



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF ROCKY RIVER
CUYAHOGA COUNTY
DECEMBER 31, 2018

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CITY OF ROCKY RIVER
CUYAHOGA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION <i>Passed Through Ohio Department of Transportation</i>		
Highway Planning and Construction	20.205	\$ 1,183,555
Total U.S. Department of Transportation		<u>1,183,555</u>
Total Expenditures of Federal Awards		<u><u>\$1,183,555</u></u>

The accompanying notes are an integral part of this schedule.

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Rocky River (the City) under programs of the federal government for the year ended December 31, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – MATCHING REQUIREMENTS

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



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

City of Rocky River
Cuyahoga County
21012 Hilliard Boulevard
Rocky River, Ohio 44116

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 23, 2019, except for the restatement described in Note 29, which is as of April 28, 2020, wherein we noted the City adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-001.

City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. We did not subject the City's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

October 23, 2019, except for Note 29, which is of April 28, 2020

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City of Rocky River
Cuyahoga County
21012 Hilliard Boulevard
Rocky River, Ohio 44116

To the City Council:

Report on Compliance for the Major Federal Program

We have audited the City of Rocky River's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Rocky River's major federal program for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the City of Rocky River complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which Uniform Guidance requires us to report, described in the accompanying schedule of findings as item 2018-001. Our opinion on *the* major federal program is not modified with respect to these matters.

The City's response to our noncompliance finding is described in the accompanying schedule of findings and corrective action plan. We did not subject the City's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2018-001.

The City's response to our internal control over compliance finding is described in the accompanying schedule of findings and corrective action plan. We did not subject the City's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rocky River (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated April 28, 2020. Our opinion also explained that the City adopted *Governmental Accounting Standard No. 75* during the year. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State

Columbus, Ohio

April 28, 2020

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**CITY OF ROCKY RIVER
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	CFDA #20.205 – Highway Planning and Construction
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2018-001

NONCOMPLIANCE AND MATERIAL WEAKNESS

See (federal) finding # 2018-001 below; *Government Auditing Standards* also requires us to report this finding.

CITY OF ROCKY RIVER
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Federal Receipts and Expenditures Not Recorded

Finding Number:	[2018-001]
CFDA Number and Title:	[CFDA # 20.205 Highway Planning and Construction]
Federal Award Identification Number / Year:	[PID 85393 / 2018]
Federal Agency:	[U.S. Department of Transportation]
Compliance Requirement:	[Reporting]
Pass-Through Entity:	[Ohio Department of Transportation]
Repeat Finding from Prior Audit?	[No]
Prior Audit Finding Number:	[N/A]

NONCOMPLIANCE AND MATERIAL WEAKNESS

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Ohio Rev. Code 5705.42 indicates when the United States government or the state or any department, division, agency, authority, or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection within the meaning of section 5705.41 of the Revised Code. Refer to Auditor of State Bulletin 2008-008 for additional guidance.

2 CFR Subpart F § 200.510(b) requires the auditee prepare a Schedule of Expenditures of Federal Awards (the Schedule) for the period covered by the Entity's financial statements which must include the total federal awards expended as determined in accordance with § 200.502.

At a minimum, the schedule must:

- 1) List individual Federal programs by Federal agency.
- 2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- 3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

- 4) Include the total amount provided to subrecipients from each Federal program.
- 5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period.
- 6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee has elected to use the 10 percent de minimis cost rate as covered in § 200.414 Indirect (F&A) costs.

The City received \$1,183,555 in Federal funds, passed through the Ohio Department of Transportation (ODOT) as on-behalf payments. These funds were not properly recorded in the City's cash accounting records, which caused an understatement in the Capital Improvement Fund of \$1,183,555 of Intergovernmental revenue and Capital Outlay expenditures. Additionally, the City did not initially identify these expenditures as Federal funds, and thus did not present a Schedule of Federal Awards Expenditures as required by the aforementioned requirements.

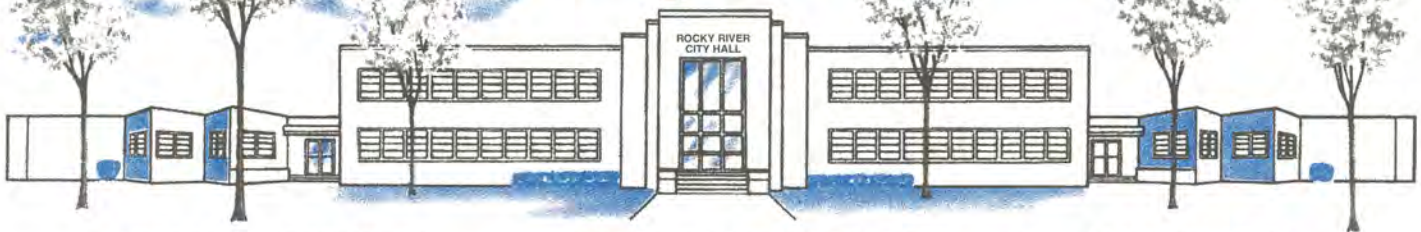
Failure to maintain the proper classification of financial transactions can increase the risk of fraud and inaccurate financial statements. Also, by not properly tracking Federal expenditures, the City is at risk of not receiving required Single Audit procedures, and possibly forfeiting future Federal funds that might be available.

We recommend the City be diligent in assuring monies are posted to the correct fund and classifications in accordance with the City's coding system and other accounting guidance. We also recommend the City verify when money spent is Federal and to present Federal expenditures on the Schedule of Federal Awards Expenditures when required.

Official's Response:

For Finding Number 2018-001, see the City prepared Corrective Action Plan (as required by 2 CFR 200, Subpart F, § 511(c) (Uniform Guidance)) and a part of the report made herein. The City believes the corrective action taken address both the federal audit finding component as well as the finding component related to the financial statements required to be reported in accordance with *Government Auditing Standards*.

CITY OF ROCKY RIVER



21012 HILLIARD BLVD.

• ROCKY RIVER, OHIO 44116

• (440) 331-0600

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) December 31, 2018

Finding Number:

2018-001

Planned Corrective Action:

1) Preliminary City review was complete. Following contact from the ODOT, Office of External Audits, the City Director of Public Safety-Service, Director of Finance and staff members met to review the information presented, documentation (project planning records, agreements, contracts, ordinances, etc.) and financial transactions.

2) Various subsequent communication was made with ODOT representatives from the Office of External Audits and its District 12; the City's consulting accountants and independent auditors. In addition, the City completed a detailed review of project records (project planning records, agreements, contracts, ordinances, and financial transactions); collected and completed a detailed review of compliance requirements; identified methods to capture data, to record transactions and to create proper financial and compliance reporting. The City engaged its consulting accountants to make necessary financial statement adjustments and arranged for compliance review by its independent auditors. The results are as follows: a) completion of the ODOT LPA Project Cost Tracking spreadsheet; b) financial reports that properly present the relevant transaction amounts; c) related audit reports thereon; d) completion of Schedule of Federal Awards Expenditures; e) registration set-up on the Federal Audit Clearinghouse Internet Data Entry System.

3) Final City Review - On March 17, 2020, the City Director of Public Safety-Service, Director of Finance and staff members met to discuss additional internal controls needed to identify grant funded projects, to properly and timely record transactions and to make complete and accurate financial and compliance reports as required. Following the final City review on that date, the City believes it implemented the necessary corrective action plan to completely address Finding Number 2018-001. Further, the City believes the corrective action taken addresses both the federal audit finding component as well as the finding component related to the financial statements required to be reported in accordance with *Government Auditing Standards*.

Anticipated Completion Date: March 17, 2020

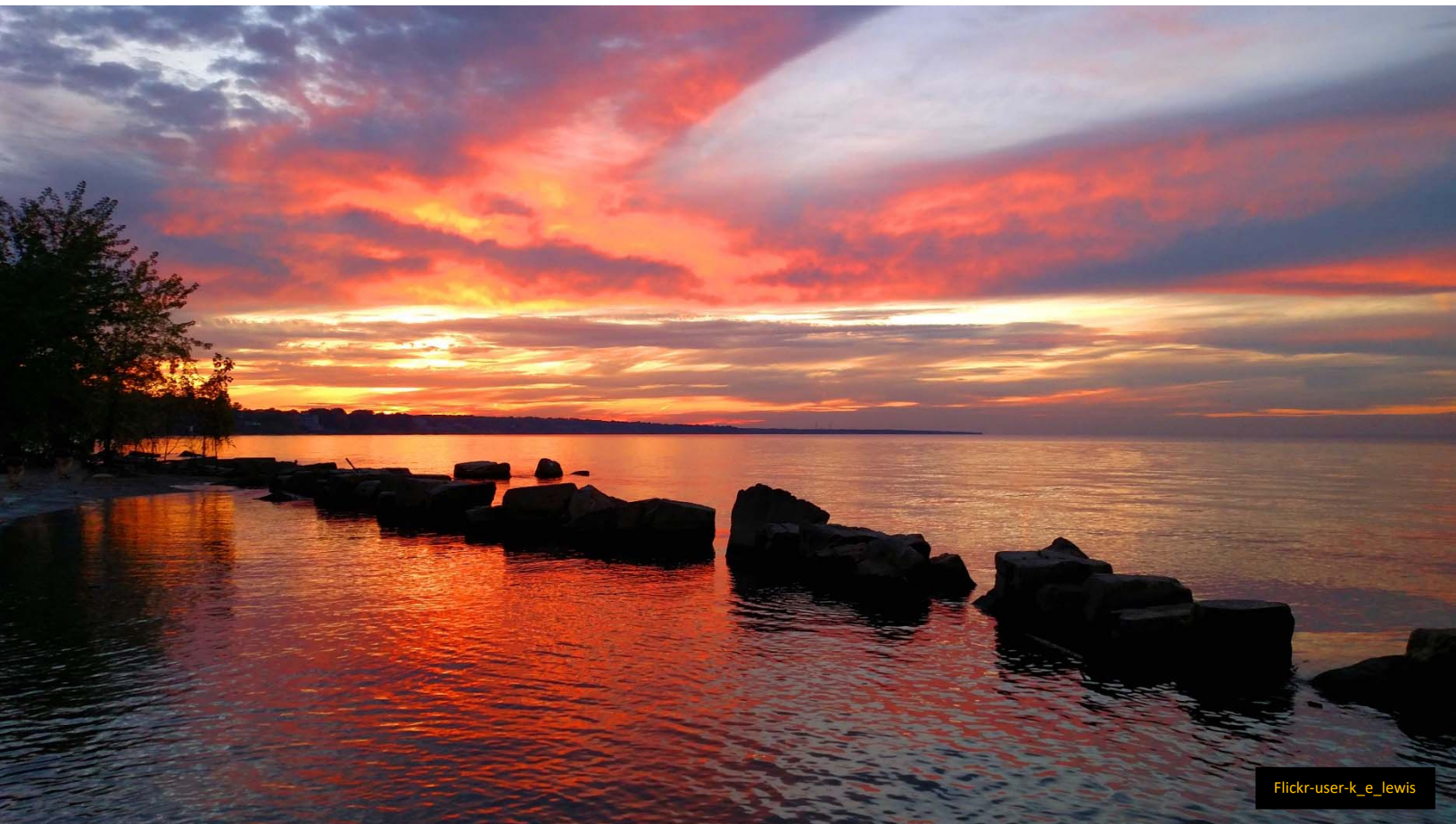
Responsible Contact

Person(s):

Rich Snyder, Director of Public Safety-Service;
Michael A. Thomas, CPA, Director of Finance

City Of Rocky River, Ohio

Comprehensive Annual Financial Report



For the year ended
December 31, 2018

Introductory Section



City of Rocky River, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018

Issued by:

City of Rocky River
Department of Finance

Michael A. Thomas, CPA
Director of Finance

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City of Rocky River, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2018

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City of Rocky River, Ohio

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City of Rocky River, Ohio

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CITY OF ROCKY RIVER



April 28, 2020

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

Transmittal of the Comprehensive Annual Financial Report

The City of Rocky River, Ohio (City) submits this Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2018. The CAFR is a more extensive report than basic financial statements and it is believed that the CAFR demonstrates the City's ongoing commitment to be accountable to its citizenry and to excellence in financial reporting. While no single report can be all things to all people, the goal in presenting this CAFR is to provide any person or entity interested in the City with information needed to gain a fair understanding of the City's financial position, results of operations and cash flows.

The Ohio Revised Code Section 117.38 requires that the City certify and file, within one hundred fifty days after the close of the fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America. The City issues this CAFR for the year ended December 31, 2018. The City's 2018 CAFR is being reissued as of this date following determination by the State of Ohio, Department of Transportation regarding financial reporting and compliance auditing of a City administered U. S. Department of Transportation Highway Planning and Construction grant. Appropriate financial reporting, related note disclosures and related audit reports thereon have been made.

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

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

The financial statements of the City have been audited by independent auditor Keith Faber, Auditor of the State of Ohio. 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, Mr. Faber concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of the CAFR.

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

Profile of the City of Rocky River, Ohio

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

The City is governed by an elected full-time Mayor and seven City Council members 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 181 full-time employees, including the Rocky River Municipal Court.

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

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

Economic Conditions

Local Economy Because of the proximity to major cultural, educational and medical facilities in Northeastern Ohio and ease of travel in the area, the City experiences a degree of economic stability. More recently, the City participated in the economic expansion of the northeast Ohio region and nation as a whole. City residents in the professional, managerial, entrepreneurial categories benefit from convenient access to the City of Cleveland and other suburban regional employment centers.

The tax base of the City's municipal income tax consists of business (and employees) located within the City as well as individual, resident taxpayers. The largest organizations located within the City generating income tax revenue are the City and the Rocky River City School District. Other significant industries in the City are senior citizen congregate housing and health care; financial services and banking; shipping; and retail. According to www.city-data.com, estimated median household income in the City in 2016 was \$67,116; while for the State of Ohio that amount was \$52,334.

Components of income tax collections are:

Component	2015	2016	2017	2018
Employee Withholding	\$6,569,368	\$6,934,657	\$7,543,693	\$7,656,837
Residence Tax	4,707,615	5,555,724	5,631,001	5,524,352
Business Profit	993,280	1,035,926	1,592,316	1,063,994
Penalties & Interest	157,886	74,289	386,985	463,697
Total	\$12,428,149	\$13,600,596	\$15,153,995	\$14,708,880

In the most recent four year period, City income tax collections have increased an average of nearly 6 percent. The data in the table above reflects an income tax rate increase that became effective January 1, 2015. As a result of a successful ballot issue in November 2014, the municipal income tax rate increased from 1.5 percent to 2.0 percent; the reciprocity credit for income taxes paid to another city also increased from 1.0 percent to 1.5 percent. The purpose of the increase was to provide resources for capital projects and equipment purchases, either directly or through the payment of debt service for those obligations.

Collections from the withholding component have continued to grow as employment levels in the City expanded over the indicated period. However, from 2017 to 2018, overall collections declined by nearly 3 percent as the economy receded from the frothy activity of 2017. For each month of August through December 2018, monthly revenue was lower than the amount received for the same period in 2017. While this revenue source is economically sensitive in the short-term, it has been proven to be durable in the long-term. Before the rate increase that was effective in 2015, the last increase was put in place in 1977.

For the City, and within the State of Ohio, property tax revenue received during 2018 represents collections of the 2017 taxes. On behalf of the State of Ohio, the Cuyahoga County Fiscal Officer establishes property values within the City for tax purposes. During 2015, the Cuyahoga County Fiscal Officer undertook a triennial revaluation of real property resulting in an overall increase in City property values of about 8.3 percent at that time. The Fiscal Officer completed a sexennial revaluation in 2018 which will affect revenue in 2019 and going forward. Also, favorably impacting the real estate tax base is a 260 unit, luxury apartment complex which became fully occupied in the third quarter of 2014 and a new retail grocery store (opened in September 2015). Both facilities were built where commercial vacancies previously existed. In addition, during 2018, 12 new single-family homes were built, which amount in 2017 was 14 and in 2016 was four.

For each of the tax years shown in the table below 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.

Component	2014	2015	2016	2017
Residential	\$577,507,960	\$633,749,770	\$635,603,090	\$636,818,330
Commercial	102,497,650	103,324,300	104,831,960	103,637,190
Public Utility	8,706,580	8,855,180	9,375,340	10,034,290
Total	\$688,712,190	\$745,929,250	\$749,807,390	\$750,489,810

The observed consistency is indicative of the City's character as a suburban, bedroom community. Census data confirm the importance of real estate values to the financial stability of the City. The estimated median house or condo value in 2016 (the most recent data available) was \$223,747 in the City while that amount in the State of Ohio was \$140,100. The estimated owner-occupied housing unit rate in 2016 (the most recent data available) was 72 percent in the City while that amount in the State of Ohio was 65 percent. (www.city-data.com)

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

Major Initiatives

Management of various phases of significant infrastructure improvement projects was the focus of attention of the City during 2018. The table below updates a project described in last year's CAFR.

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

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

This project was undertaken as a priority within the comprehensive sewer maintenance and rehabilitation plan drafted by the City Engineer in 2006. Completion of the projects in the plan will serve to mitigate the potential for sanitary sewer overflows and reduce the City's exposure to potential compliance penalties.

Following a detailed 2017 needs-assessment report, the administration presented City Council with the plans to construct a new Police Department facility. Site visits, design analysis and financing discussions led to an architect being engaged in July. A preliminary \$10,000,000 cost estimate was given thereafter. To complete the facility at this potential cost, the City has the flexibility to contribute from two revenue streams designated for capital purposes as well as to access the debt market.

During 2018, community consensus was attained regarding rehabilitation plans for the City's Bradstreet Landing Park. In addition, Cuyahoga County leaders recognized that this City park is a valuable, regional Lake Erie public access point with meaningful pre-colonial American history and awarded funding of \$1,000,000 from its Community Development Supplemental Grant program. Additional funding sources continue to be defined to coincide with project phasing.

During 2018, the City awarded a bid to replace its 25 year old ladder Fire truck which had been taken out of service. The cost of this generational vehicle is nearly \$1,200,000. The 2019 budget includes amounts to finance the purchase cost with debt.

Long-term Financial Planning

Despite economic stabilization and growth in revenue, the City administration proceeds conservatively. With staff reductions (attained through attrition), full-time City employment was 181 at December 31 while it was 192 at December 31, 2007. In accomplishing infrastructure projects and equipment purchases, the City looks to its property tax levy and dedicated municipal income tax revenue sources for that purpose and has obtained zero percent interest loans for a portion of many project costs. Also, the *Agreement between the Cities of Cleveland and Rocky River for Suburban Distribution Asset Renewal Program Project Reimbursement* put in place in 2012, has provided ongoing resources for infrastructure support to City resident needs.

The initial results of the 2018 sexennial property revaluation by the Cuyahoga County Fiscal Officer indicated the City's property tax revenue could be favorably impacted by a revenue increase beginning in 2019 of \$1,395,483 or about 15 percent. The valuation was eventually finalized within 92 percent of that amount and for the first time for 2019, a Budget Stabilization Fund was established. Such a fund structure is authorized and governed by Ohio Revised Code 5705.13 and is an indicator of the intent of the administration and City Council to keep a stable long-term financial position.

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

The Municipal Income Tax revenue source is economically sensitive in the short-term. The City buffers this economically sensitive revenue stream by conservative budgeting. And also, where actual revenue exceeds estimated revenue such excess is generally not appropriated and carries over in the General Fund budgetary balance to the next year. In addition, during the five-year period 2014 to 2018, the City spent an average of about 69 percent of the total appropriation amount.

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

Source	Percent
Income Tax	38
Property Tax	22
Sewer Charges User Charges	14
Recreation Center User Charges	7
Grants/Loans	7
Other Revenue	4
Gas & License Fees	3
Ambulance Fees	2
Local Government Fund	1
Senior Center User Fees	1
Fines	1

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

Awards and Acknowledgements

Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the year ending December 31, 2017. This was the thirtieth year that the City has received this prestigious award. A “Certificate of Achievement” is awarded to the City when its publication is issued with easily readable language; is efficiently organized and comprehensive; and conforms to the programs standards for an annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

s/Michael A. Thomas

Michael A. Thomas, CPA
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Rocky River
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

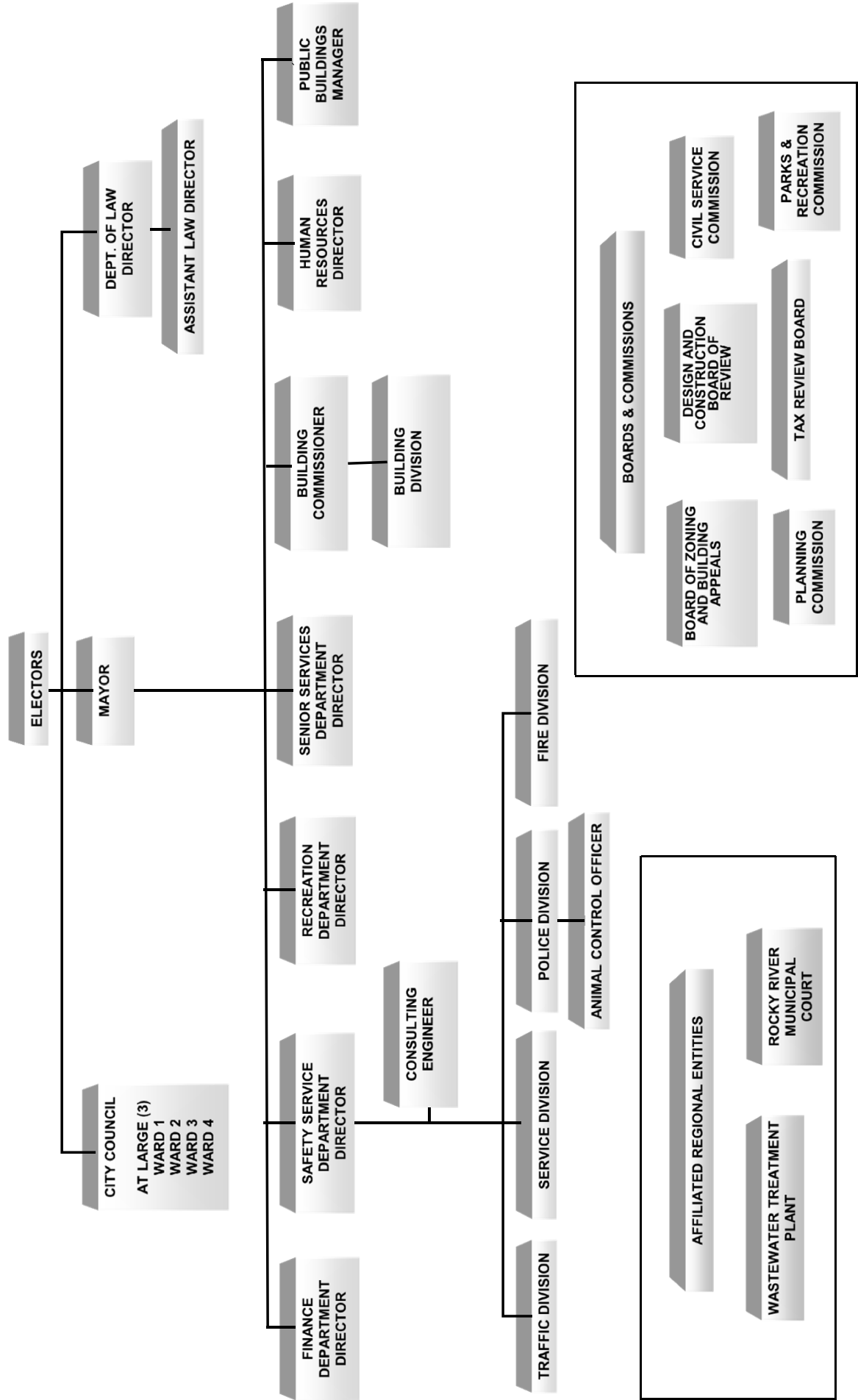
City of Rocky River, Ohio

List of Elected Officials

December 31, 2018

<u>Title</u>	<u>Name</u>
Mayor	Pamela E. Bobst
Law Director	Andrew D. Bemer
Council Member – At-Large	David W. Furry
Council Member – At-Large	Christopher J. Klym
Council Member – At-Large	Brian J. Sindelar
Council Member – Ward 1	Thomas J. Hunt
Council President – Ward 2	James W. Moran
Council Member – Ward 3	Michael P. O’Donnell
Council Member – Ward 4	John B. Shephard

CITY OF ROCKY RIVER ORGANIZATIONAL CHART



Financial Section





Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

City of Rocky River
Cuyahoga County
21012 Hilliard Boulevard
Rocky River, Ohio 44116

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky River, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, Cuyahoga County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Recreation Center Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We did not modify our opinion regarding this matter.

As discussed in Note 29 to the financial statements, the 2018 financial statements have been restated to correct a misstatement to intergovernmental revenue and capital outlay in the Capital Improvements fund and to capital assets in governmental activities. This restatement does not affect our opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2019, except for Note 29, which is as of April 28, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

October 23, 2019, except for Note 29, which is of April 28, 2020

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City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2018

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, 2018. 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 2018 are:

- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2018 by \$54,582,516. This is an increase of \$2,492,488 over the 2017 net position. Net position of the City's governmental activities increased \$2,489,668 from 2017, while net position of the business-type activities increased \$2,820.
- Total assets increased by \$9,422,235 and deferred outflows of resources decreased by \$1,019,609. The main factors affecting total assets were increases in capital assets, net (up \$5,272,921), equity in pooled cash and cash equivalents, property tax receivable and municipal income taxes receivable (up \$2,379,815, \$1,125,985, and \$1,056,254 respectively). The main fluctuation in deferred outflows of resources related to net pension and OPEB.
- Total liabilities increased by \$1,636,159 and deferred inflows of resources increased by \$4,273,979 from 2017. The main factors affecting total liabilities was a \$1,858,023 increase in long term liabilities and \$3,067,361 increase in net OPEB liability, offset by a \$4,003,455 decrease in net pension liability. The deferred inflows of resources were up in 2018 with deferred inflows of resources related to pension and OPEB being the biggest contributors (up \$3,167,473).

Using This Comprehensive Annual Financial Report

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

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

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2018

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 2018?" 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, 2018

Reporting the Most Significant Funds of the City of Rocky River

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 32 of this report.

Fiduciary Fund

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

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2018

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 39 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the 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. This information can be found starting on page 110 of this report.

The City of Rocky River as a Whole

The Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's Net Position for 2018 compared to 2017 balances.

	Table 1 Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
Assets:						
Current and Other Assets	\$ 33,975,582	\$ 30,074,764	\$ 12,803,196	\$ 12,584,529	\$ 46,778,778	\$ 42,659,293
Capital Assets, Net	60,993,719	58,081,390	28,008,871	25,648,279	89,002,590	83,729,669
Net Pension Asset	45,029	16,781	2,426	845	47,455	17,626
Total Assets	<u>95,014,330</u>	<u>88,172,935</u>	<u>40,814,493</u>	<u>38,233,653</u>	<u>135,828,823</u>	<u>126,406,588</u>
Deferred Outflows of Resources:						
Deferred Charge on Refunding	184,121	220,348	0	0	184,121	220,348
Pension	4,654,878	7,557,193	148,829	244,964	4,803,707	7,802,157
OPEB	2,098,347	107,974	29,033	4,338	2,127,380	112,312
Total Deferred Outflows of Resources	<u>6,937,346</u>	<u>7,885,515</u>	<u>177,862</u>	<u>249,302</u>	<u>7,115,208</u>	<u>8,134,817</u>
Liabilities:						
Current and Other Liabilities	2,197,516	1,209,954	627,302	900,634	2,824,818	2,110,588
Long-Term Liabilities						
Due Within One Year	2,216,153	2,169,158	467,930	325,046	2,684,083	2,494,204
Other Amounts Due in More than One Year	10,160,131	11,116,420	15,609,842	12,985,409	25,769,973	24,101,829
Net Pension Liability	24,332,613	28,187,333	480,196	628,931	24,812,809	28,816,264
Net OPEB Liability	20,167,421	17,130,501	319,588	289,147	20,487,009	17,419,648
Total Liabilities	<u>59,073,834</u>	<u>59,813,366</u>	<u>17,504,858</u>	<u>15,129,167</u>	<u>76,578,692</u>	<u>74,942,533</u>

(Continued)

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2018

Table 1
 Net Position (Continued)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Deferred Inflows of Resources:						
Property Taxes	8,069,932	6,963,426	0	0	8,069,932	6,963,426
Pension	2,967,012	537,706	114,794	7,712	3,081,806	545,418
OPEB	607,278	0	23,807	0	631,085	0
Total Deferred Inflows of Resources	<u>11,644,222</u>	<u>7,501,132</u>	<u>138,601</u>	<u>7,712</u>	<u>11,782,823</u>	<u>7,508,844</u>
Net Position:						
Net Investment in Capital Assets	53,411,670	49,427,948	12,032,701	12,418,716	65,444,371	61,846,664
Restricted for:						
Capital Projects	9,335,895	6,121,210	0	0	9,335,895	6,121,210
Debt Service	387,087	540,879	0	0	387,087	540,879
Refuse and Recycling	411,657	680,801	0	0	411,657	680,801
Office on Aging	248,791	286,539	0	0	248,791	286,539
Street Construction and Maintenance	882,471	1,014,243	0	0	882,471	1,014,243
Law Enforcement and Education	185,206	223,914	0	0	185,206	223,914
Fire and Police Pensions	112,410	66,532	0	0	112,410	66,532
Security of Persons and Property	314,167	379,282	0	0	314,167	379,282
Community Impact	3,312	3,312	0	0	3,312	3,312
Unrestricted	<u>(34,059,046)</u>	<u>(30,000,708)</u>	<u>11,316,195</u>	<u>10,927,360</u>	<u>(22,742,851)</u>	<u>(19,073,348)</u>
Total Net Position	\$ <u>31,233,620</u>	\$ <u>28,743,952</u>	\$ <u>23,348,896</u>	\$ <u>23,346,076</u>	\$ <u>54,582,516</u>	\$ <u>52,090,028</u>

The net pension liability (NPL) is the largest liability reported by the City at December 31, 2018 and is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. For 2018, the City adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension/OPEB, the net pension/OPEB liability to the reported net position and subtracting deferred outflows related to pension/OPEB and the net pension asset.

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

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

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

GASB notes that pension/OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension/OPEB. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should, accordingly, be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liability. 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 health care 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 as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension/OPEB plans.

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

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

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred outflows/inflows of resources related to OPEB on the accrual basis of accounting. This implementation had the effect of restating net position at December 31, 2017, from \$45,766,479 to \$28,743,952 for governmental activities and from \$23,823,112 to \$23,346,076 for business-type activities.

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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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program Revenues:						
Charges for Services	\$ 6,016,192	\$ 6,209,056	\$ 4,227,218	\$ 5,090,108	\$ 10,243,410	\$ 11,299,164
Operating Grants and Contributions	1,083,722	1,099,004	0	0	1,083,722	1,099,004
Capital Grants and Contributions	<u>1,746,089</u>	<u>536,375</u>	<u>0</u>	<u>0</u>	<u>1,746,089</u>	<u>536,375</u>
Total Program Revenues	<u>8,846,003</u>	<u>7,844,435</u>	<u>4,227,218</u>	<u>5,090,108</u>	<u>13,073,221</u>	<u>12,934,543</u>
General Revenues:						
Property Taxes	7,140,047	7,122,705	0	0	7,140,047	7,122,705
Municipal Income Taxes	14,836,850	14,194,524	1,265,712	1,225,620	16,102,562	15,420,144
Franchise Tax	239,886	254,200	0	0	239,886	254,200
Admissions Tax	98,649	94,973	0	0	98,649	94,973
Grants and Entitlements not Restricted to Specific Programs	2,534,317	1,360,654	0	0	2,534,317	1,360,654
Investment Income	314,231	190,263	0	0	314,231	190,263
Other	<u>146,198</u>	<u>184,060</u>	<u>0</u>	<u>0</u>	<u>146,198</u>	<u>184,060</u>
Total General Revenues	<u>25,310,178</u>	<u>23,401,379</u>	<u>1,265,712</u>	<u>1,225,620</u>	<u>26,575,890</u>	<u>24,626,999</u>
Total Revenues	<u>34,156,181</u>	<u>31,245,814</u>	<u>5,492,930</u>	<u>6,315,728</u>	<u>39,649,111</u>	<u>37,561,542</u>
Program Expenses:						
General Government	6,990,613	7,176,860	0	0	6,990,613	7,176,860
Security of Persons and Property	12,399,511	10,765,969	0	0	12,399,511	10,765,969
Public Health	1,268,150	1,188,400	0	0	1,268,150	1,188,400
Transportation	4,011,387	3,783,233	0	0	4,011,387	3,783,233
Leisure Time Activities	4,494,796	4,419,638	0	0	4,494,796	4,419,638
Community Development	587,383	565,535	0	0	587,383	565,535
Basic Utility Service	2,512,750	2,257,068	0	0	2,512,750	2,257,068
Interest and Fiscal Charges	240,917	271,054	0	0	240,917	271,054
Sanitary Sewer Charges	<u>0</u>	<u>0</u>	<u>4,651,116</u>	<u>4,622,700</u>	<u>4,651,116</u>	<u>4,622,700</u>
Total Program Expenses	<u>32,505,507</u>	<u>30,427,757</u>	<u>4,651,116</u>	<u>4,622,700</u>	<u>37,156,623</u>	<u>35,050,457</u>

(Continued)

City of Rocky River, Ohio
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Table 2
Changes in Net Position (Continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Change in Net Position Before Transfers	1,650,674	818,057	841,814	1,693,028	2,492,488	2,511,085
Transfers, Net	<u>838,994</u>	<u>2,974,188</u>	<u>(838,994)</u>	<u>(2,974,188)</u>	<u>0</u>	<u>0</u>
Change in Net Position	2,489,668	3,792,245	2,820	(1,281,160)	2,492,488	2,511,085
Net Position, Beginning of Year, Restated	<u>28,743,952</u>	<u>n/a</u>	<u>23,346,076</u>	<u>n/a</u>	<u>52,090,028</u>	<u>n/a</u>
Net Position, End of Year	\$ <u>31,233,620</u>	\$ <u>28,743,952</u>	\$ <u>23,348,896</u>	\$ <u>23,346,076</u>	\$ <u>54,582,516</u>	\$ <u>52,090,028</u>

Effects of GASB 75

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$107,974 in the governmental activities and \$4,338 in the business-type activities computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,686,482 in the governmental activities and \$29,783 in the business-type activities. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Total 2018 program expenses under GASB 75	\$ 32,505,507	\$ 4,651,116
OPEB expense under GASB 75	(1,686,482)	(29,783)
2018 contractually required contribution	<u>32,656</u>	<u>230</u>
Adjusted 2018 program expenses	30,851,681	4,621,563
Total 2017 program expenses under GASB 45	<u>30,427,757</u>	<u>4,622,700</u>
Increase (Decrease) in program expenses not related to GASB 75	\$ <u>423,924</u>	\$ <u>(1,137)</u>

Governmental Activities

Overall, total governmental activities net position increased by \$2,489,668 primarily due to additional grant funds received in the current year relating to the paving projects, Hampton Road & Lakeview Sewer Improvement project and the Bradstreet Landing Park. The municipal income tax is the largest source of the City's general revenues. The municipal income tax revenue amount for 2018 was \$14,836,850, a \$642,326 increase from 2017. The City monitors its sources of revenue very closely to react to any changes or fluctuations. The City accounts for municipal income tax revenues in the General Fund, Equipment Replacement Fund, Capital Improvements Fund and the Sanitary Sewer Fund.

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Property taxes, another large source of revenues, were comparable to the prior year, noting a slight increase of 0.2% from 2017.

Capital grants and contributions increased as a result of intergovernmental funding from ODOT for paving projects in the City. Grants and entitlements not restricted to specific programs increased 86.3% from 2017 to 2018 due primarily to additional grant revenue received in 2018.

Total program expenses for 2018 were \$32,505,507, a 6.8% increase from 2017 levels. Program category increases occurred for security of persons and property program, transportation, public health, community development, basic utility service and leisure time activities. These increases were offset by decreases in the general government program and interest and fiscal charges category.

During 2018, the largest program category function for the City is security of persons and property, which includes police and fire protection. This program accounts for 38.1% of expenses and increased by \$1,633,542 or 15.2% from 2017. The majority of the increase was due to increased OPEB expenses as a result of the actuarial estimate of the net OPEB liability for OP&F.

The general government program category is the second largest expense category. This program category reports the accumulated activity of the Rocky River Municipal Court and other administrative functions of the City. A decrease of \$186,247 occurred in this program category from 2017 to 2018. The decrease in expense is due primarily to less capitalized expenditures from this program category during the current year.

The leisure time activities program category is the third largest expense category. This category had an increase of \$75,158 from 2017. The increase in expense is due in part to increased service and maintenance costs expensed compared to the prior year.

Business-Type Activities

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

The City's Funds

Governmental Funds

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

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As of December 31, 2018, the City's governmental funds reported combining ending fund balance of \$18,834,807. Of that amount, \$3,043,587 constitutes unassigned fund balances, which is available for spending at the City's discretion. The \$15,791,220 remainder of fund balance is reported as nonspendable, restricted, or assigned to indicate that it is not available for new spending because it has already been committed to contracts and purchases of prior period(s).

All governmental funds had total revenues of \$33,107,702 and expenditures of \$32,235,161, leaving a \$1,064,399 current year increase in fund balance, after consideration of \$191,858 in net other financing sources.

The General Fund is the most significant fund as it is the source for providing a significant portion of resources for governmental activities such as police, fire, service, legislative, and administrative functions. In 2018, the General Fund had total revenues and other financing sources of \$17,708,373 and expenditures and other financing uses, of \$19,121,628 resulting in a decrease in fund balance at December 31, 2018 of \$1,413,255. General Fund revenues, including other financing sources decreased \$2,227,411 from 2017, while expenditures, including other financing uses, increased by \$314,580. The decrease in General Fund revenues was due primarily to decreases in municipal income tax revenue as the City allocated more income tax revenue to the capital improvements fund in 2018. Expenditures increased primarily due to increases in operating expenditures during the year.

The Recreation Center Fund accounts for the operation and maintenance of the City's recreation facilities and activities. In 2018, the Recreation Center Fund had total revenues and other financing sources of \$3,028,648 and expenditures of \$3,120,102 resulting in a decrease in fund balance of \$91,454 at December 31, 2018. Total revenues and other financing sources decreased \$256,086 primarily due to decreases in transfers received. Expenditures were \$81,937 more than last year's expenditures.

The Capital Improvement Fund accounts for the various projects of the City financed by tax monies and General Fund transfers. In 2018, the Capital Improvement Fund had total revenues and other financing sources of \$8,150,291 and expenditures of \$4,924,443 resulting in an increase in fund balance of \$3,225,848 at December 31, 2018. Revenues and other financing sources increased \$5,987,688 from the prior year mainly due to increases in income tax revenues and other grant revenues received for various capital projects. Expenditures increased from 2017 by \$2,734,578 due to more capital outlay expenditures in the current year as a result of the completion and progress of several capital improvement projects during the year.

General Fund Budgeting Highlights

The City's budget is prepared according to the general laws of the State of Ohio and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2018, the City supplemented the General Fund budget once. The General Fund's actual expenditures, not including other financing uses, were \$2,862,927 under the final budgeted amount of \$17,604,070.

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.

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

For the General Fund, the original and final budgeted revenues, not including other financing sources, were \$20,242,933, and \$20,514,045, respectively.

Capital Assets and Debt Administration

Capital Assets

Table 3 shows fiscal year 2018 balances of capital assets, net of any accumulated depreciation, as compared to 2017:

Table 3
 Capital Assets, Net at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</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	4,397,736	1,191,607	5,956,044	3,185,143	10,353,780	4,376,750
Land Improvements	3,140,167	3,276,484	0	0	3,140,167	3,276,484
Buildings	19,122,731	19,704,471	0	0	19,122,731	19,704,471
Equipment	2,498,599	2,528,488	73,366	69,406	2,571,965	2,597,894
Vehicles	1,257,334	1,557,892	293,878	378,328	1,551,212	1,936,220
Infrastructure:						
Roads	15,986,226	15,742,990	0	0	15,986,226	15,742,990
Sidewalks	2,008,782	2,000,293	0	0	2,008,782	2,000,293
Traffic Signals	180,680	154,863	0	0	180,680	154,863
Storm Sewers	10,180,480	9,703,318	0	0	10,180,480	9,703,318
Sewer Lines	<u>0</u>	<u>0</u>	<u>21,396,067</u>	<u>21,725,886</u>	<u>21,396,067</u>	<u>21,725,886</u>
Total Capital Assets, Net	\$ <u>60,993,719</u>	\$ <u>58,081,390</u>	\$ <u>28,008,871</u>	\$ <u>25,648,279</u>	\$ <u>89,002,590</u>	\$ <u>83,729,669</u>

Total capital assets, net for the City as of December 31, 2018 were \$89,002,590, a \$5,272,921 increase from 2017. Capital asset additions of \$11,143,919 were offset by \$3,596,241 of depreciation expense and \$2,274,757 of disposals, net depreciation. Additionally, the City had a transfer of assets from business-type activities to governmental activities of \$838,994, related to the pavement, sidewalk, and storm sewer portions of the Westway Sewer Improvement project that was completed in the current year.

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.

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See Note 10 for additional information on capital assets.

Debt

On December 31, 2018, the City had \$23,742,340 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General Obligation Bonds \$	7,344,737	\$ 8,603,790	\$ 0	\$ 0	\$ 7,344,737	\$ 8,603,790
Special Assessment Bonds	230,000	270,000	0	0	230,000	270,000
OPWC Loans	191,433	0	15,924,978	13,154,483	16,116,411	13,154,483
OWDA Loans	<u>0</u>	<u>0</u>	<u>51,192</u>	<u>75,080</u>	<u>51,192</u>	<u>75,080</u>
Total Outstanding Debt	\$ <u>7,766,170</u>	\$ <u>8,873,790</u>	\$ <u>15,976,170</u>	\$ <u>13,229,563</u>	\$ <u>23,742,340</u>	\$ <u>22,103,353</u>

The outstanding general obligation bonds at December 31, 2018 are composed of the following: 1) Refunded General Purpose, Series 2014, of \$3,030,000; 2) Refunded Civic Facility Improvements, Series 2014 of \$3,190,000 and 3) Refunded Municipal Court Facility, Series 2011 of \$750,000. There remains unamortized premiums related to these issues of \$374,737.

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, 2018 consist of Erosion Control A & B Bonds: \$125,000 (Series 1998) and \$105,000 (Series 2000). The principal and interest for these bonds are paid from the Special Assessment Fund with monies collected through the Cuyahoga County Fiscal Officer from the affected taxpayers.

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

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

The City's overall legal debt margin was \$85,303,761 on December 31, 2018.

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

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

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

Contacting the City's Finance Department

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

City of Rocky River, Ohio

Statement of Net Position

December 31, 2018

	Governmental Activities	Business - Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 17,750,783	\$ 7,335,360	\$ 25,086,143
Restricted Cash and Cash Equivalents	69,424	44,606	114,030
Accrued Interest Receivable	26,896	0	26,896
Accounts Receivable, Net	359,645	654,379	1,014,024
Intergovernmental Receivable	1,164,403	0	1,164,403
Internal Balances	(4,868)	4,868	0
Materials and Supplies Inventory	181,674	11,691	193,365
Prepaid Assets	99,593	729	100,322
Municipal Income Taxes Receivable	5,765,347	0	5,765,347
Property Taxes Receivable	8,329,492	0	8,329,492
Special Assessments Receivable	233,193	225,069	458,262
Investment in Joint Venture	0	4,526,494	4,526,494
Nondepreciable Capital Assets	6,618,720	6,245,560	12,864,280
Depreciable Capital Assets, Net	54,374,999	21,763,311	76,138,310
Net Pension Asset	45,029	2,426	47,455
Total Assets	95,014,330	40,814,493	135,828,823
Deferred Outflows of Resources:			
Deferred Charge on Refunding	184,121	0	184,121
Pension	4,654,878	148,829	4,803,707
OPEB	2,098,347	29,033	2,127,380
Total Deferred Outflows of Resources	6,937,346	177,862	7,115,208
Liabilities:			
Accounts Payable	620,873	310,336	931,209
Accrued Wages and Benefits	428,187	18,268	446,455
Intergovernmental Payable	367,222	15,915	383,137
Unearned Revenue	6,161	0	6,161
Retainage Payable	239,604	281,657	521,261
Accrued Interest Payable	20,446	1,126	21,572
Claims Payable	515,023	0	515,023
Long-Term Liabilities:			
Due within One Year	2,216,153	467,930	2,684,083
Due in More than One Year:			
Other Amounts Due in More than One Year	10,160,131	15,609,842	25,769,973
Net Pension Liability	24,332,613	480,196	24,812,809
Net OPEB Liability	20,167,421	319,588	20,487,009
Total Liabilities	59,073,834	17,504,858	76,578,692
Deferred Inflows of Resources:			
Property Taxes	8,069,932	0	8,069,932
Pension	2,967,012	114,794	3,081,806
OPEB	607,278	23,807	631,085
Total Deferred Inflows of Resources	11,644,222	138,601	11,782,823

(Continued)

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

City of Rocky River, Ohio

Statement of Net Position (Continued)

December 31, 2018

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
Net Position:			
Net Investment in Capital Assets	53,411,670	12,032,701	65,444,371
Restricted for:			
Capital Projects	9,335,895	0	9,335,895
Debt Service	387,087	0	387,087
Refuse and Recycling	411,657	0	411,657
Office on Aging	248,791	0	248,791
Street Construction and Maintenance	882,471	0	882,471
Law Enforcement and Education	185,206	0	185,206
Fire and Police Pensions	112,410	0	112,410
Security of Persons and Property	314,167	0	314,167
Community Impact	3,312	0	3,312
Unrestricted (Deficit)	<u>(34,059,046)</u>	<u>11,316,195</u>	<u>(22,742,851)</u>
Total Net Position	\$ <u>31,233,620</u>	\$ <u>23,348,896</u>	\$ <u>54,582,516</u>

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

City of Rocky River, Ohio

Statement of Activities

For the Year Ended December 31, 2018

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Government Activities:				
General Government	\$ 6,990,613	\$ 2,269,146	\$ 28,961	\$ 562,534
Security of Persons and Property	12,399,511	1,058,498	30,000	0
Public Health	1,268,150	425,143	0	0
Transportation	4,011,387	525	933,750	1,183,555
Leisure Time Activities	4,494,796	2,253,507	0	0
Community Development	587,383	175	0	0
Basic Utility Service	2,512,750	9,198	91,011	0
Interest and Fiscal Charges	240,917	0	0	0
Total Governmental Activities	<u>32,505,507</u>	<u>6,016,192</u>	<u>1,083,722</u>	<u>1,746,089</u>
Business-Type Activities:				
Sanitary Sewer Charges	<u>4,651,116</u>	<u>4,227,218</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 37,156,623</u>	<u>\$ 10,243,410</u>	<u>\$ 1,083,722</u>	<u>\$ 1,746,089</u>

General Revenues:

Property Taxes Levied for:
 General Purposes
 Recreation
 Office on Aging
 Refuse and Recycling
 Fire Levy
 Police Levy
 Capital Improvements
 General Obligation Bond Retirement
 Municipal Income Taxes Levied for:
 General Purposes
 Franchise Tax
 Admissions Tax
 Grants and Entitlements not Restricted to
 Specific Programs
 Investment Income
 Other
 Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year, Restated

Net Position End of Year

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

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
\$ (4,129,972)	\$ 0	\$ (4,129,972)
(11,311,013)	0	(11,311,013)
(843,007)	0	(843,007)
(1,893,557)	0	(1,893,557)
(2,241,289)	0	(2,241,289)
(587,208)	0	(587,208)
(2,412,541)	0	(2,412,541)
(240,917)	0	(240,917)
<u>(23,659,504)</u>	<u>0</u>	<u>(23,659,504)</u>
<u>0</u>	<u>(423,898)</u>	<u>(423,898)</u>
<u>(23,659,504)</u>	<u>(423,898)</u>	<u>(24,083,402)</u>
4,173,148	0	4,173,148
329,638	0	329,638
329,638	0	329,638
659,328	0	659,328
197,799	0	197,799
197,799	0	197,799
659,328	0	659,328
593,369	0	593,369
14,836,850	1,265,712	16,102,562
239,886	0	239,886
98,649	0	98,649
2,534,317	0	2,534,317
314,231	0	314,231
146,198	0	146,198
<u>838,994</u>	<u>(838,994)</u>	<u>0</u>
<u>26,149,172</u>	<u>426,718</u>	<u>26,575,890</u>
2,489,668	2,820	2,492,488
<u>28,743,952</u>	<u>23,346,076</u>	<u>52,090,028</u>
\$ <u>31,233,620</u>	\$ <u>23,348,896</u>	\$ <u>54,582,516</u>

City of Rocky River, Ohio

Balance Sheet Governmental Funds

December 31, 2018

	<u>General</u>	<u>Recreation Center</u>
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 5,111,511	\$ 258,004
Restricted Cash and Cash Equivalents	0	0
Accrued Interest Receivable	26,896	0
Accounts Receivable, Net	279,448	0
Intergovernmental Receivable	513,565	26,352
Interfund Receivable	100,000	0
Materials and Supplies Inventory	43,609	4,307
Prepaid Assets	20,177	1,280
Municipal Income Taxes Receivable	5,765,347	0
Property Taxes Receivable	4,913,470	389,957
Special Assessments Receivable	0	0
Non-Current Assets:		
Advances to Other Funds	150,000	0
Total Assets	\$ <u>16,924,023</u>	\$ <u>679,900</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:		
Liabilities:		
Current Liabilities:		
Accounts Payable	\$ 101,260	\$ 69,728
Accrued Wages and Benefits	279,004	54,277
Intergovernmental Payable	131,858	33,661
Retainage Payable	0	0
Unearned revenue	0	6,161
Interfund Payable	0	100,000
Non-Current Liabilities:		
Advances from Other Funds	0	150,000
Total Liabilities	<u>512,122</u>	<u>413,827</u>
Deferred Inflows of Resources:		
Property Taxes	4,760,359	377,805
Unavailable Revenue	<u>3,931,181</u>	<u>38,504</u>
Total Deferred Inflows of Resources	<u>8,691,540</u>	<u>416,309</u>
Fund Balances:		
Nonspendable	264,499	5,587
Restricted	0	0
Assigned	4,256,452	0
Unassigned (Deficit)	<u>3,199,410</u>	<u>(155,823)</u>
Total Fund Balances (Deficit)	<u>7,720,361</u>	<u>(150,236)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>16,924,023</u>	\$ <u>679,900</u>

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

<u>Capital Improvement</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
\$ 6,117,035	\$ 5,609,796	\$ 17,096,346
69,424	0	69,424
0	0	26,896
61,640	18,557	359,645
52,704	571,782	1,164,403
0	0	100,000
0	133,758	181,674
0	76,199	97,656
0	0	5,765,347
779,914	2,246,151	8,329,492
0	233,193	233,193
0	0	150,000
\$ 7,080,717	\$ 8,889,436	\$ 33,574,076

\$ 191,506	\$ 258,379	\$ 620,873
0	94,906	428,187
0	201,703	367,222
239,604	0	239,604
0	0	6,161
0	0	100,000
0	0	150,000
431,110	554,988	1,912,047

755,611	2,176,157	8,069,932
77,007	710,598	4,757,290
832,618	2,886,755	12,827,222

0	209,957	480,043
5,816,989	5,237,736	11,054,725
0	0	4,256,452
0	0	3,043,587
5,816,989	5,447,693	18,834,807

\$ 7,080,717	\$ 8,889,436	\$ 33,574,076
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City of Rocky River, Ohio

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

December 31, 2018

Total Governmental Funds Balance \$ 18,834,807

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 60,993,719

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

		259,560	
	Delinquent Property Taxes	3,233,055	
	Municipal Income Taxes	26,896	
	Accrued Interest	233,193	
	Special Assessments	66,913	
ÿ	Charges for Services	937,673	
	Intergovernmental	937,673	
	Total		4,757,290

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (20,446)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.

	141,351	
Net Position	(4,868)	
Internal Balance	(4,868)	
Total		136,483

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

	(7,344,737)	
General Obligation Bonds	184,121	
Deferred Charges on Refunding	(230,000)	
Special Assessments	(191,433)	
OPWC Loans	(4,361,208)	
Compensated Absences	(248,906)	
Police and Fire Pension Liability	(248,906)	
Total		(12,192,163)

(Continued)

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

City of Rocky River, Ohio

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

December 31, 2018

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

Net Pension Asset	45,029	
Deferred Outflows of Resources - Pension	4,654,878	
Net Pension Liability	(24,332,613)	
Deferred Inflows of Resources - Pension	<u>(2,967,012)</u>	
Total		(22,599,718)

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

Deferred Outflows of Resources - OPEB	2,098,347	
Net OPEB Liability	(20,167,421)	
Deferred Inflows of Resources - OPEB	<u>(607,278)</u>	
Total		<u>(18,676,352)</u>

Net Position of Governmental Activities \$ 31,233,620

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

City of Rocky River, Ohio

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

For the Year Ended December 31, 2018

	<u>General</u>	<u>Recreation Center</u>
Revenues:		
Property Taxes	\$ 4,153,669	\$ 329,638
Municipal Income Taxes	8,962,915	0
Other Local Taxes	85,754	0
Intergovernmental	930,052	45,503
Charges for Services	105,202	2,218,293
Fines, Fees and Permits	3,007,980	0
Special Assessments	0	0
Investment Income	273,537	0
Rentals	71,248	35,214
Other	<u>117,591</u>	<u>0</u>
Total Revenues	<u>17,707,948</u>	<u>2,628,648</u>
Expenditures:		
Current:		
General Government	4,775,710	0
Security of Persons and Property	8,333,667	0
Public Health	0	0
Transportation	795,587	0
Leisure Time Activities	418,535	3,120,102
Community Development	533,033	0
Basic Utility Service	0	0
Capital Outlay	40,096	0
Debt Service:		
Principal Retirement	0	0
Interest and Fiscal Charges	<u>0</u>	<u>0</u>
Total Expenditures	<u>14,896,628</u>	<u>3,120,102</u>
Excess of Revenues Over (Under) Expenditures	<u>2,811,320</u>	<u>(491,454)</u>
Other Financing Sources (Uses):		
Proceeds from Sale of Capital Assets	425	0
Proceeds from Loan Issuance	0	0
Transfers - In	0	400,000
Transfers - Out	<u>(4,225,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(4,224,575)</u>	<u>400,000</u>
Net Change in Fund Balances	(1,413,255)	(91,454)
Fund Balances (Deficit) at Beginning of Year	<u>9,133,616</u>	<u>(58,782)</u>
Fund Balances (Deficit) at End of Year	\$ <u><u>7,720,361</u></u>	\$ <u><u>(150,236)</u></u>

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

<u>Capital Improvement</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
\$ 659,328	\$ 1,977,933	\$ 7,120,568
3,593,249	1,224,815	13,780,979
252,781	0	338,535
1,298,355	1,872,974	4,146,884
0	345,659	2,669,154
0	317,748	3,325,728
0	49,031	49,031
0	13,798	287,335
0	0	106,462
<u>1,155,145</u>	<u>10,290</u>	<u>1,283,026</u>
<u>6,958,858</u>	<u>5,812,248</u>	<u>33,107,702</u>
434,624	544,989	5,755,323
0	1,698,583	10,032,250
0	1,005,754	1,005,754
189,908	1,500,160	2,485,655
0	0	3,538,637
0	0	533,033
0	1,846,102	1,846,102
4,299,911	1,153,411	5,493,418
0	1,274,310	1,274,310
<u>0</u>	<u>270,679</u>	<u>270,679</u>
<u>4,924,443</u>	<u>9,293,988</u>	<u>32,235,161</u>
<u>2,034,415</u>	<u>(3,481,740)</u>	<u>872,541</u>
0	0	425
191,433	0	191,433
1,000,000	2,825,000	4,225,000
<u>0</u>	<u>0</u>	<u>(4,225,000)</u>
<u>1,191,433</u>	<u>2,825,000</u>	<u>191,858</u>
3,225,848	(656,740)	1,064,399
<u>2,591,141</u>	<u>6,104,433</u>	<u>17,770,408</u>
\$ <u><u>5,816,989</u></u>	\$ <u><u>5,447,693</u></u>	\$ <u><u>18,834,807</u></u>

City of Rocky River, Ohio

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

For the Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 1,064,399

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

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

Capital Outlay	5,209,643	
Contributed Capital	838,994	
Depreciation	<u>(3,106,870)</u>	
Total		2,941,767

Governmental Funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount by which the City reported a loss on disposal. (29,438)

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	19,479	
Municipal Income Taxes	1,055,871	
Special Assessments	(53,613)	
Investment Income	26,896	
Charges for Services	(53,223)	
Intergovernmental	<u>82,082</u>	
Total		1,077,492

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

General Obligation Bonds	1,195,000	
Special Assessment Bonds	<u>40,000</u>	
Total		1,235,000

(Continued)

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

City of Rocky River, Ohio

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

For the Year Ended December 31, 2018

Other financing sources in the Governmental Funds increase long-term liabilities in the Statement of Net Position. (191,433)

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	1,936	
Amortization of Bond Premium	64,053	
Loss on Refunding	(36,227)	
Compensated Absences	(237,636)	
Police and Fire Pension Liability	<u>39,310</u>	
Total		(168,564)

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

Change in Net Position	(349,570)	
Change in Internal Balance	<u>12,493</u>	
Total		(337,077)

Contractually required contributions are reported as expenditures in Governmental Funds; however, the Statement of Net Position reports these amounts as deferred outflows. 2,348,384

Except for amounts reported as deferred outflows/inflows, changes in the net pension liability are reported as pension/OPEB expense in the Statement of Activities. (5,450,862)

Change in Net Position of Governmental Activities \$ 2,489,668

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

City of Rocky River, Ohio

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

General Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,636,360	\$ 4,636,360	\$ 4,153,669	\$ (482,691)
Municipal Income Taxes	11,175,000	11,175,000	8,962,532	(2,212,468)
Other Local Taxes	86,000	86,000	98,649	12,649
Intergovernmental	341,031	346,031	933,690	587,659
Charges for Services	42,900	180,012	89,619	(90,393)
Fines, Fees, and Permits	3,692,642	3,707,642	3,021,695	(685,947)
Investment Income	59,000	173,000	275,572	102,572
Rentals	80,000	80,000	71,248	(8,752)
Other	<u>130,000</u>	<u>130,000</u>	<u>117,717</u>	<u>(12,283)</u>
Total Revenues	<u>20,242,933</u>	<u>20,514,045</u>	<u>17,724,391</u>	<u>(2,789,654)</u>
Expenditures:				
Current:				
General Government	6,048,376	6,081,376	4,727,136	1,354,240
Security of Persons and Property	9,266,015	9,348,215	8,229,545	1,118,670
Transportation	952,268	964,268	797,920	166,348
Leisure Time Activities	547,574	547,574	419,203	128,371
Community Development	601,441	601,441	526,543	74,898
Capital Outlay	<u>61,196</u>	<u>61,196</u>	<u>40,796</u>	<u>20,400</u>
Total Expenditures	<u>17,476,870</u>	<u>17,604,070</u>	<u>14,741,143</u>	<u>2,862,927</u>
Excess of Revenues Over Expenditures	<u>2,766,063</u>	<u>2,909,975</u>	<u>2,983,248</u>	<u>73,273</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	12,000	12,000	425	(11,575)
Advances - In	100,000	100,000	100,000	0
Transfers - Out	<u>(6,335,000)</u>	<u>(6,335,000)</u>	<u>(4,225,000)</u>	<u>2,110,000</u>
Total Other Financing Sources (Uses)	<u>(6,223,000)</u>	<u>(6,223,000)</u>	<u>(4,124,575)</u>	<u>2,098,425</u>
Net Change in Fund Balance	(3,456,937)	(3,313,025)	(1,141,327)	2,171,698
Fund Balance at Beginning of Year	5,975,873	5,975,873	5,975,873	0
Prior Year Encumbrances Appropriated	<u>98,880</u>	<u>98,880</u>	<u>98,880</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>2,617,816</u>	\$ <u>2,761,728</u>	\$ <u>4,933,426</u>	\$ <u>2,171,698</u>

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

City of Rocky River, Ohio

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

Recreation Center Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 367,965	\$ 367,965	\$ 329,638	\$ (38,327)
Intergovernmental	0	0	45,503	45,503
Charges for Services	2,351,907	2,351,907	2,217,295	(134,612)
Rentals	<u>26,000</u>	<u>26,000</u>	<u>35,214</u>	<u>9,214</u>
Total Revenues	<u>2,745,872</u>	<u>2,745,872</u>	<u>2,627,650</u>	<u>(118,222)</u>
Expenditures:				
Current:				
Leisure Time Activities	3,424,591	3,426,592	3,128,645	297,947
Capital Outlay	<u>3,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>3,427,591</u>	<u>3,427,592</u>	<u>3,128,645</u>	<u>298,947</u>
Excess of Revenues (Under) Over Expenditures	(681,719)	(681,720)	(500,995)	180,725
Other Financing Sources (Uses):				
Transfers - In	450,000	450,000	400,000	(50,000)
Advances - Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>350,000</u>	<u>300,000</u>	<u>(50,000)</u>
Net Change in Fund Balances	(331,719)	(331,720)	(200,995)	130,725
Fund Balance at Beginning of Year	372,659	372,659	372,659	0
Prior Year Encumbrances Appropriated	<u>18,882</u>	<u>18,882</u>	<u>18,882</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>59,822</u>	\$ <u>59,821</u>	\$ <u>190,546</u>	\$ <u>130,725</u>

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

City of Rocky River, Ohio

Statement of Fund Net Position Proprietary Funds

December 31, 2018

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 7,335,360	\$ 654,437
Restricted Cash and Cash Equivalents	44,606	0
Accounts Receivable	654,379	0
Materials and Supplies Inventory	11,691	0
Prepaid	729	1,937
Special Assessments Receivable	225,069	0
Total Current Assets	<u>8,271,834</u>	<u>656,374</u>
Noncurrent Assets:		
Investment in Joint Venture	4,526,494	0
Nondepreciable Capital Assets	6,245,560	0
Depreciable Capital Assets, Net	21,763,311	0
Net Pension Asset	2,426	0
Total Noncurrent Assets	<u>32,537,791</u>	<u>0</u>
Total Assets	<u>40,809,625</u>	<u>656,374</u>
Deferred Outflows of Resources:		
Pension	148,829	0
OPEB	29,033	0
Total Deferred Outflows of Resources	<u>177,862</u>	<u>0</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	310,336	0
Accrued Wages and Benefits	18,268	0
Intergovernmental Payable	15,915	0
Retainage Payable	281,657	0
Accrued Interest Payable	1,126	0
Claims Payable	0	515,023
Compensated Absences Payable	12,963	0
OWDA and OPWC Loans Payable	454,967	0
Total Current Liabilities	<u>1,095,232</u>	<u>515,023</u>
Long-term Liabilities:		
Accrued Compensated Absences (Net of Current Portion)	88,639	0
OWDA and OPWC Loans Payable (Net of Current Portion)	15,521,203	0
Net Pension Liability	480,196	0
Net OPEB Liability	319,588	0
Total Long-Term Liabilities	<u>16,409,626</u>	<u>0</u>
Total Liabilities	<u>17,504,858</u>	<u>515,023</u>

(Continued)

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

City of Rocky River, Ohio

Statement of Fund Net Position (Continued) Proprietary Funds

December 31, 2018

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
Deferred Inflows of Resources:		
Pension	114,794	0
OPEB	<u>23,807</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>138,601</u>	<u>0</u>
Net Position:		
Net Investment in Capital Assets	12,032,701	0
Nonspendable	0	1,937
Unrestricted	<u>11,311,327</u>	<u>139,414</u>
Total Net Position	23,344,028	\$ <u><u>141,351</u></u>
Net Position reported for Business-Type Activities in the Statement of Net Position are different because they include accumulated overpayments to the Internal Service Fund:	<u>4,868</u>	
Net Position of Business-Type Activities	\$ <u><u>23,348,896</u></u>	

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

City of Rocky River, Ohio

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

For the Year Ended December 31, 2018

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
Operating Revenues:		
Charges for Services	\$ 4,227,218	\$ 2,930,875
Municipal Income Taxes	<u>1,265,712</u>	<u>0</u>
Total Operating Revenues	<u>5,492,930</u>	<u>2,930,875</u>
Operating Expenses:		
Personal Service	804,867	0
Materials and Supplies	70,442	0
Contractual Services	2,919,443	599,689
Heat, Light and Power	9,041	0
Depreciation	489,371	0
Other	26,191	0
Claims	0	2,680,756
Loss on Investment in Joint Venture	<u>317,193</u>	<u>0</u>
Total Operating Expenses	<u>4,636,548</u>	<u>3,280,445</u>
Operating Income (Loss)	<u>856,382</u>	<u>(349,570)</u>
Non-Operating Expense:		
Interest Expense	(2,075)	0
Non-Operating Capital Distributions	<u>(838,994)</u>	<u>0</u>
Total Non-Operating Expenses	<u>(841,069)</u>	<u>0</u>
Change in Net Position	15,313	(349,570)
Net Position at Beginning of Year, Restated	<u>23,328,715</u>	<u>490,921</u>
Net Position at End of Year	\$ <u>23,344,028</u>	\$ <u>141,351</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>(12,493)</u>	
Change in Net Position of Business-Type Activities	\$ <u>2,820</u>	

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

City of Rocky River, Ohio

Statement of Cash Flows Proprietary Fund Types

For the Year Ended December 31, 2018

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
	<u> </u>	<u> </u>
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 4,229,200	\$ 2,930,875
Cash Received from Municipal Income Taxes	1,265,712	0
Cash Payments for Goods and Services	(3,192,589)	(601,626)
Cash Payments to Employees for Services and Benefits	(696,367)	0
Cash Payments for Claims	0	(2,346,089)
Cash Payments for Other Operating Expenses	<u>(26,191)</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>1,579,765</u>	<u>(16,840)</u>
Cash Flows from Capital and Related Financing Activities:		
Capital Acquisitions	(3,981,810)	0
OPWC Loan Proceeds	3,130,506	
Principal Paid on OWDA and OPWC Loans	(383,899)	0
Interest Paid on OWDA Loan	<u>(2,075)</u>	<u>0</u>
Net Cash Used by Capital and Related Financing Activities	<u>(1,237,278)</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	342,487	(16,840)
Cash and Cash Equivalents at Beginning of Year	<u>7,037,479</u>	<u>671,277</u>
Cash and Cash Equivalents at End of Year	\$ <u>7,379,966</u>	\$ <u>654,437</u>

(Continued)

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

City of Rocky River, Ohio

Statement of Cash Flows (Continued) Proprietary Fund Types

For the Year Ended December 31, 2018

	Business-Type Activities Sanitary Sewer	Governmental Activities - Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 856,382	\$ (349,570)
Adjustments:		
Depreciation	489,371	0
Change in Operating Assets and Liabilities:		
Accounts Receivable	(14,942)	0
Materials and Supplies Inventory	9,443	0
Prepaid	8,379	(1,937)
Special Assessments Receivable	16,924	0
Investment in Joint Venture	91,523	
Net Pension Asset	(1,581)	0
Deferred Outflows of Resources – Pension	96,135	0
Deferred Outflows of Resources – OPEB	(24,695)	0
Accounts Payable	26,849	(29,082)
Retainage Payable	(12,787)	0
Accrued Wages and Benefits	2,354	0
Compensated Absences Payable	20,710	0
Intergovernmental Payable	3,105	0
Claims Payable	0	363,749
Net Pension Liability	(148,735)	0
Net OPEB Liability	30,441	0
Deferred Inflows of Resources – Pension	107,082	0
Deferred Inflows of Resources – OPEB	23,807	0
Total Adjustments	<u>723,383</u>	<u>332,730</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>1,579,765</u>	\$ <u>(16,840)</u>
Noncash Transactions from Capital and Related Financing Activities:		
Capital Assets from Accounts Payable and Retainage Payable	\$ 487,045	\$ 0
Capital Assets Transferred to Governmental Activities	(838,994)	0

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

City of Rocky River, Ohio

Statement of Fiduciary Net Position Fiduciary Funds

December 31, 2018

	<u>Investment Trust</u>	
	<u>Individual Investment Account</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 416,947
Cash and Cash Equivalents:		
In Segregated Accounts	<u>3,094,993</u>	<u>393,645</u>
Total Assets	<u>3,094,993</u>	\$ <u><u>810,592</u></u>
Liabilities:		
Deposits Held and Due to Others	<u>0</u>	\$ <u><u>810,592</u></u>
Net Position:		
Held in Trust for Participants	\$ <u><u>3,094,993</u></u>	

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

City of Rocky River, Ohio

Statement of Changes in Fiduciary Net Position Investment Trust Fund

For the Year Ended December 31, 2018

	<u>Individual Investment Account</u>
Additions:	
Interest	\$ 10,201
Capital Transaction – Purchases	<u>1,071,850</u>
Total Additions	<u>1,082,051</u>
Deductions:	
Capital Transaction – Redemptions	784,587
Distributions to Participants	<u>9,475</u>
Total Deductions	<u>794,062</u>
Change in Net Position	287,989
Net Position Beginning of Year	<u>2,807,004</u>
Net Position End of Year	\$ <u>3,094,993</u>

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

City of Rocky River, Ohio

Notes to Basic Financial Statements

For The Year Ended December 31, 2018

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, 2018

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

Reporting Entity (Continued)

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

The City participates in other organizations: jointly governed organizations and a related organization. See Notes 19 and 25 to the basic financial statements for further information. The City also participates in two 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, 2018

Note 2: Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

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

B. Fund Accounting

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

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

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

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

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

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

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

C. Measurement Focus

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

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, 2018

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, 2018, but which were levied to finance year 2019 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, charges for services and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position and in the proprietary funds on the Statement of Fund Net Position.

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

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 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the City Charter and the general laws of the State of Ohio. Interest revenue credited to the General Fund during 2018 amounted to \$273,537, which includes \$200,693 assigned from other City funds.

The City serves as fiscal agent for the Rocky River Wastewater Treatment Plant. A related individual investment account is presented, in the Statement of Fiduciary Net Position of the financial statements, as "cash and cash equivalents in segregated accounts" and represents deposits of \$2,735,143 and money market funds of \$359,850.

F. Restricted Assets

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (Continued)

G. Inventory

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

H. Investment in Joint Venture

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

I. Prepaid Assets

Payments made to vendors for services that will benefit periods beyond December 31, 2018 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, 2018

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 2018, 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 2018. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following estimated useful lives:

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

L. Compensated Absences

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

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

M. Payables, Accrued Liabilities and Long-term Obligations

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

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, 2018

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 2019 appropriated budget.

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

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

P. Net Position

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (Continued)

P. Net Position (Continued)

The government-wide Statement of Net Position reports \$11,880,996 of restricted net position, none of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Q. Operating Revenues and Expenses

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

R. Interfund Activity

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

S. Estimates

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

T. Budgetary Data

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 2: Summary of Significant Accounting Policies (Continued)

T. Budgetary Data (Continued)

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

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

U. Pensions/Other Postemployment Benefits (OPEB)

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

V. Capital Distributions

Capital distributions in the proprietary fund financial statements arise from distributions of capital assets or resources restricted to capital acquisition and construction. These are shown as transfers on the Statement of Activities. The City had distributions related to the Westway Sewer Improvement Project, which included improvements to pavement of \$258,841, storm sewers of \$565,787 and sidewalks of \$14,366 for the year ended December 31, 2018.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 3: Change in Accounting Principles

In 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 81 seeks to improve accounting and financial reporting for irrevocable split-interest agreements created through trusts or other legally enforceable agreements whereby a donor irrevocably transfers resources to an intermediary. The City is not a beneficiary of any irrevocable split-interest agreements and thus implementation of this standard has had no effect on the City's financial statements or disclosures.

GASB 86, seeks to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions involved in the extinguishment of debt including, prepaid insurance and note disclosures for in-substance defeasance of debt. Implementation of this standard has had no effect on the City's financial statements or disclosures.

GASB 89, establishes accounting requirements for interest cost incurred before the end of a construction period. These changes were incorporated in the City's financial statements; however, there was no effect on beginning net position.

For the year ended December 31, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 established standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense.

The implementation of this pronouncement had the following effect on beginning net position as reported as of December 31, 2017:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position at December 31, 2017, as previously reported	\$ 45,766,479	\$ 23,823,112	\$ 69,589,591
Deferred outflow – payments subsequent to measurement date	107,974	4,338	112,312
Net OPEB liability	(17,130,501)	(289,147)	(17,419,648)
Investment in joint venture	<u>0</u>	<u>(192,227)</u>	<u>(192,227)</u>
Restated net position at December 31, 2017	\$ <u>28,743,952</u>	\$ <u>23,346,076</u>	\$ <u>52,090,028</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 3: Change in Accounting Principles (Continued)

In addition, during 2018, the City's investment in joint venture needed to be restated due to its implementation of GASB Statement 75.

The Sanitary Sewer Enterprise Fund was restated for the same amounts as the Business-Type Activities above. Net position at December 31, 2017 is restated from \$23,805,751 to \$23,328,715.

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

GASB Statements and guidance to be implemented in future reporting periods include GASB Statement No. 83, *Certain Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, and GASB Statement No. 87, *Leases*. The City is currently evaluating the impact that these Statements will have on its financial statements and disclosures.

Note 4: Budgetary Basis of Accounting

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
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).

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 4: Budgetary Basis of Accounting (Continued)

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

	<u>Net Change in Fund Balance</u>	
	<u>General</u>	<u>Recreation Center</u>
GAAP basis	\$ (1,413,255)	\$ (91,454)
Net adjustment for revenue accruals	(9,453)	(998)
Advances - in	100,000	0
Net adjustment for expenditure accruals	307,674	58,915
Advances - out	0	(100,000)
Fair value adjustment for investments	25,896	0
Encumbrances	<u>(152,189)</u>	<u>(67,458)</u>
Budget basis	\$ <u>(1,141,327)</u>	\$ <u>(200,995)</u>

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>Recreation Center</u>	<u>Capital Improvement</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Inventory	\$ 43,609	\$ 4,307	\$ 0	\$ 133,758	\$ 181,674
Long-term Advances	150,000	0	0	0	150,000
Prepaid Assets	20,177	1,280	0	76,199	97,656
Unclaimed funds	<u>50,713</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,713</u>
Total Nonspendable	<u>264,499</u>	<u>5,587</u>	<u>0</u>	<u>209,957</u>	<u>480,043</u>
Restricted for:					
Capital Improvements	0	0	5,816,989	3,378,151	9,195,140
Community Impacts	0	0	0	3,312	3,312
Debt Service	0	0	0	110,820	110,820
Law Enforcement and Education	0	0	0	182,358	182,358
Marine Patrol	0	0	0	5,411	5,411
Office on Aging	0	0	0	152,596	152,596
Refuse and Recycling	0	0	0	329,595	329,595
Security of Persons and Property	0	0	0	527,496	527,496
Street Construction and Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>547,997</u>	<u>547,997</u>
Total Restricted	<u>0</u>	<u>0</u>	<u>5,816,989</u>	<u>5,237,736</u>	<u>11,054,725</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 5: Fund Balances (Continued)

	<u>General Fund</u>	<u>Recreation Center</u>	<u>Capital Improvement</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
Assigned to:					
Purchases on Order	72,753	0	0	0	72,753
Subsequent Year's Budget: Appropriation of Fund Balance	<u>4,183,699</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,183,699</u>
Total Assigned	<u>4,256,452</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,256,452</u>
Unassigned (Deficit)	<u>3,199,410</u>	<u>(155,823)</u>	<u>0</u>	<u>0</u>	<u>3,043,587</u>
Total Fund Balance	\$ <u>7,720,361</u>	\$ <u>(150,236)</u>	\$ <u>5,816,989</u>	\$ <u>5,447,693</u>	\$ <u>18,834,807</u>

Note 6: Deposits and Investments

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

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

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

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:

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 6: Deposits and Investments (Continued)

1. United States Treasury notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio).
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40% of the interim monies available for investment at any one time if training requirements have been met; and
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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 6: Deposits and Investments (Continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the City's deposits was \$5,024,157 and the bank balance was \$5,074,342. Of the bank balance \$3,099,472 was covered by the FDIC and \$1,974,870 was uninsured and collateralized through the Ohio Pooled Collateral System (OPCS). The City has \$5,350 of cash on hand at December 31, 2018.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Investments

Investments are reported at fair value. As of December 31, 2018, the City had the following investments:

	Measurement Value	Maturities (in years) Less than 1	Maturities (in years) More than 1
Amortized Cost:			
Money Market	\$ 3,799,710	\$ 3,799,710	\$ 0
STAR Ohio	12,840,896	12,840,896	0
Fair Value:			
Negotiable Certificates of Deposit	<u>4,340,652</u>	<u>2,540,652</u>	<u>1,800,000</u>
Total	<u>\$ 20,981,258</u>	<u>\$ 19,181,258</u>	<u>\$ 1,800,000</u>

The entire balance of the negotiable certificates of deposit is covered by FDIC insurance.

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 and STAR Ohio are valued at amortized cost, which approximates fair value. The investment in the negotiable certificates of deposit are measured using level 2 inputs.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 6: Deposits and Investments (Continued)

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, 2018, the average days to maturity for STAR Ohio was 44.9 days.

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

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

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2018:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Money Market	19.81 %
Negotiable Certificates of Deposit	13.24 %
STAR Ohio	66.95 %
	<u>100.00 %</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 7: Property Taxes

Property taxes include amounts levied against real and public utility properties located in the City. Property tax revenue received during 2018 represents collections of the 2017 taxes.

2018 real property taxes were levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by Ohio Revised Code at 35% of appraised value. 2018 real property taxes are collected in and intended to finance 2019.

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. 2018 public utility property taxes which became a lien December 31, 2017, were levied after October 1, 2018, and were collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018, was \$10.80 per \$1,000 of assessed value. The full rate for the City is the same as the effective rate. The assessed values of real and public utility properties upon which 2018 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 740,455,520
Public Utility	<u>10,034,290</u>
Total	\$ <u>750,489,810</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, 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, 2018 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 2018 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 8: Income Taxes

The City utilizes the Regional Income Tax Agency (RITA) to collect and administer its local income tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to RITA at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The tax is collected by RITA and remitted to the City on the 1st and 10th business days of each month.

The City levies a municipal income tax of 2% on substantially all income earned within the City. In addition, residents of the City are required to pay the City municipal income tax on income earned outside the City; however, a credit of 1.5% is allowed for income taxes paid to other municipalities, which reduces the effective tax rate to 0.5% for such earnings. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly.

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

Note 9: Receivables

Receivables at December 31, 2018, 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 \$183,216 in uncollectible billings for user charged services.

A summary of Intergovernmental Receivables follows:

Governmental Activities:

Homestead and Rollback	\$	562,874
Local Government		181,536
Miscellaneous		26,819
Auto Registration and Gasoline Tax		382,138
Permissive Tax		<u>11,036</u>
Total Intergovernmental Receivable	\$	<u><u>1,164,403</u></u>

Special assessments expected to be collected beyond one year amount to \$190,000 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding is \$228,262 at December 31, 2018.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 10: Capital Assets

A summary of changes in capital assets during 2018 follows:

	Balance <u>12/31/17</u>	Additions	Transfer	Deletions	Balance <u>12/31/18</u>
Governmental Activities					
<i>Non-Depreciable Capital Assets</i>					
Land	\$ 2,017,826	\$ 0	\$ 0	\$ 0	\$ 2,017,826
Land Improvements	203,158	0		0	203,158
Construction in Progress	<u>1,191,607</u>	<u>4,430,559</u>	<u>838,994</u>	<u>(2,063,424)</u>	<u>4,397,736</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>3,412,591</u>	<u>4,430,559</u>	<u>838,994</u>	<u>(2,063,424)</u>	<u>6,618,720</u>
<i>Depreciable Capital Assets</i>					
Land Improvements	5,335,599	9,144	0	0	5,344,743
Buildings	34,325,179	33,084	0	0	34,358,263
Furniture, Fixtures and Equipment	7,564,602	360,900	0	0	7,925,502
Vehicles	8,955,079	323,317	0	(617,773)	8,660,623
Infrastructure:					
Roads	36,004,031	1,363,681	0	(760,321)	36,607,391
Sidewalks	2,368,088	68,595	0	0	2,436,683
Traffic Signals	2,827,033	51,584	0	0	2,878,617
Storm Sewers	<u>11,730,012</u>	<u>632,203</u>	<u>0</u>	<u>(2,405)</u>	<u>12,359,810</u>
<i>Total Depreciable Capital Assets</i>	<u>109,109,623</u>	<u>2,842,508</u>	<u>0</u>	<u>(1,380,499)</u>	<u>110,571,632</u>
<i>Less Accumulated Depreciation:</i>					
Land Improvements	(2,059,115)	(145,461)	0	0	(2,204,576)
Building	(14,620,708)	(614,824)	0	0	(15,235,532)
Furniture, Fixtures and Equipment	(5,036,114)	(390,789)	0	0	(5,426,903)
Vehicles	(7,397,187)	(623,875)	0	617,773	(7,403,289)
Infrastructure:					
Roads	(20,261,041)	(1,091,007)	0	730,883	(20,621,165)
Sidewalks	(367,795)	(60,106)	0	0	(427,901)
Traffic Signals	(2,672,170)	(25,767)	0	0	(2,697,937)
Storm Sewers	<u>(2,026,694)</u>	<u>(155,041)</u>	<u>0</u>	<u>2,405</u>	<u>(2,179,330)</u>
<i>Total Accumulated Depreciation</i>	<u>(54,440,824)</u>	<u>(3,106,870)</u>	<u>0</u>	<u>1,351,061</u>	<u>(56,196,633)</u>
Total Depreciable Capital Assets, Net	<u>54,668,799</u>	<u>(264,362)</u>	<u>0</u>	<u>(29,438)</u>	<u>54,374,999</u>
Total Governmental Activities Capital Assets, Net	\$ <u>58,081,390</u>	\$ <u>4,166,197</u>	\$ <u>838,994</u>	\$ <u>(2,092,862)</u>	\$ <u>60,993,719</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 10: Capital Assets (Continued)

	Balance <u>12/31/17</u>	Additions	Transfer	Deletions	Balance <u>12/31/18</u>
Business-Type Activities					
<i>Non-Depreciable Capital Assets</i>					
Land	\$ 39,516	\$ 0	\$ 0	\$ 0	\$ 39,516
Right-of-Way	250,000	0	0	0	250,000
Construction in Progress	<u>3,185,143</u>	<u>3,791,790</u>	<u>(838,994)</u>	<u>(181,895)</u>	<u>5,956,044</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>3,474,659</u>	<u>3,791,790</u>	<u>(838,994)</u>	<u>(181,895)</u>	<u>6,245,560</u>
<i>Depreciable Capital Assets</i>					
Furniture, Fixtures and Equipment	186,682	11,900	0	0	198,582
Vehicles	516,871	0	0	0	516,871
Sewer Lines	<u>29,416,602</u>	<u>67,162</u>	<u>0</u>	<u>0</u>	<u>29,483,764</u>
<i>Total Depreciable Capital Assets</i>	<u>30,120,155</u>	<u>79,062</u>	<u>0</u>	<u>0</u>	<u>30,199,217</u>
<i>Less Accumulated Depreciation:</i>					
Furniture, Fixtures and Equipment	(117,276)	(7,940)	0	0	(125,216)
Vehicles	(138,543)	(84,450)	0	0	(222,993)
Sewer Lines	<u>(7,690,716)</u>	<u>(396,981)</u>	<u>0</u>	<u>0</u>	<u>(8,087,697)</u>
<i>Total Accumulated Depreciation</i>	<u>(7,946,535)</u>	<u>(489,371)</u>	<u>0</u>	<u>0</u>	<u>(8,435,906)</u>
Total Depreciable Capital Assets, Net	<u>22,173,620</u>	<u>(410,309)</u>	<u>0</u>	<u>0</u>	<u>21,763,311</u>
Total Business-Type Activities					
Capital Assets, Net	\$ <u>25,648,279</u>	\$ <u>3,381,481</u>	\$ <u>(838,994)</u>	\$ <u>(181,895)</u>	\$ <u>28,008,871</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 292,135
Security of Persons and Property	322,978
Public Health	54,817
Transportation	1,273,823
Community Development	11,947
Basic Utility Service	444,689
Leisure Time Activities	<u>706,481</u>
Total	\$ <u>3,106,870</u>

The City had a transfer of construction in progress assets between business-type activities and governmental activities of \$838,994. This transfer related to the pavement, sidewalk and storm sewer portions of construction in progress expenditures reported for the Westway Sewer Improvement project that was completed in the current year. In the current year, construction in process deletions exceeded capital asset additions as items previously capitalized in construction in process related to the Plant or were maintenance related and were written off to expenses during 2018.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 11: Joint Venture - Rocky River Wastewater Treatment Plant

The Rocky River Wastewater Treatment Plant (the “Plant”) is a joint venture among the cities of Rocky River, Bay Village, Fairview Park, and Westlake. The Plant is governed by a management committee consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The committee has authority over all aspects of the Plant’s operation. The Plant supplies all participating residents of the member cities with wastewater treatment services. Each city owns the sewage lines located in its city and bills its residents for usage.

Continued existence of the Plant is dependent on the City’s continued participation, and the City does have an equity interest in the Plant. The City’s equity interest is \$4,526,494 which represents approximately 24% of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the Director of Finance, City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116, who serves as fiscal agent.

Note 12: Related Party Transactions

Since the continued existence of the Plant is dependent upon the participation of each member city, all transactions between the Plant and each member city are considered related party transactions. The Plant’s transactions during 2018 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 2018 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	\$ 1,183,483	\$ 225,670

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

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 2018, the City obtained insurance coverage with private insurance carriers to address exposure to certain of these risks.

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

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

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

The City contracts with a third-party administrator to process and pay claims and has obtained stop-loss coverage for claims individually and stop-loss coverage for aggregate per year claims. The City pays a monthly premium into the Self-Insurance Fund for each employee that varies according to employee group. These rates are administrator paid by the fund from which the employees' salary is paid. Incurred but not reported claims of \$515,023 have been accrued as a liability at December 31, 2018 based on an estimate by the third-party administrator.

Changes in the fund's claims liability amount were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2017	\$ 173,474	\$ 2,119,034	\$ 2,141,234	\$ 151,274
2018	151,274	2,680,756	2,317,007	515,023

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Pension Plans

A. Net Pension/OPEB Liability

The net pension/OPEB liability reported on the Statement of Net Position represents a liability 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.

The net pension/OPEB liabilities 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 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 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. Resulting adjustments to the net pension/OPEB liability 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 on the accrual basis of accounting. Any liability for the contractually-required contribution outstanding at the end of the year is included in accrued wages and benefits on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Pension Plans (Continued)

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

Plan Description – City employees, other than full-time police and fire, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed plan is a defined contribution plan and the Combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features.

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

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Pension Plans (Continued)

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

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

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

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

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

Members retiring under the combined plan receive a 3% COLA on the defined benefit portion of their benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Additionally, a death benefit of \$500 – \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the combined plan.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Pension Plans (Continued)

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

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

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 2018. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2018, the City's contractually required contribution, net of postemployment health care benefits, was \$1,176,339. Of this amount, \$145,170 is reported as accrued wages and benefits at December 31, 2018.

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

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

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

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.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Pension Plans (Continued)

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 19.5% of covered payroll for police employer units and 24.0% for fire employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 12.25% of covered payroll for police and fire. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer’s contribution allocated to health care was 0.5% for 2018. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

In 2018, the City’s contractually required contribution, net of postemployment health care benefits, was \$1,199,543. Of this amount, \$147,293 is reported as accrued wages and benefits at December 31, 2018.

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

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

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.057764%	0.031672%	0.247857%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.059858%</u>	<u>0.034861%</u>	<u>0.251282%</u>	
Change in Proportionate Share	0.002094%	0.003189%	0.003425%	
Proportionate Share of the Net Pension Liability	\$ 9,390,498	\$ -	\$ 15,422,311	\$ 24,812,809
Proportionate Share of the Net Pension Asset	\$ -	\$ 47,455	\$ -	\$ 47,455
Pension Expense	\$ 2,072,445	\$ 7,563	\$ 1,797,430	\$ 3,877,438

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Pension Plans (Continued)

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

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional	OPERS Combined	OP&F	Total
Deferred Outflow of Resources				
City Contributions Subsequent to the Measurement Date	\$ 1,152,736	\$ 23,603	\$ 1,199,543	\$ 2,375,882
Differences in Employer Contributions and Change in Proportionate Share	219,864	1,028	164,894	385,786
Difference Between Expected and Actual Experience	9,590	-	234,044	243,634
Change in Assumptions	<u>1,122,227</u>	<u>4,147</u>	<u>672,031</u>	<u>1,798,405</u>
Total Deferred Outflow of Resources	\$ <u>2,504,417</u>	\$ <u>28,778</u>	\$ <u>2,270,512</u>	\$ <u>4,803,707</u>
Deferred Inflow of Resources				
Differences in Employer Contributions and Change in Proportionate Share	\$ 20,921	\$ 1,618	\$ 275,174	\$ 297,713
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,016,016	7,488	533,494	2,556,998
Difference Between Expected and Actual Experience	<u>185,057</u>	<u>14,139</u>	<u>27,899</u>	<u>227,095</u>
Total Deferred Inflow of Resources	\$ <u>2,221,994</u>	\$ <u>23,245</u>	\$ <u>836,567</u>	\$ <u>3,081,806</u>

The \$2,375,882 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional	OPERS Combined	OP&F	Total
Fiscal Year Ending December 31:				
2019	\$ 933,821	\$ (2,419)	\$ 346,288	\$ 1,277,690
2020	(87,977)	(2,624)	206,028	115,427
2021	(887,747)	(4,302)	(346,544)	(1,238,593)
2022	(828,410)	(4,125)	(219,473)	(1,052,008)
2023	-	(1,496)	199,216	197,720
2024-2027	<u>-</u>	<u>(3,104)</u>	<u>48,887</u>	<u>45,783</u>
	\$ <u>(870,313)</u>	\$ <u>(18,070)</u>	\$ <u>234,402</u>	\$ <u>(653,981)</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions - OPERS

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

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

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>
Valuation Date	December 31, 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

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, 2018

Note 14: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional plan, the defined benefit component of the Combined plan and the annuitized accounts of the Member-Directed plan. The money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for changing amounts actually invested for the Defined Benefit portfolio was 16.82% for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other Investments	18.00	5.26
Total	100.00%	5.66%

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5%) or one-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's Proportionate Share of the Net Pension Liability – Traditional	\$ 16,675,131	\$ 9,390,498	\$ 3,317,308
City's Proportionate Share of the Net Pension Asset – Combined	\$ 25,797	\$ 47,455	\$ 62,402

Changes between Measurement Date and Report Date In October 2018, the OPERS Board voted to lower the investment return assumption for its defined benefit fund from 7.5% to 7.2%. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net position is not known.

F. Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Pension Plans (Continued)

F. Actuarial Assumptions – OP&F (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

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

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

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Pension Plans (Continued)

F. Actuarial Assumptions – OP&F (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36

*Levered 2x

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 14: Defined Benefit Pension Plans (Continued)

F. Actuarial Assumptions – OP&F (Continued)

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

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

	1% Decrease <u>(7.00%)</u>	Discount Rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
City's Proportionate Share of the Net Pension Liability	\$ 21,379,367	\$ 15,422,311	\$ 10,563,787

Note 15: Postemployment Benefits

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

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

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional pension and the Combined plans.

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional pension and Combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an OPEB as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 15: Postemployment Benefits (Continued)

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional pension plan and Combined plan was 1.0% during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$4,496 for 2018. Of this amount, \$1,935 is reported as an intergovernmental payable.

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

Plan Description – the City’s full-time police and fire participate in the OP&F sponsored health care program, a cost-sharing, multiple-employer defined postemployment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an OPEB as described in GASB Statement No. 75.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

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 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 fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, 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 and is limited by the provisions of Sections 115 and 401(h).

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 \$28,390 for 2018. Of this amount, \$3,483 is reported as accrued wages and benefits at December 31, 2018.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, 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, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 15: Postemployment Benefits (Continued)

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

The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability Prior Measurement Date	0.055983%	0.247857%	
Proportion of the Net OPEB Liability Current Measurement Date	<u>0.057552%</u>	<u>0.251282%</u>	
Change in Proportionate Share	0.001569%	0.003425%	
Proportionate Share of the Net OPEB Liability	\$ 6,249,724	\$ 14,237,285	\$ 20,487,009
OPEB Expense	\$ 582,428	\$ 1,133,837	\$ 1,716,265

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflow of Resources			
City Contributions Subsequent to the Measurement Date	\$ 4,496	\$ 28,390	\$ 32,886
Difference Between Expected and Actual Experience	4,868	-	4,868
Differences in Employer Contributions and Change in Proportionate Share	103,339	141,985	245,324
Change in Assumptions	<u>455,046</u>	<u>1,389,256</u>	<u>1,844,302</u>
Total Deferred Outflow of Resources	\$ <u>567,749</u>	\$ <u>1,559,631</u>	\$ <u>2,127,380</u>
Deferred Inflow of Resources			
Difference Between Expected and Actual Experience	\$ -	\$ 71,807	\$ 71,807
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	<u>465,562</u>	<u>93,716</u>	<u>559,278</u>
Total Deferred Inflow of Resources	\$ <u>465,562</u>	\$ <u>165,523</u>	\$ <u>631,085</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 15: Postemployment Benefits (Continued)

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

The \$32,886 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 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2019	\$ 152,901	\$ 189,939	\$ 342,840
2020	152,901	189,939	342,840
2021	(91,720)	189,939	98,219
2022	(116,391)	189,939	73,548
2023	-	213,368	213,368
2024-2025	-	392,594	392,594
	<u>\$ 97,691</u>	<u>\$ 1,365,718</u>	<u>\$ 1,463,409</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 benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. 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:

Health Care Costs Trend Rate	7.5%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Wage Inflation	3.25%
Projected Salary Increases, including 3.25% inflation	3.25% to 10.75%
Single Discount Rate:	
Current measurement date	3.85%
Prior measurement date	4.23%

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

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

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional pension plan, Combined plan and Member-Directed plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2% for 2017.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	1.88%
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other Investments	17.00	5.39
Total	100.00%	4.98%

Discount Rate A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23% was used to measure the OPEB liability on the measurement date of December 31, 2016. 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 6.50% and a municipal bond rate of 3.31%. 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 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.85%, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85%) or one-percentage-point higher (4.85%) than the current rate:

	1% Decrease (2.85%)	Discount Rate (3.85%)	1% Increase (4.85%)
City’s Proportionate Share of the Net OPEB Liability	\$ 8,303,027	\$ 6,249,724	\$ 4,588,621

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

	<u>1% Decrease</u>	<u>Cost Trend Rate</u>	<u>1% Increase</u>
City’s Proportionate Share of the Net OPEB Liability	\$ 5,979,653	\$ 6,249,724	\$ 6,528,699

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 2018 is 7.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

Changes between Measurement Date and Report Date In October 2018, the OPERS Board voted to lower the investment return assumption for its health care investment portfolio from 6.5% to 6.0%. This change will be effective for the 2018 valuation. The exact amount of the impact to the City’s net position is not known.

E. Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

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

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

Actuarial cost method	Entry age normal
Single discount rate:	
Current measurement date	3.24%
Prior measurement date	3.79%
Investment rate of return	8.00%
Salary increases	3.75% - 10.50%
Payroll growth	Inflation rate of 2.75% plus productivity increase rate of 0.5%
Cost of living adjustments	3.00% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3.00%

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

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, 2017, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36

*Levered 2x

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16% at December 31, 2017 and 3.71% at December 31, 2016, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 3.24%. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, 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 3.24%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24%), or one percentage point higher (4.24%) than the current rate.

	<u>1% Decrease</u> <u>(2.24%)</u>	<u>Discount Rate</u> <u>(3.24%)</u>	<u>1% Increase</u> <u>(4.24%)</u>
City's Proportionate Share of the Net OPEB Liability	\$ 17,796,779	\$ 14,237,285	\$ 11,498,412

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

<u>Year</u>	<u>Non-Medicare</u>	<u>Non-AARP</u>	<u>AARP</u>	<u>Rx Drug</u>	<u>Medicare Part B</u>
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and later	4.50%	4.50%	4.50%	4.50%	5.00%

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current health care cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
City's Proportionate Share of the Net OPEB Liability	\$ 11,059,780	\$ 14,237,285	\$ 18,519,489

Changes between Measurement Date and Report Date In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. 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. The impact to the City's net OPEB liability is not known.

Note 16: Compensated Absences

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

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

Note 17: Conduit Debt

West Shore Unitarian Universalist Church

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 17: Conduit Debt (Continued)

West Shore Unitarian Universalist Church (Continued)

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 12/31/18</u>	<u>Date of Maturity</u>
Economic Development Revenue Bonds, Series 2005	\$ 1,350,000	5.11%	\$ 621,243	October 1, 2025

Note 18: Long-Term Obligations

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

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

NA – Amortized loan balance has not been determined.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 18: Long-Term Obligations (Continued)

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

	Outstanding 12/31/17	Additions	Reductions	Outstanding 12/31/18	Amount Due in One Year
Governmental Activities					
General Obligation Bonds					
2011 Municipal Court Facility Refunded	\$ 970,000	\$ 0	\$ 220,000	\$ 750,000	\$ 225,000
2014 Civic Facility Improvements Refunded	3,665,000	0	475,000	3,190,000	490,000
2014 General Purpose Refunded	3,530,000	0	500,000	3,030,000	515,000
Unamortized Premium	438,790	0	64,053	374,737	0
Total General Obligation Bonds	<u>8,603,790</u>	<u>0</u>	<u>1,259,053</u>	<u>7,344,737</u>	<u>1,230,000</u>
Special Assessment Bonds					
1998 Erosion Control (A)	150,000	0	25,000	125,000	25,000
2000 Erosion Control (B)	120,000	0	15,000	105,000	15,000
Total Special Assessment Bonds	<u>270,000</u>	<u>0</u>	<u>40,000</u>	<u>230,000</u>	<u>40,000</u>
Ohio Public Works Commission (OPWC) Loans					
Hampton Road and Lakeview Avenue Sewer Improvement	0	191,433	0	191,433	0
Other Long-Term Obligations					
Compensated Absences Payable	4,123,572	1,742,425	1,504,789	4,361,208	905,154
Police and Fire Pension Liability	288,216	0	39,310	248,906	40,999
Net Pension Liability	28,187,333	0	3,854,720	24,332,613	0
OPEB Liability	17,130,501	3,036,920	0	20,167,421	0
Total Other Long-Term Obligations	<u>49,729,622</u>	<u>4,779,345</u>	<u>5,398,819</u>	<u>49,110,148</u>	<u>946,153</u>
Total Governmental Activities	\$ <u>58,603,412</u>	\$ <u>4,970,778</u>	\$ <u>6,697,872</u>	\$ <u>56,876,318</u>	\$ <u>2,216,153</u>
Business-Type Activities					
Ohio Water Development Authority (OWDA) Loan					
2000 Pump Station and Sewer Repair	\$ 75,080	\$ 0	\$ 23,888	\$ 51,192	\$ 25,009
Ohio Public Works Commission (OPWC) Loans					
Valley View Storm and Sanitary Sewer Improvement	2,287,546	0	84,724	2,202,822	84,724
Hampton Road Storm and Sanitary Sewer Improvement	2,996,045	0	108,947	2,887,098	108,947
Frazier Drive Sewer Improvement	2,747,213	0	96,393	2,650,820	96,393
Avalon Drive Sewer Improvement	4,196,822	0	69,947	4,126,875	139,894
Hampton Road and Lakeview Avenue Sewer Improvement	926,857	3,130,506	0	4,057,363	0
Total OPWC Loans	<u>13,154,483</u>	<u>3,130,506</u>	<u>360,011</u>	<u>15,924,978</u>	<u>429,958</u>

(Continued)

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 18: Long-Term Obligations (Continued)

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

	Outstanding 12/31/17	Additions	Reductions	Outstanding 12/31/18	Amount Due in One Year
<i>Business-Type Activities (Continued)</i>					
Other Long-Term Obligations					
Compensated Absences Payable	80,892	61,663	40,953	101,602	12,963
Net Pension Liability	628,931	0	148,735	480,196	0
OPEB Liability	289,147	30,441	0	319,588	0
Total Other Long-Term Obligations	<u>998,970</u>	<u>92,104</u>	<u>189,688</u>	<u>901,386</u>	<u>12,963</u>
<i>Total Business-Type Activities</i>	\$ <u>14,228,533</u>	\$ <u>3,222,610</u>	\$ <u>573,587</u>	\$ <u>16,877,556</u>	\$ <u>467,930</u>

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

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

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

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

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 18: Long-Term Obligations (Continued)

During 2016, the City obtained an OPWC interest-free loan for the Avalon Drive Sewer Improvements. This loan is to be repaid in semi-annual principal payments of \$69,947 for 30 years beginning July 1, 2018. This loan is repaid with revenues derived by the City's sanitary sewer charges.

During 2016, the City obtained an OPWC interest-free loan for the Hampton Road and Lakeview Avenue Sewer Improvements. OPWC has authorized this loan up to \$5,562,400. The loan proceeds in the long-term obligations table represent monies drawn against this loan through December 31, 2018, and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

The City's overall legal debt margin was \$85,303,761 at December 31, 2018. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2018, are as follows:

	Governmental Activities							
	General Obligation Bonds		Special Assessment Bonds		Police and Fire Pension		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 1,230,000	\$ 212,894	\$ 40,000	\$ 12,150	\$ 40,999	\$ 10,147	\$ 1,310,999	\$ 235,191
2020	1,215,000	181,988	40,000	10,050	17,532	8,589	1,272,532	200,627
2021	1,245,000	150,913	40,000	7,950	12,176	7,963	1,297,176	166,826
2022	1,095,000	114,575	40,000	5,850	12,699	7,440	1,147,699	127,865
2023	1,070,000	76,475	40,000	3,750	13,244	6,895	1,123,244	87,120
2024-2028	1,115,000	39,025	30,000	2,475	75,260	25,435	1,220,260	66,935
2029-2033	0	0	0	0	76,996	7,943	76,996	7,943
Total	\$ <u>6,970,000</u>	\$ <u>775,870</u>	\$ <u>230,000</u>	\$ <u>42,225</u>	\$ <u>248,906</u>	\$ <u>74,412</u>	\$ <u>7,448,906</u>	\$ <u>892,507</u>

	Business Type Activity					
	OWDA Loans		OPWC		Total	
	Principal	Interest	Principal	Principal	Interest	
2019	\$ 25,009	\$ 1,350	\$ 429,958	\$ 454,967	\$ 1,350	
2020	26,183	592	429,958	456,141	592	
2021	0	0	429,958	429,958	0	
2022	0	0	429,958	429,958	0	
2023	0	0	429,958	429,958	0	
2024-2028	0	0	2,149,790	2,149,790	0	
2029-2033	0	0	2,149,790	2,149,790	0	
2034-2038	0	0	2,149,790	2,149,790	0	
2039-2043	0	0	2,149,790	2,149,790	0	
2044-2048	0	0	1,118,665	1,118,665	0	
Total	\$ <u>51,192</u>	\$ <u>1,942</u>	\$ <u>11,867,615</u>	\$ <u>11,918,807</u>	\$ <u>1,942</u>	

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 19: 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 2018, the City contributed \$46,284 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 2018, the City made contributions of \$15,000 to the Tri-City Park.

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

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

The Safe Air for the Environment Council of Governments (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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 19: Jointly Governed Organizations (Continued)

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

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 2018, the City made no contributions to the S.A.F.E. Council.

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

D. Suburban Water Regional Council of Governments

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

The Water Council is governed by a Board of Trustees elected from each of nine member groups defined in the organizing agreement. The Mayor represents the City and is eligible to be elected to the Board of Trustees of the Water Council. The City made no contributions to the Water Council in 2018. 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 Mayor is the City's appointed delegate to the Regional Council. During 2018, the City contributed \$475,181 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 20: Litigation

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

Note 21: Interfund Activity

A. Transfers

The transfers among City funds were made to provide additional resources for current operations and for the payment of debt. The General Fund made the following transfers during the year ended December 31, 2018:

<u>Transfer to</u>	
Recreation Center	\$ 400,000
Capital Improvement	1,000,000
Non-Major Governmental Funds	<u>2,825,000</u>
Total Transfers	\$ <u>4,225,000</u>

In addition to the transfers noted above, the City had a transfer of \$838,994 from business-type activities to governmental activities related to the pavement, sidewalk and storm sewer portions of construction in progress expenditures reported for the Westway Sewer Improvement project.

B. Interfund Balances

As of December 31, 2018, interfund balances were as follows:

	<u>Receivable</u>		<u>Payable</u>	
	<u>Interfund</u>	<u>Advance to Other Funds</u>	<u>Interfund</u>	<u>Advance from Other Funds</u>
Governmental Activities:				
General Fund	\$ 100,000	\$ 150,000	\$ -	\$ -
Recreation Fund	-	-	<u>100,000</u>	<u>150,000</u>
Total Governmental Activities	\$ <u>100,000</u>	\$ <u>150,000</u>	\$ <u>100,000</u>	\$ <u>150,000</u>

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

Note 22: Accountability

There is a deficit in the Recreation Center Special Revenue Funds of \$150,236 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

Note 23: Significant Commitments

A. Contracts

At December 31, 2018, the City's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Professional Services	\$ 100,864	\$ 64,262	\$ 36,602
Building Maintenance and Repair	1,979,246	1,085,937	893,309
Equipment and Vehicle Purchases	2,379,636	178,026	2,201,610
Watermain Improvement Projects	1,945,307	1,595,391	349,916
Sanitary and Storm Sewer Projects	3,462,486	1,448,042	2,014,444
Tree and Sidewalk Projects	179,896	11,435	168,461
Bradstreet's Landing Park Improvements	359,950	55,230	304,720
Paving	3,952,083	3,059,732	892,351
Total	\$ <u>14,359,468</u>	\$ <u>7,498,055</u>	\$ <u>6,861,413</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	\$ 72,753
Recreation Fund	37,673
Capital Improvement Fund	2,013,536
Other Governmental Funds	<u>2,082,270</u>
Total Governmental	\$ <u>4,206,232</u>

Note 24: Operating Leases

In August 2006, the City entered into a 15-year lease agreement with Beachcliff Properties L.P. to lease a parking structure at the Beachcliff Market Square to provide free public parking in the downtown retail district. The total rental expense for year ended December 31, 2018 was \$20,000.

Future minimum rental payments for these leases are as follows:

2019	\$ 20,000
2020	<u>20,000</u>
	\$ <u>40,000</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For The Year Ended December 31, 2018

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, 2018, 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, 2018

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, 2018, management's estimate of the final closure cost of the transfer station is \$26,090.

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

Note 28: Subsequent Events

On September 26, 2019, pursuant to authority given by City Council, the City issued bond anticipation notes with a par value of \$6,750,000. Per the authorizing ordinances, the debt was issued to provide resources 1) for a new police facility; and 2) for the purchase of a new fire ladder truck. The notes will mature on September 24, 2020.

The State of Ohio biennial budget bill for the period July 1, 2019 to June 30, 2021 (Am. Sub. House Bill No. 62, 133rd General Assembly) provided for an increase in the per gallon gasoline and diesel fuel excise tax. The annual portion of the increase expected to be distributed to the City is approximately \$415,000. Monthly distributions from the State of Ohio to the City will first be made in January 2020.

In January 2019, the City paid a total of \$273,993 (including accrued interest) to pay off the outstanding Police and Fire Pension Liability. The amount was paid from cash reserves which purpose was to reduce the overall interest cost on the obligation.

Note 29: Restatement of Previously Issued Financial Statements

The financial statements were re-issued due to a correction of an error in previously issued financial statements. On the fund financial statements, the Capital Improvement Fund and Total Governmental Funds intergovernmental revenues and capital outlay expenditures increased \$1,183,555. On the government-wide financial statements, nondepreciable capital assets, net investment in capital assets, capital grants and contributions, and net position increased \$1,183,555 for the governmental activities and City-wide total.

City of Rocky River, Ohio

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

Last Five Years (1)

	<u>2018(1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's Proportion of the Net Pension Liability	0.059858%	0.057764%	0.057848%	0.058978%	0.058978%
City's Proportionate Share of the Net Pension Liability	\$ 9,390,498	\$ 13,117,249	\$ 10,020,072	\$ 7,113,422	\$ 6,952,753
City's Covered Payroll	\$ 7,914,791	\$ 7,688,297	\$ 7,203,524	\$ 6,876,663	\$ 7,852,692
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.64%	170.61%	139.10%	103.44%	88.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

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

City of Rocky River, Ohio

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

Last Five Years (1)

	<u>2018(1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's Proportion of the Net Pension Asset	0.034861%	0.031672%	0.031106%	0.035697%	0.035697%
City's Proportionate Share of the Net Pension Asset	\$ 47,455	\$ 17,626	\$ 15,137	\$ 13,744	\$ 3,746
City's Covered Payroll	\$ 142,748	\$ 127,053	\$ 112,704	\$ 120,542	\$ 122,864
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	33.24%	13.87%	13.43%	11.40%	3.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	137.28%	116.55%	116.90%	114.83%	104.56%

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

City of Rocky River, Ohio

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

Last Five Years (1)

	<u>2018(1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's Proportion of the Net Pension Liability	0.251282%	0.247857%	0.253444%	0.256817%	0.256817%
City's Proportionate Share of the Net Pension Liability	\$ 15,422,311	\$ 15,699,015	\$ 16,304,230	\$ 13,304,187	\$ 12,507,789
City's Covered Payroll	\$ 5,496,825	\$ 5,454,476	\$ 5,123,147	\$ 5,095,764	\$ 5,067,831
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	280.57%	287.82%	318.25%	261.08%	246.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%

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

City of Rocky River, Ohio

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

For The Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually-Required Contribution	\$ 1,152,736	\$ 1,028,923	\$ 922,596	\$ 864,423	\$ 825,200
Contributions in Relation to the Contractually-Required Contribution	<u>(1,152,736)</u>	<u>(1,028,923)</u>	<u>(922,596)</u>	<u>(864,423)</u>	<u>(825,200)</u>
Contribution Deficiency (Excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
City Covered Payroll	\$ 8,233,828	\$ 7,914,791	\$ 7,688,297	\$ 7,203,524	\$ 6,876,663
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	12.00%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually-Required Contribution	\$ 1,020,850	\$ 828,631	\$ 895,384	\$ 837,024	\$ 726,314
Contributions in Relation to the Contractually-Required Contribution	<u>(1,020,850)</u>	<u>(828,631)</u>	<u>(895,384)</u>	<u>(837,024)</u>	<u>(726,314)</u>
Contribution Deficiency (Excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
City Covered Payroll	\$ 7,852,692	\$ 8,286,310	\$ 8,953,841	\$ 9,300,272	\$ 8,544,871
Contributions as a Percentage of Covered Payroll	13.00%	10.00%	10.00%	9.00%	8.50%

See Accompanying Note to the Required Supplementary Information

City of Rocky River, Ohio

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

For The Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually-Required Contribution	\$ 23,603	\$ 18,557	\$ 15,246	\$ 13,524	\$ 14,465
Contributions in Relation to the Contractually-Required Contribution	<u>(23,603)</u>	<u>(18,557)</u>	<u>(15,246)</u>	<u>(13,524)</u>	<u>(14,465)</u>
Contribution Deficiency (Excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
City Covered Payroll	\$ 168,593	\$ 142,748	\$ 127,053	\$ 112,704	\$ 120,542
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	12.00%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually-Required Contribution	\$ 15,972	\$ 12,965	\$ 14,009	\$ 13,096	\$ 11,364
Contributions in Relation to the Contractually-Required Contribution	<u>(15,972)</u>	<u>(12,965)</u>	<u>(14,009)</u>	<u>(13,096)</u>	<u>(11,364)</u>
Contribution Deficiency (Excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
City Covered Payroll	\$ 122,864	\$ 129,648	140,092	\$ 145,512	\$ 133,693
Contributions as a Percentage of Covered Payroll	13.00%	10.00%	10.00%	9.00%	8.50%

See Accompanying Note to the Required Supplementary Information

City of Rocky River, Ohio

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

For The Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually-Required Contribution	\$ 1,199,543	\$ 1,161,998	\$ 1,151,686	\$ 1,083,474	\$ 1,078,649
Contributions in Relation to the Contractually-Required Contribution	<u>(1,199,543)</u>	<u>(1,161,998)</u>	<u>(1,151,686)</u>	<u>(1,083,474)</u>	<u>(1,078,649)</u>
Contribution Deficiency (Excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
City Covered Payroll	\$ 5,678,025	\$ 5,496,825	\$ 5,454,476	\$ 5,123,147	\$ 5,095,764
Contributions as a Percentage of Covered Payroll	21.13%	21.14%	21.11%	21.15%	21.17%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually-Required Contribution	\$ 913,986	\$ 731,848	\$ 733,884	\$ 771,706	\$ 726,777
Contributions in Relation to the Contractually-Required Contribution	<u>(913,986)</u>	<u>(731,848)</u>	<u>(733,884)</u>	<u>(771,706)</u>	<u>(726,777)</u>
Contribution Deficiency (Excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
City Covered Payroll	\$ 5,067,831	\$ 4,916,011	\$ 4,923,822	\$ 5,205,410	\$ 4,899,833
Contributions as a Percentage of Covered Payroll	18.04%	14.89%	14.90%	14.83%	14.83%

See Accompanying Note to the Required Supplementary Information

City of Rocky River, Ohio

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

For the Last Two Years (1)

	<u>2018 (1)</u>	<u>2017 (1)</u>
City's Proportion of the Net OPEB Liability	0.057552%	0.055983%
City's Proportionate Share of the Net OPEB Liability	\$ 6,249,724	\$ 5,654,434
City's Covered Payroll	\$ 8,183,271	\$ 8,033,489
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.37%	70.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

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

City of Rocky River, Ohio

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

For the Last Two Years (1)

	<u>2018 (1)</u>	<u>2017 (1)</u>
City's Proportion of the Net OPEB Liability	0.251282%	0.247857%
City's Proportionate Share of the Net OPEB Liability	\$ 14,237,285	\$ 11,765,214
City's Covered Payroll	\$ 5,496,825	\$ 5,454,476
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	35.26%	50.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

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

City of Rocky River, Ohio

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

For the Last Three Years (2)

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

(1) Includes surcharge

(2) Information prior to 2016 is not available.

City of Rocky River, Ohio

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

For The Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 28,390	\$ 27,484	\$ 27,272	\$ 25,616	\$ 25,479
Contributions in Relation to the Contractually Required Contribution	<u>(28,390)</u>	<u>(27,484)</u>	<u>(27,272)</u>	<u>(25,616)</u>	<u>(25,479)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City Covered Payroll	\$ 5,678,025	\$ 5,496,825	\$ 5,454,476	\$ 5,123,147	\$ 5,095,764
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 183,455	\$ 331,831	\$ 332,358	\$ 351,365	\$ 330,739
Contributions in Relation to the Contractually Required Contribution	<u>(183,455)</u>	<u>(331,831)</u>	<u>(332,358)</u>	<u>(351,365)</u>	<u>(330,739)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City Covered Payroll	\$ 5,067,831	\$ 4,916,011	\$ 4,932,822	\$ 5,205,410	\$ 4,899,833
Contributions as a Percentage of Covered Payroll	3.62%	6.75%	6.75%	6.75%	6.75%

See Accompanying Note to the Required Supplementary Information

City of Rocky River, Ohio

Note to Required Supplementary Information

For the Year Ended December 31, 2018

Note 1: Change in Assumptions – OPERS Traditional and Combined Pension Plans

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	<u>2017</u>	<u>2016 and Prior</u>
Wage Inflation	3.25%	3.75%
Future Salary Increases, Including Inflation	3.25-10.75%	4.25-10.05%
	(including wage inflation at 3.25%)	(including wage inflation)
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3.00% Simple through 2018 then 2.15% Simple	3.00% Simple through 2018 then 2.8% Simple
Investment Rate of Return	7.50%	8.00%
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For the current valuation, mortality rates are 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.

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

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

Note 2: Change in Assumptions – OP&F Pension Plan

Amounts reported in 2018 reflect changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, for the defined benefit investments.

Note 3: Change in Assumptions – OPERS OPEB Plan

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

Note 4: Change in Assumptions – OP&F OPEB Plan

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

City of Rocky River, Ohio

Combining Statements
Non-Major Governmental Funds
Fund Descriptions

Non-major Special Revenue Funds

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

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

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

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

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

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

Federal Emergency Management Agency (FEMA) Fund – To account for federal monies received to pay for expenses incurred during emergencies. This fund did not have any budgetary activity in 2018, therefore, budgetary information is not provided.

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

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

Community Impacts Fund – To account for monies received from a railroad company to be used for costs resulting from increased usage of the Nickel Plate railroad line. This fund did not have any budgetary activity in 2018, therefore, budgetary information is not provided.

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

(Continued)

City of Rocky River, Ohio

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

Non-major Special Revenue Funds (Continued)

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

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

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

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

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

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

Non-major Debt Service Funds

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

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

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

Non-major Capital Projects Fund

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

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

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

City of Rocky River, Ohio

Combining Balance Sheet Non-major Governmental Funds

December 31, 2018

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 1,958,124	\$ 110,820	\$ 3,540,852	\$ 5,609,796
Accounts Receivable	18,557	0	0	18,557
Intergovernmental Receivable	504,161	41,109	26,512	571,782
Materials and Supplies Inventory	133,758	0	0	133,758
Prepaid Asset	10,688	0	65,511	76,199
Property Taxes Receivable	1,637,817	608,334	0	2,246,151
Special Assessments Receivable	<u>0</u>	<u>233,193</u>	<u>0</u>	<u>233,193</u>
Total Assets	\$ <u>4,263,105</u>	\$ <u>993,456</u>	\$ <u>3,632,875</u>	\$ <u>8,889,436</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 77,210	\$ 0	\$ 181,169	\$ 258,379
Accrued Wages and Benefits	91,488	0	3,418	94,906
Intergovernmental Payable	<u>197,077</u>	<u>0</u>	<u>4,626</u>	<u>201,703</u>
Total Liabilities	<u>365,775</u>	<u>0</u>	<u>189,213</u>	<u>554,988</u>
Deferred Inflows of Resources:				
Property Taxes	1,586,780	589,377	0	2,176,157
Unavailable Revenue	<u>417,339</u>	<u>293,259</u>	<u>0</u>	<u>710,598</u>
Total Deferred Inflows of Resources	<u>2,004,119</u>	<u>882,636</u>	<u>0</u>	<u>2,886,755</u>
Fund Balances:				
Nonspendable	144,446	0	65,511	209,957
Restricted	<u>1,748,765</u>	<u>110,820</u>	<u>3,378,151</u>	<u>5,237,736</u>
Total Fund Balances	<u>1,893,211</u>	<u>110,820</u>	<u>3,443,662</u>	<u>5,447,693</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>4,263,105</u>	\$ <u>993,456</u>	\$ <u>3,632,875</u>	\$ <u>8,889,436</u>

City of Rocky River, Ohio

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

For the Year Ended December 31, 2018

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:				
Property Taxes	\$ 1,384,564	\$ 593,369	\$ 0	\$ 1,977,933
Municipal Income Taxes	0	0	1,224,815	1,224,815
Intergovernmental	1,228,535	81,905	562,534	1,872,974
Charges for Services	345,659	0	0	345,659
Fees, Fines and Permits	317,748	0	0	317,748
Special Assessments	0	49,031	0	49,031
Investment Income	1,611	0	12,187	13,798
Other	<u>10,290</u>	<u>0</u>	<u>0</u>	<u>10,290</u>
Total Revenues	<u>3,288,407</u>	<u>724,305</u>	<u>1,799,536</u>	<u>5,812,248</u>
Expenditures:				
Current:				
General Government	1,655	0	543,334	544,989
Security of Persons and Property	1,698,583	0	0	1,698,583
Public Health	1,005,754	0	0	1,005,754
Transportation	1,500,160	0	0	1,500,160
Basic Utility Service	1,846,102	0	0	1,846,102
Capital Outlay	122,545	0	1,030,866	1,153,411
Debt Service:				
Principal Retirement	39,310	1,015,000	220,000	1,274,310
Interest and Fiscal Charges	<u>13,862</u>	<u>230,711</u>	<u>26,106</u>	<u>270,679</u>
Total Expenditures	<u>6,227,971</u>	<u>1,245,711</u>	<u>1,820,306</u>	<u>9,293,988</u>
Excess of Revenues Over (Under)				
Expenditures	(2,939,564)	(521,406)	(20,770)	(3,481,740)
Other Financing Sources:				
Transfers - In	<u>2,405,000</u>	<u>420,000</u>	<u>0</u>	<u>2,825,000</u>
Net Change in Fund Balances	(534,564)	(101,406)	(20,770)	(656,740)
Fund Balances at Beginning of Year	<u>2,427,775</u>	<u>212,226</u>	<u>3,464,432</u>	<u>6,104,433</u>
Fund Balances at End of Year	\$ <u><u>1,893,211</u></u>	\$ <u><u>110,820</u></u>	\$ <u><u>3,443,662</u></u>	\$ <u><u>5,447,693</u></u>

City of Rocky River, Ohio

Combining Balance Sheet Non-major Special Revenue Funds

December 31, 2018

	<u>Law Enforcement Trust</u>	<u>Community Diversion Program</u>	<u>Indigent Driver Alcohol Treatment</u>	<u>Enforcement and Education</u>
Assets:				
Equity in Pooled Cash and				
Cash Equivalents	\$ 157,572	\$ 12,318	\$ 154,491	\$ 24,843
Accounts Receivable	75	0	1,221	87
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Assets	2,848	0	0	0
Property Taxes Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	\$ <u>160,495</u>	\$ <u>12,318</u>	\$ <u>155,712</u>	\$ <u>24,930</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	265	0	0
Intergovernmental Payable	<u>219</u>	<u>149</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>219</u>	<u>414</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	2,848	0	0	0
Restricted	<u>157,428</u>	<u>11,904</u>	<u>155,712</u>	<u>24,930</u>
Total Fund Balances	<u>160,276</u>	<u>11,904</u>	<u>155,712</u>	<u>24,930</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>160,495</u>	\$ <u>12,318</u>	\$ <u>155,712</u>	\$ <u>24,930</u>

<u>Municipal Probation Services</u>	<u>Federal Emergency Management Agency</u>	<u>Office on Aging</u>	<u>Marine Patrol</u>
\$ 94,967	\$ 47	\$ 174,994	\$ 5,572
17,174	0	0	0
0	0	26,352	0
0	0	50,760	0
0	0	6,931	0
<u>0</u>	<u>0</u>	<u>389,957</u>	<u>0</u>
<u>\$ 112,141</u>	<u>\$ 47</u>	<u>\$ 648,994</u>	<u>\$ 5,572</u>
\$ 4,239	\$ 0	\$ 1,279	\$ 69
3,789	0	13,387	0
<u>1,875</u>	<u>0</u>	<u>7,732</u>	<u>92</u>
<u>9,903</u>	<u>0</u>	<u>22,398</u>	<u>161</u>
0	0	377,805	0
<u>0</u>	<u>0</u>	<u>38,504</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>416,309</u>	<u>0</u>
0	0	57,691	0
<u>102,238</u>	<u>47</u>	<u>152,596</u>	<u>5,411</u>
<u>102,238</u>	<u>47</u>	<u>210,287</u>	<u>5,411</u>
<u>\$ 112,141</u>	<u>\$ 47</u>	<u>\$ 648,994</u>	<u>\$ 5,572</u>

(Continued)

City of Rocky River, Ohio

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

December 31, 2018

	Community Impacts	Refuse and Recycling	Motor Vehicle License Tax	Street Repair and Maintenance
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,312	\$ 440,784	\$ 134,328	\$ 266,952
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	52,704	11,036	353,478
Materials and Supplies Inventory	0	5,055	259	77,684
Prepaid Assets	0	0	0	909
Property Taxes Receivable	0	779,914	0	0
Total Assets	\$ 3,312	\$ 1,278,457	\$ 145,623	\$ 699,023
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 0	\$ 60,004	\$ 2,573	\$ 9,046
Accrued Wages and Benefits	0	33,687	8,967	31,393
Intergovernmental Payable	0	17,498	4,826	13,910
Total Liabilities	0	111,189	16,366	54,349
Deferred Inflows of Resources:				
Property Taxes	0	755,611	0	0
Unavailable Revenue	0	77,007	0	236,451
Total Deferred Inflows of Resources	0	832,618	0	236,451
Fund Balances:				
Nonspendable	0	5,055	259	78,593
Restricted	3,312	329,595	128,998	329,630
Total Fund Balances	3,312	334,650	129,257	408,223
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,312	\$ 1,278,457	\$ 145,623	\$ 699,023

<u>State Highway</u>	<u>Indigent Driver Alcohol Monitoring</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>Total Non-major Special Revenue Funds</u>
\$ 79,880	\$ 38,548	\$ 172,352	\$ 197,164	\$ 1,958,124
0	0	0	0	18,557
28,660	307	15,812	15,812	504,161
0	0	0	0	133,758
0	0	0	0	10,688
<u>0</u>	<u>0</u>	<u>233,973</u>	<u>233,973</u>	<u>1,637,817</u>
\$ <u>108,540</u>	\$ <u>38,855</u>	\$ <u>422,137</u>	\$ <u>446,949</u>	\$ <u>4,263,105</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 77,210
0	0	0	0	91,488
<u>0</u>	<u>0</u>	<u>79,647</u>	<u>71,129</u>	<u>197,077</u>
<u>0</u>	<u>0</u>	<u>79,647</u>	<u>71,129</u>	<u>365,775</u>
0	0	226,682	226,682	1,586,780
<u>19,171</u>	<u>0</u>	<u>23,103</u>	<u>23,103</u>	<u>417,339</u>
<u>19,171</u>	<u>0</u>	<u>249,785</u>	<u>249,785</u>	<u>2,004,119</u>
0	0	0	0	144,446
<u>89,369</u>	<u>38,855</u>	<u>92,705</u>	<u>126,035</u>	<u>1,748,765</u>
<u>89,369</u>	<u>38,855</u>	<u>92,705</u>	<u>126,035</u>	<u>1,893,211</u>
\$ <u>108,540</u>	\$ <u>38,855</u>	\$ <u>422,137</u>	\$ <u>446,949</u>	\$ <u>4,263,105</u>

City of Rocky River, Ohio

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

For the Year Ended December 31, 2018

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	48,711	0	0	0
Charges for Services	0	0	0	0
Fees, Fines and Permits	33,456	6,000	47,776	921
Investment Income	0	0	0	0
Other	0	0	0	0
Total Revenues	82,167	6,000	47,776	921
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	81,976	8,908	23,682	3,423
Public Health	0	0	0	0
Transportation	0	0	0	0
Basic Utility Service	0	0	0	0
Capital Outlay	36,397	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	118,373	8,908	23,682	3,423
Excess of Revenues Over (Under)				
Expenditures	(36,206)	(2,908)	24,094	(2,502)
Other Financing Sources:				
Transfers - In	0	0	0	0
Net Change in Fund Balances	(36,206)	(2,908)	24,094	(2,502)
Fund Balances at				
Beginning of Year	196,482	14,812	131,618	27,432
Fund Balances at End of Year	\$ 160,276	\$ 11,904	\$ 155,712	\$ 24,930

<u>Municipal Probation Services</u>	<u>Federal Emergency Management Agency</u>	<u>Office on Aging</u>	<u>Marine Patrol</u>
\$ 0	\$ 0	\$ 329,638	\$ 0
0	0	45,503	30,000
0	0	336,461	0
229,595	0	0	0
1,611	0	0	0
<u>0</u>	<u>0</u>	<u>1,807</u>	<u>0</u>
<u>231,206</u>	<u>0</u>	<u>713,409</u>	<u>30,000</u>
1,655	0	0	0
309,774	0	0	49,736
0	0	1,005,754	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>311,429</u>	<u>0</u>	<u>1,005,754</u>	<u>49,736</u>
(80,223)	0	(292,345)	(19,736)
<u>0</u>	<u>0</u>	<u>250,000</u>	<u>10,000</u>
(80,223)	0	(42,345)	(9,736)
<u>182,461</u>	<u>47</u>	<u>252,632</u>	<u>15,147</u>
\$ <u>102,238</u>	\$ <u>47</u>	\$ <u>210,287</u>	\$ <u>5,411</u>

(Continued)

City of Rocky River, Ohio

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

For the Year Ended December 31, 2018

	Community Impacts	Refuse and Recycling	Motor Vehicle License Tax	Street Repair and Maintenance
Revenues:				
Property Taxes	\$ 0	\$ 659,328	\$ 0	\$ 0
Intergovernmental	0	91,011	139,628	733,937
Charges for Services	0	9,198	0	0
Fees, Fines and Permits	0	0	0	0
Investment Income	0	0	0	0
Other	0	8,227	256	0
Total Revenues	<u>0</u>	<u>767,764</u>	<u>139,884</u>	<u>733,937</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Public Health	0	0	0	0
Transportation	0	0	352,573	1,073,686
Basic Utility Service	0	1,846,102	0	0
Capital Outlay	0	0	18,490	46,364
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>0</u>	<u>1,846,102</u>	<u>371,063</u>	<u>1,120,050</u>
Excess of Revenues Over (Under)				
Expenditures	0	(1,078,338)	(231,179)	(386,113)
Other Financing Sources:				
Transfers - In	0	800,000	200,000	300,000
Net Change in Fund Balances	0	(278,338)	(31,179)	(86,113)
Fund Balances at				
Beginning of Year	<u>3,312</u>	<u>612,988</u>	<u>160,436</u>	<u>494,336</u>
Fund Balances at End of Year	<u>\$ 3,312</u>	<u>\$ 334,650</u>	<u>\$ 129,257</u>	<u>\$ 408,223</u>

<u>State Highway</u>	<u>Indigent Driver Alcohol Monitoring</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>Total Non-major Special Revenue Funds</u>
\$ 0	\$ 0	\$ 197,799	\$ 197,799	\$ 1,384,564
60,185	24,952	27,304	27,304	1,228,535
0	0	0	0	345,659
0	0	0	0	317,748
0	0	0	0	1,611
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,290</u>
<u>60,185</u>	<u>24,952</u>	<u>225,103</u>	<u>225,103</u>	<u>3,288,407</u>
0	0	0	0	1,655
0	0	643,830	577,254	1,698,583
0	0	0	0	1,005,754
73,901	0	0	0	1,500,160
0	0	0	0	1,846,102
0	21,294	0	0	122,545
0	0	10,733	28,577	39,310
<u>0</u>	<u>0</u>	<u>9,406</u>	<u>4,456</u>	<u>13,862</u>
<u>73,901</u>	<u>21,294</u>	<u>663,969</u>	<u>610,287</u>	<u>6,227,971</u>
(13,716)	3,658	(438,866)	(385,184)	(2,939,564)
<u>0</u>	<u>0</u>	<u>445,000</u>	<u>400,000</u>	<u>2,405,000</u>
(13,716)	3,658	6,134	14,816	(534,564)
<u>103,085</u>	<u>35,197</u>	<u>86,571</u>	<u>111,219</u>	<u>2,427,775</u>
\$ <u>89,369</u>	\$ <u>38,855</u>	\$ <u>92,705</u>	\$ <u>126,035</u>	\$ <u>1,893,211</u>

City of Rocky River, Ohio

Combining Balance Sheet Non-major Debt Service Funds

December 31, 2018

	General Obligation Bond <u>Retirement</u>	Special Assessment Bond <u>Retirement</u>	Total Non-major Debt Service <u>Funds</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 105,450	\$ 5,370	\$ 110,820
Intergovernmental Receivable	41,109	0	41,109
Property Taxes Receivable	608,334	0	608,334
Special Assessment Receivable	<u>0</u>	<u>233,193</u>	<u>233,193</u>
Total Assets	\$ <u>754,893</u>	\$ <u>238,563</u>	\$ <u>993,456</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:			
Property Taxes	589,377	0	589,377
Unavailable Revenue	<u>60,066</u>	<u>233,193</u>	<u>293,259</u>
Total Deferred Inflows of Resources	<u>649,443</u>	<u>233,193</u>	<u>882,636</u>
Fund Balances:			
Restricted	<u>105,450</u>	<u>5,370</u>	<u>110,820</u>
Total Fund Balances	<u>105,450</u>	<u>5,370</u>	<u>110,820</u>
Total Liabilities and Fund Balances	\$ <u>754,893</u>	\$ <u>238,563</u>	\$ <u>993,456</u>

City of Rocky River, Ohio

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

For the Year Ended December 31, 2018

	General Obligation Bond <u>Retirement</u>	Special Assessment Bond <u>Retirement</u>	Total Non-major Debt Service <u>Funds</u>
Revenues:			
Property Taxes	\$ 593,369	\$ 0	\$ 593,369
Intergovernmental	81,905	0	81,905
Special Assessments	<u>0</u>	<u>49,031</u>	<u>49,031</u>
Total Revenues	<u>675,274</u>	<u>49,031</u>	<u>724,305</u>
Expenditures:			
Debt Service:			
Principal Retirement	975,000	40,000	1,015,000
Interest and Fiscal Charges	<u>215,988</u>	<u>14,723</u>	<u>230,711</u>
Total Expenditures	<u>1,190,988</u>	<u>54,723</u>	<u>1,245,711</u>
Excess of Revenues Over (Under) Expenditures	(515,714)	(5,692)	(521,406)
Other Financing Sources:			
Transfers – In	<u>410,000</u>	<u>10,000</u>	<u>420,000</u>
Net Change in Fund Balances	(105,714)	4,308	(101,406)
Fund Balances at Beginning of Year	<u>211,164</u>	<u>1,062</u>	<u>212,226</u>
Fund Balances at End of Year	\$ <u><u>105,450</u></u>	\$ <u><u>5,370</u></u>	\$ <u><u>110,820</u></u>

City of Rocky River, Ohio

Combining Balance Sheet Non-major Capital Projects Funds

December 31, 2018

	<u>Equipment Replacement</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 2,877,150	\$ 663,702	\$ 3,540,852
Intergovernmental Receivable	0	26,512	26,512
Prepaid Assets	<u>2,657</u>	<u>62,854</u>	<u>65,511</u>
Total Assets	\$ <u>2,879,807</u>	\$ <u>753,068</u>	\$ <u>3,632,875</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 119,265	\$ 61,904	\$ 181,169
Accrued Wages and Benefits	0	3,418	3,418
Intergovernmental Payable	<u>0</u>	<u>4,626</u>	<u>4,626</u>
Total Liabilities	<u>119,265</u>	<u>69,948</u>	<u>189,213</u>
Fund Balances:			
Nonspendable	2,657	62,854	65,511
Restricted	<u>2,757,885</u>	<u>620,266</u>	<u>3,378,151</u>
Total Fund Balances	<u>2,760,542</u>	<u>683,120</u>	<u>3,443,662</u>
Total Liabilities and Fund Balances	\$ <u>2,879,807</u>	\$ <u>753,068</u>	\$ <u>3,632,875</u>

City of Rocky River, Ohio

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

For the Year Ended December 31, 2018

	<u>Equipment Replacement</u>	<u>Municipal Court Capital Improvement</u>	<u>Total Non-major Capital Project Funds</u>
Revenues:			
Municipal Income Taxes	\$ 1,224,815	\$ 0	\$ 1,224,815
Intergovernmental	57,969	504,565	562,534
Investment Income	<u>0</u>	<u>12,187</u>	<u>12,187</u>
Total Revenues	<u>1,282,784</u>	<u>516,752</u>	<u>1,799,536</u>
Expenditures:			
Current:			
General Government	7,064	536,270	543,334
Capital Outlay	1,022,934	7,932	1,030,866
Debt Service:			
Principal Retirement	0	220,000	220,000
Interest and Fiscal Charges	<u>0</u>	<u>26,106</u>	<u>26,106</u>
Total Expenditures	<u>1,029,998</u>	<u>790,308</u>	<u>1,820,306</u>
Net Change in Fund Balances	252,786	(273,556)	(20,770)
Fund Balances at Beginning of Year	<u>2,507,756</u>	<u>956,676</u>	<u>3,464,432</u>
Fund Balances at End of Year	\$ <u><u>2,760,542</u></u>	\$ <u><u>683,120</u></u>	\$ <u><u>3,443,662</u></u>

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

City of Rocky River, Ohio

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

General Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,636,360	\$ 4,636,360	\$ 4,153,669	\$ (482,691)
Municipal Income Taxes	11,175,000	11,175,000	8,962,532	(2,212,468)
Other Local Taxes	86,000	86,000	98,649	12,649
Intergovernmental	341,031	346,031	933,690	587,659
Charges for Services	42,900	180,012	89,619	(90,393)
Fines, Fees, and Permits	3,692,642	3,707,642	3,021,695	(685,947)
Investment Income	59,000	173,000	275,572	102,572
Rentals	80,000	80,000	71,248	(8,752)
Other	<u>130,000</u>	<u>130,000</u>	<u>117,717</u>	<u>(12,283)</u>
Total Revenues	<u>20,242,933</u>	<u>20,514,045</u>	<u>17,724,391</u>	<u>(2,789,654)</u>
Expenditures:				
Current:				
General Government:				
Council:				
Personal Service	139,517	139,517	132,559	6,958
Other	<u>6,447</u>	<u>6,447</u>	<u>3,670</u>	<u>2,777</u>
Total Council	<u>145,964</u>	<u>145,964</u>	<u>136,229</u>	<u>9,735</u>
Mayor:				
Personal Service	188,841	187,341	175,188	12,153
Other	<u>10,574</u>	<u>10,774</u>	<u>7,453</u>	<u>3,321</u>
Total Mayor	<u>199,415</u>	<u>198,115</u>	<u>182,641</u>	<u>15,474</u>
Finance Department:				
Personal Service	324,353	325,153	288,616	36,537
Other	<u>135,087</u>	<u>135,087</u>	<u>109,463</u>	<u>25,624</u>
Total Finance Department	<u>459,440</u>	<u>460,240</u>	<u>398,079</u>	<u>62,161</u>
Law Director:				
Personal Service	128,710	128,710	118,116	10,594
Other	<u>86,347</u>	<u>86,347</u>	<u>29,612</u>	<u>56,735</u>
Total Law Director	<u>215,057</u>	<u>215,057</u>	<u>147,728</u>	<u>67,329</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, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Other Executive Administration:				
Personal Service	368,127	368,627	335,540	33,087
Other	<u>64,816</u>	<u>64,816</u>	<u>32,889</u>	<u>31,927</u>
Total Other Executive Administration	<u>432,943</u>	<u>433,443</u>	<u>368,429</u>	<u>65,014</u>
Boards and Commissions:				
Personal Service	33,246	35,246	27,163	8,083
Other	<u>17,896</u>	<u>17,896</u>	<u>14,741</u>	<u>3,155</u>
Total Boards and Commissions	<u>51,142</u>	<u>53,142</u>	<u>41,904</u>	<u>11,238</u>
Building Maintenance:				
Personal Service	566,524	567,524	459,656	107,868
Other	<u>424,854</u>	<u>424,854</u>	<u>362,490</u>	<u>62,364</u>
Total Building Maintenance	<u>991,378</u>	<u>992,378</u>	<u>822,146</u>	<u>170,232</u>
Human Resources:				
Personal Service	100,189	100,689	95,294	5,395
Other	<u>36,279</u>	<u>36,279</u>	<u>26,037</u>	<u>10,242</u>
Total Human Resources	<u>136,468</u>	<u>136,968</u>	<u>121,331</u>	<u>15,637</u>
Municipal Courts:				
Personal Service	1,998,582	2,038,582	1,514,491	524,091
Other	<u>281,967</u>	<u>281,967</u>	<u>180,731</u>	<u>101,236</u>
Total Municipal Courts	<u>2,280,549</u>	<u>2,320,549</u>	<u>1,695,222</u>	<u>625,327</u>
Information Technology				
Personal Service	105,850	95,350	59,199	36,151
Other	<u>52,050</u>	<u>52,050</u>	<u>44,972</u>	<u>7,078</u>
Total Information Technology	<u>157,900</u>	<u>147,400</u>	<u>104,171</u>	<u>43,229</u>
Miscellaneous:				
Other	<u>978,120</u>	<u>978,120</u>	<u>709,256</u>	<u>268,864</u>
Total General Government	<u>6,048,376</u>	<u>6,081,376</u>	<u>4,727,136</u>	<u>1,354,240</u>
Security of Persons and Property:				
Police Department:				
Personal Service	4,448,099	4,495,299	3,998,863	496,436
Other	<u>502,874</u>	<u>502,874</u>	<u>393,470</u>	<u>109,404</u>
Total Police Department	<u>4,950,973</u>	<u>4,998,173</u>	<u>4,392,333</u>	<u>605,840</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, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Fire Department:				
Personal Service	3,516,137	3,551,137	3,276,162	274,975
Other	<u>476,176</u>	<u>476,176</u>	<u>366,420</u>	<u>109,756</u>
Total Fire Department	<u>3,992,313</u>	<u>4,027,313</u>	<u>3,642,582</u>	<u>384,731</u>
Police on Patrol Arresting Speeders:				
Personal Service	120,675	120,675	43,729	76,946
Other	<u>108,369</u>	<u>108,369</u>	<u>57,908</u>	<u>50,461</u>
Total Police on Patrol Arresting Speeders	<u>229,044</u>	<u>229,044</u>	<u>101,637</u>	<u>127,407</u>
Administrative Support:				
Personal Service	<u>93,685</u>	<u>93,685</u>	<u>92,993</u>	<u>692</u>
Total Security of Persons and Property	<u>9,266,015</u>	<u>9,348,215</u>	<u>8,229,545</u>	<u>1,118,670</u>
Transportation:				
Equipment Repair and Garage:				
Personal Service	753,162	765,162	653,800	111,362
Other	<u>199,106</u>	<u>199,106</u>	<u>144,120</u>	<u>54,986</u>
Total Transportation	<u>952,268</u>	<u>964,268</u>	<u>797,920</u>	<u>166,348</u>
Leisure Time Activities:				
Parks Department:				
Personal Service	459,633	458,833	349,392	109,441
Other	<u>87,941</u>	<u>88,741</u>	<u>69,811</u>	<u>18,930</u>
Total Leisure Time Activities	<u>547,574</u>	<u>547,574</u>	<u>419,203</u>	<u>128,371</u>
Community Development:				
Community Center:				
Personal Service	403,936	403,936	377,996	25,940
Other	<u>88,705</u>	<u>88,705</u>	<u>73,414</u>	<u>15,291</u>
Total Community Center	<u>492,641</u>	<u>492,641</u>	<u>451,410</u>	<u>41,231</u>
Economic Development:				
Other	<u>108,800</u>	<u>108,800</u>	<u>75,133</u>	<u>33,667</u>
Total Community Development	<u>601,441</u>	<u>601,441</u>	<u>526,543</u>	<u>74,898</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, 2018

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Capital Outlay	<u>61,196</u>	<u>61,196</u>	<u>40,796</u>	<u>20,400</u>
Total Expenditures	<u>17,476,870</u>	<u>17,604,070</u>	<u>14,741,143</u>	<u>2,862,927</u>
Excess of Revenues Over Expenditures	<u>2,766,063</u>	<u>2,909,975</u>	<u>2,983,248</u>	<u>73,273</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	12,000	12,000	425	(11,575)
Advances - In	100,000	100,000	100,000	0
Transfers - Out	<u>(6,335,000)</u>	<u>(6,335,000)</u>	<u>(4,225,000)</u>	<u>2,110,000</u>
Total Other Financing Sources (Uses)	<u>(6,223,000)</u>	<u>(6,223,000)</u>	<u>(4,124,575)</u>	<u>2,098,425</u>
Net Change in Fund Balance	(3,456,937)	(3,313,025)	(1,141,327)	2,171,698
Fund Balance at Beginning of Year	5,975,873	5,975,873	5,975,873	0
Prior Year Encumbrances Appropriated	<u>98,880</u>	<u>98,880</u>	<u>98,880</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>2,617,816</u>	\$ <u>2,761,728</u>	\$ <u>4,933,426</u>	\$ <u>2,171,698</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, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 367,965	\$ 367,965	\$ 329,638	\$ (38,327)
Intergovernmental	0	0	45,503	45,503
Charges for Services	2,351,907	2,351,907	2,217,295	(134,612)
Rentals	<u>26,000</u>	<u>26,000</u>	<u>35,214</u>	<u>9,214</u>
Total Revenues	<u>2,745,872</u>	<u>2,745,872</u>	<u>2,627,650</u>	<u>(118,222)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Personal Service	2,252,931	2,252,431	1,958,121	294,310
Other	<u>1,171,660</u>	<u>1,174,161</u>	<u>1,170,524</u>	<u>3,637</u>
Total Leisure Time Activities	3,424,591	3,426,592	3,128,645	297,947
Capital Outlay	<u>3,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>3,427,591</u>	<u>3,427,592</u>	<u>3,128,645</u>	<u>298,947</u>
Excess of Revenues (Under) Over Expenditures	(681,719)	(681,720)	(500,995)	180,725
Other Financing Sources (Uses):				
Transfers - In	450,000	450,000	400,000	(50,000)
Advance - Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>350,000</u>	<u>300,000</u>	<u>(50,000)</u>
Net Change in Fund Balances	(331,719)	(331,720)	(200,995)	130,725
Fund Balance at Beginning of Year	372,659	372,659	372,659	0
Prior Year Encumbrances Appropriated	<u>18,882</u>	<u>18,882</u>	<u>18,882</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>59,822</u>	\$ <u>59,821</u>	\$ <u>190,546</u>	\$ <u>130,725</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, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 735,929	\$ 735,929	\$ 659,328	\$ (76,601)
Municipal Income Taxes	2,200,000	2,200,000	3,593,249	1,393,249
Other Local Taxes	229,000	229,000	254,851	25,851
Intergovernmental	350,000	1,350,000	1,319,566	(30,434)
Other	<u>1,046,004</u>	<u>1,155,004</u>	<u>1,155,145</u>	<u>141</u>
Total Revenues	<u>4,560,933</u>	<u>5,669,933</u>	<u>6,982,139</u>	<u>1,312,206</u>
Expenditures:				
Current:				
General Government	1,354,991	1,399,991	1,063,067	336,924
Capital Outlay	<u>7,758,022</u>	<u>7,713,022</u>	<u>5,920,086</u>	<u>1,792,936</u>
Total Expenditures	<u>9,113,013</u>	<u>9,113,013</u>	<u>6,983,153</u>	<u>2,129,860</u>
Excess of Revenues (Under) Over Expenditures	(4,552,080)	(3,443,080)	(1,014)	3,442,066
Other Financing Sources (Uses):				
Sale of Debt	975,000	975,000	191,433	(783,567)
Transfers - In	<u>2,450,000</u>	<u>2,450,000</u>	<u>1,000,000</u>	<u>(1,450,000)</u>
Total Other Financing Sources (Uses)	<u>3,425,000</u>	<u>3,425,000</u>	<u>1,191,433</u>	<u>(2,233,567)</u>
Net Change in Fund Balance	(1,127,080)	(18,080)	1,190,419	1,208,499
Fund Balance at Beginning of Year	1,813,588	1,813,588	1,813,588	0
Prior Year Encumbrances Appropriated	<u>813,443</u>	<u>813,443</u>	<u>813,443</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,499,951</u>	\$ <u>2,608,951</u>	\$ <u>3,817,450</u>	\$ <u>1,208,499</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, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 46,200	\$ 68,200	\$ 48,711	\$ (19,489)
Fines, Fees, and Permits	<u>10,000</u>	<u>30,000</u>	<u>33,403</u>	<u>3,403</u>
Total Revenues	<u>56,200</u>	<u>98,200</u>	<u>82,114</u>	<u>(16,086)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	49,803	49,803	47,686	2,117
Other	<u>29,500</u>	<u>29,500</u>	<u>26,353</u>	<u>3,147</u>
Total Security of Persons and Property	<u>79,303</u>	<u>79,303</u>	<u>74,039</u>	<u>5,264</u>
Capital Outlay	<u>73,236</u>	<u>73,236</u>	<u>36,397</u>	<u>36,839</u>
Total Expenditures	<u>152,539</u>	<u>152,539</u>	<u>110,436</u>	<u>42,103</u>
Net Change in Fund Balance	(96,339)	(54,339)	(28,322)	26,017
Fund Balance at Beginning of Year	182,658	182,658	182,658	0
Prior Year Encumbrances Appropriated	<u>3,236</u>	<u>3,236</u>	<u>3,236</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>89,555</u>	\$ <u>131,555</u>	\$ <u>157,572</u>	\$ <u>26,017</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, 2018

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees and Permits	\$ <u>5,400</u>	\$ <u>5,400</u>	\$ <u>6,000</u>	\$ <u>600</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	<u>9,870</u>	<u>9,870</u>	<u>8,640</u>	<u>1,230</u>
Net Change in Fund Balance	(4,470)	(4,470)	(2,640)	1,830
Fund Balance at Beginning of Year	<u>14,958</u>	<u>14,958</u>	<u>14,958</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>10,488</u></u>	\$ <u><u>10,488</u></u>	\$ <u><u>12,318</u></u>	\$ <u><u>1,830</u></u>

City of Rocky River, Ohio

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

Indigent Driver Alcohol Treatment Fund

For the Year Ended December 31, 2018

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ <u>45,000</u>	\$ <u>45,000</u>	\$ <u>47,750</u>	\$ <u>2,750</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Other	<u>85,000</u>	<u>85,000</u>	<u>23,682</u>	<u>61,318</u>
Net Change in Fund Balance	(40,000)	(40,000)	24,068	64,068
Fund Balance at Beginning of Year	<u>130,423</u>	<u>130,423</u>	<u>130,423</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>90,423</u></u>	\$ <u><u>90,423</u></u>	\$ <u><u>154,491</u></u>	\$ <u><u>64,068</u></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, 2018

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Fees, and Permits	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>894</u>	\$ <u>(2,106)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Other	<u>15,000</u>	<u>15,000</u>	<u>3,423</u>	<u>11,577</u>
Net Change in Fund Balance	(12,000)	(12,000)	(2,529)	9,471
Fund Balance at Beginning of Year	<u>27,372</u>	<u>27,372</u>	<u>27,372</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>15,372</u></u>	\$ <u><u>15,372</u></u>	\$ <u><u>24,843</u></u>	\$ <u><u>9,471</u></u>

City of Rocky River, Ohio

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

Municipal Probation Services Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 229,000	\$ 229,000	\$ 237,915	\$ 8,915
Investment Income	<u>650</u>	<u>650</u>	<u>1,776</u>	<u>1,126</u>
Total Revenues	<u>229,650</u>	<u>229,650</u>	<u>239,691</u>	<u>10,041</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	293,232	293,232	254,270	38,962
Other	<u>95,400</u>	<u>95,400</u>	<u>51,858</u>	<u>43,542</u>
Total Security of Persons and Property	388,632	388,632	306,128	82,504
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>393,632</u>	<u>393,632</u>	<u>306,128</u>	<u>87,504</u>
Net Change in Fund Balance	(163,982)	(163,982)	(66,437)	97,545
Fund Balance at Beginning of Year	<u>161,569</u>	<u>161,569</u>	<u>161,569</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>(2,413)</u></u>	\$ <u><u>(2,413)</u></u>	\$ <u><u>95,132</u></u>	\$ <u><u>97,545</u></u>

City of Rocky River, Ohio

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

Office on Aging Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 367,965	\$ 367,965	\$ 329,638	\$ (38,327)
Intergovernmental	0	0	45,503	45,503
Charges for Services	430,000	430,000	336,461	(93,539)
Other	<u>7,000</u>	<u>7,000</u>	<u>1,807</u>	<u>(5,193)</u>
Total Revenues	<u>804,965</u>	<u>804,965</u>	<u>713,409</u>	<u>(91,556)</u>
Expenditures:				
Current:				
Public Health Services:				
Personal Service	633,415	633,415	580,979	52,436
Other	<u>602,095</u>	<u>602,095</u>	<u>431,649</u>	<u>170,446</u>
Total Expenditures	<u>1,235,510</u>	<u>1,235,510</u>	<u>1,012,628</u>	<u>222,882</u>
Excess of Revenues (Under) Over Expenditures	(430,545)	(430,545)	(299,219)	131,326
Other Financing Sources:				
Transfers - In	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Net Change in Fund Balance	(180,545)	(180,545)	(49,219)	131,326
Fund Balance at Beginning of Year	160,153	160,153	160,153	0
Prior Year Encumbrances Appropriated	<u>39,028</u>	<u>39,028</u>	<u>39,028</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>18,636</u></u>	\$ <u><u>18,636</u></u>	\$ <u><u>149,962</u></u>	\$ <u><u>131,326</u></u>

City of Rocky River, Ohio

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

Marine Patrol Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>37,400</u>	\$ <u>37,400</u>	\$ <u>30,000</u>	\$ <u>(7,400)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	28,963	28,963	26,972	1,991
Other	<u>23,456</u>	<u>20,436</u>	<u>19,504</u>	<u>932</u>
Total Security of Persons and Property	52,419	49,399	46,476	2,923
Capital Outlay	<u>1,000</u>	<u>4,020</u>	<u>4,000</u>	<u>20</u>
Total Expenditures	<u>53,419</u>	<u>53,419</u>	<u>50,476</u>	<u>2,943</u>
Excess of Revenues Under Expenditures	(16,019)	(16,019)	(20,476)	(4,457)
Other Financing Sources:				
Transfers - In	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balance	(6,019)	(6,019)	(10,476)	(4,457)
Fund Balance at Beginning of Year	10,408	10,408	10,408	0
Prior Year Encumbrances Appropriated	<u>100</u>	<u>100</u>	<u>100</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>4,489</u></u>	\$ <u><u>4,489</u></u>	\$ <u><u>32</u></u>	\$ <u><u>(4,457)</u></u>

City of Rocky River, Ohio

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

Refuse and Recycling Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 735,929	\$ 735,929	\$ 659,328	\$ (76,601)
Intergovernmental	0	0	91,011	91,011
Charges for Services	7,000	7,500	9,198	1,698
Other	<u>27,400</u>	<u>27,400</u>	<u>8,227</u>	<u>(19,173)</u>
Total Revenues	<u>770,329</u>	<u>770,829</u>	<u>767,764</u>	<u>(3,065)</u>
Expenditures:				
Current:				
Basic Utilities Service:				
Personal Service	1,295,614	1,295,614	1,177,238	118,376
Other	<u>847,179</u>	<u>847,179</u>	<u>705,279</u>	<u>141,900</u>
Total Expenditures	<u>2,142,793</u>	<u>2,142,793</u>	<u>1,882,517</u>	<u>260,276</u>
Excess of Revenues (Under) Over Expenditures	(1,372,464)	(1,371,964)	(1,114,753)	257,211
Other Financing Sources:				
Transfers - In	<u>1,000,000</u>	<u>1,000,000</u>	<u>800,000</u>	<u>(200,000)</u>
Net Change in Fund Balance	(372,464)	(371,964)	(314,753)	57,211
Fund Balance at Beginning of Year	588,539	588,539	588,539	0
Prior Year Encumbrances Appropriated	<u>78,134</u>	<u>78,134</u>	<u>78,134</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>294,209</u>	\$ <u>294,709</u>	\$ <u>351,920</u>	\$ <u>57,211</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, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 141,000	\$ 141,000	\$ 139,927	\$ (1,073)
Other	0	0	256	256
Total revenues	<u>141,000</u>	<u>141,000</u>	<u>140,183</u>	<u>(817)</u>
Expenditures:				
Current:				
Transportation:				
Personal Service	355,764	355,764	281,883	73,881
Other	<u>102,795</u>	<u>102,795</u>	<u>62,285</u>	<u>40,510</u>
Total Transportation	458,559	458,559	344,168	114,391
Capital Outlay	<u>31,000</u>	<u>31,000</u>	<u>18,490</u>	<u>12,510</u>
Total Expenditures	<u>489,559</u>	<u>489,559</u>	<u>362,658</u>	<u>126,901</u>
Excess of Revenues (Under) Over Expenditures	(348,559)	(348,559)	(222,475)	126,084
Other Financing Sources:				
Transfers - In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Net Change in Fund Balance	(148,559)	(148,559)	(22,475)	126,084
Fund Balance at Beginning of Year	141,550	141,550	141,550	0
Prior Year Encumbrances Appropriated	<u>14,125</u>	<u>14,125</u>	<u>14,125</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>7,116</u>	\$ <u>7,116</u>	\$ <u>133,200</u>	\$ <u>126,084</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, 2018

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ <u>740,000</u>	\$ <u>740,000</u>	\$ <u>735,653</u>	\$ <u>(4,347)</u>
Expenditures:				
Current:				
Transportation:				
Personal Service	1,060,686	1,072,686	867,464	205,222
Other	<u>386,248</u>	<u>373,248</u>	<u>250,242</u>	<u>123,006</u>
Total Transportation	1,446,934	1,445,934	1,117,706	328,228
Capital Outlay	<u>46,000</u>	<u>59,000</u>	<u>47,309</u>	<u>11,691</u>
Total Expenditures	<u>1,492,934</u>	<u>1,504,934</u>	<u>1,165,015</u>	<u>339,919</u>
Excess of Revenues (Under) Over Expenditures	(752,934)	(764,934)	(429,362)	335,572
Other Financing Sources:				
Transfers - In	<u>600,000</u>	<u>600,000</u>	<u>300,000</u>	<u>(300,000)</u>
Net Change in Fund Balance	(152,934)	(164,934)	(129,362)	35,572
Fund Balance at Beginning of Year	333,612	333,612	333,612	0
Prior Year Encumbrances Appropriated	<u>26,258</u>	<u>26,258</u>	<u>26,258</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>206,936</u></u>	\$ <u><u>194,936</u></u>	\$ <u><u>230,508</u></u>	\$ <u><u>35,572</u></u>

City of Rocky River, Ohio

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

State Highway Fund

For the Year Ended December 31, 2018

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ <u>57,000</u>	\$ <u>57,000</u>	\$ <u>60,324</u>	\$ <u>3,324</u>
Expenditures:				
Current:				
Transportation:				
Other	<u>87,000</u>	<u>87,000</u>	<u>74,001</u>	<u>12,999</u>
Net Change in Fund Balance	(30,000)	(30,000)	(13,677)	16,323
Fund Balance at Beginning of Year	<u>93,457</u>	<u>93,457</u>	<u>93,457</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>63,457</u></u>	\$ <u><u>63,457</u></u>	\$ <u><u>79,780</u></u>	\$ <u><u>16,323</u></u>

City of Rocky River, Ohio

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

Indigent Driver Alcohol Monitoring Fund

For the Year Ended December 31, 2018

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ <u>35,000</u>	\$ <u>35,000</u>	\$ <u>25,334</u>	\$ <u>(9,666)</u>
Expenditures:				
Capital Outlay	<u>69,000</u>	<u>69,000</u>	<u>21,294</u>	<u>47,706</u>
Net Change in Fund Balance	(34,000)	(34,000)	4,040	38,040
Fund Balance at Beginning of Year	<u>34,508</u>	<u>34,508</u>	<u>34,508</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>508</u></u>	\$ <u><u>508</u></u>	\$ <u><u>38,548</u></u>	\$ <u><u>38,040</u></u>

City of Rocky River, Ohio

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

Fire Levy Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 220,778	\$ 220,778	\$ 197,799	\$ (22,979)
Intergovernmental	0	0	27,304	27,304
Total Revenues	<u>220,778</u>	<u>220,778</u>	<u>225,103</u>	<u>4,325</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	692,900	698,900	639,767	59,133
Debt Service:				
Principal Retirement	20,140	20,140	10,733	9,407
Interest and Fiscal Charges	0	0	9,406	(9,406)
Total Expenditures	<u>713,040</u>	<u>719,040</u>	<u>659,906</u>	<u>59,134</u>
Excess of Revenues (Under) Over Expenditures	(492,262)	(498,262)	(434,803)	63,459
Other Financing Sources:				
Transfers - In	<u>445,000</u>	<u>445,000</u>	<u>445,000</u>	<u>0</u>
Net Change in Fund Balance	(47,262)	(53,262)	10,197	63,459
Fund Balance at Beginning of Year	<u>162,155</u>	<u>162,155</u>	<u>162,155</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>114,893</u>	\$ <u>108,893</u>	\$ <u>172,352</u>	\$ <u>63,459</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, 2018

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 220,778	\$ 220,778	\$ 197,799	\$ (22,979)
Intergovernmental	<u>0</u>	<u>0</u>	<u>27,304</u>	<u>27,304</u>
Total Revenues	<u>220,778</u>	<u>220,778</u>	<u>225,103</u>	<u>4,325</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	580,200	589,600	571,349	18,251
Debt Service:				
Principal Retirement	33,034	33,034	28,577	4,457
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>4,456</u>	<u>(4,456)</u>
Total Expenditures	<u>613,234</u>	<u>622,634</u>	<u>604,382</u>	<u>18,252</u>
Excess of Revenues (Under) Over Expenditures	(392,456)	(401,856)	(379,279)	22,577
Other Financing Sources:				
Transfers - In	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
Net Change in Fund Balance	7,544	(1,856)	20,721	22,577
Fund Balance at Beginning of Year	<u>176,443</u>	<u>176,443</u>	<u>176,443</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>183,987</u>	\$ <u>174,587</u>	\$ <u>197,164</u>	\$ <u>22,577</u>

City of Rocky River, Ohio

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

General Obligation Bond Retirement Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 662,336	\$ 662,336	\$ 593,369	\$ (68,967)
Intergovernmental	<u>0</u>	<u>0</u>	<u>81,905</u>	<u>81,905</u>
Total Revenues	<u>662,336</u>	<u>662,336</u>	<u>675,274</u>	<u>12,938</u>
Expenditures:				
Debt Service:				
Principal Retirement	975,000	975,000	975,000	0
Interest and Fiscal Charges	<u>216,000</u>	<u>216,000</u>	<u>215,988</u>	<u>12</u>
Total Expenditures	<u>1,191,000</u>	<u>1,191,000</u>	<u>1,190,988</u>	<u>12</u>
Excess of Revenues (Under) Over Expenditures	(528,664)	(528,664)	(515,714)	12,950
Other Financing Sources:				
Transfers - In	<u>410,000</u>	<u>410,000</u>	<u>410,000</u>	<u>0</u>
Net Change in Fund Balances	(118,664)	(118,664)	(105,714)	12,950
Fund Balance at Beginning of Year	<u>211,164</u>	<u>211,164</u>	<u>211,164</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>92,500</u>	\$ <u>92,500</u>	\$ <u>105,450</u>	\$ <u>12,950</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, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ <u>58,000</u>	\$ <u>58,000</u>	\$ <u>49,031</u>	\$ <u>(8,969)</u>
Expenditures:				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	<u>16,300</u>	<u>16,300</u>	<u>14,723</u>	<u>1,577</u>
Total Expenditures	<u>56,300</u>	<u>56,300</u>	<u>54,723</u>	<u>1,577</u>
Excess of Revenues Over (Under) Expenditures	1,700	1,700	(5,692)	(7,392)
Other Financing Sources:				
Transfers - In	<u>20,000</u>	<u>20,000</u>	<u>10,000</u>	<u>(10,000)</u>
Net Change in Fund Balance	21,700	21,700	4,308	(17,392)
Fund balance at Beginning of Year	<u>1,062</u>	<u>1,062</u>	<u>1,062</u>	<u>0</u>
Fund balance at End of Year	\$ <u><u>22,762</u></u>	\$ <u><u>22,762</u></u>	\$ <u><u>5,370</u></u>	\$ <u><u>(17,392)</u></u>

City of Rocky River, Ohio

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

Equipment Replacement Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 750,000	\$ 750,000	\$ 1,224,815	\$ 474,815
Intergovernmental	10,000	10,000	57,969	47,969
Charges for Services	<u>250,000</u>	<u>250,000</u>	<u>0</u>	<u>(250,000)</u>
Total Revenues	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,282,784</u>	<u>272,784</u>
Expenditures:				
General Government:				
Other	58,000	58,000	28,564	29,436
Capital Outlay	<u>3,650,927</u>	<u>3,650,927</u>	<u>3,025,707</u>	<u>625,220</u>
Total Expenditures	<u>3,708,927</u>	<u>3,708,927</u>	<u>3,054,271</u>	<u>654,656</u>
Excess of Revenues (Under) Over Expenditures	(2,698,927)	(2,698,927)	(1,771,487)	927,440
Other Financing Sources:				
Proceeds from sale of debt	<u>1,250,000</u>	<u>1,250,000</u>	<u>0</u>	<u>(1,250,000)</u>
Net Change in Fund Balance	(1,448,927)	(1,448,927)	(1,771,487)	(322,560)
Fund Balance at Beginning of Year	2,513,243	2,513,243	2,513,243	0
Prior Year Encumbrances Appropriated	<u>32,427</u>	<u>32,427</u>	<u>32,427</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>1,096,743</u>	\$ <u>1,096,743</u>	\$ <u>774,183</u>	\$ <u>(322,560)</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, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 544,000	\$ 544,000	\$ 508,383	\$ (35,617)
Investment Income	<u>5,500</u>	<u>5,500</u>	<u>13,370</u>	<u>7,870</u>
Total Revenues	<u>549,500</u>	<u>549,500</u>	<u>521,753</u>	<u>(27,747)</u>
Expenditures:				
Current:				
General Government:				
Personal Service	386,286	386,286	247,022	139,264
Other	<u>355,243</u>	<u>394,243</u>	<u>288,391</u>	<u>105,852</u>
Total General Government	741,529	780,529	535,413	245,116
Capital Outlay	85,500	46,500	7,932	38,568
Debt Service:				
Principal Retirement	220,000	220,000	220,000	0
Interest and Fiscal Charges	<u>26,500</u>	<u>26,500</u>	<u>26,106</u>	<u>394</u>
Total Expenditures	<u>1,073,529</u>	<u>1,073,529</u>	<u>789,451</u>	<u>284,078</u>
Net Change in Fund Balance	(524,029)	(524,029)	(267,698)	256,331
Fund Balance at Beginning of Year	866,742	866,742	866,742	0
Prior Year Encumbrances Appropriated	<u>621</u>	<u>621</u>	<u>621</u>	<u>0</u>
Fund Balance at End of Year	\$ <u>343,334</u>	\$ <u>343,334</u>	\$ <u>599,665</u>	\$ <u>256,331</u>

City of Rocky River, Ohio

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

Sanitary Sewer Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 775,000	\$ 775,000	\$ 1,265,712	\$ 490,712
Charges for Services	4,813,095	4,813,095	4,229,200	(583,895)
Intergovernmental	<u>2,909,236</u>	<u>2,909,236</u>	<u>3,130,506</u>	<u>221,270</u>
Total Revenues	<u>8,497,331</u>	<u>8,497,331</u>	<u>8,625,418</u>	<u>128,087</u>
Expenses:				
Sewer Operations:				
Personal Service	781,270	781,270	696,367	84,903
Materials And Supplies	88,787	88,787	64,312	24,475
Contractual Services	10,759,999	10,743,999	8,480,956	2,263,043
Heat, Light, And Power	23,000	23,000	21,270	1,730
Other	<u>17,074</u>	<u>35,074</u>	<u>26,360</u>	<u>8,714</u>
Total Sewer Operations	11,670,130	11,672,130	9,289,265	2,382,865
Capital Outlay	2,429,149	2,429,149	993,719	1,435,430
Debt Service:				
Principal Retirement	396,600	394,600	383,899	10,701
Interest and Fiscal Charges	<u>2,100</u>	<u>2,100</u>	<u>2,075</u>	<u>25</u>
Total Expenses	<u>14,497,979</u>	<u>14,497,979</u>	<u>10,668,958</u>	<u>3,829,021</u>
Excess of Revenues (Under) Over Expenses	(6,000,648)	(6,000,648)	(2,043,540)	3,957,108
Other Financing Sources:				
Transfers - In	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>(100,000)</u>
Net Change in Fund Equity	(5,900,648)	(5,900,648)	(2,043,540)	3,857,108
Fund Equity at Beginning of Year	2,790,240	2,790,240	2,790,240	0
Prior Year Encumbrances Appropriated	<u>4,247,239</u>	<u>4,247,239</u>	<u>4,247,239</u>	<u>0</u>
Fund Equity at End of Year	\$ <u>1,136,831</u>	\$ <u>1,136,831</u>	\$ <u>4,993,939</u>	\$ <u>3,857,108</u>

City of Rocky River, Ohio

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

Self Insurance Fund

For the Year Ended December 31, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charge for Services	\$ <u>3,011,950</u>	\$ <u>3,011,950</u>	\$ <u>2,930,875</u>	\$ <u>(81,075)</u>
Expenses:				
Contractual Services	591,591	599,591	601,627	(2,036)
Claims	<u>2,289,669</u>	<u>2,289,669</u>	<u>2,347,354</u>	<u>(57,685)</u>
Total Expenses	<u>2,881,260</u>	<u>2,889,260</u>	<u>2,948,981</u>	<u>(59,721)</u>
Net Change in Fund Equity	130,690	122,690	(18,106)	(140,796)
Fund Equity at Beginning of Year	631,225	631,225	631,225	0
Prior Year Encumbrances Appropriated	<u>40,052</u>	<u>40,052</u>	<u>40,052</u>	<u>0</u>
Fund Equity at End of Year	\$ <u><u>801,967</u></u>	\$ <u><u>793,967</u></u>	\$ <u><u>653,171</u></u>	\$ <u><u>(140,796)</u></u>

City of Rocky River, Ohio

Fiduciary Funds

Fund Descriptions

Agency Funds

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

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

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

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

City of Rocky River, Ohio

Combining Statement of Assets and Liabilities – Agency Funds

December 31, 2018

	<u>Deposits, Fees and Tri-City</u>	<u>Donations and Bequests</u>	<u>Municipal Court</u>	<u>S.A.F.E.</u>	<u>Total</u>
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 100,887	\$ 302,593	\$ 0	\$ 13,467	\$ 416,947
Cash and Cash Equivalents: In Segregated Accounts	<u>0</u>	<u>0</u>	<u>393,645</u>	<u>0</u>	<u>393,645</u>
Total Assets	\$ <u>100,887</u>	\$ <u>302,593</u>	\$ <u>393,645</u>	\$ <u>13,467</u>	\$ <u>810,592</u>
Liabilities:					
Deposits Held and Due To Others	\$ <u>100,887</u>	\$ <u>302,593</u>	\$ <u>393,645</u>	\$ <u>13,467</u>	\$ <u>810,592</u>

City of Rocky River, Ohio

Combining Statement of Changes in Assets and Liabilities – Agency Funds

For the Year Ended December 31, 2018

	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/18</u>
Deposits, Fees and Tri-City				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>93,440</u>	\$ <u>52,714</u>	\$ <u>45,267</u>	\$ <u>100,887</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>93,440</u>	\$ <u>52,714</u>	\$ <u>45,267</u>	\$ <u>100,887</u>
Donations and Bequests				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>214,400</u>	\$ <u>102,671</u>	\$ <u>14,478</u>	\$ <u>302,593</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>214,400</u>	\$ <u>102,671</u>	\$ <u>14,478</u>	\$ <u>302,593</u>
Municipal Court				
Assets:				
Cash and Cash Equivalents: In Segregated Accounts	\$ <u>362,812</u>	\$ <u>4,817,940</u>	\$ <u>4,787,107</u>	\$ <u>393,645</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>362,812</u>	\$ <u>4,817,940</u>	\$ <u>4,787,107</u>	\$ <u>393,645</u>
S.A.F.E.				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>14,251</u>	\$ <u>0</u>	\$ <u>784</u>	\$ <u>13,467</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>14,251</u>	\$ <u>0</u>	\$ <u>784</u>	\$ <u>13,467</u>
All Agency Funds				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 322,091	\$ 155,385	\$ 60,529	\$ 416,947
Cash and Cash Equivalents: In Segregated Accounts	<u>362,812</u>	<u>4,817,940</u>	<u>4,787,107</u>	<u>393,645</u>
Total Assets	\$ <u>684,903</u>	\$ <u>4,973,325</u>	\$ <u>4,847,636</u>	\$ <u>810,592</u>
Liabilities:				
Deposits Held and Due to Others	\$ <u>684,903</u>	\$ <u>4,973,325</u>	\$ <u>4,847,636</u>	\$ <u>810,592</u>

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Statistical Section



City of Rocky River, Ohio

December 31, 2018

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

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

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

City of Rocky River, Ohio

Net Position by Component – Last Ten Fiscal Years

Accrual Basis of Accounting

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>	<u>2017 (c)</u>	<u>2018</u>
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 31,254,205	\$ 31,781,713	\$ 30,680,267	\$ 33,293,005	\$ 36,713,198	\$ 41,586,463	\$ 42,891,009	\$ 45,354,753	\$ 49,427,948	\$ 53,411,670
Restricted for:										
Capital Projects	6,208,401	6,304,738	5,136,504	2,568,095	5,500,388	4,801,489	5,165,910	5,634,447	6,121,210	9,335,895
Debt Services	295,558	129,556	735,700	264,133	863,940	869,385	944,069	698,441	540,879	387,087
Refuse and Recycling	0	0	0	157,985	230,386	119,601	377,763	456,101	680,801	411,657
Office on Aging	124,001	51,446	71,622	93,676	115,703	159,197	243,704	291,038	286,539	248,791
Street Construction and Maintenance	406,063	414,993	413,966	0	1,012,978	881,576	821,270	951,838	1,014,243	882,471
Law Enforcement and Education	0	0	0	0	225,320	225,765	300,154	257,589	223,914	185,206
Fire and Police Pension	0	0	0	0	0	0	0	4,101	66,532	112,410
Security of Persons and Property	0	0	0	0	689,792	573,715	464,107	402,214	379,282	314,167
Municipal Probation	421,063	387,247	353,444	0	0	0	0	0	0	0
Community Impact	0	0	0	0	3,312	3,312	3,312	3,312	3,312	3,312
Other Purposes	539,121	224,268	556,500	6,464,168	0	0	0	0	0	0
Unrestricted (Deficit)	<u>3,227,747</u>	<u>2,162,461</u>	<u>1,107,586</u>	<u>2,360,231</u>	<u>3,229,728</u>	<u>(12,221,978)</u>	<u>(10,876,056)</u>	<u>(12,079,600)</u>	<u>(30,032,353)</u>	<u>(34,059,046)</u>
Total Net Position – Governmental Activities	<u>42,476,159</u>	<u>41,456,422</u>	<u>39,055,589</u>	<u>45,201,293</u>	<u>48,584,745</u>	<u>36,998,525</u>	<u>40,335,242</u>	<u>41,974,234</u>	<u>28,712,307</u>	<u>31,233,620</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	17,800,190	18,945,660	21,806,517	17,349,730	14,018,823	12,478,608	13,678,763	14,686,663	12,418,716	12,032,701
Unrestricted	<u>6,619,718</u>	<u>6,177,103</u>	<u>6,237,369</u>	<u>5,830,241</u>	<u>8,492,454</u>	<u>8,735,194</u>	<u>8,189,432</u>	<u>10,417,609</u>	<u>10,959,005</u>	<u>11,316,195</u>
Total Net Position – Business-Type Activities	<u>24,419,908</u>	<u>25,122,763</u>	<u>28,043,886</u>	<u>23,179,971</u>	<u>22,511,277</u>	<u>21,213,802</u>	<u>21,868,195</u>	<u>25,104,272</u>	<u>23,377,721</u>	<u>23,348,896</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.

Source: City financial records

(Continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>	<u>2017 (c)</u>	<u>2018</u>
Primary Government:										
Net Investment in										
Capital Assets	49,054,395	50,727,373	52,486,784	50,642,735	50,732,021	54,065,071	56,569,772	60,041,416	61,846,664	65,444,371
Restricted for:										
Capital Projects	6,208,401	6,304,738	5,136,504	2,568,095	5,500,388	4,801,489	5,165,910	5,634,447	6,121,210	9,335,895
Debt Services	295,558	129,556	735,700	264,133	863,940	869,385	944,069	698,441	540,879	387,087
Refuse and Recycling	0	0	0	157,985	230,386	119,601	377,763	456,101	680,801	411,657
Office on Aging	124,001	51,446	71,622	93,676	115,703	159,197	243,704	291,038	286,539	248,791
Municipal Probation	421,063	387,247	353,444	0	0	0	0	0	0	0
Street Construction and										
Maintenance	406,063	414,993	413,966	0	1,012,978	881,576	821,270	951,838	1,014,243	882,471
Law Enforcement and										
Education	0	0	0	0	225,320	225,765	300,154	257,589	223,914	185,206
Fire and Police Pensions	0	0	0	0	0	0	0	4,101	66,532	112,410
Security of Persons and										
Property	0	0	0	0	689,792	573,715	464,107	402,214	379,282	314,167
Community Impact	0	0	0	0	3,312	3,312	3,312	3,312	3,312	3,312
Other Purposes	539,121	224,268	556,500	6,464,168	0	0	0	0	0	0
Unrestricted	<u>9,847,465</u>	<u>8,339,564</u>	<u>7,344,955</u>	<u>8,190,472</u>	<u>11,722,182</u>	<u>(3,486,784)</u>	<u>(2,686,624)</u>	<u>(1,661,991)</u>	<u>(19,073,348)</u>	<u>(22,742,851)</u>
Total Primary Government										
Net Position	\$ <u>66,896,067</u>	\$ <u>66,579,185</u>	\$ <u>67,099,475</u>	\$ <u>68,381,264</u>	\$ <u>71,096,022</u>	\$ <u>58,212,327</u>	\$ <u>62,203,437</u>	\$ <u>67,078,506</u>	\$ <u>52,090,028</u>	\$ <u>54,582,516</u>

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

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

City of Rocky River, Ohio

Changes in Net Position – Last Ten Fiscal Years

Accrual Basis of Accounting

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>	<u>2017 (c)</u>	<u>2018</u>
Program revenues:										
Governmental Activities:										
Charges for Services:										
General Government\$	2,761,052	\$ 2,533,392	\$ 2,688,561	\$ 2,237,380	\$ 3,629,679	\$ 2,432,809	\$ 2,088,114	\$ 2,472,472	\$ 2,483,792	\$ 2,269,146
Security of Persons										
and Property	740,665	1,105,984	1,056,599	1,640,185	148,966	1,045,198	1,196,046	1,118,100	1,097,312	1,058,498
Public Health	369,997	495,138	542,072	536,596	610,187	578,496	371,903	347,508	381,637	425,143
Transportation	75	350	400	325	625	325	975	700	1,750	525
Leisure Time Activities	1,979,316	2,118,323	2,067,741	2,163,408	2,238,886	2,255,732	2,381,887	2,277,701	2,233,472	2,253,507
Community Development	260	175	200	250	150	225	325	175	350	175
Basic Utility Service	995,455	1,040,871	1,103,942	1,044,484	8,839	6,025	9,310	9,608	10,743	9,198
Operating Grants and Contributions:										
General Government	35,857	45,122	44,331	47,288	44,799	35,811	111,317	21,420	33,182	28,961
Security of Persons										
and Property	25,263	26,864	25,707	25,021	24,424	24,626	30,925	31,231	30,000	30,000
Transportation	781,961	775,539	777,312	791,552	874,364	888,696	902,937	911,659	944,656	933,750
Basic Utility Service	90,956	86,861	86,220	86,123	86,083	83,952	85,407	91,485	91,166	91,011
Capital Grants and Contributions:										
General Government	824,696	823,491	864,849	936,187	606,549	3,579,488	512,763	551,723	536,375	562,534
Public Health	0	0	0	0	1,700	2,286	150,000	0	0	0
Transportation	0	0	0	1,976,093	0	0	0	0	0	1,183,555
Basic Utility Service	220,091	463,209	0	366,391	0	0	0	0	0	0
Total Governmental Activities										
Program Revenues	<u>8,825,644</u>	<u>9,515,319</u>	<u>9,257,934</u>	<u>11,851,283</u>	<u>8,275,251</u>	<u>10,933,669</u>	<u>7,841,909</u>	<u>7,833,782</u>	<u>7,844,435</u>	<u>8,846,003</u>
Business-Type Activities:										
Charges for Services:										
Sanitary Sewer Charges	1,979,436	1,758,085	1,865,441	1,867,073	2,989,388	4,203,128	4,553,885	6,058,487	5,090,108	4,227,218
Capital Grants and Contributions:										
Sanitary Sewer Charges	903,127	1,501,035	3,158,259	437,437	28,107	0	0	0	0	0
Total Business-Type Activities										
Program Revenues	<u>2,882,563</u>	<u>3,259,120</u>	<u>5,023,700</u>	<u>2,304,510</u>	<u>3,017,495</u>	<u>4,203,128</u>	<u>4,553,885</u>	<u>6,058,487</u>	<u>5,090,108</u>	<u>4,227,218</u>
Total Primary Government										
Program Revenues	<u>11,708,207</u>	<u>12,774,439</u>	<u>14,281,634</u>	<u>14,155,793</u>	<u>11,292,746</u>	<u>15,136,797</u>	<u>12,395,794</u>	<u>13,892,269</u>	<u>12,934,543</u>	<u>13,073,221</u>

(Continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

	2009	2010	2011	2012	2013 (a)	2014 (b)	2015	2016	2017 (c)	2018
Expenses										
Governmental activities:										
General Government	6,932,356	7,598,480	9,384,315	5,294,037	5,913,026	5,668,787	5,591,132	6,005,870	7,176,860	6,990,613
Security of Persons and Property	9,623,866	9,010,010	9,472,809	8,983,880	9,207,482	9,306,477	9,391,822	11,044,627	10,765,969	12,399,511
Public Health	1,437,857	1,428,688	1,386,701	1,185,768	1,335,546	1,175,476	1,092,402	1,058,578	1,188,400	1,268,150
Transportation	2,758,278	2,385,058	2,459,672	2,279,856	2,508,065	3,754,446	4,005,442	2,898,876	3,783,233	4,011,387
Leisure Time Activities	4,268,822	3,948,809	4,527,664	3,657,902	3,531,071	3,174,829	3,497,102	4,276,788	4,419,638	4,494,796
Community Development	720,892	816,485	673,807	760,476	714,344	651,553	509,093	444,184	565,535	587,383
Basic Utility Services	1,772,114	2,127,597	2,111,718	2,521,711	1,704,807	1,516,591	1,941,569	1,832,793	2,257,068	2,512,750
Interest and Fiscal Charges	824,261	790,980	687,642	677,987	703,744	411,086	306,989	301,011	271,054	240,917
Total Governmental Activities Expenses	28,338,446	28,106,107	30,704,328	25,361,617	25,618,085	25,659,245	26,335,551	27,862,727	30,427,757	32,505,507
Business-Type Activities:										
Sanitary Sewer Charges	2,315,018	2,450,068	2,102,577	2,431,473	2,339,335	3,862,901	3,965,030	4,822,410	4,622,700	4,651,116
Total Primary Government Program Expenses	30,653,464	30,556,175	32,806,905	27,793,090	27,957,420	29,522,146	30,300,581	32,685,137	35,050,457	37,156,623
General Revenues:										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	4,093,251	3,872,423	3,788,172	3,815,055	3,700,797	3,765,359	3,756,030	4,146,236	4,146,550	4,173,148
Recreation	324,861	307,335	300,648	281,777	295,395	299,553	298,146	326,994	330,679	329,638
Office on Aging	324,861	307,335	300,648	281,777	295,395	299,553	298,146	326,994	330,679	329,638
Refuse and Recycling	649,723	614,670	601,297	563,557	590,792	599,103	596,288	653,990	661,359	659,328
Fire Levy	194,916	184,401	180,663	170,963	178,222	183,804	179,415	196,176	198,424	197,799
Police Levy	194,916	184,401	181,671	170,963	178,222	181,945	179,415	196,176	198,424	197,799
Capital Improvements	649,723	614,670	601,297	563,557	590,792	599,103	596,289	653,990	661,359	659,328
General Obligation Bond Retirement	634,889	599,627	597,831	563,557	592,792	599,103	596,289	653,990	595,231	593,369
Municipal Taxes Levied for:										
General Purposes	7,661,534	7,959,539	8,606,720	8,906,264	9,734,666	10,246,564	13,304,985	14,444,530	14,194,524	14,836,850
Franchise Tax	128,163	236,114	201,531	159,268	214,782	229,792	264,187	326,606	254,200	239,886
Admissions Tax	34,981	33,855	32,638	35,522	31,131	58,572	89,504	107,976	94,973	98,649
Grants and Entitlements not Restricted to Specific Programs	4,195,197	2,477,912	2,852,477	3,122,384	2,668,592	1,556,143	1,355,228	1,312,623	1,360,654	2,534,317
Investment Earnings	140,058	31,050	8,162	7,499	8,083	21,536	27,452	81,375	190,263	314,231

(Continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>	<u>2017 (c)</u>	<u>2018</u>
General Revenues (Continued):										
Governmental activities (Continued):										
Other	193,193	41,522	791,806	831,526	299,771	400,006	354,523	240,281	184,060	146,198
Transfers	0	106,197	0	4,736,952	0	1,365,188	(65,538)	(2,000,000)	2,974,188	838,994
Special Item	0	0	0	(4,554,583)	0	0	0	0	0	0
Total Governmental Activities										
General Revenues, Transfers, and Special Items	<u>19,420,266</u>	<u>17,571,051</u>	<u>19,045,561</u>	<u>19,656,038</u>	<u>19,379,432</u>	<u>20,405,324</u>	<u>21,830,359</u>	<u>21,667,937</u>	<u>26,375,567</u>	<u>26,149,172</u>
Business-Type Activities:										
Municipal Taxes Levied for										
General Purposes	0	0	0	0	0	0	0	0	1,225,620	1,265,712
Transfers	0	(106,197)	0	(4,736,952)	0	(1,365,188)	65,538	2,000,000	(2,974,188)	(838,994)
Total Business-Type Activities										
General Revenues and Transfers	<u>0</u>	<u>(106,197)</u>	<u>0</u>	<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>
Total General Revenues, Transfers, and Special Items	<u>19,420,266</u>	<u>17,464,854</u>	<u>19,045,561</u>	<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>26,575,890</u>
Change in Net Position:										
Governmental Activities	(92,536)	(1,019,737)	(2,400,833)	6,145,704	2,036,598	5,679,748	3,336,717	1,638,992	3,792,245	2,489,668
Business-Type Activities	<u>567,545</u>	<u>702,855</u>	<u>2,921,123</u>	<u>(4,863,915)</u>	<u>678,160</u>	<u>(1,024,961)</u>	<u>654,393</u>	<u>3,236,077</u>	<u>(1,281,160)</u>	<u>2,820</u>
Total Primary Government										
Change in Net Position	\$ <u>475,009</u>	\$ <u>(316,882)</u>	\$ <u>520,290</u>	\$ <u>1,281,789</u>	\$ <u>2,714,758</u>	\$ <u>4,654,787</u>	\$ <u>3,991,110</u>	\$ <u>4,875,069</u>	\$ <u>2,511,085</u>	\$ <u>2,492,488</u>

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City of Rocky River, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Nonspendable	\$ 0	\$ 0	\$ 20,082	\$ 39,224	\$ 20,105	\$ 41,608	\$ 60,058	\$ 68,794	\$ 308,225	\$ 264,499
Assigned	0	0	73,625	2,530,242	1,332,986	3,752,213	3,221,848	3,262,222	3,419,408	4,256,452
Unassigned	0	0	3,503,175	1,825,725	3,619,420	2,694,990	3,783,076	4,673,864	5,405,983	3,199,410
Reserved	118,863	370,707	0	0	0	0	0	0	0	0
Unreserved	<u>4,363,415</u>	<u>3,183,940</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General Fund	<u>4,482,278</u>	<u>3,554,647</u>	<u>3,596,882</u>	<u>4,395,191</u>	<u>4,972,511</u>	<u>6,488,811</u>	<u>7,064,982</u>	<u>8,004,880</u>	<u>9,133,616</u>	<u>7,720,361</u>
All Other Governmental Funds										
Nonspendable	0	0	117,404	134,826	97,529	160,495	159,099	189,435	286,568	215,544
Restricted	0	0	6,054,235	8,233,110	7,471,528	6,608,029	7,485,009	7,879,652	8,449,837	11,054,725
Unassigned (Deficit)	0	0	(627,575)	(504,079)	(385,379)	(482,711)	(289,493)	(307,565)	(99,613)	(155,823)
Reserved	2,615,314	4,893,122	0	0	0	0	0	0	0	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	722,896	375,705	0	0	0	0	0	0	0	0
Debt Service Funds	296,748	129,711	0	0	0	0	0	0	0	0
Capital Projects Funds	<u>3,971,943</u>	<u>1,766,381</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>7,606,901</u>	<u>7,164,919</u>	<u>5,544,064</u>	<u>7,863,857</u>	<u>7,183,678</u>	<u>6,285,813</u>	<u>7,354,615</u>	<u>7,730,451</u>	<u>8,636,792</u>	<u>11,114,446</u>
Total Governmental Funds	\$ <u>12,089,179</u>	\$ <u>10,719,566</u>	\$ <u>9,140,946</u>	\$ <u>12,259,048</u>	\$ <u>12,156,189</u>	\$ <u>12,774,624</u>	\$ <u>14,419,597</u>	\$ <u>15,735,331</u>	\$ <u>17,770,408</u>	\$ <u>18,834,807</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) In 2011, the City implemented GASB Statement No. 54.

City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

	2009	2010	2011	2012	2013 (a)	2014 (b)	2015	2016	2017	2018
Revenues										
Property Taxes	\$ 7,080,115	\$ 6,686,547	\$ 6,472,059	\$ 6,479,941	\$ 6,443,601	\$ 6,536,524	\$ 6,500,467	\$ 7,128,340	\$ 7,142,839	\$ 7,120,568
Municipal Income taxes	7,748,760	8,106,509	8,570,317	8,697,295	9,621,455	10,194,101	13,075,238	14,535,231	13,823,124	13,780,979
Other Local Taxes	163,144	269,969	234,169	194,790	245,913	288,364	353,691	434,582	349,173	338,535
Intergovernmental	6,285,727	4,683,905	4,749,825	5,356,419	4,451,998	3,199,672	3,120,298	2,893,176	3,013,818	4,146,884
Charges for Services	3,317,448	3,635,605	3,711,407	3,829,615	2,837,298	2,835,023	2,744,317	2,622,330	2,580,736	2,669,154
Fines, Fees, and Permits	3,357,804	3,405,319	3,504,950	3,652,640	3,766,444	3,432,285	3,442,054	3,464,180	3,422,995	3,325,728
Special Assessments	66,757	61,788	60,120	58,421	68,198	53,920	54,353	51,032	109,868	49,031
Investment Income	140,058	31,050	8,162	7,499	8,083	21,536	11,173	61,366	226,551	287,335
Rentals	104,387	104,047	86,230	93,229	91,044	92,875	96,495	108,389	97,587	106,462
Other	209,371	107,372	792,765	834,019	300,334	400,006	354,523	240,740	184,060	1,283,026
Total Revenues	28,473,571	27,092,111	28,190,004	29,203,868	27,834,368	27,054,306	29,752,609	31,539,366	30,950,751	33,107,702
Expenditures										
Current:										
General Government	4,991,465	4,983,015	4,888,964	5,106,984	4,461,355	4,972,508	5,210,524	5,835,805	5,060,314	5,755,323
Security of Persons and Property	9,246,320	8,985,847	9,104,294	8,785,151	9,245,442	9,180,199	8,992,682	9,213,697	9,663,674	10,032,250
Public Health	1,173,737	1,298,805	1,281,566	1,061,178	1,239,240	1,153,116	993,557	899,726	963,653	1,005,754
Transportation	2,268,740	2,206,182	2,138,947	1,702,865	1,736,448	1,963,888	2,080,847	2,046,662	2,233,537	2,485,655
Leisure Time Activities	3,641,297	3,387,478	3,188,335	3,170,232	3,172,881	3,159,934	3,314,950	3,368,485	3,430,564	3,538,637
Community Development	917,692	792,068	807,866	766,902	737,752	669,155	655,520	478,221	512,785	533,033
Basic Utility Services	2,056,568	3,387,129	4,592,412	4,481,802	1,613,539	1,511,655	1,551,473	1,389,284	1,646,872	1,846,102
Capital Outlay	3,595,408	2,125,399	2,997,396	1,035,843	1,352,306	2,081,172	4,225,764	3,434,268	3,460,696	5,493,418
Debt Service										
Principal	1,116,923	1,138,080	1,909,286	1,268,289	1,271,855	1,338,224	739,651	1,226,139	1,257,690	1,274,310
Interest	848,319	815,274	716,098	685,370	626,374	423,666	354,653	331,358	302,630	270,679
Bond Issuance Costs	0	0	74,864	0	0	128,353	0	0	0	0
Total Expenditures	29,856,469	29,119,277	31,700,028	28,064,616	25,457,192	26,581,870	28,119,621	28,223,645	28,532,415	32,235,161
Excess of Revenues Over (Under) Expenditures	(1,382,898)	(2,027,166)	(3,510,024)	1,139,252	2,377,176	472,436	1,632,988	3,315,721	2,418,336	872,541

(Continued)

City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Other Financing Sources (Uses)</u>										
Proceeds from Sale of										
Capital Assets	16,127	11,537	0	14,615	2,059	17,646	11,985	13	16,741	425
Issuance of Debt	228,754	646,016	4,691,540	1,964,235	0	9,180,000	0	0	0	191,433
Premium on General										
Obligation Debt	0	0	52,694	0	0	592,633	0	0	0	0
Payment to Escrow	0	0	(2,812,830)	0	0	(9,644,280)	0	0	0	0
Transfers - In	5,487,764	4,471,000	3,680,000	3,994,000	5,108,000	3,353,300	4,798,300	3,030,000	4,123,000	4,225,000
Transfers - Out	(5,487,764)	(4,471,000)	(3,680,000)	(3,994,000)	(5,108,000)	(3,353,300)	(4,798,300)	(5,030,000)	(4,523,000)	(4,225,000)
Total Other Financing Sources (Uses)	<u>244,881</u>	<u>657,553</u>	<u>1,931,404</u>	<u>1,978,850</u>	<u>2,059</u>	<u>145,999</u>	<u>11,985</u>	<u>(1,999,987)</u>	<u>(383,259)</u>	<u>191,858</u>
Net Change in Fund Balances	\$ <u>(1,138,017)</u>	\$ <u>(1,369,613)</u>	\$ <u>(1,578,620)</u>	\$ <u>3,118,102</u>	\$ <u>2,379,235</u>	\$ <u>618,435</u>	\$ <u>1,644,973</u>	\$ <u>1,315,734</u>	\$ <u>2,035,077</u>	\$ <u>1,064,399</u>
Debt Service as a Percentage of Noncapital Expenditures	7.18%	7.21%	8.56%	7.88%	8.26%	8.43%	4.36%	6.37%	5.82%	5.72%

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

(Continued)

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) This amount is calculated for 2018 based on the following percentages:

Real property is assessed at 35 percent of actual value.

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

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

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

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

	<u>Total</u>			
	<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Ratio</u>	<u>Total Direct Rate (2)</u>
\$	693,135,430	\$ 1,969,387,568	35.20%	\$ 10.90
	689,293,310	1,958,165,300	35.20	10.90
	685,503,080	1,946,883,800	35.21	10.90
	683,024,720	1,938,730,347	35.23	10.90
	685,726,280	1,944,953,148	35.26	10.90
	688,712,190	1,952,767,012	35.26	10.90
	745,929,250	2,115,988,618	35.25	10.90
	749,807,390	2,126,179,100	35.26	10.80
	750,489,810	2,126,989,802	35.28	10.80
	878,680,100	2,492,605,923	35.25	10.80

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City of Rocky River, Ohio

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

Last Ten Years

Year	City of Rocky River					Total	Rocky River School and Library	Cuyahoga County	Special(1) Taxing Districts	Total
	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Bond Service	Total					
2009	\$ 6.30	\$ 2.60	\$ 1.00	\$ 1.00	\$ 10.90	\$ 88.80	\$ 13.32	\$ 4.78	\$ 117.80	
2010	6.30	2.60	1.00	1.00	10.90	90.40	13.32	5.08	119.70	
2011	6.30	2.60	1.00	1.00	10.90	90.45	13.22	5.08	119.65	
2012	6.30	2.60	1.00	1.00	10.90	95.35	13.42	5.08	124.75	
2013	6.30	2.60	1.00	1.00	10.90	95.65	14.05	5.98	126.58	
2014	6.30	2.60	1.00	1.00	10.90	95.65	14.05	6.88	127.48	
2015	6.30	2.60	1.00	1.00	10.90	95.65	14.05	6.88	127.48	
2016	6.30	2.60	1.00	0.90	10.80	95.65	14.05	6.88	127.38	
2017	6.30	2.60	1.00	0.90	10.80	96.57	14.05	7.38	128.80	
2018	6.30	2.60	1.00	0.78	10.68	97.67	14.05	7.38	129.78	

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

City of Rocky River, Ohio

Real Property Tax Levies and Collection

Last Ten Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Collections (1)</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Tax Collections</u>
2009	\$ 7,867,118	\$ 7,834,168	99.58 %	\$ 177,726
2010	7,810,832	7,320,406	93.72	157,753
2011	7,758,489	7,214,139	92.98	150,703
2012	7,822,646	7,212,012	92.19	271,795
2013	7,678,031	7,218,630	94.02	157,763
2014	7,697,980	7,276,041	94.52	148,083
2015	7,660,093	7,252,808	94.68	177,485
2016	8,312,742	7,978,215	95.98	147,000
2017	8,375,791	7,951,509	94.93	175,946
2018	8,365,542	7,959,064	95.14	144,404

(Continued)

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

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

	<u>Total Tax Collections</u>	<u>Percent of Total Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
\$	8,011,894	101.84%	\$ 254,902	3.24 %
	7,478,159	95.74	253,220	3.24
	7,364,842	94.93	333,387	4.30
	7,483,807	95.67	264,653	3.38
	7,376,393	96.07	232,038	3.02
	7,424,124	96.44	234,457	3.05
	7,430,293	97.00	234,007	3.05
	8,125,215	97.74	260,215	3.13
	8,127,455	97.04	240,079	2.87
	8,103,468	96.87	259,559	3.10

City of Rocky River, Ohio

Principal Taxpayers: Real Property and Public Utility Tax

As of December 31, 2018 and December 31, 2009

<u>Taxpayer</u>	2018	
	Real Property and Public Utility	Percent of Total
	Assessed Value	Assessed Value
Rocky River Apartments, LLC	\$ 8,801,100	1.17%
Westwood Town Center	7,390,680	0.98
Cleveland Electric Illuminating Company	7,167,540	0.96
Beachcliff Properties, LP	4,392,020	0.59
SRK Perrysburg Association, LLC	3,797,050	0.51
Inland Westgate, LLC	3,520,550	0.47
Normandy Association, LP	3,161,000	0.42
Westwood Country Club, Co.	3,121,130	0.42
Presidential Apartments, LTD	3,117,450	0.42
Normandy Association, LTD	2,802,880	0.37
<i>Totals</i>	\$ <u>47,271,400</u>	<u>6.31%</u>
<i>Total City Assessed Valuation</i>	\$ <u>878,680,100</u>	
<u>Taxpayer</u>	2009	
	Real Property and Public Utility	Percent of Total
	Assessed Value	Assessed Value
Westwood Town Center	\$ 7,274,720	1.05%
Normandy Association, LTD.	5,324,110	0.77
Cleveland Illuminating Company	4,431,800	0.64
Beachcliff Properties	4,068,170	0.59
Presidential Apartments, LTD.	3,992,940	0.58
Westwood Country Club, Co.	3,262,770	0.47
Linden Apartment Company	2,548,600	0.37
Gross Management, Inc.	2,500,790	0.36
SRK Perrysburg Association, LLC	2,456,580	0.35
W & F Plaza Investments	2,450,740	0.35
<i>Totals</i>	\$ <u>38,311,220</u>	<u>5.53%</u>
<i>Total City Assessed Valuation</i>	\$ <u>693,135,430</u>	

Source: Cuyahoga County, Ohio; County Fiscal Officer

City of Rocky River, Ohio

Ratio of Outstanding Debt by Type

Last Ten Years

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

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>	
2009	\$ 109,663	\$ 101,345	92.42%	\$ 40,000	\$ 32,425	1.40
2010	158,600	141,903	89.47	40,000	30,438	2.01
2011	218,934	160,263	73.20	40,000	28,450	2.34
2012	174,446	147,289	84.43	40,000	26,463	2.22
2013	283,462	165,560	58.41	40,000	24,475	2.57
2014	354,583	194,403	54.82	40,000	22,476	3.11
2015	296,401	144,183	48.64	40,000	20,462	2.38
2016	342,452	215,899	63.05	40,000	18,400	3.69
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

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

City of Rocky River, Ohio

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

Last Ten Years

<u>Year</u>	<u>Population ⁽¹⁾</u>	<u>Net General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2009	20,735	\$ 17,592,670	\$ 693,135,430	2.54%	\$ 848.45
2010	20,213	16,657,273	689,293,310	2.42	824.09
2011	20,213	14,260,841	685,503,080	2.08	705.53
2012	20,213	13,556,418	683,024,720	1.98	670.68
2013 (c)	20,213	11,895,205	685,726,280	1.73	588.49
2014	20,213	10,921,564	688,712,190	1.59	540.32
2015	20,213	10,117,827	745,929,250	1.36	500.56
2016	20,213	9,149,402	749,807,390	1.22	452.65
2017	20,213	8,062,911	750,489,810	1.07	398.90
2018	20,213	6,957,650	878,680,100	0.79	344.22

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

(a) 2010 Federal Census

(b) 2000 Federal Census

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

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

City of Rocky River, Ohio

Computation of Legal Debt Margin

Last Ten Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (a)</u>	<u>2014 (b)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Assessed Valuation	\$ <u>693,135,430</u>	\$ <u>689,293,310</u>	\$ <u>685,503,080</u>	\$ <u>683,024,720</u>	\$ <u>685,726,280</u>	\$ <u>688,712,190</u>	\$ <u>745,929,250</u>	\$ <u>749,807,390</u>	\$ <u>750,489,810</u>	\$ <u>878,680,100</u>
Debt Limit - 10.5% of Assessed Valuation	\$ 72,779,220	\$ 72,375,798	\$ 71,977,823	\$ 71,717,596	\$ 72,001,259	\$ 72,314,780	\$ 78,322,571	\$ 78,729,776	\$ 78,801,430	\$ 92,261,411
Gross Indebtedness	18,927,473	18,424,118	18,577,694	19,275,054	19,626,172	21,106,111	20,808,801	22,502,519	22,103,353	23,742,340
Less: Debt Outside Limitation										
Special Assessment Bonds	(590,000)	(550,000)	(510,000)	(470,000)	(430,000)	(390,000)	(350,000)	(310,000)	(270,000)	(230,000)
OPWC Loans	(228,754)	(874,770)	(2,731,310)	(4,660,827)	(6,199,329)	(8,700,960)	(9,264,658)	(12,246,779)	(13,154,483)	(16,116,411)
OWDA Loans	(231,400)	(214,850)	(339,843)	(323,676)	(237,698)	(224,202)	(132,247)	(97,897)	(75,080)	(51,192)
Less: Amount Available In Debt Service Funds	<u>(284,649)</u>	<u>(127,225)</u>	<u>(735,700)</u>	<u>(264,133)</u>	<u>(863,940)</u>	<u>(869,385)</u>	<u>(944,069)</u>	<u>(698,441)</u>	<u>(540,879)</u>	<u>(387,087)</u>
Net Debt Within 10.5% Limitation	<u>17,592,670</u>	<u>16,657,273</u>	<u>14,260,841</u>	<u>13,556,418</u>	<u>11,895,205</u>	<u>10,921,564</u>	<u>10,117,827</u>	<u>9,149,402</u>	<u>8,062,911</u>	<u>6,957,650</u>
Legal Debt Margin	\$ <u>55,186,550</u>	\$ <u>55,718,525</u>	\$ <u>57,716,982</u>	\$ <u>58,161,178</u>	\$ <u>60,106,054</u>	\$ <u>61,393,216</u>	\$ <u>68,204,744</u>	\$ <u>69,580,374</u>	\$ <u>70,738,519</u>	\$ <u>85,303,761</u>
Debt Limit - 5.5% of Assessed Unvoted Value	\$ 38,122,449	\$ 37,911,132	\$ 37,702,669	\$ 37,566,360	\$ 37,714,945	\$ 37,879,170	\$ 41,026,109	\$ 41,239,406	\$ 41,276,940	\$ 48,327,406
Gross Indebtedness Authorized by Council	18,927,473	18,424,118	18,577,694	19,275,054	19,626,172	21,106,111	20,808,801	22,502,519	22,103,353	23,742,340
Less: Debt Outside Limitation	(8,057,824)	(8,293,445)	(9,871,133)	(11,370,638)	(12,399,317)	(14,699,605)	(14,663,904)	(17,084,231)	(17,426,674)	(19,812,270)
Less: Amount Available in Debt Service Funds Related to Unvoted Debt	<u>(194,019)</u>	<u>(76,937)</u>	<u>(695,009)</u>	<u>(219,222)</u>	<u>(820,740)</u>	<u>(869,385)</u>	<u>(944,069)</u>	<u>(619,941)</u>	<u>(463,472)</u>	<u>(307,739)</u>
Net Debt Within 5.5% Limitation	<u>10,675,630</u>	<u>10,053,736</u>	<u>8,011,552</u>	<u>7,685,194</u>	<u>6,406,115</u>	<u>5,537,121</u>	<u>5,200,828</u>	<u>4,798,347</u>	<u>4,213,207</u>	<u>3,622,331</u>
Unvoted Debt Margin	\$ <u>27,446,819</u>	\$ <u>27,857,396</u>	\$ <u>29,691,117</u>	\$ <u>29,881,166</u>	\$ <u>31,308,830</u>	\$ <u>32,342,049</u>	\$ <u>35,825,281</u>	\$ <u>36,441,059</u>	\$ <u>37,063,733</u>	\$ <u>44,705,075</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, 2018

	<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	\$ 7,344,737	100.00%	\$ 7,344,737
Special Assessment Bonds	230,000	100.00	230,000
OPWC Loans	<u>191,433</u>	100.00	<u>191,433</u>
Total Direct Debt	<u>7,766,170</u>		<u>7,766,170</u>
 <u>Overlapping:</u>			
Cuyahoga County	188,010,000	3.18	5,980,386
Greater Cleveland Regional Transit Authority	212,260,000	3.18	6,751,751
Rocky River School District	<u>38,305,000</u>	96.07	<u>36,799,607</u>
Total Overlapping	<u>438,575,000</u>		<u>49,531,744</u>
Total	\$ <u>446,341,170</u>		\$ <u>57,297,914</u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

City of Rocky River, Ohio

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

Last Ten Years

<u>Year</u>	<u>Debt Service</u>	<u>General Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2009	\$ 1,965,242	\$ 29,856,469	6.58%
2010	1,953,354	29,119,277	6.71
2011	2,625,384	31,700,028	8.28
2012	1,953,659	28,064,616	6.96
2013 (a)	1,898,229	25,457,192	7.46
2014	1,761,890	26,581,870	6.63
2015	1,094,304	28,119,621	3.89
2016	1,557,497	28,223,645	5.52
2017	1,560,320	28,532,415	5.47
2018	1,544,989	32,235,161	4.79

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

2018		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
City of Rocky River	653	4.4%
Rocky River Board of Education	546	3.7
Minute Men Select Inc.	341	2.3
Westwood Country Club Co.	284	1.9
Riser Foods Co.	273	1.8
Whole Foods Market Group, Inc.	270	1.8
Magnificat High School	264	1.8
Cuyahoga County Auditor Payroll	247	1.7
Heinens Inc.	237	1.6
Cleveland Yacht Club Inc.	234	1.6
Total	<u>3,349</u>	<u>22.6%</u>
Total City Employment	<u>14,848</u>	

2009		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
City of Rocky River	774	5.4%
Rocky River Board of Education	611	4.2
Normandy Manor of Rocky River	436	3.0
Riser Foods Co.	298	2.1
Marc Glassman Inc	261	1.8
Cleveland Yacht Club Inc.	235	1.6
Heinens Inc.	210	1.5
Magnificat High School	205	1.4
Lowe's	204	1.4
Cuyahoga County Auditor	106	0.7
Total	<u>3,340</u>	<u>23.1%</u>
Total City Employment	<u>14,464</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 2018 and CCA in 2009.

City of Rocky River, Ohio

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population</u> ⁽¹⁾	<u>Total Personal Income</u> ⁽²⁾	<u>Per Capita Personal Income</u> ⁽¹⁾	<u>Median Household Income</u> ⁽¹⁾	<u>School Enrollment</u> ⁽³⁾	<u>Unemployment Cuyahoga County</u> ⁽⁴⁾
2009	20,735 b	\$ 718,737,305	\$ 34,663	\$ 51,636	2,681	8.90%
2010	20,213 a	700,643,219	34,663	51,636	2,644	8.60
2011	20,213 a	700,643,219	34,663	51,636	2,612	7.10
2012	20,213 a	700,643,219	34,663	51,636	2,636	6.60
2013	20,213 a	700,643,219	34,663	51,636	2,635	7.20
2014	20,213 a	700,643,219	34,663	51,636	2,693	6.40
2015	20,213 a	700,643,219	34,663	51,636	2,770	4.00
2016	20,213 a	700,643,219	34,663	51,636	2,749	5.30
2017	20,213 a	700,643,219	34,663	51,636	2,693	4.80
2018	20,213 a	700,643,219	34,663	51,636	2,698	5.00

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

(a) 2010 Federal Census

(b) 2000 Federal Census

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

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

(3) Rocky River Board of Education

(4) Ohio Department of Job and Family Services

City of Rocky River, Ohio

Property Value and Construction

Last Ten Years

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

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	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government:										
Mayor	2	2	2	2	2	2	2	2	2	2
Finance Department	3	3	3	3	3	3	3	3	3	3
Building Maintenance	5	5	5	5	5	5	5	5	6	6
Human Resources	1	1	1	1	1	1	1	1	1	2
Municipal Courts	24	29	29	24	24	25	25	24	26	26
Building	6	6	6	6	6	6	4	4	4	4
Security of Persons and Property:										
Police Department	38	38	36	36	35	34	37	37	37	38
Fire Department	30	30	30	30	30	30	30	30	29	30
Safety Service Director	2	2	2	2	2	2	2	3	3	3
Traffic Signal	4	3	3	3	3	2	3	3	3	3
Transportation:										
Equipment Repair and Garage	8	7	7	6	6	7	7	7	7	7
Street Repair and Maintenance	12	10	9	7	8	10	10	10	11	9
Leisure Time Activities:										
Parks	4	4	4	2	3	3	3	3	5	5
Recreation Center	17	16	14	14	14	14	14	14	12	13
Community Development:										
Economic Development	1	1	1	1	0	0	0	0	0	0
Public Health:										
Office on Aging	8	8	8	6	6	5	5	5	6	5
Basic Utilities Services:										
Refuse and Recycling	<u>15</u>	<u>16</u>	<u>15</u>	<u>15</u>	<u>14</u>	<u>13</u>	<u>12</u>	<u>11</u>	<u>15</u>	<u>15</u>
Total Governmental Activities:	<u>180</u>	<u>181</u>	<u>175</u>	<u>163</u>	<u>162</u>	<u>162</u>	<u>163</u>	<u>162</u>	<u>170</u>	<u>171</u>
Sanitary Sewer	<u>9</u>	<u>9</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
Total Business-Type Activities:	<u>9</u>	<u>9</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
Total Primary Government:	<u>189</u>	<u>190</u>	<u>182</u>	<u>171</u>	<u>170</u>	<u>168</u>	<u>170</u>	<u>170</u>	<u>179</u>	<u>181</u>

Source: City Records

City of Rocky River, Ohio

Operating Indicators by Function/Program

Last Ten Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government:										
Council:										
Total Ordinances/Resolutions:										
Introduced	106	58	89	89	95	101	91	83	90	88
Passed on 1 st Reading	N/A	N/A	N/A	N/A	N/A	11	9	3	1	0
Passed on 2 nd Reading	N/A	N/A	N/A	N/A	N/A	8	10	7	5	2
Passed on 3 rd Reading	N/A	N/A	N/A	N/A	N/A	82	65	73	82	81
Tabled/Postponed	N/A	N/A	N/A	0	2	1	2	1	2	1
Passed with Emergency Provision	N/A	N/A	N/A	74	78	91	58	61	46	52
Building Department:										
New Single Family Home Permits	4	5	3	8	11	13	12	4	14	12
Commercial Building/Structures										
New	1	2	1	2	2	3	0	1	1	0
Additions	13	26	11	15	25	20	25	25	27	N/A
Increase in Dwelling Units	17	13	9	17	285	17	9	1	12	N/A
Total Receipts – Building Permits	\$ 220,606	\$ 258,561	\$ 267,940	\$ 277,229	\$ 459,542	\$ 461,583	\$ 305,143	\$ 286,553	\$ 395,181	\$ 342,746
Municipal Court:										
Jurisdiction Population	120,226	120,226	118,137	118,137	118,137	118,137	118,137	118,137	118,137	118,137
Cases Filed:137										
Criminal/Traffic	23,592	23,574	23,820	25,175	16,532	13,735	13,005	13,931	11,394	11,274
Civil/Small Claims	3,887	3,106	2,771	2,751	2,188	2,391	2,126	2,364	2,729	2,777
Security of Persons and Property:										
Police Protection:										
Motor Vehicle Accidents	336	374	311	260	541	605	596	625	629	672
BAC Licensed Operators	22	24	23	20	17	17	17	17	19	N/A
Community Diversion Cases	240	140	167	105	147	N/A	N/A	N/A	50	46
Marine Patrol Boat Hours	609	922	143	449	437	516	652	534	569	634
Total Prisoners	972	909	901	911	997	816	771	841	739	646

(Continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Fire Protection:										
Emergency Responses:										
Building Fire Calls	29	23	29	28	35	33	38	30	30	19
Emergency Medical Care	1,936	2,008	2,240	2,113	2,074	2,173	2,403	2,380	2,437	2,469
System Tests Witnessed:										
Commercial Kitchen	14	N/A	2	13	6	24	38	16	28	13
Sprinkler / Standpipe	14	N/A	6	8	19	64	31	14	29	20
Fire Alarm	25	N/A	3	20	18	24	30	10	26	11
General Inspections for Licensure	58	52	128	91	95	53	103	84	75	53
Public Health Services:										
Senior Center:										
Volunteers	150	158	171	183	168	167	180	130	100	128
Volunteer Hours	12,910	15,352	15,352	15,832	16,172	13,000	15,000	15,000	9,400	15,000
Senior Transportation Trips	8,578	8,178	8,156	7,772	7,772	6,897	6,761	6,854	6,927	8,679
Lunches Served	15,825	16,612	18,085	N/A	75 / day	N/A	N/A	13,000	13,000	14,000
Gift Shop Sales	\$ 52,169	\$ 63,152	\$ 59,666	\$ 53,100	\$ 53,969	\$ 49,553	\$ 42,343	\$ 44,688	\$ 37,178	\$ 35,179
Flu and Pneumonia shots	572	436	436	270	N/A	N/A	N/A	N/A	N/A	N/A
Transportation:										
Safety Service:										
Snowfall in Inches [1]	79.7	63.1	59.8	63.3	58.4	84.2	20.9	24.3	53.1	N/A
Road Salt Purchased (tons)	4,000	4,800	4,800	NA	3,100	3,300	3,300	2,600	3,500	2,825
Cold Patch Purchased (tons)	25	NA	NA	NA	NA	327	355	233	163	206
Trees Planted	89	92	89	37	113	62	82	55	121	119
Trees Removed	47	43	123	43	47	59	82	75	54	55

(Continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Leisure Time Activities:										
Recreation Center:										
Summer Camp – Recreation	476	450	457	395	426	342	351	368	355	324
Summer Camp – Sports	453	518	832	901	705	581	651	579	451	454
Summer Sunset Concerts	5	5	5	5	5	8	8	9	8	10
Concert Attendance	3,500	N/A	N/A	1,750	N/A	N/A	N/A	N/A	N/A	N/A
Outdoor Pool Attendance	32,721	46,697	45,000	N/A	N/A	18,144	37,309	34,062	24,467	9,497
Hockey Spectator Admissions	N/A	2,672	2,325	2,408	2,357	2,210	2,160	2,262	2,450	2,950
Learn-to-Skate Participants	1,843	2,075	1,936	N/A	N/A	N/A	2,962	N/A	N/A	N/A
Swim Team Participants	144	127	138	151	146	128	140	129	125	128
Basic Utilities Service:										
Refuse Collection:										
Refuse Truck Collections (tons)	9,093	8,853	8,920	8,790	8,576	8,114	7,519	7,354	7,485	7,613
Blue Bag Collections (tons)	337	375	378	390	590	968	928	1,019	1,013	975
Leaf Collections (tons)	1,287	1,288	1,097	1,140	1,388	1,434	1,149	1,252	859	1,828
Paper Collections (tons)	195	155	98	79	37	0	0	0	0	0
Cardboard Collections (tons)	183	173	174	189	185	128	136	116	117	105
Sanitary Sewer:										
Quantity and Strength Percent of Wastewater Treatment Plant	29.40	25.43	25.43	25.43	25.43	25.31	25.31	25.31	25.31	24.11

Source: City Records

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

N/A – Information is not available

City of Rocky River, Ohio

Capital Asset Statistics by Function/Program

Last Ten Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government:										
Other Departmental Vehicles	10	10	10	10	10	10	9	9	9	9
Square Footage of Building	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370
Miles of Storm Sewer	90	90	90	90	90	90	90	90	90	90
Security of Persons and Property:										
Police Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	25	25	25	25	23	23	26	26	26	26
Marine Patrol Boat	1	1	1	1	1	1	1	1	1	1
Canine Unit(s)	2	2	2	2	2	2	2	2	2	2
Square Footage of Police Station	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672	9,672
Number of Street Lights	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,805	1,805
Fire Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	10	10	10	10	10	10	9	9	9	8
Square Footage of Fire Station	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088
Number of Fire Hydrants	1,003	1,041	1,041	1,041	1,041	1,041	1,016	1,016	1,016	1,016
Public Health Services:										
Senior Transportation:										
Number of Vehicles	6	5	5	5	5	5	5	5	5	5
Square Footage of Senior Center	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012
Transportation:										
Number of Vehicles	31	31	31	31	31	31	31	31	31	31
Square Footage of Service Building	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198
Miles of Streets	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49

(Continued)

City of Rocky River, Ohio

Capital Asset Statistics by Function/Program (continued)

Last Ten Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Leisure Time Activities:										
Recreation and Culture:										
Number of Parks	9	9	9	9	9	9	9	9	9	9
Acres of Parks	106	106	106	106	106	106	106	106	106	106
Number of Vehicles	10	10	10	10	10	10	12	12	12	12
Square Footage of Recreation Facilities	84,379	84,379	84,379	84,379	81,379	81,379	81,379	81,379	81,379	81,379
Miles of Shoreline	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Basic Utilities Service:										
Refuse Collection:										
Refuse Vehicles	24	24	24	24	24	24	22	22	22	22
Transit Scooters	19	19	17	12	10	10	11	11	11	11
Transfer Station	1	1	1	1	1	1	1	1	1	1
Sewers:										
Miles of Sanitary Sewers	90	90	90	90	90	90	90	90	90	90
Number of Vehicles	8	8	8	8	8	8	8	8	8	8
Number of Sanitary Sewer Accounts	7,038	7,038	7,043	6,806	6,806	6,840	6,840	6,893	6,854	6,878

Source: City Records

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF ROCKY RIVER

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 7, 2020**