

*City of Rocky River, Ohio*



*Annual Comprehensive Financial Report  
for the year ended December 31, 2021*



OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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City Council  
City of Rocky River  
21012 Hilliard Blvd  
Rocky River, OH 44116

We have reviewed the *Independent Auditor's Report* of the City of Rocky River, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2021 through December 31, 2021. 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

September 19, 2022

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*Introductory Section*



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**City of Rocky River, Ohio**  
**Annual Comprehensive Financial Report**  
**For the Year Ended December 31, 2021**

Issued by:

City of Rocky River  
Department of Finance

Michael A. Thomas, CPA  
Director of Finance

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# City of Rocky River, Ohio

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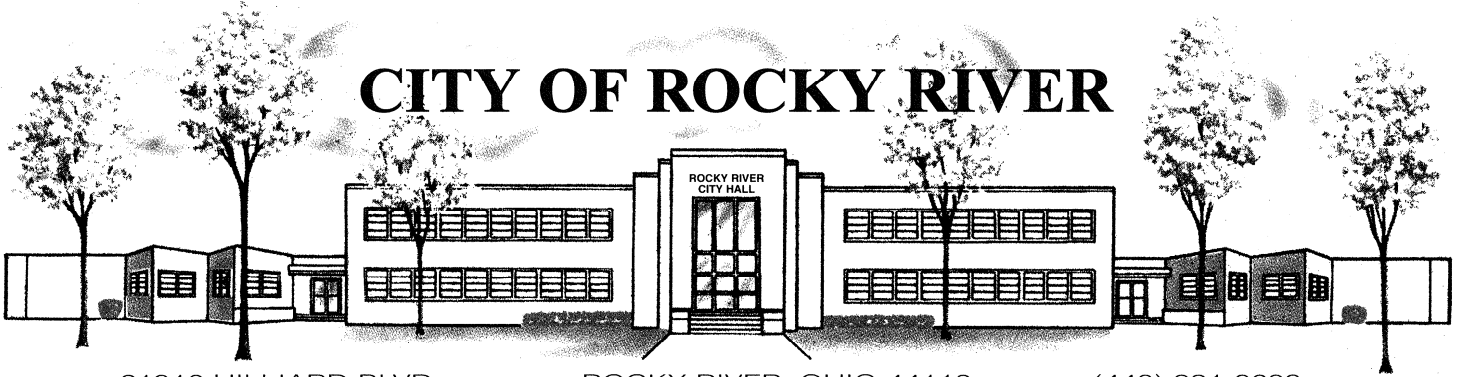
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# CITY OF ROCKY RIVER



21012 HILLIARD BLVD.

• ROCKY RIVER, OHIO 44116

• (440) 331-0600

July 29, 2022

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

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

The City of Rocky River, Ohio (City) submits this Annual Comprehensive Financial Report (ACFR) for the year ending December 31, 2021. The ACFR is a more extensive report than basic financial statements and it is believed that the ACFR 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 ACFR 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 ACFR for the year ended December 31, 2021 therefore.

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

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

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

James. G. Zupka, CPA, Inc. concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of the ACFR.

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, founded as a village out of Rockport Township in 1903, covering 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 2020 U. S. Census reports the City's population at 21,755 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 and 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 179 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 City residents 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 2021, the upheaval of the COVID-19 pandemic eased notably. City facilities that were closed during the emergency declaration period reopened and began to achieve more normal levels of activity and participation. The City's business and institutions also moved to reopening throughout the year to at various points in time.

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 health care and senior citizen congregate housing; financial services and banking; shipping and logistics; and retail. According to the 2020 U. S. Census, the City's median household income (in 2020 dollars) for the period 2016-2020 was \$81,370; while for the State of Ohio that amount was \$58,116.



Components of income tax collections are:

Component	2018	2019	2020	2021
Employee Withholding	\$7,656,837	\$7,900,389	\$8,056,183	\$9,335,722
Residence Tax	5,524,352	6,516,241	5,616,783	6,558,744
Business Profit	1,063,994	1,321,593	1,174,752	1,455,605
Penalties & Interest	463,697	499,353	327,073	460,230
Total	\$14,708,880	\$16,237,576	\$15,174,791	\$17,810,301

The local economic effects of the COVID-19 pandemic and related health protection guidelines seem to have passed and are illustrated in the table above. While 2020 income tax collections dipped, in 2021, the City experienced growth beyond the previous high amount in 2019. The overall growth over the period indicated in the table above is over 21%. Both the Employee Withholding and Residence Tax components grew by similar percentages.

In context, over a longer lookback period of eight years, the annual income tax collection change has been in the range of -7.25 % to 20.88%. The City’s income tax rate is 2.0 percent with a credit to residents of 1.5 for income taxes paid to another city. With a ballot issue approved in November 2014, 0.5 percent of the City income tax was designated to provide 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 2021 represents collections of the 2020 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, in 2018, completed a property value reappraisal for tax purposes, which continued to favorably affect property tax revenue. In addition, during 2021, 10 new single-family homes were built, which amount in 2020 was 4; 7 in 2019 and 12 in 2018. The new construction in 2021 represented about \$4,914,665 in residential investment in City neighborhoods. Also, in 2021, the Fiscal Officer completed a full property value reappraisal and determined overall the value of property in the City increased about 19%. The increased values will favorably impact property tax levies in place for a number of City services and functions.

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	2017	2018	2019	2020
Residential	\$636,818,330	\$757,396,340	\$759,712,870	\$759,648,800
Commercial	103,637,190	110,876,470	113,713,110	114,407,590
Public Utility	10,034,290	10,407,290	11,113,510	11,827,610
Total Assessed Value	\$750,489,810	\$878,680,100	\$884,539,490	\$885,884,000

The observed consistency of Total Assessed Value 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 2020 U. S. Census identifies the median value of owner-occupied housing units, 2016-2020 in the City as \$261,600 while that amount in the State of Ohio was \$151,400. The estimated owner-occupied housing unit rate, 2016-2020 was 72 percent in the City while that amount in the State of Ohio was 66 percent.

With some growth in 2021 of both the municipal income tax and property tax revenue streams and because in 2020, the municipal income tax and property tax revenue streams were within a tolerable variance of budget expectations, the City was able to support departments where program revenue decreased because of facilities shutdowns during the extended period of the pandemic emergency declaration. And also, eligible expenses were charged to the City's allocation of both Coronavirus Relief and Local Fiscal Recovery Funds. Finally, 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**

Continuing during 2021, 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 2021. The table below updates a project described in last year's ACFR.

<b>Project</b>	<b>Project Cost</b>	<b>Status</b>	<b>Initial Construction Schedule</b>
2020 Rocky River Sewer Improvement Project	\$7,886,000	Phase I Construction began in 2021	06/01/2021 to 07/01/2023

For this project, the City was approved for an interest free loan from the Ohio Public Works Commission; the loan was made for 56 percent of the project cost with the City providing the remaining 44 percent funding and a loan amortization period of 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 component cost of the project.

During 2021, the City was approved for an interest free loan from the Ohio Public Works Commission for the following project.

<b>Project</b>	<b>Project Cost</b>	<b>Status</b>	<b>Initial Construction Schedule</b>
Spencer Road Sewer and Pavement Improvement Project	\$1,747,000	Engineering began in 2021	06/01/2022 to 07/01/2023

For this project, the City was approved for an interest free loan from the Ohio Public Works Commission. The loan was approved for 30 percent of the project cost with the City providing the remaining 70 percent funding.

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 2021, 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 2020 series BANs with an outstanding amount of \$9,900,000.

The total new Police Station project cost is estimated to be \$12,975,000. The City plans to pay off the par value of the 2021 BANs in 2022 with the issuance of general obligation bonds. 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.

In 2021, the City continued construction of rehabilitation of a portion of the lakefront pier at the City's Bradstreet Landing Park. 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. Full-time City employment was 179 at December 31 down from 184 at December 31, 2020. 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 infrastructure 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. In 2021, City Council appropriated over 80% of the Budget Stabilization Fund balance; however, since experiencing revenue growth of the municipal income tax, no expenses were charged to the Budget Stabilization Fund and it continues to provide longer-term stability to the City's budget.

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 2017 to 2021, the City spent an average of about 73 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	43
Property Tax	24
Sewer Charges User Charges	12
Recreation Center User Charges	5
Other Revenue	5
Grants/Loans	4
Gas & License Fees	3
Ambulance Fees	1
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 mutual arrangement 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 Annual Comprehensive Financial Report for the year ending December 31, 2020. This was the thirty second year that the City has received this prestigious award. A “Certificate of Achievement” is awarded to the City when its publication is issued with easily readable language; is efficiently organized and comprehensive; and conforms to the programs standards for an annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

**Acknowledgements** The publication of the ACFR 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 ACFR 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

# **City of Rocky River, Ohio**

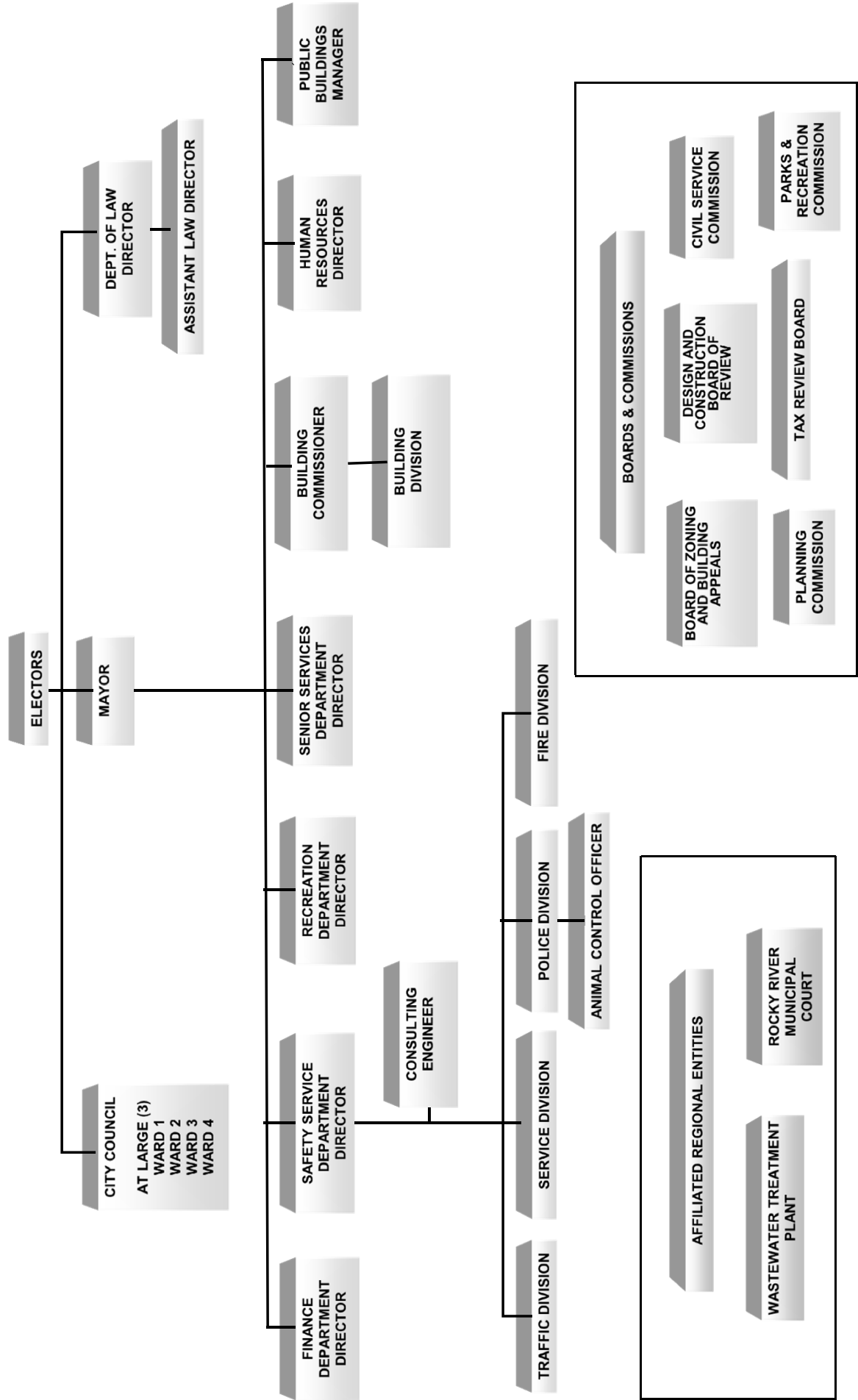
## List of Elected Officials

### **December 31, 2021**

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<u>Title</u>	<u>Name</u>
Mayor	Pamela E. Bobst
Law Director through December 31, 2021	Andrew D. Bemer
Law Director effective January 1, 2022	Michael J. O'Shea
Council Member – At-Large	David W. Furry
Council Member – At-Large	Helen C. Morris
Council Member – At-Large through December 31, 2021	Christopher J. Klym
Council Member – At-Large effective January 1, 2022	Brian J. Sindelar
Council Member – Ward 1	Thomas J. Hunt
Council President – Ward 2	James W. Moran
Council Member – Ward 3 through December 31, 2021	Michael P. O'Donnell
Council Member – Ward 3 effective January 1, 2022	Jeanne P. Gallagher
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 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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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**

***Opinions***

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2021, 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.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Emphasis of Matter***

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

### ***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 is the responsibility of management and, 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.

### ***Supplementary 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are 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 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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

July 29, 2022

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2021*

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, 2021. 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 2021 are:

- In 2021, the City received \$1,306,777 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 2021 by \$84,571,391. This is an increase of \$13,135,331 over the 2020 net position. Net position of the City's governmental activities increased \$12,152,028 from 2020, while net position of the business-type activities increased \$983,303.
- Total assets increased while total deferred outflows of resources decreased during 2021. 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 2020. The main factor affecting total liabilities was the net pension and OPEB liabilities which decreased significantly. The deferred inflows of resources were up in 2021 with deferred inflows of resources related to pension/OPEB being the most significant contributor.

**Using This Annual Comprehensive Financial Report**

The Annual Comprehensive 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, 2021*

**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 2021?" 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, 2021*

***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, Capital Improvement Capital Projects Fund, and the Sanitary Sewer Enterprise 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, 2021*

**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 2021 compared to 2020 balances.

	Table 1					
	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and Other Assets	\$ 43,370,755	\$ 43,258,027	\$ 13,722,105	\$ 13,462,130	\$ 57,092,860	\$ 56,720,157
Capital Assets, Net	84,970,430	77,718,209	24,067,541	23,002,250	109,037,971	100,720,459
Net Pension Asset	134,567	84,684	7,253	4,564	141,820	89,248
Net OPEB Asset	942,244	0	50,781	0	993,025	0
Total Assets	<u>129,417,996</u>	<u>121,060,920</u>	<u>37,847,680</u>	<u>36,468,944</u>	<u>167,265,676</u>	<u>157,529,864</u>
<b>Deferred Outflows of Resources:</b>						
Deferred Charge on Refunding	75,440	111,667	0	0	75,440	111,667
Pension	3,617,993	4,259,774	61,892	98,295	3,679,885	4,358,069
OPEB	<u>2,045,339</u>	<u>2,814,221</u>	<u>25,418</u>	<u>68,767</u>	<u>2,070,757</u>	<u>2,882,988</u>
Total Deferred Outflows of Resources	<u>5,738,772</u>	<u>7,185,662</u>	<u>87,310</u>	<u>167,062</u>	<u>5,826,082</u>	<u>7,352,724</u>
<b>Liabilities:</b>						
Current and Other Liabilities	15,690,983	13,779,966	1,060,569	222,878	16,751,552	14,002,844
Long-Term Liabilities						
Due Within One Year	3,118,484	3,251,775	616,473	468,869	3,734,957	3,720,644
Other Amounts Due in More than One Year	5,407,919	6,685,859	14,838,317	15,100,667	20,246,236	21,786,526
Net Pension Liability	24,914,796	27,624,751	436,460	604,358	25,351,256	28,229,109
Net OPEB Liability	<u>2,613,557</u>	<u>9,961,759</u>	<u>0</u>	<u>407,182</u>	<u>2,613,557</u>	<u>10,368,941</u>
Total Liabilities	<u>51,745,739</u>	<u>61,304,110</u>	<u>16,951,819</u>	<u>16,803,954</u>	<u>68,697,558</u>	<u>78,108,064</u>

(Continued)



**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2021*

Table 1  
 Net Position (Continued)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Deferred Inflows of Resources:						
Property Taxes	9,570,418	8,076,237	0	0	9,570,418	8,076,237
Pension	5,729,905	4,818,979	211,924	144,966	5,941,829	4,963,945
OPEB	<u>4,143,505</u>	<u>2,232,083</u>	<u>167,057</u>	<u>66,199</u>	<u>4,310,562</u>	<u>2,298,282</u>
Total Deferred Inflows of Resources	<u>19,443,828</u>	<u>15,127,299</u>	<u>378,981</u>	<u>211,165</u>	<u>19,822,809</u>	<u>15,338,464</u>
Net Position:						
Net Investment in Capital Assets	68,670,514	64,810,278	7,832,423	7,516,341	76,502,937	72,326,619
Restricted for:						
Capital Projects	9,567,052	11,087,760	0	0	9,567,052	11,087,760
Debt Service	1,007,540	512,769	0	0	1,007,540	512,769
Refuse and Recycling	927,362	1,047,176	0	0	927,362	1,047,176
Office on Aging	698,177	551,965	0	0	698,177	551,965
Street Construction and Maintenance	2,022,001	1,549,804	0	0	2,022,001	1,549,804
Recreation	405,875	791,357	0	0	405,875	791,357
Law Enforcement and Education	180,851	174,493	0	0	180,851	174,493
Fire and Police Pensions	653,713	430,072	0	0	653,713	430,072
Security of Persons and Property	311,045	356,646	0	0	311,045	356,646
Donations and Bequests	604,653	613,472	0	0	604,653	613,472
Other	363	4,218	0	0	363	4,218
Unrestricted	<u>(21,081,945)</u>	<u>(30,114,837)</u>	<u>12,771,767</u>	<u>12,104,546</u>	<u>(8,310,178)</u>	<u>(18,010,291)</u>
Total Net Position	\$ <u>63,967,201</u>	\$ <u>51,815,173</u>	\$ <u>20,604,190</u>	\$ <u>19,620,887</u>	\$ <u>84,571,391</u>	\$ <u>71,436,060</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/OPEB 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)*  
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GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability (asset) 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.

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 \$84,571,391 as of December 31, 2021, which is a \$13,135,331 increase from the prior year. At the end of the current year, the City is able to report positive balances in the net investment in capital assets and restricted net position. Unrestricted net position is negative as a result of GASB 68 and GASB 75.

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
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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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Program Revenues:						
Charges for Services	\$ 4,647,340	\$ 3,886,285	\$ 3,933,880	\$ 4,774,031	\$ 8,581,220	\$ 8,660,316
Operating Grants and Contributions	2,069,178	2,133,213	0	7,350	2,069,178	2,140,563
Capital Grants and Contributions	<u>540,462</u>	<u>57,558</u>	<u>0</u>	<u>0</u>	<u>540,462</u>	<u>57,558</u>
Total Program Revenues	<u>7,256,980</u>	<u>6,077,056</u>	<u>3,933,880</u>	<u>4,781,381</u>	<u>11,190,860</u>	<u>10,858,437</u>
General Revenues:						
Property Taxes	8,412,626	8,297,844	0	0	8,412,626	8,297,844
Municipal Income Taxes	18,109,512	15,282,615	0	0	18,109,512	15,282,615
Other Local Taxes	253,367	341,978	0	0	253,367	341,978
Grants and Entitlements not Restricted to Specific Programs	1,999,145	3,011,858	0	0	1,999,145	3,011,858
Investment Income	25,499	188,166	0	0	25,499	188,166
Gain on Sale of Asset	0	24,343	0	0	0	24,343
Other	<u>406,483</u>	<u>2,648,055</u>	<u>0</u>	<u>0</u>	<u>406,483</u>	<u>2,648,055</u>
Total General Revenues	<u>29,206,632</u>	<u>29,794,859</u>	<u>0</u>	<u>0</u>	<u>29,206,632</u>	<u>29,794,859</u>
Total Revenues	<u>36,463,612</u>	<u>35,871,915</u>	<u>3,933,880</u>	<u>4,781,381</u>	<u>40,397,492</u>	<u>40,653,296</u>
Program Expenses:						
General Government	4,221,559	5,945,207	0	0	4,221,559	5,945,207
Security of Persons and Property	9,240,258	11,537,760	0	0	9,240,258	11,537,760
Public Health	785,905	973,703	0	0	785,905	973,703
Transportation	3,997,359	4,944,098	0	0	3,997,359	4,944,098
Leisure Time Activities	3,235,764	4,048,562	0	0	3,235,764	4,048,562
Community Development	143,659	641,072	0	0	143,659	641,072
Basic Utility Service	2,386,630	2,646,377	0	0	2,386,630	2,646,377
Interest and Fiscal Charges	178,767	295,315	0	0	178,767	295,315
Sanitary Sewer Charges	<u>0</u>	<u>0</u>	<u>3,072,260</u>	<u>4,413,526</u>	<u>3,072,260</u>	<u>4,413,526</u>
Total Program Expenses	<u>24,189,901</u>	<u>31,032,094</u>	<u>3,072,260</u>	<u>4,413,526</u>	<u>27,262,161</u>	<u>35,445,620</u>
Change in Net Position Before Transfers	12,273,711	4,839,821	861,620	367,855	13,135,331	5,207,676
Transfers, Net	<u>(121,683)</u>	<u>4,027,750</u>	<u>121,683</u>	<u>(4,027,750)</u>	<u>0</u>	<u>0</u>
Change in Net Position	12,152,028	8,867,571	983,303	(3,659,895)	13,135,331	5,207,676
Net Position, Beginning of Year	<u>51,815,173</u>	<u>42,947,602</u>	<u>19,620,887</u>	<u>23,280,782</u>	<u>71,436,060</u>	<u>66,228,384</u>
Net Position, End of Year	\$ <u>63,967,201</u>	\$ <u>51,815,173</u>	\$ <u>20,604,190</u>	\$ <u>19,620,887</u>	\$ <u>84,571,391</u>	\$ <u>71,436,060</u>

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2021*

***Effects of GASB 68 and 75***

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/OPEB asset not accounted for as deferred inflows/outflows.

Under GASB 68, pension expense represents additional amounts earned based on a proportionate share of the net pension liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 68, the pension expense for 2021 is \$1,139,721, while in 2020 pension/OPEB expense was \$3,992,625.

Under GASB 75, OPEB expense represents additional amounts earned based on a proportionate share of the net OPEB liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 75, the OPEB expense for 2021 is \$(5,888,647), while in 2020 OPEB expense was \$1,172,725.

***Governmental Activities***

Overall, total governmental activities net position increased primarily due to an increase in income tax revenues and a significant decrease in expenses in the current year due to decrease in pension/OPEB expense.

Total program expenses for 2021 were \$24,189,901, a 22% decrease from 2020 levels. In the current year the most significant program categories were the security of persons and property, general government, and transportation. The decrease in these categories was mainly due to a decrease in pension/OPBE expenses in the current year. Security of persons and property expense also decreased due to expenses related to COVID-19 in the prior year that did not occur in the current year.

***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 decrease in charges for services and expenses are primarily due to a decrease in reimbursements and expense associated with work on water lines for the Cleveland Division of Water. Pursuant to an agreement with the Cleveland Division of Water, the City manages all projects associated with work on the water lines within the City of Rocky River and are owned by Cleveland Division of Water. The City anticipates an increase in 2022 as there will be an increase in water line projects. Expenses also decreased due to GASB 75 as OPERS approved several changes to the health care plan offered to Medicare and non-Medicare retirees, which significantly decreased the total OPEB liability for the measurement date December 31, 2020.

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
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**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, 2021, the City's governmental funds reported combining ending fund balance of \$13,029,372. The majority of the fund balance is shown as restricted indicating that are constraints on how the funds can be used.

All governmental funds had total revenues of \$36,121,158 and expenditures of \$39,786,213, resulting in a \$3,641,202 current year decrease in fund balance, after consideration of \$23,853 in net other financing sources. This decrease is due primarily to the City spending the proceeds received from the Police Facility Bond Anticipation Notes on the new police facility and capital outlay on various capital improvement projects throughout the City.

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 2021, the General Fund had total revenues and other financing sources of \$23,345,201 and expenditures and other financing uses, of \$21,799,601 resulting in an increase in fund balance at December 31, 2021 of \$1,545,600. General Fund revenues, including other financing sources increased \$324,816 from 2020, while expenditures, including other financing uses, increased by \$541,518. The increase in General Fund revenues was due primarily to increases in municipal income tax revenue offset by a decrease in other revenues. Expenditures increased primarily due to an increases in security of persons and property (SPP) and general government (GG) expenditures offset by an decrease 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 down because of the City received a significant Ohio BWC refunds in 2020 in response to the pandemic. SPP and GG expenditures are up as the significant police and fire costs and the public building cost were funded by the coronavirus relief grant in 2020.

The General Obligation Bond Retirement Fund accounts for proceeds and payment of general obligation bonds and related interest. In 2021, the General Obligation Bond Retirement Fund had total revenues and other financing sources of \$1,667,997 and expenditures of \$5,109,574 resulting in a decrease in fund balance of \$3,441,577 at December 31, 2021. Total revenues and other financing sources decreased \$667,836 primarily due to a decrease insurance proceeds offset by an increase in municipal income taxes. Expenditures were \$2,953,072 less than last year's expenditures due a decrease in transfers out to repay the 2020 general obligation bond anticipation notes.

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2021*

The Capital Improvement Fund accounts for the various projects of the City financed by tax monies and General Fund transfers. In 2021, the Capital Improvement Fund had total revenues and other financing sources of \$8,655,027 and expenditures of \$10,498,096 resulting in a decrease in fund balance of \$1,843,069 at December 31, 2021. Revenues and other financing sources decreased \$1,182,595 from the prior year due to a decrease in transfers in. Expenditures decreased from the prior year due to less capital outlay expenditures in the current year related to the new police facility capital improvement project.

**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 \$2,393,364 under the final budgeted amount of \$19,442,347. The main reason for the fluctuation is due to lower than expected costs related to general government and security of persons and property expenses.

Actual revenues exceeded budgetary estimates as actual revenues related to municipal income tax revenues were greater than budgeted amount.

For the General Fund, the original and final budgeted revenues, not including other financing sources, were \$19,114,656 and \$21,228,780, respectively.

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

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

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
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**Capital Assets and Debt Administration**

***Capital Assets***

Table 3 shows fiscal year 2021 balances of capital assets, net of any accumulated depreciation, as compared to 2020:

Table 3  
 Capital Assets, Net at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</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	19,153,110	10,591,142	1,684,025	207,206	20,837,135	10,798,348
Land Improvements	3,146,277	3,044,508	0	0	3,146,277	3,044,508
Buildings	18,449,419	18,996,889	0	0	18,449,419	18,996,889
Equipment	2,820,875	2,728,710	100,350	90,820	2,921,225	2,819,530
Vehicles	2,559,133	2,459,850	129,208	247,906	2,688,341	2,707,756
Infrastructure:						
Roads	22,522,273	23,653,524	0	0	22,522,273	23,653,524
Sidewalks	2,199,748	2,036,952	0	0	2,199,748	2,036,952
Traffic Signals	248,331	234,811	0	0	248,331	234,811
Storm Sewers	11,650,280	11,750,839	0	0	11,650,280	11,750,839
Sewer Lines	<u>0</u>	<u>0</u>	<u>21,864,442</u>	<u>22,166,802</u>	<u>21,864,442</u>	<u>22,166,802</u>
Total Capital Assets, Net	\$ <u>84,970,430</u>	\$ <u>77,718,209</u>	\$ <u>24,067,541</u>	\$ <u>23,002,250</u>	\$ <u>109,037,971</u>	\$ <u>100,720,459</u>

Total capital assets, net for the City as of December 31, 2021 were \$109,037,971, a \$8,317,512 increase from 2020. Capital asset additions of \$13,529,255 were offset by \$3,763,871 of depreciation expense and \$1,447,872 of disposals, net depreciation.

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

See Note 10 for additional information on capital assets.

**City of Rocky River, Ohio**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Year Ended December 31, 2021*

**Debt**

On December 31, 2021, the City had \$19,110,493 in bonds and loans outstanding. Table 4 summarizes bonds and loans outstanding.

Table 4  
 Outstanding Debt at Year-End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General Obligation Bonds \$	3,462,578	\$ 4,771,631	\$ 0	\$ 0	\$ 3,462,578	\$ 4,771,631
Special Assessment Bonds	110,000	150,000	0	0	110,000	150,000
OPWC Loans	<u>220,466</u>	<u>224,165</u>	<u>15,317,449</u>	<u>15,449,795</u>	<u>15,537,915</u>	<u>15,673,960</u>
Total Outstanding Debt \$	<u>3,793,044</u>	<u>\$ 5,145,796</u>	<u>\$ 15,317,449</u>	<u>\$ 15,449,795</u>	<u>\$ 19,110,493</u>	<u>\$ 20,595,591</u>

The outstanding general obligation bonds at December 31, 2021 are composed of the following: 1) Refunded General Purpose, Series 2014, of \$1,550,000; 2) Refunded Civic Facility Improvements, Series 2014 of \$1,670,000 and 3) Refunded Municipal Court Facility, Series 2011 of \$60,000. There remains unamortized premiums related to these issues of \$182,578.

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, 2021 consist of Erosion Control A & B Bonds: \$50,000 (Series 1998) and \$60,000 (Series 2000). The principal and interest for these bonds are paid from the Special Assessment Bond Retirement Fund with monies collected through the Cuyahoga County Fiscal Officer from the affected taxpayers.

Principal and interest of the Ohio Public Works Commission (OPWC) loans are paid semi-annually from the Sanitary Sewer Fund and the Capital Improvement Fund and will be paid in full in the year 2051.

The City's overall legal debt margin was \$97,356,553 on December 31, 2021.

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



**City of Rocky River, Ohio**  
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**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 and durable 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 and investment management/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. 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 2021. Which resulted in an average increase in property values in the City of approximately 18%.

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

# City of Rocky River, Ohio

## Statement of Net Position

**December 31, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 24,418,153	\$ 8,622,189	\$ 33,040,342
Restricted Cash and Cash Equivalents	187,734	44,606	232,340
Accrued Interest Receivable	414	0	414
Accounts Receivable, Net	659,585	439,344	1,098,929
Intergovernmental Receivable	2,121,157	0	2,121,157
Internal Balances	(29,446)	29,446	0
Materials and Supplies Inventory	134,080	10,047	144,127
Prepaid Assets	313,522	7,702	321,224
Municipal Income Taxes Receivable	5,526,227	0	5,526,227
Property Taxes Receivable	9,911,401	0	9,911,401
Special Assessments Receivable	127,928	102,409	230,337
Investment in Joint Venture	0	4,466,362	4,466,362
Nondepreciable Capital Assets	21,374,094	1,973,541	23,347,635
Depreciable Capital Assets, Net	63,596,336	22,094,000	85,690,336
Net Pension Asset	134,567	7,253	141,820
Net OPEB Asset	942,244	50,781	993,025
Total Assets	129,417,996	37,847,680	167,265,676
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	75,440	0	75,440
Pension	3,617,993	61,892	3,679,885
OPEB	2,045,339	25,418	2,070,757
Total Deferred Outflows of Resources	5,738,772	87,310	5,826,082
<b>Liabilities:</b>			
Accounts Payable	3,094,177	903,592	3,997,769
Payables from Restricted Assets	118,310	0	118,310
Accrued Wages and Benefits	147,495	5,732	153,227
Intergovernmental Payable	272,859	8,280	281,139
Unearned Revenue	1,267,957	0	1,267,957
Retainage Payable	282,638	142,965	425,603
Matured Compensated Absences	210,658	0	210,658
Accrued Interest Payable	22,411	0	22,411
Claims Payable	348,565	0	348,565
Notes Payable	9,925,913	0	9,925,913
<b>Long-Term Liabilities:</b>			
Due within One Year	3,118,484	616,473	3,734,957
Due in More than One Year:			
Other Amounts	5,407,919	14,838,317	20,246,236
Net Pension Liability	24,914,796	436,460	25,351,256
Net OPEB Liability	2,613,557	0	2,613,557
Total Liabilities	51,745,739	16,951,819	68,697,558
<b>Deferred Inflows of Resources:</b>			
Property Taxes	9,570,418	0	9,570,418
Pension	5,729,905	211,924	5,941,829
OPEB	4,143,505	167,057	4,310,562
Total Deferred Inflows of Resources	19,443,828	378,981	19,822,809

(Continued)

The accompanying notes are an integral part of these financial statements

# City of Rocky River, Ohio

## Statement of Net Position (Continued)

**December 31, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Position:			
Net Investment in Capital Assets	68,670,514	7,832,423	76,502,937
Restricted for:			
Capital Projects	9,567,052	0	9,567,052
Debt Service	1,007,540	0	1,007,540
Refuse and Recycling	927,362	0	927,362
Office on Aging	698,177	0	698,177
Street Construction and Maintenance	2,022,001	0	2,022,001
Recreation	405,875	0	405,875
Law Enforcement and Education	180,851	0	180,851
Fire and Police Pensions	653,713	0	653,713
Security of Persons and Property	311,045	0	311,045
Donations and Bequests	604,653	0	604,653
Other	363	0	363
Unrestricted (Deficit)	<u>(21,081,945)</u>	<u>12,771,767</u>	<u>(8,310,178)</u>
Total Net Position	<u>\$ 63,967,201</u>	<u>\$ 20,604,190</u>	<u>\$ 84,571,391</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, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution
<b>Government Activities:</b>				
General Government	\$ 4,221,559	\$ 1,786,822	\$ 349,921	\$ 540,462
Security of Persons and Property	9,240,258	1,113,623	123,037	0
Public Health	785,905	185,508	96,599	0
Transportation	3,997,359	100	1,338,680	0
Leisure Time Activities	3,235,764	1,544,812	51,932	0
Community Development	143,659	16,475	0	0
Basic Utility Service	2,386,630	0	109,009	0
Interest and Fiscal Charges	178,767	0	0	0
<b>Total Governmental Activities</b>	<b>24,189,901</b>	<b>4,647,340</b>	<b>2,069,178</b>	<b>540,462</b>
<b>Business-Type Activities:</b>				
Sanitary Sewer Charges	3,072,260	3,933,880	0	0
<b>Total</b>	<b>\$ 27,262,161</b>	<b>\$ 8,581,220</b>	<b>\$ 2,069,178</b>	<b>\$ 540,462</b>

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  
**Total General Revenues**

Transfers

**Total General Revenues and Transfers**

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

The accompanying notes are an integral part of these financial statements

Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (1,544,354)	\$ 0	\$ (1,544,354)
(8,003,598)	0	(8,003,598)
(503,798)	0	(503,798)
(2,658,579)	0	(2,658,579)
(1,639,020)	0	(1,639,020)
(127,184)	0	(127,184)
(2,277,621)	0	(2,277,621)
(178,767)	0	(178,767)
<u>(16,932,921)</u>	<u>0</u>	<u>(16,932,921)</u>
<u>0</u>	<u>861,620</u>	<u>861,620</u>
<u>(16,932,921)</u>	<u>861,620</u>	<u>(16,071,301)</u>
4,963,035	0	4,963,035
393,908	0	393,908
393,908	0	393,908
787,772	0	787,772
236,349	0	236,349
236,349	0	236,349
787,772	0	787,772
613,533	0	613,533
18,109,512	0	18,109,512
253,367	0	253,367
1,999,145	0	1,999,145
25,499	0	25,499
406,483	0	406,483
<u>29,206,632</u>	<u>0</u>	<u>29,206,632</u>
<u>(121,683)</u>	<u>121,683</u>	<u>0</u>
<u>29,084,949</u>	<u>121,683</u>	<u>29,206,632</u>
12,152,028	983,303	13,135,331
<u>51,815,173</u>	<u>19,620,887</u>	<u>71,436,060</u>
<u>\$ 63,967,201</u>	<u>\$ 20,604,190</u>	<u>\$ 84,571,391</u>

The accompanying notes are an integral part of these financial statements

# City of Rocky River, Ohio

## Balance Sheet – Governmental Funds

**December 31, 2021**

	General	General Obligation Bond Retirement
<b>Assets:</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 8,027,618	\$ 721,723
Restricted Cash and Cash Equivalents	0	0
Accrued Interest Receivable	414	0
Accounts Receivable, Net	574,254	0
Intergovernmental Receivable	789,007	45,644
Materials and Supplies Inventory	33,729	0
Prepaid Assets	150,826	0
Municipal Income Taxes Receivable	4,416,469	134,955
Property Taxes Receivable	5,863,080	697,987
Special Assessments Receivable	0	0
Advances to Other Funds	250,000	0
Total Assets	<u>\$ 20,105,397</u>	<u>\$ 1,600,309</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 336,633	\$ 996
Accrued Wages and Benefits	111,788	0
Interfund Payable	0	0
Intergovernmental Payable	75,837	0
Retainage Payable	0	0
Unearned revenue	0	0
Matured Compensated Absences	163,897	0
Payables from Restricted Assets	0	0
Notes Payable	0	9,925,913
Accrued Interest Payable	0	12,375
Advances from Other Funds	0	0
Total Liabilities	<u>688,155</u>	<u>9,939,284</u>
<b>Deferred Inflows of Resources:</b>		
Property Taxes	5,661,372	673,974
Unavailable Revenue	3,202,931	131,168
Total Deferred Inflows of Resources	<u>8,864,303</u>	<u>805,142</u>
<b>Fund Balances:</b>		
Nonspendable	504,742	0
Restricted	0	0
Assigned	4,138,280	0
Unassigned (Deficit)	5,909,917	(9,144,117)
Total Fund Balances (Deficit)	<u>10,552,939</u>	<u>(9,144,117)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 20,105,397</u>	<u>\$ 1,600,309</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>
\$ 5,200,814	\$ 9,614,168	\$ 23,564,323
69,424	118,310	187,734
0	0	414
50,665	31,656	656,575
481,522	804,984	2,121,157
0	100,351	134,080
0	160,607	311,433
843,474	131,329	5,526,227
930,647	2,419,687	9,911,401
0	127,928	127,928
0	0	250,000
<u>\$ 7,576,546</u>	<u>\$ 13,509,020</u>	<u>\$ 42,791,272</u>
\$ 2,009,147	\$ 745,948	\$ 3,092,724
0	35,707	147,495
3,699	0	3,699
0	197,022	272,859
282,638	0	282,638
0	1,267,957	1,267,957
0	46,761	210,658
0	118,310	118,310
0	0	9,925,913
0	0	12,375
0	250,000	250,000
<u>2,295,484</u>	<u>2,661,705</u>	<u>15,584,628</u>
898,630	2,336,442	9,570,418
477,322	795,433	4,606,854
<u>1,375,952</u>	<u>3,131,875</u>	<u>14,177,272</u>
0	260,958	765,700
3,905,110	7,454,482	11,359,592
0	0	4,138,280
0	0	(3,234,200)
<u>3,905,110</u>	<u>7,715,440</u>	<u>13,029,372</u>
<u>\$ 7,576,546</u>	<u>\$ 13,509,020</u>	<u>\$ 42,791,272</u>

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, 2021**

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Total Governmental Funds Balances \$ 13,029,372

*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. 84,970,430

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

Delinquent Property Taxes	\$	340,983	
Municipal Income Taxes		2,521,059	
Investment Income		414	
Special Assessments		127,928	
Fines, Fees and Permits		388,722	
Intergovernmental		<u>1,227,748</u>	
Total			4,606,854

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (10,036)

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		508,911	
Internal Balance		<u>(25,747)</u>	
Total			483,164

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

General Obligation Bonds		(3,462,578)	
Deferred Charges on Refunding		75,440	
Special Assessments		(110,000)	
OPWC Loans		(220,466)	
Compensated Absences		(4,665,307)	
Asset retirement obligations		<u>(68,052)</u>	
Total			(8,450,963)

(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, 2021**

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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	134,567	
Deferred Outflows of Resources - Pension	3,617,993	
Net Pension Liability	(24,914,796)	
Deferred Inflows of Resources - Pension	<u>(5,729,905)</u>	
Total		(26,892,141)

The net OPEB liability is not due and payable in the current period and the net OPEB 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 OPEB Asset	942,244	
Deferred Outflows of Resources - OPEB	2,045,339	
Net OPEB Liability	(2,613,557)	
Deferred Inflows of Resources - OPEB	<u>(4,143,505)</u>	
		<u>(3,769,479)</u>

Net Position of Governmental Activities		\$ <u><u>63,967,201</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, 2021**

	General	General Obligation Bond Retirement
Revenues:		
Property Taxes	\$ 4,955,327	\$ 613,540
Municipal Income Taxes	14,335,684	73,444
Other Local Taxes	29,694	0
Intergovernmental	1,187,630	81,013
Charges for Services	631,559	0
Fines, Fees and Permits	1,838,955	0
Special Assessments	303	0
Investment Income	35,201	0
Rentals	135,605	0
Contributions	0	0
Other	168,078	0
Total Revenues	23,318,036	767,997
Expenditures:		
Current:		
General Government	5,220,319	996
Security of Persons and Property	9,307,322	0
Public Health	0	0
Transportation	865,547	0
Leisure Time Activities	602,384	0
Community Development	584,029	0
Basic Utility Service	0	0
Capital Outlay	0	0
Debt Service:		
Principal Retirement	0	1,010,000
Interest and Fiscal Charges	0	148,308
Issuance Costs	0	25,895
Total Expenditures	16,579,601	1,185,199
Excess of Revenues Over (Under) Expenditures	6,738,435	(417,202)
Other Financing Sources (Uses):		
Proceeds from Sale of Capital Assets	23,853	0
Transfers - In	3,312	900,000
Transfers - Out	(5,220,000)	(3,924,375)
Total Other Financing Sources (Uses)	(5,192,835)	(3,024,375)
Net Change in Fund Balances	1,545,600	(3,441,577)
Fund Balances (Deficit) at Beginning of Year	9,007,339	(5,702,540)
Fund Balances (Deficit) at End of Year	\$ 10,552,939	\$ (9,144,117)

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>
\$ 786,548	\$ 2,045,104	\$ 8,400,519
2,424,789	1,044,262	17,878,179
208,144	0	237,838
902,711	2,493,212	4,664,566
0	1,501,751	2,133,310
0	215,056	2,054,011
0	44,467	44,770
5,112	0	40,313
0	227,948	363,553
0	44,667	44,667
53,348	38,006	259,432
<u>4,380,652</u>	<u>7,654,473</u>	<u>36,121,158</u>
36,769	409,934	5,668,018
0	1,352,089	10,659,411
0	1,131,918	1,131,918
0	2,111,125	2,976,672
0	2,829,015	3,431,399
0	13,225	597,254
0	2,032,988	2,032,988
10,439,347	1,350,708	11,790,055
3,699	275,000	1,288,699
18,281	17,315	183,904
0	0	25,895
<u>10,498,096</u>	<u>11,523,317</u>	<u>39,786,213</u>
<u>(6,117,444)</u>	<u>(3,868,844)</u>	<u>(3,665,055)</u>
0	0	23,853
4,274,375	3,970,000	9,147,687
0	(3,312)	(9,147,687)
<u>4,274,375</u>	<u>3,966,688</u>	<u>23,853</u>
(1,843,069)	97,844	(3,641,202)
<u>5,748,179</u>	<u>7,617,596</u>	<u>16,670,574</u>
<u>\$ 3,905,110</u>	<u>\$ 7,715,440</u>	<u>\$ 13,029,372</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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (3,641,202)

*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 capital transfers in the current period.

Capital Outlay	\$	11,158,305	
Transfers of Capital Assets to Business-Type Activities		(121,683)	
Construction in Progress Transferred to Another City		(557,228)	
Depreciation		<u>(3,212,678)</u>	
Total			7,266,716

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (14,495)

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		12,107	
Municipal Income Taxes		231,333	
Special Assessments		(28,938)	
Investment Income		(14,814)	
Fines, Fees and Permits		162,031	
Intergovernmental		<u>(58,469)</u>	
Total			303,250

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		1,245,000	
Special Assessment Bonds		40,000	
Ohio Public Works Commission Loans		<u>3,699</u>	
Total			1,288,699

(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, 2021

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

Accrued Interest on Bonds	3,206	
Amortization of Bond Premium	64,053	
Loss on Refunding	(36,227)	
Asset Retirement Obligations	(3,052)	
Compensated Absences	61,531	
	<u>          </u>	
Total		89,511

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 income of the Internal Service Fund is allocated amongst the Governmental Activities.

Change in Net Position	45,006	
Change in Internal Balance	<u>(2,730)</u>	
Total		42,276

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

2,387,574

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

4,429,699

Change in Net Position of Governmental Activities

\$ 12,152,028

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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 4,288,929	\$ 4,763,493	\$ 4,955,327	\$ 191,834
Municipal Income Taxes	10,635,676	11,812,499	14,215,290	2,402,791
Other Local Taxes	9,004	10,000	25,163	15,163
Intergovernmental	1,005,605	1,116,875	1,171,574	54,699
Charges for Services	627,663	697,113	596,537	(100,576)
Fines, Fees, and Permits	1,798,316	1,997,300	1,837,238	(160,062)
Special Assessments	0	0	303	303
Investment Income	216,990	241,000	25,867	(215,133)
Rentals	99,041	110,000	135,605	25,605
Other	433,432	480,500	360,281	(120,219)
<b>Total Revenues</b>	<b>19,114,656</b>	<b>21,228,780</b>	<b>23,323,185</b>	<b>2,094,405</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	6,390,832	6,595,832	5,373,045	1,222,787
Security of Persons and Property	10,227,138	10,347,138	9,550,251	796,887
Transportation	993,291	993,291	876,771	116,520
Leisure Time Activities	736,640	736,640	633,023	103,617
Community Development	769,446	769,446	615,893	153,553
<b>Total Expenditures</b>	<b>19,117,347</b>	<b>19,442,347</b>	<b>17,048,983</b>	<b>2,393,364</b>
<b>Excess of Revenues (Under) Over Expenditures</b>	<b>(2,691)</b>	<b>1,786,433</b>	<b>6,274,202</b>	<b>4,487,769</b>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	10,804	12,000	23,853	11,853
Transfers - In	0	0	3,312	3,312
Advances - In	234,097	260,000	260,000	0
Transfers - Out	(5,225,000)	(5,225,000)	(5,220,000)	5,000
<b>Total Other Financing Sources (Uses)</b>	<b>(4,980,099)</b>	<b>(4,953,000)</b>	<b>(4,932,835)</b>	<b>20,165</b>
<b>Net Change in Fund Balance</b>	<b>(4,982,790)</b>	<b>(3,166,567)</b>	<b>1,341,367</b>	<b>4,507,934</b>
<b>Fund Balance at Beginning of Year</b>	<b>5,271,908</b>	<b>5,271,908</b>	<b>5,271,908</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>281,664</b>	<b>281,664</b>	<b>281,664</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$ 570,782</b>	<b>\$ 2,387,005</b>	<b>\$ 6,894,939</b>	<b>\$ 4,507,934</b>

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, 2021**

	Business Type Activities Sanitary Sewer	Governmental Activities Internal Service Fund
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 8,622,189	\$ 853,830
Restricted Cash and Cash Equivalents	44,606	0
Accounts Receivable	439,344	3,010
Interfund Receivable	3,699	0
Intergovernmental Receivable	0	0
Materials and Supplies Inventory	10,047	0
Prepaid	7,702	2,089
Special Assessments Receivable	102,409	0
Total Current Assets	9,229,996	858,929
Noncurrent Assets:		
Investment in Joint Venture	4,466,362	0
Nondepreciable Capital Assets	1,973,541	0
Depreciable Capital Assets, Net	22,094,000	0
Net Pension Asset	7,253	0
Net OPEB Asset	50,781	0
Total Noncurrent Assets	28,591,937	0
Total Assets	37,821,933	858,929
Deferred Outflows of Resources:		
Pension	61,892	0
OPEB	25,418	0
Total Deferred Outflows of Resources	87,310	0
Liabilities:		
Current Liabilities:		
Accounts Payable	903,592	1,453
Accrued Wages and Benefits	5,732	0
Intergovernmental Payable	8,280	0
Retainage Payable	142,965	0
Accrued Interest Payable	0	0
Claims Payable	0	348,565
Compensated Absences Payable	45,962	0
OPWC Loans Payable	570,511	0
Total Current Liabilities	1,677,042	350,018
Long-term Liabilities:		
Accrued Compensated Absences (Net of Current Portion)	91,379	0
OPWC Loans Payable (Net of Current Portion)	14,746,938	0
Net Pension Liability	436,460	0
Net OPEB Liability	0	0
Total Long-Term Liabilities	15,274,777	0
Total Liabilities	16,951,819	350,018

(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, 2021**

	Business Type Activities Sanitary Sewer	Governmental Activities Internal Service Fund
Deferred Inflows of Resources:		
Pension	211,924	0
OPEB	167,057	0
Total Deferred Inflows of Resources	<u>378,981</u>	<u>0</u>
Net Position:		
Net Investment in Capital Assets	7,832,423	0
Unrestricted	<u>12,746,020</u>	<u>508,911</u>
Total Net Position	<u>20,578,443</u>	<u>\$ 508,911</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>25,747</u>	
Net Position of Business-Type Activities	<u>\$ 20,604,190</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, 2021**

	Business Type Activities Sanitary Sewer	Governmental Activities Internal Service Fund
Operating Revenues:		
Charges for Service	\$ 3,933,880	\$ 3,194,002
Total Operating Revenues	<u>3,933,880</u>	<u>3,194,002</u>
Operating Expenses:		
Personal Service	395,260	0
Materials and Supplies	84,797	0
Contractual Services	1,832,089	783,328
Heat, Light and Power	21,756	0
Depreciation	551,193	0
Other	19,411	0
Claims	0	2,365,668
Loss on Investment in Joint Venture	170,484	0
Total Operating Expenses	<u>3,074,990</u>	<u>3,148,996</u>
Operating Income	858,890	45,006
Capital Contributions	<u>121,683</u>	<u>-</u>
Change in Net Position	980,573	45,006
Net Position at Beginning of Year	<u>19,597,870</u>	<u>463,905</u>
Net Position at End of Year	<u>\$ 20,578,443</u>	<u>\$ 508,911</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>2,730</u>	
Change in Net Position of Business-Type Activities	<u>\$ 983,303</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, 2021**

	Business Type Activities Sanitary Sewer	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 4,150,793	\$ 3,206,994
Cash Payments for Goods and Services	(2,262,993)	(785,417)
Cash Payments to Employees for Services and Benefits	(771,797)	0
Cash Payments for Claims	0	(2,303,276)
Cash Payments for Other Operating Expenses	(19,411)	0
Net Cash Provided by Operating Activities	<u>1,096,592</u>	<u>118,301</u>
Cash Flows from Capital and Related Financing Activities:		
Capital Acquisitions	(613,246)	0
OPWC Loan Proceeds	367,889	0
Principal Paid on OPWC Loans	(503,934)	0
Net Cash Used by Capital and Related Financing Activities	<u>(749,291)</u>	<u>0</u>
Net Change in Cash and Cash Equivalents	347,301	118,301
Cash and Cash Equivalents at Beginning of Year	<u>8,319,494</u>	<u>735,529</u>
Cash and Cash Equivalents at End of Year	<u>\$ 8,666,795</u>	<u>\$ 853,830</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, 2021

	Business Type Activities Sanitary Sewer	Governmental Activities Internal Service Fund
	<u>                    </u>	<u>                    </u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating Income	\$ 858,890	\$ 45,006
Adjustments:		
Depreciation	551,193	0
Change in Operating Assets and Liabilities:		
Accounts Receivable	162,949	12,992
Intergovernmental Receivable	616	0
Materials and Supplies Inventory	4,409	0
Prepaid	1,893	(2,089)
Special Assessments Receivable	53,964	0
Investment in Joint Venture	(130,076)	0
Net Pension Asset	(2,689)	0
Net OPEB Asset	(50,781)	0
Deferred Outflows of Resources – Pension	36,403	0
Deferred Outflows of Resources – OPEB	43,349	0
Accounts Payable	(21,653)	(21,217)
Retainage Payable	(5,819)	0
Accrued Wages and Benefits	(17,224)	0
Compensated Absences Payable	17,600	0
Intergovernmental Payable	832	0
Claims Payable	0	83,609
Net Pension Liability	(167,898)	0
Net OPEB Liability	(407,182)	0
Deferred Inflows of Resources – Pension	66,958	0
Deferred Inflows of Resources – OPEB	100,858	0
Total Adjustments	<u>237,702</u>	<u>73,295</u>
Net Cash Provided by Operating Activities	<u>\$ 1,096,592</u>	<u>\$ 118,301</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Equity in Pooled Cash and Cash Equivalents	\$ 8,622,189	\$ 853,830
Restricted Cash and Cash Equivalents	44,606	0
Total Cash and Cash Equivalents	<u>8,666,795</u>	<u>853,830</u>
Noncash Transactions from Capital and Related Financing Activities:		
Capital Assets from Accounts Payable and Retainage Payable	\$ 917,669	\$ 0
Capital Assets Transferred from Governmental Activities	121,683	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, 2021**

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	Total Custodial Funds
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 130,191
Cash and Cash Equivalents:	
In Segregated Accounts	<u>298,434</u>
Total Assets	<u>428,625</u>
Liabilities:	
Deposits Held and Due to Others	<u>298,662</u>
Total Liabilities	<u>298,662</u>
Net Position:	
Restricted for Others	<u>129,963</u>
Total Net Position	<u>\$ 129,963</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, 2021**

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	<u>Total Custodial Funds</u>
Additions:	
Collections for Tri-City Park	\$ 85,460
Fines and Forfeitures for Others	<u>3,481,569</u>
Total Additions	<u>3,567,029</u>
Deductions:	
Payments on Behalf of Tri-City Park	7,510
Payments on Behalf of S.A.F.E.	147
Municipal Court Disbursements	<u>3,481,569</u>
Total Deductions	<u>3,489,226</u>
Change in Net Position	77,803
Net Position Beginning of Year	<u>52,160</u>
Net Position End of Year	<u>\$ 129,963</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, 2021**

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

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

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

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

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

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

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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

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

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

The City participates in other organizations: jointly governed organizations and a related organization. See Notes 20 and 25 to the basic financial statements for further information. The City also participates in two Municipal Utility Districts, see Note 26 for further information.

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

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

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

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

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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

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

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

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

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

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

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

**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, 2021**

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

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

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

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

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

***Fiduciary Funds*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and 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, 2021**

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

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

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

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

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred 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, 2021**

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

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

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding, 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, 2021, but which were levied to finance year 2022 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 revenues. 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, 2021**

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

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

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

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

STAR Ohio, is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but the City has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at 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 2021, 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 \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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 2021 amounted to \$35,201, which includes \$19,372 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, 2021**

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

#### ***H. Investment in Joint Venture***

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

#### ***I. Prepaid Assets***

Payments made to vendors for services that will benefit periods beyond December 31, 2021 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, 2021**

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### **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 2021, 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 2021. 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, 2021**

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### **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, 2021

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### **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 2022 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, 2021**

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### **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 \$16,378,632 of restricted net position. 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, 2021**

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### **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, 2021**

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

#### ***Newly Adopted Accounting Pronouncements***

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. This change did not impact the City's 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. 2019-3, *Leases*, effective date was also deferred as a result of GASB Statement No. 95. The effective date of this implementation guides are reporting periods beginning after June 15, 2021. The City has not yet determined the impact that this implementation guide will have on its financial statements and disclosures.

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.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned fund balance (GAAP).
4. Short-term note proceeds, short-term note principal retirements, advances-in, and advances-out for governmental funds are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Investments are reported at fair value (GAAP) rather than cost (budget).

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

	<u>General</u>
GAAP basis	\$ 1,545,600
Net adjustment for revenue accruals	14,483
Net adjustment for expenditure accruals	(26,159)
Fair value adjustment for investments	(9,334)
Advances-in	260,000
Encumbrances	<u>(443,223)</u>
Budget basis	\$ <u>1,341,367</u>

# City of Rocky River, Ohio

## Notes to Basic Financial Statements (Continued)

### For the Year Ended December 31, 2021

#### 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	\$ 33,729	\$ 0	\$ 0	\$ 100,351	\$ 134,080
Long-term Advances	250,000	0	0	0	250,000
Prepaid Assets	150,826	0	0	160,607	311,433
Unclaimed funds	<u>70,187</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>70,187</u>
Total Nonspendable	<u>504,742</u>	<u>0</u>	<u>0</u>	<u>260,958</u>	<u>765,700</u>
Restricted for:					
Building Standards	0	0	0	363	363
Capital Improvements	0	0	3,905,110	2,661,356	6,566,466
Debt Service	0	0	0	2,441	2,441
Donations and Bequests	0	0	0	373,668	373,668
Law Enforcement and Education	0	0	0	180,188	180,188
Marine Patrol	0	0	0	24,895	24,895
Office on Aging	0	0	0	596,537	596,537
Refuse and Recycling	0	0	0	816,619	816,619
Recreation Center	0	0	0	325,881	325,881
Security of Persons and Property	0	0	0	883,898	883,898
Street Construction and Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,588,636</u>	<u>1,588,636</u>
Total Restricted	<u>0</u>	<u>0</u>	<u>3,905,110</u>	<u>7,454,482</u>	<u>11,359,592</u>
Assigned to:					
Purchases on Order Subsequent Year's Budget: Appropriation of Fund Balance	290,530	0	0	0	290,530
Total Assigned	<u>4,138,280</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,138,280</u>
Unassigned (Deficit)	<u>5,909,917</u>	<u>(9,144,117)</u>	<u>0</u>	<u>0</u>	<u>(3,234,200)</u>
Total Fund Balance	\$ <u>10,552,939</u>	\$ <u>(9,144,117)</u>	\$ <u>3,905,110</u>	\$ <u>7,715,440</u>	\$ <u>13,029,372</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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

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

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

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

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

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

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

### ***Deposits***

*Custodial credit risk* is the risk that in the event of bank failure, the City's deposits may not be returned to it.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by establishing and pledging to the 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.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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

#### *Deposits (Continued)*

At year-end, the bank balance of the City's deposits were \$8,435,739. At year-end \$1,367,024 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 reduced collateral floors of 50% and 60% resulting in the uninsured and uncollateralized balance.

#### *Investments*

Investments are reported at fair value. As of December 31, 2021, the City had the following investments:

	Measurement Value	Maturities (in years) Less than 1	Maturities (in years) More than 1
Amortized Cost:			
Money Market	\$ 9,865,695	\$ 9,865,695	\$ 0
STAR Ohio	<u>15,401,129</u>	<u>15,401,129</u>	<u>0</u>
Total	<u>\$ 25,266,824</u>	<u>\$ 25,266,824</u>	<u>\$ 0</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investments in a money market account and STAR Ohio are valued at amortized cost (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, 2021, the average days to maturity for STAR Ohio was 51.3 days.

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



# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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

#### *Investments (Continued)*

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

*Concentration of Credit Risk* is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2021:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Money Market	39 %
STAR Ohio	61 %
	<u>100 %</u>

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

Property taxes include amounts levied against real and public utility properties located in the City. Property tax revenue received during 2021 represents collections of the 2020 taxes.

2021 real property taxes were levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by Ohio Revised Code at 35% of appraised value. 2021 real property taxes are collected in and intended to finance 2022.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2021 public utility property taxes which became a lien December 31, 2020, were levied after October 1, 2021, and were collected in 2021 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2021, was \$10.68 per \$1,000 of assessed value. The full rate for the City is the same as the effective rate. The assessed values of real and public utility properties upon which 2021 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 874,056,390
Public Utility	<u>11,827,610</u>
Total	<u>\$ 885,884,000</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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

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

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

Property taxes receivable represents real property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2021 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 2021 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. 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.

Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly.

All income tax monies are credited to the General Fund, General Obligation Bond Retirement, Equipment Replacement Fund and Capital Improvements Fund.

Enabling legislation provides income tax monies may be credited to the General, General Obligation Bond Retirement, Equipment Purchase and or Capital Improvement Funds.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

### Note 9: Receivables

Receivables at December 31, 2021, 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 \$416,816 in uncollectible billings for user charged services.

A summary of Intergovernmental Receivables follows:

#### Governmental Activities:

Homestead and Rollback	\$ 648,154
Local Government	251,750
Rocky River Municipal Court	136,034
Grant Reimbursements	459,487
Rocky River Waste Water Treatment Plant	57,000
Miscellaneous	2,318
Auto Registration and Gasoline Tax	554,342
Permissive Tax	<u>12,072</u>
Total Intergovernmental Receivable	<u>\$ 2,121,157</u>

Special assessments expected to be collected beyond one year amount to \$70,000 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding is \$120,337 at December 31, 2021.

### Note 10: Capital Assets

A summary of changes in capital assets during 2021 follows:

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/21</u>
<b>Governmental Activities</b>				
<i>Non-Depreciable Capital Assets</i>				
Land	\$ 2,017,826	\$ 0	\$ 0	\$ 2,017,826
Land Improvements	203,158	0	0	203,158
Construction in Progress	<u>10,591,142</u>	<u>9,734,311</u>	<u>(1,172,343)</u>	<u>19,153,110</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>12,812,126</u>	<u>9,734,311</u>	<u>(1,172,343)</u>	<u>21,374,094</u>
<i>Depreciable Capital Assets</i>				
Land Improvements	5,543,318	272,417	(23,816)	5,791,919
Buildings	35,049,977	81,863	0	35,131,840
Furniture, Fixtures and Equipment	9,059,982	566,469	0	9,626,451
Vehicles	10,682,651	496,095	(568,922)	10,609,824
Infrastructure:				
Roads	45,590,656	416,133	(261,034)	45,745,755
Sidewalks	2,588,587	230,197	0	2,818,784
Traffic Signals	2,981,092	30,568	0	3,011,660
Storm Sewers	<u>14,261,361</u>	<u>84,718</u>	<u>0</u>	<u>14,346,079</u>
<i>Total Depreciable Capital Assets</i>	<u>125,757,624</u>	<u>2,178,460</u>	<u>(853,772)</u>	<u>127,082,312</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

### Note 10: Capital Assets (Continued)

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/21</u>
<b>Governmental Activities (Continued)</b>				
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(2,498,810)	(156,153)	9,321	(2,645,642)
Building	(16,053,088)	(629,333)	0	(16,682,421)
Furniture, Fixtures and Equipment	(6,331,272)	(474,304)	0	(6,805,576)
Vehicles	(8,222,801)	(396,812)	568,922	(8,050,691)
Infrastructure:				
Roads	(21,937,132)	(1,286,350)	0	(23,223,482)
Sidewalks	(551,635)	(67,401)	0	(619,036)
Traffic Signals	(2,746,281)	(17,048)	0	(2,763,329)
Storm Sewers	<u>(2,510,522)</u>	<u>(185,277)</u>	<u>0</u>	<u>(2,695,799)</u>
<i>Total Accumulated Depreciation</i>	<u>(60,851,541)</u>	<u>(3,212,678)</u>	<u>578,243</u>	<u>(63,485,976)</u>
Total Depreciable Capital Assets, Net	<u>64,906,083</u>	<u>(1,034,218)</u>	<u>(275,529)</u>	<u>63,596,336</u>
Total Governmental Activities Capital Assets, Net	\$ <u>77,718,209</u>	\$ <u>8,700,093</u>	\$ <u>(1,447,872)</u>	\$ <u>84,970,430</u>
	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/21</u>
<b>Business-Type Activities</b>				
<i>Non-Depreciable Capital Assets</i>				
Land	\$ 39,516	\$ 0	\$ 0	\$ 39,516
Right-of-Way	250,000	0	0	250,000
Construction in Progress	<u>207,206</u>	<u>1,476,819</u>	<u>0</u>	<u>1,684,025</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>496,722</u>	<u>1,476,819</u>	<u>0</u>	<u>1,973,541</u>
<i>Depreciable Capital Assets</i>				
Furniture, Fixtures and Equipment	235,584	22,910	0	258,494
Vehicles	691,511	0	0	691,511
Sewer Lines	<u>31,058,124</u>	<u>116,755</u>	<u>0</u>	<u>31,174,879</u>
<i>Total Depreciable Capital Assets</i>	<u>31,985,219</u>	<u>139,665</u>	<u>0</u>	<u>32,124,884</u>
<i>Less Accumulated Depreciation:</i>				
Furniture, Fixtures and Equipment	(144,764)	(13,380)	0	(158,144)
Vehicles	(443,605)	(118,698)	0	(562,303)
Sewer Lines	<u>(8,891,322)</u>	<u>(419,115)</u>	<u>0</u>	<u>(9,310,437)</u>
<i>Total Accumulated Depreciation</i>	<u>(9,479,691)</u>	<u>(551,193)</u>	<u>0</u>	<u>(10,030,884)</u>
Total Depreciable Capital Assets, Net	<u>22,505,528</u>	<u>(411,528)</u>	<u>0</u>	<u>22,094,000</u>
Total Business-Type Activities Capital Assets, Net	\$ <u>23,002,250</u>	\$ <u>1,065,291</u>	\$ <u>0</u>	\$ <u>24,067,541</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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### **Note 10: Capital Assets (Continued)**

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 336,692
Security of Persons and Property	140,877
Public Health	81,654
Transportation	1,478,457
Community Development	15,309
Basic Utility Service	449,255
Leisure Time Activities	<u>710,434</u>
Total	\$ <u>3,212,678</u>

During 2021, the City completed an analysis of the Hampton Road and Lakeview Avenue road and sewer project that was completed in 2020. As a result of this analysis, certain infrastructure was reclassified during 2021, including transferring \$114,533 of roads infrastructure to sewer lines infrastructure. Further, the City reclassified \$146,501 from roads infrastructure to sidewalks, traffic signals and storm sewers infrastructure. The reclassifications are reported as deletions in the roads infrastructure the remaining infrastructure classifications report the activity in additions. Further, on the statement of activities, the net transaction between governmental activities and business-type activities is reported as a transfer.

Also, during 2021, \$7,150 of the construction in progress additions on the business-type activities were funded with governmental fund resources and this activity is also reported as contributed capital on the proprietary funds financial statements and as a transfer in the statement of activities.

Finally, during 2021, the City determined that \$557,228 of one of the construction in progress projects related to a water main replacement, which is maintained by another entity. As such, these costs were expensed during 2021.

### **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 sewer 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, 2021**

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### **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 \$4,466,362 which represents approximately 23% 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 2021 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 2021 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	\$ 1,267,043	\$	300,560

#### ***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. At year end, the City's intergovernmental receivables includes \$57,000 for the 2021 lease payment from the Plant.

### **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 2021, 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, 2021**

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### **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 \$348,565 have been accrued as a liability at December 31, 2021 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>
2021	\$ 264,956	\$ 2,386,885	\$ 2,303,276	\$ 348,565
2020	205,165	2,150,238	2,113,117	264,956

### **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, 2021**

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

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

The net pension/OPEB liabilities (asset) 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 cost-sharing, multiple-employer defined benefit plan; the Combined plan, a combination cost-sharing, multiple-employer 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, 2021

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

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the Traditional and Combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report references above for additional information, including requirements for reduce and unreduced benefits):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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

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

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 initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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%.

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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the Combined plan will be consolidated under the Traditional pension plan (defined benefit plan) and the Combined plan option will no longer be available for new hires beginning in 2022.

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, 2021**

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### **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 2021 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 2021. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2021, the City's contractually required contribution, net of postemployment health care benefits, was \$1,200,989. Of this amount, \$136,242 is reported as intergovernmental payable at December 31, 2021.

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

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before 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 (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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### **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, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members 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 one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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 2021 for police and fire employer units. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2021, the City's contractually required contribution, net of postemployment health care benefits, was \$1,213,088. Of this amount, \$139,529 is reported as intergovernmental payable at December 31, 2021.

#### ***D. Pension Liabilities (Asset), 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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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, 2021

### 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&amp;F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.059793%	0.042801%	0.243605%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.057640%</u>	<u>0.049130%</u>	<u>0.246675%</u>	
Change in Proportionate Share	(0.002153%)	0.006329%	0.00307%	
Proportionate Share of the Net Pension Liability	\$ 8,535,228	\$ 0	\$ 16,816,028	\$ 25,351,256
Proportionate Share of the Net Pension Asset	\$ 0	\$ 141,820	\$ 0	\$ 141,820
Pension (Reduction) Expense	\$ (114,829)	\$ 1,311	\$ 1,253,239	\$ 1,139,721

Pension expense for the member-directed defined contribution plan was \$16,615 in 2021. For 2021, the aggregate pension expense for all pension plans was \$1,156,336.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflow of Resources</b>				
City Contributions Subsequent to the Measurement Date	\$ 1,171,606	\$ 29,383	\$ 1,213,088	\$ 2,414,077
Differences in Employer Contributions and Change in Proportionate Share	0	560	271,411	271,971
Difference Between Expected and Actual Experience	0	0	702,967	702,967
Change in Assumptions	<u>0</u>	<u>8,857</u>	<u>282,013</u>	<u>290,870</u>
Total Deferred Outflow of Resources	\$ <u>1,171,606</u>	\$ <u>38,800</u>	\$ <u>2,469,479</u>	\$ <u>3,679,885</u>
<b>Deferred Inflow of Resources</b>				
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 3,326,783	\$ 21,091	\$ 815,689	\$ 4,163,563
Differences in Employer Contributions and Change in Proportionate Share	397,019	15,053	327,302	739,374
Difference Between Expected and Actual Experience	<u>357,034</u>	<u>26,756</u>	<u>655,102</u>	<u>1,038,892</u>
Total Deferred Inflow of Resources	\$ <u>4,080,836</u>	\$ <u>62,900</u>	\$ <u>1,798,093</u>	\$ <u>5,941,829</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

### 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 \$2,414,077 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 total pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	OPERS		OPERS		OP&F	Total
	Traditional		Combined			
2022	\$ (1,702,223)	\$	(12,182)	\$	(99,538)	\$ (1,813,943)
2023	(568,780)		(8,478)		312,323	(264,935)
2024	(1,356,110)		(13,342)		(748,746)	(2,118,198)
2025	(453,723)		(7,363)		(59,242)	(520,328)
2026	0		(4,436)		53,501	49,065
2027-2029	0		(7,682)		0	(7,682)
	\$ <u>(4,080,836)</u>	\$	<u>(53,483)</u>	\$	<u>(541,702)</u>	\$ <u>(4,676,021)</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 total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in valuation of total pension liability/asset - 2020

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>
Valuation date	December 31, 2020	December 31, 2020
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, 2021

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### 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	0.50% Simple through 2021 then 2.15% Simple	0.50% Simple though 2021 then 2.15% Simple

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% to 0.50% simple through 2021 then 2.15% simple.

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

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.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

### 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 of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected 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. Best estimates of arithmetic real rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00%	1.32%
Domestic equities	21.00	5.64
Real estate	10.00	5.39
Private equity	12.00	10.42
International equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00%	5.43%

**Discount Rate** The discount rate used to measure the total pension liability for measurement year 2020 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.

**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	\$ 16,280,994	\$ 8,535,228	\$ 2,220,136
City’s Proportionate Share of the Net Pension Asset – Combined	\$ 98,750	\$ 141,820	\$ 173,919



# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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

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

*Changes between Measurement Date and Report Date* During 2021, the OPERS Board lowered the investment rate of return from 7.2% to 6.9% along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

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

OP&F's total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, 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 the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2020, are presented below:

Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll growth	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in 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, 2020 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.0%	0.0%
Domestic equity	21.0%	4.1%
International equity	14.0	4.8
Private markets	8.0	6.4
Core fixed income*	23.0	0.9
High yield fixed income	7.0	3.0
Private credit	5.0	4.5
U.S. inflation linked bonds*	17.0	0.7
Midstream energy infrastructure	5.0	5.6
Real assets	8.0	5.8
Gold	5.0	1.9
Private real estate	12.0	5.3
Total	125.00%	

Note: Assumptions are geometric.

\*Levered 2.5x

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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### **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 1.25 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

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

	<u>1% Decrease (7.00%)</u>	<u>Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's Proportionate Share of the Net Pension Liability	\$ 23,410,066	\$ 16,816,028	\$ 11,297,485

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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### **Note 15: Postemployment Benefits**

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

Plan Description – OPERS administers three separate pension plans: the Traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed plan, a defined contribution plan; and the Combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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 (HRA) to qualifying benefit recipients of both the Traditional pension and the Combined plans.

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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### **Note 15: Postemployment Benefits (Continued)**

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial 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 allowing 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 the Traditional plan and the Combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional plan and Combined plan was 0% for 2021. The portion of employer contributions allocated to health care for members in the Member-Directed plan was 4% during 2021.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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### **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 rate 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 \$6,646 for 2021.

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

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

OP&F contracted with a vendor who assists 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.

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

OP&F maintains funds for health care in two separate accounts: 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. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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### **Note 15: Postemployment Benefits (Continued)**

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

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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**Funding Policy** – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5% of covered payroll for police and 24.0% of covered payroll for fire. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police and 24.0% for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, 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 \$28,605 for 2021. Of this amount, \$3,300 is reported as intergovernmental payable at December 31, 2021.

#### ***C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. 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:

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

### Note 15: Postemployment Benefits (Continued)

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset Prior Measurement Date	0.057648%	0.243605%	
Proportion of the Net OPEB Liability/Asset Current Measurement Date	<u>0.055738%</u>	<u>0.246675%</u>	
Change in Proportionate Share	(0.0019096%)	0.003070%	
Proportionate Share of the Net OPEB Liability	\$ 0	\$ 2,613,557	\$ 2,613,557
Proportionate Share of the Net OPEB Asset	\$ 993,025	\$ 0	\$ 993,025
OPEB (Reduction) Expense	\$ (6,129,058)	\$ 240,411	\$ (5,888,647)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflow of Resources</b>			
City Contributions Subsequent to the Measurement Date	\$ 6,646	\$ 28,605	\$ 35,251
Differences in Employer Contributions and Change in Proportionate Share	2,245	101,232	103,477
Change in Assumptions	<u>488,181</u>	<u>1,443,848</u>	<u>1,932,029</u>
Total Deferred Outflow of Resources	\$ <u>497,072</u>	\$ <u>1,573,685</u>	\$ <u>2,070,757</u>
<b>Deferred Inflow of Resources</b>			
Difference Between Expected and Actual Experience	\$ 896,197	\$ 431,097	\$ 1,327,294
Change in Assumptions	1,608,994	416,650	2,025,647
Differences in Employer Contributions and Change in Proportionate Share	232,789	98,812	331,601
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	<u>528,898</u>	<u>97,125</u>	<u>626,023</u>
Total Deferred Inflow of Resources	\$ <u>3,266,878</u>	\$ <u>1,043,684</u>	\$ <u>4,310,562</u>



# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

### Note 15: Postemployment Benefits (Continued)

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

The \$35,251 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:

Fiscal Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2022	\$ (1,494,856)	\$ 102,549	\$ (1,392,307)
2023	(989,434)	125,549	(863,885)
2024	(229,837)	89,289	(140,548)
2025	(62,325)	99,441	37,116
2026	0	40,277	40,277
2027-2028	0	44,291	44,291
	<u>\$ (2,776,452)</u>	<u>\$ 501,396</u>	<u>\$ (2,275,056)</u>

#### *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 health care costs 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 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 was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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### **Note 15: Postemployment Benefits (Continued)**

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

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	<u>Assumptions</u>
Valuation date	December 31, 2019
Rolled-forward measurement date	December 31, 2020
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	2.00%
Single discount rate of return	6.00%
Health care cost trend	Initial 8.5% to 3.5% ultimate in 2035

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

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

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

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

### Note 15: Postemployment Benefits (Continued)

#### D. Actuarial Assumptions – OPERS (Continued)

For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	34.00%	1.07%
Domestic equities	25.00	5.64
REITs	7.00	6.48
International equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00%	4.43%

**Discount Rate** A single discount rate of 6.00% was used to measure the OPEB liability on the measurement date of December 31, 2020. 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 2.00% (Fidelity Index’s “20-Year Municipal GO AA Index”) for the measurement date of December 31, 2020. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made 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 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

**Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the City’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
City’s Proportionate Share of the Net OPEB Asset	\$ 246,921	\$ 993,025	\$ 1,606,378

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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### **Note 15: Postemployment Benefits (Continued)**

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

**Sensitivity of the City’s Proportionate Share of the Net OPEB Asset 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 asset.

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 2021 is 8.5%. 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 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 asset calculated using the assumed trend rates, and the expected net OPEB asset 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 Asset	\$ 1,017,224	\$ 993,025	\$ 965,945

**Assumption Changes Since the Prior Measurement Date** Municipal bond rate changed from 2.75% to 2.00% and the single discount rate changed from 3.16% to 6.00%. The health care cost trend rate changed from 10.5% initial, 3.5%, ultimate in 2030 to 8.5% initial, 3.5% ultimate in 2035.

**Changes between Measurement Date and Reporting Date** During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

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

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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### **Note 15: Postemployment Benefits (Continued)**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

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%
Salary increases	3.75% – 10.50%
Payroll growth	3.25%
Municipal bond index rate	
Prior measurement date	2.75%
Current measurement date	2.12%
Single equivalent interest rate, net of plan	
Investment expense, including price inflation	
Prior measurement date	3.56%
Current measurement date	2.96%

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, 2021

### Note 15: Postemployment Benefits (Continued)

#### *E. 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.

<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.

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

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, 2020, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.0%	0.0%
Domestic equity	21.0%	4.1%
International equity	14.0	4.8
Private markets	8.0	6.4
Core fixed income*	23.0	0.9
High yield fixed income	7.0	3.0
Private credit	5.0	4.5
U.S. inflation linked bonds*	17.0	0.7
Midstream energy infrastructure	5.0	5.6
Real assets	8.0	5.8
Gold	5.0	1.9
Private real estate	12.0	5.3
Total	<u>125.00%</u>	

Note: Assumptions are geometric.

\*Levered 2.5x

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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### **Note 15: Postemployment Benefits (Continued)**

#### *E. 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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. 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 of 8%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12% at December 31, 2020 and 2.75% at December 31, 2019 was blended with the long-term rate of 8%, which resulted in a blended discount rate of 2.96% for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, 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** 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 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96%), or one percentage point higher (3.96%) than the current rate.

	1% Decrease <u>(1.96%)</u>	Discount Rate <u>(2.96%)</u>	1% Increase <u>(3.96%)</u>
City's Proportionate Share of the Net OPEB Liability	\$ 3,258,957	\$ 2,613,557	\$ 2,081,179

**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.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements, the Ohio Revised Code, City ordinances and employment policy. Vacation leave is earned at rates which vary depending upon length of service and standard work week. Vacation accumulation is limited to ten weeks. 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.

### **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 12/31/21</u>	<u>Date of Maturity</u>
Economic Development Revenue Bonds, Series 2005	\$ 1,350,000	2.51%	\$ 113,898	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.



# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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### **Note 18: Short Term Notes Payable**

A summary of the notes transactions for the year ended December 31, 2021, follows:

	<u>Balance</u> <u>12/31/20</u>		<u>Issued</u>		<u>Retired</u>		<u>Balance</u> <u>12/31/21</u>
Governmental activities:							
Police Facility Project Notes, Series 2020	\$ 9,900,000	\$	0	\$	9,900,000	\$	0
Premium on Series 2020 Notes	25,542		0		25,542		0
Police Facility Project Notes, Series 2021	0		9,900,000		0		9,900,000
Premium on Series 2021 Notes	<u>0</u>		<u>34,551</u>		<u>8,638</u>		<u>25,913</u>
 Total Notes Payable	 \$ <u>9,925,542</u>	\$	<u>9,934,551</u>	\$	<u>9,934,180</u>	\$	<u>9,925,913</u>

The police facility project notes 2020 were issued, via private sale, for the purpose of retiring the 2019 various purpose notes and improving the new police facility. The notes were dated September 23, 2020 and were due on September 23, 2021 at an interest rate of 0.625%. The Series 2021 police facility project notes were issued, via private sale, for the purpose of retiring the 2020 police facility project notes and improving the new police facility. The notes are dated September 22, 2021 and are due on September 22, 2022 at an interest rate of 0.5%. The notes are bond anticipation notes, and are backed by the full faith and credit of the City. The note liability is reflected in the fund which received the proceeds.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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### **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>
<b>General Obligation Bonds</b>			
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
<b>Special Assessment Bonds</b>			
1998 Erosion Control (A)	5.10	605,000	December 1, 2023
2000 Erosion Control (B)	5.25-5.50	360,000	December 1, 2025
<b>OPWC Loans</b>			
Valley View Storm and Sanitary Sewer Improvement	0.00	2,541,718	January 1, 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	4,438,507	January 1, 2051
2020 Rocky River Sewer Improvement	0.00	NA	Pending
Spencer Road Sewer and Pavement Improvements	0.00	NA	Pending

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, 2021

#### **Note 19: Long-Term Obligations (Continued)**

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

	Outstanding 12/31/20	Additions	Reductions	Outstanding 12/31/21	Amount Due in One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
2011 Municipal Court Facility Refunded	\$ 295,000	\$ 0	\$ 235,000	\$ 60,000	\$ 60,000
2014 Civic Facility Improvements Refunded	2,195,000	0	525,000	1,670,000	535,000
2014 General Purpose Refunded	2,035,000	0	485,000	1,550,000	500,000
Unamortized Premium	<u>246,631</u>	<u>0</u>	<u>64,053</u>	<u>182,578</u>	<u>0</u>
Total General Obligation Bonds	<u>4,771,631</u>	<u>0</u>	<u>1,309,053</u>	<u>3,462,578</u>	<u>1,095,000</u>
<b>Special Assessment Bonds</b>					
1998 Erosion Control (A)	75,000	0	25,000	50,000	25,000
2000 Erosion Control (B)	<u>75,000</u>	<u>0</u>	<u>15,000</u>	<u>60,000</u>	<u>15,000</u>
Total Special Assessment Bonds	<u>150,000</u>	<u>0</u>	<u>40,000</u>	<u>110,000</u>	<u>40,000</u>
<b>Ohio Public Works Commission (OPWC) Loans*</b>					
Hampton Road and Lakeview Avenue Sewer Improvement	<u>224,165</u>	<u>0</u>	<u>3,699</u>	<u>220,466</u>	<u>7,398</u>
<b>Other Long-Term Obligations</b>					
Compensated Absences Payable	4,726,838	1,884,091	1,945,622	4,665,307	1,976,086
Asset Retirement Obligations	65,000	3,052	0	68,052	0
Net Pension Liability	27,624,751	0	2,709,955	24,914,796	0
OPEB Liability	<u>9,961,759</u>	<u>207,291</u>	<u>7,555,493</u>	<u>2,613,557</u>	<u>0</u>
Total Other Long-Term Obligations	<u>42,378,348</u>	<u>2,094,434</u>	<u>12,211,070</u>	<u>32,261,712</u>	<u>1,976,086</u>
<b>Total Governmental Activities</b>	<b>\$ <u>47,524,144</u></b>	<b>\$ <u>2,094,434</u></b>	<b>\$ <u>13,563,822</u></b>	<b>\$ <u>36,054,756</u></b>	<b>\$ <u>3,118,484</u></b>
<b>Business-Type Activities</b>					
<b>Ohio Public Works Commission (OPWC) Loans*</b>					
Valley View Storm and Sanitary Sewer Improvement	\$ 2,075,736	\$ 0	\$ 84,724	\$ 1,991,012	\$ 84,724
Hampton Road Storm and Sanitary Sewer Improvement	2,723,677	0	108,947	2,614,730	108,947
Frazier Drive Sewer Improvement	2,506,229	0	96,393	2,409,836	96,393
Avalon Drive Sewer Improvement	3,917,035	0	139,895	3,777,140	139,894
Hampton Road and Lakeview Avenue Sewer Improvement	4,214,343	0	70,276	4,144,067	140,553
2020 Rocky River Sewer Improvement	12,775	360,226	0	373,001	0
Spencer Road Sewer and Pavement Improvement	<u>0</u>	<u>7,663</u>	<u>0</u>	<u>7,663</u>	<u>0</u>
Total OPWC Loans	<u>15,449,795</u>	<u>367,889</u>	<u>500,235</u>	<u>15,317,449</u>	<u>570,511</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

### Note 19: Long-Term Obligations (Continued)

	Outstanding 12/31/20	Additions	Reductions	Outstanding 12/31/21	Amount Due in One Year
<i>Business-Type Activities (Continued)</i>					
<b>Other Long-Term Obligations</b>					
Compensated Absences Payable	119,741	61,071	43,471	137,341	45,962
Net Pension Liability	604,358	0	167,898	436,460	0
OPEB Liability	407,182	0	407,182	0	0
Total Other Long-Term Obligations	<u>1,131,281</u>	<u>61,071</u>	<u>618,551</u>	<u>573,801</u>	<u>45,962</u>
<i>Total Business-Type Activities</i>	<u>\$ 16,581,076</u>	<u>\$ 428,960</u>	<u>\$ 1,118,786</u>	<u>\$ 15,891,250</u>	<u>\$ 616,473</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.

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.

During 2016, the City obtained an OPWC interest-free loan for the Hampton Road and Lakeview Avenue Sewer Improvements. This loan is to be repaid in semi-annual principal payments of \$73,975 for 30 years beginning July 1, 2021. The loan is split between the governmental activities and the business-type activities.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

### **Note 19: Long-Term Obligations (Continued)**

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, 2021, 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 2021, the City obtained an OPWC interest-free loan for the Spencer Road Sewer and Pavement Improvements. OPWC has authorized this loan up to \$524,100. The loan proceeds in the long-term obligations table represent monies drawn against this loan through December 31, 2021, 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.

The City's overall legal debt margin was \$97,356,553 at December 31, 2021. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2021, are as follows:

	Governmental Activities						
	General Obligation Bonds		Special Assessment Bonds		OPWC	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2022	\$ 1,095,000	\$ 114,575	\$ 40,000	\$ 5,850	\$ 7,398	\$ 1,135,000	\$ 120,425
2023	1,070,000	76,475	40,000	3,750	7,473	1,110,000	80,225
2024	1,115,000	39,025	15,000	1,650	7,473	1,130,000	40,675
2025	0	0	15,000	825	7,473	15,000	825
2026	0	0	0	0	7,473	7,473	0
2027-2031	0	0	0	0	37,365	37,365	0
2032-2036	0	0	0	0	37,365	37,365	0
2037-2041	0	0	0	0	37,365	37,365	0
2042-2046	0	0	0	0	37,365	37,365	0
2047-2051	0	0	0	0	33,716	33,716	0
Total	\$ <u>3,280,000</u>	\$ <u>230,075</u>	\$ <u>110,000</u>	\$ <u>12,075</u>	\$ <u>220,466</u>	\$ <u>3,390,000</u>	\$ <u>242,150</u>

	Business-Type
	Activities
	OPWC
	Principal
2022	\$ 570,511
2023	570,434
2024	570,434
2025	570,434
2026	570,434
2027-2031	2,852,170
2032-2036	2,852,170
2037-2041	2,852,170
2042-2046	2,616,148
2047-2051	911,880
Total	\$ <u>14,936,785</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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### **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 2021, the City contributed \$49,819 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 2021, the City made contributions of \$28,200 to the Tri-City Park.

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

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

The Safe Air for the Environment Council of Governments (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 2021, the City made no contributions to the S.A.F.E. Council.

## City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

### **For the Year Ended December 31, 2021**

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#### **Note 20: Jointly Governed Organizations (Continued)**

##### ***C. S.A.F.E. Council of Governments (Continued)***

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 2021. 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.

##### ***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 2021, the City contributed \$316,848 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](http://www.ritaohio.com).

## City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

### **For the Year Ended December 31, 2021**

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#### **Note 20: Jointly Governed Organizations (Continued)**

##### ***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 2021, the City made no contributions to NOPEC.

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

#### **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, 2021.

##### ***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.



# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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### **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, 2021:

<u>Transfer to</u>	
General Obligation Bond Retirement	\$ 900,000
Capital Improvement	350,000
Non-Major Governmental Funds	<u>3,970,000</u>
Total Transfers	\$ <u>5,220,000</u>

The General Obligation Bond Retirement Fund made the following transfer during the year ended December 31, 2021:

<u>Transfer to</u>	
Capital Improvement	\$ <u>3,924,375</u>

The transfer from the General Obligation Bond Retirement Fund was for the repayment of police facility project bond anticipation notes and related interest.

The Non-Major Governmental Funds made the following transfer during the year ended December 31, 2021:

<u>Transfer to</u>	
General Fund	\$ <u>3,312</u>

The transfer from the Non-Major Governmental Funds to the General Fund was to close out the Community Impacts Special Revenue Fund.

In addition to the transfers noted above, the City had a transfer of \$121,683 from governmental activities to business-type activities related to infrastructure. See Note 10 for additional information.

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

### Note 22: Interfund Activity (Continued)

#### B. Interfund Balances

As of December 31, 2021, interfund balances were as follows:

	Receivable		Payable	
	Interfund	Advance to Other Funds	Interfund	Advance from Other Funds
Governmental Activities:				
General Fund	\$ 0	\$ 250,000	\$ 0	\$ 0
Capital Improvement Fund	0	0	3,699	0
Non-Major Governmental Funds	0	0	0	250,000
Total Governmental Activities	0	250,000	3,699	250,000
Sanitary Sewer	3,699	0	0	0
Total	\$ 3,699	\$ 250,000	\$ 3,699	\$ 250,000

Interfund balances are expected to be repaid within one year. During 2021, the Sewer Revenue Fund advanced to the Capital Improvement Fund relates to a debt payment on an OPWC loan and is expected to be repaid in 2022. The General Fund loaned the Recreation Fund operating monies that will be paid back in future years.

### Note 23: Accountability and Compliance

#### A. Accountability

There is a deficit in the General Obligation Bond Retirement Debt Service Fund of \$9,144,117 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			
General Government			
Council			
Personal Service	\$ 124,200	\$ 124,679	\$ (479)

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

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### Note 23: Accountability and Compliance (continued)

#### B. Compliance (continued)

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
Mayor			
Fringe Benefit	49,838	51,267	(1,429)
Human Resources			
Personal Services	85,200	87,667	(2,467)
Information Technology			
Personal Services	80,100	82,922	(2,822)
Security of Persons and Property			
Fire Department			
Personal Service	3,251,000	3,263,259	(12,259)
Transportation			
Equipment Repair and Garage			
Personal Service	524,600	533,128	(8,528)
General Obligation Bond Retirement Fund			
Debt Service			
Issuance Costs	0	25,895	(25,895)
Municipal Probation Services Fund			
General Government			
Personal Service	139,304	200,000	(60,696)
Coronavirus Relief Fund			
General Government			
Other Expenditures	1,539	3,078	(1,539)
Municipal Court Capital Improvement Fund			
Debt Service			
Principal Retirement	195,000	235,000	(40,000)
Interest & Fiscal Charges	6,000	8,925	(2,925)

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## For the Year Ended December 31, 2021

### Note 23: Accountability and Compliance (continued)

#### B. Compliance (continued)

The following fund had original 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 Obligation Bond Retirement Fund</u>			
Original Budget	\$ 8,453,440	\$ 11,116,863	\$ (2,663,423)
<u>Sanitary Sewer Fund</u>			
Original Budget	\$ 12,666,440	\$ 13,978,333	\$ (1,311,893)

### Note 24: Significant Commitments

#### A. Contracts

At December 31, 2021, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Building Construction, Maintenance and Repair	\$ 5,417,280	\$ 4,008,206	\$ 1,409,074
Equipment, Vehicle, Computer Purchases and Repair	1,048,485	259,109	789,376
Sanitary and Storm Sewer Projects	6,349,211	889,240	5,459,971
Road and Sidewalk Improvement	3,343,492	1,575,130	1,768,362
Parks, Recreation Equipment and Facilities	4,300,110	3,012,722	1,287,388
Total	\$ <u>20,458,578</u>	\$ <u>9,744,407</u>	\$ <u>10,714,171</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	\$ 290,530
Capital Improvement Fund	2,270,931
Other Governmental Funds	<u>760,338</u>
Total Governmental	\$ <u>3,321,799</u>

# City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

## **For the Year Ended December 31, 2021**

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### **Note 25: 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, 2021, the CIC has no assets or liabilities. The CIC has had no financial activity since 2005.

### **Note 26: 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, 2021**

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

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

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

As of December 31, 2021, management's estimate of the final closure cost of the transfer station is \$29,435.

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

#### **Note 28: 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. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During 2021, the City received \$1,046,777 in American Rescue Plan Act funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

#### **Note 29: 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 \$68,052 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, 2021**

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#### **Note 29: Asset Retirement Obligations (Continued)**

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewer system to the Ohio Environmental Protection Agency (the "Ohio EPA") for approval. Any changes to the sewer 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 Eight Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.057640%	0.059793%	0.061985%	0.059858%	0.057764%
City's Proportionate Share of the Net Pension Liability	\$ 8,535,228	\$ 11,818,564	\$ 16,976,555	\$ 9,390,498	\$ 13,117,249
City's Covered Payroll	\$ 8,158,993	\$ 8,453,929	\$ 8,233,828	\$ 7,914,791	\$ 7,688,298
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	104.61%	139.80%	206.18%	118.64%	170.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%
	<u>2016</u>	<u>2015</u>	<u>2014</u>		
City's Proportion of the Net Pension Liability	0.057848%	0.031106%	0.035697%		
City's Proportionate Share of the Net Pension Liability	\$ 10,020,072	\$ 7,113,422	\$ 6,952,753		
City's Covered Payroll	\$ 7,203,524	\$ 6,876,663	\$ 7,852,692		
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.10%	103.44%	88.54%		
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	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 Eight Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Asset	0.049130%	0.042801%	0.040066%	0.034861%	0.031672%
City's Proportionate Share of the Net Pension Asset	\$ 141,820	\$ 89,248	\$ 44,803	\$ 47,455	\$ 17,626
City's Covered Payroll	\$ 220,286	\$ 192,529	\$ 168,593	\$ 142,748	\$ 127,053
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	64.38%	46.36%	26.57%	33.24%	13.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	157.67%	145.28%	126.64%	137.28%	116.55%
	<u>2016</u>	<u>2015</u>	<u>2014</u>		
City's Proportion of the Net Pension Asset	0.031106%	0.035697%	0.035697%		
City's Proportionate Share of the Net Pension Asset	\$ 15,137	\$ 13,744	\$ 3,746		
City's Covered Payroll	\$ 112,704	\$ 120,542	\$ 122,864		
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	13.43%	11.40%	3.05%		
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.90%	114.83%	104.56%		

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

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 Eight Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.246675%	0.243605%	0.248847%	0.251282%	0.247857%
City's Proportionate Share of the Net Pension Liability	\$ 16,816,084	\$ 16,410,547	\$ 20,312,491	\$ 15,422,311	\$ 15,699,015
City's Covered Payroll	\$ 6,194,430	\$ 5,822,994	\$ 5,678,025	\$ 5,496,825	\$ 5,454,476
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	271.45%	281.82%	357.74%	280.57%	287.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%	68.36%
	<u>2016</u>	<u>2015</u>	<u>2014</u>		
City's Proportion of the Net Pension Liability	0.253444%	0.256817%	0.256817%		
City's Proportionate Share of the Net Pension Liability	\$ 16,304,230	\$ 13,304,187	\$ 12,507,789		
City's Covered Payroll	\$ 5,123,147	\$ 5,095,764	\$ 5,067,831		
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	318.25%	261.08%	246.81%		
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually-Required Contribution	\$ 1,171,606	\$ 1,142,259	\$ 1,183,550	\$ 1,152,736	\$ 1,028,923
Contributions in Relation to the Contractually-Required Contribution	<u>(1,171,606)</u>	<u>(1,142,259)</u>	<u>(1,183,550)</u>	<u>(1,152,736)</u>	<u>(1,028,923)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 8,368,612	\$ 8,158,993	\$ 8,453,929	\$ 8,233,828	\$ 7,914,791
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually-Required Contribution	\$ 922,596	\$ 864,423	\$ 825,200	\$ 1,020,850	\$ 828,631
Contributions in Relation to the Contractually-Required Contribution	<u>(922,596)</u>	<u>(864,423)</u>	<u>(825,200)</u>	<u>(1,020,850)</u>	<u>(828,631)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 7,688,298	\$ 7,203,524	\$ 6,876,663	\$ 7,852,692	\$ 8,286,310
Contributions as a Percentage of Covered Payroll	12.00%	12.00%	12.00%	13.00%	10.00%

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually-Required Contribution	\$ 29,383	\$ 30,840	\$ 26,954	\$ 23,603	\$ 18,557
Contributions in Relation to the Contractually-Required Contribution	<u>(29,383)</u>	<u>(30,840)</u>	<u>(26,954)</u>	<u>(23,603)</u>	<u>(18,557)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 209,875	\$ 220,286	\$ 192,529	\$ 168,593	\$ 142,748
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually-Required Contribution	\$ 15,246	\$ 13,524	\$ 14,465	\$ 15,972	\$ 12,965
Contributions in Relation to the Contractually-Required Contribution	<u>(15,246)</u>	<u>(13,524)</u>	<u>(14,465)</u>	<u>(15,972)</u>	<u>(12,965)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 127,053	\$ 112,704	\$ 120,542	\$ 122,864	\$ 129,648
Contributions as a Percentage of Covered Payroll	12.00%	12.00%	12.00%	13.00%	10.00%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually-Required Contribution	\$ 1,213,088	\$ 1,309,786	\$ 1,229,189	\$ 1,199,543	\$ 1,161,998
Contributions in Relation to the Contractually-Required Contribution	<u>(1,213,088)</u>	<u>(1,309,786)</u>	<u>(1,229,189)</u>	<u>(1,199,543)</u>	<u>(1,161,998)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 5,720,951	\$ 6,194,930	\$ 5,822,994	\$ 5,678,025	\$ 5,496,825
Contributions as a Percentage of Covered Payroll	21.20%	21.14%	21.11%	21.13%	21.14%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually-Required Contribution	\$ 1,151,686	\$ 1,083,474	\$ 1,078,649	\$ 913,986	\$ 731,848
Contributions in Relation to the Contractually-Required Contribution	<u>(1,151,686)</u>	<u>(1,083,474)</u>	<u>(1,078,649)</u>	<u>(913,986)</u>	<u>(731,848)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 5,454,476	\$ 5,123,147	\$ 5,095,764	\$ 5,067,831	\$ 4,916,011
Contributions as a Percentage of Covered Payroll	21.11%	21.15%	21.17%	18.04%	14.89%

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/Asset Ohio Public Employee Retirement System

#### For the Last Five Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability/Asset	0.055738%	0.057648%	0.059692%	0.057552%	0.055983%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (993,025)	\$ 7,962,675	\$ 7,782,450	\$ 6,249,724	\$ 5,654,434
City's Covered Payroll	\$ 8,472,477	\$ 8,751,487	\$ 8,514,817	\$ 8,183,271	\$ 8,033,489
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	(11.72%)	90.99%	91.40%	76.37%	70.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	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 Five Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.246675%	0.243605%	0.248847%	0.251282%	0.247857%
City's Proportionate Share of the Net OPEB Liability	\$ 2,613,557	\$ 2,406,266	\$ 2,266,133	\$ 14,237,285	\$ 11,765,214
City's Covered Payroll	\$ 6,194,930	\$ 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	42.19%	41.32%	39.91%	259.01%	215.70%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.40%	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 Six Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 6,646	\$ 3,728	\$ 4,201	\$ 4,496	\$ 84,828
Contributions in Relation to the Contractually Required Contribution	<u>(6,646)</u>	<u>(3,728)</u>	<u>(4,201)</u>	<u>(4,496)</u>	<u>(84,828)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 8,744,629	\$ 8,472,477	\$ 8,751,487	\$ 8,514,817	\$ 8,183,271
Contributions as a Percentage of Covered Payroll	0.08%	0.04%	0.05%	0.05%	1.04%
	<u>2016</u>				
Contractually Required Contribution	\$ 163,682				
Contributions in Relation to the Contractually Required Contribution	<u>(163,682)</u>				
Contribution Deficiency (Excess)	<u>\$ 0</u>				
City Covered Payroll	\$ 8,033,489				
Contributions as a Percentage of Covered Payroll	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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually-Required Contribution	\$ 28,605	\$ 30,975	\$ 29,115	\$ 28,390	\$ 27,484
Contributions in Relation to the Contractually-Required Contribution	<u>(28,605)</u>	<u>(30,975)</u>	<u>(29,115)</u>	<u>(28,390)</u>	<u>(27,484)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 5,720,951	\$ 6,194,930	\$ 5,822,994	\$ 5,678,025	\$ 5,496,825
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually-Required Contribution	\$ 27,272	\$ 25,616	\$ 25,479	\$ 183,455	\$ 331,831
Contributions in Relation to the Contractually-Required Contribution	<u>(27,272)</u>	<u>(25,616)</u>	<u>(25,479)</u>	<u>(183,455)</u>	<u>(331,831)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 5,454,476	\$ 5,123,147	\$ 5,095,764	\$ 5,067,831	\$ 4,916,011
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	3.62%	6.75%

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

# City of Rocky River, Ohio

## Notes to Required Supplementary Information

### **For the Year Ended December 31, 2021**

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#### **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 – 2021**

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Valuation Date	December 31, 2020	December 31, 2020
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	0.50% Simple through 2021 then 2.15% Simple	0.50% Simple though 2021 then 2.15% Simple

#### **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

## City of Rocky River, Ohio

Notes to Required Supplementary Information (Continued)

### For the Year Ended December 31, 2021

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#### Note 1: Net Pension Liability (continued)

##### *Changes in Assumptions – OPERS (continued)*

#### 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 through 2018 then 2.15% Simple

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

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

# City of Rocky River, Ohio

Notes to Required Supplementary Information (Continued)

## **For the Year Ended December 31, 2021**

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### **Note 1: Net Pension Liability (continued)**

#### ***Changes in Assumptions – OPERS (continued)***

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

	<u>OPERS Traditional plan</u>	<u>OPERS 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

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

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

# City of Rocky River, Ohio

Notes to Required Supplementary Information (Continued)

## For the Year Ended December 31, 2021

### Note 1: Net Pension Liability (continued)

#### *Changes in Assumptions – OP&F*

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

	<u>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%

Beginning with the 2018 actuarial 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%.

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

Beginning with the 2018 actuarial 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%

Actuarial valuation amounts reported for 2017 and prior rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

## City of Rocky River, Ohio

Notes to Required Supplementary Information (Continued)

### **For the Year Ended December 31, 2021**

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#### **Note 2: Net OPEB Liability/Asset**

##### ***Changes in Assumptions – OPERS***

For 2021, the single discount rate changed from 3.16% in 2020 to 6.00%. For 2021, the municipal bond rate changed from 2.75% to 2.00%. For 2021, the health care cost trend rate changed from 10.5% initial, 3.5%, ultimate in 2030 to 8.5% initial, 3.5% ultimate in 2035.

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.

##### ***Changes in Benefit Terms – OPERS***

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-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 non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

##### ***Changes in Assumptions – OP&F***

For 2021, the single discount rate changed from 3.56% to 2.96%.

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.

## City of Rocky River, Ohio

Notes to Required Supplementary Information (Continued)

### **For the Year Ended December 31, 2021**

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#### **Note 2: Net OPEB Liability/Asset (continued)**

##### ***Changes in Benefit Terms – OP&F (continued)***

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

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## **Non-major Special Revenue Funds**

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

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

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

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

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

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

***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 2021, 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 was used to account for Coronavirus Aid, Relief, and Economic Security funds received to cover costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

***Local Fiscal Recovery Fund*** – This fund is used to account for American Rescue Plan Act of 2021 funds received by the City to cover costs that are necessary expenditures incurred due to the public health emergency with respect to 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

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### 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.

**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

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## **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, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 6,815,390	\$ 2,441	\$ 2,796,337	\$ 9,614,168
Restricted Cash	118,310	0	0	118,310
Accounts Receivable	31,656	0	0	31,656
Intergovernmental Receivable	761,698	0	43,286	804,984
Materials and Supplies Inventory	100,351	0	0	100,351
Prepaid Asset	74,364	0	86,243	160,607
Municipal Income Taxes Receivable	0	0	131,329	131,329
Property Taxes Receivable	2,419,687	0	0	2,419,687
Special Assessments Receivable	0	127,928	0	127,928
<b>Total Assets</b>	<b>\$ 10,321,456</b>	<b>\$ 130,369</b>	<b>\$ 3,057,195</b>	<b>\$ 13,509,020</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 496,202	\$ 0	\$ 249,746	\$ 745,948
Accrued Wages and Benefits	35,707	0	0	35,707
Intergovernmental Payable	197,022	0	0	197,022
Payables from Restricted Assets	118,310	0	0	118,310
Unearned Revenue	1,267,957	0	0	1,267,957
Matured Compensated Absences	46,761	0	0	46,761
Advances from Other Funds	250,000	0	0	250,000
<b>Total Liabilities</b>	<b>2,411,959</b>	<b>0</b>	<b>249,746</b>	<b>2,661,705</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	2,336,442	0	0	2,336,442
Unavailable Revenue	607,655	127,928	59,850	795,433
<b>Total Deferred Inflows of Resources</b>	<b>2,944,097</b>	<b>127,928</b>	<b>59,850</b>	<b>3,131,875</b>
<b>Fund Balances:</b>				
Nonspendable	174,715	0	86,243	260,958
Restricted	4,790,685	2,441	2,661,356	7,454,482
<b>Total Fund Balances</b>	<b>4,965,400</b>	<b>2,441</b>	<b>2,747,599</b>	<b>7,715,440</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 10,321,456</b>	<b>\$ 130,369</b>	<b>\$ 3,057,195</b>	<b>\$ 13,509,020</b>

# City of Rocky River, Ohio

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

### For the Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 2,045,104	\$ 0	\$ 0	\$ 2,045,104
Municipal Income Taxes	0	0	1,044,262	1,044,262
Intergovernmental	1,974,212	0	519,000	2,493,212
Charges for Services	1,501,751	0	0	1,501,751
Fees, Fines and Permits	215,056	0	0	215,056
Special Assessments	0	44,467	0	44,467
Rentals	227,948	0	0	227,948
Contributions	44,667	0	0	44,667
Other	38,006	0	0	38,006
<b>Total Revenues</b>	<b>6,046,744</b>	<b>44,467</b>	<b>1,563,262</b>	<b>7,654,473</b>
Expenditures:				
Current:				
General Government	212,738	0	197,196	409,934
Security of Persons and Property	1,352,089	0	0	1,352,089
Public Health	1,131,918	0	0	1,131,918
Transportation	2,111,125	0	0	2,111,125
Leisure Time Activities	2,829,015	0	0	2,829,015
Community Development	13,225	0	0	13,225
Basic Utility Service	2,032,988	0	0	2,032,988
Capital Outlay	54,292	0	1,296,416	1,350,708
Debt Service:				
Principal Retirement	0	40,000	235,000	275,000
Interest and Fiscal Charges	0	8,390	8,925	17,315
<b>Total Expenditures</b>	<b>9,737,390</b>	<b>48,390</b>	<b>1,737,537</b>	<b>11,523,317</b>
Excess of Revenue Over (Under)				
Expenditures	(3,690,646)	(3,923)	(174,275)	(3,868,844)
Other Financing Sources:				
Transfers - In	3,970,000	0	0	3,970,000
Transfers - Out	(3,312)	0	0	(3,312)
<b>Total Other Financing Sources</b>	<b>3,966,688</b>	<b>0</b>	<b>0</b>	<b>3,966,688</b>
<b>Net Change in Fund Balances</b>	<b>276,042</b>	<b>(3,923)</b>	<b>(174,275)</b>	<b>97,844</b>
Fund Balances at				
Beginning of Year	4,689,358	6,364	2,921,874	7,617,596
<b>Fund Balances at End of Year</b>	<b>\$ 4,965,400</b>	<b>\$ 2,441</b>	<b>\$ 2,747,599</b>	<b>\$ 7,715,440</b>

# City of Rocky River, Ohio

## Combining Balance Sheet Nonmajor Special Revenue Funds

**December 31, 2021**

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education	Municipal Probation Services
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 145,354	\$ 6,189	\$ 189,547	\$ 27,129	\$ 37,532
Restricted Cash	0	0	0	0	0
Accounts Receivable	3,670	0	0	0	9,190
Intergovernmental Receivable	34,908	68	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Assets	663	52	0	0	0
Property Taxes Receivable	0	0	0	0	0
<b>Total Assets</b>	<b>\$ 184,595</b>	<b>\$ 6,309</b>	<b>\$ 189,547</b>	<b>\$ 27,129</b>	<b>\$ 46,722</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	37	0	0	0
Payables from Restricted Assets	0	0	0	0	0
Unearned Revenue	30,873	0	0	0	0
Matured Compensated Absences	0	0	0	0	0
Advances from Other Funds	0	0	0	0	0
<b>Total Liabilities</b>	<b>30,873</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>					
Nonspendable	663	52	0	0	0
Restricted	153,059	6,220	189,547	27,129	46,722
<b>Total Fund Balances</b>	<b>153,722</b>	<b>6,272</b>	<b>189,547</b>	<b>27,129</b>	<b>46,722</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 184,595</b>	<b>\$ 6,309</b>	<b>\$ 189,547</b>	<b>\$ 27,129</b>	<b>\$ 46,722</b>

Federal Emergency Management Agency	Office on Aging	Coronavirus Relief	Local Fiscal Recovery	Recreation Center	Marine Patrol	Community Impacts	Refuse and Recycling
\$ 47	\$ 617,934	\$ 0	\$ 1,046,777	\$ 835,501	\$ 24,924	\$ 0	\$ 892,925
0	0	0	0	0	0	0	0
0	0	0	0	13,257	0	0	0
0	31,595	0	0	31,337	0	0	60,860
0	33,770	0	0	5,516	0	0	5,947
0	21,432	0	0	28,040	187	0	11,919
0	465,326	0	0	465,326	0	0	930,647
<u>\$ 47</u>	<u>\$ 1,170,057</u>	<u>\$ 0</u>	<u>\$ 1,046,777</u>	<u>\$ 1,378,977</u>	<u>\$ 25,111</u>	<u>\$ 0</u>	<u>\$ 1,902,298</u>
\$ 0	\$ 12,748	\$ 0	\$ 0	\$ 47,168	\$ 29	\$ 0	\$ 52,874
0	1,693	0	0	12,246	0	0	10,648
0	8,122	0	0	19,493	0	0	12,784
0	0	0	0	0	0	0	0
0	0	0	1,046,777	190,307	0	0	0
0	0	0	0	4,571	0	0	0
0	0	0	0	250,000	0	0	0
0	22,563	0	1,046,777	523,785	29	0	76,306
0	449,317	0	0	449,317	0	0	898,630
0	46,438	0	0	46,438	0	0	92,877
0	495,755	0	0	495,755	0	0	991,507
0	55,202	0	0	33,556	187	0	17,866
47	596,537	0	0	325,881	24,895	0	816,619
47	651,739	0	0	359,437	25,082	0	834,485
<u>\$ 47</u>	<u>\$ 1,170,057</u>	<u>\$ 0</u>	<u>\$ 1,046,777</u>	<u>\$ 1,378,977</u>	<u>\$ 25,111</u>	<u>\$ 0</u>	<u>\$ 1,902,298</u>

# City of Rocky River, Ohio

## Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

**December 31, 2021**

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Indigent Driver Alcohol Monitoring
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 577,609	\$ 788,690	\$ 232,343	\$ 43,375
Restricted Cash	0	0	0	0
Accounts Receivable	5,539	0	0	0
Intergovernmental Receivable	12,072	512,768	41,574	0
Materials and Supplies Inventory	0	55,118	0	0
Prepaid Assets	2,631	9,440	0	0
Property Taxes Receivable	0	0	0	0
<b>Total Assets</b>	<b>\$ 597,851</b>	<b>\$ 1,366,016</b>	<b>\$ 273,917</b>	<b>\$ 43,375</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 141,150	\$ 7,938	\$ 0	\$ 0
Accrued Wages and Benefits	4,174	6,946	0	0
Intergovernmental Payable	4,185	9,200	0	0
Payables from Restricted Assets	0	0	0	0
Unearned Revenue	0	0	0	0
Matured Compensated Absences	0	42,190	0	0
Advances from Other Funds	0	0	0	0
<b>Total Liabilities</b>	<b>149,509</b>	<b>66,274</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	0	0	0	
Unavailable Revenue	0	338,714	27,462	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>338,714</b>	<b>27,462</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	2,631	64,558	0	0
Restricted	445,711	896,470	246,455	43,375
<b>Total Fund Balances</b>	<b>448,342</b>	<b>961,028</b>	<b>246,455</b>	<b>43,375</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 597,851</b>	<b>\$ 1,366,016</b>	<b>\$ 273,917</b>	<b>\$ 43,375</b>

Fire Levy	Police Levy	Refundable Deposits	Building Standards Fee	Donations and Bequests	Total Nonmajor Special Revenue Funds
\$ 343,607	\$ 397,581	\$ 0	\$ 363	\$ 607,963	\$ 6,815,390
0	0	118,310	0	0	118,310
0	0	0	0	0	31,656
18,258	18,258	0	0	0	761,698
0	0	0	0	0	100,351
0	0	0	0	0	74,364
<u>279,194</u>	<u>279,194</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,419,687</u>
<u>\$ 641,059</u>	<u>\$ 695,033</u>	<u>\$ 118,310</u>	<u>\$ 363</u>	<u>\$ 607,963</u>	<u>\$ 10,321,456</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 234,295	\$ 496,202
0	0	0	0	0	35,707
77,315	65,886	0	0	0	197,022
0	0	118,310	0	0	118,310
0	0	0	0	0	1,267,957
0	0	0	0	0	46,761
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>250,000</u>
<u>77,315</u>	<u>65,886</u>	<u>118,310</u>	<u>0</u>	<u>234,295</u>	<u>2,411,959</u>
269,589	269,589	0	0	0	2,336,442
<u>27,863</u>	<u>27,863</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>607,655</u>
<u>297,452</u>	<u>297,452</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,944,097</u>
0	0	0	0	0	174,715
<u>266,292</u>	<u>331,695</u>	<u>0</u>	<u>363</u>	<u>373,668</u>	<u>4,790,685</u>
<u>266,292</u>	<u>331,695</u>	<u>0</u>	<u>363</u>	<u>373,668</u>	<u>4,965,400</u>
<u>\$ 641,059</u>	<u>\$ 695,033</u>	<u>\$ 118,310</u>	<u>\$ 363</u>	<u>\$ 607,963</u>	<u>\$ 10,321,456</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, 2021**

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education	Municipal Probation Services
<b>Revenues:</b>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	34,576	0	0	0	2,601
Charges for Services	0	0	0	0	0
Fees, Fines and Permits	14,494	0	35,066	836	151,978
Rentals	0	0	0	0	0
Contributions	0	0	0	0	0
Other	0	0	0	0	0
<b>Total Revenues</b>	<b>49,070</b>	<b>0</b>	<b>35,066</b>	<b>836</b>	<b>154,579</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	0	0	0	0	211,199
Security of Persons and Property	43,548	2,996	29,071	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
<b>Total Expenditures</b>	<b>43,548</b>	<b>2,996</b>	<b>29,071</b>	<b>0</b>	<b>211,199</b>
<b>Excess of Revenues Over (Under)</b>					
Expenditures	5,522	(2,996)	5,995	836	(56,620)
<b>Other Financing Sources:</b>					
Transfers - In	0	0	0	0	0
Transfers - Out	0	0	0	0	0
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>5,522</b>	<b>(2,996)</b>	<b>5,995</b>	<b>836</b>	<b>(56,620)</b>
<b>Fund Balances at</b>					
Beginning of Year	148,200	9,268	183,552	26,293	103,342
<b>Fund Balances at End of Year</b>	<b>\$ 153,722</b>	<b>\$ 6,272</b>	<b>\$ 189,547</b>	<b>\$ 27,129</b>	<b>\$ 46,722</b>

Federal Emergency Management Agency	Office on Aging	Coronavirus Relief	Local Fiscal Recovery	Recreation Center	Marine Patrol	Community Impacts	Refuse and Recycling
\$ 0	\$ 393,296	\$ 0	\$ 0	\$ 393,296	\$ 0	\$ 0	\$ 786,548
0	51,932	260,000	0	51,932	30,000	0	109,009
0	193,393	0	0	1,308,358	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	227,948	0	0	0
0	0	0	0	0	0	0	0
0	386	0	0	8,506	0	0	8,471
<u>0</u>	<u>639,007</u>	<u>260,000</u>	<u>0</u>	<u>1,990,040</u>	<u>30,000</u>	<u>0</u>	<u>904,028</u>
0	0	1,539	0	0	0	0	0
0	0	0	0	0	34,781	0	0
0	847,447	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	2,829,015	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	2,032,988
0	0	0	0	0	0	0	0
<u>0</u>	<u>847,447</u>	<u>1,539</u>	<u>0</u>	<u>2,829,015</u>	<u>34,781</u>	<u>0</u>	<u>2,032,988</u>
<u>0</u>	<u>(208,440)</u>	<u>258,461</u>	<u>0</u>	<u>(838,975)</u>	<u>(4,781)</u>	<u>0</u>	<u>(1,128,960)</u>
0	350,000	0	0	450,000	20,000	0	1,000,000
0	0	0	0	0	0	(3,312)	0
<u>0</u>	<u>350,000</u>	<u>0</u>	<u>0</u>	<u>450,000</u>	<u>20,000</u>	<u>(3,312)</u>	<u>1,000,000</u>
<u>0</u>	<u>141,560</u>	<u>258,461</u>	<u>0</u>	<u>(388,975)</u>	<u>15,219</u>	<u>(3,312)</u>	<u>(128,960)</u>
<u>47</u>	<u>510,179</u>	<u>(258,461)</u>	<u>0</u>	<u>748,412</u>	<u>9,863</u>	<u>3,312</u>	<u>963,445</u>
<u>\$ 47</u>	<u>\$ 651,739</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 359,437</u>	<u>\$ 25,082</u>	<u>\$ 0</u>	<u>\$ 834,485</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, 2021

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Indigent Drive Alcohol Monitoring
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	150,855	1,085,643	88,026	47,318
Charges for Services	0	0	0	0
Fees, Fines and Permits	0	0	0	0
Rentals	0	0	0	0
Contributions	0	0	0	0
Other	20,643	0	0	0
<b>Total Revenues</b>	<u>171,498</u>	<u>1,085,643</u>	<u>88,026</u>	<u>47,318</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Public Health	0	0	0	0
Transportation	751,932	1,337,470	21,723	0
Leisure Time Activities	0	0	0	0
Community Development	0	0	0	0
Basic Utility Service	0	0	0	0
Capital Outlay	0	0	0	54,292
<b>Total Expenditures</b>	<u>751,932</u>	<u>1,337,470</u>	<u>21,723</u>	<u>54,292</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>(580,434)</u>	<u>(251,827)</u>	<u>66,303</u>	<u>(6,974)</u>
<b>Other Financing Sources:</b>				
Transfers - In	625,000	600,000	0	0
Transfers - Out	0	0	0	0
<b>Total Other Financing Sources</b>	<u>625,000</u>	<u>600,000</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	44,566	348,173	66,303	(6,974)
<b>Fund Balances at</b>				
Beginning of Year	<u>403,776</u>	<u>612,855</u>	<u>180,152</u>	<u>50,349</u>
<b>Fund Balances at End of Year</b>	<u>\$ 448,342</u>	<u>\$ 961,028</u>	<u>\$ 246,455</u>	<u>\$ 43,375</u>

	Fire Levy	Police Levy	Refundable Deposits	Building Standards Fee	Donations and Bequests	Total Nonmajor Special Revenue Funds
\$	235,982	\$ 235,982	\$ 0	\$ 0	\$ 0	\$ 2,045,104
	31,160	31,160	0	0	0	1,974,212
	0	0	0	0	0	1,501,751
	0	0	8,800	3,882	0	215,056
	0	0	0	0	0	227,948
	0	0	0	0	44,667	44,667
	0	0	0	0	0	38,006
	<u>267,142</u>	<u>267,142</u>	<u>8,800</u>	<u>3,882</u>	<u>44,667</u>	<u>6,046,744</u>
	0	0	0	0	0	212,738
	672,574	569,119	0	0	0	1,352,089
	0	0	0	0	284,471	1,131,918
	0	0	0	0	0	2,111,125
	0	0	0	0	0	2,829,015
	0	0	8,800	4,425	0	13,225
	0	0	0	0	0	2,032,988
	0	0	0	0	0	54,292
	<u>672,574</u>	<u>569,119</u>	<u>8,800</u>	<u>4,425</u>	<u>284,471</u>	<u>9,737,390</u>
	<u>(405,432)</u>	<u>(301,977)</u>	<u>0</u>	<u>(543)</u>	<u>(239,804)</u>	<u>(3,690,646)</u>
	450,000	475,000	0	0	0	3,970,000
	0	0	0	0	0	(3,312)
	<u>450,000</u>	<u>475,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,966,688</u>
	44,568	173,023	0	(543)	(239,804)	276,042
	<u>221,724</u>	<u>158,672</u>	<u>0</u>	<u>906</u>	<u>613,472</u>	<u>4,689,358</u>
\$	<u><u>266,292</u></u>	\$ <u><u>331,695</u></u>	\$ <u><u>0</u></u>	\$ <u><u>363</u></u>	\$ <u><u>373,668</u></u>	\$ <u><u>4,965,400</u></u>

# City of Rocky River, Ohio

## Combining Balance Sheet Nonmajor Capital Projects Funds

**December 31, 2021**

	Equipment Replacement	Municipal Court Capital Improvement	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,716,352	\$ 79,985	\$ 2,796,337
Intergovernmental Receivable	0	43,286	43,286
Prepaid Assets	14,582	71,661	86,243
Municipal Income Taxes Receivable	131,329	0	131,329
<b>Total Assets</b>	<b>\$ 2,862,263</b>	<b>\$ 194,932</b>	<b>\$ 3,057,195</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 249,746	\$ 0	\$ 249,746
<b>Total Liabilities</b>	<b>249,746</b>	<b>0</b>	<b>249,746</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Revenue	59,850	0	59,850
<b>Fund Balances:</b>			
Nonspendable	14,582	71,661	86,243
Restricted	2,538,085	123,271	2,661,356
<b>Total Fund Balances</b>	<b>2,552,667</b>	<b>194,932</b>	<b>2,747,599</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,862,263</b>	<b>\$ 194,932</b>	<b>\$ 3,057,195</b>

# 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, 2021**

	Equipment Replacement	Municipal Court Capital Improvement	Total Nonmajor Capital Projects Funds
Revenues:			
Municipal Income Taxes	\$ 1,044,262	\$ 0	\$ 1,044,262
Intergovernmental	45,326	473,674	519,000
<b>Total Revenues</b>	<b>1,089,588</b>	<b>473,674</b>	<b>1,563,262</b>
Expenditures:			
Current:			
General Government	17,954	179,242	197,196
Capital Outlay	1,290,787	5,629	1,296,416
Debt Service:			
Principal Retirement	0	235,000	235,000
Interest and Fiscal Charges	0	8,925	8,925
<b>Total Expenditures</b>	<b>1,308,741</b>	<b>428,796</b>	<b>1,737,537</b>
Net Change in Fund Balances	(219,153)	44,878	(174,275)
Fund Balances at Beginning of Year	2,771,820	150,054	2,921,874
Fund Balances at End of Year	<u>\$ 2,552,667</u>	<u>\$ 194,932</u>	<u>\$ 2,747,599</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, 2021

	Budget		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 4,288,929	\$ 4,763,493	\$ 4,955,327	\$ 191,834
Municipal Income Taxes	10,635,676	11,812,499	14,215,290	2,402,791
Other Local Taxes	9,004	10,000	25,163	15,163
Intergovernmental	1,005,605	1,116,875	1,171,574	54,699
Charges for Services	627,663	697,113	596,537	(100,576)
Fines, Fees, and Permits	1,798,316	1,997,300	1,837,238	(160,062)
Special Assessments	0	0	303	303
Investment Income	216,990	241,000	25,867	(215,133)
Rentals	99,041	110,000	135,605	25,605
Other	433,432	480,500	360,281	(120,219)
<b>Total Revenues</b>	<b>19,114,656</b>	<b>21,228,780</b>	<b>23,323,185</b>	<b>2,094,405</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
<b>Council:</b>				
Personal Service	124,200	124,200	124,679	(479)
Fringe Benefit	21,754	21,754	20,528	1,226
Other	7,576	7,576	2,729	4,847
<b>Total Council</b>	<b>153,530</b>	<b>153,530</b>	<b>147,936</b>	<b>5,594</b>
<b>Mayor:</b>				
Personal Service	153,600	153,600	153,352	248
Fringe Benefit	49,838	49,838	51,267	(1,429)
Other	13,427	13,427	11,200	2,227
<b>Total Mayor</b>	<b>216,865</b>	<b>216,865</b>	<b>215,819</b>	<b>1,046</b>
<b>Finance Department:</b>				
Personal Service	293,200	293,200	289,713	3,487
Fringe Benefit	95,888	130,888	123,105	7,783
Other	528,513	528,513	521,771	6,742
<b>Total Finance Department</b>	<b>917,601</b>	<b>952,601</b>	<b>934,589</b>	<b>18,012</b>
<b>Law Director:</b>				
Personal Service	114,600	114,600	112,946	1,654
Fringe Benefit	20,290	20,290	18,219	2,071
Other	83,458	83,458	22,052	61,406
<b>Total Law Director</b>	<b>218,348</b>	<b>218,348</b>	<b>153,217</b>	<b>65,131</b>

(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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Other Executive Administration:				
Personal Service	266,800	266,800	254,678	12,122
Fringe Benefit	97,664	97,664	88,739	8,925
Other	200,388	215,388	180,768	34,620
Total Other Executive Administration	564,852	579,852	524,185	55,667
Boards and Commissions:				
Personal Service	33,700	33,700	27,534	6,166
Fringe Benefit	5,742	5,742	901	4,841
Other	35,067	35,067	14,481	20,586
Total Boards and Commissions	74,509	74,509	42,916	31,593
Building Maintenance:				
Personal Service	413,600	413,600	362,761	50,839
Fringe Benefit	151,753	184,753	164,158	20,595
Other	636,275	636,275	416,741	219,534
Total Building Maintenance	1,201,628	1,234,628	943,660	290,968
Human Resources:				
Personal Service	85,200	85,200	87,667	(2,467)
Fringe Benefit	20,993	20,993	13,654	7,339
Other	41,725	41,725	39,622	2,103
Total Human Resources	147,918	147,918	140,943	6,975
Municipal Courts:				
Personal Service	834,000	834,000	593,491	240,509
Fringe Benefit	246,837	274,837	241,671	33,166
Other	361,932	408,932	84,791	324,141
Total Municipal Courts	1,442,769	1,517,769	919,953	597,816
Clerk of Courts:				
Personal Service	750,400	750,400	727,688	22,712
Fringe Benefit	290,214	290,214	266,006	24,208
Other	192,208	239,208	183,351	55,857
Total Clerk of Courts	1,232,822	1,279,822	1,177,045	102,777
Information Technology				
Personal Service	80,100	80,100	82,922	(2,822)
Fringe Benefit	15,077	15,077	13,899	1,178
Other	42,166	42,166	28,978	13,188
Total Information Technology	137,343	137,343	125,799	11,544

(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, 2021**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Miscellaneous:				
Fringe Benefit	6,544	6,544	943	5,601
Other	76,103	76,103	46,040	30,063
Total Miscellaneous	<u>82,647</u>	<u>82,647</u>	<u>46,983</u>	<u>35,664</u>
Total General Government	<u>6,390,832</u>	<u>6,595,832</u>	<u>5,373,045</u>	<u>1,222,787</u>
Security of Persons and Property:				
Police Department:				
Personal Service	3,896,400	3,936,400	3,747,682	188,718
Fringe Benefit	898,756	898,756	840,151	58,605
Other	731,354	731,354	554,502	176,852
Total Police Department	<u>5,526,510</u>	<u>5,566,510</u>	<u>5,142,335</u>	<u>424,175</u>
Fire Department:				
Personal Service	3,131,000	3,251,000	3,263,259	(12,259)
Fringe Benefit	731,623	731,623	664,177	67,446
Other	616,497	616,497	460,314	156,183
Total Fire Department	<u>4,479,120</u>	<u>4,599,120</u>	<u>4,387,750</u>	<u>211,370</u>
Police on Patrol Arresting Speeders:				
Personal Service	60,000	20,000	16,113	3,887
Fringe Benefit	2,147	2,147	1,415	732
Other	159,361	159,361	2,638	156,723
Total Police on Patrol Arresting Speeders	<u>221,508</u>	<u>181,508</u>	<u>20,166</u>	<u>161,342</u>
Total Security of Persons and Property	<u>10,227,138</u>	<u>10,347,138</u>	<u>9,550,251</u>	<u>796,887</u>
Transportation:				
Equipment Repair and Garage:				
Personal Service	524,600	524,600	533,128	(8,528)
Fringe Benefit	242,912	242,912	202,204	40,708
Other	225,779	225,779	141,439	84,340
Total Transportation	<u>993,291</u>	<u>993,291</u>	<u>876,771</u>	<u>116,520</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, 2021**

	Budget		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Leisure Time Activities:				
Parks Department:				
Personal Service	391,000	391,000	359,769	31,231
Fringe Benefit	180,751	180,751	152,884	27,867
Other	164,889	164,889	120,370	44,519
Total Leisure Time Activities	<u>736,640</u>	<u>736,640</u>	<u>633,023</u>	<u>103,617</u>
Community Development:				
Engineering:				
Other	<u>46,900</u>	<u>46,900</u>	<u>44,428</u>	<u>2,472</u>
Building:				
Personal Service	338,100	338,100	334,965	3,135
Fringe Benefit	152,088	152,088	124,724	27,364
Other	128,947	128,947	68,025	60,922
Total Building	<u>619,135</u>	<u>619,135</u>	<u>527,714</u>	<u>91,421</u>
Economic Development:				
Other	<u>103,411</u>	<u>103,411</u>	<u>43,751</u>	<u>59,660</u>
Total Community Development	<u>769,446</u>	<u>769,446</u>	<u>615,893</u>	<u>153,553</u>
Total Expenditures	<u>19,117,347</u>	<u>19,442,347</u>	<u>17,048,983</u>	<u>2,393,364</u>
Excess of Revenues Over Expenditures	<u>(2,691)</u>	<u>1,786,433</u>	<u>6,274,202</u>	<u>4,487,769</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	10,804	12,000	23,853	11,853
Advances - In	234,097	260,000	260,000	0
Transfers - In	0	0	3,312	3,312
Transfers - Out	<u>(5,225,000)</u>	<u>(5,225,000)</u>	<u>(5,220,000)</u>	<u>5,000</u>
Total Other Financing Sources (Uses)	<u>(4,980,099)</u>	<u>(4,953,000)</u>	<u>(4,932,835)</u>	<u>20,165</u>
Net Change in Fund Balance	(4,982,790)	(3,166,567)	1,341,367	4,507,934
Fund Balance at Beginning of Year	5,271,908	5,271,908	5,271,908	0
Prior Year Encumbrances Appropriated	<u>281,664</u>	<u>281,664</u>	<u>281,664</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 570,782</u>	<u>\$ 2,387,005</u>	<u>\$ 6,894,939</u>	<u>\$ 4,507,934</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General Government:				
Personal Service	\$ 36,393	\$ 36,393	\$ 0	\$ 36,393
Fringe Benefits	5,916	5,916	0	5,916
Total General Government	<u>42,309</u>	<u>42,309</u>	<u>0</u>	<u>42,309</u>
Security of Persons and Property:				
Personal Service	241,479	241,479	0	241,479
Fringe Benefits	10,245	10,245	0	10,245
Total Security of Persons and Property	<u>251,724</u>	<u>251,724</u>	<u>0</u>	<u>251,724</u>
Public Health:				
Personal Service	20,121	20,121	0	20,121
Fringe Benefits	3,153	3,153	0	3,153
Total Public Health	<u>23,274</u>	<u>23,274</u>	<u>0</u>	<u>23,274</u>
Transportation:				
Personal Service	54,805	54,805	0	54,805
Fringe Benefits	8,496	8,496	0	8,496
Total Transportation	<u>63,301</u>	<u>63,301</u>	<u>0</u>	<u>63,301</u>
Leisure Time Activities:				
Personal Service	72,821	72,821	0	72,821
Fringe Benefits	11,502	11,502	0	11,502
Total Leisure Time Activities	<u>84,323</u>	<u>84,323</u>	<u>0</u>	<u>84,323</u>
Community Development:				
Personal Service	26,682	26,682	0	26,682
Fringe Benefits	4,183	4,183	0	4,183
Total Community Development	<u>30,865</u>	<u>30,865</u>	<u>0</u>	<u>30,865</u>

(Continued)

## City of Rocky River, Ohio

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

#### Budget Stabilization Fund (Continued)

#### For the Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Basic Utility Service:				
Personal Service	57,118	57,118	0	57,118
Fringe Benefits	8,946	8,946	0	8,946
Total Basic Utility Service	66,064	66,064	0	66,064
Total Expenditures	561,860	561,860	0	561,860
Net Changes in Fund Balances	(561,860)	(561,860)	0	561,860
Fund Balance at Beginning of Year	688,290	688,290	688,290	0
Fund Balance at End of Year	\$ 126,430	\$ 126,430	\$ 688,290	\$ 561,860

# 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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 417,535	\$ 589,766	\$ 613,540	\$ 23,774
Intergovernmental	57,476	81,185	81,013	(172)
Total Revenues	<u>475,011</u>	<u>670,951</u>	<u>694,553</u>	<u>23,602</u>
Expenditures:				
Debt Service:				
Principal Retirement	10,910,000	10,910,000	10,910,000	0
Interest and fiscal charges	206,863	206,863	203,863	3,000
Issuance Costs	0	0	25,895	(25,895)
Total Expenditures	<u>11,116,863</u>	<u>11,116,863</u>	<u>11,139,758</u>	<u>(22,895)</u>
Excess of Revenues (Under) Over Expenditures	<u>(10,641,852)</u>	<u>(10,445,912)</u>	<u>(10,445,205)</u>	<u>707</u>
Other Financing Sources:				
Note Proceeds	7,008,881	9,900,000	9,900,000	0
Premium on Debt	0	0	34,551	34,551
Transfers - In	637,171	900,000	900,000	0
Total Other Financing Sources	<u>7,646,052</u>	<u>10,800,000</u>	<u>10,834,551</u>	<u>34,551</u>
Net Change in Fund Balance	(2,995,800)	354,088	389,346	35,258
Fund Balance at Beginning of Year	<u>332,377</u>	<u>332,377</u>	<u>332,377</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (2,663,423)</u></u>	<u><u>\$ 686,465</u></u>	<u><u>\$ 721,723</u></u>	<u><u>\$ 35,258</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 1,623,025	\$ 756,110	\$ 786,548	\$ 30,438
Municipal Income Taxes	5,662,853	2,638,124	2,354,796	(283,328)
Other Local Taxes	536,636	250,000	240,125	(9,875)
Intergovernmental	4,133,756	1,925,771	398,587	(1,527,184)
Investment Income	107,327	50,000	4,957	(45,043)
Other	1,873,077	872,600	53,348	(819,252)
Total Revenues	<u>13,936,674</u>	<u>6,492,605</u>	<u>3,838,361</u>	<u>(2,654,244)</u>
<b>Expenditures:</b>				
Current:				
General Government	81,000	81,000	34,527	46,473
Capital Outlay	14,334,215	14,934,215	14,607,086	327,129
Debt Service:				
Principal retirement	14,000	14,000	0	14,000
Total Expenditures	<u>14,429,215</u>	<u>15,029,215</u>	<u>14,641,613</u>	<u>387,602</u>
Excess of Revenues (Under) Over Expenditures	(492,541)	(8,536,610)	(10,803,252)	(2,266,642)
<b>Other Financing Sources:</b>				
Transfers - In	<u>751,291</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>
Net Change in Fund Balance	258,750	(8,186,610)	(10,453,252)	(2,266,642)
Fund Balance at Beginning of Year	5,595,088	5,595,088	5,595,088	0
Prior Year Encumbrances Appropriated	<u>5,700,445</u>	<u>5,700,445</u>	<u>5,700,445</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,554,283</u>	<u>\$ 3,108,923</u>	<u>\$ 842,281</u>	<u>\$ (2,266,642)</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 46,200	\$ 46,200	\$ 30,717	\$ (15,483)
Fines, Fees, and Permits	10,000	10,000	10,824	824
Total Revenues	<u>56,200</u>	<u>56,200</u>	<u>41,541</u>	<u>(14,659)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	52,700	52,700	37,279	15,421
Fringe Benefits	1,807	1,807	663	1,144
Other	106,239	106,239	16,211	90,028
Total Expenditures	<u>160,746</u>	<u>160,746</u>	<u>54,153</u>	<u>106,593</u>
Net Change in Fund Balance	(104,546)	(104,546)	(12,612)	91,934
Fund Balance at Beginning of Year	125,459	125,459	125,459	0
Prior Year Encumbrances Appropriated	<u>21,857</u>	<u>21,857</u>	<u>21,857</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 42,770</u>	<u>\$ 42,770</u>	<u>\$ 134,704</u>	<u>\$ 91,934</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, 2021

	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	8,500	8,500	3,127	5,373
Fringe Benefits	1,562	1,562	250	1,312
Other	307	307	7	300
Total Expenditures	<u>10,369</u>	<u>10,369</u>	<u>3,384</u>	<u>6,985</u>
Net Change in Fund Balance	(4,969)	(4,969)	(3,384)	1,585
Fund Balance at Beginning of Year	<u>9,573</u>	<u>9,573</u>	<u>9,573</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,604</u>	<u>\$ 4,604</u>	<u>\$ 6,189</u>	<u>\$ 1,585</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 60,000	\$ 25,000	\$ 36,095	\$ 11,095
Total Revenues	<u>60,000</u>	<u>25,000</u>	<u>36,095</u>	<u>11,095</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Other	25,000	100,000	29,071	70,929
Total Expenditures	<u>25,000</u>	<u>100,000</u>	<u>29,071</u>	<u>70,929</u>
Net Change in Fund Balance	35,000	(75,000)	7,024	82,024
Fund Balance at Beginning of Year	<u>182,523</u>	<u>182,523</u>	<u>182,523</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 217,523</u>	<u>\$ 107,523</u>	<u>\$ 189,547</u>	<u>\$ 82,024</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 3,000	\$ 3,000	\$ 836	\$ (2,164)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>836</u>	<u>(2,164)</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)	836	12,836
Fund Balance at Beginning of Year	<u>26,293</u>	<u>26,293</u>	<u>26,293</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,293</u>	<u>\$ 14,293</u>	<u>\$ 27,129</u>	<u>\$ 12,836</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,016	\$ 5,000	\$ 2,601	\$ (2,399)
Fines, Fees, and Permits	218,984	182,000	155,555	(26,445)
Total Revenues	<u>225,000</u>	<u>187,000</u>	<u>158,156</u>	<u>(28,844)</u>
Expenditures:				
Current:				
General Government:				
Personal Service	161,800	139,304	200,000	(60,696)
Fringe Benefits	40,293	22,789	0	22,789
Other	90,100	90,100	8,486	81,614
Total Expenditures	<u>292,193</u>	<u>252,193</u>	<u>208,486</u>	<u>43,707</u>
Net Change in Fund Balance	(67,193)	(65,193)	(50,330)	14,863
Fund Balance at Beginning of Year	<u>87,862</u>	<u>87,862</u>	<u>87,862</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 20,669</u>	<u>\$ 22,669</u>	<u>\$ 37,532</u>	<u>\$ 14,863</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 393,423	\$ 378,055	\$ 393,296	\$ 15,241
Intergovernmental	54,158	52,042	51,932	(110)
Charges for Services	398,674	383,100	193,393	(189,707)
Other	7,285	7,000	386	(6,614)
Total Revenues	<u>853,540</u>	<u>820,197</u>	<u>639,007</u>	<u>(181,190)</u>
<b>Expenditures:</b>				
Current:				
Public Health Services:				
Personal Service	652,600	652,600	470,105	182,495
Fringe Benefits	190,761	190,761	147,396	43,365
Other	565,060	565,060	281,658	283,402
Total Expenditures	<u>1,408,421</u>	<u>1,408,421</u>	<u>899,159</u>	<u>509,262</u>
Excess of Revenues (Under) Over Expenditures	(554,881)	(588,224)	(260,152)	328,072
<b>Other Financing Sources:</b>				
Transfers - In	<u>364,228</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>
Net Change in Fund Balance	(190,653)	(238,224)	89,848	328,072
Fund Balance at Beginning of Year	483,133	483,133	483,133	0
Prior Year Encumbrances Appropriated	<u>13,692</u>	<u>13,692</u>	<u>13,692</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 306,172</u>	<u>\$ 258,601</u>	<u>\$ 586,673</u>	<u>\$ 328,072</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 0	\$ 260,000	\$ 260,000	\$ 0
Total Revenues	<u>0</u>	<u>260,000</u>	<u>260,000</u>	<u>0</u>
Expenditures:				
Current:				
General Government:				
Other	0	1,539	3,078	(1,539)
Total Expenditures	<u>0</u>	<u>1,539</u>	<u>3,078</u>	<u>(1,539)</u>
Excess of Revenues (Under) Over Expenditures	0	258,461	256,922	(1,539)
Other Financing Sources (Uses):				
Advance - Out	0	(260,000)	(260,000)	0
Net Change in Fund Balances	0	(1,539)	(3,078)	(1,539)
Fund Balance at Beginning of Year	<u>1,539</u>	<u>1,539</u>	<u>1,539</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,539</u>	<u>\$ 0</u>	<u>\$ (1,539)</u>	<u>\$ (1,539)</u>

# City of Rocky River, Ohio

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

### Local Fiscal Recovery Fund

#### For the Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 0	\$ 1,046,777	\$ 1,046,777	\$ 0
Total Revenues	<u>0</u>	<u>1,046,777</u>	<u>1,046,777</u>	<u>0</u>
Expenditures:				
Current:				
General Government:				
Other	0	1,046,777	0	1,046,777
Total Expenditures	<u>0</u>	<u>1,046,777</u>	<u>0</u>	<u>1,046,777</u>
Net Change in Fund Balance	0	0	1,046,777	1,046,777
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,046,777</u>	<u>\$ 1,046,777</u>

# City of Rocky River, Ohio

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

### Recreation Center Fund

#### For the Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 445,864	\$ 378,055	\$ 393,296	\$ 15,241
Intergovernmental	61,376	52,042	51,932	(110)
Charges for Services	2,035,243	1,725,715	1,486,418	(239,297)
Rentals	301,092	255,300	227,948	(27,352)
Other	24,179	20,500	8,506	(11,994)
Total Revenues	<u>2,867,754</u>	<u>2,431,612</u>	<u>2,168,100</u>	<u>(263,512)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Personal Service	1,723,299	1,723,299	1,434,045	289,254
Fringe Benefits	512,397	567,397	490,442	76,955
Other	1,342,354	1,342,355	993,983	348,372
Total Expenditures	<u>3,578,050</u>	<u>3,633,051</u>	<u>2,918,470</u>	<u>714,581</u>
Excess of Revenues (Under) Over Expenditures	(710,296)	(1,201,439)	(750,370)	451,069
Other Financing Sources:				
Transfers - In	<u>530,713</u>	<u>450,000</u>	<u>450,000</u>	<u>0</u>
Net Change in Fund Balances	(179,583)	(751,439)	(300,370)	451,069
Fund Balance at Beginning of Year	945,883	945,883	945,883	0
Prior Year Encumbrances Appropriated	<u>99,725</u>	<u>99,725</u>	<u>99,725</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 866,025</u>	<u>\$ 294,169</u>	<u>\$ 745,238</u>	<u>\$ 451,069</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 26,667	\$ 30,000	\$ 30,000	\$ 0
Total Revenues	<u>26,667</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	14,900	14,900	14,677	223
Fringe Benefits	3,584	3,584	532	3,052
Other	25,510	25,510	23,642	1,868
Total Expenditures	<u>43,994</u>	<u>43,994</u>	<u>38,851</u>	<u>5,143</u>
Excess of Revenues (Under) Over Expenditures	(17,327)	(13,994)	(8,851)	5,143
Other Financing Sources:				
Transfers - In	<u>13,333</u>	<u>15,000</u>	<u>20,000</u>	<u>5,000</u>
Net Change in Fund Balance	(3,994)	1,006	11,149	10,143
Fund Balance at Beginning of Year	10,348	10,348	10,348	0
Prior Year Encumbrances Appropriated	<u>2,673</u>	<u>2,673</u>	<u>2,673</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,027</u>	<u>\$ 14,027</u>	<u>\$ 24,170</u>	<u>\$ 10,143</u>



## City of Rocky River, Ohio

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

#### Community Impacts Fund

#### **For the Year Ended December 31, 2021**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Other Financing Uses:				
Transfers - Out	\$ 0	\$ (3,312)	\$ (3,312)	\$ 0
Net Change in Fund Balance	0	(3,312)	(3,312)	0
Fund Balance at Beginning of Year	3,312	3,312	3,312	0
Fund Balance at End of Year	\$ 3,312	\$ 0	\$ 0	\$ 0

# 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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 756,166	\$ 756,110	\$ 786,548	\$ 30,438
Intergovernmental	109,091	109,083	109,009	(74)
Charges for Services	7,001	7,000	0	(7,000)
Other	22,002	22,000	8,471	(13,529)
Total Revenues	<u>894,260</u>	<u>894,193</u>	<u>904,028</u>	<u>9,835</u>
Expenditures:				
Current:				
Basic Utilities Service:				
Personal Service	1,003,900	1,003,900	923,330	80,570
Fringe Benefits	412,019	412,019	378,574	33,445
Other	1,080,611	1,080,611	857,096	223,515
Total Expenditures	<u>2,496,530</u>	<u>2,496,530</u>	<u>2,159,000</u>	<u>337,530</u>
Excess of Revenues (Under) Over Expenditures	(1,602,270)	(1,602,337)	(1,254,972)	347,365
Other Financing Sources:				
Transfers - In	<u>1,000,074</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Net Change in Fund Balance	(602,196)	(602,337)	(254,972)	347,365
Fund Balance at Beginning of Year	974,148	974,148	974,148	0
Prior Year Encumbrances Appropriated	<u>80,754</u>	<u>80,754</u>	<u>80,754</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 452,706</u>	<u>\$ 452,565</u>	<u>\$ 799,930</u>	<u>\$ 347,365</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 141,000	\$ 141,000	\$ 149,577	\$ 8,577
Other	0	0	15,104	15,104
Total Revenues	<u>141,000</u>	<u>141,000</u>	<u>164,681</u>	<u>23,681</u>
Expenditures:				
Current:				
Transportation:				
Personal Service	238,100	238,100	224,893	13,207
Fringe Benefits	132,945	132,945	77,035	55,910
Other	513,746	513,746	429,239	84,507
Total Transportation	<u>884,791</u>	<u>884,791</u>	<u>731,167</u>	<u>153,624</u>
Capital Outlay	25,000	25,000	0	25,000
Total Expenditures	<u>909,791</u>	<u>909,791</u>	<u>731,167</u>	<u>178,624</u>
Excess of Revenues (Under) Over Expenditures	(768,791)	(768,791)	(566,486)	202,305
Other Financing Sources:				
Transfers - In	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>0</u>
Net Change in Fund Balance	(143,791)	(143,791)	58,514	202,305
Fund Balance at Beginning of Year	382,949	382,949	382,949	0
Prior Year Encumbrances Appropriated	<u>48,839</u>	<u>48,839</u>	<u>48,839</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 287,997</u>	<u>\$ 287,997</u>	<u>\$ 490,302</u>	<u>\$ 202,305</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,055,400	\$ 1,055,400	\$ 1,072,917	\$ 17,517
Total Revenues	<u>1,055,400</u>	<u>1,055,400</u>	<u>1,072,917</u>	<u>17,517</u>
Expenditures:				
Current:				
Transportation:				
Personal Service	782,600	782,600	689,329	93,271
Fringe Benefits	342,911	342,911	281,126	61,785
Other	523,170	523,170	387,225	135,945
Total Transportation	<u>1,648,681</u>	<u>1,648,681</u>	<u>1,357,680</u>	<u>291,001</u>
Capital Outlay	25,000	25,000	0	25,000
Total Expenditures	<u>1,673,681</u>	<u>1,673,681</u>	<u>1,357,680</u>	<u>316,001</u>
Excess of Revenues (Under) Over Expenditures	(618,281)	(618,281)	(284,763)	333,518
Other Financing Sources:				
Transfers - In	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Net Change in Fund Balance	(18,281)	(18,281)	315,237	333,518
Fund Balance at Beginning of Year	363,098	363,098	363,098	0
Prior Year Encumbrances Appropriated	<u>40,801</u>	<u>40,801</u>	<u>40,801</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 385,618</u>	<u>\$ 385,618</u>	<u>\$ 719,136</u>	<u>\$ 333,518</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 84,400	\$ 84,400	\$ 86,994	\$ 2,594
Total Revenues	<u>84,400</u>	<u>84,400</u>	<u>86,994</u>	<u>2,594</u>
Expenditures:				
Current:				
Transportation:				
Other	183,700	183,700	22,000	161,700
Total Expenditures	<u>183,700</u>	<u>183,700</u>	<u>22,000</u>	<u>161,700</u>
Net Change in Fund Balance	(99,300)	(99,300)	64,994	164,294
Fund Balance at Beginning of Year	166,772	166,772	166,772	0
Prior Year Encumbrances Appropriated	<u>300</u>	<u>300</u>	<u>300</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 67,772</u>	<u>\$ 67,772</u>	<u>\$ 232,066</u>	<u>\$ 164,294</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 35,000	\$ 60,000	\$ 47,972	\$ (12,028)
Total Revenues	<u>35,000</u>	<u>60,000</u>	<u>47,972</u>	<u>(12,028)</u>
Expenditures:				
Capital Outlay	45,000	75,000	54,292	20,708
Total Expenditures	<u>45,000</u>	<u>75,000</u>	<u>54,292</u>	<u>20,708</u>
Net Change in Fund Balance	(10,000)	(15,000)	(6,320)	8,680
Fund Balance at Beginning of Year	<u>49,695</u>	<u>49,695</u>	<u>49,695</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 39,695</u>	<u>\$ 34,695</u>	<u>\$ 43,375</u>	<u>\$ 8,680</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 226,859	\$ 226,833	\$ 235,982	\$ 9,149
Intergovernmental	31,229	31,225	31,160	(65)
Total Revenues	<u>258,088</u>	<u>258,058</u>	<u>267,142</u>	<u>9,084</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fringe Benefits	750,000	778,800	695,405	83,395
Total Expenditures	<u>750,000</u>	<u>778,800</u>	<u>695,405</u>	<u>83,395</u>
Excess of Revenues (Under) Over Expenditures	(491,912)	(520,742)	(428,263)	92,479
Other Financing Sources:				
Transfers - In	<u>450,052</u>	<u>450,000</u>	<u>450,000</u>	<u>0</u>
Net Change in Fund Balance	(41,860)	(70,742)	21,737	92,479
Fund Balance at Beginning of Year	<u>321,870</u>	<u>321,870</u>	<u>321,870</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 280,010</u>	<u>\$ 251,128</u>	<u>\$ 343,607</u>	<u>\$ 92,479</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 226,858	\$ 226,833	\$ 235,982	\$ 9,149
Intergovernmental	31,228	31,225	31,160	(65)
Total Revenues	<u>258,086</u>	<u>258,058</u>	<u>267,142</u>	<u>9,084</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fringe Benefits	704,000	704,000	593,198	110,802
Total Expenditures	<u>704,000</u>	<u>704,000</u>	<u>593,198</u>	<u>110,802</u>
Excess of Revenues (Under) Over Expenditures	(445,914)	(445,942)	(326,056)	119,886
Other Financing Sources:				
Transfers - In	<u>475,053</u>	<u>475,000</u>	<u>475,000</u>	<u>0</u>
Net Change in Fund Balance	29,139	29,058	148,944	119,886
Fund Balance at Beginning of Year	<u>248,637</u>	<u>248,637</u>	<u>248,637</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 277,776</u>	<u>\$ 277,695</u>	<u>\$ 397,581</u>	<u>\$ 119,886</u>



# City of Rocky River, Ohio

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

### Refundable Deposits Fund

#### For the Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 9,000	\$ 9,000	\$ 8,800	\$ (200)
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>8,800</u>	<u>(200)</u>
Expenditures:				
Current:				
Community Development:				
Building:				
Other	35,600	35,600	8,300	27,300
Total Expenditures	<u>35,600</u>	<u>35,600</u>	<u>8,300</u>	<u>27,300</u>
Net Change in Fund Balance	(26,600)	(26,600)	500	27,100
Fund Balance at Beginning of Year	<u>117,810</u>	<u>117,810</u>	<u>117,810</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 91,210</u>	<u>\$ 91,210</u>	<u>\$ 118,310</u>	<u>\$ 27,100</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 Fund

#### For the Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 8,300	\$ 8,300	\$ 3,882	\$ (4,418)
Total Revenues	<u>8,300</u>	<u>8,300</u>	<u>3,882</u>	<u>(4,418)</u>
Expenditures:				
Current:				
Community Development:				
Building:				
Other	8,239	8,239	4,425	3,814
Total Expenditures	<u>8,239</u>	<u>8,239</u>	<u>4,425</u>	<u>3,814</u>
Net Change in Fund Balance	61	61	(543)	(604)
Fund Balance at Beginning of Year	667	667	667	0
Prior Year Encumbrances Appropriated	<u>239</u>	<u>239</u>	<u>239</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 967</u>	<u>\$ 967</u>	<u>\$ 363</u>	<u>\$ (604)</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 Fund

#### For the Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions	\$ 20,000	\$ 20,000	\$ 44,667	\$ 24,667
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>44,667</u>	<u>24,667</u>
Expenditures:				
Current:				
Public Health Services:				
Senior Center				
Other	452,258	452,258	299,133	153,125
Total Expenditures	<u>452,258</u>	<u>452,258</u>	<u>299,133</u>	<u>153,125</u>
Net Change in Fund Balance	(432,258)	(432,258)	(254,466)	177,792
Fund Balance at Beginning of Year	611,214	611,214	611,214	0
Prior Year Encumbrances Appropriated	<u>2,258</u>	<u>2,258</u>	<u>2,258</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 181,214</u>	<u>\$ 181,214</u>	<u>\$ 359,006</u>	<u>\$ 177,792</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 55,000	\$ 55,000	\$ 44,467	\$ (10,533)
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>44,467</u>	<u>(10,533)</u>
Expenditures:				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and fiscal charges	12,000	12,000	8,390	3,610
Total Expenditures	<u>52,000</u>	<u>52,000</u>	<u>48,390</u>	<u>3,610</u>
Excess of Revenues (Under) Over Expenditures	3,000	3,000	(3,923)	(6,923)
Other Financing Sources:				
Transfers - In	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
Net Change in Fund Balance	13,000	13,000	(3,923)	(16,923)
Fund Balance at Beginning of Year	<u>6,364</u>	<u>6,364</u>	<u>6,364</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,364</u>	<u>\$ 19,364</u>	<u>\$ 2,441</u>	<u>\$ (16,923)</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 1,003,629	\$ 1,299,377	\$ 1,159,826	\$ (139,551)
Intergovernmental	54,068	70,000	45,326	(24,674)
Total Revenues	<u>1,057,697</u>	<u>1,369,377</u>	<u>1,205,152</u>	<u>(164,225)</u>
Expenditures:				
General Government:				
Other	33,000	33,000	17,006	15,994
Capital Outlay	2,699,152	2,699,152	1,768,350	930,802
Total Expenditures	<u>2,732,152</u>	<u>2,732,152</u>	<u>1,785,356</u>	<u>946,796</u>
Net Change in Fund Balance	(1,674,455)	(1,362,775)	(580,204)	782,571
Fund Balance at Beginning of Year	2,226,435	2,226,435	2,226,435	0
Prior Year Encumbrances Appropriated	<u>397,152</u>	<u>397,152</u>	<u>397,152</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 949,132</u>	<u>\$ 1,260,812</u>	<u>\$ 2,043,383</u>	<u>\$ 782,571</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 564,000	\$ 470,200	\$ 451,665	\$ (18,535)
Total Revenues	<u>564,000</u>	<u>470,200</u>	<u>451,665</u>	<u>(18,535)</u>
Expenditures:				
Current:				
General Government:				
Personal Service	25,000	25,000	0	25,000
Fringe Benefits	3,977	3,977	1	3,976
Other	117,500	254,250	251,153	3,097
Total General Government	<u>146,477</u>	<u>283,227</u>	<u>251,154</u>	<u>32,073</u>
Capital Outlay	0	6,000	5,629	371
Debt Service:				
Principal Retirement	195,000	195,000	235,000	(40,000)
Interest and Fiscal Charges	6,000	6,000	8,925	(2,925)
Total Expenditures	<u>347,477</u>	<u>490,227</u>	<u>500,708</u>	<u>(10,481)</u>
Net Change in Fund Balance	216,523	(20,027)	(49,043)	(29,016)
Fund Balance at Beginning of Year	<u>129,016</u>	<u>129,016</u>	<u>129,016</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 345,539</u>	<u>\$ 108,989</u>	<u>\$ 79,973</u>	<u>\$ (29,016)</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 4,186,602	\$ 6,289,807	\$ 4,150,793	\$ (2,139,014)
Intergovernmental	1,480,697	3,267,800	367,889	(2,899,911)
Other	1,000	1,000	0	(1,000)
Total Revenues	<u>5,668,299</u>	<u>9,558,607</u>	<u>4,518,682</u>	<u>(5,039,925)</u>
<b>Expenditures:</b>				
Sewer Operations:				
Personal Services	588,800	588,800	527,796	61,004
Fringe Benefits	271,982	271,982	244,028	27,954
Materials And Supplies	153,594	153,094	91,043	62,051
Contractual Services	11,312,165	11,213,765	6,126,836	5,086,929
Heat, Light, And Power	25,391	22,791	19,437	3,354
Other	17,600	19,600	19,411	189
Total Sewer Operations	<u>12,369,532</u>	<u>12,270,032</u>	<u>7,028,551</u>	<u>5,241,481</u>
Capital Outlay	2,327,735	2,427,235	2,044,092	383,143
Debt Service:				
Principal Retirement	601,919	601,919	503,934	97,985
Interest and Fiscal Charges	500	500	0	500
Total Expenditures	<u>15,299,686</u>	<u>15,299,686</u>	<u>9,576,577</u>	<u>5,723,109</u>
Net Change in Fund Equity	(9,631,387)	(5,741,079)	(5,057,895)	683,184
Fund Equity at Beginning of Year	6,998,141	6,998,141	6,998,141	0
Prior Year Encumbrances Appropriated	<u>1,321,353</u>	<u>1,321,353</u>	<u>1,321,353</u>	<u>0</u>
Fund Equity at End of Year	<u>\$ (1,311,893)</u>	<u>\$ 2,578,415</u>	<u>\$ 3,261,599</u>	<u>\$ 683,184</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, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 3,278,500	\$ 3,152,449	\$ 3,206,994	\$ 54,545
Total Revenues	<u>3,278,500</u>	<u>3,152,449</u>	<u>3,206,994</u>	<u>54,545</u>
Expenditures:				
Contractual Services	812,995	812,995	786,226	26,769
Claims	2,523,461	2,523,461	2,303,276	220,185
Total Expenditures	<u>3,336,456</u>	<u>3,336,456</u>	<u>3,089,502</u>	<u>246,954</u>
Net Change in Fund Equity	(57,956)	(184,007)	117,492	301,499
Fund Equity at Beginning of Year	734,168	734,168	734,168	0
Prior Year Encumbrances Appropriated	<u>1,361</u>	<u>1,361</u>	<u>1,361</u>	<u>0</u>
Fund Equity at End of Year	<u>\$ 677,573</u>	<u>\$ 551,522</u>	<u>\$ 853,021</u>	<u>\$ 301,499</u>



## City of Rocky River, Ohio

Fiduciary Funds

### **Fund Descriptions**

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#### **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, 2021**

	<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	\$ 13,156	\$ 117,035	\$ 130,191
Cash and Cash Equivalents: In Segregated Accounts	<u>298,434</u>	<u>0</u>	<u>0</u>	<u>298,434</u>
Total Assets	<u>298,434</u>	<u>13,156</u>	<u>117,035</u>	<u>428,625</u>
Liabilities				
Undistributed Monies	0	0	0	0
Deposits Held and Due to Others	<u>298,434</u>	<u>0</u>	<u>228</u>	<u>298,662</u>
Total Liabilities	<u>298,434</u>	<u>0</u>	<u>228</u>	<u>298,662</u>
Net Position				
Restricted for Other Governments	<u>\$ 0</u>	<u>\$ 13,156</u>	<u>\$ 116,807</u>	<u>\$ 129,963</u>

## City of Rocky River, Ohio

### Combining Statement of Changes in Fiduciary Net Position Custodial Funds

#### For the Year Ended December 31, 2021

	Municipal Court	S.A.F.E.	Tri-City Park	Total
<b>Additions</b>				
Collections for Tri-City Park	\$ 0	\$ 0	\$ 85,460	\$ 85,460
Fines and Forfeitures for Others	3,481,569	0	0	3,481,569
<b>Total Additions</b>	<b>3,481,569</b>	<b>0</b>	<b>85,460</b>	<b>3,567,029</b>
<b>Deductions</b>				
Payments on Behalf of Tri-City Park	0	0	7,510	7,510
Payments on Behalf of S.A.F.E.	0	147	0	147
Municipal Court Expense and Distributions to Others	3,481,569	0	0	3,481,569
<b>Total Deductions</b>	<b>3,481,569</b>	<b>147</b>	<b>7,510</b>	<b>3,489,226</b>
<b>Change in Net Position</b>	<b>0</b>	<b>(147)</b>	<b>77,950</b>	<b>77,803</b>
<b>Net Position Beginning of Year</b>	<b>0</b>	<b>13,303</b>	<b>38,857</b>	<b>52,160</b>
<b>Net Position End of Year</b>	<b>\$ 0</b>	<b>\$ 13,156</b>	<b>\$ 116,807</b>	<b>\$ 129,963</b>

## Statistical Section



# City of Rocky River, Ohio

December 31, 2021

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This part of the Annual Comprehensive 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.

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

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

# City of Rocky River, Ohio

## Net Position by Component – Last Ten Fiscal Years

### Accrual Basis of Accounting

	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>	<u>2017 (c)</u>	<u>2018</u>	<u>2019 (d)</u>	<u>2020 (e)</u>	<u>2021</u>
<b>Governmental Activities:</b>										
Net Investment in										
Capital Assets	\$ 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	\$ 68,670,514
Restricted for:										
Capital Projects	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	9,567,052
Debt Services	264,133	863,940	869,385	944,069	698,441	540,879	387,087	267,982	512,769	1,007,540
Refuse and Recycling	157,985	230,386	119,601	377,763	456,101	680,801	411,657	550,878	1,047,176	927,362
Office on Aging	93,676	115,703	159,197	243,704	291,038	286,539	248,791	218,999	551,965	698,177
Street Construction and										
Maintenance	0	1,012,978	881,576	821,270	951,838	1,014,243	882,471	1,367,285	1,549,804	2,022,001
Recreation	0	0	0	0	0	0	0	0	791,357	405,875
Law Enforcement and										
Education	0	225,320	225,765	300,154	257,589	223,914	185,206	159,645	174,493	180,851
Fire and Police Pension	0	0	0	0	0	4,101	66,532	112,410	430,072	653,713
Security of Persons and										
Property	0	689,792	573,715	464,107	402,214	379,282	314,167	317,396	356,646	311,045
Donations and Bequests	0	0	0	0	0	0	0	0	613,472	604,653
Other Purposes	6,464,168	3,312	3,312	3,312	3,312	3,312	3,312	3,312	4,218	363
Unrestricted (Deficit)	<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>	<u>(21,081,945)</u>
Total Net Position –										
Governmental Activities	<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>	<u>63,967,201</u>
<b>Business-Type Activities:</b>										
Net Investment in										
Capital Assets	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	7,832,423
Unrestricted	<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>	<u>12,771,767</u>
Total Net Position –										
Business-Type Activities	<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>	<u>20,604,190</u>

(Continued)

# City of Rocky River, Ohio

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

### Accrual Basis of Accounting

	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>	<u>2017 (c)</u>	<u>2018</u>	<u>2019 (d)</u>	<u>2020 (e)</u>	<u>2021</u>
<b>Primary Government:</b>										
Net Investment in										
Capital Assets	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	76,502,937
Restricted for:										
Capital Projects	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	9,567,052
Debt Services	264,133	863,940	869,385	944,069	698,441	540,879	387,087	267,982	512,769	1,007,540
Refuse and Recycling	157,985	230,386	119,601	377,763	456,101	680,801	411,657	550,878	1,074,176	927,362
Office on Aging	93,676	115,703	159,197	243,704	291,038	286,539	248,791	218,999	551,965	698,177
Street Construction and										
Maintenance	0	1,012,978	881,576	821,270	951,838	1,014,243	882,471	1,367,285	1,549,804	2,022,001
Recreation	0	0	0	0	0	0	0	0	791,357	405,875
Law Enforcement and										
Education	0	225,320	225,765	300,154	257,589	223,914	185,206	159,645	174,493	180,851
Fire and Police Pensions	0	0	0	0	4,101	66,532	112,410	107,478	430,072	653,713
Security of Persons and										
Property	0	689,792	573,715	464,107	402,214	379,282	314,167	317,396	356,646	311,045
Donations and Bequests	0	0	0	0	0	0	0	0	613,472	604,653
Other Purposes	6,464,168	3,312	3,312	3,312	3,312	3,312	3,312	3,312	4,218	363
Unrestricted	<u>8,190,472</u>	<u>11,722,182</u>	<u>(3,486,784)</u>	<u>(2,686,624)</u>	<u>(1,661,991)</u>	<u>(19,073,348)</u>	<u>(22,742,851)</u>	<u>(18,241,059)</u>	<u>(18,010,291)</u>	<u>(8,310,178)</u>
<b>Total Primary Government</b>										
Net Position	\$ <u>68,381,264</u>	\$ <u>71,096,022</u>	\$ <u>58,212,327</u>	\$ <u>62,203,437</u>	\$ <u>67,078,506</u>	\$ <u>52,090,028</u>	\$ <u>54,582,516</u>	\$ <u>65,768,687</u>	\$ <u>71,436,060</u>	\$ <u>84,571,391</u>

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

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

(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

	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>	<u>2017 (c)</u>	<u>2018</u>	<u>2019 (d)</u>	<u>2020 (e)</u>	<u>2021</u>
<b>Program revenues:</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
General Government\$	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	\$ 1,786,822
Security of Persons and Property	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	1,113,623
Public Health	536,596	610,187	578,496	371,903	347,508	381,637	425,143	312,758	104,922	185,508
Transportation	325	625	325	975	700	1,750	525	3,500	500	100
Leisure Time Activities	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	1,544,812
Community Development	250	150	225	325	175	350	175	575	23,976	16,475
Basic Utility Service	1,044,484	8,839	6,025	9,310	9,608	10,743	9,198	4,623	0	0
Operating Grants and Contributions:										
General Government	47,288	44,799	35,811	111,317	21,420	33,182	533,526	447,897	340,682	349,921
Security of Persons and Property	25,021	24,424	24,626	30,925	31,231	30,000	30,000	48,259	118,177	123,037
Public Health	0	0	0	0	0	0	0	0	300,951	96,599
Transportation	791,552	874,364	888,696	902,937	911,659	944,656	933,750	1,472,721	1,210,665	1,338,680
Leisure Time Activities	0	0	0	0	0	0	0	0	52,247	51,932
Basic Utility Service	86,123	86,083	83,952	85,407	91,485	91,166	91,011	105,370	110,491	109,009
Capital Grants and Contributions:										
General Government	936,187	606,549	3,579,488	512,763	551,723	536,375	57,969	127,470	57,558	540,462
Public Health	0	1,700	2,286	150,000	0	0	0	23,885	0	0
Transportation	1,976,093	0	0	0	0	0	2,318,717	0	0	0
Leisure Time Activities	0	0	0	0	0	0	45,000	135,934	0	0
Basic Utility Service	366,391	0	0	0	0	0	0	0	0	0
Total Governmental Activities Program Revenues	<u>11,851,283</u>	<u>8,275,251</u>	<u>10,933,669</u>	<u>7,841,909</u>	<u>7,833,782</u>	<u>7,844,435</u>	<u>10,107,125</u>	<u>8,424,622</u>	<u>6,077,056</u>	<u>7,256,980</u>
<b>Business-Type Activities:</b>										
Charges for Services:										
Sanitary Sewer Charges	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	3,933,880
Operating Grants and Contributions:										
Sanitary Sewer Charges	0	0	0	0	0	0	0	0	7,350	0
Capital Grants and Contributions:										
Sanitary Sewer Charges	437,437	28,107	0	0	0	0	0	0	0	0
Total Business-Type Activities Program Revenues	<u>2,304,510</u>	<u>3,017,495</u>	<u>4,203,128</u>	<u>4,553,885</u>	<u>6,058,487</u>	<u>5,090,108</u>	<u>4,227,218</u>	<u>3,555,105</u>	<u>4,781,381</u>	<u>3,933,880</u>
Total Primary Government Program Revenues	<u>14,155,793</u>	<u>11,292,746</u>	<u>15,136,797</u>	<u>12,395,794</u>	<u>13,892,269</u>	<u>12,934,543</u>	<u>14,334,343</u>	<u>11,979,727</u>	<u>10,858,437</u>	<u>11,190,860</u>

(Continued)



# City of Rocky River, Ohio

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

### Accrual Basis of Accounting

	2012	2013 (a)	2014 (b)	2015	2016	2017 (c)	2018	2019 (d)	2020 (e)	2021
<b>Expenses</b>										
<b>Governmental activities:</b>										
General Government	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	4,221,559
Security of Persons and Property	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	9,240,258
Public Health	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	785,905
Transportation	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	3,997,359
Leisure Time Activities	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	3,235,764
Community Development	760,476	714,344	651,553	509,093	444,184	565,535	612,083	732,960	641,072	143,659
Basic Utility Services	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	2,386,630
Interest and Fiscal Charges	677,987	703,744	411,086	306,989	301,011	271,054	240,917	260,577	295,315	178,767
Total Governmental Activities Expenses	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	24,189,901
<b>Business-Type Activities:</b>										
Sanitary Sewer Charges	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	3,072,260
Total Primary Government Program Expenses	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	27,262,161
<b>General Revenues:</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for:										
General Purposes	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	4,963,035
Recreation	281,777	295,395	299,553	298,146	326,994	330,679	329,638	486,249	388,455	393,908
Office on Aging	281,777	295,395	299,553	298,146	326,994	330,679	329,638	400,753	388,456	393,908
Refuse and Recycling	563,557	590,792	599,103	596,288	653,990	661,359	659,328	716,011	776,961	787,772
Fire Levy	170,963	178,222	183,804	179,415	196,176	198,424	197,799	240,467	233,079	236,349
Police Levy	170,963	178,222	181,945	179,415	196,176	198,424	197,799	240,468	233,080	236,349
Capital Improvements	563,557	590,792	599,103	596,289	653,990	661,359	659,328	801,506	776,962	787,772
General Obligation Bond Retirement	563,557	592,792	599,103	596,289	653,990	595,231	593,369	625,173	606,039	613,533
Municipal Taxes Levied for:										
General Purposes	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	18,109,512
Other Local Taxes	194,790	245,913	288,364	353,691	434,582	349,173	284,922	340,060	341,978	253,367
Grants and Entitlements not Restricted										
to Specific Programs	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	1,999,145
Investment Earnings	7,499	8,083	21,536	27,452	81,375	190,263	314,231	582,984	188,166	25,499
Gain on Sale of Asset	0	0	0	0	0	0	0	0	24,343	0
Other	831,526	299,771	400,006	354,523	240,281	184,060	118,851	243,034	2,648,055	406,483
Transfers	4,736,952	0	1,365,188	(65,538)	(2,000,000)	2,974,188	838,994	(174,640)	4,027,750	(121,683)
Special Item	(4,554,583)	0	0	0	0	0	0	0	0	0
Total Governmental Activities General Revenues, Transfers, and Special Items	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	29,084,949

(Continued)

# City of Rocky River, Ohio

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

### Accrual Basis of Accounting

	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>	<u>2017 (c)</u>	<u>2018</u>	<u>2019 (d)</u>	<u>2020 (e)</u>	<u>2021</u>
<b>General Revenues (Continued):</b>										
<b>Business-Type Activities:</b>										
Municipal Taxes Levied for										
General Purposes	0	0	0	0	0	1,225,620	1,265,712	0	0	0
Transfers	<u>(4,736,952)</u>	<u>0</u>	<u>(1,365,188)</u>	<u>65,538</u>	<u>2,000,000</u>	<u>(2,974,188)</u>	<u>(838,994)</u>	<u>174,640</u>	<u>(4,027,750)</u>	<u>121,683</u>
Total Business-Type Activities										
General Revenues and										
Transfers	<u>(4,736,952)</u>	<u>0</u>	<u>(1,365,188)</u>	<u>65,538</u>	<u>2,000,000</u>	<u>(1,748,568)</u>	<u>426,718</u>	<u>174,640</u>	<u>(4,027,750)</u>	<u>121,683</u>
Total General Revenues, Transfers, and Special Items	<u>14,919,086</u>	<u>19,379,432</u>	<u>19,040,136</u>	<u>21,895,897</u>	<u>23,667,937</u>	<u>24,626,999</u>	<u>25,314,768</u>	<u>26,615,337</u>	<u>29,794,859</u>	<u>29,206,632</u>
<b>Change in Net Position:</b>										
Governmental Activities	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	12,152,028
Business-Type Activities	<u>(4,863,915)</u>	<u>678,160</u>	<u>(1,024,961)</u>	<u>654,393</u>	<u>3,236,077</u>	<u>(1,281,160)</u>	<u>2,820</u>	<u>(68,114)</u>	<u>(3,659,895)</u>	<u>983,303</u>
Total Primary Government										
Change in Net Position	\$ <u>1,281,789</u>	\$ <u>2,714,758</u>	\$ <u>4,654,787</u>	\$ <u>3,991,110</u>	\$ <u>4,875,069</u>	\$ <u>2,511,085</u>	\$ <u>2,492,488</u>	\$ <u>11,251,171</u>	\$ <u>5,207,676</u>	\$ <u>13,135,331</u>

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

	<u>2012</u>	<u>2013 (a)</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 (b)</u>	<u>2021</u>
<b>General Fund</b>										
Nonspendable	\$ 39,224	\$ 20,105	\$ 41,608	\$ 60,058	\$ 68,794	\$ 308,225	\$ 264,499	\$ 376,504	\$ 530,433	\$ 504,742
Assigned	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	4,138,280
Unassigned	<u>1,825,725</u>	<u>3,619,420</u>	<u>2,694,990</u>	<u>3,783,076</u>	<u>4,673,864</u>	<u>5,405,983</u>	<u>3,199,410</u>	<u>2,228,579</u>	<u>2,958,768</u>	<u>5,909,917</u>
Total General Fund	<u>4,395,191</u>	<u>4,972,511</u>	<u>6,488,811</u>	<u>7,064,982</u>	<u>8,004,880</u>	<u>9,133,616</u>	<u>7,720,361</u>	<u>7,245,037</u>	<u>9,007,339</u>	<u>10,552,939</u>
<b>All Other Governmental Funds</b>										
Nonspendable	134,826	97,529	160,495	159,099	189,435	286,568	215,544	185,245	217,565	260,958
Restricted	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	11,359,592
Unassigned (Deficit)	<u>(504,079)</u>	<u>(385,379)</u>	<u>(482,711)</u>	<u>(289,493)</u>	<u>(307,565)</u>	<u>(99,613)</u>	<u>(155,823)</u>	<u>(187,826)</u>	<u>(5,961,001)</u>	<u>(9,144,117)</u>
Total All Other Governmental Funds	<u>7,863,857</u>	<u>7,183,678</u>	<u>6,285,813</u>	<u>7,354,615</u>	<u>7,730,451</u>	<u>8,636,792</u>	<u>11,114,446</u>	<u>11,187,254</u>	<u>7,663,235</u>	<u>2,476,433</u>
Total Governmental Funds	\$ <u>12,259,048</u>	\$ <u>12,156,189</u>	\$ <u>12,774,624</u>	\$ <u>14,419,597</u>	\$ <u>15,735,331</u>	\$ <u>17,770,408</u>	\$ <u>18,834,807</u>	\$ <u>18,432,291</u>	\$ <u>16,670,574</u>	\$ <u>13,029,372</u>

(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) 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020 (a)	2021
<b><u>Revenues</u></b>										
Property Taxes	\$ 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	8,400,519
Municipal Income taxes	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	17,878,179
Other Local Taxes	194,790	245,913	288,364	353,691	434,582	349,173	338,535	331,284	338,005	237,838
Intergovernmental	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	4,664,566
Charges for Services	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	2,133,310
Fines, Fees, and Permits	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	2,054,011
Special Assessments	58,421	68,198	53,920	54,353	51,032	109,868	49,031	46,191	43,877	44,770
Investment Income	7,499	8,083	21,536	11,173	61,366	226,551	287,335	540,808	242,010	40,313
Rentals	93,229	91,044	92,875	96,495	108,389	97,587	106,462	311,672	204,195	363,553
Contributions	0	0	0	0	0	0	0	0	248,709	44,667
Other	834,019	300,334	400,006	354,523	240,740	184,060	1,283,026	206,806	1,840,508	259,432
<b>Total Revenues</b>	<b>29,203,868</b>	<b>27,834,368</b>	<b>27,054,306</b>	<b>29,752,609</b>	<b>31,539,366</b>	<b>30,950,751</b>	<b>33,107,702</b>	<b>35,117,486</b>	<b>35,295,119</b>	<b>36,121,158</b>
<b><u>Expenditures</u></b>										
Current:										
General Government	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	5,668,018
Security of Persons and Property	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	10,659,411
Public Health	1,061,178	1,239,240	1,153,116	993,557	899,726	963,653	1,005,754	1,078,986	891,046	1,131,918
Transportation	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	2,976,672
Leisure Time Activities	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	3,431,399
Community Development	766,902	737,752	669,155	655,520	478,221	512,785	533,033	583,696	574,491	597,254
Basic Utility Services	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	2,032,988
Capital Outlay	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	11,790,055
Debt Service										
Principal	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	1,288,699
Interest	685,370	626,374	423,666	354,653	331,358	302,630	270,679	269,211	300,105	183,904
Issuance Costs	0	0	128,353	0	0	0	0	23,634	25,798	25,895
<b>Total Expenditures</b>	<b>28,064,616</b>	<b>25,457,192</b>	<b>26,581,870</b>	<b>28,119,621</b>	<b>28,223,645</b>	<b>28,532,415</b>	<b>32,235,161</b>	<b>35,592,425</b>	<b>38,285,329</b>	<b>39,786,213</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,139,252</b>	<b>2,377,176</b>	<b>472,436</b>	<b>1,632,988</b>	<b>3,315,721</b>	<b>2,418,336</b>	<b>872,541</b>	<b>(474,939)</b>	<b>(2,900,210)</b>	<b>(3,665,055)</b>

(Continued)

# City of Rocky River, Ohio

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

### Modified Accrual Basis of Accounting

	<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 (a)</u>	<u>2021</u>
<b><u>Other Financing Sources (Uses)</u></b>										
Proceeds from Sale of										
Capital Assets	14,615	2,059	17,646	11,985	13	16,741	425	0	24,343	23,853
Issuance of Debt	1,964,235	0	9,180,000	0	0	0	191,433	32,732	0	0
Premium on General										
Obligation Debt	0	0	592,633	0	0	0	0	39,691	0	0
Payment to Escrow	0	0	(9,644,280)	0	0	0	0	0	0	0
Insurance Proceeds	0	0	0	0	0	0	0	0	744,453	0
Transfers - In	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	9,147,687
Transfers - Out	(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)	(9,147,687)
Total Other Financing Sources										
(Uses)	<u>1,978,850</u>	<u>2,059</u>	<u>145,999</u>	<u>11,985</u>	<u>(1,999,987)</u>	<u>(383,259)</u>	<u>191,858</u>	<u>72,423</u>	<u>768,796</u>	<u>23,853</u>
Net Change in										
Fund Balances	\$ <u>3,118,102</u>	\$ <u>2,379,235</u>	\$ <u>618,435</u>	\$ <u>1,644,973</u>	\$ <u>1,315,734</u>	\$ <u>2,035,077</u>	\$ <u>1,064,399</u>	\$ <u>(402,516)</u>	\$ <u>(2,221,414)</u>	\$ <u>(3,641,202)</u>
Debt Service as a Percentage of										
Noncapital Expenditures	7.88%	8.26%	8.43%	4.36%	6.37%	5.82%	5.72%	6.38%	5.81%	5.14%

(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)
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
2021/2022	1,032,536,380	2,950,103,943	12,582,710	14,298,534

(Continued)

Source: Cuyahoga County, Ohio; County Fiscal Officer

- (1) This amount is calculated for 2012 through 2021 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.

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<u>Total</u>			
<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Ratio</u>	<u>Total Direct Rate (2)</u>
\$ 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	10.90
750,489,810	2,126,989,802	35.28	10.80
878,680,100	2,492,605,923	35.25	10.80
884,539,490	2,508,131,789	35.27	10.68
885,884,000	2,510,744,437	35.28	10.68
1,045,119,090	2,964,402,477	35.26	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				
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	95.35	13.42	5.08	124.75
2014	6.30	2.60	1.00	1.00	10.90	95.65	14.05	5.98	126.58
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	1.00	10.90	95.65	14.05	6.88	127.48
2017	6.30	2.60	1.00	0.90	10.80	95.65	14.05	6.88	127.38
2018	6.30	2.60	1.00	0.90	10.80	96.57	14.05	7.38	128.80
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	97.47	14.05	7.78	129.98
2021	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

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<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Collections (1)</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Tax Collections</u>
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
2021	9,811,437	9,257,459	94.35	252,289

(Continued)

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Includes homestead/rollback reimbursement amounts 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.

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	<u>Total Tax Collections</u>	<u>Percent of Total Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
\$	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
	9,509,748	96.92	340,983	3.47

## City of Rocky River, Ohio

Principal Taxpayers: Real Property and Public Utility Tax

### As of December 31, 2021 and December 31, 2012

<u>Taxpayer</u>	2021	
	Real Property and Public Utility Assessed Value	Percent of Total Assessed Value
Rocky River Apartments, LLC	\$ 10,297,280	0.99%
Normandy Association, LP & Normandy II, LP	8,217,390	0.79
Cleveland Electric Illuminating Company	7,797,390	0.75
Westwood Town Center	7,390,680	0.71
SRK Perrysburg Associates, LLC	4,670,750	0.45
TIA Rocky River, LLC	4,346,030	0.42
20639 Center Ridge Road, LLC	3,872,580	0.37
Presidential Apartments, LTD	3,717,600	0.36
Beachcliff Properties, LP	3,459,960	0.33
Westwood Country Club, Co.	3,277,160	0.31
<i>Totals</i>	\$ <u>57,046,820</u>	<u>5.46%</u>
<i>Total City Assessed Valuation</i>	\$ <u>1,045,119,090</u>	
<u>Taxpayer</u>	2012	
	Real Property and Public Utility Assessed Value	Percent of Total Assessed Value
Cleveland Illuminating Company	\$ 7,450,940	1.10%
Westwood Town Center	7,007,250	1.04
Normandy Association, LP	5,680,480	0.84
Inland Westgate, LLC	5,074,130	0.75
Beachcliff Properties, LP	3,702,830	0.55
SRK Perrysburg Association, LLC	3,277,890	0.49
Westwood Country Club, Co.	3,221,050	0.48
Presidential Apartments, LTD.	2,773,120	0.41
Gross Management, Inc.	2,607,960	0.39
Linden Apartment Company	2,388,200	0.35
<i>Totals</i>	\$ <u>43,183,850</u>	<u>6.40%</u>
<i>Total City Assessed Valuation</i>	\$ <u>675,604,330</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		Primary Government	Total of Personal Income (1)	Percentage Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	OPWC Loan	OWDA Loan	OPWC Loan	OWDA Loan			
2012	\$ 13,986,760	\$ 470,000	\$ 4,660,827	\$ 144,293	\$ 0	\$ 179,383	\$ 19,441,263	2.77%	\$ 956.82
2013 <sup>(a)</sup>	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
2021	3,462,578	110,000	220,466	0	15,317,449	0	19,110,493	1.50	878.44

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>	
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
2021	163,736	140,266	85.67	40,000	7,950	2.39

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 <sup>(1)</sup></u>	<u>Net General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2012	20,213 (a)	\$ 13,556,418	\$ 683,024,720	1.98%	\$ 670.68
2013 (d)	20,213 (a)	11,895,205	685,726,280	1.73	588.49
2014	20,213 (a)	10,921,564	688,712,190	1.59	540.32
2015	20,213 (a)	10,117,827	745,929,250	1.36	500.56
2016	20,213 (a)	9,149,402	749,807,390	1.22	452.65
2017	20,213 (a)	8,062,911	750,489,810	1.07	398.90
2018	20,213 (a)	6,957,650	878,680,100	0.79	344.22
2019	20,213 (a)	12,532,702	884,539,490	1.41	620.03
2020	19,986 (b)	14,184,404	885,884,000	1.60	709.72
2021	21,755 (c)	2,455,038	1,045,119,090	0.23	112.85

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

(a) 2010 Federal Census

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

(c) 2020 Federal Census

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

(d) 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

	2012	2013	2014 (a)	2015 (b)	2016	2017	2018	2019	2020	2021
Assessed Valuation	\$ <u>683,024,720</u>	\$ <u>685,726,280</u>	\$ <u>688,712,190</u>	\$ <u>745,929,250</u>	\$ <u>749,807,390</u>	\$ <u>750,489,810</u>	\$ <u>878,680,100</u>	\$ <u>884,539,490</u>	\$ <u>885,884,000</u>	\$ <u>1,045,119,090</u>
Debt Limit - 10.5% of Assessed Valuation	\$ 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	\$ 109,737,504
Gross Indebtedness	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	29,036,406
Less: Debt Outside Limitation										
Special Assessment Bond	(470,000)	(430,000)	(390,000)	(350,000)	(310,000)	(270,000)	(230,000)	(190,000)	(150,000)	(110,000)
OPWC Loans	(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)	(15,537,915)
OWDA Loans	(323,676)	(237,698)	(224,202)	(132,247)	(97,897)	(75,080)	(51,192)	(26,183)	0	0
Less: Amount Available In Debt Service Funds	<u>(264,133)</u>	<u>(863,940)</u>	<u>(869,385)</u>	<u>(944,069)</u>	<u>(698,441)</u>	<u>(540,879)</u>	<u>(387,087)</u>	<u>(267,982)</u>	<u>(512,769)</u>	<u>(1,007,540)</u>
Net Debt Within 10.5% Limitation	<u>13,556,418</u>	<u>11,895,205</u>	<u>10,921,564</u>	<u>10,117,827</u>	<u>9,149,402</u>	<u>8,062,911</u>	<u>6,957,650</u>	<u>12,532,702</u>	<u>14,184,404</u>	<u>12,380,951</u>
Legal Debt Margin	\$ <u>58,161,178</u>	\$ <u>60,106,054</u>	\$ <u>61,393,216</u>	\$ <u>68,204,744</u>	\$ <u>69,580,374</u>	\$ <u>70,738,519</u>	\$ <u>85,303,761</u>	\$ <u>80,343,944</u>	\$ <u>78,833,416</u>	\$ <u>97,356,553</u>
Debt Limit - 5.5% of Assessed Unvoted Value	\$ 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	\$ 57,481,550
Gross Indebtedness	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	29,036,406
Less: Debt Outside Limitation										
Limitation	(11,370,638)	(12,399,317)	(14,699,605)	(14,663,904)	(17,084,231)	(17,426,674)	(19,812,270)	(18,977,349)	(18,168,739)	(17,430,250)
Less: Amount Available in Debt Service Funds Related to Unvoted Debt	<u>(219,222)</u>	<u>(820,740)</u>	<u>(869,385)</u>	<u>(944,069)</u>	<u>(619,941)</u>	<u>(463,472)</u>	<u>(307,739)</u>	<u>(188,634)</u>	<u>(264,828)</u>	<u>(297,482)</u>
Net Debt Within 5.5% Limitation	<u>7,685,194</u>	<u>6,406,115</u>	<u>5,537,121</u>	<u>5,200,828</u>	<u>4,798,347</u>	<u>4,213,207</u>	<u>3,622,331</u>	<u>9,724,827</u>	<u>12,087,566</u>	<u>11,308,674</u>
Unvoted Debt Margin	\$ <u>29,881,166</u>	\$ <u>31,308,830</u>	\$ <u>32,342,049</u>	\$ <u>35,825,281</u>	\$ <u>36,441,059</u>	\$ <u>37,063,733</u>	\$ <u>44,705,075</u>	\$ <u>38,924,845</u>	\$ <u>36,636,054</u>	\$ <u>46,172,876</u>

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

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

# City of Rocky River, Ohio

## Computation of Direct and Overlapping General Obligation Bonded Debt

**December 31, 2021**

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	<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	\$ 3,462,578	100.00%	\$ 3,462,578
Special Assessment Bonds	110,000	100.00	110,000
OPWC Loans	<u>220,466</u>	100.00	<u>220,466</u>
Total Direct Debt	<u>3,793,044</u>		<u>3,793,044</u>
 <u>Overlapping:</u>			
Cuyahoga County	254,150,000	3.00	7,631,453
Cuyahoga Community college	195,825,000	3.00	5,880,107
Rocky River School District	<u>50,112,806</u>	96.39	<u>48,302,008</u>
Total Overlapping	<u>500,087,806</u>		<u>61,813,568</u>
Total	\$ <u>503,880,850</u>		\$ <u>65,606,612</u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

## City of Rocky River, Ohio

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

#### Last Ten Years

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<u>Year</u>	<u>Debt Service</u>	<u>General Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
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
2021	1,472,603	39,786,213	3.70

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

2021		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
City of Rocky River	550	5.3%
Rocky River Board of Education	529	5.1
Minute Men Select Inc.	464	4.5
Riser Foods Co.	329	3.2
Westwood Country Club Co.	306	3.0
Whole Foods Market Group, Inc.	275	2.7
Normandy Manor of Rocky River	271	2.6
Cleveland Yacht Club Inc.	243	2.4
Heinens Inc.	242	2.3
Abel Bishop & Clarke Realty Co.	200	1.9
Total	<u>3,409</u>	<u>33.0%</u>
Total City Employment	<u>10,335</u>	

2012		
<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 2020 (the latest data available) and CCA in 2012.

# City of Rocky River, Ohio

## Demographic and Economic Statistics

### Last Ten Years

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<u>Year</u>	<u>Population</u> <sup>(1)</sup>	<u>Total Personal Income</u> <sup>(2)</sup>	<u>Per Capita Personal Income</u> <sup>(1)</sup>	<u>Median Household Income</u> <sup>(1)</sup>	<u>School Enrollment</u> <sup>(3)</sup>	<u>Unemployment Cuyahoga County</u> <sup>(4)</sup>
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
2021	21,755 c	1,272,167,135	58,477	81,370 c	2,623	4.90

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

(a) 2010 Federal Census

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

(c) 2020 Federal Census

(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

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Year	Property Value (1)			Residential (2)		Commercial (2)	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
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
2021	360,110,486	2,589,993,457	2,950,103,943	10	4,914,665	0	0

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government:</b>										
Mayor	2	2	2	2	2	2	2	2	2	2
Finance Department	3	3	3	3	3	3	3	3	4	3
Building Maintenance	5	5	5	5	5	6	6	6	6	6
Human Resources	1	1	1	1	1	1	1	2	2	2
Municipal Courts	24	24	25	25	24	26	26	26	26	25
Building	6	6	6	4	4	4	4	4	4	4
<b>Security of Persons and Property:</b>										
Police Department	36	35	34	37	37	37	38	37	37	37
Fire Department	30	30	30	30	30	29	30	30	30	30
Safety Service Director	2	2	2	2	3	3	3	3	3	3
Traffic Signal	3	3	2	3	3	3	3	3	3	3
<b>Transportation:</b>										
Equipment Repair and Garage	6	6	7	7	7	7	7	7	6	7
Street Repair and Maintenance	7	8	10	10	10	11	9	10	10	10
<b>Leisure Time Activities:</b>										
Parks	2	3	3	3	3	5	5	6	7	6
Recreation Center	14	14	14	14	14	12	13	12	12	12
<b>Community Development:</b>										
Economic Development	1	0	0	0	0	0	0	0	0	0
<b>Public Health:</b>										
Office on Aging	6	6	5	5	5	6	5	6	7	7
<b>Basic Utilities Services:</b>										
Refuse and Recycling	15	14	13	12	11	15	15	15	15	13
<b>Total Governmental Activities:</b>	<u>163</u>	<u>162</u>	<u>162</u>	<u>163</u>	<u>162</u>	<u>170</u>	<u>171</u>	<u>172</u>	<u>174</u>	<u>170</u>
Sanitary Sewer	<u>8</u>	<u>8</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>9</u>
<b>Total Business-Type Activities:</b>	<u>8</u>	<u>8</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>9</u>
<b>Total Primary Government:</b>	<u>171</u>	<u>170</u>	<u>168</u>	<u>170</u>	<u>170</u>	<u>179</u>	<u>181</u>	<u>182</u>	<u>184</u>	<u>179</u>

Source: City Records

# City of Rocky River, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

	<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>	<u>2021</u>
<b>General Government:</b>										
Council:										
Total Ordinances/Resolutions:										
Introduced	89	95	101	91	83	90	88	103	105	105
Passed on 1 <sup>st</sup> Reading	N/A	N/A	11	9	3	1	0	1	8	3
Passed on 2 <sup>nd</sup> Reading	N/A	N/A	8	10	7	5	2	7	21	5
Passed on 3 <sup>rd</sup> Reading	N/A	N/A	82	65	73	82	81	95	74	98
Tabled/Postponed	0	2	1	2	1	2	1	0	2	2
Passed with Emergency Provision	74	78	91	58	61	46	52	66	69	60
Building Department:										
New Single Family Home Permits	8	11	13	12	4	14	12	7	4	10
Commercial Building/Structures										
New	2	2	3	0	1	1	0	1	3	0
Additions	15	25	20	25	25	27	N/A	N/A	8	2
Increase in Dwelling Units	17	285	17	9	1	12	N/A	N/A	4	4
Total Receipts – Building Permits	\$ 277,229	\$ 459,542	\$ 461,583	\$ 305,143	\$ 286,553	\$ 395,181	\$ 342,746	\$ 423,604	\$ 461,101	\$ 458,795
Municipal Court:										
Jurisdiction Population	118,137	118,137	118,137	118,137	118,137	118,137	118,137	115,538	114,714	121,879
Cases Filed:										
Criminal/Traffic	25,175	16,532	13,735	13,005	13,931	11,394	11,274	9,922	6,699	6,663
Civil/Small Claims	2,751	2,188	2,391	2,126	2,364	2,729	2,777	2,969	1,963	2,211
<b>Security of Persons and Property:</b>										
Police Protection:										
Motor Vehicle Accidents	260	541	605	596	625	629	672	561	435	509
BAC Licensed Operators	20	17	17	17	17	19	N/A	N/A	N/A	24
Community Diversion Cases	105	147	N/A	N/A	N/A	50	46	40	42	N/A
Marine Patrol Boat Hours	449	437	516	652	534	569	634	698	614	819
Total Prisoners	911	997	816	771	841	739	646	517	149	123

(Continued)



# City of Rocky River, Ohio

## Operating Indicators by Function/Program (Continued)

### Last Ten Years

	<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>	<u>2021</u>
<b>Fire Protection:</b>										
<b>Emergency Responses:</b>										
Building Fire Calls	28	35	33	38	30	30	19	18	32	20
Emergency Medical Care	2,113	2,074	2,173	2,403	2,380	2,437	2,469	2,299	2,163	2,497
<b>System Tests Witnessed:</b>										
Commercial Kitchen	13	6	24	38	16	28	13	5	5	10
Sprinkler / Standpipe	8	19	64	31	14	29	20	5	5	16
Fire Alarm	20	18	24	30	10	26	11	3	6	9
General Inspections for Licensure	91	95	53	103	84	75	53	102	139	195
<b>Public Health Services:</b>										
<b>Senior Center:</b>										
Volunteers	183	168	167	180	130	100	128	103	75	59
Volunteer Hours	15,832	16,172	13,000	15,000	15,000	9,400	15,000	15,000	2,037	1,930
Senior Transportation Trips	7,772	7,772	6,897	6,761	6,854	6,927	8,679	8,898	4,053	5,563
Lunches Served	N/A	75 / day	N/A	N/A	13,000	13,000	14,000	12,000	2,146	2,182
Gift Shop Sales	\$ 53,100	\$ 53,969	\$ 49,553	\$ 42,343	\$ 44,688	\$ 37,178	\$ 35,179	\$ 30,754	\$ 4,662	\$ 10,245
Flu and Pneumonia shots	270	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Transportation:</b>										
<b>Safety Service:</b>										
Snowfall in Inches [1]	63.3	58.4	84.2	20.9	24.3	53.1	24.2	26.6	42.4	43.4
Road Salt Purchased (tons)	NA	3,100	3,300	3,300	2,600	3,500	2,825	2,500	3,150	3,130
Cold Patch Purchased (tons)	NA	NA	327	355	233	163	206	200	145	158
Trees Planted	37	113	62	82	55	121	119	239	264	173
Trees Removed	43	47	59	82	75	54	55	126	45	86

(Continued)

# City of Rocky River, Ohio

## Operating Indicators by Function/Program (Continued)

### Last Ten Years

	<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>	<u>2021</u>
<b>Leisure Time Activities:</b>										
Recreation Center:										
Summer Camp – Recreation [2]	395	426	342	351	368	355	324	845	0	906
Summer Camp – Sports	901	705	581	651	579	451	454	N/A	0	0
Summer Sunset Concerts	5	5	8	8	9	8	10	10	4	6
Concert Attendance	1,750	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Outdoor Pool Attendance	N/A	N/A	18,144	37,309	34,062	24,467	9,497	16,594	10,835	11,811
Hockey Spectator Admissions	2,408	2,357	2,210	2,160	2,262	2,450	2,950	2,322	1,519	5,508
Learn-to-Skate Participants	N/A	N/A	N/A	2,962	N/A	N/A	N/A	1,436	945	1,124
Swim Team Participants	151	146	128	140	129	125	128	169	N/A	81
<b>Basic Utilities Service:</b>										
Refuse Collection:										
Refuse Truck Collections (tons)	8,790	8,576	8,114	7,519	7,354	7,485	7,613	7,831	9,095	8,888
Blue Bag Collections (tons)	390	590	968	928	1,019	1,013	975	843	403	191
Leaf Collections (tons)	1,140	1,388	1,434	1,149	1,252	859	1,828	1,164	974	792
Paper Collections (tons) [3]	79	37	0	0	0	0	0	0	0	0
Cardboard Collections (tons) [3]	189	185	128	136	116	117	105	106	100	247
<b>Sanitary Sewer:</b>										
Quantity and Strength Percent of										
Wastewater Treatment Plant	25.43	25.43	25.31	25.31	25.31	25.31	24.11	24.11	24.11	23.12

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 total.

[3] – In 2022 the City combined the cardboard and paper into one total.

N/A – Information is not available

# City of Rocky River, Ohio

## Capital Asset Statistics by Function/Program

### Last Ten Years

	<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>	<u>2021</u>
<b>General Government:</b>										
Other Departmental Vehicles	10	10	10	9	9	9	9	10	10	10
Square Footage of Building	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370
Miles of Storm Sewer	90	90	90	90	90	90	90	90	90	90
<b>Security of Persons and Property:</b>										
Police Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	25	23	23	26	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	1	1
Square Footage of Police Station	9,672	9,672	9,672	9,672	9,672	9,672	9,672	*	*	36,729
Number of Street Lights	1,813	1,813	1,813	1,813	1,813	1,805	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	9	9	9	8	9	9	9
Square Footage of Fire Station	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088
Number of Fire Hydrants	1,041	1,041	1,041	1,016	1,016	1,016	1,016	1,037	1,037	1,037
<b>Public Health Services:</b>										
Senior Transportation:										
Number of Vehicles	5	5	5	5	5	5	5	7	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
<b>Transportation:</b>										
Number of Vehicles	31	31	31	31	31	31	31	32	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>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>	<u>2021</u>
<b>Leisure Time Activities:</b>										
Recreation and Culture:										
Number of Parks	9	9	9	9	9	9	9	9	9	9
Acres of Parks	106	106	106	106	106	106	106	106	106	106
Number of Vehicles	10	10	10	12	12	12	12	12	12	12
Square Footage of Recreation Facilities	84,379	81,379	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
<b>Basic Utilities Service:</b>										
Refuse Collection:										
Refuse Vehicles	24	24	24	22	22	22	22	19	19	19
Transit Scooters	12	10	10	11	11	11	11	13	13	13
Transfer Station	1	1	1	1	1	1	1	1	1	1
<b>Sewers:</b>										
Miles of Sanitary Sewers	90	90	90	90	90	90	90	90	90	90
Number of Vehicles	8	8	8	8	8	8	8	10	10	10
Number of Sanitary Sewer Accounts	6,806	6,806	6,840	6,840	6,893	6,854	6,878	6,881	6,876	6,902

\* – City used a temporary location during construction of new police department.

Source: City Records

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

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**

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

**CITY OF ROCKY RIVER  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 29, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

## **Report on 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 Responses as item **2021-001**.

## **City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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

July 29, 2022



**CITY OF ROCKY RIVER  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND RESPONSES  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

---

**Finding No. 2021-001 – Material Noncompliance – Appropriations Exceed Estimated Resources**

Condition/Criteria

During our testing of compliance, we noted various funds which had original 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).

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General Obligation Bond Retirement Fund			
Original Budget	\$ 8,453,440	\$ 11,116,863	\$ (2,663,423)
Sanitary Sewer Fund			
Original Budget	12,666,440	13,978,333	(1,311,893)

Cause/Effect

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

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 Revised. Code 5705.39, the City will monitor revenue projections, make appropriate adjustments then request and recognize approved total estimated resources.

**CITY OF ROCKY RIVER  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

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The prior issued audit report, as of December 31, 2020, included a material weakness finding.

Finding Number	Finding Summary	Status	Additional Information
2020-001	Bank Reconciliations	Partially corrected	Re-issued as a management comment
2020-002	Appropriations Exceeding Estimated Resources	Partially corrected.	Repeated as Finding No. 2021-001

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 9/29/2022**

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](http://www.ohioauditor.gov)