |
| Total Revenues | <u>559,100</u> | <u>559,100</u> | <u>433,480</u> | <u>(125,620)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government: | | | | |
| Personal Service | 320,100 | 320,100 | 262,171 | 57,929 |
| Fringe Benefits | 70,018 | 70,018 | 53,503 | 16,515 |
| Other | <u>350,120</u> | <u>350,120</u> | <u>152,789</u> | <u>197,331</u> |
| Total General Government | 740,238 | 740,238 | 468,463 | 271,775 |
| Capital Outlay | 97,500 | 97,500 | 7,360 | 90,140 |
| Debt Service: | | | | |
| Principal Retirement | 225,000 | 225,000 | 225,000 | 0 |
| Interest and Fiscal Charges | <u>21,200</u> | <u>21,200</u> | <u>21,156</u> | <u>44</u> |
| Total Expenditures | <u>1,083,938</u> | <u>1,083,938</u> | <u>721,979</u> | <u>361,959</u> |
| Net Change in Fund Balance | (524,838) | (524,838) | (288,499) | 236,339 |
| Fund Balance at Beginning of Year | 599,665 | 599,665 | 599,665 | 0 |
| Prior Year Encumbrances Appropriated | <u>65,220</u> | <u>65,220</u> | <u>65,220</u> | <u>0</u> |
| Fund Balance at End of Year | \$ <u>140,047</u> | \$ <u>140,047</u> | \$ <u>376,386</u> | \$ <u>236,339</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 5,160,300 | \$ 5,160,300 | \$ 3,716,176 | \$ (1,444,124) |
| Intergovernmental | 861,300 | 861,300 | 154,759 | (706,541) |
| Special assessments | 0 | 0 | - | - |
| Total Revenues | <u>6,021,600</u> | <u>6,021,600</u> | <u>3,870,935</u> | <u>(2,150,665)</u> |
| Expenditures: | | | | |
| Sewer Operations: | | | | |
| Personal Services | 551,700 | 551,700 | 524,548 | 27,152 |
| Fringe Benefits | 253,207 | 253,207 | 239,362 | 13,845 |
| Materials And Supplies | 108,813 | 108,813 | 104,571 | 4,242 |
| Contractual Services | 5,061,082 | 5,061,082 | 2,848,296 | 2,212,786 |
| Heat, Light, And Power | 23,000 | 23,000 | 22,602 | 398 |
| Other | 17,669 | 17,669 | 9,855 | 7,814 |
| Total Sewer Operations | 6,015,471 | 6,015,471 | 3,749,234 | 2,266,237 |
| Capital Outlay | 2,245,423 | 2,245,423 | 1,339,679 | 905,744 |
| Debt Service: | | | | |
| Principal Retirement | 455,400 | 455,400 | 454,968 | 432 |
| Interest and Fiscal Charges | 1,400 | 1,400 | 1,350 | 50 |
| Total Expenditures | <u>8,717,694</u> | <u>8,717,694</u> | <u>5,545,231</u> | <u>3,172,463</u> |
| Net Change in Fund Equity | (2,696,094) | (2,696,094) | (1,674,296) | 1,021,798 |
| Fund Equity at Beginning of Year | 4,993,939 | 4,993,939 | 4,993,939 | 0 |
| Prior Year Encumbrances Appropriated | <u>2,386,027</u> | <u>2,386,027</u> | <u>2,386,027</u> | <u>0</u> |
| Fund Equity at End of Year | \$ <u>4,683,872</u> | \$ <u>4,683,872</u> | \$ <u>5,705,670</u> | \$ <u>1,021,798</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, 2019

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charge for Services | \$ <u>3,016,084</u> | \$ <u>3,016,084</u> | \$ <u>3,152,326</u> | \$ <u>136,242</u> |
| Expenditures: | | | | |
| Contractual Services | 647,001 | 647,001 | 660,445 | (13,444) |
| Claims | <u>2,462,599</u> | <u>2,462,599</u> | <u>2,750,597</u> | <u>(287,998)</u> |
| Total Expenditures | <u>3,109,600</u> | <u>3,109,600</u> | <u>3,411,042</u> | <u>(301,442)</u> |
| Net Change in Fund Equity | (93,516) | (93,516) | (258,716) | (165,200) |
| Fund Equity at Beginning of Year | 653,171 | 653,171 | 653,171 | 0 |
| Prior Year Encumbrances Appropriated | <u>1,266</u> | <u>1,266</u> | <u>1,266</u> | <u>0</u> |
| Fund Equity at End of Year | \$ <u>560,921</u> | \$ <u>560,921</u> | \$ <u>395,721</u> | \$ <u>(165,200)</u> |

City of Rocky River, Ohio

Fiduciary Funds

Fund Descriptions

Agency Funds

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

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

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

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

City of Rocky River, Ohio

Combining Statement of Assets and Liabilities – Agency Funds

December 31, 2019

| | <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 | \$ 131,191 | \$ 518,806 | \$ 0 | \$ 13,303 | \$ 663,300 |
| Cash and Cash Equivalents: In Segregated Accounts | <u>0</u> | <u>0</u> | <u>338,929</u> | <u>0</u> | <u>338,929</u> |
| Total Assets | \$ <u>131,191</u> | \$ <u>518,806</u> | \$ <u>338,929</u> | \$ <u>13,303</u> | \$ <u>1,002,229</u> |
| Liabilities: | | | | | |
| Accounts Payable | \$ 0 | \$ 51,214 | \$ 0 | \$ 0 | \$ 51,214 |
| Retainage Payable | 0 | 8,360 | 0 | 0 | 8,360 |
| Deposits Held and Due To Others | <u>131,191</u> | <u>459,232</u> | <u>338,929</u> | <u>13,303</u> | <u>942,655</u> |
| Total Liabilities | \$ <u>131,190</u> | \$ <u>518,806</u> | \$ <u>338,929</u> | \$ <u>13,300</u> | \$ <u>1,002,229</u> |

City of Rocky River, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds

For the Year Ended December 31, 2019

| | Balance 12/31/18 | Additions | Deductions | Balance 12/31/19 |
|--|---------------------|---------------------|---------------------|---------------------|
| Deposits, Fees and Tri-City | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ <u>100,887</u> | \$ <u>69,654</u> | \$ <u>39,350</u> | \$ <u>131,191</u> |
| Liabilities: | | | | |
| Deposits Held and Due to Others | \$ <u>100,887</u> | \$ <u>69,654</u> | \$ <u>39,350</u> | \$ <u>131,191</u> |
| Donations and Bequests | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ <u>302,593</u> | \$ <u>393,700</u> | \$ <u>177,487</u> | \$ <u>518,806</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 126 | \$ 51,214 | \$ 126 | \$ 51,214 |
| Retainage Payable | 0 | 8,360 | 0 | 8,360 |
| Deposits Held and Due to Others | <u>302,467</u> | <u>334,126</u> | <u>177,361</u> | <u>459,232</u> |
| Total Liabilities | \$ <u>302,593</u> | \$ <u>393,700</u> | \$ <u>177,487</u> | \$ <u>518,806</u> |
| Municipal Court | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents: In Segregated Accounts | \$ <u>393,645</u> | \$ <u>4,418,558</u> | \$ <u>4,473,274</u> | \$ <u>338,929</u> |
| Liabilities: | | | | |
| Deposits Held and Due to Others | \$ <u>393,645</u> | \$ <u>4,418,558</u> | \$ <u>4,473,274</u> | \$ <u>338,929</u> |
| S.A.F.E. | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ <u>13,467</u> | \$ <u>0</u> | \$ <u>164</u> | \$ <u>13,303</u> |
| Liabilities: | | | | |
| Deposits Held and Due to Others | \$ <u>13,467</u> | \$ <u>0</u> | \$ <u>164</u> | \$ <u>13,303</u> |
| All Agency Funds | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 416,947 | \$ 463,354 | \$ 217,001 | \$ 663,300 |
| Cash and Cash Equivalents: In Segregated Accounts | <u>393,645</u> | <u>4,418,558</u> | <u>4,473,274</u> | <u>338,929</u> |
| Total Assets | \$ <u>810,592</u> | \$ <u>4,881,912</u> | \$ <u>4,690,275</u> | \$ <u>1,002,229</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 126 | \$ 51,214 | \$ 126 | \$ 51,214 |
| Retainage Payable | 0 | 8,360 | 0 | 8,360 |
| Deposits Held and Due to Others | <u>810,466</u> | <u>4,822,338</u> | <u>4,690,149</u> | <u>942,655</u> |
| Total Liabilities | \$ <u>810,592</u> | \$ <u>4,881,912</u> | \$ <u>4,690,275</u> | \$ <u>1,002,229</u> |

Statistical Section



City of Rocky River, Ohio

December 31, 2019

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

| <u>Contents</u> | <u>Page(s)</u> |
|---|----------------|
| Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | S2 – S10 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | S11 – S17 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | S18 – S23 |
| Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place. | S24 – S26 |
| Operating Information These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | S27 – S32 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Rocky River, Ohio

Net Position by Component – Last Ten Fiscal Years

Accrual Basis of Accounting

| | 2010 | 2011 | 2012 | 2013 (a) | 2014 (b) | 2015 | 2016 | 2017 (c) | 2018 | 2019 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental Activities: | | | | | | | | | | |
| Net Investment in | | | | | | | | | | |
| Capital Assets | \$ 31,781,713 | \$ 30,680,267 | \$ 33,293,005 | \$ 36,713,198 | \$ 41,586,463 | \$ 42,891,009 | \$ 45,354,753 | \$ 49,427,948 | \$ 53,411,670 | \$ 56,810,711 |
| Restricted for: | | | | | | | | | | |
| Capital Projects | 6,304,738 | 5,136,504 | 2,568,095 | 5,500,388 | 4,801,489 | 5,165,910 | 5,634,447 | 6,121,210 | 9,335,895 | 11,891,776 |
| Debt Services | 129,556 | 735,700 | 264,133 | 863,940 | 869,385 | 944,069 | 698,441 | 540,879 | 387,087 | 267,982 |
| Refuse and Recycling | 0 | 0 | 157,985 | 230,386 | 119,601 | 377,763 | 456,101 | 680,801 | 411,657 | 550,878 |
| Office on Aging | 51,446 | 71,622 | 93,676 | 115,703 | 159,197 | 243,704 | 291,038 | 286,539 | 248,791 | 218,999 |
| Street Construction and | | | | | | | | | | |
| Maintenance | 414,993 | 413,966 | 0 | 1,012,978 | 881,576 | 821,270 | 951,838 | 1,014,243 | 882,471 | 1,367,285 |
| Law Enforcement and | | | | | | | | | | |
| Education | 0 | 0 | 0 | 225,320 | 225,765 | 300,154 | 257,589 | 223,914 | 185,206 | 159,645 |
| Fire and Police Pension | 0 | 0 | 0 | 0 | 0 | 0 | 4,101 | 66,532 | 112,410 | 107,478 |
| Security of Persons an | | | | | | | | | | |
| Property | 0 | 0 | 0 | 689,792 | 573,715 | 464,107 | 402,214 | 379,282 | 314,167 | 317,396 |
| Municipal Probation | 387,247 | 353,444 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Impact | 0 | 0 | 0 | 3,312 | 3,312 | 3,312 | 3,312 | 3,312 | 3,312 | 3,312 |
| Other Purposes | 224,268 | 556,500 | 6,464,168 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unrestricted (Deficit) | 2,162,461 | 1,107,586 | 2,360,231 | 3,229,728 | (12,221,978) | (10,876,056) | (12,079,600) | (30,032,353) | (34,059,046) | (29,142,557) |
| Total Net Position – | | | | | | | | | | |
| Governmental Activities | 41,456,422 | 39,055,589 | 45,201,293 | 48,584,745 | 36,998,525 | 40,335,242 | 41,974,234 | 28,712,307 | 31,233,620 | 42,552,905 |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in | | | | | | | | | | |
| Capital Assets | 18,945,660 | 21,806,517 | 17,349,730 | 14,018,823 | 12,478,608 | 13,678,763 | 14,686,663 | 12,418,716 | 12,032,701 | 12,314,284 |
| Unrestricted | 6,177,103 | 6,237,369 | 5,830,241 | 8,492,454 | 8,735,194 | 8,189,432 | 10,417,609 | 10,959,005 | 11,316,195 | 10,966,498 |
| Total Net Position – | | | | | | | | | | |
| Business-Type Activities | 25,122,763 | 28,043,886 | 23,179,971 | 22,511,277 | 21,213,802 | 21,868,195 | 25,104,272 | 23,377,721 | 23,348,896 | 23,280,782 |

(Continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

| | 2010 | 2011 | 2012 | 2013 (a) | 2014 (b) | 2015 | 2016 | 2017 (c) | 2018 (d) | 2019 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Primary Government: | | | | | | | | | | |
| Net Investment in Capital Assets | 50,727,373 | 52,486,784 | 50,642,735 | 50,732,021 | 54,065,071 | 56,569,772 | 60,041,416 | 61,846,664 | 65,444,371 | 69,124,995 |
| Restricted for: | | | | | | | | | | |
| Capital Projects | 6,304,738 | 5,136,504 | 2,568,095 | 5,500,388 | 4,801,489 | 5,165,910 | 5,634,447 | 6,121,210 | 9,335,895 | 11,891,776 |
| Debt Services | 129,556 | 735,700 | 264,133 | 863,940 | 869,385 | 944,069 | 698,441 | 540,879 | 387,087 | 267,982 |
| Refuse and Recycling | 0 | 0 | 157,985 | 230,386 | 119,601 | 377,763 | 456,101 | 680,801 | 411,657 | 550,878 |
| Office on Aging | 51,446 | 71,622 | 93,676 | 115,703 | 159,197 | 243,704 | 291,038 | 286,539 | 248,791 | 218,999 |
| Municipal Probation | 387,247 | 353,444 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Street Construction and Maintenance | 414,993 | 413,966 | 0 | 1,012,978 | 881,576 | 821,270 | 951,838 | 1,014,243 | 882,471 | 1,367,285 |
| Law Enforcement and Education | 0 | 0 | 0 | 225,320 | 225,765 | 300,154 | 257,589 | 223,914 | 185,206 | 159,645 |
| Fire and Police Pensions | 0 | 0 | 0 | 0 | 0 | 0 | 4,101 | 66,532 | 112,410 | 107,478 |
| Security of Persons and Property | 0 | 0 | 0 | 689,792 | 573,715 | 464,107 | 402,214 | 379,282 | 314,167 | 317,396 |
| Community Impact | 0 | 0 | 0 | 3,312 | 3,312 | 3,312 | 3,312 | 3,312 | 3,312 | 3,312 |
| Other Purposes | 224,268 | 556,500 | 6,464,168 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unrestricted | 8,339,564 | 7,344,955 | 8,190,472 | 11,722,182 | (3,486,784) | (2,686,624) | (1,661,991) | (19,073,348) | (22,742,851) | (18,176,059) |
| Total Primary Government | \$ 66,579,185 | \$ 67,099,475 | \$ 68,381,264 | \$ 71,096,022 | \$ 58,212,327 | \$ 62,203,437 | \$ 67,078,506 | \$ 52,090,028 | \$ 54,582,516 | \$ 65,833,687 |

- (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.
- (c) Balances as of December 31, 2017 were restated for implementation of GASB Statement No. 75.

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.

Source: City financial records

City of Rocky River, Ohio

Changes in Net Position – Last Ten Fiscal Years

Accrual Basis of Accounting

| | 2010 | 2011 | 2012 | 2013 (a) | 2014 (b) | 2015 | 2016 | 2017 (c) | 2018 (d) | 2019 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Program revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$ 2,533,392 | \$ 2,688,561 | \$ 2,237,380 | \$ 3,629,679 | \$ 2,432,809 | \$ 2,088,114 | \$ 2,472,472 | \$ 2,483,792 | \$ 2,350,106 | \$ 2,214,094 |
| Security of Persons | | | | | | | | | | |
| and Property | 1,105,984 | 1,056,599 | 1,640,185 | 148,966 | 1,045,198 | 1,196,046 | 1,118,100 | 1,097,312 | 1,058,498 | 1,313,335 |
| Public Health | 495,138 | 542,072 | 536,596 | 610,187 | 578,496 | 371,903 | 347,508 | 381,637 | 425,143 | 312,758 |
| Transportation | 350 | 400 | 325 | 625 | 325 | 975 | 700 | 1,750 | 525 | 3,500 |
| Leisure Time Activities | 2,118,323 | 2,067,741 | 2,163,408 | 2,238,886 | 2,255,732 | 2,381,887 | 2,277,701 | 2,233,472 | 2,253,507 | 2,214,201 |
| Community Development | 175 | 200 | 250 | 150 | 225 | 325 | 175 | 350 | 175 | 575 |
| Basic Utility Service | 1,040,871 | 1,103,942 | 1,044,484 | 8,839 | 6,025 | 9,310 | 9,608 | 10,743 | 9,198 | 4,623 |
| Operating Grants and Contributions: | | | | | | | | | | |
| General Government | 45,122 | 44,331 | 47,288 | 44,799 | 35,811 | 111,317 | 21,420 | 33,182 | 533,526 | 447,897 |
| Security of Persons | | | | | | | | | | |
| and Property | 26,864 | 25,707 | 25,021 | 24,424 | 24,626 | 30,925 | 31,231 | 30,000 | 30,000 | 48,259 |
| Transportation | 775,539 | 777,312 | 791,552 | 874,364 | 888,696 | 902,937 | 911,659 | 944,656 | 933,750 | 1,472,721 |
| Basic Utility Service | 86,861 | 86,220 | 86,123 | 86,083 | 83,952 | 85,407 | 91,485 | 91,166 | 91,011 | 105,370 |
| Capital Grants and Contributions: | | | | | | | | | | |
| General Government | 823,491 | 864,849 | 936,187 | 606,549 | 3,579,488 | 512,763 | 551,723 | 536,375 | 57,969 | 127,470 |
| Public Health | 0 | 0 | 0 | 1,700 | 2,286 | 150,000 | 0 | 0 | 0 | 23,885 |
| Transportation | 0 | 0 | 1,976,093 | 0 | 0 | 0 | 0 | 0 | 2,318,717 | 0 |
| Leisure Time Activities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 45,000 | 135,934 |
| Basic Utility Service | 463,209 | 0 | 366,391 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Governmental Activities | | | | | | | | | | |
| Program Revenues | 9,257,934 | 9,257,934 | 11,851,283 | 8,275,251 | 10,933,669 | 7,841,909 | 7,833,782 | 7,844,435 | 10,107,125 | 8,424,622 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Sanitary Sewer Charges | 1,758,085 | 1,865,441 | 1,867,073 | 2,989,388 | 4,203,128 | 4,553,885 | 6,058,487 | 5,090,108 | 4,227,218 | 3,555,105 |
| Capital Grants and Contributions: | | | | | | | | | | |
| Sanitary Sewer Charges | 1,501,035 | 3,158,259 | 437,437 | 28,107 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Business-Type Activities | | | | | | | | | | |
| Program Revenues | 3,259,120 | 5,023,700 | 2,304,510 | 3,017,495 | 4,203,128 | 4,553,885 | 6,058,487 | 5,090,108 | 4,227,218 | 3,555,105 |
| Total Primary Government | 12,774,439 | 14,281,634 | 14,155,793 | 11,292,746 | 15,136,797 | 12,395,794 | 13,892,269 | 12,934,543 | 14,334,343 | 11,979,727 |

(Continued)

City of Rocky River, Ohio

Changes in Net Position – Last Ten Fiscal Years (Continued)

Accrual Basis of Accounting

| | 2010 | 2011 | 2012 | 2013 (a) | 2014 (b) | 2015 | 2016 | 2017 (c) | 2018 (d) | 2019 |
|--|------------|------------|-------------|------------|------------|------------|-------------|------------|------------|------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General Government | 7,598,480 | 9,384,315 | 5,294,037 | 5,913,026 | 5,668,787 | 5,591,132 | 6,005,870 | 7,176,860 | 7,358,241 | 7,503,253 |
| Security of Persons and Property | 9,010,010 | 9,472,809 | 8,983,880 | 9,207,482 | 9,306,477 | 9,391,822 | 11,044,627 | 10,765,969 | 12,094,504 | 1,251,659 |
| Public Health | 1,428,688 | 1,386,701 | 1,185,768 | 1,335,546 | 1,175,476 | 1,092,402 | 1,058,578 | 1,188,400 | 1,180,829 | 1,375,982 |
| Transportation | 2,385,058 | 2,459,672 | 2,279,856 | 2,508,065 | 3,754,446 | 4,005,442 | 2,898,876 | 3,783,233 | 4,011,387 | 4,240,707 |
| Leisure Time Activities | 3,948,809 | 4,527,664 | 3,657,902 | 3,531,071 | 3,174,829 | 3,497,102 | 4,276,788 | 4,419,638 | 4,494,796 | 5,376,837 |
| Community Development | 816,485 | 673,807 | 760,476 | 714,344 | 651,553 | 509,093 | 444,184 | 565,535 | 612,083 | 732,960 |
| Basic Utility Services | 2,127,597 | 2,111,718 | 2,521,711 | 1,704,807 | 1,516,591 | 1,941,569 | 1,832,793 | 2,257,068 | 2,512,750 | 2,804,059 |
| Interest and Fiscal Charges | 790,980 | 687,642 | 677,987 | 703,744 | 411,086 | 306,989 | 301,011 | 271,054 | 240,917 | 260,577 |
| Total Governmental Activities Expenses | 28,106,107 | 30,704,328 | 25,361,617 | 25,618,085 | 25,659,245 | 26,335,551 | 27,862,727 | 30,427,757 | 32,505,507 | 23,546,034 |
| Business-Type Activities: | | | | | | | | | | |
| Sanitary Sewer Charges | 2,450,068 | 2,102,577 | 2,431,473 | 2,339,335 | 3,862,901 | 3,965,030 | 4,822,410 | 4,622,700 | 4,651,116 | 3,797,859 |
| Total Primary Government Program Expenses | 30,556,175 | 32,806,905 | 27,793,090 | 27,957,420 | 29,522,146 | 30,300,581 | 32,685,137 | 35,050,457 | 37,156,623 | 27,343,893 |
| General Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for: | | | | | | | | | | |
| General Purposes | 3,872,423 | 3,788,172 | 3,815,055 | 3,700,797 | 3,765,359 | 3,756,030 | 4,146,236 | 4,146,550 | 4,173,148 | 4,789,888 |
| Recreation | 307,335 | 300,648 | 281,777 | 295,395 | 299,553 | 298,146 | 326,994 | 330,679 | 329,638 | 486,249 |
| Office on Aging | 307,335 | 300,648 | 281,777 | 295,395 | 299,553 | 298,146 | 326,994 | 330,679 | 329,638 | 400,753 |
| Refuse and Recycling | 614,670 | 601,297 | 563,557 | 590,792 | 599,103 | 596,288 | 653,990 | 661,359 | 659,328 | 716,011 |
| Fire Levy | 184,401 | 180,663 | 170,963 | 178,222 | 183,804 | 179,415 | 196,176 | 198,424 | 197,799 | 240,467 |
| Police Levy | 184,401 | 181,671 | 170,963 | 178,222 | 181,945 | 179,415 | 196,176 | 198,424 | 197,799 | 240,468 |
| Capital Improvements | 614,670 | 601,297 | 563,557 | 590,792 | 599,103 | 596,289 | 653,990 | 661,359 | 659,328 | 801,506 |
| General Obligation Bond Retirement | 599,627 | 597,831 | 563,557 | 592,792 | 599,103 | 596,289 | 653,990 | 595,231 | 593,369 | 625,173 |
| Municipal Taxes Levied for | | | | | | | | | | |
| General Purposes | 7,959,539 | 8,606,720 | 8,906,264 | 9,734,666 | 10,246,564 | 13,304,985 | 14,444,530 | 14,194,524 | 14,836,850 | 15,937,337 |
| Other Local Taxes | 269,969 | 234,169 | 194,790 | 245,913 | 288,364 | 353,691 | 434,582 | 349,173 | 284,922 | 340,060 |
| Grants and Entitlements not Restricted to Specific Programs | 2,477,912 | 2,852,477 | 3,122,384 | 2,668,592 | 1,556,143 | 1,355,228 | 1,312,623 | 1,360,654 | 1,354,155 | 1,211,407 |
| Investment Earnings | 31,050 | 8,162 | 7,499 | 8,083 | 21,536 | 27,452 | 81,375 | 190,263 | 314,231 | 582,984 |
| Other | 41,522 | 791,806 | 831,526 | 299,771 | 400,006 | 354,523 | 240,281 | 184,060 | 118,851 | 243,034 |
| Transfers | 106,197 | 0 | 4,736,952 | 0 | 1,365,188 | (65,538) | (2,000,000) | 2,974,188 | 838,994 | (174,640) |
| Special Item | 0 | 0 | (4,554,583) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Governmental Activities General Revenues, Transfers, and Special Items | 17,571,051 | 19,045,561 | 19,656,038 | 19,379,432 | 20,405,324 | 21,830,359 | 21,667,937 | 26,375,567 | 24,888,050 | 26,440,697 |

(Continued)

City of Rocky River, Ohio

Changes in Net Position – Last Ten Fiscal Years (Continued)

Accrual Basis of Accounting

| | 2010 | 2011 | 2012 | 2013 (a) | 2014 (b) | 2015 | 2016 | 2017 (c) | 2018 (d) | 2019 |
|--------------------------------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| General Revenues (Continued): | | | | | | | | | | |
| Business-Type Activities: | | | | | | | | | | |
| Municipal Taxes Levied for | | | | | | | | | | |
| General Purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,225,620 | 1,265,712 | 0 |
| Transfers | (106,197) | 0 | (4,736,952) | 0 | (1,365,188) | 65,538 | 2,000,000 | (2,974,188) | (838,994) | 174,640 |
| Total Business-Type Activities | | | | | | | | | | |
| General Revenues and | | | | | | | | | | |
| Transfers | (106,197) | 0 | (4,736,952) | 0 | (1,365,188) | 65,538 | 2,000,000 | (1,748,568) | 426,718 | 174,640 |
| Total General Revenues, Transfers, | | | | | | | | | | |
| and Special Items | 17,464,854 | 19,045,561 | 14,919,086 | 19,379,432 | 19,040,136 | 21,895,897 | 23,667,937 | 24,626,999 | 25,314,768 | 26,615,337 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | (1,019,737) | (2,400,833) | 6,145,704 | 2,036,598 | 5,679,748 | 3,336,717 | 1,638,992 | 3,792,245 | 2,489,668 | 11,319,285 |
| Business-Type Activities | 702,855 | 2,921,123 | (4,863,915) | 678,160 | (1,024,961) | 654,393 | 3,236,077 | (1,281,160) | 2,820 | (68,114) |
| Total Primary Government | | | | | | | | | | |
| Change in Net Position | \$ (316,882) | \$ 520,290 | \$ 1,281,789 | \$ 2,714,758 | \$ 4,654,787 | \$ 3,991,110 | \$ 4,875,069 | \$ 2,511,085 | \$ 2,492,488 | \$ 11,251,171 |

(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.

(c) Balances as of December 31, 2017 were restated for implementation of GASB Statement No. 75.

(d) During 2019 the City implemented a new accounting system. As a result, balances as of December 31, 2008 were reclassified in order to be comparative and provide an understanding of the changes in financial position and operations.

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City of Rocky River, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

| | 2010 | 2011 | 2012 | 2013 (a) | 2014 (b) | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 0 | \$ 20,082 | \$ 39,224 | \$ 20,105 | \$ 41,608 | \$ 60,058 | \$ 68,794 | \$ 308,225 | \$ 264,499 | \$ 376,504 |
| Assigned | 0 | 73,625 | 2,530,242 | 1,332,986 | 3,752,213 | 3,221,848 | 3,262,222 | 3,419,408 | 4,256,452 | 4,639,954 |
| Unassigned | 0 | 3,503,175 | 1,825,725 | 3,619,420 | 2,694,990 | 3,783,076 | 4,673,864 | 5,405,983 | 3,199,410 | 2,228,579 |
| Reserved | 370,707 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unreserved | 3,183,940 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total General Fund | 3,554,647 | 3,596,882 | 4,395,191 | 4,972,511 | 6,488,811 | 7,064,982 | 8,004,880 | 9,133,616 | 7,720,361 | 7,245,037 |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | 0 | 117,404 | 134,826 | 97,529 | 160,495 | 159,099 | 189,435 | 286,568 | 215,544 | 185,245 |
| Restricted | 0 | 6,054,235 | 8,233,110 | 7,471,528 | 6,608,029 | 7,485,009 | 7,879,652 | 8,449,837 | 11,054,725 | 11,189,835 |
| Unassigned (Deficit) | 0 | (627,575) | (504,079) | (385,379) | (482,711) | (289,493) | (307,565) | (99,613) | (155,823) | (187,826) |
| Reserved | 4,893,122 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unreserved, Undesignated, Reported in: | | | | | | | | | | |
| Special Revenue Funds | 375,705 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Service Funds | 129,711 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Projects Funds | 1,766,381 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total All Other Governmental Funds | 7,164,919 | 5,544,064 | 7,863,857 | 7,183,678 | 6,285,813 | 7,354,615 | 7,730,451 | 8,636,792 | 11,114,446 | 11,187,254 |
| Total Governmental Funds | \$ 10,719,566 | \$ 9,140,946 | \$ 12,259,048 | \$ 12,156,189 | \$ 12,774,624 | \$ 14,419,597 | \$ 15,735,331 | \$ 17,770,408 | \$ 18,834,807 | \$ 18,432,291 |

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

| | 2010 | 2011 | 2012 | 2013 (a) | 2014 (b) | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Property Taxes | \$ 6,686,547 | \$ 6,472,059 | \$ 6,479,941 | \$ 6,443,601 | \$ 6,536,524 | \$ 6,500,467 | \$ 7,128,340 | \$ 7,142,839 | \$ 7,120,568 | \$ 8,315,568 |
| Municipal Income taxes | 8,106,509 | 8,570,317 | 8,697,295 | 9,621,455 | 10,194,101 | 13,075,238 | 14,535,231 | 13,823,124 | 13,780,979 | 16,363,652 |
| Other Local Taxes | 269,969 | 234,169 | 194,790 | 245,913 | 288,364 | 353,691 | 434,582 | 349,173 | 338,535 | 331,284 |
| Intergovernmental | 4,683,905 | 4,749,825 | 5,356,419 | 4,451,998 | 3,199,672 | 3,120,298 | 2,893,176 | 3,013,818 | 4,146,884 | 3,325,578 |
| Charges for Services | 3,635,605 | 3,711,407 | 3,829,615 | 2,837,298 | 2,835,023 | 2,744,317 | 2,622,330 | 2,580,736 | 2,669,154 | 2,534,035 |
| Fines, Fees, and Permits | 3,405,319 | 3,504,950 | 3,652,640 | 3,766,444 | 3,432,285 | 3,442,054 | 3,464,180 | 3,422,995 | 3,325,728 | 3,141,892 |
| Special Assessments | 61,788 | 60,120 | 58,421 | 68,198 | 53,920 | 54,353 | 51,032 | 109,868 | 49,031 | 46,191 |
| Investment Income | 31,050 | 8,162 | 7,499 | 8,083 | 21,536 | 11,173 | 61,366 | 226,551 | 287,335 | 540,808 |
| Rentals | 104,047 | 86,230 | 93,229 | 91,044 | 92,875 | 96,495 | 108,389 | 97,587 | 106,462 | 311,672 |
| Other | 107,372 | 792,765 | 834,019 | 300,334 | 400,006 | 354,523 | 240,740 | 184,060 | 1,283,026 | 206,806 |
| Total Revenues | 27,092,111 | 28,190,004 | 29,203,868 | 27,834,368 | 27,054,306 | 29,752,609 | 31,539,366 | 30,950,751 | 33,107,702 | 35,117,486 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | 4,983,015 | 4,888,964 | 5,106,984 | 4,461,355 | 4,972,508 | 5,210,524 | 5,835,805 | 5,060,314 | 5,755,323 | 5,786,451 |
| Security of Persons and Property | 8,985,847 | 9,104,294 | 8,785,151 | 9,245,442 | 9,180,199 | 8,992,682 | 9,213,697 | 9,663,674 | 10,032,250 | 10,239,172 |
| Public Health | 1,298,805 | 1,281,566 | 1,061,178 | 1,239,240 | 1,153,116 | 993,557 | 899,726 | 963,653 | 1,005,754 | 1,078,986 |
| Transportation | 2,206,182 | 2,138,947 | 1,702,865 | 1,736,448 | 1,963,888 | 2,080,847 | 2,046,662 | 2,233,537 | 2,485,655 | 2,365,064 |
| Leisure Time Activities | 3,387,478 | 3,188,335 | 3,170,232 | 3,172,881 | 3,159,934 | 3,314,950 | 3,368,485 | 3,430,564 | 3,538,637 | 3,724,746 |
| Community Development | 792,068 | 807,866 | 766,902 | 737,752 | 669,155 | 655,520 | 478,221 | 512,785 | 533,033 | 583,696 |
| Basic Utility Services | 3,387,129 | 4,592,412 | 4,481,802 | 1,613,539 | 1,511,655 | 1,551,473 | 1,389,284 | 1,646,872 | 1,846,102 | 1,968,209 |
| Capital Outlay | 2,125,399 | 2,997,396 | 1,035,843 | 1,352,306 | 2,081,172 | 4,225,764 | 3,434,268 | 3,460,696 | 5,493,418 | 8,034,350 |
| Debt Service | | | | | | | | | | |
| Principal | 1,138,080 | 1,909,286 | 1,268,289 | 1,271,855 | 1,338,224 | 739,651 | 1,226,139 | 1,257,690 | 1,274,310 | 1,518,906 |
| Interest | 815,274 | 716,098 | 685,370 | 626,374 | 423,666 | 354,653 | 331,358 | 302,630 | 270,679 | 269,211 |
| Issuance Costs | 0 | 74,864 | 0 | 0 | 128,353 | 0 | 0 | 0 | 0 | 23,634 |
| Total Expenditures | 29,119,277 | 31,700,028 | 28,064,616 | 25,457,192 | 26,581,870 | 28,119,621 | 28,223,645 | 28,532,415 | 32,235,161 | 35,592,425 |
| Excess of Revenues Over (Under) Expenditures | (2,027,166) | (3,510,024) | 1,139,252 | 2,377,176 | 472,436 | 1,632,988 | 3,315,721 | 2,418,336 | 872,541 | (474,939) |

(Continued)

City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

| | 2010 | 2011 | 2012 | 2013 (a) | 2014 (b) | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------------------|-----------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from Sale of Capital Assets | 11,537 | 0 | 14,615 | 2,059 | 17,646 | 11,985 | 13 | 16,741 | 425 | 0 |
| Issuance of Debt Premium on General Obligation Debt | 646,016 | 4,691,540 | 1,964,235 | 0 | 9,180,000 | 0 | 0 | 0 | 191,433 | 32,732 |
| Payment to Escrow | 0 | 52,694 | 0 | 0 | 592,633 | 0 | 0 | 0 | 0 | 39,691 |
| Transfers - In | 4,471,000 | (2,812,830) | 3,994,000 | 5,108,000 | 3,353,300 | 4,798,300 | 3,030,000 | 4,123,000 | 4,225,000 | 6,450,000 |
| Transfers - Out | (4,471,000) | (3,680,000) | (3,994,000) | (5,108,000) | (3,353,300) | (4,798,300) | (5,030,000) | (4,523,000) | (4,225,000) | (6,450,000) |
| Total Other Financing Sources (Uses) | 657,553 | 1,931,404 | 1,978,850 | 2,059 | 145,999 | 11,985 | (1,999,987) | (383,259) | 191,858 | 72,423 |
| Net Change in Fund Balances | \$ (1,369,613) | \$ (1,578,620) | \$ 3,118,102 | \$ 2,379,235 | \$ 618,435 | \$ 1,644,973 | \$ 1,315,734 | \$ 2,035,077 | \$ 1,064,399 | \$ (402,516) |
| Debt Service as a Percentage of Noncapital Expenditures | 7.21% | 8.56% | 7.88% | 8.26% | 8.43% | 4.36% | 6.37% | 5.82% | 5.72% | 6.38% |

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) |
| 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 |
| 2017/2018 | 740,455,520 | 2,115,587,200 | 10,034,290 | 11,402,602 |
| 2018/2019 | 868,272,810 | 2,480,779,457 | 10,407,290 | 11,826,466 |
| 2019/2020 | 873,425,980 | 2,495,502,800 | 11,113,510 | 12,628,989 |

(Continued)

Source: Cuyahoga County, Ohio; County Fiscal Officer

- (1) This amount is calculated for 2019 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.
- (2) Tax rates are per \$1,000 of assessed value.

| <u>Total</u> | | | |
|-----------------------|-----------------------------------|--------------|------------------------------|
| <u>Assessed Value</u> | <u>Estimated Actual Value (1)</u> | <u>Ratio</u> | <u>Total Direct Rate (2)</u> |
| \$ 689,293,310 | \$ 1,958,165,300 | 35.20% | \$ 10.90 |
| 685,503,080 | 1,946,883,800 | 35.21 | 10.90 |
| 683,024,720 | 1,938,730,347 | 35.23 | 10.90 |
| 685,726,280 | 1,944,953,148 | 35.26 | 10.90 |
| 688,712,190 | 1,952,767,012 | 35.26 | 10.90 |
| 745,929,250 | 2,115,988,618 | 35.25 | 10.90 |
| 749,807,390 | 2,126,179,100 | 35.26 | 10.80 |
| 750,489,810 | 2,126,989,802 | 35.28 | 10.80 |
| 878,680,100 | 2,492,605,923 | 35.25 | 10.68 |
| 884,539,490 | 2,508,131,789 | 35.27 | 10.68 |

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City of Rocky River, Ohio

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

Last Ten Years

| Year | City of Rocky River | | | | | Total | Rocky River School and Library | Cuyahoga County | Special(1) Taxing Districts | Total |
|------|---------------------|-----------------------------|------------------------------|-------------------------|----------|----------|--------------------------------------|--------------------|-----------------------------------|-------|
| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Bond Service | Total | | | | | |
| 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 | |
| 2017 | 6.30 | 2.60 | 1.00 | 0.90 | 10.80 | 96.57 | 14.05 | 7.38 | 128.80 | |
| 2018 | 6.30 | 2.60 | 1.00 | 0.78 | 10.68 | 97.67 | 14.05 | 7.38 | 129.78 | |
| 2019 | 6.30 | 2.60 | 1.00 | 0.78 | 10.68 | 97.47 | 14.05 | 7.78 | 129.98 | |

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

City of Rocky River, Ohio

Real Property Tax Levies and Collection

Last Ten Years

| <u>Year</u> | <u>Total Tax Levy</u> | <u>Current Collections (1)</u> | <u>Percent of Current Collections to Tax Levy</u> | <u>Delinquent Tax Collections</u> |
|-------------|-----------------------|--------------------------------|---|-----------------------------------|
| 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 |
| 2017 | 8,375,791 | 7,951,509 | 94.93 | 175,946 |
| 2018 | 8,365,542 | 7,959,064 | 95.14 | 144,404 |
| 2019 | 9,677,193 | 9,232,422 | 95.40 | 208,486 |

(Continued)

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> |
|----|----------------------------------|---|---|--|
| \$ | 7,478,159 | 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 |
| | 8,127,455 | 97.04 | 240,079 | 2.87 |
| | 8,103,468 | 96.87 | 259,559 | 3.10 |
| | 9,440,908 | 97.56 | 244,508 | 2.53 |

City of Rocky River, Ohio

Principal Taxpayers: Real Property and Public Utility Tax

As of December 31, 2019 and December 31, 2010

| <u>Taxpayer</u> | 2019 | |
|---|--|------------------------------------|
| | Real Property and Public Utility Assessed Value | Percent of Total Assessed Value |
| Rocky River Apartments, LLC | \$ 8,801,100 | 0.99% |
| Westwood Town Center | 7,390,680 | 0.84 |
| Cleveland Electric Illuminating Company | 7,167,540 | 0.81 |
| Normandy Association, LP | 5,332,110 | 0.60 |
| Beachcliff Properties, LP | 4,392,020 | 0.50 |
| SRK Perrysburg Association, LLC | 3,797,050 | 0.43 |
| Inland Westgate, LLC | 3,520,550 | 0.40 |
| Presidential Apartments, LTD | 3,177,450 | 0.36 |
| Westwood Country Club, Co. | 3,121,130 | 0.35 |
| Gross Management Company, LTD | <u>2,957,260</u> | <u>0.33</u> |

Totals \$ 49,656,890 5.61%

Total City Assessed Valuation \$ 884,539,490

| <u>Taxpayer</u> | 2010 | |
|---------------------------------|--|------------------------------------|
| | Real Property and Public Utility Assessed Value | Percent of Total Assessed Value |
| Westwood Town Center | \$ 7,274,720 | 1.06% |
| Normandy Association, LTD. | 4,854,790 | 0.70 |
| Westgate Mall, LLC | 4,608,070 | 0.67 |
| Cleveland Illuminating Company | 4,431,800 | 0.64 |
| Beachcliff Properties, LP | 4,161,340 | 0.60 |
| Presidential Apartments, LTD. | 3,992,940 | 0.58 |
| Westwood Country Club, Co. | 3,262,770 | 0.47 |
| Linden Apartment Company | 2,548,600 | 0.37 |
| Gross Management, Inc | 2,500,790 | 0.36 |
| SRK Perrysburg Association, LLC | <u>2,456,580</u> | <u>0.36</u> |

Totals \$ 40,092,400 5.81%

Total City Assessed Valuation \$ 689,293,310

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 | Notes Payable | OPWC Loan | OWDA Loan | | | |
| 2010 | \$ 16,784,498 | \$ 550,000 | \$ 874,770 | \$ 0 | \$ 0 | \$ 0 | \$ 214,850 | \$ 18,424,118 | 2.63% | \$ 919.10 |
| 2011 | 14,996,541 | 510,000 | 2,731,310 | 0 | 0 | 0 | 339,843 | 18,577,694 | 2.65 | 961.82 |
| 2012 | 13,986,760 | 470,000 | 4,660,827 | 144,293 | 0 | 0 | 179,383 | 19,441,263 | 2.77 | 956.82 |
| 2013 ^(a) | 12,759,145 | 430,000 | 0 | 0 | 0 | 6,199,329 | 237,698 | 19,626,172 | 2.80 | 970.97 |
| 2014 | 11,790,949 | 390,000 | 0 | 0 | 0 | 8,700,960 | 224,202 | 21,106,111 | 3.01 | 1,044.18 |
| 2015 | 11,061,896 | 350,000 | 0 | 0 | 0 | 9,264,658 | 132,247 | 20,808,801 | 2.97 | 1,029.48 |
| 2016 | 9,847,843 | 310,000 | 0 | 0 | 0 | 12,246,779 | 97,897 | 22,502,519 | 3.21 | 1,113.27 |
| 2017 | 8,603,790 | 270,000 | 0 | 0 | 0 | 13,154,483 | 75,080 | 22,103,353 | 3.15 | 1,093.52 |
| 2018 | 7,344,737 | 230,000 | 191,433 | 0 | 0 | 15,924,978 | 51,192 | 23,742,340 | 3.39 | 1,174.61 |
| 2019 | 6,050,684 | 190,000 | 224,165 | 0 | 6,750,000 | 15,649,778 | 26,183 | 28,890,810 | 4.12 | 1,429.32 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Demographic and Economic Statistics on page 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> | |
| 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 |
| 2017 | 377,209 | 201,007 | 53.28 | 40,000 | 16,325 | 3.56 |
| 2018 | 300,109 | 274,260 | 91.39 | 40,000 | 14,238 | 5.06 |
| 2019 | 263,354 | 250,687 | 95.19 | 40,000 | 12,150 | 4.81 |

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

City of Rocky River, Ohio

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

Last Ten Years

| <u>Year</u> | <u>Population ⁽¹⁾</u> | <u>Net General Obligation Bonded Debt</u> | <u>Assessed Value</u> | <u>Ratio of Net General Bonded Debt to Assessed Value</u> | <u>Net General Bonded Debt Per Capita</u> |
|-------------|----------------------------------|---|---------------------------|---|---|
| 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 |
| 2017 | 20,213 | 8,062,911 | 750,489,810 | 1.07 | 398.90 |
| 2018 | 20,213 | 6,957,650 | 878,680,100 | 0.79 | 344.22 |
| 2019 | 20,213 | 12,532,702 | 884,539,490 | 1.41 | 620.03 |

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

(a) 2010 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

| | 2010 | 2011 | 2012 | 2013 (a) | 2014 (b) | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Assessed Valuation | \$ 689,293,310 | \$ 685,503,080 | \$ 683,024,720 | \$ 685,726,280 | \$ 688,712,190 | \$ 745,929,250 | \$ 749,807,390 | \$ 750,489,810 | \$ 878,680,100 | \$ 884,539,490 |
| Debt Limit - 10.5% of Assessed Valuation | \$ 72,375,798 | \$ 71,977,823 | \$ 71,717,596 | \$ 72,001,259 | \$ 72,314,780 | \$ 78,322,571 | \$ 78,729,776 | \$ 78,801,430 | \$ 92,261,411 | \$ 92,876,646 |
| Gross Indebtedness | 18,424,118 | 18,577,694 | 19,275,054 | 19,626,172 | 21,106,111 | 20,808,801 | 22,502,519 | 22,103,353 | 23,742,340 | 28,890,810 |
| Less: Debt Outside Limitation | | | | | | | | | | |
| Special Assessment Bond | (550,000) | (510,000) | (470,000) | (430,000) | (390,000) | (350,000) | (310,000) | (270,000) | (230,000) | (190,000) |
| OPWC Loans | (874,770) | (2,731,310) | (4,660,827) | (6,199,329) | (8,700,960) | (9,264,658) | (12,246,779) | (13,154,483) | (16,116,411) | (15,873,943) |
| OWDA Loans | (214,850) | (339,843) | (323,676) | (237,698) | (224,202) | (132,247) | (97,897) | (75,080) | (51,192) | (26,183) |
| Less: Amount Available In Debt Service Funds | (127,225) | (735,700) | (264,133) | (863,940) | (869,385) | (944,069) | (698,441) | (540,879) | (387,087) | (267,982) |
| Net Debt Within 10.5% Limitation | 16,657,273 | 14,260,841 | 13,556,418 | 11,895,205 | 10,921,564 | 10,117,827 | 9,149,402 | 8,062,911 | 6,957,650 | 12,532,702 |
| Legal Debt Margin | \$ 55,718,525 | \$ 57,716,982 | \$ 58,161,178 | \$ 60,106,054 | \$ 61,393,216 | \$ 68,204,744 | \$ 69,580,374 | \$ 70,738,519 | \$ 85,303,761 | \$ 80,343,944 |
| Debt Limit - 5.5% of Assessed Unvoted Value | \$ 37,911,132 | \$ 37,702,669 | \$ 37,566,360 | \$ 37,714,945 | \$ 37,879,170 | \$ 41,026,109 | \$ 41,239,406 | \$ 41,276,940 | \$ 48,327,406 | \$ 48,649,672 |
| Gross Indebtedness | 18,424,118 | 18,577,694 | 19,275,054 | 19,626,172 | 21,106,111 | 20,808,801 | 22,502,519 | 22,103,353 | 23,742,340 | 28,890,810 |
| Less: Debt Outside Limitation | | | | | | | | | | |
| Less: Amount Available in Debt Service Funds Related to Unvoted Debt | (8,293,445) | (9,871,133) | (11,370,638) | (12,399,317) | (14,699,605) | (14,663,904) | (17,084,231) | (17,426,674) | (19,812,270) | (18,977,349) |
| Net Debt Within 5.5% Limitation | 10,053,736 | 8,011,552 | 7,685,194 | 6,406,115 | 5,537,121 | 5,200,828 | 4,798,347 | 4,213,207 | 3,622,331 | 9,724,827 |
| Unvoted Debt Margin | \$ 27,857,396 | \$ 29,691,117 | \$ 29,881,166 | \$ 31,308,830 | \$ 32,342,049 | \$ 35,825,281 | \$ 36,441,059 | \$ 37,063,733 | \$ 44,705,075 | \$ 38,924,845 |

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, 2019

| | <u>Governmental Activities Debt Outstanding</u> | <u>Percentage Applicable to City (1)</u> | <u>Amount Applicable to City of Rocky River</u> |
|---|---|--|---|
| <u>Direct:</u> | | | |
| General Obligation Bonds | \$ 6,050,684 | 100.00% | \$ 6,050,684 |
| Various Purpose Bond Anticipation Notes | 6,750,000 | 100.00 | 6,750,000 |
| Special Assessment Bonds | 190,000 | 100.00 | 190,000 |
| OPWC Loans | <u>224,165</u> | 100.00 | <u>224,165</u> |
| Total Direct Debt | <u>13,214,849</u> | | <u>13,214,849</u> |
| <u>Overlapping:</u> | | | |
| Cuyahoga County | 245,120,000 | 3.20 | 7,848,984 |
| Cuyahoga Community college | 207,010,000 | 3.20 | 6,628,664 |
| Rocky River School District | <u>37,100,000</u> | 95.97 | <u>35,606,071</u> |
| Total Overlapping | <u>489,230,000</u> | | <u>50,083,719</u> |
| Total | <u>\$ 502,444,849</u> | | <u>\$ 63,298,568</u> |

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

City of Rocky River, Ohio

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

Last Ten Years

| <u>Year</u> | <u>Debt Service</u> | <u>General Governmental Expenditures</u> | <u>Ratio of Debt Service to Total Governmental Expenditures</u> |
|-------------|---------------------|--|---|
| 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 |
| 2017 | 1,560,320 | 28,532,415 | 5.47 |
| 2018 | 1,544,989 | 32,235,161 | 4.79 |
| 2019 | 1,788,117 | 35,592,425 | 5.02 |

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

| 2019 | | |
|-----------------------------------|------------------|--|
| <u>Employer</u> | <u>Employees</u> | <u>Percentage of Total City Employment</u> |
| City of Rocky River | 657 | 6.8% |
| Rocky River Board of Education | 549 | 5.7 |
| Normandy Manor of Rocky River | 424 | 4.4 |
| Minute Men Select Inc. | 365 | 3.8 |
| Westwood Country Club Co. | 302 | 3.1 |
| Riser Foods Co. | 276 | 2.9 |
| Magnificat High School | 252 | 2.6 |
| The Women's Welsh Club of America | 244 | 2.5 |
| Cleveland Yacht Club Inc. | 240 | 2.5 |
| Whole Foods Market Group, Inc. | 240 | 2.5 |
| Total | <u>3,549</u> | <u>36.8%</u> |
| Total City Employment | <u>9,649</u> | |

| 2010 | | |
|--------------------------------|------------------|--|
| <u>Employer</u> | <u>Employees</u> | <u>Percentage of Total City Employment</u> |
| City of Rocky River | 729 | 5.6% |
| Rocky River Board of Education | 623 | 4.8 |
| Westwood Country Club Co. | 240 | 1.8 |
| Marc Glassman Inc. | 239 | 1.8 |
| Cleveland Yacht Club Inc. | 237 | 1.8 |
| Magnificat High School | 199 | 1.5 |
| Heinens Inc. | 195 | 1.5 |
| Cuyahoga County SAW Inc. | 190 | 1.5 |
| CRS Marketing Services, Inc. | 159 | 1.2 |
| Riser Foods Co. | 143 | 1.1 |
| Total | <u>2,954</u> | <u>22.6%</u> |
| Total City Employment | <u>13,085</u> | |

Source: Regional Income Tax Agency (RITA) and Central Collection Agency (CCA). Total City employment based upon the estimated number of W-2's filed with RITA in 2019 and CCA in 2010.

City of Rocky River, Ohio

Demographic and Economic Statistics

Last Ten Years

| <u>Year</u> | <u>Population</u> ⁽¹⁾ | <u>Total Personal Income</u> ⁽²⁾ | <u>Per Capita Personal Income</u> ⁽¹⁾ | <u>Median Household Income</u> ⁽¹⁾ | <u>School Enrollment</u> ⁽³⁾ | <u>Unemployment Cuyahoga County</u> ⁽⁴⁾ |
|-------------|----------------------------------|---|--|---|---|--|
| 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 | 2,763 | 4.00 |
| 2016 | 20,213 a | 700,643,219 | 34,663 | 51,636 | 2,741 | 5.30 |
| 2017 | 20,213 a | 700,643,219 | 34,663 | 51,636 | 2,672 | 4.80 |
| 2018 | 20,213 a | 700,643,219 | 34,663 | 51,636 | 2,698 | 4.20 |
| 2019 | 20,213 a | 700,643,219 | 34,663 | 51,636 | 2,743 | 3.60 |

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

(a) 2010 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

(4) Ohio Department of Job and Family Services

City of Rocky River, Ohio

Property Value and Construction

Last Ten Years

| Year | Property Value (1) | | Total | Residential (2) | | Commercial (2) | |
|------|--------------------|------------------|------------------|-----------------|--------------|-----------------|------------|
| | Commercial | Residential | | Number of Units | Value | Number of Units | Value |
| 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 |
| 2017 | 296,106,258 | 1,819,480,942 | 2,115,587,200 | 14 | 6,070,000 | 1 | 830,000 |
| 2018 | 316,789,914 | 2,163,989,543 | 2,480,779,457 | 12 | 7,675,000 | 0 | 0 |
| 2019 | 324,894,600 | 2,170,608,200 | 2,495,502,800 | 7 | 5,285,500 | 1 | 1,300,000 |

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 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------|------|------|------|------|------|------|------|------|------|
| General Government: | | | | | | | | | | |
| Mayor | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Finance Department | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Building Maintenance | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 |
| Human Resources | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Municipal Courts | 29 | 29 | 24 | 24 | 25 | 25 | 24 | 26 | 26 | 26 |
| Building | 6 | 6 | 6 | 6 | 6 | 4 | 4 | 4 | 4 | 4 |
| Security of Persons and Property: | | | | | | | | | | |
| Police Department | 38 | 36 | 36 | 35 | 34 | 37 | 37 | 37 | 38 | 37 |
| Fire Department | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 29 | 30 | 30 |
| Safety Service Director | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| Traffic Signal | 3 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 3 |
| Transportation: | | | | | | | | | | |
| Equipment Repair and Garage | 7 | 7 | 6 | 6 | 7 | 7 | 7 | 7 | 7 | 7 |
| Street Repair and Maintenance | 10 | 9 | 7 | 8 | 10 | 10 | 10 | 11 | 9 | 10 |
| Leisure Time Activities: | | | | | | | | | | |
| Parks | 4 | 4 | 2 | 3 | 3 | 3 | 3 | 5 | 5 | 6 |
| Recreation Center | 16 | 14 | 14 | 14 | 14 | 14 | 14 | 12 | 13 | 12 |
| Community Development: | | | | | | | | | | |
| Economic Development | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Health: | | | | | | | | | | |
| Office on Aging | 8 | 8 | 6 | 6 | 5 | 5 | 5 | 6 | 5 | 6 |
| Basic Utilities Services: | | | | | | | | | | |
| Refuse and Recycling | 16 | 15 | 15 | 14 | 13 | 12 | 11 | 15 | 15 | 15 |
| Total Governmental Activities: | 181 | 175 | 163 | 162 | 162 | 163 | 162 | 170 | 171 | 172 |
| Sanitary Sewer | 9 | 7 | 8 | 8 | 6 | 7 | 8 | 9 | 10 | 10 |
| Total Business-Type Activities: | 9 | 7 | 8 | 8 | 6 | 7 | 8 | 9 | 10 | 10 |
| Total Primary Government: | 190 | 182 | 171 | 170 | 168 | 170 | 170 | 179 | 181 | 182 |

Source: City Records

City of Rocky River, Ohio

Operating Indicators by Function/Program

Last Ten Years

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government: | | | | | | | | | | |
| Council: | | | | | | | | | | |
| Total Ordinances/Resolutions: | | | | | | | | | | |
| Introduced | 58 | 89 | 89 | 95 | 101 | 91 | 83 | 90 | 88 | 103 |
| Passed on 1 st Reading | N/A | N/A | N/A | N/A | 11 | 9 | 3 | 1 | 0 | 1 |
| Passed on 2 nd Reading | N/A | N/A | N/A | N/A | 8 | 10 | 7 | 5 | 2 | 7 |
| Passed on 3 rd Reading | N/A | N/A | N/A | N/A | 82 | 65 | 73 | 82 | 81 | 95 |
| Tabled/Postponed | N/A | N/A | 0 | 2 | 1 | 2 | 1 | 2 | 1 | 0 |
| Passed with Emergency Provision | N/A | N/A | 74 | 78 | 91 | 58 | 61 | 46 | 52 | 66 |
| Building Department: | | | | | | | | | | |
| New Single Family Home Permits | 5 | 3 | 8 | 11 | 13 | 12 | 4 | 14 | 12 | 7 |
| Commercial Building/Structures | | | | | | | | | | |
| New Additions | 2 | 1 | 2 | 2 | 3 | 0 | 1 | 1 | 0 | 1 |
| Increase in Dwelling Units | 26 | 11 | 15 | 25 | 20 | 25 | 25 | 27 | N/A | N/A |
| Total Receipts – Building Permits | \$ 258,561 | \$ 267,940 | \$ 277,229 | \$ 459,542 | \$ 461,583 | \$ 305,143 | \$ 286,553 | \$ 395,181 | \$ 342,746 | \$ 423,604 |
| Municipal Court: | | | | | | | | | | |
| Jurisdiction Population | 120,226 | 118,137 | 118,137 | 118,137 | 118,137 | 118,137 | 118,137 | 118,137 | 118,137 | 115,538 |
| Cases Filed:137 | | | | | | | | | | |
| Criminal/Traffic | 23,574 | 23,820 | 25,175 | 16,532 | 13,735 | 13,005 | 13,931 | 11,394 | 11,274 | 9,922 |
| Civil/Small Claims | 3,106 | 2,771 | 2,751 | 2,188 | 2,391 | 2,126 | 2,364 | 2,729 | 2,777 | 2,969 |
| Security of Persons and Property: | | | | | | | | | | |
| Police Protection: | | | | | | | | | | |
| Motor Vehicle Accidents | 374 | 311 | 260 | 541 | 605 | 596 | 625 | 629 | 672 | 561 |
| BAC Licensed Operators | 24 | 23 | 20 | 17 | 17 | 17 | 17 | 19 | N/A | N/A |
| Community Diversion Cases | 140 | 167 | 105 | 147 | N/A | N/A | N/A | 50 | 46 | 40 |
| Marine Patrol Boat Hours | 922 | 143 | 449 | 437 | 516 | 652 | 534 | 569 | 634 | 698 |
| Total Prisoners | 909 | 901 | 911 | 997 | 816 | 771 | 841 | 739 | 646 | 517 |

(Continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fire Protection: | | | | | | | | | | |
| Emergency Responses: | | | | | | | | | | |
| Building Fire Calls | 23 | 29 | 28 | 35 | 33 | 38 | 30 | 30 | 19 | 18 |
| Emergency Medical Care | 2,008 | 2,240 | 2,113 | 2,074 | 2,173 | 2,403 | 2,380 | 2,437 | 2,469 | 2,299 |
| System Tests Witnessed: | | | | | | | | | | |
| Commercial Kitchen | N/A | 2 | 13 | 6 | 24 | 38 | 16 | 28 | 13 | 5 |
| Sprinkler / Standpipe | N/A | 6 | 8 | 19 | 64 | 31 | 14 | 29 | 20 | 5 |
| Fire Alarm | N/A | 3 | 20 | 18 | 24 | 30 | 10 | 26 | 11 | 3 |
| General Inspections for Licensure | 52 | 128 | 91 | 95 | 53 | 103 | 84 | 75 | 53 | 102 |
| Public Health Services: | | | | | | | | | | |
| Senior Center: | | | | | | | | | | |
| Volunteers | 158 | 171 | 183 | 168 | 167 | 180 | 130 | 100 | 128 | 103 |
| Volunteer Hours | 15,352 | 15,352 | 15,832 | 16,172 | 13,000 | 15,000 | 15,000 | 9,400 | 15,000 | 15,000 |
| Senior Transportation Trips | 8,178 | 8,156 | 7,772 | 7,772 | 6,897 | 6,761 | 6,854 | 6,927 | 8,679 | 8,898 |
| Lunches Served | 16,612 | 18,085 | N/A | 75 / day | N/A | N/A | 13,000 | 13,000 | 14,000 | 12,000 |
| Gift Shop Sales | \$ 63,152 | \$ 59,666 | \$ 53,100 | \$ 53,969 | \$ 49,553 | \$ 42,343 | \$ 44,688 | \$ 37,178 | \$ 35,179 | \$ 30,754 |
| Flu and Pneumonia shots | 436 | 436 | 270 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Transportation: | | | | | | | | | | |
| Safety Service: | | | | | | | | | | |
| Snowfall in Inches [1] | 63.1 | 59.8 | 63.3 | 58.4 | 84.2 | 20.9 | 24.3 | 53.1 | 24.2 | 26.6 |
| Road Salt Purchased (tons) | 4,800 | 4,800 | NA | 3,100 | 3,300 | 3,300 | 2,600 | 3,500 | 2,825 | 2,500 |
| Cold Patch Purchased (tons) | NA | NA | NA | NA | 327 | 355 | 233 | 163 | 206 | 200 |
| Trees Planted | 92 | 89 | 37 | 113 | 62 | 82 | 55 | 121 | 119 | 239 |
| Trees Removed | 43 | 123 | 43 | 47 | 59 | 82 | 75 | 54 | 55 | 126 |

(Continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------|--------|-------|-------|--------|--------|--------|--------|-------|--------|
| Leisure Time Activities: | | | | | | | | | | |
| Recreation Center: | | | | | | | | | | |
| Summer Camp – Recreation [2] | 450 | 457 | 395 | 426 | 342 | 351 | 368 | 355 | 324 | 845 |
| Summer Camp – Sports | 518 | 832 | 901 | 705 | 581 | 651 | 579 | 451 | 454 | N/A |
| Summer Sunset Concerts | 5 | 5 | 5 | 5 | 8 | 8 | 9 | 8 | 10 | 10 |
| Concert Attendance | N/A | N/A | 1,750 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Outdoor Pool Attendance | 46,697 | 45,000 | N/A | N/A | 18,144 | 37,309 | 34,062 | 24,467 | 9,497 | 16,594 |
| Hockey Spectator Admissions | 2,672 | 2,325 | 2,408 | 2,357 | 2,210 | 2,160 | 2,262 | 2,450 | 2,950 | N/A |
| Learn-to-Skate Participants | 2,075 | 1,936 | N/A | N/A | N/A | 2,962 | N/A | N/A | N/A | 1,436 |
| Swim Team Participants | 127 | 138 | 151 | 146 | 128 | 140 | 129 | 125 | 128 | 169 |
| Basic Utilities Service: | | | | | | | | | | |
| Refuse Collection: | | | | | | | | | | |
| Refuse Truck Collections (tons) | 8,853 | 8,920 | 8,790 | 8,576 | 8,114 | 7,519 | 7,354 | 7,485 | 7,613 | 7,831 |
| Blue Bag Collections (tons) | 375 | 378 | 390 | 590 | 968 | 928 | 1,019 | 1,013 | 975 | 843 |
| Leaf Collections (tons) | 1,288 | 1,097 | 1,140 | 1,388 | 1,434 | 1,149 | 1,252 | 859 | 1,828 | 1,164 |
| Paper Collections (tons) | 155 | 98 | 79 | 37 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cardboard Collections (tons) | 173 | 174 | 189 | 185 | 128 | 136 | 116 | 117 | 105 | 106 |
| Sanitary Sewer: | | | | | | | | | | |
| Quantity and Strength Percent of Wastewater Treatment Plant | 25.43 | 25.43 | 25.43 | 25.43 | 25.31 | 25.31 | 25.31 | 25.31 | 24.11 | 24.11 |

Source: City Records

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

[2] – In 2019 the City combined the Summer Camp activities for Recreation and Sports into one amount,

N/A – Information is not available

City of Rocky River, Ohio

Capital Asset Statistics by Function/Program

Last Ten Years

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| General Government: | | | | | | | | | | |
| Other Departmental Vehicles | 10 | 10 | 10 | 10 | 10 | 9 | 9 | 9 | 9 | 10 |
| Square Footage of Building | 44,370 | 44,370 | 44,370 | 44,370 | 44,370 | 44,370 | 44,370 | 44,370 | 44,370 | 44,370 |
| Miles of Storm Sewer | 90 | 90 | 90 | 90 | 90 | 90 | 90 | 90 | 90 | 90 |
| Security of Persons and Property: | | | | | | | | | | |
| Police Protection: | | | | | | | | | | |
| Number of Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Vehicles | 25 | 25 | 25 | 23 | 23 | 26 | 26 | 26 | 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 | * |
| Number of Street Lights | 1,813 | 1,813 | 1,813 | 1,813 | 1,813 | 1,813 | 1,813 | 1,805 | 1,805 | 1,805 |
| Fire Protection: | | | | | | | | | | |
| Number of Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Vehicles | 10 | 10 | 10 | 10 | 10 | 9 | 9 | 9 | 8 | 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 | 1,041 | 1,041 | 1,041 | 1,041 | 1,041 | 1,016 | 1,016 | 1,016 | 1,016 | 1,037 |
| Public Health Services: | | | | | | | | | | |
| Senior Transportation: | | | | | | | | | | |
| Number of Vehicles | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 7 |
| Square Footage of Senior Center | 20,012 | 20,012 | 20,012 | 20,012 | 20,012 | 20,012 | 20,012 | 20,012 | 20,012 | 20,012 |
| Transportation: | | | | | | | | | | |
| Number of Vehicles | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 32 |
| 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>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Leisure Time Activities: | | | | | | | | | | |
| Recreation and Culture: | | | | | | | | | | |
| Number of Parks | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Acres of Parks | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 |
| Number of Vehicles | 10 | 10 | 10 | 10 | 10 | 12 | 12 | 12 | 12 | 12 |
| Square Footage of | | | | | | | | | | |
| Recreation Facilities | 84,379 | 84,379 | 84,379 | 81,379 | 81,379 | 81,379 | 81,379 | 81,379 | 81,379 | 81,379 |
| Miles of Shoreline | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Basic Utilities Service: | | | | | | | | | | |
| Refuse Collection: | | | | | | | | | | |
| Refuse Vehicles | 24 | 24 | 24 | 24 | 24 | 22 | 22 | 22 | 22 | 19 |
| Transit Scooters | 19 | 17 | 12 | 10 | 10 | 11 | 11 | 11 | 11 | 13 |
| Transfer Station | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sewers: | | | | | | | | | | |
| Miles of Sanitary Sewers | 90 | 90 | 90 | 90 | 90 | 90 | 90 | 90 | 90 | 90 |
| Number of Vehicles | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 10 |
| Number of Sanitary Sewer Accounts | 7,038 | 7,043 | 6,806 | 6,806 | 6,840 | 6,840 | 6,893 | 6,854 | 6,878 | 6,881 |

* – City is using a temporary location during construction of new police department.

Source: City Records

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF ROCKY RIVER

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/1/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov