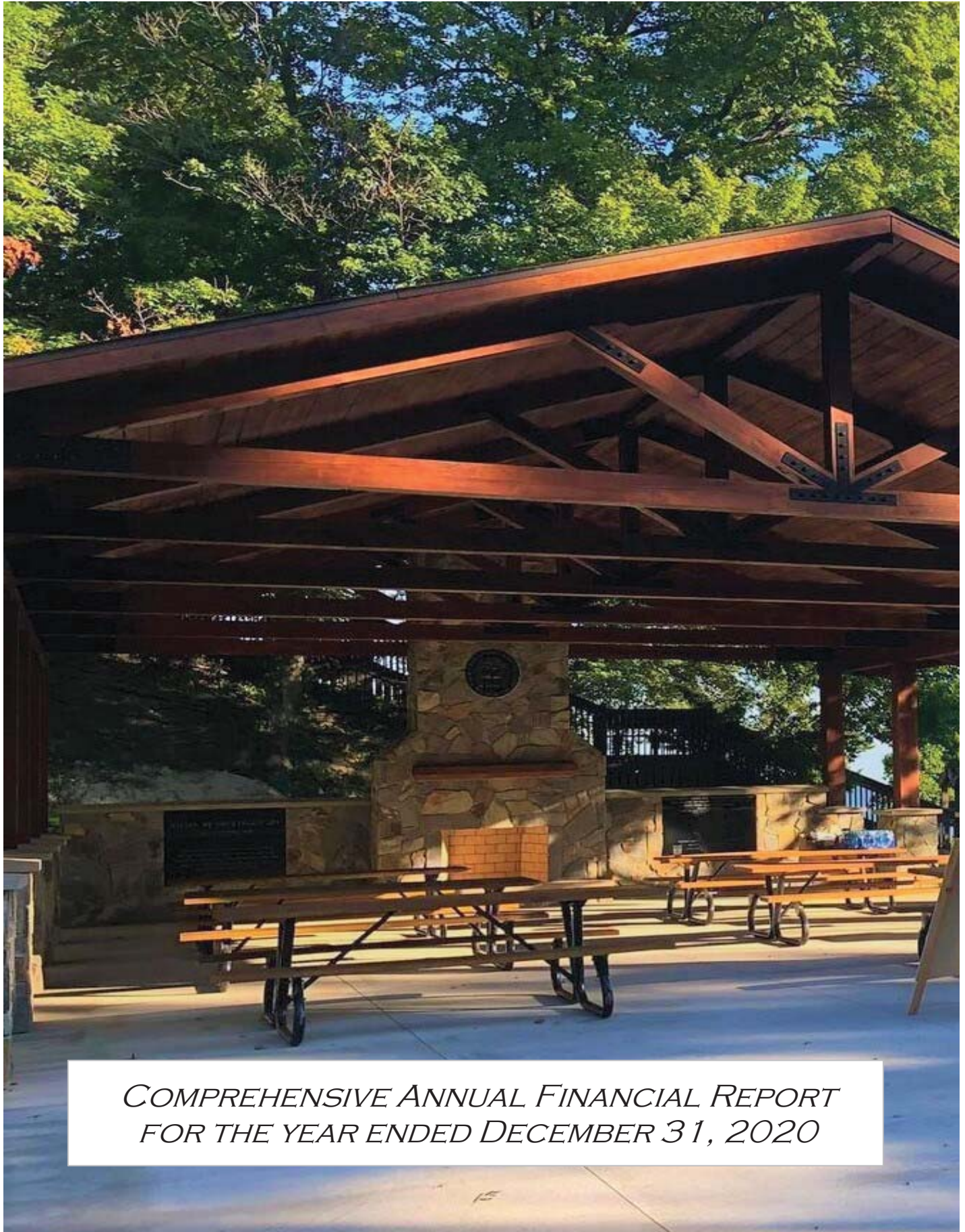


CITY OF ROCKY RIVER, OHIO



*COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020*

INTRODUCTORY SECTION



OHIO AUDITOR OF STATE
KEITH FABER



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

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

We have reviewed the *Independent Auditor's Report* of the City of Rocky River, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 01, 2021

Members of Council

Efficient • Effective • Transparent

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City of Rocky River, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2020

Issued by:

City of Rocky River
Department of Finance

Michael A. Thomas, CPA
Director of Finance

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City of Rocky River, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2020

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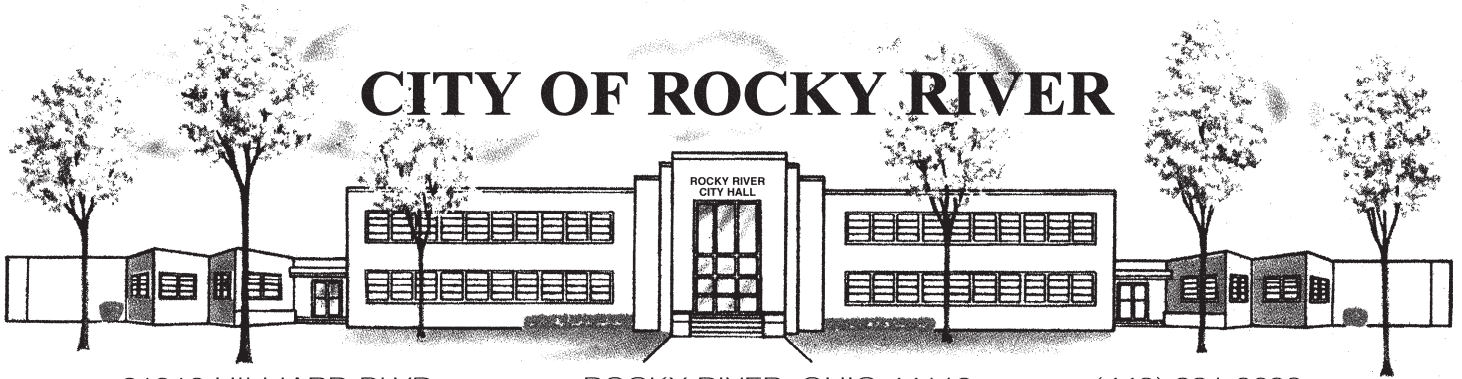
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CITY OF ROCKY RIVER



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

June 25, 2021

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 (the “Annual Report”) for the year ending December 31, 2020. The Annual Report is a more extensive report than basic financial statements and it is believed that the Annual Report 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 Annual Report is to provide any person or entity interested in the City with information needed to gain a fair understanding of the City’s financial position, results of operations and cash flows.

The Ohio Revised Code Section 117.38 requires that the City certify and file, within one hundred fifty days after the close of the fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America. The City issues the Annual Report for the year ended December 31, 2020 therefore.

The Annual Report 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 unmodified opinion

that the City's financial statements for the year ended December 31, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of the Annual Report.

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 Cuyahoga County publication "The 2021 Data Book" (dated March 31, 2021) presents the City's population at 19,986 residents. 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 2020 with the next review for potential amendment(s) scheduled to occur in 2026. None of the recently enacted charter amendments are expected to have an impact on governance or financial reporting.

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. City residents in the professional, managerial, entrepreneurial categories benefit from convenient access to the City of Cleveland and other suburban regional employment centers. In the past year, the City participated in the economic upheaval of the COVID-19 pandemic which affected business and institutions to various degrees.

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 the Cuyahoga County publication "The 2021 Data Book" (dated March 31, 2021), median household income in the City in 2019 was \$74,950; while for the State of Ohio that amount was \$56,602.

Components of income tax collections are:

Component	2017	2018	2019	2020
Employee Withholding	\$7,543,693	\$7,656,837	\$7,900,389	\$8,056,183
Residence Tax	5,631,001	5,524,352	6,516,241	5,616,783
Business Profit	1,592,316	1,063,994	1,321,593	1,174,752
Penalties & Interest	386,985	463,697	499,353	327,073
Total	\$15,153,995	\$14,708,880	\$16,237,576	\$15,174,791

The local economic effects of the COVID-19 pandemic and related health protection guidelines, are illustrated in the table above. The Employee Component was sustained and even grew in 2020, by \$155,794, or almost 2 percent. The Residence Tax results were more as expected. Finally, it might be concluded that local business owners and other employers maintained staffing levels at the cost of their profits for the year. Overall, from 2019, income tax collections decreased \$1,062,785 or about 6.5 percent.

In context, over the most recent four year period, the measured average annual increase to City income tax collections has been about 3 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, 0.5 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. 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 2020 represents collections of the 2019 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 property tax revenue. In addition, during 2020 four new single-family homes were built, which amount in 2019 was 7; 12 in 2018 and 14 in 2017. The new construction in 2020 represented nearly \$3,140,000 in residential investment in City neighborhoods.

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. The noted one percent shift in the 2018 values between the residential and commercial components was sustained in 2019.

Component	2016	2017	2018	2019
Residential	\$635,603,090	\$636,818,330	\$757,396,340	\$759,712,870
Commercial	104,831,960	103,637,190	110,876,470	113,713,110
Public Utility	9,375,340	10,034,290	10,407,290	11,113,510
Total Assessed Value	\$749,807,390	\$750,489,810	\$878,680,100	\$884,539,490

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 2019 (the most recent data available) was \$271,350 in the City while that amount in the State of Ohio was \$157,200 (www.city-data.com). The estimated owner-occupied housing unit rate in 2019 was 72 percent in the City while that amount in the State of Ohio was 66 percent. (Cuyahoga County publication “The 2021 Data Book” dated March 31, 2021),

Because the municipal income tax and property tax revenue streams were within a tolerable variance of budget expectations in 2020, the City was able to support departments were program revenue decreased because of facilities shutdowns. 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

During 2020, management feels it actively monitored, managed and communicated the various and evolving health guidelines related to the COVID-19 pandemic with the goal of protection of City residents and employees who provide essential services to residents. Through close ties with the Rocky River Chamber of Commerce, the City was able to be a resource for support dollars available to local businesses.

In addition, management of various phases of significant improvement projects was the focus of attention of the City during 2020. The table below updates a project described in last year's Annual Report.

Project	Project Cost	Status	Initial Construction Schedule
Hampton Road (South) and Lakeview Avenue Sewer Improvement	\$6,953,000	Construction completed in 2020	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 July 2020, the City was approved for another interest free loan from the OPWC for 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. The amortization period of the project loan would be 30 years. A source of a portion of the local match amount will be a cost reimbursement pursuant to 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, residential flooding and reduce the City's potential exposure to compliance penalties.

During 2020, the City issued a total of \$9,900,000 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 transaction represented renewal of a 2019 series BANs for \$6,000,000 with \$3,900,000 in new money to fund continued construction.

The total project cost is estimated to be \$12,975,000. The City anticipates rolling over the par value of the 2020 BANs in 2021. 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 2020, the City retired the 2019 BANs issued a total of \$750,000 to finance a portion of the purchase of a fire ladder truck, the cost of which was nearly \$1,200,000. Insurance and litigation settlement proceeds as well as City funding were the resources used to retire said debt.

Also in 2020, the City began construction of rehabilitation of the pier at 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 will be nearly \$3,000,000. This project is a component of a Master Plan of this particular City park. Since the pier facility is a unique lakefront feature that provides Lake Erie access to more than City residents, the City applied for and was awarded funding from Cuyahoga County from its Community Development Supplemental grant program in the amount of \$1,200,000.

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 184 at December 31 while it was 190 at December 31, 2010. In accomplishing infrastructure projects and equipment purchases, the City looks to its capital improvement 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; in neither 2019 nor 2020 were there expenditures from the fund.

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. In the long-term, this revenue source has proved durable and the City buffers the economic sensitivity factor 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 2016 to 2020, the City spent an average of about 70 percent of the total appropriated amount.

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

Source	Percent
Income Tax	40
Property Tax	23
Sewer Charges User Charges	13
Recreation Center User Charges	5
Other Revenue	5
Gas & License Fees	3
Grants/Loans	2
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. For the organizations whereby the City joined as a member, an opportunity to participate in governance exists and there is means to monitor for the over accumulation of reserves.

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, 2019. This was the thirty first year that the City has received this prestigious award. A “Certificate of Achievement” is awarded to the City when its publication is issued with easily readable language; is efficiently organized and comprehensive; and conforms to the programs standards for an annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements The publication of the Annual Report 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 Annual Report 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, 2019

Christopher P. Morrill

Executive Director/CEO

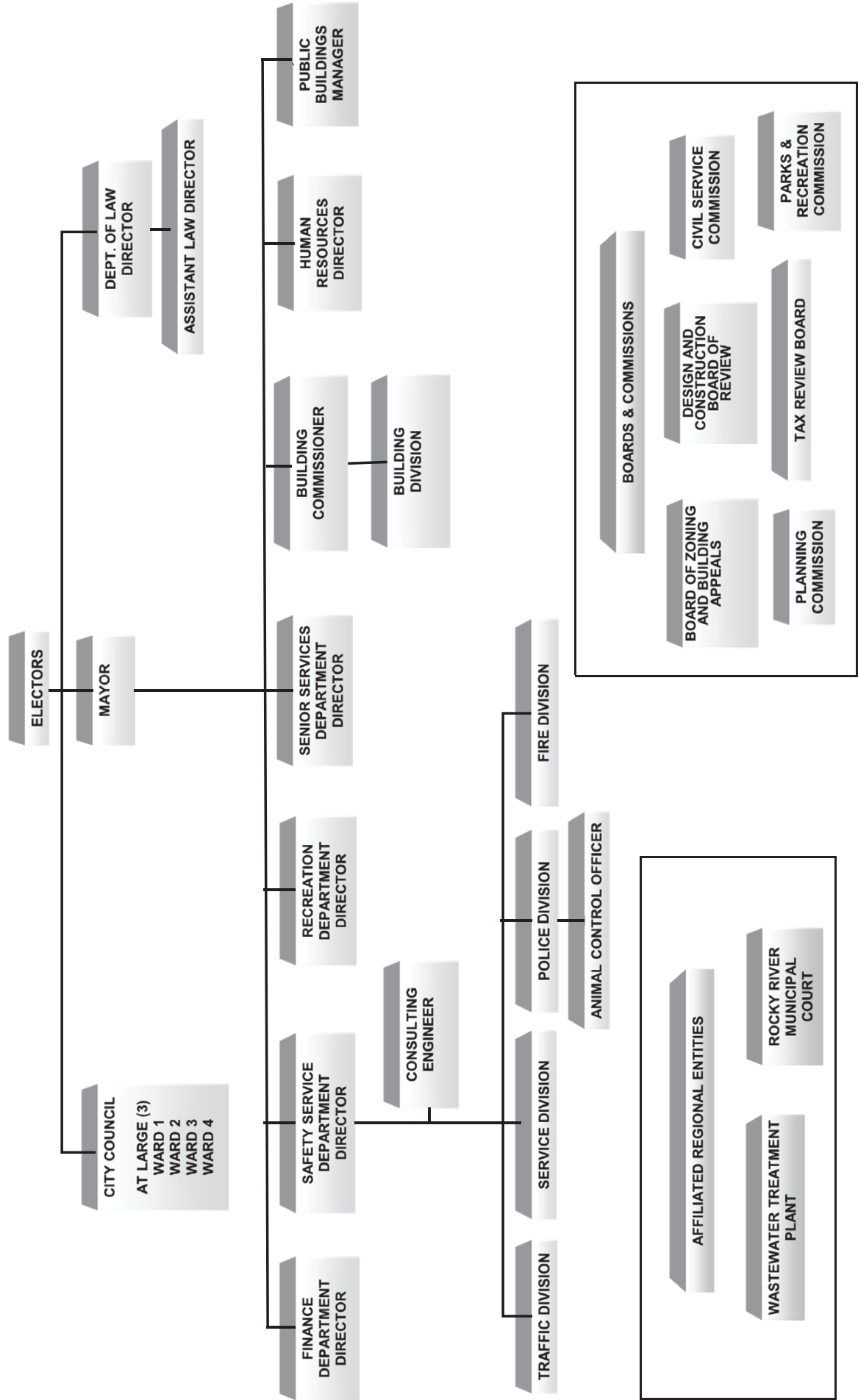
City of Rocky River, Ohio

List of Elected Officials

December 31, 2020

<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	Helen C. Morris
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



FINANCIAL SECTION



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, 2020, 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General 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 29 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. Also, as discussed in Note 3 to the basic financial statements, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to these matters.

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 June 25, 2021, 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

June 25, 2021

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City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2020

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, 2020. 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 2020 are:

- For the year ended December 31, 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and GASB Statement No. 83, *Certain Asset Retirement Obligations*. The implementation of these statements resulted in the restatement of December 31, 2019 net position of the governmental activities and fund balance of nonmajor governmental funds and total governmental funds. See Note 3 for additional information regarding the restatement.
- In 2020, the City received \$1,650,858 in COVID relief funding.
- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2020 by \$71,436,060. This is an increase of \$5,207,676 over the 2019 restated net position. Net position of the City's governmental activities increased \$8,867,571 from 2019 (prior to the impact of GASB 84), while net position of the business-type activities decreased \$3,659,895.
- Total assets increased while total deferred outflows of resources decreased during 2020. The main factor affecting total assets was an increase in capital assets, net. The main fluctuation in deferred outflows of resources is related to the pension systems.
- Total liabilities decreased while deferred inflows of resources increased from 2019. The main factor affecting total liabilities was the net pension liability which decreased significantly. The deferred inflows of resources were up in 2020 with deferred inflows of resources related to pension being the most significant contributor.

Using This Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report 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, 2020

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 2020?" 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, 2020

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, General Obligation Bond Retirement Debt Service 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 government. 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 accounting used for fiduciary funds is much like that used for proprietary funds.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2020

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 2020 compared to 2019 balances.

	Table 1 Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2020	Restated 2019	2020	2019	2020	Restated 2019
Assets:						
Current and Other Assets	\$ 43,518,027	\$ 40,230,832	\$ 13,462,130	\$ 12,398,592	\$ 56,980,157	\$ 52,629,424
Capital Assets, Net	77,718,209	65,238,484	23,002,250	28,074,082	100,720,459	93,312,566
Net Pension Asset	84,684	42,512	4,564	2,291	89,248	44,803
Total Assets	<u>121,320,920</u>	<u>105,511,828</u>	<u>36,468,944</u>	<u>40,474,965</u>	<u>157,789,864</u>	<u>145,986,793</u>
Deferred Outflows of Resources:						
Deferred Charge on Refunding	111,667	147,894	0	0	111,667	147,894
Pension	4,259,774	10,305,245	98,295	283,004	4,358,069	10,588,249
OPEB	<u>2,814,221</u>	<u>2,177,839</u>	<u>68,767</u>	<u>41,828</u>	<u>2,882,988</u>	<u>2,219,667</u>
Total Deferred Outflows of Resources	<u>7,185,662</u>	<u>12,630,978</u>	<u>167,062</u>	<u>324,832</u>	<u>7,352,724</u>	<u>12,955,810</u>
Liabilities:						
Current and Other Liabilities	14,039,966	8,980,689	222,878	437,833	14,262,844	9,418,522
Long-Term Liabilities						
Due Within One Year	3,251,775	3,086,551	468,869	499,209	3,720,644	3,585,760
Other Amounts Due in More than One Year	6,685,859	7,969,776	15,100,667	15,302,077	21,786,526	23,271,853
Net Pension Liability	27,624,751	36,420,927	604,358	868,119	28,229,109	37,289,046
Net OPEB Liability	<u>9,961,759</u>	<u>9,650,617</u>	<u>407,182</u>	<u>397,966</u>	<u>10,368,941</u>	<u>10,048,583</u>
Total Liabilities	<u>61,564,110</u>	<u>66,108,560</u>	<u>16,803,954</u>	<u>17,505,204</u>	<u>78,368,064</u>	<u>83,613,764</u>

(Continued)

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2020

Table 1
 Net Position (Continued)

	Governmental Activities		Business-Type Activities		Total	
	2020	Restated 2019	2020	2019	2020	Restated 2019
Deferred Inflows of Resources:						
Property Taxes	8,076,237	8,162,851	0	0	8,076,237	8,162,851
Pension	4,818,979	567,272	144,966	12,731	4,963,945	580,003
OPEB	<u>2,232,083</u>	<u>816,218</u>	<u>66,199</u>	<u>1,080</u>	<u>2,298,282</u>	<u>817,298</u>
Total Deferred Inflows of Resources	<u>15,127,299</u>	<u>9,546,341</u>	<u>211,165</u>	<u>13,811</u>	<u>15,338,464</u>	<u>9,560,152</u>
Net Position:						
Net Investment in Capital Assets	64,810,278	56,810,711	7,516,341	12,314,284	72,326,619	69,124,995
Restricted for:						
Capital Projects	11,087,760	11,891,776	0	0	11,087,760	11,891,776
Debt Service	512,769	267,982	0	0	512,769	267,982
Refuse and Recycling	1,047,176	550,878	0	0	1,047,176	550,878
Office on Aging	551,965	218,999	0	0	551,965	218,999
Street Construction and Maintenance	1,549,804	1,367,285	0	0	1,549,804	1,367,285
Recreation	791,357	0	0	0	791,357	0
Law Enforcement and Education	174,493	159,645	0	0	174,493	159,645
Fire and Police Pensions	430,072	107,478	0	0	430,072	107,478
Security of Persons and Property	356,646	317,396	0	0	356,646	317,396
Donations and Bequests	613,472	0	0	0	613,472	0
Other	4,218	3,312	0	0	4,218	3,312
Unrestricted	<u>(30,114,837)</u>	<u>(29,207,557)</u>	<u>12,104,546</u>	<u>10,966,498</u>	<u>(18,010,291)</u>	<u>(18,241,059)</u>
Total Net Position	\$ <u>51,815,173</u>	\$ <u>42,487,905</u>	\$ <u>19,620,887</u>	\$ <u>23,280,782</u>	\$ <u>71,436,060</u>	\$ <u>65,768,687</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, 2020

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 \$71,436,060 as of December 31, 2020, which is a \$5,207,676 increase from the prior year (after the implementation of new GASB statements). 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, 2020

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Program Revenues:						
Charges for Services	\$ 3,886,285	\$ 6,063,086	\$ 4,774,031	\$ 3,555,105	\$ 8,660,316	\$ 9,618,191
Operating Grants and Contributions	2,133,213	2,074,247	7,350	0	2,140,563	2,074,247
Capital Grants and Contributions	<u>57,558</u>	<u>287,289</u>	<u>0</u>	<u>0</u>	<u>57,558</u>	<u>287,289</u>
Total Program Revenues	<u>6,077,056</u>	<u>8,424,622</u>	<u>4,781,381</u>	<u>3,555,105</u>	<u>10,858,437</u>	<u>11,979,727</u>
General Revenues:						
Property Taxes	8,297,844	8,300,515	0	0	8,297,844	8,300,515
Municipal Income Taxes	15,282,615	15,937,337	0	0	15,282,615	15,937,337
Other Local Taxes	341,978	340,060	0	0	341,978	340,060
Grants and Entitlements not Restricted to Specific Programs	3,011,858	1,211,407	0	0	3,011,858	1,211,407
Investment Income	188,166	582,984	0	0	188,166	582,984
Gain on Sale of Asset	24,343	0	0	0	24,343	0
Other	<u>2,648,055</u>	<u>243,034</u>	<u>0</u>	<u>0</u>	<u>2,648,055</u>	<u>243,034</u>
Total General Revenues	<u>29,794,859</u>	<u>26,615,337</u>	<u>0</u>	<u>0</u>	<u>29,794,859</u>	<u>26,615,337</u>
Total Revenues	<u>35,871,915</u>	<u>35,039,959</u>	<u>4,781,381</u>	<u>3,555,105</u>	<u>40,653,296</u>	<u>38,595,064</u>
Program Expenses:						
General Government	5,945,207	7,503,253	0	0	5,945,207	7,503,253
Security of Persons and Property	11,537,760	1,251,659	0	0	11,537,760	1,251,659
Public Health	973,703	1,375,982	0	0	973,703	1,375,982
Transportation	4,944,098	4,240,707	0	0	4,944,098	4,240,707
Leisure Time Activities	4,048,562	5,376,837	0	0	4,048,562	5,376,837
Community Development	641,072	732,960	0	0	641,072	732,960
Basic Utility Service	2,646,377	2,804,059	0	0	2,646,377	2,804,059
Interest and Fiscal Charges	295,315	260,577	0	0	295,315	260,577
Sanitary Sewer Charges	<u>0</u>	<u>0</u>	<u>4,413,526</u>	<u>3,797,859</u>	<u>4,413,526</u>	<u>3,797,859</u>
Total Program Expenses	<u>31,032,094</u>	<u>23,546,034</u>	<u>4,413,526</u>	<u>3,797,859</u>	<u>35,445,620</u>	<u>27,343,893</u>
Change in Net Position Before Transfers	4,839,821	11,493,925	367,855	(242,754)	5,207,676	11,251,171
Transfers, Net	<u>4,027,750</u>	<u>(174,640)</u>	<u>(4,027,750)</u>	<u>174,640</u>	<u>0</u>	<u>0</u>
Change in Net Position	8,867,571	11,319,285	(3,659,895)	(68,114)	5,207,676	11,251,171
Net Position, Beginning of Year	42,487,905	31,233,620	23,280,782	23,348,896	65,768,687	54,582,516
Cumulative effect of implementation of GASB 84 (2020) and GASB 83 (2019)	<u>459,697</u>	<u>(65,000)</u>	<u>0</u>	<u>0</u>	<u>459,697</u>	<u>(65,000)</u>
Net Position, Beginning of Year, Restated, see Note 3	<u>42,947,602</u>	<u>31,168,620</u>	<u>23,280,782</u>	<u>23,348,896</u>	<u>66,228,384</u>	<u>54,517,516</u>
Net Position, End of Year	\$ <u>51,815,173</u>	\$ <u>42,487,905</u>	\$ <u>19,620,887</u>	\$ <u>23,280,782</u>	\$ <u>71,436,060</u>	\$ <u>65,768,687</u>

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2020

Governmental Activities

Overall, total governmental activities net position increased primarily due to an increase in transfers, net as business-type activities contributed capital assets to governmental activities. During the year, certain construction in progress sewer projects were completed and included certain elements that should be included in governmental activities (roads, sidewalks, and storm sewers). Furthermore, grants and entitlements and other income increased during 2020 as the City received \$1.4 million in funding for Coronavirus Relief and received Ohio Bureau of Worker's Compensation (Ohio BWC) refunds from prior year premiums and also settled an insurance claim with certain insurance companies related to a 2018 fire truck incident. These increases were offset with a decrease in charges for services which was driven by the pandemic in 2020.

Total program expenses for 2020 were \$31,032,094, a 32% increase from 2019 levels. In the current year the most significant program category was the security of persons and property, which includes police and fire protection. During 2020, these expenses increased from \$1.3 million to \$11.5 million activities due to changes in benefits terms related to OP&F in the prior year that caused a significant reduction the net OPEB liability which caused a significant decrease in expenses in 2019 (reduction of expense of \$11.1 million in 2019). No similar changes in 2020 caused expenses to bounce back to normal levels in 2020. General government expenses are down in 2020 as a result of the City reclassifying street lighting costs to transportation and the pension expense being down significantly in 2020 compared to 2019. Leisure time activities expenses decreased as a result of the pandemic shutting down most recreation activities during 2020.

Business-Type Activities

For business-type activities of the City, charges for services are the primary source of revenue. 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 noted increase in charges for services and expenses are due to reimbursements and expense associated the work on water lines for the Cleveland Division of Water.

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, 2020, the City's governmental funds reported combining ending fund balance of \$16,670,574. The majority of the fund balance is shown as restricted indicating that are constraints on how the funds can be used.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2020

All governmental funds had total revenues of \$35,295,119 and expenditures of \$38,285,329, resulting in a \$2,221,414 current year decrease in fund balance, after consideration of \$768,796 in net other financing sources. This decrease is due primarily to an increase in capital outlay in 2020 compare to 2019.

The General Fund is the most significant fund as it is the source for providing a significant portion of resources for governmental activities such as police, fire, service, legislative, and administrative functions. In 2020, the General Fund had total revenues and other financing sources of \$23,020,385 and expenditures and other financing uses, of \$21,258,083 resulting in an increase in fund balance at December 31, 2020 of \$1,762,302. General Fund revenues, including other financing sources increased \$1,355,570 from 2019, while expenditures, including other financing uses, decreased by \$882,056. The increase in General Fund revenues was due primarily to increases in municipal income tax and other revenues. Expenditures decreased primarily due to decreases in security of persons and property (SPP) and general government (GG) expenditures offset by an increase in transfers out.

Income tax revenues are up as the City collected more of the receivable within the available period this year and other revenues are up because of the City receiving significant Ohio BWC refunds in 2020 in response to the pandemic. SPP expenditures are down as the significant police and fire costs were funded by the coronavirus relief grant in 2020 and GG expenditures are down as the street lighting costs were reclassified to the Motor Vehicle License Tax fund and the public building costs were paid with the coronavirus relief grant.

The General Obligation Bond Retirement Fund accounts for proceeds and payment of general obligation bonds and related interest. In 2020, the General Obligation Bond Retirement Fund had total revenues and other financing sources of \$2,335,833 and expenditures of \$8,062,646 resulting in a decrease in fund balance of \$5,726,813 at December 31, 2020. Total revenues and other financing sources increased \$1,220,272 primarily due to increased transfers and insurance proceeds (insurance settlement on 2018 fire to City-owned fire truck). Expenditures were \$6,865,908 more than last year's expenditures due an increase in transfers out to repay the 2019 general obligation bond anticipation notes.

The Capital Improvement Fund accounts for the various projects of the City financed by tax monies and General Fund transfers. In 2020, the Capital Improvement Fund had total revenues and other financing sources of \$9,837,622 and expenditures of \$11,194,495 resulting in a decrease in fund balance of \$1,356,873 at December 31, 2020. Revenues and other financing sources increased \$2,795,359 from the prior year due an increase in transfers in. Expenditures increased from the prior year due to more capital outlay expenditures in the current year as a result of the new police facility capital improvement project 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. The General Fund's actual expenditures, not including other financing uses, were \$4,142,742 under the final budgeted amount of \$18,804,398. The main reason for the fluctuation is due to lower than expected costs related to general government and security of persons and property expenses.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2020

Actual revenues exceeded budgetary estimates as actual collections related to other revenues were greater than budgeted amount. Other revenues were higher in the current year due to BWC refunds.

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

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

For the General Fund, the original and final budgeted revenues, not including other financing sources, were \$21,333,374 and \$22,265,527, respectively.

Capital Assets and Debt Administration

Capital Assets

Table 3 shows fiscal year 2020 balances of capital assets, net of any accumulated depreciation, as compared to 2019:

Table 3
 Capital Assets, Net at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</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	10,591,142	8,603,757	207,206	6,346,784	10,798,348	14,950,541
Land Improvements	3,044,508	2,994,705	0	0	3,044,508	2,994,705
Buildings	18,996,889	19,191,909	0	0	18,996,889	19,191,909
Equipment	2,728,710	2,891,309	90,820	70,812	2,819,530	2,962,121
Vehicles	2,459,850	2,257,836	247,906	366,604	2,707,756	2,624,440
Infrastructure:						
Roads	23,653,524	14,955,280	0	0	23,653,524	14,955,280
Sidewalks	2,036,952	1,947,857	0	0	2,036,952	1,947,857
Traffic Signals	234,811	153,624	0	0	234,811	153,624
Storm Sewers	11,750,839	10,021,223	0	0	11,750,839	10,021,223
Sewer Lines	<u>0</u>	<u>0</u>	<u>22,166,802</u>	<u>21,000,366</u>	<u>22,166,802</u>	<u>21,000,366</u>
Total Capital Assets, Net	\$ <u>77,718,209</u>	\$ <u>65,238,484</u>	\$ <u>23,002,250</u>	\$ <u>28,074,082</u>	\$ <u>100,720,459</u>	\$ <u>93,312,566</u>

Total capital assets, net for the City as of December 31, 2020 were \$100,720,459, a \$7,407,893 increase from 2019. Capital asset additions of \$25,730,921 were offset by \$3,613,378 of depreciation expense and \$14,709,650 of disposals, net depreciation.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2020

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.

Debt

On December 31, 2020, the City had \$20,595,591 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	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds \$	4,771,631	\$ 6,050,684	\$ 0	\$ 0	\$ 4,771,631	\$ 6,050,684
Special Assessment Bonds	150,000	190,000	0	0	150,000	190,000
OPWC Loans	224,165	224,165	15,449,795	15,649,778	15,673,960	15,873,943
OWDA Loans	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,183</u>	<u>0</u>	<u>26,183</u>
Total Outstanding Debt	\$ <u>5,145,796</u>	\$ <u>6,464,849</u>	\$ <u>15,449,795</u>	\$ <u>15,675,961</u>	\$ <u>20,595,591</u>	\$ <u>22,140,810</u>

The outstanding general obligation bonds at December 31, 2020 are composed of the following: 1) Refunded General Purpose, Series 2014, of \$2,035,000; 2) Refunded Civic Facility Improvements, Series 2014 of \$2,195,000 and 3) Refunded Municipal Court Facility, Series 2011 of \$295,000. There remains unamortized premiums related to these issues of \$246,631.

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, 2020 consist of Erosion Control A & B Bonds: \$75,000 (Series 1998) and \$75,000 (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 was paid in full in 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 2048.

The City's overall legal debt margin was \$78,833,416 on December 31, 2020.

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, 2020

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 employers 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 annual report 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 annual report 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 annual report 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, 2020

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 26,592,935	\$ 8,274,889	\$ 34,867,824
Restricted Cash and Cash Equivalents	187,235	44,605	231,840
Accrued Interest Receivable	15,228	0	15,228
Accounts Receivable, Net	660,676	602,293	1,262,969
Interfund Receivable	260,000	0	260,000
Intergovernmental Receivable	1,684,133	616	1,684,749
Internal Balances	(23,017)	23,017	0
Materials and Supplies Inventory	161,531	14,456	175,987
Prepaid Assets	270,705	9,595	280,300
Municipal Income Taxes Receivable	5,146,627	0	5,146,627
Property Taxes Receivable	8,405,108	0	8,405,108
Special Assessments Receivable	156,866	156,373	313,239
Investment in Joint Venture	0	4,336,286	4,336,286
Nondepreciable Capital Assets	12,812,126	496,722	13,308,848
Depreciable Capital Assets, Net	64,906,083	22,505,528	87,411,611
Net Pension Asset	84,684	4,564	89,248
Total Assets	<u>121,320,920</u>	<u>36,468,944</u>	<u>157,789,864</u>
Deferred Outflows of Resources:			
Deferred Charge on Refunding	111,667	0	111,667
Pension	4,259,774	98,295	4,358,069
OPEB	2,814,221	68,767	2,882,988
Total Deferred Outflows of Resources	<u>7,185,662</u>	<u>167,062</u>	<u>7,352,724</u>
Liabilities:			
Accounts Payable	1,739,394	143,730	1,883,124
Payables from Restricted Assets	117,810	0	117,810
Accrued Wages and Benefits	667,155	22,956	690,111
Intergovernmental Payable	328,943	7,448	336,391
Interfund Payable	260,000	0	260,000
Unearned Revenue	3,024	0	3,024
Retainage Payable	660,353	48,744	709,097
Matured Compensated Absences	44,078	0	44,078
Accrued Interest Payable	28,711	0	28,711
Claims Payable	264,956	0	264,956
Notes Payable	9,925,542	0	9,925,542
Long-Term Liabilities:			
Due within One Year	3,251,775	468,869	3,720,644
Due in More than One Year:			
Other Amounts	6,685,859	15,100,667	21,786,526
Net Pension Liability	27,624,751	604,358	28,229,109
Net OPEB Liability	9,961,759	407,182	10,368,941
Total Liabilities	<u>61,564,110</u>	<u>16,803,954</u>	<u>78,368,064</u>
Deferred Inflows of Resources:			
Property Taxes	8,076,237	0	8,076,237
Pension	4,818,979	144,966	4,963,945
OPEB	2,232,083	66,199	2,298,282
Total Deferred Inflows of Resources	<u>15,127,299</u>	<u>211,165</u>	<u>15,338,464</u>

(Continued)

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Net Position (Continued)

December 31, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Position:			
Net Investment in Capital Assets	64,810,278	7,516,341	72,326,619
Restricted for:			
Capital Projects	11,087,760	0	11,087,760
Debt Service	512,769	0	512,769
Refuse and Recycling	1,047,176	0	1,047,176
Office on Aging	551,965	0	551,965
Street Construction and Maintenance	1,549,804	0	1,549,804
Recreation	791,357	0	791,357
Law Enforcement and Education	174,493	0	174,493
Fire and Police Pensions	430,072	0	430,072
Security of Persons and Property	356,646	0	356,646
Donations and Bequests	613,472	0	613,472
Other	4,218	0	4,218
Unrestricted (Deficit)	<u>(30,114,837)</u>	<u>12,104,546</u>	<u>(18,010,291)</u>
Total Net Position	<u>\$ 51,815,173</u>	<u>\$ 19,620,887</u>	<u>\$ 71,436,060</u>

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Activities

For the Year Ended December 31, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution
Government Activities:				
General Government	\$ 5,945,207	\$ 1,727,062	\$ 340,682	\$ 57,558
Security of Persons and Property	11,537,760	959,402	118,177	0
Public Health	973,703	104,922	300,951	0
Transportation	4,944,098	500	1,210,665	0
Leisure Time Activities	4,048,562	1,070,423	52,247	0
Community Development	641,072	23,976	0	0
Basic Utility Service	2,646,377	0	110,491	0
Interest and Fiscal Charges	295,315	0	0	0
Total Governmental Activities	<u>31,032,094</u>	<u>3,886,285</u>	<u>2,133,213</u>	<u>57,558</u>
Business-Type Activities:				
Sanitary Sewer Charges	<u>4,413,526</u>	<u>4,774,031</u>	<u>7,350</u>	<u>0</u>
Total	<u>\$ 35,445,620</u>	<u>\$ 8,660,316</u>	<u>\$ 2,140,563</u>	<u>\$ 57,558</u>

General revenues:

Property and other taxes levied for:

General purpose

Recreation

Office on Aging

Refuse and Recycling

Fire Levy

Police Levy

Capital Improvements

General Obligation Bond Retirement

Municipal Income Taxes Levied for:

General purpose

Other Local Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Other

Gain on Sale of Assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year, Restated (see Note 3)

Net Position End of Year

The accompanying notes are an integral part of these financial statements

Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (3,819,905)	\$ 0	\$ (3,819,905)
(10,460,181)	0	(10,460,181)
(567,830)	0	(567,830)
(3,732,933)	0	(3,732,933)
(2,925,892)	0	(2,925,892)
(617,096)	0	(617,096)
(2,535,886)	0	(2,535,886)
(295,315)	0	(295,315)
<u>(24,955,038)</u>	<u>0</u>	<u>(24,955,038)</u>
0	367,855	367,855
<u>(24,955,038)</u>	<u>367,855</u>	<u>(24,587,183)</u>
4,894,812	0	4,894,812
388,455	0	388,455
388,456	0	388,456
776,961	0	776,961
233,079	0	233,079
233,080	0	233,080
776,962	0	776,962
606,039	0	606,039
15,282,615	0	15,282,615
341,978	0	341,978
3,011,858	0	3,011,858
188,166	0	188,166
2,648,055	0	2,648,055
24,343	0	24,343
<u>4,027,750</u>	<u>(4,027,750)</u>	<u>0</u>
<u>33,822,609</u>	<u>(4,027,750)</u>	<u>29,794,859</u>
8,867,571	(3,659,895)	5,207,676
<u>42,947,602</u>	<u>23,280,782</u>	<u>66,228,384</u>
\$ <u>51,815,173</u>	\$ <u>19,620,887</u>	\$ <u>71,436,060</u>

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Balance Sheet – Governmental Funds

December 31, 2020

	<u>General</u>	<u>General Obligation Bond Retirement</u>
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 6,233,694	\$ 332,377
Restricted Cash and Cash Equivalents	0	0
Accrued Interest Receivable	15,228	0
Accounts Receivable, Net	545,227	0
Interfund Receivable	260,000	0
Intergovernmental Receivable	633,486	40,558
Materials and Supplies Inventory	37,710	0
Prepaid Assets	176,961	0
Municipal Income Taxes Receivable	4,108,837	0
Property Taxes Receivable	4,958,074	613,854
Special Assessments Receivable	0	0
Non-Current Assets:		
Advances to Other Funds	250,000	0
Total Assets	<u>\$ 17,219,217</u>	<u>\$ 986,789</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:		
Liabilities:		
Current Liabilities:		
Accounts Payable	\$ 116,733	\$ 0
Accrued Wages and Benefits	499,405	0
Interfund Payable	0	0
Intergovernmental Payable	79,917	0
Retainage Payable	0	0
Unearned revenue	0	0
Matured Compensated Absences	44,078	0
Payables from Restricted Assets	0	0
Notes Payable	0	6,025,542
Accrued Interest Payable	0	9,375
Non-Current Liabilities:		
Advances from Other Funds	0	0
Total Liabilities	<u>740,133</u>	<u>6,034,917</u>
Deferred Inflows of Resources:		
Property Taxes	4,764,078	589,835
Unavailable Revenue	2,707,667	64,577
Total Deferred Inflows of Resources	<u>7,471,745</u>	<u>654,412</u>
Fund Balances:		
Nonspendable	530,433	0
Restricted	0	0
Assigned	5,518,138	0
Unassigned (Deficit)	2,958,768	(5,702,540)
Total Fund Balances (Deficit)	<u>9,007,339</u>	<u>(5,702,540)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 17,219,217</u>	<u>\$ 986,789</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Improvement</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 11,226,208	\$ 8,065,127	\$ 25,857,406
69,425	117,810	187,235
0	0	15,228
82,646	16,801	644,674
0	0	260,000
51,994	958,095	1,684,133
0	123,821	161,531
0	93,744	270,705
700,837	336,953	5,146,627
786,998	2,046,182	8,405,108
0	156,866	156,866
0	0	250,000
\$ 12,918,108	\$ 11,915,399	\$ 43,039,513
\$ 1,452,689	\$ 147,302	\$ 1,716,724
0	167,750	667,155
0	260,000	260,000
0	249,026	328,943
660,353	0	660,353
0	3,024	3,024
0	0	44,078
0	117,810	117,810
3,900,000	0	9,925,542
6,094	0	15,469
0	250,000	250,000
6,019,136	1,194,912	13,989,098
756,205	1,966,119	8,076,237
394,588	1,136,772	4,303,604
1,150,793	3,102,891	12,379,841
0	217,565	747,998
5,748,179	7,658,492	13,406,671
0	0	5,518,138
0	(258,461)	(3,002,233)
5,748,179	7,617,596	16,670,574
\$ 12,918,108	\$ 11,915,399	\$ 43,039,513

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

December 31, 2020

Total Governmental Funds Balances \$ 16,670,574

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

Capital assets, net used in governmental activities are not financial resources and therefore are not reported in the funds. 77,718,209

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

	\$		
Delinquent Property Taxes		328,871	
Municipal Income Taxes		2,289,725	
Investment Income		15,228	
Special Assessments		156,866	
Fines, Fees and Permits		226,704	
Intergovernmental		<u>1,286,210</u>	
Total			4,303,604

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (13,242)

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 Funds are included in Governmental Activities in the Statement of Net Position.

Net Position		463,905	
Internal Balance		<u>(23,017)</u>	
Total			440,888

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

General Obligation Bonds		(4,771,631)	
Deferred Charges on Refunding		111,667	
Special Assessments		(150,000)	
OPWC Loans		(224,165)	
Compensated Absences		(4,726,838)	
Asset retirement obligations		<u>(65,000)</u>	
Total			(9,825,967)

(Continued)

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

December 31, 2020

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	84,684	
Deferred Outflows of Resources - Pension	4,259,774	
Net Pension Liability	(27,624,751)	
Deferred Inflows of Resources - Pension	<u>(4,818,979)</u>	
Total		(28,099,272)

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	2,814,221	
Net OPEB Liability	(9,961,759)	
Deferred Inflows of Resources - OPEB	<u>(2,232,083)</u>	
		<u>(9,379,621)</u>

Net Position of Governmental Activities		\$ <u><u>51,815,173</u></u>
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The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

For the Year Ended December 31, 2020

	General	General Obligation Bond Retirement
Revenues:		
Property Taxes	\$ 4,845,044	\$ 599,876
Municipal Income Taxes	12,637,559	0
Other Local Taxes	14,129	0
Intergovernmental	1,120,602	81,504
Charges for Services	493,010	0
Fines, Fees and Permits	1,810,649	0
Special Assessments	992	0
Investment Income	220,456	0
Rentals	117,992	0
Contributions	0	0
Other	1,735,609	0
Total Revenues	22,996,042	681,380
Expenditures:		
Current:		
General Government	4,350,070	0
Security of Persons and Property	8,244,279	0
Public Health	0	0
Transportation	679,058	0
Leisure Time Activities	484,668	0
Community Development	530,008	0
Basic Utility Service	0	0
Capital Outlay	0	0
Debt Service:		
Principal Retirement	0	985,000
Interest and Fiscal Charges	0	167,598
Issuance Costs	0	25,798
Total Expenditures	14,288,083	1,178,396
Excess of Revenues Over (Under) Expenditures	8,707,959	(497,016)
Other Financing Sources (Uses):		
Proceeds from Sale of Capital Assets	24,343	0
Insurance Proceeds	0	744,453
Transfers - In	0	910,000
Transfers - Out	(6,970,000)	(6,884,250)
Total Other Financing Sources (Uses)	(6,945,657)	(5,229,797)
Net Change in Fund Balances	1,762,302	(5,726,813)
Fund Balances Beginning of Year, Restated (see Note 3)	7,245,037	24,273
Fund Balances (Deficit) at End of Year	\$ 9,007,339	\$ (5,702,540)

The accompanying notes are an integral part of these financial statements

<u>Capital Improvement</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 769,063	\$ 1,999,492	\$ 8,213,475
2,131,788	1,030,283	15,799,630
323,876	0	338,005
182,124	3,356,313	4,740,543
0	1,088,415	1,581,425
0	232,093	2,042,742
0	42,885	43,877
21,554	0	242,010
0	86,203	204,195
0	248,709	248,709
89,892	15,007	1,840,508
<u>3,518,297</u>	<u>8,099,400</u>	<u>35,295,119</u>
26,306	864,014	5,240,390
0	2,016,426	10,260,705
0	891,046	891,046
0	2,055,172	2,734,230
0	2,450,543	2,935,211
0	44,483	574,491
0	2,016,470	2,016,470
11,072,603	979,280	12,051,883
0	270,000	1,255,000
95,586	36,921	300,105
0	0	25,798
<u>11,194,495</u>	<u>11,624,355</u>	<u>38,285,329</u>
<u>(7,676,198)</u>	<u>(3,524,955)</u>	<u>(2,990,210)</u>
0	0	24,343
0	0	744,453
6,319,325	6,624,925	13,854,250
0	0	(13,854,250)
<u>6,319,325</u>	<u>6,624,925</u>	<u>768,796</u>
(1,356,873)	3,099,970	(2,221,414)
<u>7,105,052</u>	<u>4,517,626</u>	<u>18,891,988</u>
<u>\$ 5,748,179</u>	<u>\$ 7,617,596</u>	<u>\$ 16,670,574</u>

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

For the Year Ended December 31, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (2,221,414)

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	\$ 11,528,032	
Capital Contributions	4,027,750	
Depreciation	<u>(3,076,057)</u>	
Total		12,479,725

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	84,364	
Municipal Income Taxes	(517,015)	
Special Assessments	(38,912)	
Investment Income	(53,844)	
Fines, Fees and Permits	125,511	
Intergovernmental	<u>215,648</u>	
Total		(184,248)

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	1,215,000	
Special Assessment Bonds	<u>40,000</u>	
Total		1,255,000

(Continued)

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

For the Year Ended December 31, 2020

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

Accrued Interest on Bonds	2,762	
Amortization of Bond Premium	64,053	
Loss on Refunding	(36,227)	
Compensated Absences	<u>(200,360)</u>	
Total		(169,772)

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	272,820	
Change in Internal Balance	<u>(15,085)</u>	
Total		257,735

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

2,457,409

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.

(5,006,864)

Change in Net Position of Governmental Activities

\$ 8,867,571

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

General Fund

For the Fiscal Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 4,609,990	\$ 4,811,497	\$ 4,845,044	\$ 33,547
Municipal Income Taxes	11,317,788	11,812,499	12,384,259	571,760
Other Local Taxes	84,315	88,000	24,534	(63,466)
Intergovernmental	1,072,788	1,119,681	1,115,388	(4,293)
Charges for Services	574,872	600,000	591,249	(8,751)
Fines, Fees, and Permits	2,924,036	3,051,850	1,821,625	(1,230,225)
Special Assessments	0	0	992	992
Investment Income	490,557	512,000	275,697	(236,303)
Rentals	145,635	152,000	117,992	(34,008)
Other	113,393	118,000	1,464,172	1,346,172
Total Revenues	<u>21,333,374</u>	<u>22,265,527</u>	<u>22,640,952</u>	<u>375,425</u>
Expenditures:				
Current:				
General Government	6,186,607	6,197,107	4,545,798	1,651,309
Security of Persons and Property	10,098,306	10,098,306	8,312,201	1,786,105
Transportation	1,035,640	1,035,640	705,357	330,283
Leisure Time Activities	677,968	677,968	502,668	175,300
Community Development	795,377	795,377	595,632	199,745
Total Expenditures	<u>18,793,898</u>	<u>18,804,398</u>	<u>14,661,656</u>	<u>4,142,742</u>
Excess of Revenues Over Expenditures	<u>2,539,476</u>	<u>3,461,129</u>	<u>7,979,296</u>	<u>4,518,167</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	11,497	12,000	24,343	12,343
Advances - In	47,906	50,000	0	(50,000)
Transfers - Out	(7,682,000)	(7,682,000)	(6,970,000)	712,000
Advances - Out	0	0	(260,000)	(260,000)
Total Other Financing Sources (Uses)	<u>(7,622,597)</u>	<u>(7,620,000)</u>	<u>(7,205,657)</u>	<u>414,343</u>
Net Change in Fund Balance	(5,083,121)	(4,158,871)	773,639	4,932,510
Fund Balance at Beginning of Year	4,316,216	4,316,216	4,316,216	0
Prior Year Encumbrances Appropriated	<u>182,053</u>	<u>182,053</u>	<u>182,053</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (584,852)</u>	<u>\$ 339,398</u>	<u>\$ 5,271,908</u>	<u>\$ 4,932,510</u>

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Fund Net Position Proprietary Funds

December 31, 2020

	Business Type Activities Sanitary Sewer	Governmental Activities Internal Service Fund
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 8,274,889	\$ 735,529
Restricted Cash and Cash Equivalents	44,605	0
Accounts Receivable	602,293	16,002
Intergovernmental Receivable	616	
Materials and Supplies Inventory	14,456	0
Prepaid	9,595	0
Special Assessments Receivable	156,373	0
Total Current Assets	<u>9,102,827</u>	<u>751,531</u>
Noncurrent Assets:		
Investment in Joint Venture	4,336,286	0
Nondepreciable Capital Assets	496,722	0
Depreciable Capital Assets, Net	22,505,528	0
Net Pension Asset	4,564	0
Total Noncurrent Assets	<u>27,343,100</u>	<u>0</u>
Total Assets	<u>36,445,927</u>	<u>751,531</u>
Deferred Outflows of Resources:		
Pension	98,295	0
OPEB	68,767	0
Total Deferred Outflows of Resources	<u>167,062</u>	<u>0</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	143,730	22,670
Accrued Wages and Benefits	22,956	0
Intergovernmental Payable	7,448	0
Retainage Payable	48,744	0
Accrued Interest Payable	0	0
Claims Payable	0	264,956
Compensated Absences Payable	38,911	0
OWDA and OPWC Loans Payable	429,958	0
Total Current Liabilities	<u>691,747</u>	<u>287,626</u>
Long-term Liabilities:		
Accrued Compensated Absences (Net of Current Portion)	80,830	0
OWDA and OPWC Loans Payable (Net of Current Portion)	15,019,837	0
Net Pension Liability	604,358	0
Net OPEB Liability	407,182	0
Total Long-Term Liabilities	<u>16,112,207</u>	<u>0</u>
Total Liabilities	<u>16,803,954</u>	<u>287,626</u>

(Continued)

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Fund Net Position (Continued) Proprietary Funds

December 31, 2020

	Business Type Activities Sanitary Sewer	Governmental Activities Internal Service Fund
	<u> </u>	<u> </u>
Deferred Inflows of Resources:		
Pension	144,966	0
OPEB	66,199	0
Total Deferred Inflows of Resources	<u>211,165</u>	<u>0</u>
 Net Position:		
Net Investment in Capital Assets	7,516,341	0
Unrestricted	<u>12,081,529</u>	<u>463,905</u>
Total Net Position	19,597,870	\$ <u><u>463,905</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>23,017</u>	
 Net Position of Business-Type Activities	 \$ <u><u>19,620,887</u></u>	

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

For the Year Ended December 31, 2020

	Business Type Activities Sanitary Sewer	Governmental Activities Internal Service Fund
Operating Revenues:		
Intergovernmental	\$ 7,350	\$ 0
Charges for Service	4,773,842	3,201,678
Other	189	0
Total Operating Revenues	<u>4,781,381</u>	<u>3,201,678</u>
Operating Expenses:		
Personal Service	788,082	0
Materials and Supplies	71,429	0
Contractual Services	2,543,091	755,950
Heat, Light and Power	18,269	0
Depreciation	537,321	0
Other	17,939	0
Claims	-	2,172,908
Loss on Investment in Joint Venture	452,281	0
Total Operating Expenses	<u>4,428,412</u>	<u>2,928,858</u>
Operating Income	352,969	272,820
Non-Operating Expenses:		
Interest Expense	(199)	0
Capital Distribution	(4,027,750)	0
Total Non-Operating Expenses	<u>(4,027,949)</u>	<u>0</u>
Change in Net Position	(3,674,980)	272,820
Net Position at Beginning of Year	<u>23,272,850</u>	<u>191,085</u>
Net Position at End of Year	<u>\$ 19,597,870</u>	<u>\$ 463,905</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>15,085</u>	
Change in Net Position of Business-Type Activities	<u>\$ (3,659,895)</u>	

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2020

	Business Type Activities Sanitary Sewer	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 4,733,553	\$ 3,185,676
Cash Received from Other Governments	7,350	0
Cash Received for Other Operating Revenues	189	0
Cash Payments for Goods and Services	(2,401,391)	(755,950)
Cash Payments to Employees for Services and Benefits	(704,804)	0
Cash Payments for Claims	0	(2,090,447)
Cash Payments for Other Operating Expenses	(129,293)	0
Net Cash Provided by Operating Activities	<u>1,505,604</u>	<u>339,279</u>
Cash Flows from Capital and Related Financing Activities:		
Capital Acquisitions	(144,440)	0
OPWC Loan Proceeds	14,996	0
Principal Paid on OWDA and OPWC Loans	(241,162)	0
Interest Paid on OWDA Loan	(591)	0
Net Cash Used by Capital and Related Financing Activities	<u>(371,197)</u>	<u>0</u>
Net Change in Cash and Cash Equivalents	1,134,407	339,279
Cash and Cash Equivalents at Beginning of Year	<u>7,185,087</u>	<u>396,250</u>
Cash and Cash Equivalents at End of Year	<u>\$ 8,319,494</u>	<u>\$ 735,529</u>

(Continued)

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Cash Flows (Continued) Proprietary Funds

For the Year Ended December 31, 2020

	Business Type Activities Sanitary Sewer	Governmental Activities Internal Service Fund
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating Income	\$ 352,969	\$ 272,820
Adjustments:		
Depreciation	537,321	0
Construction in Progress Expensed as Repairs and Maintenance	603,478	
Change in Operating Assets and Liabilities:		
Accounts Receivable	(155,396)	(16,002)
Intergovernmental Receivable	(616)	0
Materials and Supplies Inventory	(3,989)	0
Prepaid	(8,003)	0
Special Assessments Receivable	115,107	0
Investment in Joint Venture	138,851	0
Net Pension Asset	(2,273)	0
Deferred Outflows of Resources – Pension	184,709	0
Deferred Outflows of Resources – OPEB	(26,939)	0
Accounts Payable	(214,826)	22,670
Retainage Payable	48,744	0
Accrued Wages and Benefits	1,902	0
Compensated Absences Payable	(5,584)	0
Intergovernmental Payable	(2,660)	0
Claims Payable	0	59,791
Net Pension Liability	(263,761)	0
Net OPEB Liability	9,216	0
Deferred Inflows of Resources – Pension	132,235	0
Deferred Inflows of Resources – OPEB	65,119	0
Total Adjustments	<u>1,152,635</u>	<u>66,459</u>
Net Cash Provided by Operating Activities	<u>\$ 1,505,604</u>	<u>\$ 339,279</u>
Noncash Transactions from Capital and Related Financing Activities:		
Capital Assets from Accounts Payable and Retainage Payable	\$ 36,114	\$ 0
Capital Assets Transferred to Governmental Activities	4,027,750	0

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Fiduciary Net Position Fiduciary Funds

December 31, 2020

	Total Custodial Funds
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 52,160
Cash and Cash Equivalents:	
In Segregated Accounts	<u>244,675</u>
Total Assets	<u>296,835</u>
Liabilities:	
Deposits Held and Due to Others	<u>244,675</u>
Total Liabilities	<u>244,675</u>
Net Position:	
Restricted for Others	<u>52,160</u>
Total Net Position	<u><u>\$ 52,160</u></u>

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Changes in Fiduciary Net Position Fiduciary Funds

For the Year Ended December 31, 2020

	Total Custodial Funds
Additions:	
Collections for Tri-City Park	\$ 67,038
Fines and Forfeitures for Others	3,304,374
Total Additions	<u>3,371,412</u>
Deductions:	
Payments on Behalf of Tri-City Park	54,297
Municipal Court Disbursements	3,304,374
Total Deductions	<u>3,358,671</u>
Change in Net Position	12,741
Net Position Beginning of Year, Restated (See Note 3)	<u>39,419</u>
Net Position End of Year	\$ <u><u>52,160</u></u>

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Notes to Basic Financial Statements

For the Year Ended December 31, 2020

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, 2020

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, 2020

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.

General Obligation Bond Retirement Fund The General Obligation Fund accounts for proceeds and payment of general obligation bonds and related interest.

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, 2020

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 custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's custodial funds are for deposits and fees to the Tri-City Council of Governments, 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, 2020

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, 2020

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, 2020, but which were levied to finance year 2021 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, charges for services and intergovernmental. 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, 2020

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 2020, 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 \$100 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 2020 amounted to \$220,456, which includes \$101,595 assigned from other City funds.

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 as well as contractor deposits.

G. Inventory

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (Continued)

H. Investment in Joint Venture

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

I. Prepaid Assets

Payments made to vendors for services that will benefit periods beyond December 31, 2020 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, 2020

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 2020, 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 2020. 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	30 - 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, 2020

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, 2020

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 2021 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.

The City, through Council resolution, has established a reserve balance account for the purpose of budget stabilization in accordance with Ohio Revised Code Section 5705.13. The amount reserved may not exceed 5% of the General Fund's revenues in the prior year. Council may appropriate expenditures out of the reserve account to stabilize the City's budget. As the required circumstances determining when the balance can be appropriated are not sufficiently detailed, the balance of \$688,290 is reported as unassigned fund balance.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (Continued)

P. Net Position

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

The government-wide Statement of Net Position reports \$17,119,732 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 2: Summary of Significant Accounting Policies (Continued)

T. Budgetary Data

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

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

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 and Capital Distributions

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 if they are from the governmental activities. Capital distributions in the proprietary fund financial statements arise from transfers of capital assets from the enterprise funds to the governmental activities. These are shown as transfers on the Statement of Activities.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 3: Change in Accounting Principles

Newly Adopted Accounting Pronouncements

For the year ended December 31, 2020, the City implemented the following accounting standards issued by the Governmental Accounting Standards Board (GASB):

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. A liability must be recognized by a government that will eventually retire, dispose of, or environmentally remediate upon retirement, a capital asset if that retirement or disposal carries with it legally enforceable obligations. Measurement of the liability and initial deferred outflow is based on the best estimate of the amount of the current value of outlays expected to be incurred. Annually, the deferred outflow is expensed over the remaining life of the capital asset and evaluated to determine whether the estimate of the liability continues to be appropriate. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2019. These changes were incorporated in the City's 2020 financial statements and are required to be applied to the City's financial statements retroactively.

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 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. These changes were incorporated in the City's 2020 financial statements and are required to be applied to the City's financial statements retroactively.

The implementation of GASB Statement No. 83 and Statement No. 84 had the following effect on beginning net position and beginning fund balances as reported as of December 31, 2019:

	<u>Governmental Activities</u>	<u>Total</u>
Net position at December 31, 2019	\$ 42,552,905	\$ 65,833,687
GASB 83 asset retirement obligations	(65,000)	(65,000)
GASB 84 fund reclassification	<u>459,697</u>	<u>459,697</u>
Restated net position at December 31, 2019	<u>\$ 42,947,602</u>	<u>\$ 66,228,384</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 3: Change in Accounting Principles (Continued)

Newly Adopted Accounting Pronouncements (Continued)

Governmental funds fund balances:

	Nonmajor Governmental Funds	Total Governmental Funds
Fund balance at December 31, 2019	\$ 4,057,929	\$ 18,432,291
GASB 84 fund reclassification	<u>459,697</u>	<u>459,697</u>
Restated fund balance at December 31, 2019	\$ <u>4,517,626</u>	\$ <u>18,891,988</u>

As a result of the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting a beginning net position of \$39,419. Also related to the implementation of GASB Statement No. 84, the City will no longer report agency funds. Furthermore, the individual investment account does not meet the definition of an investment trust and it has been removed from the financial statements.

Newly Issued Accounting Pronouncements, Not Yet Adopted

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, 2020

Note 3: Change in Accounting Principles (Continued)

Newly Issued Accounting Pronouncements, Not Yet Adopted (Continued)

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2021. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 92, *Omnibus 2020*, was issued in January 2020. This statement addresses a variety of topics with objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. 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 Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020 to address accounting and financial reporting implications that result from global reference rate reform. The removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. The City has not yet determined the impact that these implementation guides will have on its financial statements and disclosures.

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).

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 4: Budgetary Basis of Accounting (Continued)

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 statement for the General Fund.

	<u>General</u>
GAAP basis	\$ 1,762,302
Net adjustment for revenue accruals	(334,077)
Net adjustment for expenditure accruals	(91,909)
Fair value adjustment for investments	(21,013)
Advances-out	(260,000)
Encumbrances	(281,664)
Budget basis	\$ 773,639

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:

	<u>General Fund</u>	<u>General Obligation Bond Retirement</u>	<u>Capital Improvement</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Inventory	\$ 37,710	\$ 0	\$ 0	\$ 123,821	\$ 161,531
Long-term Advances	250,000	0	0	0	250,000
Prepaid Assets	176,961	0	0	93,744	270,705
Unclaimed funds	65,762	0	0	0	65,762
Total Nonspendable	530,433	0	0	217,565	747,998

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 5: Fund Balances (Continued)

	General Fund	General Obligation Bond Retirement	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
Restricted for:					
Building Standards	0	0	0	906	906
Capital Improvements	0	0	5,748,179	2,918,174	8,666,353
Community Impacts	0	0	0	3,312	3,312
Debt Service	0	0	0	6,364	6,364
Donations and Bequests	0	0	0	613,472	613,472
Law Enforcement and Education	0	0	0	173,609	173,609
Marine Patrol	0	0	0	9,613	9,613
Office on Aging	0	0	0	475,791	475,791
Refuse and Recycling	0	0	0	944,031	944,031
Recreation Center	0	0	0	704,283	704,283
Security of Persons and Property	0	0	0	724,098	724,098
Street Construction and Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,084,839</u>	<u>1,084,839</u>
Total Restricted	<u>0</u>	<u>0</u>	<u>5,748,179</u>	<u>7,658,492</u>	<u>13,406,671</u>
Assigned to:					
Purchases on Order Subsequent Year's Budget: Appropriation of Fund Balance	255,152	0	0	0	255,152
Total Assigned	<u>5,262,986</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,262,986</u>
	<u>5,518,138</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,518,138</u>
Unassigned (Deficit)	<u>2,958,768</u>	<u>(5,702,540)</u>	<u>0</u>	<u>(258,461)</u>	<u>(3,002,233)</u>
Total Fund Balance	\$ <u>9,007,339</u>	\$ <u>(5,702,540)</u>	\$ <u>5,748,179</u>	\$ <u>7,617,596</u>	\$ <u>16,670,574</u>

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 6: Deposits and Investments (Continued)

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;
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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 6: Deposits and Investments (Continued)

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 Ohio 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 Ohio 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.

At year-end, the bank balance of the City's deposits were \$11,949,901. At year-end \$1,664,052 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 by the Ohio Treasurer of State for a reduced collateral floor of 50% resulting in the uninsured and uncollateralized balance.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 6: Deposits and Investments (Continued)

Investments

Investments are reported at fair value. As of December 31, 2020, the City had the following investments:

Amortized Cost:	Measurement	Maturities	Maturities
	<u>Value</u>	(in years) <u>Less than 1</u>	(in years) <u>More than 1</u>
Common Stock (donated)	\$ 118,226	\$ 118,226	\$ 0
Money Market	8,213,595	8,213,595	0
Municipal BAN's	1,523,417	1,523,417	0
STAR Ohio	<u>13,001,801</u>	<u>13,001,801</u>	<u>0</u>
Total	\$ <u>22,857,039</u>	\$ <u>22,857,039</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 common stock is measured based on Level 1 inputs, using quoted prices in active markets. The Municipal BAN's are measure based on Level 2 inputs, using a matrix or model pricing method. The City's investments in a money market account and STAR Ohio are valued at amortized cost (Level 1).

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, 2020, the average days to maturity for STAR Ohio was 55.8 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.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 9: Receivables

Receivables at December 31, 2020, 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 \$248,572 in uncollectible billings for user charged services.

A summary of Intergovernmental Receivables follows:

Governmental Activities:

Homestead and Rollback	\$ 555,314
Local Government	203,791
Rocky River Municipal Court	113,991
Miscellaneous	273,813
Auto Registration and Gasoline Tax	526,430
Permissive Tax	<u>10,794</u>
Total governmental activities	1,684,133

Business-Type Activities:

Ohio Bureau of Workers Compensation	<u>616</u>
Total	\$ <u>1,684,749</u>

Special assessments expected to be collected beyond one year amount to \$110,000 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding is \$163,239 at December 31, 2020.

Note 10: Capital Assets

A summary of changes in capital assets during 2020 follows:

	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</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>8,603,757</u>	<u>10,491,447</u>	<u>(8,504,062)</u>	<u>10,591,142</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>10,824,741</u>	<u>10,491,447</u>	<u>(8,504,062)</u>	<u>12,812,126</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

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, 2020 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 2020 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, 2020

Note 9: Receivables

Receivables at December 31, 2020, 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 \$248,572 in uncollectible billings for user charged services.

A summary of Intergovernmental Receivables follows:

Governmental Activities:

Homestead and Rollback	\$ 555,314
Local Government	203,791
Rocky River Municipal Court	113,991
Miscellaneous	274,429
Auto Registration and Gasoline Tax	526,430
Permissive Tax	<u>10,794</u>
Total governmental activities	1,684,133

Business-Type Activities:

Ohio Bureau of Workers Compensation	<u>616</u>
Total	\$ <u>1,684,749</u>

Special assessments expected to be collected beyond one year amount to \$110,000 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding is \$163,239 at December 31, 2020.

Note 10: Capital Assets

A summary of changes in capital assets during 2020 follows:

	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</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>8,603,757</u>	<u>10,491,447</u>	<u>(8,504,062)</u>	<u>10,591,142</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>10,824,741</u>	<u>10,491,447</u>	<u>(8,504,062)</u>	<u>12,812,126</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 10: Capital Assets (Continued)

	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</u>
Governmental Activities (Continued)				
<i>Depreciable Capital Assets</i>				
Land Improvements	5,344,743	198,575	0	5,543,318
Buildings	34,624,706	425,271	0	35,049,977
Furniture, Fixtures and Equipment	8,752,840	307,142	0	9,059,982
Vehicles	10,182,161	649,555	(149,065)	10,682,651
Infrastructure:				
Roads	36,607,391	9,831,924	(848,659)	45,590,656
Sidewalks	2,436,683	151,904	0	2,588,587
Traffic Signals	2,878,617	102,475	0	2,981,092
Storm Sewers	<u>12,359,810</u>	<u>1,901,551</u>	<u>0</u>	<u>14,261,361</u>
<i>Total Depreciable Capital Assets</i>	<u>113,186,951</u>	<u>13,568,397</u>	<u>(997,724)</u>	<u>125,757,624</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(2,350,038)	(148,772)	0	(2,498,810)
Building	(15,432,797)	(620,291)	0	(16,053,088)
Furniture, Fixtures and Equipment	(5,861,531)	(469,741)	0	(6,331,272)
Vehicles	(7,924,325)	(447,541)	149,065	(8,222,801)
Infrastructure:				
Roads	(21,652,111)	(1,133,680)	848,659	(21,937,132)
Sidewalks	(488,826)	(62,809)	0	(551,635)
Traffic Signals	(2,724,993)	(21,288)	0	(2,746,281)
Storm Sewers	<u>(2,338,587)</u>	<u>(171,935)</u>	<u>0</u>	<u>(2,510,522)</u>
<i>Total Accumulated Depreciation</i>	<u>(58,773,208)</u>	<u>(3,076,057)</u>	<u>997,724</u>	<u>(60,851,541)</u>
Total Depreciable Capital Assets, Net	<u>54,413,743</u>	<u>10,492,340</u>	<u>0</u>	<u>64,906,083</u>
Total Governmental Activities Capital Assets, Net	\$ <u>65,238,484</u>	\$ <u>20,983,787</u>	\$ <u>(8,504,062)</u>	\$ <u>77,718,209</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 337,343
Security of Persons and Property	203,997
Public Health	76,500
Transportation	1,307,496
Community Development	15,309
Basic Utility Service	442,447
Leisure Time Activities	<u>692,965</u>
Total	\$ <u>3,076,057</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 10: Capital Assets (Continued)

	Balance <u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/20</u>
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	<u>6,346,784</u>	<u>66,010</u>	<u>(6,205,588)</u>	<u>207,206</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>6,636,300</u>	<u>66,010</u>	<u>(6,205,588)</u>	<u>496,722</u>
<i>Depreciable Capital Assets</i>				
Furniture, Fixtures and Equipment	204,877	30,707	0	235,584
Vehicles	691,511	0	0	691,511
Sewer Lines	<u>29,483,764</u>	<u>1,574,360</u>	<u>0</u>	<u>31,058,124</u>
<i>Total Depreciable Capital Assets</i>	<u>30,380,152</u>	<u>1,605,067</u>	<u>0</u>	<u>31,985,219</u>
<i>Less Accumulated Depreciation:</i>				
Furniture, Fixtures and Equipment	(134,065)	(10,699)	0	(144,764)
Vehicles	(324,907)	(118,698)	0	(443,605)
Sewer Lines	<u>(8,483,398)</u>	<u>(407,924)</u>	<u>0</u>	<u>(8,891,322)</u>
<i>Total Accumulated Depreciation</i>	<u>(8,942,370)</u>	<u>(537,321)</u>	<u>0</u>	<u>(9,479,691)</u>
Total Depreciable Capital Assets, Net	<u>21,437,782</u>	<u>1,067,746</u>	<u>0</u>	<u>22,505,528</u>
Total Business-Type Activities Capital Assets, Net	\$ <u>28,074,082</u>	\$ <u>1,133,756</u>	\$ <u>(6,205,588)</u>	\$ <u>23,002,250</u>

During 2020, the City transferred infrastructure from business-type activities construction in progress to governmental activities infrastructure. The construction in progress and corresponding infrastructure has a cost basis of \$4,027,750. This transfer is reported as an addition in the governmental activities and a disposal in the business-type activities. Furthermore, during 2020, the City determined that certain projects in construction in progress will not result in a capital asset and should be expensed as repairs and maintenance projects. Deletions from construction in progress of \$603,478 have been expensed in 2020.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 11: Joint Venture - Rocky River Wastewater Treatment Plant (Continued)

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 \$4,336,286 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 2020 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 2020 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	\$ 1,328,670	\$ 313,430

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 2020, 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, 2020

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. The monthly premium charge is paid by the fund from which the employees' salary is paid. Incurred but not reported claims of \$264,956 have been accrued as a liability at December 31, 2020 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>
2020	\$ 205,165	\$ 2,150,238	\$ 2,090,447	\$ 264,956
2019	515,023	2,440,210	2,750,068	205,165

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, 2020

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, 2020

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 Annual Report 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, 2020

Note 14: Defined Benefit Pension Plans (Continued)

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

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, 2020

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 Annual Report 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 annuitization of their benefit (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 options.

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, 2020

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 2020 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 2020. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2020, the City's contractually required contribution, net of postemployment health care benefits, was \$1,173,099. Of this amount, \$133,985 is reported as intergovernmental payable at December 31, 2020.

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 public employee retirement system administered by OP&F. OP&F administers pension, disability, deferred-retirement option plan (DROP) and health care stipend benefits to qualified members. In addition, OP&F administers survivor benefits, death benefits and a health care stipend benefit for eligible survivors, spouses, children and dependent parents. 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 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, 2020

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, who have 15 or more years of service credit as of July 1, 2013 and members who are receiving a pension benefit that became effective before July 1, 2013 will be equal to 3% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3% or the percentage increase in the consumer price index, if any, over the twelve month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one tenth of 1%.

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 2020. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

In 2020, the City's contractually required contribution, net of postemployment health care benefits, was \$1,309,786. Of this amount, \$185,718 is reported as intergovernmental payable at December 31, 2020.

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, 2019, 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, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. 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, 2020

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	0.061985%	0.040066%	0.248847%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.059793%</u>	<u>0.042801%</u>	<u>0.243605%</u>	
Change in Proportionate Share	(0.002192%)	0.002735%	(0.005242%)	
Proportionate Share of the Net Pension Liability	\$ 11,818,564	\$ 0	\$ 16,410,545	\$ 28,229,109
Proportionate Share of the Net Pension Asset	\$ 0	\$ 89,248	\$ 0	\$ 89,248
Pension Expense	\$ 1,975,159	\$ 9,291	\$ 2,008,175	\$ 3,992,625

Pension expense for the member-directed defined contribution plan was \$9,320 in 2020. For 2020, the aggregate pension expense for all pension plans was \$4,001,945.

At December 31, 2020, 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	\$ 1,142,259	\$ 30,840	\$ 1,309,786	\$ 2,482,885
Differences in Employer Contributions and Change in Proportionate Share	108,029	716	101,958	210,703
Difference Between Expected and Actual Experience	0	0	621,192	621,192
Change in Assumptions	<u>631,251</u>	<u>9,202</u>	<u>402,836</u>	<u>1,043,289</u>
Total Deferred Outflow of Resources	\$ <u><u>1,881,539</u></u>	\$ <u><u>40,758</u></u>	\$ <u><u>2,435,772</u></u>	\$ <u><u>4,358,069</u></u>
Deferred Inflow of Resources				
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 2,357,537	\$ 11,576	\$ 792,762	\$ 3,161,875
Differences in Employer Contributions and Change in Proportionate Share	286,901	7,831	490,598	785,330
Difference Between Expected and Actual Experience	<u>149,429</u>	<u>20,953</u>	<u>846,358</u>	<u>1,016,740</u>
Total Deferred Inflow of Resources	\$ <u><u>2,793,867</u></u>	\$ <u><u>40,360</u></u>	\$ <u><u>2,129,718</u></u>	\$ <u><u>4,963,945</u></u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

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 \$2,482,885 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, 2021. 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		OP&F	Total
	Traditional	Combined		
2021	\$ (352,267)	\$ (6,615)	\$ (261,374)	\$ (620,256)
2022	(863,849)	(6,398)	(137,502)	(1,007,749)
2023	97,625	(3,170)	269,810	364,265
2024	(936,096)	(7,407)	(778,017)	(1,721,520)
2025	0	(2,207)	(96,649)	(98,856)
2026-2028	0	(4,645)	0	(4,645)
	\$ <u>(2,054,587)</u>	\$ <u>(30,442)</u>	\$ <u>(1,003,732)</u>	\$ <u>(3,088,761)</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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>
Valuation date	December 31, 2019	December 31, 2019
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, 2020

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% wage 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	1.40% Simple through 2020 then 2.15% Simple	1.40% Simple though 2020 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.

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 2019, 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 17.2% for 2019.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

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 2019 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	25.00%	1.83%
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00%	5.61%

Discount Rate The discount rate used to measure the total pension liability (asset) for measurement year 2019 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	\$ 19,492,635	\$ 11,818,564	\$ 4,919,798
City’s Proportionate Share of the Net Pension Asset – Combined	\$ 53,929	\$ 89,248	\$ 114,706

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 14: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

Changes Between Measurement Date and Report Date

Subsequent to December 31, 2019, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2020 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

F. Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2019, are presented below:

Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll	increases 3.25%
Inflation assumptions	2.75%
Cost of living adjustments	2.20% and 3.00% simple

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 Buck 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, 2020

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 Buck 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 actuarial assumptions used in the valuation are based on the results of a five-year experience review covering the period 2012-2016. The experience study was performed by OP&F's prior actuary and the assumptions were effective with the January 1, 2017 valuation.

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, 2019 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return**
Cash and cash equivalents	0.00%	1.00%
Domestic equity	16.00	5.40
International equity	16.00	5.80
Private markets	8.00	8.00
Core fixed income*	23.00	2.70
High yield fixed income	7.00	4.70
Private credit	5.00	5.50
U.S. inflation linked bonds*	17.00	2.50
Midstream energy infrastructure	8.00	6.60
Real assets	8.00	7.40
Private real estate	12.00	6.40

*Levered 2x

**Numbers are net of expected inflation

Note: Assumptions are geometric

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

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 earnings 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	\$ 22,744,448	\$ 16,410,545	\$ 11,112,868

Changes Between Measurement Date and Report Date

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of OP&F, including the fair value of OP&F’s investment portfolio. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that may be recognized in subsequent periods cannot be determined with half of the fiscal year remaining. In addition, the impact on the OP&F’s future operation costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

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 post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional 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.

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' Annual Report 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. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, 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 2020. The portion of employer contributions allocated to health care for members in the Member-Directed plan was 4% during 2020.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 15: Postemployment Benefits (Continued)

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

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. The City's contractually required contribution for OPERS postemployment health care benefits was \$3,728 for 2020.

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 retiree health care stipend program, a cost-sharing, multiple-employer defined benefit OPEB plan that provides various levels of health care to eligible benefit recipients and their eligible dependents.

On Jan. 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. OP&F has contracted with a vendor who can assist eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

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.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 15: Postemployment Benefits (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, 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.

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 \$30,975 for 2020. Of this amount, \$4,393 is reported as intergovernmental payable at December 31, 2020.

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

The net OPEB liability for OPERS as of December 31, 2020, was measured as of December 31, 2019. 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, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. 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	0.059692%	0.248847%	
Proportion of the Net OPEB Liability Current Measurement Date	<u>0.057648%</u>	<u>0.243605%</u>	
Change in Proportionate Share	(0.002044%)	(0.005242%)	
Proportionate Share of the Net OPEB Liability	\$ 7,962,675	\$ 2,406,266	\$ 10,368,941
OPEB Expense	\$ 930,606	\$ 242,119	\$ 1,172,725

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

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, 2020, 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	\$ 3,728	\$ 30,975	\$ 34,703
Difference Between Expected and Actual Experience	214	0	214
Differences in Employer Contributions and Change in Proportionate Share	80,399	100,469	180,868
Change in Assumptions	<u>1,260,407</u>	<u>1,406,796</u>	<u>2,667,203</u>
Total Deferred Outflow of Resources	\$ <u>1,344,748</u>	\$ <u>1,538,240</u>	\$ <u>2,882,988</u>
Deferred Inflow of Resources			
Difference Between Expected and Actual Experience	\$ 728,224	\$ 258,771	\$ 986,995
Change in Assumptions	0	512,812	512,812
Differences in Employer Contributions and Change in Proportionate Share	160,877	121,413	282,290
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	<u>405,457</u>	<u>110,728</u>	<u>516,185</u>
Total Deferred Inflow of Resources	\$ <u>1,294,558</u>	\$ <u>1,003,724</u>	\$ <u>2,298,282</u>

The \$34,703 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 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Fiscal Year Ending December 31:			
2021	\$ 187,100	\$ 90,802	\$ 277,902
2022	32,298	90,801	123,099
2023	320	113,514	113,834
2024	(173,256)	77,705	(95,551)
2025	0	87,690	87,690
2026-2027	<u>0</u>	<u>43,029</u>	<u>43,029</u>
	\$ <u>46,462</u>	\$ <u>503,541</u>	\$ <u>550,003</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 15: Postemployment Benefits (Continued)

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

Changes Between the Measurement Date and the Reporting Date On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are expected to decrease the associated OPEB liability.

Subsequent to December 31, 2019, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2020 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

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, 2019 was determined using the following actuarial assumptions that follow.

	<u>Assumptions</u>
Valuation date	December 31, 2018
Rolled-forward measurement date	December 31, 2019
Experience study	5-year period ended December 31, 2015
Actuarial cost method	Individual entry age normal
Projected salary increases, including 3.25% wage inflation	3.25 to 10.75%
Projected payroll/active member increase	3.25% per year
Investment rate of return	6.00%
Municipal bond rate	2.75%
Single discount rate of return	3.16%
Health care cost trend	Initial 10.5% to 3.5% ultimate in 2030

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

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 previous described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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 2019, 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 19.7% for 2019.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

The table below displays the Board-approved asset allocation policy for 2019 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	36.00%	1.53%
Domestic equities	21.00	5.75
Real estate	6.00	5.69
International equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00%	4.55%

Discount Rate A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.75% for the measurement date of December 31, 2019. 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 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, 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 3.16%, 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 (2.16%) or one-percentage-point higher (4.16%) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
City’s Proportionate Share of the Net OPEB Liability	\$ 10,420,438	\$ 7,962,675	\$ 5,994,807

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

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 2020 is 10.5%. 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 3.5% in the most recent valuation.

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	\$ 7,727,704	\$ 7,962,675	\$ 8,194,652

Assumption Changes Since the Prior Measurement Date Municipal bond rate changed from 3.71% to 2.75% and the single discount rate changed from 3.96% to 3.16%. The health care cost trend rate changed from 10% initial, 3.25%, ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

E. Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

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.

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, including price inflation	3.75% – 10.50%
Municipal bond index rate	
Prior measurement date	4.13%
Current measurement date	2.75%
Single equivalent interest rate, net of plan	
Investment expense, including price inflation	
Prior measurement date	4.66%
Current measurement date	3.56%

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 Buck 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%

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 Buck 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 actuarial assumptions used in the valuation are based on the results of a five-year experience review covering the period 2012-2016. The experience study was performed by OP&F’s prior actuary and the assumptions were effective with the December 31, 2016 valuation.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

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, 2019, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return**
Cash and cash equivalents	0.00%	1.00%
Domestic equity	16.00	5.40
International equity	16.00	5.80
Private markets	8.00	8.00
Core fixed income*	23.00	2.70
High yield fixed income	7.00	4.70
Private credit	5.00	5.50
U.S. inflation linked bonds*	17.00	2.50
Midstream energy infrastructure	8.00	6.60
Real assets	8.00	7.40
Private real estate	12.00	6.40

*Levered 2x

**Numbers are net of expected inflation.

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 3.56%. 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 be able to make all future benefit payment of current and inactive employees until 2034. After that time, the funding of benefit payments is uncertain. The discount rate is the single equivalent rate which results in the same present value as discounting future benefit payments made from assets at the long term expected rate of return and discounting future benefit payments funded on a pay-as-you go basis on the municipal bond 20-year index rate.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

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 3.56%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56%), or one percentage point higher (4.56%) than the current rate.

	1% Decrease <u>(2.56%)</u>	Discount Rate <u>(3.56%)</u>	1% Increase <u>(4.56%)</u>
City’s Proportionate Share of the Net OPEB Liability	\$ 2,983,615	\$ 2,406,266	\$ 1,926,530

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 decreased from 4.66% to 3.56%.

Changes Between the Measurement Date and the Reporting Date
 On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are expected to decrease the associated OPEB liability.

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, 2020

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 12/31/20</u>	<u>Date of Maturity</u>
Economic Development Revenue Bonds, Series 2005	\$ 1,350,000	2.51%	\$ 142,565	October 1, 2025

The loan agreement provides for interest rate adjustments at five-year increments. The rate shown became effective October 1, 2020 and is effective until the loan matures on October 1, 2025.

Note 18: Short Term Notes Payable

A summary of the notes transactions for the year ended December 31, 2020, follows:

	<u>Balance 12/31/19</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/20</u>
Governmental activities:				
Various Purpose Notes, Series 2019	\$ 6,750,000	\$ 0	\$ 6,750,000	\$ 0
Police Facility Project Notes, Series 2020	0	9,900,000	0	9,900,000
Premium on Series 2020 Notes	0	34,056	8,514	25,542
Total Notes Payable	\$ <u>6,750,000</u>	\$ <u>9,934,056</u>	\$ <u>6,758,514</u>	\$ <u>9,925,542</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 18: Short Term Notes Payable (Continued)

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 were dated September 26, 2019 and were due on September 24, 2020 at an interest rate of 2%. The police facility project notes were issued, via private sale, for the purpose of retiring the 2019 various purpose notes and improving the new police facility. The notes are dated September 23, 2020 and are due on September 23, 2021 at an interest rate of 0.625%. 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.

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	January 1, 2045
Hampton Road Storm and Sanitary Sewer Improvement	0.00	3,268,413	July 1, 2045
Frazier Drive Sewer Improvement	0.00	2,891,803	July 1, 2046
Avalon Drive Sewer Improvement	0.00	4,196,825	July 1, 2048
Hampton Road and Lakeview Avenue Sewer	0.00	NA	Pending
2020 Rocky River Sewer Improvement	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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 19: Long-Term Obligations (Continued)

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

	Outstanding 12/31/19	Additions	Reductions	Outstanding 12/31/20	Amount Due in One Year
Governmental Activities					
General Obligation Bonds					
2011 Municipal Court Facility Refunded	\$ 525,000	\$ 0	\$ 230,000	\$ 295,000	\$ 235,000
2014 Civic Facility Improvements Refunded	2,700,000	0	505,000	2,195,000	525,000
2014 General Purpose Refunded	2,515,000	0	480,000	2,035,000	485,000
Unamortized Premium	<u>310,684</u>	<u>0</u>	<u>64,053</u>	<u>246,631</u>	<u>0</u>
Total General Obligation Bonds	<u>6,050,684</u>	<u>0</u>	<u>1,279,053</u>	<u>4,771,631</u>	<u>1,245,000</u>
Special Assessment Bonds					
1998 Erosion Control (A)	100,000	0	25,000	75,000	25,000
2000 Erosion Control (B)	<u>90,000</u>	<u>0</u>	<u>15,000</u>	<u>75,000</u>	<u>15,000</u>
Total Special Assessment Bonds	<u>190,000</u>	<u>0</u>	<u>40,000</u>	<u>150,000</u>	<u>40,000</u>
Ohio Public Works Commission (OPWC) Loans*					
Hampton Road and Lakeview Avenue Sewer Improvement	<u>224,165</u>	<u>0</u>	<u>0</u>	<u>224,165</u>	<u>0</u>
Other Long-Term Obligations					
Compensated Absences Payable	4,526,478	1,815,449	1,615,089	4,726,838	1,966,775
Asset Retirement Obligations	65,000	0	0	65,000	0
Net Pension Liability	36,420,927	0	8,796,176	27,624,751	0
OPEB Liability	<u>9,650,617</u>	<u>311,142</u>	<u>0</u>	<u>9,961,759</u>	<u>0</u>
Total Other Long-Term Obligations	<u>50,663,022</u>	<u>2,126,591</u>	<u>10,411,265</u>	<u>42,378,348</u>	<u>1,966,775</u>
Total Governmental Activities	\$ <u>57,127,871</u>	\$ <u>2,126,591</u>	\$ <u>11,730,318</u>	\$ <u>47,524,144</u>	\$ <u>3,251,775</u>
Business-Type Activities					
Ohio Water Development Authority (OWDA) Loan*					
2000 Pump Station and Sewer Repair	\$ <u>26,183</u>	\$ <u>0</u>	\$ <u>26,183</u>	\$ <u>0</u>	\$ <u>0</u>
Ohio Public Works Commission (OPWC) Loans*					
Valley View Storm and Sanitary Sewer Improvement	2,118,098	0	42,362	2,075,736	84,724
Hampton Road Storm and Sanitary Sewer Improvement	2,778,151	0	54,474	2,723,677	108,947
Frazier Drive Sewer Improvement	2,554,426	0	48,197	2,506,229	96,393
Avalon Drive Sewer Improvement	3,986,981	0	69,946	3,917,035	139,894
2020 Rocky River Sewer Improvement	0	12,775	0	12,775	0
Hampton Road and Lakeview Avenue Sewer Improvement	<u>4,212,122</u>	<u>2,221</u>	<u>0</u>	<u>4,214,343</u>	<u>0</u>
Total OPWC Loans	<u>15,649,778</u>	<u>14,996</u>	<u>214,979</u>	<u>15,449,795</u>	<u>429,958</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 19: Long-Term Obligations (Continued)

	Outstanding 12/31/19	Additions	Reductions	Outstanding 12/31/20	Amount Due in One Year
<i>Business-Type Activities (Continued)</i>					
Other Long-Term Obligations					
Compensated Absences Payable	125,325	59,701	65,285	119,741	38,911
Net Pension Liability	868,119	0	263,761	604,358	0
OPEB Liability	397,966	9,216	0	407,182	0
Total Other Long-Term Obligations	<u>1,391,410</u>	<u>68,917</u>	<u>329,046</u>	<u>1,131,281</u>	<u>38,911</u>
<i>Total Business-Type Activities</i>	<u>\$ 17,067,371</u>	<u>\$ 83,913</u>	<u>\$ 570,208</u>	<u>\$ 16,581,076</u>	<u>\$ 468,869</u>

*- Long-term obligation is a direct borrowings

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.

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.

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%. In 2020, the City paid off this debt.

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. 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.

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.

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 \$69,946 for 30 years beginning July 1, 2018.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 19: Long-Term Obligations (Continued)

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, 2020, and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

During 2020, the City obtained an OPWC interest-free loan for the 2020 Rocky River Sewer Improvements. OPWC has authorized this loan up to \$4,399,100. The loan proceeds in the long-term obligations table represent monies drawn against this loan through December 31, 2020, 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 outstanding OPWC loans from direct borrowings contain provisions that in the event of default (1) OPWC may apply late fees of 8% per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

During 2020, as a response to COVID-19, OPWC made the decision to defer the July 2020 loan payment for six months. The amortization schedules were adjusted to push back all payments six months. Borrowers have the option to make a double-payment in January 2021 or use the modified amortization schedule.

The City's overall legal debt margin was \$78,833,416 at December 31, 2020. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2020, are as follows:

	Governmental Activities					
	General Obligation Bonds		Special Assessment Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>825</u>	<u>15,000</u>	<u>825</u>
Total	\$ <u>4,525,000</u>	\$ <u>380,988</u>	\$ <u>150,000</u>	\$ <u>20,025</u>	\$ <u>4,675,000</u>	\$ <u>401,013</u>

	Business-Type Activities	
	OPWC	
	Principal	
2021	\$	429,958
2022		429,958
2023		429,958
2024		429,958
2025		429,958
2026-2030		2,149,790
2031-2035		2,149,790
2036-2040		2,149,790
2041-2045		2,107,428
2046-2048		<u>516,089</u>
Total	\$	<u>11,222,677</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

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 2020, the City contributed \$47,886 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 2020, the City made contributions of \$18,000 to the Tri-City Park.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 20: Jointly Governed Organizations (Continued)

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 2020, 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 2020. 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, 2020

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 2020, the City contributed \$384,583 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.

F. Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). Organized in 2000 pursuant to Ohio Revised Code Section 167.01, NOPEC was formed to serve as a vehicle for member communities to proceed jointly with aggregation programs for the purchase of electricity and natural gas on behalf of member communities residents’. NOPEC has approximately 240 member communities (including municipal corporations, townships, and counties, all of which are political subdivisions of the State of Ohio) from 19 counties.

NOPEC is governed by a General Assembly, made up of one representative from each member community. The representatives from each county elect persons to serve on the 13 member NOPEC Board of Directors. The Board oversees and manages both NOPEC and the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. During 2020, the City made no contributions to NOPEC.

Financial information can be obtained by contacting NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 21: Contingent Liabilities

Grants

The City has received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2020.

Litigation

During the normal course of business, the City is subject to occasional legal proceedings, claims, and contract disputes. In the opinion of management, the eventual outcome of any current proceedings and claims against the City will not materially affect its financial condition or operations.

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, 2020:

<u>Transfer to</u>	
General Obligation Bond Retirement	\$ 910,000
Capital Improvement	200,000
Non-Major Governmental Funds	<u>5,860,000</u>
Total Transfers	\$ <u>6,970,000</u>

The General Obligation Bond Retirement Fund made the following transfers during the year ended December 31, 2020:

<u>Transfer to</u>	
Capital Improvement	\$ 6,119,325
Non-Major Governmental Funds	<u>764,925</u>
Total Transfers	\$ <u>6,884,250</u>

The transfers from the General Obligation Bond Retirement Fund were for the repayment of general obligation bond anticipation notes and related interest. In addition to the transfers noted above, the City had a transfer of \$4,027,750 from business-type activities to governmental activities related to infrastructure being put into service from construction in progress. See Note 10 for additional information.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 22: Interfund Activity (Continued)

B. Interfund Balances

As of December 31, 2020, interfund balances were as follows:

	Receivable		Payable	
	Interfund	Advance to Other Funds	Interfund	Advance from Other Funds
Governmental Activities:				
General Fund	\$ 260,000	\$ 250,000	\$ 0	\$ 0
Non-Major Governmental Funds	<u>0</u>	<u>0</u>	<u>260,000</u>	<u>250,000</u>
Total Governmental Activities	<u>\$ 260,000</u>	<u>\$ 250,000</u>	<u>\$ 260,000</u>	<u>\$ 250,000</u>

Interfund balances are expected to be repaid within one year. 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 are deficits in the Coronavirus Relief Special Revenue Fund and General Obligation Bond Retirement Debt Service Fund of \$258,461 and \$5,702,540, respectively, 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 funds 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			
Advances	\$ -	\$ 260,000	\$ (260,000)
Coronavirus Relief Fund			
General Government			
Other Expenditures	\$ 49,771	\$ 59,771	\$ (10,000)

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 23: Accountability and Compliance (continued)

B. Compliance (continued)

The following funds had original appropriations exceeding estimated resources and one fund had final appropriations exceeding estimated resources. Ohio Revised Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total estimated resources (estimated resources plus unencumbered fund balances).

Fund	Estimated Resources	Appropriations	Variance
<u>General</u>			
Original Budget	\$ 25,708,993	\$ 26,293,845	\$ (584,852)
<u>Office on Aging Fund</u>			
Original Budget	1,278,745	1,364,122	(85,377)
<u>Recreation Center Fund</u>			
Original Fund	3,420,836	3,630,234	(209,398)
Final Budget	3,557,727	3,630,234	(72,507)
<u>Motor Vehicle License Tax Fund</u>			
Original Budget	633,606	818,048	(184,442)
<u>Indigent Drive Alcohol Monitoring Fund</u>			
Original Budget	41,254	45,000	(3,746)
<u>General Obligation Bond Retirement Fund</u>			
Original Budget	1,962,139	8,036,800	(6,074,661)
<u>Equipment Replacement Fund</u>			
Original Budget	3,289,753	3,385,353	(95,600)
<u>Municipal Court Capital Improvement Fund</u>			
Original Budget	710,386	985,578	(275,192)

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 24: Significant Commitments

A. Contracts

At December 31, 2020, 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	\$ 55,000	\$ 0	\$ 55,000
Building Construction, Maintenance and Repair	7,614,970	6,252,136	1,362,834
Equipment, Vehicle, Computer Purchases and Repair	558,364	177,623	380,741
Sanitary and Storm Sewer Projects	2,749,270	1,298,511	1,450,759
Road and Sidewalk Improvement	6,907,286	5,447,793	1,459,493
Parks, Recreation Equipment and Facilities	3,366,437	681,170	2,685,267
Total	\$ <u>21,251,327</u>	\$ <u>13,857,233</u>	\$ <u>7,394,094</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	\$ 255,152
Capital Improvement Fund	3,983,499
Other Governmental Funds	<u>624,659</u>
Total Governmental	\$ <u>4,863,310</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, 2020 was \$20,000. The lease expired on December 31, 2020 and was not renewed.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

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, 2020, 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, 2020

Note 28: 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, 2020, management's estimate of the final closure cost of the transfer station is \$29,086.

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 29: COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. In 2020, the City received \$1,650,858 in COVID relief funding. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

Note 30: Asset Retirement Obligations

Ohio Administrative Code Section 1301-7-9 requires a City classified as an "owner" or "operator," to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of \$65,000 associated with the City's underground storage tanks was estimated by the City engineer. The remaining useful lives of the USTs is 0 years. The City maintains insurance coverage to address its exposure to the risks related to the operation of the underground storage tanks which protects the City according to the terms and definitions of the policy.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2020

Note 30: Asset Retirement Obligations (Continued)

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage system to the Ohio Environmental Protection Agency (the "Ohio EPA") for approval. Any changes to the sewage system would be approved through a permit for a new plan that would take the place of the retired asset and would include a plan for the proper abandonment of the current sanitary sewer pump stations. Through this review process, the City would be responsible to address any public safety issues associated with their sanitary sewer pump stations. At this time, the City is unable to reasonably estimate the liability to abandon the current sanitary sewer pump stations without the required permit from the Ohio EPA.

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 Seven Years (1)

	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.059793%	0.061985%	0.059858%	0.057764%	0.057848%
City's Proportionate Share of the Net Pension Liability	\$ 11,818,564	\$ 16,976,555	\$ 9,390,498	\$ 13,117,249	\$ 10,020,072
City's Covered Payroll	\$ 8,453,929	\$ 8,233,828	\$ 7,914,791	\$ 7,688,298	\$ 7,203,524
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.80%	206.18%	118.64%	170.61%	139.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%	81.08%
	2015	2014			
City's Proportion of the Net Pension Liability	0.031106%	0.035697%			
City's Proportionate Share of the Net Pension Liability	\$ 7,113,422	\$ 6,952,753			
City's Covered Payroll	\$ 6,876,663	\$ 7,852,692			
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.44%	88.54%			
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

The accompanying notes are an integral part of the required supplementary information

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 Seven Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Proportion of the Net Pension Asset	0.042801%	0.040066%	0.034861%	0.031672%	0.031106%
City's Proportionate Share of the Net Pension Asset	\$ 89,248	\$ 44,803	\$ 47,455	\$ 17,626	\$ 15,137
City's Covered Payroll	\$ 192,529	\$ 168,593	\$ 142,748	\$ 127,053	\$ 112,704
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	46.36%	26.57%	33.24%	13.87%	13.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	145.28%	126.64%	137.28%	116.55%	116.90%
	<u>2015</u>	<u>2014</u>			
City's Proportion of the Net Pension Asset	0.035697%	0.035697%			
City's Proportionate Share of the Net Pension Asset	\$ 13,744	\$ 3,746			
City's Covered Payroll	\$ 120,542	\$ 122,864			
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	11.40%	3.05%			
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	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.

The accompanying notes are an integral part of the required supplementary information

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 Seven Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Proportion of the Net Pension Liability	0.243605%	0.248847%	0.251282%	0.247857%	0.253444%
City's Proportionate Share of the Net Pension Liability	\$ 16,410,547	\$ 20,312,491	\$ 15,422,311	\$ 15,699,015	\$ 16,304,230
City's Covered Payroll	\$ 5,822,994	\$ 5,678,025	\$ 5,496,825	\$ 5,454,476	\$ 5,123,147
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	281.82%	357.74%	280.57%	287.82%	318.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	63.07%	70.91%	68.36%	66.77%
	<u>2015</u>	<u>2014</u>			
City's Proportion of the Net Pension Liability	0.256817%	0.256817%			
City's Proportionate Share of the Net Pension Liability	\$ 13,304,187	\$ 12,507,789			
City's Covered Payroll	\$ 5,095,764	\$ 5,067,831			
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	261.08%	246.81%			
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

The accompanying notes are an integral part of the required supplementary information

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually-Required Contribution	\$ 1,142,259	\$ 1,183,550	\$ 1,152,736	\$ 1,028,923	\$ 922,596
Contributions in Relation to the Contractually-Required Contribution	<u>(1,142,259)</u>	<u>(1,183,550)</u>	<u>(1,152,736)</u>	<u>(1,028,923)</u>	<u>(922,596)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 8,158,993	\$ 8,453,929	\$ 8,233,828	\$ 7,914,791	\$ 7,688,298
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%	12.00%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually-Required Contribution	\$ 864,423	\$ 825,200	\$ 1,020,850	\$ 828,631	\$ 895,384
Contributions in Relation to the Contractually-Required Contribution	<u>(864,423)</u>	<u>(825,200)</u>	<u>(1,020,850)</u>	<u>(828,631)</u>	<u>(895,384)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 7,203,524	\$ 6,876,663	\$ 7,852,692	\$ 8,286,310	\$ 8,953,841
Contributions as a Percentage of Covered Payroll	12.00%	12.00%	13.00%	10.00%	10.00%

The accompanying notes are an integral part of 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually-Required Contribution	\$ 30,840	\$ 26,954	\$ 23,603	\$ 18,557	\$ 15,246
Contributions in Relation to the Contractually-Required Contribution	<u>(30,840)</u>	<u>(26,954)</u>	<u>(23,603)</u>	<u>(18,557)</u>	<u>(15,246)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 220,286	\$ 192,529	\$ 168,593	\$ 142,748	\$ 127,053
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%	12.00%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually-Required Contribution	\$ 13,524	\$ 14,465	\$ 15,972	\$ 12,965	\$ 14,009
Contributions in Relation to the Contractually-Required Contribution	<u>(13,524)</u>	<u>(14,465)</u>	<u>(15,972)</u>	<u>(12,965)</u>	<u>(14,009)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 112,704	\$ 120,542	\$ 122,864	\$ 129,648	\$ 140,092
Contributions as a Percentage of Covered Payroll	12.00%	12.00%	13.00%	10.00%	10.00%

The accompanying notes are an integral part of 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

	2020	2019	2018	2017	2016
Contractually-Required Contribution	\$ 1,309,786	\$ 1,229,189	\$ 1,199,543	\$ 1,161,998	\$ 1,151,686
Contributions in Relation to the Contractually-Required Contribution	<u>(1,309,786)</u>	<u>(1,229,189)</u>	<u>(1,199,543)</u>	<u>(1,161,998)</u>	<u>(1,151,686)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 6,194,930	\$ 5,822,994	\$ 5,678,025	\$ 5,496,825	\$ 5,454,476
Contributions as a Percentage of Covered Payroll	21.14%	21.11%	21.13%	21.14%	21.11%
	2015	2014	2013	2012	2011
Contractually-Required Contribution	\$ 1,083,474	\$ 1,078,649	\$ 913,986	\$ 731,848	\$ 733,884
Contributions in Relation to the Contractually-Required Contribution	<u>(1,083,474)</u>	<u>(1,078,649)</u>	<u>(913,986)</u>	<u>(731,848)</u>	<u>(733,884)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 5,123,147	\$ 5,095,764	\$ 5,067,831	\$ 4,916,011	\$ 4,923,822
Contributions as a Percentage of Covered Payroll	21.15%	21.17%	18.04%	14.89%	14.90%

The accompanying notes are an integral part of 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 Four Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.057648%	0.059692%	0.057552%	0.055983%
City's Proportionate Share of the Net OPEB Liability	\$ 7,962,675	\$ 7,782,450	\$ 6,249,724	\$ 5,654,434
City's Covered Payroll	\$ 8,751,487	\$ 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	90.99%	91.40%	76.37%	70.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%

(1) Information prior to 2017 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.

The accompanying notes are an integral part of the required supplementary information

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 Four Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.243605%	0.248847%	0.251282%	0.247857%
City's Proportionate Share of the Net OPEB Liability	\$ 2,406,266	\$ 2,266,133	\$ 14,237,285	\$ 11,765,214
City's Covered Payroll	\$ 5,822,994	\$ 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	41.32%	39.91%	259.01%	215.70%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	46.57%	14.13%	15.96%

(1) Information prior to 2017 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.

The accompanying notes are an integral part of the required supplementary information

City of Rocky River, Ohio

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

For the Last Five Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 3,728	\$ 4,201	\$ 4,496	\$ 84,828	\$ 163,682
Contributions in Relation to the Contractually Required Contribution	<u>(3,728)</u>	<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>	<u>\$ 0</u>
City Covered Payroll	\$ 8,472,477	\$ 8,751,487	\$ 8,514,817	\$ 8,183,271	\$ 8,033,489
Contributions as a Percentage of Covered Payroll	0.04%	0.05%	0.05%	1.04%	2.04%

(1) Information prior to 2016 is not available.

The accompanying notes are an integral part of the required supplementary information

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

	2020	2019	2018	2017	2016
Contractually-Required Contribution	\$ 30,975	\$ 29,115	\$ 28,390	\$ 27,484	\$ 27,272
Contributions in Relation to the Contractually-Required Contribution	<u>(30,975)</u>	<u>(29,115)</u>	<u>(28,390)</u>	<u>(27,484)</u>	<u>(27,272)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 6,194,930	\$ 5,822,994	\$ 5,678,025	\$ 5,496,825	\$ 5,454,476
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	2015	2014	2013	2012	2011
Contractually-Required Contribution	\$ 25,616	\$ 25,479	\$ 183,455	\$ 331,831	\$ 332,358
Contributions in Relation to the Contractually-Required Contribution	<u>(25,616)</u>	<u>(25,479)</u>	<u>(183,455)</u>	<u>(331,831)</u>	<u>(332,358)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 5,123,147	\$ 5,095,764	\$ 5,067,831	\$ 4,916,011	\$ 4,932,822
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	3.62%	6.75%	6.75%

The accompanying notes are an integral part of the required supplementary information

City of Rocky River, Ohio

Note to Required Supplementary Information

For the Year Ended December 31, 2020

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 – 2020

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Valuation Date	December 31, 2019	December 31, 2019
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	1.40% Simple through 2020 then 2.15% Simple	1.40% Simple though 2020 then 2.15% Simple

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

City of Rocky River, Ohio

Note to Required Supplementary Information

For the Year Ended December 31, 2020

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OPERS (continued)

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 through 2018 then 2.15% Simple

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

City of Rocky River, Ohio

Note to Required Supplementary Information

For the Year Ended December 31, 2020

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OPERS (continued)

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.

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>Beginning in 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%

City of Rocky River, Ohio

Note to Required Supplementary Information

For the Year Ended December 31, 2020

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OP&F (continued)

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.

Note 2: Net OPEB Liability

Changes in Assumptions – OPERS

For 2020, the single discount rate changed from 3.96% in 2019 to 3.16%. For 2020, the municipal bond rate changed from 3.71% to 2.75%. For 2020, the health care cost trend rate changed from 10% initial, 3.25%, ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

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.

City of Rocky River, Ohio

Note to Required Supplementary Information

For the Year Ended December 31, 2020

Note 2: Net OPEB Liability (continued)

Changes in Assumptions – OP&F

For 2020, the single discount rate changed from 4.66% to 3.56%.

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 2020, 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.

Coronavirus Relief Fund – This fund is used to account for financial resources to cover costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

Recreation Center Fund – To account 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.

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.

City of Rocky River, Ohio

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

Non-major Special Revenue Funds (Continued)

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 2020, 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.

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.

Refundable Deposits Fund – This fund accounts for contractor deposits that will be refundable.

Building Standards Fee Fund – This fund accounts for the collection of the Building Standards Fee from each building permit issued. The amount collected is then paid to the State of Ohio, Board of Building Standards.

Donations and Bequests Fund – This fund accounts for donations and bequests for various City departments.

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.

City of Rocky River, Ohio

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

Non-major Debt Service Funds

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

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

Non-major Capital Projects Fund

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

Equipment Replacement Fund – To account for liquor permit revenues, 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 Nonmajor Governmental Funds

December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 5,306,160	\$ 6,364	\$ 2,752,603	\$ 8,065,127
Restricted Cash	117,810	0	0	117,810
Accounts Receivable	16,801	0	0	16,801
Intergovernmental Receivable	936,667	0	21,428	958,095
Materials and Supplies Inventory	123,821	0	0	123,821
Prepaid Asset	90,044	0	3,700	93,744
Municipal Income Taxes Receivable	0	0	336,953	336,953
Property Taxes Receivable	2,046,182	0	0	2,046,182
Special Assessments Receivable	0	156,866	0	156,866
Total Assets	\$ 8,637,485	\$ 163,230	\$ 3,114,684	\$ 11,915,399
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 105,445	\$ 0	\$ 41,857	\$ 147,302
Accrued Wages and Benefits	167,134	0	616	167,750
Interfund Payable	260,000	0	0	260,000
Intergovernmental Payable	248,750	0	276	249,026
Payables from Restricted Assets	117,810	0	0	117,810
Unearned Revenue	3,024	0	0	3,024
Advances from Other Funds	250,000	0	0	250,000
Total Liabilities	1,152,163	0	42,749	1,194,912
Deferred Inflows of Resources:				
Property Taxes	1,966,119	0	0	1,966,119
Unavailable Revenue	829,845	156,866	150,061	1,136,772
Total Deferred Inflows of Resources	2,795,964	156,866	150,061	3,102,891
Fund Balances:				
Nonspendable	213,865	0	3,700	217,565
Restricted	4,733,954	6,364	2,918,174	7,658,492
Unassigned	(258,461)	0	0	(258,461)
Total Fund Balances	4,689,358	6,364	2,921,874	7,617,596
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,637,485	\$ 163,230	\$ 3,114,684	\$ 11,915,399

City of Rocky River, Ohio

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

For the Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 1,999,492	\$ 0	\$ 0	\$ 1,999,492
Municipal Income Taxes	0	0	1,030,283	1,030,283
Intergovernmental	2,971,889	0	384,424	3,356,313
Charges for Services	1,088,415	0	0	1,088,415
Fees, Fines and Permits	232,093	0	0	232,093
Special Assessments	0	42,885	0	42,885
Rentals	86,203	0	0	86,203
Contributions	248,709	0	0	248,709
Other	15,007	0	0	15,007
Total Revenues	6,641,808	42,885	1,414,707	8,099,400
Expenditures:				
Current:				
General Government	557,368	0	306,646	864,014
Security of Persons and Property	2,016,426	0	0	2,016,426
Public Health	891,046	0	0	891,046
Transportation	2,055,172	0	0	2,055,172
Leisure Time Activities	2,450,543	0	0	2,450,543
Community Development	44,483	0	0	44,483
Basic Utility Service	2,016,470	0	0	2,016,470
Capital Outlay	47,777	0	931,503	979,280
Debt Service:				
Principal Retirement	0	40,000	230,000	270,000
Interest and Fiscal Charges	0	10,475	26,446	36,921
Total Expenditures	10,079,285	50,475	1,494,595	11,624,355
Excess of Revenue Over (Under)				
Expenditures	(3,437,477)	(7,590)	(79,888)	(3,524,955)
Other Financing Sources:				
Transfers - In	5,650,000	10,000	964,925	6,624,925
Net Change in Fund Balances	2,212,523	2,410	885,037	3,099,970
Fund Balances at				
Beginning of Year, Restated (see Note 3)	2,476,835	3,954	2,036,837	4,517,626
Fund Balances at End of Year	\$ 4,689,358	\$ 6,364	\$ 2,921,874	\$ 7,617,596

City of Rocky River, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds

December 31, 2020

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education	Municipal Probation Services
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 147,316	\$ 9,573	\$ 182,523	\$ 26,293	\$ 87,862
Restricted Cash	0	0	0	0	0
Accounts Receivable	0	0	0	0	12,767
Intergovernmental Receivable	0	5	1,029	0	200
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Assets	884	143	0	0	2,713
Property Taxes Receivable	0	0	0	0	0
Total Assets	\$ 148,200	\$ 9,721	\$ 183,552	\$ 26,293	\$ 103,542
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	392	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	56	0	0	0
Payables from Restricted Assets	0	0	0	0	0
Unearned Revenue	0	0	0	0	0
Advances from Other Funds	0	0	0	0	0
Total Liabilities	0	448	0	0	0
Deferred Inflows of Resources:					
Property Taxes	0	0	0	0	0
Unavailable Revenue	0	5	0	0	200
Total Deferred Inflows of Resources	0	5	0	0	200
Fund Balances:					
Nonspendable	884	143	0	0	2,713
Restricted	147,316	9,125	183,552	26,293	100,629
Unassigned	0	0	0	0	0
Total Fund Balances	148,200	9,268	183,552	26,293	103,342
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 148,200	\$ 9,721	\$ 183,552	\$ 26,293	\$ 103,542

Federal Emergency Management Agency	Office on Aging	Coronavirus Relief	Recreation Center	Marine Patrol	Community Impacts	Refuse and Recycling
\$ 47	\$ 496,825	\$ 1,539	\$ 1,045,608	\$ 13,021	\$ 3,312	\$ 1,054,902
0	0	0	0	0	0	0
0	0	0	4,034	0	0	0
0	26,389	258,461	27,548	20	0	52,938
0	17,585	0	4,191	0	0	4,693
0	16,803	0	39,938	250	0	14,721
0	393,496	0	393,496	0	0	786,998
<u>\$ 47</u>	<u>\$ 951,098</u>	<u>\$ 260,000</u>	<u>\$ 1,514,815</u>	<u>\$ 13,291</u>	<u>\$ 3,312</u>	<u>\$ 1,914,252</u>
\$ 0	\$ 0	\$ 0	\$ 26,281	\$ 3,408	\$ 0	\$ 49,020
0	14,439	0	47,181	0	0	47,124
0	0	260,000	0	0	0	0
0	6,595	0	18,873	0	0	14,727
0	0	0	0	0	0	0
0	0	0	3,024	0	0	0
0	0	0	250,000	0	0	0
0	21,034	260,000	345,359	3,408	0	110,871
0	378,099	0	378,099	0	0	756,205
0	41,786	258,461	42,945	20	0	83,731
0	419,885	258,461	421,044	20	0	839,936
0	34,388	0	44,129	250	0	19,414
47	475,791	0	704,283	9,613	3,312	944,031
0	0	(258,461)	0	0	0	0
47	510,179	(258,461)	748,412	9,863	3,312	963,445
<u>\$ 47</u>	<u>\$ 951,098</u>	<u>\$ 260,000</u>	<u>\$ 1,514,815</u>	<u>\$ 13,291</u>	<u>\$ 3,312</u>	<u>\$ 1,914,252</u>

City of Rocky River, Ohio

Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

December 31, 2020

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Indigent Driver Alcohol Monitoring
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 431,788	\$ 403,899	\$ 167,072	\$ 49,695
Restricted Cash	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	11,016	487,725	39,482	654
Materials and Supplies Inventory	0	97,352	0	0
Prepaid Assets	2,966	11,626	0	0
Property Taxes Receivable	0	0	0	0
Total Assets	\$ 445,770	\$ 1,000,602	\$ 206,554	\$ 50,349
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 26,736	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	10,996	47,002	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	4,040	14,348	0	0
Payables from Restricted Assets	0	0	0	0
Unearned Revenue	0	0	0	0
Advances from Other Funds	0	0	0	0
Total Liabilities	41,772	61,350	0	0
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	222	326,397	26,402	0
Total Deferred Inflows of Resources	222	326,397	26,402	0
Fund Balances:				
Nonspendable	2,966	108,978	0	0
Restricted	400,810	503,877	180,152	50,349
Unassigned	0	0	0	0
Total Fund Balances	403,776	612,855	180,152	50,349
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 445,770	\$ 1,000,602	\$ 206,554	\$ 50,349

<u>Fire Levy</u>	<u>Police Levy</u>	<u>Refundable Deposits</u>	<u>Building Standards Fee</u>	<u>Donations and Bequests</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 321,870	\$ 248,637	\$ 0	\$ 906	\$ 613,472	\$ 5,306,160
0	0	117,810	0	0	117,810
0	0	0	0	0	16,801
15,600	15,600	0	0	0	936,667
0	0	0	0	0	123,821
0	0	0	0	0	90,044
<u>236,096</u>	<u>236,096</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,046,182</u>
<u>\$ 573,566</u>	<u>\$ 500,333</u>	<u>\$ 117,810</u>	<u>\$ 906</u>	<u>\$ 613,472</u>	<u>\$ 8,637,485</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 105,445
0	0	0	0	0	167,134
0	0	0	0	0	260,000
100,146	89,965	0	0	0	248,750
0	0	117,810	0	0	117,810
0	0	0	0	0	3,024
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>250,000</u>
<u>100,146</u>	<u>89,965</u>	<u>117,810</u>	<u>0</u>	<u>0</u>	<u>1,152,163</u>
226,858	226,858	0	0	0	1,966,119
<u>24,838</u>	<u>24,838</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>829,845</u>
<u>251,696</u>	<u>251,696</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,795,964</u>
0	0	0	0	0	213,865
221,724	158,672	0	906	613,472	4,733,954
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(258,461)</u>
<u>221,724</u>	<u>158,672</u>	<u>0</u>	<u>906</u>	<u>613,472</u>	<u>4,689,358</u>
<u>\$ 573,566</u>	<u>\$ 500,333</u>	<u>\$ 117,810</u>	<u>\$ 906</u>	<u>\$ 613,472</u>	<u>\$ 8,637,485</u>

City of Rocky River, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For the Year Ended December 31, 2020

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education	Municipal Probation Services
Revenues:					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	24,123	0	0	0	0
Charges for Services	0	0	0	0	0
Fees, Fines and Permits	6,733	0	30,398	658	174,882
Investment Income	0	0	0	0	0
Rentals	0	0	0	0	0
Contributions	0	0	0	0	0
Other	0	0	0	0	0
Total Revenues	30,856	0	30,398	658	174,882
Expenditures:					
Current:					
General Government	0	0	0	0	165,173
Security of Persons and Property	16,666	5,489	11,326	0	0
Public Health	0	0	0	0	0
Transportation	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	0	0	0	0	0
Basic Utility Service	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	16,666	5,489	11,326	0	165,173
Excess of Revenues Over (Under)					
Expenditures	14,190	(5,489)	19,072	658	9,709
Other Financing Sources:					
Transfers - In	0	0	0	0	0
Net Change in Fund Balances	14,190	(5,489)	19,072	658	9,709
Fund Balances at					
Beginning of Year, Restated (see Note 3)	134,010	14,757	164,480	25,635	93,633
Fund Balances at End of Year	\$ 148,200	\$ 9,268	\$ 183,552	\$ 26,293	\$ 103,342

<u>Federal Emergency Management Agency</u>	<u>Office on Aging</u>	<u>Coronavirus Relief</u>	<u>Recreation Center</u>	<u>Marine Patrol</u>	<u>Community Impacts</u>	<u>Refuse and Recycling</u>
\$ 0	\$ 384,506	\$ 0	\$ 384,505	\$ 0	\$ 0	\$ 769,062
0	52,242	1,390,858	52,247	30,000	0	110,491
0	110,244	0	978,171	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	86,203	0	0	0
0	0	0	0	0	0	0
0	229	0	8,382	0	0	6,396
<u>0</u>	<u>547,221</u>	<u>1,390,858</u>	<u>1,509,508</u>	<u>30,000</u>	<u>0</u>	<u>885,949</u>
0	0	392,195	0	0	0	0
0	0	724,229	0	32,681	0	0
0	668,408	128,169	0	0	0	0
0	0	132,604	0	0	0	0
0	0	78,263	2,372,280	0	0	0
0	0	25,502	0	0	0	0
0	0	168,357	0	0	0	1,848,113
0	0	0	0	0	0	0
<u>0</u>	<u>668,408</u>	<u>1,649,319</u>	<u>2,372,280</u>	<u>32,681</u>	<u>0</u>	<u>1,848,113</u>
0	(121,187)	(258,461)	(862,772)	(2,681)	0	(962,164)
<u>0</u>	<u>450,000</u>	<u>0</u>	<u>1,795,000</u>	<u>10,000</u>	<u>0</u>	<u>1,450,000</u>
0	328,813	(258,461)	932,228	7,319	0	487,836
<u>47</u>	<u>181,366</u>	<u>0</u>	<u>(183,816)</u>	<u>2,544</u>	<u>3,312</u>	<u>475,609</u>
<u>\$ 47</u>	<u>\$ 510,179</u>	<u>\$ (258,461)</u>	<u>\$ 748,412</u>	<u>\$ 9,863</u>	<u>\$ 3,312</u>	<u>\$ 963,445</u>

City of Rocky River, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued) Nonmajor Special Revenue Funds

For the Year Ended December 31, 2020

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Indigent Drive Alcohol Monitoring
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	137,501	1,002,003	81,242	28,488
Charges for Services	0	0	0	0
Fees, Fines and Permits	0	0	0	0
Investment Income	0	0	0	0
Rentals	0	0	0	0
Contributions	0	0	0	0
Other	0	0	0	0
Total Revenues	137,501	1,002,003	81,242	28,488
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Public Health	0	0	0	0
Transportation	631,045	1,291,523	0	0
Leisure Time Activities	0	0	0	0
Community Development	0	0	0	0
Basic Utility Service	0	0	0	0
Capital Outlay	17,820	9,883	0	20,074
Total Expenditures	648,865	1,301,406	0	20,074
Excess of Revenues Over (Under)				
Expenditures	(511,364)	(299,403)	81,242	8,414
Other Financing Sources:				
Transfers - In	725,000	200,000	0	0
Net Change in Fund Balances	213,636	(99,403)	81,242	8,414
Fund Balances at				
Beginning of Year, Restated (see Note 3)	190,140	712,258	98,910	41,935
Fund Balances at End of Year	\$ 403,776	\$ 612,855	\$ 180,152	\$ 50,349

	Fire Levy	Police Levy	Refundable Deposits	Building Standards Fee	Donations and Bequests	Total Nonmajor Special Revenue Funds
\$	230,709	\$ 230,710	\$ 0	\$ 0	\$ 0	\$ 1,999,492
	31,347	31,347	0	0	0	2,971,889
	0	0	0	0	0	1,088,415
	0	0	14,600	4,822	0	232,093
	0	0	0	0	0	0
	0	0	0	0	0	86,203
	0	0	0	0	248,709	248,709
	0	0	0	0	0	15,007
	<u>262,056</u>	<u>262,057</u>	<u>14,600</u>	<u>4,822</u>	<u>248,709</u>	<u>6,641,808</u>
	0	0	0	0	0	557,368
	593,377	632,658	0	0	0	2,016,426
	0	0	0	0	94,469	891,046
	0	0	0	0	0	2,055,172
	0	0	0	0	0	2,450,543
	0	0	14,600	4,381	0	44,483
	0	0	0	0	0	2,016,470
	0	0	0	0	0	47,777
	<u>593,377</u>	<u>632,658</u>	<u>14,600</u>	<u>4,381</u>	<u>94,469</u>	<u>10,079,285</u>
	(331,321)	(370,601)	0	441	154,240	(3,437,477)
	<u>545,000</u>	<u>475,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,650,000</u>
	213,679	104,399	0	441	154,240	2,212,523
	<u>8,045</u>	<u>54,273</u>	<u>0</u>	<u>465</u>	<u>459,232</u>	<u>2,476,835</u>
\$	<u><u>221,724</u></u>	\$ <u><u>158,672</u></u>	\$ <u><u>0</u></u>	\$ <u><u>906</u></u>	\$ <u><u>613,472</u></u>	\$ <u><u>4,689,358</u></u>

City of Rocky River, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds

December 31, 2020

	Equipment Replacement	Municipal Court Capital Improvement	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 2,623,587	\$ 129,016	\$ 2,752,603
Intergovernmental Receivable	0	21,428	21,428
Prepaid Assets	3,047	653	3,700
Municipal Income Taxes Receivable	336,953	0	336,953
Total Assets	\$ 2,963,587	\$ 151,097	\$ 3,114,684
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 41,857	\$ 0	\$ 41,857
Accrued Wages and Benefits	0	616	616
Intergovernmental Payable	0	276	276
Total Liabilities	41,857	892	42,749
Deferred Inflows of Resources:			
Unavailable Revenue	149,910	151	150,061
Fund Balances:			
Nonspendable	3,047	653	3,700
Restricted	2,768,773	149,401	2,918,174
Total Fund Balances	2,771,820	150,054	2,921,874
Total Liabilities and Fund Balances	\$ 2,963,587	\$ 151,097	\$ 3,114,684

City of Rocky River, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds

For the Year Ended December 31, 2020

	Equipment Replacement	Municipal Court Capital Improvement	Total Nonmajor Capital Projects Funds
Revenues:			
Municipal Income Taxes	\$ 1,030,283	\$ 0	\$ 1,030,283
Intergovernmental	72,230	312,194	384,424
Total Revenues	<u>1,102,513</u>	<u>312,194</u>	<u>1,414,707</u>
Expenditures:			
Current:			
General Government	11,012	295,634	306,646
Capital Outlay	914,276	17,227	931,503
Debt Service:			
Principal Retirement	0	230,000	230,000
Interest and Fiscal Charges	11,196	15,250	26,446
Total Expenditures	<u>936,484</u>	<u>558,111</u>	<u>1,494,595</u>
Excess of Revenues Over (Under) Expenditures	166,029	(245,917)	(79,888)
Other Financing Sources:			
Transfers - In	964,925	0	964,925
Net Change in Fund Balances	1,130,954	(245,917)	885,037
Fund Balances at Beginning of Year	<u>1,640,866</u>	<u>395,971</u>	<u>2,036,837</u>
Fund Balances at End of Year	<u>\$ 2,771,820</u>	<u>\$ 150,054</u>	<u>\$ 2,921,874</u>

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, 2020

	Budget		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 4,609,990	\$ 4,811,497	\$ 4,845,044	\$ 33,547
Municipal Income Taxes	11,317,788	11,812,499	12,384,259	571,760
Other Local Taxes	84,315	88,000	24,534	(63,466)
Intergovernmental	1,072,788	1,119,681	1,115,388	(4,293)
Charges for Services	574,872	600,000	591,249	(8,751)
Fines, Fees, and Permits	2,924,036	3,051,850	1,821,625	(1,230,225)
Special Assessments	-	-	992	992
Investment Income	490,557	512,000	275,697	(236,303)
Rentals	145,635	152,000	117,992	(34,008)
Other	113,393	118,000	1,464,172	1,346,172
Total Revenues	<u>21,333,374</u>	<u>22,265,527</u>	<u>22,640,952</u>	<u>375,425</u>
Expenditures:				
Current:				
General Government:				
Council:				
Personal Service	123,200	123,200	122,741	459
Fringe Benefit	22,153	22,153	17,529	4,624
Other	8,166	8,166	2,608	5,558
Total Council	<u>153,519</u>	<u>153,519</u>	<u>142,878</u>	<u>10,641</u>
Mayor:				
Personal Service	149,400	149,400	140,054	9,346
Fringe Benefit	42,217	50,717	42,563	8,154
Other	13,884	13,884	9,689	4,195
Total Mayor	<u>205,501</u>	<u>214,001</u>	<u>192,306</u>	<u>21,695</u>
Finance Department:				
Personal Service	286,200	286,200	271,991	14,209
Fringe Benefit	94,617	94,617	71,400	23,217
Other	574,367	574,367	445,595	128,772
Total Finance Department	<u>955,184</u>	<u>955,184</u>	<u>788,986</u>	<u>166,198</u>
Law Director:				
Personal Service	111,500	111,500	111,215	285
Fringe Benefit	20,428	20,428	15,652	4,776
Other	81,166	81,166	32,241	48,925
Total Law Director	<u>213,094</u>	<u>213,094</u>	<u>159,108</u>	<u>53,986</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, 2020

	Budget		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Other Executive Administration:				
Personal Service	268,800	268,800	238,856	29,944
Fringe Benefit	181,893	181,893	144,253	37,640
Other	174,491	174,491	174,986	(495)
Total Other Executive Administration	625,184	625,184	558,095	67,089
Boards and Commissions:				
Personal Service	32,700	34,700	29,073	5,627
Fringe Benefit	5,786	5,786	1,524	4,262
Other	34,930	34,930	26,999	7,931
Total Boards and Commissions	73,416	75,416	57,596	17,820
Building Maintenance:				
Personal Service	400,800	400,800	110,620	290,180
Fringe Benefit	181,268	181,268	65,412	115,856
Other	554,323	554,323	384,535	169,788
Total Building Maintenance	1,136,391	1,136,391	560,567	575,824
Human Resources:				
Personal Service	82,300	82,300	81,739	561
Fringe Benefit	20,016	20,016	18,275	1,741
Other	40,133	40,133	31,309	8,824
Total Human Resources	142,449	142,449	131,323	11,126
Municipal Courts:				
Personal Service	833,300	833,300	633,348	199,952
Fringe Benefit	269,456	269,456	201,305	68,151
Other	119,900	119,900	27,590	92,310
Total Municipal Courts	1,222,656	1,222,656	862,243	360,413
Clerk of Courts:				
Personal Service	745,900	745,900	585,724	160,176
Fringe Benefit	292,106	292,106	219,823	72,283
Other	194,200	194,200	135,144	59,056
Total Clerk of Courts	1,232,206	1,232,206	940,691	291,515
Information Technology				
Personal Service	77,900	77,900	77,276	624
Fringe Benefit	14,659	14,659	11,596	3,063
Other	27,800	35,040	22,630	12,410
Total Information Technology	120,359	127,599	111,502	16,097

(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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Charter Review:				
Personal Service	3,800	3,800	3,000	800
Fringe Benefit	700	700	464	236
Other	3,850	3,850	1,000	2,850
Total Charter Review:	<u>8,350</u>	<u>8,350</u>	<u>4,464</u>	<u>3,886</u>
Miscellaneous:				
Fringe Benefit	6,793	6,793	102	6,691
Other	91,505	84,265	35,937	48,328
Total Miscellaneous	<u>98,298</u>	<u>91,058</u>	<u>36,039</u>	<u>55,019</u>
Total General Government	<u>6,186,607</u>	<u>6,197,107</u>	<u>4,545,798</u>	<u>1,651,309</u>
Security of Persons and Property:				
Police Department:				
Personal Service	3,936,200	3,936,200	3,587,667	348,533
Fringe Benefit	912,774	912,774	766,193	146,581
Other	674,988	674,988	440,627	234,361
Total Police Department	<u>5,523,962</u>	<u>5,523,962</u>	<u>4,794,487</u>	<u>729,475</u>
Fire Department:				
Personal Service	3,061,200	3,061,200	2,420,192	641,008
Fringe Benefit	797,735	797,735	612,072	185,663
Other	544,589	544,589	436,450	108,139
Total Fire Department	<u>4,403,524</u>	<u>4,403,524</u>	<u>3,468,714</u>	<u>934,810</u>
Police on Patrol Arresting Speeders:				
Personal Service	99,100	99,100	17,480	81,620
Fringe Benefit	2,394	2,394	215	2,179
Other	69,326	69,326	31,305	38,021
Total Police on Patrol Arresting Speeders	<u>170,820</u>	<u>170,820</u>	<u>49,000</u>	<u>121,820</u>
Total Security of Persons and Property	<u>10,098,306</u>	<u>10,098,306</u>	<u>8,312,201</u>	<u>1,786,105</u>
Transportation:				
Equipment Repair and Garage:				
Personal Service	577,000	577,000	417,676	159,324
Fringe Benefit	241,476	241,476	157,601	83,875
Other	217,164	217,164	130,080	87,084
Total Transportation	<u>1,035,640</u>	<u>1,035,640</u>	<u>705,357</u>	<u>330,283</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Leisure Time Activities:				
Parks Department:				
Personal Service	378,400	378,400	291,238	87,162
Fringe Benefit	137,119	137,119	110,702	26,417
Other	162,449	162,449	100,728	61,721
Total Leisure Time Activities	<u>677,968</u>	<u>677,968</u>	<u>502,668</u>	<u>175,300</u>
Community Development:				
Engineering:				
Other	47,729	47,729	45,603	2,126
Building:				
Personal Service	329,800	329,800	281,055	48,745
Fringe Benefit	186,277	186,277	103,068	83,209
Other	135,039	135,039	73,742	61,297
Total Building	<u>651,116</u>	<u>651,116</u>	<u>457,865</u>	<u>193,251</u>
Economic Development:				
Other	96,532	96,532	92,164	4,368
Total Community Development	<u>795,377</u>	<u>795,377</u>	<u>595,632</u>	<u>199,745</u>
Total Expenditures	<u>18,793,898</u>	<u>18,804,398</u>	<u>14,661,656</u>	<u>4,142,742</u>
Excess of Revenues Over Expenditures	<u>2,539,476</u>	<u>3,461,129</u>	<u>7,979,296</u>	<u>4,518,167</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	11,497	12,000	24,343	12,343
Advances - In	47,906	50,000	0	(50,000)
Transfers - Out	(7,682,000)	(7,682,000)	(6,970,000)	712,000
Advances - Out	-	-	(260,000)	(260,000)
Total Other Financing Sources (Uses)	<u>(7,622,597)</u>	<u>(7,620,000)</u>	<u>(7,205,657)</u>	<u>414,343</u>
Net Change in Fund Balance	(5,083,121)	(4,158,871)	773,639	4,932,510
Fund Balance at Beginning of Year	4,316,216	4,316,216	4,316,216	0
Prior Year Encumbrances Appropriated	<u>182,053</u>	<u>182,053</u>	<u>182,053</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (584,852)</u>	<u>\$ 339,398</u>	<u>\$ 5,271,908</u>	<u>\$ 4,932,510</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfers - In	\$ 697,000	\$ 697,000	\$ 0	\$ (697,000)
Transfers - Out	<u>(345,000)</u>	<u>(345,000)</u>	<u>0</u>	<u>345,000</u>
Net Changes in Fund Balances	352,000	352,000	0	(352,000)
Fund Balance at Beginning of Year	<u>688,290</u>	<u>688,290</u>	<u>688,290</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,040,290</u>	<u>\$ 1,040,290</u>	<u>\$ 688,290</u>	<u>\$ (352,000)</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 142,030	\$ 595,709	\$ 599,876	\$ 4,167
Intergovernmental	19,588	82,158	81,504	(654)
Total Revenues	<u>161,618</u>	<u>677,867</u>	<u>681,380</u>	<u>3,513</u>
Expenditures:				
Debt Service:				
Principal Retirement	7,735,000	7,735,000	7,735,000	0
Interest and fiscal charges	301,800	301,000	300,987	13
Issuance Costs	0	25,800	25,798	2
Total Expenditures	<u>8,036,800</u>	<u>8,061,800</u>	<u>8,061,785</u>	<u>15</u>
Excess of Revenues (Under) Over Expenditures	(7,875,182)	(7,383,933)	(7,380,405)	3,528
Other Financing Sources:				
Insurance Proceeds	0	0	744,453	744,453
Note Proceeds	1,561,668	6,550,000	6,000,000	(550,000)
Premium on Debt	0	0	34,056	34,056
Transfers - In	214,580	900,000	910,000	10,000
Total Other Financing Sources	<u>1,776,248</u>	<u>7,450,000</u>	<u>7,688,509</u>	<u>238,509</u>
Net Change in Fund Balance	(6,098,934)	66,067	308,104	242,037
Fund Balance at Beginning of Year	<u>24,273</u>	<u>24,273</u>	<u>24,273</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (6,074,661)</u></u>	<u><u>\$ 90,340</u></u>	<u><u>\$ 332,377</u></u>	<u><u>\$ 242,037</u></u>

City of Rocky River, Ohio

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

Capital Improvement Fund

For the Year Ended December 31, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 1,339,546	\$ 763,728	\$ 769,063	\$ 5,335
Municipal Income Taxes	4,627,155	2,638,124	2,072,225	(565,899)
Other Local Taxes	438,489	250,000	300,626	50,626
Intergovernmental	1,412,518	805,332	182,124	(623,208)
Investment Income	175,396	100,000	39,815	(60,185)
Other	1,530,397	872,540	96,142	(776,398)
Total Revenues	<u>9,523,501</u>	<u>5,429,724</u>	<u>3,459,995</u>	<u>(1,969,729)</u>
Expenditures:				
Current:				
General Government	81,000	81,000	22,358	58,642
Capital Outlay	23,318,710	23,318,710	15,359,357	7,959,353
Debt Service:				
Principal retirement	13,906	13,906	0	13,906
Total Expenditures	<u>23,413,616</u>	<u>23,413,616</u>	<u>15,381,715</u>	<u>8,031,901</u>
Excess of Revenues (Under) Over Expenditures	(13,890,115)	(17,983,892)	(11,921,720)	6,062,172
Other Financing Sources (Uses):				
Sale of Debt	7,015,825	4,000,000	3,900,000	(100,000)
Transfers - In	2,543,237	1,450,000	200,000	(1,250,000)
Total Other Financing Sources (Uses)	<u>9,559,062</u>	<u>5,450,000</u>	<u>4,100,000</u>	<u>(1,350,000)</u>
Net Change in Fund Balance	(4,331,053)	(12,533,892)	(7,821,720)	4,712,172
Fund Balance at Beginning of Year	7,831,599	7,831,599	7,831,599	0
Prior Year Encumbrances Appropriated	<u>5,585,209</u>	<u>5,585,209</u>	<u>5,585,209</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,085,755</u>	<u>\$ 882,916</u>	<u>\$ 5,595,088</u>	<u>\$ 4,712,172</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 46,200	\$ 46,200	\$ 24,123	\$ (22,077)
Fines, Fees, and Permits	10,000	10,000	6,733	(3,267)
Total Revenues	<u>56,200</u>	<u>56,200</u>	<u>30,856</u>	<u>(25,344)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	51,200	51,200	0	51,200
Fringe Benefits	2,380	2,380	0	2,380
Other	114,073	114,073	39,475	74,598
Total Expenditures	<u>167,653</u>	<u>167,653</u>	<u>39,475</u>	<u>128,178</u>
Net Change in Fund Balance	(111,453)	(111,453)	(8,619)	102,834
Fund Balance at Beginning of Year	120,771	120,771	120,771	0
Prior Year Encumbrances Appropriated	<u>13,307</u>	<u>13,307</u>	<u>13,307</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 22,625</u>	<u>\$ 22,625</u>	<u>\$ 125,459</u>	<u>\$ 102,834</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,400	\$ 5,400	\$ 0	\$ (5,400)
Total Revenues	<u>5,400</u>	<u>5,400</u>	<u>0</u>	<u>(5,400)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	8,200	8,200	4,882	3,318
Fringe Benefits	1,528	1,528	237	1,291
Other	405	405	77	328
Total Expenditures	<u>10,133</u>	<u>10,133</u>	<u>5,196</u>	<u>4,937</u>
Net Change in Fund Balance	(4,733)	(4,733)	(5,196)	(463)
Fund Balance at Beginning of Year	<u>14,769</u>	<u>14,769</u>	<u>14,769</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,036</u>	<u>\$ 10,036</u>	<u>\$ 9,573</u>	<u>\$ (463)</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 45,000	\$ 60,000	\$ 30,684	\$ (29,316)
Total Revenues	<u>45,000</u>	<u>60,000</u>	<u>30,684</u>	<u>(29,316)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Other	60,000	60,000	11,326	48,674
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>11,326</u>	<u>48,674</u>
Net Change in Fund Balance	(15,000)	0	19,358	19,358
Fund Balance at Beginning of Year	<u>163,165</u>	<u>163,165</u>	<u>163,165</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 148,165</u>	<u>\$ 163,165</u>	<u>\$ 182,523</u>	<u>\$ 19,358</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 3,000	\$ 3,000	\$ 658	\$ (2,342)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>658</u>	<u>(2,342)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Other	15,000	15,000	0	15,000
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Net Change in Fund Balance	(12,000)	(12,000)	658	12,658
Fund Balance at Beginning of Year	<u>25,635</u>	<u>25,635</u>	<u>25,635</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,635</u>	<u>\$ 13,635</u>	<u>\$ 26,293</u>	<u>\$ 12,658</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 235,000	\$ 225,000	\$ 174,672	\$ (50,328)
Total Revenues	<u>235,000</u>	<u>225,000</u>	<u>174,672</u>	<u>(50,328)</u>
Expenditures:				
Current:				
General Government:				
Personal Service	157,300	157,300	150,000	7,300
Fringe Benefits	38,855	38,855	1,037	37,818
Other	90,100	90,100	20,003	70,097
Total Expenditures	<u>286,255</u>	<u>286,255</u>	<u>171,040</u>	<u>115,215</u>
Net Change in Fund Balance	(51,255)	(61,255)	3,632	64,887
Fund Balance at Beginning of Year	<u>84,230</u>	<u>84,230</u>	<u>84,230</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 32,975</u>	<u>\$ 22,975</u>	<u>\$ 87,862</u>	<u>\$ 64,887</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 352,915	\$ 381,865	\$ 384,506	\$ 2,641
Intergovernmental	48,672	52,665	52,242	(423)
Charges for Services	363,474	422,000	107,824	(314,176)
Other	6,469	7,000	229	(6,771)
Total Revenues	<u>771,530</u>	<u>863,530</u>	<u>544,801</u>	<u>(318,729)</u>
Expenditures:				
Current:				
Public Health Services:				
Personal Service	573,600	573,600	359,365	214,235
Fringe Benefits	191,095	191,095	103,504	87,591
Other	638,078	638,078	244,665	393,413
Total Expenditures	<u>1,402,773</u>	<u>1,402,773</u>	<u>707,534</u>	<u>695,239</u>
Excess of Revenues (Under) Over Expenditures	(631,243)	(539,243)	(162,733)	376,510
Other Financing Sources:				
Transfers - In	<u>350,000</u>	<u>350,000</u>	<u>450,000</u>	<u>100,000</u>
Net Change in Fund Balance	(281,243)	(189,243)	287,267	476,510
Fund Balance at Beginning of Year	157,215	157,215	157,215	0
Prior Year Encumbrances Appropriated	<u>38,651</u>	<u>38,651</u>	<u>38,651</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (85,377)</u>	<u>\$ 6,623</u>	<u>\$ 483,133</u>	<u>\$ 476,510</u>

City of Rocky River, Ohio

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

Coronavirus Relief Fund

For the Year Ended December 31, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 0	\$ 1,649,319	\$ 1,390,858	\$ (258,461)
Total Revenues	<u>0</u>	<u>1,649,319</u>	<u>1,390,858</u>	<u>(258,461)</u>
Expenditures:				
Current:				
General Government:				
Personal Service	0	240,843	240,843	0
Fringe Benefits	0	91,581	91,581	0
Other	0	49,771	59,771	(10,000)
Total General Government	<u>0</u>	<u>382,195</u>	<u>392,195</u>	<u>(10,000)</u>
Security of Persons and Property:				
Personal Service	0	505,484	505,484	0
Fringe Benefits	0	212,226	212,226	0
Other	0	11,519	6,519	5,000
Total Security of Persons and Property	<u>0</u>	<u>729,229</u>	<u>724,229</u>	<u>5,000</u>
Public Health:				
Personal Service	0	89,390	89,390	0
Fringe Benefits	0	35,513	35,513	0
Other	0	8,266	3,266	5,000
Total Public Health	<u>0</u>	<u>133,169</u>	<u>128,169</u>	<u>5,000</u>
Transportation:				
Personal Service	0	88,873	88,873	0
Fringe Benefits	0	40,847	40,847	0
Other	0	2,884	2,884	0
Total Transportation	<u>0</u>	<u>132,604</u>	<u>132,604</u>	<u>0</u>
Leisure Time Activities:				
Personal Service	0	50,028	50,028	0
Fringe Benefits	0	20,009	20,009	0
Other	0	8,226	8,226	0
Total Leisure Time Activities	<u>0</u>	<u>78,263</u>	<u>78,263</u>	<u>0</u>
Community Development:				
Personal Service	0	17,197	17,197	0
Fringe Benefits	0	8,305	8,305	0
Total Community Development	<u>0</u>	<u>25,502</u>	<u>25,502</u>	<u>0</u>

(Continued)

City of Rocky River, Ohio

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

Coronavirus Relief Fund (Continued)

For the Year Ended December 31, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Basic Utility Service:				
Personal Service	0	116,058	116,058	0
Fringe Benefits	0	52,299	52,299	0
Total Basic Utility Service	0	168,357	168,357	0
Total Expenditures	0	1,649,319	1,649,319	0
Excess of Revenues (Under) Over Expenditures	0	0	(258,461)	(258,461)
Other Financing Sources (Uses):				
Advance - In	0	0	260,000	260,000
Net Change in Fund Balances	0	0	1,539	1,539
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 1,539	\$ 1,539

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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 366,502	\$ 381,865	\$ 384,505	\$ 2,640
Intergovernmental	50,546	52,665	52,247	(418)
Charges for Services	2,045,071	2,130,801	981,307	(1,149,494)
Rentals	349,951	364,620	86,203	(278,417)
Other	21,595	22,500	8,382	(14,118)
Total Revenues	<u>2,833,665</u>	<u>2,952,451</u>	<u>1,512,644</u>	<u>(1,439,807)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Personal Service	1,717,100	1,717,100	1,205,504	511,596
Fringe Benefits	533,936	533,936	396,824	137,112
Other	1,391,674	1,441,674	977,185	464,489
Total Expenditures	<u>3,642,710</u>	<u>3,692,710</u>	<u>2,579,513</u>	<u>1,113,197</u>
Excess of Revenues (Under) Over Expenditures	(809,045)	(740,259)	(1,066,869)	(326,610)
Other Financing Sources (Uses):				
Transfers - In	431,895	450,000	1,795,000	1,345,000
Advance - Out	(50,000)	0	0	0
Total Other Financing Sources (Uses)	<u>381,895</u>	<u>450,000</u>	<u>1,795,000</u>	<u>1,345,000</u>
Net Change in Fund Balances	(427,150)	(290,259)	728,131	1,018,390
Fund Balance at Beginning of Year	155,276	155,276	155,276	0
Prior Year Encumbrances Appropriated	<u>62,476</u>	<u>62,476</u>	<u>62,476</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (209,398)</u>	<u>\$ (72,507)</u>	<u>\$ 945,883</u>	<u>\$ 1,018,390</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	14,400	14,400	14,321	79
Fringe Benefits	2,541	2,541	204	2,337
Other	22,945	22,945	17,698	5,247
Total Expenditures	<u>39,886</u>	<u>39,886</u>	<u>32,223</u>	<u>7,663</u>
Excess of Revenues (Under) Over Expenditures	(9,886)	(9,886)	(2,223)	7,663
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	114	114	7,777	7,663
Fund Balance at Beginning of Year	2,426	2,426	2,426	0
Prior Year Encumbrances Appropriated	<u>145</u>	<u>145</u>	<u>145</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,685</u>	<u>\$ 2,685</u>	<u>\$ 10,348</u>	<u>\$ 7,663</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 763,728	\$ 763,728	\$ 769,062	\$ 5,334
Intergovernmental	110,332	110,332	110,491	159
Charges for Services	7,000	7,000	-	(7,000)
Other	22,000	22,000	6,396	(15,604)
Total Revenues	<u>903,060</u>	<u>903,060</u>	<u>885,949</u>	<u>(17,111)</u>
Expenditures:				
Current:				
Basic Utilities Service:				
Personal Service	998,000	998,000	803,351	194,649
Fringe Benefits	409,481	409,481	326,752	82,729
Other	1,031,541	1,031,541	819,217	212,324
Total Expenditures	<u>2,439,022</u>	<u>2,439,022</u>	<u>1,949,320</u>	<u>489,702</u>
Excess of Revenues (Under) Over Expenditures	(1,535,962)	(1,535,962)	(1,063,371)	472,591
Other Financing Sources:				
Transfers - In	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,450,000</u>	<u>450,000</u>
Net Change in Fund Balance	(535,962)	(535,962)	386,629	922,591
Fund Balance at Beginning of Year	519,175	519,175	519,175	0
Prior Year Encumbrances Appropriated	<u>68,344</u>	<u>68,344</u>	<u>68,344</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 51,557</u>	<u>\$ 51,557</u>	<u>\$ 974,148</u>	<u>\$ 922,591</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 81,000	\$ 141,000	\$ 137,976	\$ (3,024)
Total Revenues	<u>81,000</u>	<u>141,000</u>	<u>137,976</u>	<u>(3,024)</u>
Expenditures:				
Current:				
Transportation:				
Personal Service	231,700	231,700	200,201	31,499
Fringe Benefits	145,088	145,088	63,881	81,207
Other	443,262	443,262	412,733	30,529
Total Transportation	<u>820,050</u>	<u>820,050</u>	<u>676,815</u>	<u>143,235</u>
Capital Outlay	20,000	20,000	17,820	2,180
Total Expenditures	<u>840,050</u>	<u>840,050</u>	<u>694,635</u>	<u>145,415</u>
Excess of Revenues (Under) Over Expenditures	(759,050)	(699,050)	(556,659)	142,391
Other Financing Sources:				
Transfers - In	<u>360,000</u>	<u>625,000</u>	<u>725,000</u>	<u>100,000</u>
Net Change in Fund Balance	(399,050)	(74,050)	168,341	242,391
Fund Balance at Beginning of Year	192,606	192,606	192,606	0
Prior Year Encumbrances Appropriated	<u>22,002</u>	<u>22,002</u>	<u>22,002</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (184,442)</u></u>	<u><u>\$ 140,558</u></u>	<u><u>\$ 382,949</u></u>	<u><u>\$ 242,391</u></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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,154,797	\$ 1,155,369	\$ 1,017,392	\$ (137,977)
Total Revenues	<u>1,154,797</u>	<u>1,155,369</u>	<u>1,017,392</u>	<u>(137,977)</u>
Expenditures:				
Current:				
Transportation:				
Personal Service	795,500	795,500	619,795	175,705
Fringe Benefits	358,022	358,022	240,657	117,365
Other	730,998	730,998	431,897	299,101
Total Transportation	<u>1,884,520</u>	<u>1,884,520</u>	<u>1,292,349</u>	<u>592,171</u>
Capital Outlay	12,925	12,925	9,883	3,042
Total Expenditures	<u>1,897,445</u>	<u>1,897,445</u>	<u>1,302,232</u>	<u>595,213</u>
Excess of Revenues (Under) Over Expenditures	(742,648)	(742,076)	(284,840)	457,236
Other Financing Sources:				
Transfers - In	<u>599,703</u>	<u>600,000</u>	<u>200,000</u>	<u>(400,000)</u>
Net Change in Fund Balance	(142,945)	(142,076)	(84,840)	57,236
Fund Balance at Beginning of Year	399,709	399,709	399,709	0
Prior Year Encumbrances Appropriated	<u>48,229</u>	<u>48,229</u>	<u>48,229</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 304,993</u>	<u>\$ 305,862</u>	<u>\$ 363,098</u>	<u>\$ 57,236</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 92,400	\$ 92,517	\$ 82,491	\$ (10,026)
Total Revenues	<u>92,400</u>	<u>92,517</u>	<u>82,491</u>	<u>(10,026)</u>
Expenditures:				
Current:				
Transportation:				
Other	83,300	83,300	300	83,000
Total Expenditures	<u>83,300</u>	<u>83,300</u>	<u>300</u>	<u>83,000</u>
Net Change in Fund Balance	9,100	9,217	82,191	72,974
Fund Balance at Beginning of Year	84,281	84,281	84,281	0
Prior Year Encumbrances Appropriated	<u>300</u>	<u>300</u>	<u>300</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 93,681</u>	<u>\$ 93,798</u>	<u>\$ 166,772</u>	<u>\$ 72,974</u>

City of Rocky River, Ohio

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

Indigent Drive Alcohol Monitoring Fund

For the Year Ended December 31, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 0	\$ 35,000	\$ 28,515	\$ (6,485)
Total Revenues	<u>0</u>	<u>35,000</u>	<u>28,515</u>	<u>(6,485)</u>
Expenditures:				
Capital Outlay	45,000	45,000	20,074	24,926
Total Expenditures	<u>45,000</u>	<u>45,000</u>	<u>20,074</u>	<u>24,926</u>
Net Change in Fund Balance	(45,000)	(10,000)	8,441	18,441
Fund Balance at Beginning of Year	<u>41,254</u>	<u>41,254</u>	<u>41,254</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (3,746)</u></u>	<u><u>\$ 31,254</u></u>	<u><u>\$ 49,695</u></u>	<u><u>\$ 18,441</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 286,456	\$ 279,118	\$ 230,709	\$ (48,409)
Intergovernmental	44,262	31,600	31,347	(253)
Total Revenues	<u>330,718</u>	<u>310,718</u>	<u>262,056</u>	<u>(48,662)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fringe Benefits	759,500	759,500	576,241	183,259
Total Expenditures	<u>759,500</u>	<u>759,500</u>	<u>576,241</u>	<u>183,259</u>
Excess of Revenues (Under) Over Expenditures	(428,782)	(448,782)	(314,185)	134,597
Other Financing Sources:				
Transfers - In	<u>450,000</u>	<u>450,000</u>	<u>545,000</u>	<u>95,000</u>
Net Change in Fund Balance	21,218	1,218	230,815	229,597
Fund Balance at Beginning of Year	<u>91,055</u>	<u>91,055</u>	<u>91,055</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 112,273</u>	<u>\$ 92,273</u>	<u>\$ 321,870</u>	<u>\$ 229,597</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 314,642	\$ 279,118	\$ 230,710	\$ (48,408)
Intergovernmental	96,076	31,600	31,347	(253)
Total Revenues	<u>410,718</u>	<u>310,718</u>	<u>262,057</u>	<u>(48,661)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fringe Benefits	754,000	754,000	617,787	136,213
Total Expenditures	<u>754,000</u>	<u>754,000</u>	<u>617,787</u>	<u>136,213</u>
Excess of Revenues (Under) Over Expenditures	(343,282)	(443,282)	(355,730)	87,552
Other Financing Sources:				
Transfers - In	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>0</u>
Net Change in Fund Balance	131,718	31,718	119,270	87,552
Fund Balance at Beginning of Year	<u>129,367</u>	<u>129,367</u>	<u>129,367</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 261,085</u>	<u>\$ 161,085</u>	<u>\$ 248,637</u>	<u>\$ 87,552</u>

City of Rocky River, Ohio

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

Refundable Deposits

For the Year Ended December 31, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 9,000	\$ 9,000	\$ 14,600	\$ 5,600
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>14,600</u>	<u>5,600</u>
Expenditures:				
Current:				
Community Development:				
Building:				
Other	35,600	35,600	1,400	34,200
Total Expenditures	<u>35,600</u>	<u>35,600</u>	<u>1,400</u>	<u>34,200</u>
Net Change in Fund Balance	(26,600)	(26,600)	13,200	39,800
Fund Balance at Beginning of Year	<u>104,610</u>	<u>104,610</u>	<u>104,610</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 78,010</u>	<u>\$ 78,010</u>	<u>\$ 117,810</u>	<u>\$ 39,800</u>

City of Rocky River, Ohio

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

Building Standards Fee

For the Year Ended December 31, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 8,000	\$ 8,000	\$ 4,822	\$ (3,178)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>4,822</u>	<u>(3,178)</u>
Expenditures:				
Current:				
Community Development:				
Building:				
Other	8,081	8,081	4,620	3,461
Total Expenditures	<u>8,081</u>	<u>8,081</u>	<u>4,620</u>	<u>3,461</u>
Net Change in Fund Balance	(81)	(81)	202	283
Fund Balance at Beginning of Year	<u>465</u>	<u>465</u>	<u>465</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 384</u>	<u>\$ 384</u>	<u>\$ 667</u>	<u>\$ 283</u>

City of Rocky River, Ohio

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

Donations and Bequests

For the Year Ended December 31, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions	\$ 20,000	\$ 20,000	\$ 248,709	\$ 228,709
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>248,709</u>	<u>228,709</u>
Expenditures:				
Current:				
Public Health Services:				
Senior Center				
Other	287,408	287,408	156,301	131,107
Total Expenditures	<u>287,408</u>	<u>287,408</u>	<u>156,301</u>	<u>131,107</u>
Net Change in Fund Balance	(267,408)	(267,408)	92,408	359,816
Fund Balance at Beginning of Year	<u>518,806</u>	<u>518,806</u>	<u>518,806</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 251,398</u>	<u>\$ 251,398</u>	<u>\$ 611,214</u>	<u>\$ 359,816</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 51,458	\$ 50,100	\$ 42,885	\$ (7,215)
Total Revenues	<u>51,458</u>	<u>50,100</u>	<u>42,885</u>	<u>(7,215)</u>
Expenditures:				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and fiscal charges	11,950	11,950	10,475	1,475
Total Expenditures	<u>51,950</u>	<u>51,950</u>	<u>50,475</u>	<u>1,475</u>
Excess of Revenues (Under) Over Expenditures	(492)	(1,850)	(7,590)	(5,740)
Other Financing Sources:				
Transfers - In	<u>20,542</u>	<u>20,000</u>	<u>10,000</u>	<u>(10,000)</u>
Net Change in Fund Balance	20,050	18,150	2,410	(15,740)
Fund Balance at Beginning of Year	<u>3,954</u>	<u>3,954</u>	<u>3,954</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,004</u>	<u>\$ 22,104</u>	<u>\$ 6,364</u>	<u>\$ (15,740)</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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 902,834	\$ 1,299,373	\$ 1,020,648	\$ (278,725)
Intergovernmental	48,637	70,000	72,230	2,230
Other	173,706	250,000	0	(250,000)
Total Revenues	<u>1,125,177</u>	<u>1,619,373</u>	<u>1,092,878</u>	<u>(526,495)</u>
Expenditures:				
General Government:				
Other	42,000	42,000	11,012	30,988
Capital Outlay	4,103,833	4,103,833	1,285,664	2,818,169
Total Expenditures	<u>4,145,833</u>	<u>4,145,833</u>	<u>1,296,676</u>	<u>2,849,157</u>
Excess of Revenues (Under) Over Expenditures	(3,020,656)	(2,526,460)	(203,798)	2,322,662
Other Financing Sources:				
Transfers - In	<u>694,823</u>	<u>1,000,000</u>	<u>200,000</u>	<u>(800,000)</u>
Net Change in Fund Balance	(2,325,833)	(1,526,460)	(3,798)	1,522,662
Fund Balance at Beginning of Year	1,469,753	1,469,753	1,469,753	0
Prior Year Encumbrances Appropriated	<u>760,480</u>	<u>760,480</u>	<u>760,480</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (95,600)</u></u>	<u><u>\$ 703,773</u></u>	<u><u>\$ 2,226,435</u></u>	<u><u>\$ 1,522,662</u></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, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 334,000	\$ 651,000	\$ 315,925	\$ (335,075)
Investment Income	0	1,800	0	(1,800)
Total Revenues	<u>334,000</u>	<u>652,800</u>	<u>315,925</u>	<u>(336,875)</u>
Expenditures:				
Current:				
General Government:				
Personal Service	326,400	326,400	112,949	213,451
Fringe Benefits	69,928	69,928	26,516	43,412
Other	254,000	278,500	161,353	117,147
Total General Government	<u>650,328</u>	<u>674,828</u>	<u>300,818</u>	<u>374,010</u>
Capital Outlay	90,000	65,500	17,227	48,273
Debt Service:				
Principal Retirement	230,000	230,000	230,000	0
Interest and Fiscal Charges	15,250	15,250	15,250	0
Total Expenditures	<u>985,578</u>	<u>985,578</u>	<u>563,295</u>	<u>422,283</u>
Net Change in Fund Balance	(651,578)	(332,778)	(247,370)	85,408
Fund Balance at Beginning of Year	<u>376,386</u>	<u>376,386</u>	<u>376,386</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (275,192)</u></u>	<u><u>\$ 43,608</u></u>	<u><u>\$ 129,016</u></u>	<u><u>\$ 85,408</u></u>

City of Rocky River, Ohio

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

Sanitary Sewer Fund

For the Year Ended December 31, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 5,456,993	\$ 5,159,298	\$ 4,733,553	\$ (425,745)
Intergovernmental	563,607	507,920	22,346	(485,574)
Other	1,000	1,000	189	(811)
Total Revenues	<u>6,021,600</u>	<u>5,668,218</u>	<u>4,756,088</u>	<u>(912,130)</u>
Expenditures:				
Sewer Operations:				
Personal Services	572,000	572,000	486,597	85,403
Fringe Benefits	263,800	263,800	218,224	45,576
Materials And Supplies	186,509	133,209	89,521	43,688
Contractual Services	3,571,215	3,612,915	2,546,344	1,066,571
Heat, Light, And Power	24,290	24,290	21,987	2,303
Other	18,000	144,000	129,393	14,607
Total Sewer Operations	<u>4,635,814</u>	<u>4,750,214</u>	<u>3,492,066</u>	<u>1,258,148</u>
Capital Outlay	2,013,221	2,048,221	1,209,215	839,006
Debt Service:				
Principal Retirement	626,567	627,167	241,162	386,005
Interest and Fiscal Charges	1,400	1,400	591	809
Total Expenditures	<u>7,277,002</u>	<u>7,427,002</u>	<u>4,943,034</u>	<u>2,483,968</u>
Net Change in Fund Equity	(1,255,402)	(1,758,784)	(186,946)	1,571,838
Fund Equity at Beginning of Year	5,705,670	5,705,670	5,705,670	0
Prior Year Encumbrances Appropriated	<u>1,479,417</u>	<u>1,479,417</u>	<u>1,479,417</u>	<u>0</u>
Fund Equity at End of Year	<u>\$ 5,929,685</u>	<u>\$ 5,426,303</u>	<u>\$ 6,998,141</u>	<u>\$ 1,571,838</u>

City of Rocky River, Ohio

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

Self Insurance Fund

For the Year Ended December 31, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 3,016,084	\$ 3,278,402	\$ 3,185,676	\$ (92,726)
Total Revenues	<u>3,016,084</u>	<u>3,278,402</u>	<u>3,185,676</u>	<u>(92,726)</u>
Expenditures:				
Contractual Services	735,700	775,700	756,782	18,918
Claims	2,664,000	2,624,000	2,090,976	533,024
Total Expenditures	<u>3,399,700</u>	<u>3,399,700</u>	<u>2,847,758</u>	<u>551,942</u>
Net Change in Fund Equity	(383,616)	(121,298)	337,918	459,216
Fund Equity at Beginning of Year	395,721	395,721	395,721	0
Prior Year Encumbrances Appropriated	<u>529</u>	<u>529</u>	<u>529</u>	<u>0</u>
Fund Equity at End of Year	<u>\$ 12,634</u>	<u>\$ 274,952</u>	<u>\$ 734,168</u>	<u>\$ 459,216</u>

City of Rocky River, Ohio

Fiduciary Funds

Fund Descriptions

Custodial Funds

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.

Tri-City Park Fund – To account for financial transactions of the Tri-City Council of Governments.

City of Rocky River, Ohio

Combining Statement of Fiduciary Net Position Custodial Funds

December 31, 2020

	<u>Municipal Court</u>	<u>S.A.F.E.</u>	<u>Tri-City Park</u>	<u>Total</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 13,303	\$ 38,857	\$ 52,160
Cash and Cash Equivalents: In Segregated Accounts	<u>244,675</u>	<u>0</u>	<u>0</u>	<u>244,675</u>
Total Assets	<u>244,675</u>	<u>13,303</u>	<u>38,857</u>	<u>296,835</u>
Liabilities				
Undistributed Monies	0	0	0	0
Deposits Held and Due to Others	<u>244,675</u>	<u>0</u>	<u>0</u>	<u>244,675</u>
Total Liabilities	<u>244,675</u>	<u>0</u>	<u>0</u>	<u>244,675</u>
Net Position				
Restricted for Other Governments	<u>\$ 0</u>	<u>\$ 13,303</u>	<u>\$ 38,857</u>	<u>\$ 52,160</u>

City of Rocky River, Ohio

Combining Statement of Changes in Fiduciary Net Position Custodial Funds

For the Year Ended December 31, 2020

	Municipal Court	S.A.F.E.	Tri-City Park	Total
Additions				
Collections for Tri-City Park	\$ 0	\$ 0	\$ 67,038	\$ 67,038
Fines and Forfeitures for Others	3,304,374	0	0	3,304,374
Total Additions	3,304,374	0	67,038	3,371,412
Deductions				
Payments on Behalf of Tri-City Park	0	0	54,297	54,297
Municipal Court Expense and Distributions to Others	3,304,374	0	0	3,304,374
Total Deductions	3,304,374	0	54,297	3,358,671
Change in Net Position	0	0	12,741	12,741
Net Position Beginning of Year, Restated (See Note 3)	0	13,303	26,116	39,419
Net Position End of Year	\$ 0	\$ 13,303	\$ 38,857	\$ 52,160

STATISTICAL SECTION



City of Rocky River, Ohio

December 31, 2020

This part of the Comprehensive Annual Financial Report 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 Report for the relevant year.

City of Rocky River, Ohio

Net Position by Component – Last Ten Fiscal Years

Accrual Basis of Accounting

	2011	2012	2013 (a)	2014 (b)	2015	2016	2017 (c)	2018	2019 (d)	2020 (e)
Governmental Activities:										
Net Investment in Capital Assets	\$ 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	\$ 64,810,278
Restricted for:										
Capital Projects	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	11,087,760
Debt Services	735,700	264,133	863,940	869,385	944,069	698,441	540,879	387,087	267,982	512,769
Refuse and Recycling	0	157,985	230,386	119,601	377,763	456,101	680,801	411,657	550,878	1,047,176
Office on Aging	71,622	93,676	115,703	159,197	243,704	291,038	286,539	248,791	218,999	551,965
Street Construction and Maintenance	413,966	0	1,012,978	881,576	821,270	951,838	1,014,243	882,471	1,367,285	1,549,804
Recreation	0	0	0	0	0	0	0	0	0	791,357
Law Enforcement and Education	0	0	225,320	225,765	300,154	257,589	223,914	185,206	159,645	174,493
Fire and Police Pension	0	0	0	0	0	4,101	66,552	112,410	107,478	430,072
Security of Persons and Property	0	0	689,792	573,715	464,107	402,214	379,282	314,167	317,396	356,646
Donations and Bequests	0	0	0	0	0	0	0	0	0	613,472
Municipal Probation	353,444	0	0	0	0	0	0	0	0	0
Other Purposes	556,500	6,464,168	3,312	3,312	3,312	3,312	3,312	3,312	3,312	4,218
Unrestricted (Deficit)	<u>1,107,586</u>	<u>2,360,231</u>	<u>3,229,728</u>	<u>(12,221,978)</u>	<u>(10,876,056)</u>	<u>(12,079,600)</u>	<u>(30,032,353)</u>	<u>(34,059,046)</u>	<u>(29,207,557)</u>	<u>(30,114,837)</u>
Total Net Position – Governmental Activities	<u>39,055,589</u>	<u>45,201,293</u>	<u>48,584,745</u>	<u>36,998,525</u>	<u>40,335,242</u>	<u>41,974,234</u>	<u>28,712,307</u>	<u>31,233,620</u>	<u>42,487,905</u>	<u>51,815,173</u>
Business-Type Activities:										
Net Investment in Capital Assets	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	7,516,341
Unrestricted	<u>6,237,369</u>	<u>5,830,241</u>	<u>8,492,454</u>	<u>8,735,194</u>	<u>8,189,432</u>	<u>10,417,609</u>	<u>10,959,005</u>	<u>11,316,195</u>	<u>10,966,498</u>	<u>12,104,546</u>
Total Net Position – Business-Type Activities	<u>28,043,886</u>	<u>23,179,971</u>	<u>22,511,277</u>	<u>21,213,802</u>	<u>21,868,195</u>	<u>25,104,272</u>	<u>23,377,721</u>	<u>23,348,896</u>	<u>23,280,782</u>	<u>19,620,887</u>

(Continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

	2011	2012	2013 (a)	2014 (b)	2015	2016	2017 (c)	2018	2019 (d)	2020 (e)
Primary Government:										
Net Investment in Capital Assets	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	72,326,619
Restricted for:										
Capital Projects	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	11,087,760
Debt Services	735,700	264,133	863,940	869,385	944,069	698,441	540,879	387,087	267,982	512,769
Refuse and Recycling	0	157,985	230,386	119,601	377,763	456,101	680,801	411,657	550,878	1,047,176
Office on Aging	71,622	93,676	115,703	159,197	243,704	291,038	286,539	248,791	218,999	551,965
Street Construction and Maintenance	413,966	0	1,012,978	881,576	821,270	951,838	1,014,243	882,471	1,367,285	1,549,804
Recreation	0	0	0	0	0	0	0	0	0	791,357
Law Enforcement and Education	0	0	225,320	225,765	300,154	257,589	223,914	185,206	159,645	174,493
Fire and Police Pensions	0	0	0	0	0	4,101	66,552	112,410	107,478	430,072
Security of Persons and Property	0	0	689,792	573,715	464,107	402,214	379,282	314,167	317,396	356,646
Donations and Bequests	0	0	0	0	0	0	0	0	0	613,472
Municipal Probation	353,444	0	0	0	0	0	0	0	0	0
Other Purposes	556,500	6,464,168	3,312	3,312	3,312	3,312	3,312	3,312	3,312	4,218
Unrestricted	7,344,955	8,190,472	11,722,182	(3,486,784)	(2,686,624)	(1,661,991)	(19,073,348)	(22,742,851)	(18,241,059)	(18,010,291)

Total Primary Government

Net Position \$ 67,099,475 \$ 68,381,264 \$ 71,096,022 \$ 58,212,327 \$ 62,203,437 \$ 67,078,506 \$ 52,090,028 \$ 54,582,516 \$ 65,768,687 \$ 71,436,060

- (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) Balances as of December 31, 2019 were restated for implementation of GASB Statement No. 83.
- (e) Balances as of December 31, 2020 include the impact of implementing GASB Statement No. 84 and reclassifying certain funds from Agency Funds to Special Revenue Funds.

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

	2011	2012	2013 (a)	2014 (b)	2015	2016	2017 (c)	2018 (d)	2019	2020 (e)
Program revenues:										
Governmental Activities:										
Charges for Services:										
General Government\$	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	\$ 1,727,062
Security of Persons										
and Property	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	959,402
Public Health	542,072	536,596	610,187	578,496	371,903	347,508	381,637	425,143	312,758	104,922
Transportation	400	325	625	325	975	700	1,750	525	3,500	500
Leisure Time Activities	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	1,070,423
Community Development	200	250	150	225	325	175	350	175	575	23,976
Basic Utility Service	1,103,942	1,044,484	8,839	6,025	9,310	9,608	10,743	9,198	4,623	0
Operating Grants and Contributions:										
General Government	44,331	47,288	44,799	35,811	111,317	21,420	33,182	533,526	447,897	340,682
Security of Persons										
and Property	25,707	25,021	24,424	24,626	30,925	31,231	30,000	30,000	48,259	118,177
Public Health	0	0	0	0	0	0	0	0	0	300,951
Transportation	777,312	791,552	874,364	888,696	902,937	911,659	944,656	933,750	1,472,721	1,210,665
Leisure Time Activities	0	0	0	0	0	0	0	0	0	52,247
Basic Utility Service	86,220	86,123	86,083	83,952	85,407	91,485	91,166	91,011	105,370	110,491
Capital Grants and Contributions:										
General Government	864,849	936,187	606,549	3,579,488	512,763	551,723	536,375	57,969	127,470	57,558
Public Health	0	0	1,700	2,286	150,000	0	0	0	23,885	0
Transportation	0	1,976,093	0	0	0	0	0	2,318,717	0	0
Leisure Time Activities	0	0	0	0	0	0	0	45,000	135,934	0
Basic Utility Service	0	366,391	0	0	0	0	0	0	0	0
Total Governmental										
Activities Program										
Revenues	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	6,077,056
Business-Type Activities:										
Charges for Services:										
Sanitary Sewer Charges	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	4,774,031
Capital Grants and Contributions:										
Sanitary Sewer										
Charges	3,158,259	437,437	28,107	0	0	0	0	0	0	0
Total Business-Type										
Activities Program										
Revenues	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	4,781,381
Total Primary Government										
Program Revenues	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	10,858,437

(Continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

	2011	2012	2013 (a)	2014 (b)	2015	2016	2017 (c)	2018 (d)	2019	2020 (e)
Expenses										
Governmental activities:										
General Government	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	5,945,207
Security of Persons and Property	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	11,537,760
Public Health	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	973,703
Transportation	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	4,944,098
Leisure Time Activities	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	4,048,562
Community Development	673,807	760,476	714,344	651,553	509,093	444,184	565,535	612,083	732,960	641,072
Basic Utility Services	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	2,646,377
Interest and Fiscal Charges	687,642	677,987	703,744	411,086	306,989	301,011	271,054	240,917	260,577	295,315
Total Governmental Activities Expenses	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	31,032,094
Business-Type Activities:										
Sanitary Sewer Charges	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	4,413,526
Total Primary Government Program Expenses	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	35,445,620
General Revenues:										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	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	4,894,812
Recreation	300,648	281,777	295,395	299,553	298,146	326,994	330,679	329,638	486,249	388,455
Office on Aging	300,648	281,777	295,395	299,553	298,146	326,994	330,679	329,638	400,753	388,456
Refuse and Recycling	601,297	563,557	590,792	599,103	596,288	653,990	661,359	659,328	716,011	776,961
Fire Levy	180,663	170,963	178,222	183,804	179,415	196,176	198,424	197,799	240,467	233,079
Police Levy	181,671	170,963	178,222	181,945	179,415	196,176	198,424	197,799	240,468	233,080
Capital Improvements	601,297	563,557	590,792	599,103	596,289	653,990	661,359	659,328	801,506	776,962
General Obligation Bond Retirement	597,831	563,557	592,792	599,103	596,289	653,990	595,231	593,369	625,173	606,039
Municipal Taxes Levied for										
General Purposes	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	15,282,615
Other Local Taxes	234,169	194,790	245,913	288,364	353,691	434,582	349,173	284,922	340,060	341,978
Grants and Entitlements not Restricted to Specific Programs	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	3,011,858
Investment Earnings	8,162	7,499	8,083	21,536	27,452	81,375	190,263	314,231	582,984	188,166
Gain on Sale of Asset	0	0	0	0	0	0	0	0	0	24,343
Other	791,806	831,526	299,771	400,006	354,523	240,281	184,060	118,851	243,034	2,648,055
Transfers	0	4,736,952	0	1,365,188	(65,538)	(2,000,000)	2,974,188	838,994	(174,640)	4,027,750
Special Item	0	(4,554,583)	0	0	0	0	0	0	0	0
Total Governmental Activities General Revenues, Transfers, and Special Items	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	33,822,609

(Continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

	2011	2012	2013 (a)	2014 (b)	2015	2016	2017 (c)	2018 (d)	2019	2020 (e)
General Revenues (Continued):										
Business-Type Activities:										
Municipal Taxes Levied for										
General Purposes	0	0	0	0	0	0	1,225,620	1,265,712	0	0
Transfers	0	(4,736,952)	0	(1,365,188)	65,538	2,000,000	(2,974,188)	(838,994)	174,640	(4,027,750)
Total Business-Type Activities	0	(4,736,952)	0	(1,365,188)	65,538	2,000,000	(1,748,568)	426,718	174,640	(4,027,750)
General Revenues and										
Transfers	0	(4,736,952)	0	(1,365,188)	65,538	2,000,000	(1,748,568)	426,718	174,640	(4,027,750)
Total General Revenues, Transfers,										
and Special Items	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	29,794,859
Change in Net Position:										
Governmental Activities	(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	8,867,571
Business-Type Activities	2,921,123	(4,863,915)	678,160	(1,024,961)	654,393	3,236,077	(1,281,160)	2,820	(68,114)	(3,659,895)
Total Primary Government	\$ 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	\$ 5,207,676
Change in Net Position	\$ 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	\$ 5,207,676

(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, 2018 were reclassified in order to be comparative and provide an understanding of the changes in financial position and operations.

(e) Activity in 2020 includes the impact of implementing GASB Statement No. 84 and reclassifying certain funds from Agency Funds to Special Revenue Funds.

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City of Rocky River, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	2011	2012	2013 (a)	2014 (b)	2015	2016	2017	2018	2019	2020 (c)
General Fund										
Nonspendable	\$ 20,082	\$ 39,224	\$ 20,105	\$ 41,608	\$ 60,058	\$ 68,794	\$ 308,225	\$ 264,499	\$ 376,504	\$ 530,433
Assigned	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	5,518,138
Unassigned	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	2,958,768
Total General Fund	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	9,007,339
All Other Governmental Funds										
Nonspendable	117,404	134,826	97,529	160,495	159,099	189,435	286,568	215,544	185,245	217,565
Restricted	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	13,406,671
Unassigned (Deficit)	(627,575)	(504,079)	(385,379)	(482,711)	(289,493)	(307,565)	(99,613)	(155,823)	(187,826)	(5,961,001)
Total All Other Governmental Funds	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	7,663,235
Total Governmental Funds	\$ 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	\$ 16,670,574

(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.

(c) Balances as of December 31, 2020 include the impact of implementing GASB Statement No. 84 and reclassifying certain funds from Agency Funds to Special Revenue Funds.

City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

	2011	2012	2013 (a)	2014 (b)	2015	2016	2017	2018	2019	2020 (a)
Revenues										
Property Taxes	\$ 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	\$ 8,213,475
Municipal Income taxes	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	15,799,630
Other Local Taxes	234,169	194,790	245,913	288,364	353,691	434,582	349,173	338,535	331,284	338,005
Intergovernmental	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	4,740,543
Charges for Services	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	1,581,425
Fines, Fees, and Permits	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	2,042,742
Special Assessments	60,120	58,421	68,198	53,920	54,353	51,032	109,868	49,031	46,191	43,877
Investment Income	8,162	7,499	8,083	21,536	11,173	61,366	226,551	287,335	540,808	242,010
Rentals	86,230	93,229	91,044	92,875	96,495	108,389	97,587	106,462	311,672	204,195
Contributions	0	0	0	0	0	0	0	0	0	248,709
Other	792,765	834,019	300,334	400,006	354,523	240,740	184,060	1,283,026	206,806	1,840,508
Total Revenues	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	35,295,119
Expenditures										
Current:										
General Government	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	5,240,390
Security of Persons and Property	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	10,260,705
Public Health	1,281,566	1,061,178	1,239,240	1,153,116	993,557	899,726	963,653	1,005,754	1,078,986	891,046
Transportation	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	2,734,230
Leisure Time Activities	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	2,935,211
Community Development	807,866	766,902	737,752	669,155	655,520	478,221	512,785	533,033	583,696	574,491
Basic Utility Services	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	2,016,470
Capital Outlay	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	12,051,883
Debt Service										
Principal	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	1,255,000
Interest	716,098	685,370	626,374	423,666	354,653	331,358	302,630	270,679	269,211	300,105
Issuance Costs	74,864	0	0	128,353	0	0	0	0	23,634	25,798
Total Expenditures	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	38,285,329
Excess of Revenues Over (Under) Expenditures	(3,510,024)	1,139,252	2,377,176	472,436	1,632,988	3,315,721	2,418,336	872,541	(474,939)	(2,990,210)

(Continued)

City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

	2011	2012	2013 (a)	2014 (b)	2015	2016	2017	2018	2019	2020 (a)
Other Financing Sources (Uses)										
Proceeds from Sale of										
Capital Assets	0	14,615	2,059	17,646	11,985	13	16,741	425	0	24,343
Issuance of Debt	4,691,540	1,964,235	0	9,180,000	0	0	0	191,433	32,732	0
Premium on General										
Obligation Debt	52,694	0	0	592,633	0	0	0	0	39,691	0
Payment to Escrow	(2,812,830)	0	0	(9,644,280)	0	0	0	0	0	0
Insurance Proceeds	0	0	0	0	0	0	0	0	0	744,453
Transfers - In	3,680,000	3,994,000	5,108,000	3,353,300	4,798,300	3,030,000	4,123,000	4,225,000	6,450,000	13,854,250
Transfers - Out	(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)	(13,854,250)
Total Other Financing Sources	1,931,404	1,978,850	2,059	145,999	11,985	(1,999,987)	(383,259)	191,858	72,423	768,796
(Uses)										
Net Change in Fund Balances	\$ (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)	\$ (2,221,414)
Debt Service as a Percentage of Noncapital Expenditures	8.56%	7.88%	8.26%	8.43%	4.36%	6.37%	5.82%	5.72%	6.38%	5.81%

(a) Activity in 2020 includes the impact of implementing GASB Statement No. 84 and reclassifying certain funds from Agency Funds to Special Revenue Funds.

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)
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
2020/2021	874,056,390	2,497,303,971	11,827,610	13,440,466

(Continued)

Source: Cuyahoga County, Ohio; County Fiscal Officer

- (1) This amount is calculated for 2011 through 2020 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>
\$ 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
885,884,000	2,510,744,437	35.28	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					Rocky River School and Library	Cuyahoga County	Special(1) Taxing Districts	Total
	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Bond Service	Total				
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
2020	6.30	2.60	1.00	0.78	10.68	97.37	14.85	7.78	130.68

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>
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
2020	9,669,190	9,163,801	94.77	165,626

(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>
\$	7,364,842	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
	9,329,427	96.49	328,869	3.40

City of Rocky River, Ohio

Principal Taxpayers: Real Property and Public Utility Tax

As of December 31, 2020 and December 31, 2011

<u>Taxpayer</u>	<u>2020</u>	
	Real Property and Public Utility	Percent of Total
	Assessed Value	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	5,166,350	0.58
SRK Perrysburg Associates, LLC	4,670,750	0.53
Beachcliff Properties, LP	4,392,020	0.50
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>
<i>Totals</i>	\$ <u>50,364,830</u>	<u>5.69%</u>
<i>Total City Assessed Valuation</i>	\$ <u>885,884,000</u>	
<u>Taxpayer</u>	<u>2011</u>	
	Real Property and Public Utility	Percent of Total
	Assessed Value	Assessed Value
Westwood Town Center	\$ 7,274,720	1.07%
Normandy Association, LTD.	4,854,790	0.72
Westgate Mall, LLC	4,608,070	0.68
Cleveland Illuminating Company	4,431,800	0.65
Beachcliff Properties, LP	4,297,310	0.63
Presidential Apartments, LTD.	3,992,940	0.59
Westwood Country Club, Co.	3,262,770	0.48
Linden Apartment Company	2,548,600	0.38
Gross Management, Inc	2,500,790	0.37
SRK Perrysburg Association, LLC	<u>2,456,580</u>	<u>0.36</u>
<i>Totals</i>	\$ <u>40,228,370</u>	<u>5.93%</u>
<i>Total City Assessed Valuation</i>	\$ <u>678,705,910</u>	

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 of Personal Income (1)	Percentage Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	OPWC Loan	OWDA Loan	OPWC Loan	OWDA Loan	Primary Government		
2011	\$ 14,996,541	\$ 510,000	\$ 2,731,310	\$ 0	\$ 0	\$ 0	\$ 18,577,694	2.65%	\$ 961.82
2012	13,986,760	470,000	4,660,827	144,293	0	179,383	19,441,263	2.77	956.82
2013 ^(a)	12,759,145	430,000	0	0	6,199,329	237,698	19,626,172	2.80	970.97
2014	11,790,949	390,000	0	0	8,700,960	224,202	21,106,111	3.01	1,044.18
2015	11,061,896	350,000	0	0	9,264,658	132,247	20,808,801	2.97	1,029.48
2016	9,847,843	310,000	0	0	12,246,779	97,897	22,502,519	3.21	1,113.27
2017	8,603,790	270,000	0	0	13,154,483	75,080	22,103,353	3.15	1,093.52
2018	7,344,737	230,000	191,433	0	15,924,978	51,192	23,742,340	3.39	1,174.61
2019	6,050,684	190,000	224,165	0	15,649,778	26,183	22,140,810	4.12	1,429.32
2020	4,771,631	150,000	224,165	0	15,449,795	0	20,595,591	2.94	1,030.50

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>	
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
2020	299,494	269,898	90.12	40,000	10,050	5.39

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>
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
2020	19,986	14,184,404	885,884,000	1.60	709.72

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

(a) 2010 Federal Census and the 2021 Data Book, Cuyahoga County, Ohio

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

	2011	2012	2013 (a)	2014 (b)	2015	2016	2017	2018	2019	2020
Assessed Valuation	\$ 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	\$ 885,884,000
Debt Limit - 10.5% of Assessed Valuation	\$ 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	\$ 93,017,820
Gross Indebtedness	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	30,521,133
Less: Debt Outside Limitation										
Special Assessment Bond	(510,000)	(470,000)	(430,000)	(390,000)	(350,000)	(310,000)	(270,000)	(230,000)	(190,000)	(150,000)
OPWC Loans	(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)	(15,673,960)
OWDA Loans	(339,843)	(323,676)	(237,698)	(224,202)	(132,247)	(97,897)	(75,080)	(51,192)	(26,183)	0
Less: Amount Available in Debt Service Funds	(735,700)	(264,133)	(863,940)	(869,385)	(944,069)	(698,441)	(540,879)	(387,087)	(267,982)	(512,796)
Net Debt Within 10.5% Limitation	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	14,184,404
Legal Debt Margin	\$ 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	\$ 78,833,416
Debt Limit - 5.5% of Assessed Unvoted Value	\$ 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	\$ 48,723,620
Gross Indebtedness	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	30,521,133
Less: Debt Outside Limitation										
Less: Amount Available in Debt Service Funds Related to Unvoted Debt	(695,009)	(219,222)	(820,740)	(869,385)	(944,069)	(619,941)	(463,472)	(307,739)	(188,634)	(264,828)
Net Debt Within 5.5% Limitation	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	12,087,566
Unvoted Debt Margin	\$ 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	\$ 36,636,054

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, 2020

	<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	\$ 4,771,631	100.00%	\$ 4,771,631
Various Purpose Bond Anticipation Notes	9,925,542	100.00	9,925,542
Special Assessment Bonds	150,000	100.00	150,000
OPWC Loans	<u>224,165</u>	100.00	<u>224,165</u>
Total Direct Debt	<u>15,071,338</u>		<u>15,071,338</u>
<u>Overlapping:</u>			
Cuyahoga County	266,975,000	2.88	7,685,398
Cuyahoga Community college	201,500,000	2.88	5,800,572
Rocky River School District	<u>35,895,000</u>	95.97	<u>34,447,471</u>
Total Overlapping	<u>504,370,000</u>		<u>47,933,441</u>
Total	<u>\$ 519,441,338</u>		<u>\$ 63,004,779</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>
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
2020	1,555,105	38,285,329	4.06

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

2020		
<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>	

2011		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
City of Rocky River	667	5.1%
Rocky River Board of Education	613	4.7
Riser Foods Co.	265	2.0
Westwood Country Club Co.	256	2.0
CRS Marketing Services, Inc.	236	1.8
Heinens Inc.	236	1.8
Cleveland Yacht Club Inc.	225	1.7
Marc Glassman Inc.	213	1.6
Magnificat High School	197	1.5
Group Management Services	155	1.2
Total	<u>3,063</u>	<u>23.4%</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 (the latest data available) and CCA in 2011.

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⁾
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
2020	19,986 b	700,643,219	34,663	74,950 b	2,744	8.30

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

(a) 2010 Federal Census

(b) The 2021 Data Book, Cuyahoga County, Ohio

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
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
2020	326,878,828	2,170,425,143	2,497,303,971	4	3,140,000	3	28,400,000

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Mayor	2	2	2	2	2	2	2	2	2	2
Finance Department	3	3	3	3	3	3	3	3	3	4
Building Maintenance	5	5	5	5	5	5	6	6	6	6
Human Resources	1	1	1	1	1	1	1	2	2	2
Municipal Courts	29	24	24	25	25	24	26	26	26	26
Building	6	6	6	6	4	4	4	4	4	4
Security of Persons and Property:										
Police Department	36	36	35	34	37	37	37	38	37	37
Fire Department	30	30	30	30	30	30	29	30	30	30
Safety Service Director	2	2	2	2	2	3	3	3	3	3
Traffic Signal	3	3	3	2	3	3	3	3	3	3
Transportation:										
Equipment Repair and Garage	7	6	6	7	7	7	7	7	7	6
Street Repair and Maintenance	9	7	8	10	10	10	11	9	10	10
Leisure Time Activities:										
Parks	4	2	3	3	3	3	5	5	6	7
Recreation Center	14	14	14	14	14	14	12	13	12	12
Community Development:										
Economic Development	1	1	0	0	0	0	0	0	0	0
Public Health:										
Office on Aging	8	6	6	5	5	5	6	5	6	7
Basic Utilities Services:										
Refuse and Recycling	15	15	14	13	12	11	15	15	15	15
Total Governmental Activities:	175	163	162	162	163	162	170	171	172	174
Sanitary Sewer	7	8	8	6	7	8	9	10	10	10
Total Business-Type Activities:	7	8	8	6	7	8	9	10	10	10
Total Primary Government:	182	171	170	168	170	170	179	181	182	184

Source: City Records

City of Rocky River, Ohio

Operating Indicators by Function/Program

Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Council:										
Total Ordinances/Resolutions:										
Introduced	89	89	95	101	91	83	90	88	103	105
Passed on 1 st Reading	N/A	N/A	N/A	11	9	3	1	0	1	8
Passed on 2 nd Reading	N/A	N/A	N/A	8	10	7	5	2	7	21
Passed on 3 rd Reading	N/A	N/A	N/A	82	65	73	82	81	95	74
Tabled/Postponed	N/A	0	2	1	2	1	2	1	0	2
Passed with Emergency Provision	N/A	74	78	91	58	61	46	52	66	69
Building Department:										
New Single Family Home Permits	3	8	11	13	12	4	14	12	7	4
Commercial Building/Structures										
New	1	2	2	3	0	1	1	0	1	3
Additions	11	15	25	20	25	25	27	N/A	N/A	8
Increase in Dwelling Units	9	17	285	17	9	1	12	N/A	N/A	4
Total Receipts – Building Permits	\$ 267,940	\$ 277,229	\$ 459,542	\$ 461,583	\$ 305,143	\$ 286,553	\$ 395,181	\$ 342,746	\$ 423,604	\$ 461,101
Municipal Court:										
Jurisdiction Population	118,137	118,137	118,137	118,137	118,137	118,137	118,137	118,137	115,538	114,714
Cases Filed:137										
Criminal/Traffic	23,820	25,175	16,532	13,735	13,005	13,931	11,394	11,274	9,922	6,699
Civil/Small Claims	2,771	2,751	2,188	2,391	2,126	2,364	2,729	2,777	2,969	1,963
Security of Persons and Property:										
Police Protection:										
Motor Vehicle Accidents	311	260	541	605	596	625	629	672	561	435
BAC Licensed Operators	23	20	17	17	17	17	19	N/A	N/A	N/A
Community Diversion Cases	167	105	147	N/A	N/A	N/A	50	46	40	42
Marine Patrol Boat Hours	143	449	437	516	652	534	569	634	698	614
Total Prisoners	901	911	997	816	771	841	739	646	517	149

(Continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	<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>	<u>2020</u>
Fire Protection:										
Emergency Responses:										
Building Fire Calls	29	28	35	33	38	30	30	19	18	32
Emergency Medical Care	2,240	2,113	2,074	2,173	2,403	2,380	2,437	2,469	2,299	2,163
System Tests Witnessed:										
Commercial Kitchen	2	13	6	24	38	16	28	13	5	5
Sprinkler / Standpipe	6	8	19	64	31	14	29	20	5	5
Fire Alarm	3	20	18	24	30	10	26	11	3	6
General Inspections for Licensure	128	91	95	53	103	84	75	53	102	139
Public Health Services:										
Senior Center:										
Volunteers	171	183	168	167	180	130	100	128	103	75
Volunteer Hours	15,352	15,832	16,172	13,000	15,000	15,000	9,400	15,000	15,000	2,037
Senior Transportation Trips	8,156	7,772	7,772	6,897	6,761	6,854	6,927	8,679	8,898	4,053
Lunches Served	18,085	N/A	75 / day	N/A	N/A	13,000	13,000	14,000	12,000	2,146
Gift Shop Sales	\$ 59,666	\$ 53,100	\$ 53,969	\$ 49,553	\$ 42,343	\$ 44,688	\$ 37,178	\$ 35,179	\$ 30,754	\$ 4,662
Flu and Pneumonia shots	436	270	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation:										
Safety Service:										
Snowfall in Inches [1]	59.8	63.3	58.4	84.2	20.9	24.3	53.1	24.2	26.6	42.4
Road Salt Purchased (tons)	4,800	NA	3,100	3,300	3,300	2,600	3,500	2,825	2,500	3,150
Cold Patch Purchased (tons)	NA	NA	NA	327	355	233	163	206	200	145
Trees Planted	89	37	113	62	82	55	121	119	239	264
Trees Removed	123	43	47	59	82	75	54	55	126	45

(Continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Leisure Time Activities:										
Recreation Center:										
Summer Camp – Recreation [2]	457	395	426	342	351	368	355	324	845	0
Summer Camp – Sports	832	901	705	581	651	579	451	454	N/A	0
Summer Sunset Concerts	5	5	5	8	8	9	8	10	10	4
Concert Attendance	N/A	1,750	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Outdoor Pool Attendance	45,000	N/A	N/A	18,144	37,309	34,062	24,467	9,497	16,594	10,835
Hockey Spectator Admissions	2,325	2,408	2,357	2,210	2,160	2,262	2,450	2,950	2,322	1,519
Learn-to-Skate Participants	1,936	N/A	N/A	N/A	2,962	N/A	N/A	N/A	1,436	945
Swim Team Participants	138	151	146	128	140	129	125	128	169	N/A
Basic Utilities Service:										
Refuse Collection:										
Refuse Truck Collections (tons)	8,920	8,790	8,576	8,114	7,519	7,354	7,485	7,613	7,831	9,095
Blue Bag Collections (tons)	378	390	590	968	928	1,019	1,013	975	843	403
Leaf Collections (tons)	1,097	1,140	1,388	1,434	1,149	1,252	859	1,828	1,164	974
Paper Collections (tons)	98	79	37	0	0	0	0	0	0	0
Cardboard Collections (tons)	174	189	185	128	136	116	117	105	106	100
Sanitary Sewer:										
Quantity and Strength Percent of Wastewater Treatment Plant	25.43	25.43	25.43	25.31	25.31	25.31	25.31	24.11	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

	<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>	<u>2020</u>
General Government:										
Other Departmental Vehicles	10	10	10	10	9	9	9	9	10	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	23	23	26	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	1
Square Footage of Police Station	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672	*	*
Number of Street Lights	1,813	1,813	1,813	1,813	1,813	1,813	1,805	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	9	9	9	8	9	9
Square Footage of Fire Station	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	1,088
Number of Fire Hydrants	1,041	1,041	1,041	1,041	1,016	1,016	1,016	1,016	1,037	1,037
Public Health Services:										
Senior Transportation:										
Number of Vehicles	5	5	5	5	5	5	5	5	7	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	32	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>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>	<u>2020</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	12	12	12	12	12	12
Square Footage of										
Recreation Facilities	84,379	84,379	81,379	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	22	22	22	22	19	19
Transit Scooters	17	12	10	10	11	11	11	11	13	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	10	10
Number of Sanitary Sewer Accounts	7,043	6,806	6,806	6,840	6,840	6,893	6,854	6,878	6,881	6,876

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

Source: City Records

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

SINGLE AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

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

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**CITY OF ROCKY RIVER
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Total Federal Expenditures
<u>U.S. Department of the Treasury</u>			
<i>Passed through Ohio Department of Public Safety</i>			
Coronavirus Emergency Supplemental Funding Program	16.034	N/A	\$ 26,679
<i>Total CFDA #16.034</i>			<u>26,679</u>
<i>Passed Through Cuyahoga County</i>			
Coronavirus Relief Fund	21.019	N/A	260,000
<i>Passed Through Ohio Office of Budget Management</i>			
Coronavirus Relief Fund	21.019	HB481-CRF-Local	1,389,319
<i>Total CFDA #21.019</i>			<u>1,649,319</u>
Total U.S. Department of the Treasury			<u>1,675,998</u>
<u>U.S. Department of Transportation</u>			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	N/A	57,558
Total Highway Planning and Construction Cluster			<u>57,558</u>
Total U.S. Department of Transportation			
<u>U.S. Coast Guard</u>			
<i>Passed Through the Ohio Department of Natural Resources</i>			
Boating Safety Financial Assistance	97.012	N/A	30,000
Total U.S. Coast Guard			<u>30,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,763,556</u>

See Notes to the Schedule of Expenditures of Federal Awards.

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Rocky River (the City) under programs of the Federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Rocky River, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Rocky River.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

The City of Rocky River has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4: MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

Certified Public Accountants

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**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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 25, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. Also, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*.

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 Questioned Costs that we considered a material weakness as item **2020-001**.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item **2020-002**.

City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

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

June 25, 2021

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

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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 Compliance for Each Major Federal Program

We have audited the City of Rocky River , Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Rocky River complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 25, 2021, which contained unmodified opinions on those financial statements, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. Also, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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

June 25, 2021

**CITY OF ROCKY RIVER
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

2020(i)	Type of Financial Statement Opinion	Unmodified
2020(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
2020(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2020(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
2020(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2020(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2020(v)	Type of Major Programs' Compliance Opinions	Unmodified
2020(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2020(vii)	Major Programs (list): Coronavirus Relief Fund - CFDA #21.019	
2020(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2020(ix)	Low Risk Auditee?	No

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding No. 2020-001 – 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, 2020 bank balances to its book balances. The City's book balance is overstated by \$402,776, which was recorded as an adjustment by the City in 2020.
2. In addition, 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 \$88,196.
3. The City identified a reconciling amount on its December bank reconciliation in the amount of \$471,536 for outstanding checks recorded as expense in December 2020 that were not written until January 2021. An adjustment on the accrual basis financial statements was made recording the outstanding checks as Accounts Payables.
4. At December 31, 2020, the City was carrying numerous outstanding checks over a year old for the PNC general bank account, the criminal/traffic account and the civil bank account. 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 QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. **FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS** (Continued)

Finding No. 2020-001 – 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 will undertake appropriate steps to post all activities and to ensure all bank accounts are reconciled on a monthly basis, and that unreconciled variances are investigated and corrected in a timely manner and supported by accurate system generated reports. Further, after investigating and approving outstanding reconciling items, appropriate adjusting entries will be made, including those related to old outstanding checks. To achieve those steps, additional staff training to gain higher proficiency in the necessary systems will be undertaken.

**CITY OF ROCKY RIVER
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding No. 2020-002 - Material Noncompliance - Appropriations Exceeding Estimated Resources

Condition/Criteria

During our testing of compliance, we noted various funds which had original appropriations exceeding estimated resources and one fund which had final appropriations exceeding estimated resources. Ohio Revised Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total estimated resources (estimated resources plus unencumbered fund balances).

Fund	Estimated Resources	Appropriations	Variance
<u>General</u>			
Original Budget	\$ 25,708,993	\$ 26,293,845	\$ (584,852)
<u>Office on Aging Fund</u>			
Original Budget	1,278,745	1,364,122	(85,377)
<u>Recreation Center Fund</u>			
Original Fund	3,420,836	3,630,234	(209,398)
Final Budget	3,557,727	3,630,234	(72,507)
<u>Motor Vehicle License Tax Fund</u>			
Original Budget	633,606	818,048	(184,442)
<u>Indigent Drive Alcohol Monitoring Fund</u>			
Original Budget	41,254	45,000	(3,746)
<u>General Obligation Bond Retirement Fund</u>			
Original Budget	1,962,139	8,036,800	(6,074,661)
<u>Equipment Replacement Fund</u>			
Original Budget	3,289,753	3,385,353	(95,600)
<u>Municipal Court Capital Improvement Fund</u>			
Original Budget	710,386	985,578	(275,192)

Cause/Effect

Contrary to Ohio Revised Code Section 5705.39, the City had appropriations exceeding estimated resources available.

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. **FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS** (Continued)

Finding No. 2020-002 - Material Noncompliance - Appropriations Exceeding Estimated Resources (Continued)

Recommendations

We recommend that the City follow the guidance provided in Ohio Revised Code Section 5705.39 by amending the appropriations to a level that does not exceed the amended certificate.

City's Response

To improve compliance with Ohio Rev. Code 5705.39, the City will monitor revenue projections, make appropriate adjustments then request and recognize approved total estimated resources.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The prior issued audit report, as of December 31, 2019, included a material weakness finding.

<u>Number</u>	<u>Finding Summary</u>	<u>Status</u>	<u>Additional Information</u>
2019-001	Bank Reconciliations	Not Corrected.	Repeated as Finding #2020-001

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

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 8/12/2021

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