

CITY OF RIVERSIDE
MONTGOMERY COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

City Council
City of Riverside
5200 Springfield Street, Suite 100
Riverside, Ohio 45431

We have reviewed the *Independent Auditor's Report* of the City of Riverside, Montgomery County, prepared by Julian & Grube, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 31, 2025

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**CITY OF RIVERSIDE
MONTGOMERY COUNTY, OHIO**

TABLE OF CONTENTS

Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 14
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17 - 18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	21 - 22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Notes to the Basic Financial Statements.....	25 - 77
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund	80
Fire Fund.....	81
Street/Public Service Fund.....	82
Police Fund.....	83
Schedule of the City's Proportionate Share of the Net Pension Liability/Net Pension Asset and City Pension Contributions:	
Ohio Public Employees Retirement System (OPERS) - Traditional Plan	84
Ohio Public Employees Retirement System (OPERS) - Combined Plan	85
Ohio Public Employees Retirement System (OPERS) - Member Directed Plan	86
Ohio Police and Fire (OP&F) Pension Fund	87
Schedule of the City's Proportionate Share of the Net OPEB Liability/(Asset) and City OPEB Contributions:	
Ohio Public Employees Retirement System (OPERS)	88
Ohio Police and Fire (OP&F) Pension Fund	89
Notes to the Required Supplementary Information	90 - 94
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	
	95 - 96
Schedule of Findings and Responses.....	97
Summary Schedule of Prior Audit Findings.....	98

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Independent Auditor's Report

City of Riverside
Montgomery County
5200 Springfield Street, Suite 100
Riverside, Ohio 45431

To the Members of the City Council and Mayor:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Riverside, Montgomery County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Riverside basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Riverside, as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, the City of Riverside restated beginning net position as a result of a change in accounting principle by implementing GASB Statement No. 101, "Compensated Absences". Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Riverside's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Riverside's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit contribution, and budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2025 on our consideration of the City of Riverside's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Riverside's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Riverside's internal control over financial reporting and compliance.



Julian & Grube, Inc.
July 21, 2025

CITY OF RIVERSIDE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The management's discussion and analysis of the City of Riverside's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- The total net position of the City increased \$4,216,918 or 20.78% from 2023's restated net position.
- General revenues accounted for \$15,939,373 or 71.72% of total governmental activities revenue. Program specific revenues accounted for \$6,284,852 or 28.28% of total governmental activities revenue.
- The City had \$18,007,307 in expenses related to governmental activities; \$6,284,852 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities were offset by general revenues (primarily miscellaneous revenues, property taxes, payments in lieu of taxes, income taxes and unrestricted grants and entitlements) of \$15,939,373.
- The general fund had revenues and other financing sources of \$12,252,816 in 2024. The expenditures and other financing uses of the general fund totaled \$9,177,306 in 2024. The net increase in fund balance for the general fund was \$3,075,510 or 43.06%.
- The fire fund had revenues and other financing sources of \$4,617,436 in 2024. The expenditures of the fire fund totaled \$5,144,533 in 2024. The net decrease in fund balance for the fire fund was \$527,097 or 33.97%.
- The street/public service fund had revenues and other financing sources of \$2,999,032 in 2024. The expenditures of the street/public service fund totaled \$3,564,540 in 2024. The net decrease in fund balance for the street/public service fund was \$565,508 or 35.52%.
- The police fund had revenues and other financing sources of \$5,101,121 in 2024. The expenditures of the police fund totaled \$5,402,680 in 2024. The net decrease in fund balance for the police fund was \$301,559 or 22.76%.
- In the general fund, the actual revenues and other financing sources of \$7,102,445 were greater than the final budget of \$6,931,199. Actual expenditures and other financing uses of \$7,738,883 were less than the amount in the final budget of \$11,031,412. Budgeted revenues and other financing sources increased \$843,708 from the original to the final budget while original budgeted expenditures increased \$3,726,412.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

CITY OF RIVERSIDE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. 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 remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2024?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net position and the statement of activities, the governmental activities include the City's programs and services, including general administration, police and fire protection, street maintenance, economic development and capital improvements. These services are funded primarily by property and municipal income taxes, revenue in lieu of taxes, and intergovernmental revenues including federal and state grants and other shared revenues.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CITY OF RIVERSIDE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, fire fund, street/public service fund, and police fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension/OPEB assets and liabilities.

Government-Wide Financial Analysis

The table below provides a summary of the City's assets, deferred inflows of resources, liabilities, deferred outflows of resources and net position at December 31, 2024 and 2023. For the table below, amounts for 2024 have been presented in accordance with the provisions of GASB Statement No. 101 (see Note 3) while amounts for 2023 have been presented in accordance with previous guidance.

	Net Position	
	Governmental Activities 2024	Governmental Activities 2023
<u>Assets</u>		
Current and other assets	\$ 26,757,720	\$ 25,384,346
Capital assets, net	31,444,995	28,880,664
Total assets	58,202,715	54,265,010
<u>Deferred outflows of resources</u>	6,151,805	6,679,221
<u>Liabilities</u>		
Current liabilities	1,933,865	2,885,901
Long-term liabilities		
Net pension liability	16,995,245	16,735,822
Net OPEB liability	1,095,439	1,092,279
Other long-term liabilities	14,448,426	13,529,885
Total liabilities	34,472,975	34,243,887
<u>Deferred inflows of resources</u>	5,373,010	5,826,136
<u>Net position</u>		
Net investment in capital assets	18,451,797	16,343,091
Restricted	3,786,501	5,540,881
Unrestricted (deficit)	2,270,237	(1,009,764)
Total net position	\$ 24,508,535	\$ 20,874,208

CITY OF RIVERSIDE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

Governmental Accounting Standards Board 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 and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and 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.

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 and 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 and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 and 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 liability or the net OPEB liability. As explained above, changes in 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 liability and the net OPEB liability are 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 an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2024, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$24,508,535.

CITY OF RIVERSIDE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 54.03% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, vehicles, infrastructure and the intangible right to use leased equipment and vehicles. The net investment in capital assets at December 31, 2024, was \$18,451,797 in the governmental activities. These capital assets are used to provide services to citizens and are not available for future spending.

Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$3,786,501, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance is a unrestricted net position of \$2,270,237.

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CITY OF RIVERSIDE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

During 2024, the City implemented GASB Statement No. 101 (see Note 3). For the table below, the implementation has been reported as a change in accounting principle. The following table shows the changes in net position for 2024 and 2023.

Change in Net Position		
	Governmental Activities	
	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ 2,447,202	\$ 2,860,912
Operating grants and contributions	2,295,427	2,636,597
Capital grants and contributions	<u>1,542,223</u>	<u>3,466,932</u>
Total program revenues	<u>6,284,852</u>	<u>8,964,441</u>
General revenues:		
Property taxes	2,220,834	2,051,320
Income taxes	10,860,462	10,158,405
Other local taxes	314,530	316,523
Revenue in lieu of taxes	215,097	191,129
Unrestricted grants and entitlements	785,352	1,017,400
Investment earnings	710,180	244,885
Miscellaneous	<u>832,918</u>	<u>689,046</u>
Total general revenues	<u>15,939,373</u>	<u>14,668,708</u>
Total revenues	<u>22,224,225</u>	<u>23,633,149</u>
Expenses		
General government	2,629,040	3,151,885
Security of persons and property	10,783,494	9,867,623
Public health and welfare	-	7,498
Leisure time activities	66,371	69,946
Community and economic development	595,825	558,316
Transportation	3,372,259	3,103,543
Interest	<u>560,318</u>	<u>500,310</u>
Total expenses	<u>18,007,307</u>	<u>17,259,121</u>
Change in net position	4,216,918	6,374,028
Net position as previously reported	20,874,208	14,500,180
Restatement - change in accounting principle	<u>(582,591)</u>	<u>-</u>
Net position at beginning of year, restated	<u>20,291,617</u>	<u>14,500,180</u>
Net position at end of year	<u>\$ 24,508,535</u>	<u>\$ 20,874,208</u>

CITY OF RIVERSIDE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Governmental Activities

Expenses increased due to inflation, the implementation of GASB 101, and more maintenance being done on the City's roadways.

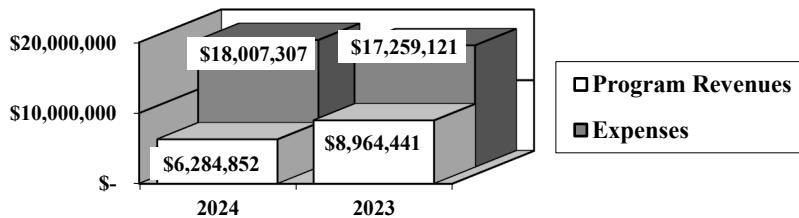
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$10,783,494 of the total expenses of the City. These expenses were partially funded by \$502,319 in direct charges to users of the services and \$260,388 in operating grants and contributions. Transportation expenses totaled \$3,372,259. Transportation expenses were primarily funded by \$2,027,725 in operating grants and contributions and \$1,542,223 in capital grants and contributions.

During 2024, the local, state, and federal government contributed to the City a total of \$2,295,427 in operating grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$2,027,725 subsidized transportation programs and \$260,388 subsidized security of persons and property programs.

General revenues totaled \$15,939,373 and amounted to 71.72% of total governmental revenues in 2024. These revenues primarily consist of property and income tax revenue of \$13,081,296. The other primary source of general revenues is unrestricted grants and entitlements, making up \$785,352. Overall revenues decreased because of a decrease in the City's capital grants and contributions of \$1,924,709.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and municipal income taxes as well as miscellaneous revenues.

Governmental Activities - Program Revenues vs. Total Expenses



Governmental Activities

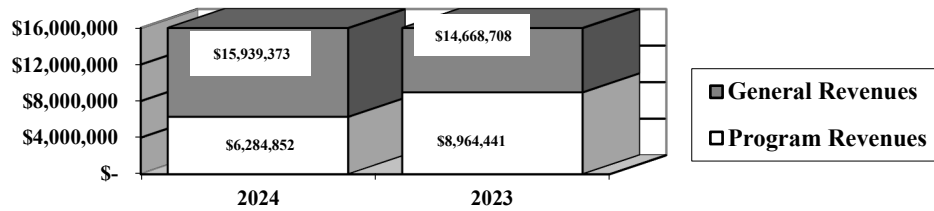
	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
Program expenses:				
General government	\$ 2,629,040	\$ 747,415	\$ 3,151,885	\$ 1,886,375
Security of persons and property	10,783,494	10,020,787	9,867,623	7,424,830
Public health and welfare	-	-	7,498	7,498
Leisure time activities	66,371	59,057	69,946	69,946
Community and economic development	595,825	533,306	558,316	435,062
Transportation	3,372,259	(198,428)	3,103,543	(2,029,341)
Interest	560,318	560,318	500,310	500,310
Total	\$ 18,007,307	\$ 11,722,455	\$ 17,259,121	\$ 8,294,680

The dependence upon general revenues for governmental activities is apparent, with 65.10% of expenses supported through taxes and other general revenues for 2024.

CITY OF RIVERSIDE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Governmental Activities - General and Program Revenues



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds reported a combined fund balance of \$15,703,076 which is \$986,848 greater than last year's total of \$14,716,228. The schedule on the following page indicates the fund balances and the total change in fund balances as of December 31, 2024, and December 31, 2023 for all major and nonmajor governmental funds.

	Fund Balances 12/31/24	Fund Balances 12/31/23	Increase
Major funds:			
General	\$ 10,218,010	\$ 7,142,500	\$ 3,075,510
Fire	1,024,732	1,551,829	(527,097)
Street/public service	1,026,580	1,592,088	(565,508)
Police	1,023,626	1,325,185	(301,559)
Other nonmajor governmental funds	2,410,128	3,104,626	(694,498)
Total	\$ 15,703,076	\$ 14,716,228	\$ 986,848

General Fund

The City's general fund balance increased \$3,075,510. The table that follows assists in illustrating the revenues of the general fund.

	2024 Amount	2023 Amount	Percentage Change
Revenues			
Taxes	\$ 4,714,945	\$ 4,562,528	3.34 %
Rent	601,680	569,605	5.63 %
Intergovernmental	862,596	1,206,670	(28.51) %
Investment income	714,341	237,206	201.15 %
Other	969,254	770,985	25.72 %
Total	\$ 7,862,816	\$ 7,346,994	7.02 %

CITY OF RIVERSIDE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Tax revenue represents 59.97% of all general fund revenues and increased 3.34% related to an increase in income tax revenue in 2024. Intergovernmental revenues decreased 28.51% primarily due to the City receiving less funds from the state in 2024 compared to 2023. Investment income increased 201.15% as a result of an increase in investment and interest rates. All other amounts remained comparable to 2023.

The table that follows assists in illustrating the expenditures of the general fund.

	2024	2023	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Expenditures</u>			
General government	\$ 2,222,174	\$ 2,591,733	(14.26) %
Leisure time activities	24,520	39,447	(37.84) %
Community and economic development	589,093	459,812	28.12 %
Capital outlay	1,179,101	4,935	23,792.62 %
Debt service	<u>4,877,418</u>	<u>4,840,198</u>	0.77 %
Total	<u>\$ 8,892,306</u>	<u>\$ 7,936,125</u>	12.05 %

The total general fund expenditures of the City increased 12.05%. The most significant changes occurred in the general government and capital outlay line items. General government decreased 14.26% due to a decrease in salaries and benefits paid during 2024. Capital outlay increased by \$1,174,166 due to the City spending more on construction projects during 2024 compared to 2023. This is primarily related to the Wright Point building improvements that are ongoing at December 31, 2024. All other expenditures remained consistent with the prior year.

Fire Fund

The fire fund had revenues and other financing sources of \$4,617,436 in 2024. The expenditures of the fire fund totaled \$5,144,533 in 2024. The net decrease in fund balance for the fire fund was \$527,097 or 33.97%.

Street/Public Service Fund

The street/public service fund had revenues and other financing sources of \$2,999,032 in 2024. The expenditures of the street/public service fund totaled \$3,564,540 in 2024. The net decrease in fund balance for the street/public service fund was \$565,508 or 35.52%.

Police Fund

The police fund had revenues and other financing sources of \$5,101,121 in 2024. The expenditures of the police fund totaled \$5,402,680 in 2024. The net decrease in fund balance for the police fund was \$301,559 or 22.76%.

Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

- Budgetary information is presented for the general fund. In the general fund, the actual revenues and other financing sources of \$7,102,445 were greater than the final budget of \$6,931,199. Actual expenditures and other financing uses of \$7,738,883 were less than the amount in the final budget of \$11,031,412. Budgeted revenues and other financing sources increased \$843,708 from the original to the final budget while original budgeted expenditures increased \$3,726,412.

CITY OF RIVERSIDE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At the end of 2024, the City had \$31,444,995 (net of accumulated depreciation/amortization) invested in land, construction in progress, land improvements, buildings and improvements, intangible right to use assets, machinery and equipment, vehicles and infrastructure.

The following table shows 2024 balances compared to 2023:

Capital Assets at December 31 (Net of Depreciation/Amortization)

	Governmental Activities	
	2024	2023
Land	\$ 3,154,350	\$ 3,154,350
Construction in progress	2,798,341	2,946,182
Land improvements	387,850	428,162
Buildings and improvements	3,300,919	3,462,564
Machinery and equipment	1,994,824	1,896,365
Vehicles	1,537,662	1,447,856
Intangible right to use assets	466,620	121,569
Infrastructure	17,804,429	15,423,616
Totals	<u>\$ 31,444,995</u>	<u>\$ 28,880,664</u>

The City's largest capital asset category is infrastructure. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 56.62% of the City's total governmental capital assets. See Note 9 to the basic financial statements for detail on capital assets.

Debt Administration

The City had the following long-term obligations in outstanding at December 31, 2024 and 2023:

	Governmental Activities	
	2024	2023
General obligation bonds	\$ 2,380,000	\$ 2,515,000
OPWC loans	1,895,611	1,598,752
OWDA loan	7,898	9,190
TIF loans	2,730,377	2,781,345
Bond anticipation note	4,390,000	4,565,000
Energy conservation financing	269,066	324,133
Financed purchase agreements	470,430	783,097
Leases payable	<u>474,847</u>	<u>121,521</u>
Total long-term debt obligations	<u>\$ 12,618,229</u>	<u>\$ 12,698,038</u>

CITY OF RIVERSIDE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

See Note 11 to the basic financial statements for detail on long-term obligations.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Director, 5200 Springfield Street, Suite 100, Riverside, Ohio 45431, or finance@riversideoh.gov.

CITY OF RIVERSIDE, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
Assets:	
Equity in pooled cash and investments.	\$ 15,484,791
Cash with fiscal agent.	112,332
Receivables:	
Income taxes.	3,017,630
Property and other local taxes.	2,290,020
Accounts.	2,028,043
Payments in lieu of taxes.	217,621
Special assessments.	839,532
Accrued interest.	20,920
Due from other governments.	1,127,813
Leases receivable.	1,207,201
Materials and supplies inventory.	35,800
Prepayments.	256,195
Net pension asset.	36,483
Net OPEB asset.	83,339
Capital assets:	
Land and construction in progress.	5,952,691
Depreciable capital assets, net.	25,492,304
Total capital assets, net.	31,444,995
Total assets.	58,202,715
Deferred outflows of resources:	
Pension.	5,454,687
OPEB.	697,118
Total deferred outflows of resources.	6,151,805
Liabilities:	
Accounts payable.	344,746
Contracts payable.	489,787
Accrued wages payable.	245,041
Due to other governments.	182,006
Accrued interest payable.	495,285
Notes payable.	175,000
Unearned revenue.	2,000
Long-term liabilities:	
Due within one year.	1,226,871
Due greater than one year:	
Net pension liability.	16,995,245
Net OPEB liability.	1,095,439
Other amounts due in more than one year.	13,221,555
Total liabilities.	34,472,975
Deferred inflows of resources:	
Property taxes and payments in lieu of taxes levied for the next fiscal year.	2,349,796
Leases.	1,078,880
Pension.	911,251
OPEB.	1,033,083
Total deferred inflows of resources.	5,373,010
Net position:	
Net investment in capital assets.	18,451,797
Restricted for:	
Capital projects.	145,522
Transportation projects.	2,150,981
Community development programs.	62,334
Police and fire purposes.	1,055,103
Other purposes.	372,561
Unrestricted.	2,270,237
Total net position.	\$ 24,508,535

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF RIVERSIDE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government.	\$ 2,629,040	\$ 1,881,625	\$ -	\$ -	\$ (747,415)
Security of persons and property . . .	10,783,494	502,319	260,388	-	(10,020,787)
Transportation.	3,372,259	739	2,027,725	1,542,223	198,428
Community and economic development.	595,825	62,519	-	-	(533,306)
Leisure time activity.	66,371	-	7,314	-	(59,057)
Interest	560,318	-	-	-	(560,318)
Total governmental activities	<u>\$ 18,007,307</u>	<u>\$ 2,447,202</u>	<u>\$ 2,295,427</u>	<u>\$ 1,542,223</u>	<u>(11,722,455)</u>
General revenues:					
Property taxes levied for:					
General purposes					501,922
Fire.					625,984
Police.					1,092,928
Income taxes levied for:					
General purposes					4,344,185
Police and fire					6,516,277
Other local taxes.					314,530
Payments in lieu of taxes					215,097
Grants and entitlements not restricted to specific programs					785,352
Investment earnings					710,180
Miscellaneous					832,918
Total general revenues					<u>15,939,373</u>
Change in net position					4,216,918
Net position at beginning of year, as previously reported					20,874,208
Restatement - change in accounting principle. . . .					<u>(582,591)</u>
Net position at beginning of year, restated.					<u>20,291,617</u>
Net position at end of year.					<u>\$ 24,508,535</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF RIVERSIDE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Fire	Street/ Public Service	Police
Assets:				
Equity in pooled cash and investments.	\$ 10,162,758	\$ 836,238	\$ 1,255,346	\$ 929,634
Cash with fiscal agents.	-	-	-	-
Receivables:				
Income taxes.	1,207,052	905,289	-	905,289
Property and other local taxes.	514,543	537,441	-	1,238,036
Accounts.	1,494,003	381,754	-	-
Payments in lieu of taxes.	-	-	-	-
Special assessments.	-	-	19,858	-
Accrued interest.	20,920	-	-	-
Due from other governments.	276,553	38,675	639,592	77,854
Leases receivable.	1,207,201	-	-	-
Materials and supplies inventory.	-	-	35,800	-
Prepayments.	60,666	71,657	35,474	66,766
Total assets.	<u>\$ 14,943,696</u>	<u>\$ 2,771,054</u>	<u>\$ 1,986,070</u>	<u>\$ 3,217,579</u>
Liabilities:				
Accounts payable.	\$ 124,894	\$ 93,584	\$ 57,781	\$ 35,915
Contracts payable.	176,572	-	313,215	-
Accrued wages payable.	30,565	87,713	21,964	104,799
Due to other governments.	16,941	75,936	12,897	76,232
Accrued interest payable.	9,352	-	-	-
Unearned revenue.	-	-	-	-
Notes payable.	175,000	-	-	-
Total liabilities.	<u>533,324</u>	<u>257,233</u>	<u>405,857</u>	<u>216,946</u>
Deferred inflows of resources:				
Property taxes and payments in lieu of taxes				
levied for the next fiscal year.	472,549	496,427	-	1,163,199
Delinquent property tax revenue not available.	35,068	41,014	-	74,837
Accrued interest not available.	6,572	-	-	-
Special assessments revenue not available.	1,384,319	-	19,858	-
Miscellaneous revenue not available.	100,185	251,856	-	-
Income tax revenue not available.	881,490	661,117	-	661,117
Intergovernmental revenue not available.	233,299	38,675	533,775	77,854
Settlements not available.	-	-	-	-
Leases.	1,078,880	-	-	-
Total deferred inflows of resources.	<u>4,192,362</u>	<u>1,489,089</u>	<u>553,633</u>	<u>1,977,007</u>
Fund balances:				
Nonspendable.	60,666	71,657	71,274	66,766
Restricted.	-	953,075	955,306	956,860
Committed.	-	-	-	-
Assigned.	2,145,421	-	-	-
Unassigned.	8,011,923	-	-	-
Total fund balances.	<u>10,218,010</u>	<u>1,024,732</u>	<u>1,026,580</u>	<u>1,023,626</u>
Total liabilities, deferred inflows				
of resources and fund balances.	<u>\$ 14,943,696</u>	<u>\$ 2,771,054</u>	<u>\$ 1,986,070</u>	<u>\$ 3,217,579</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds		
\$ 2,300,815	\$ 15,484,791		
112,332	112,332		
-	3,017,630		
-	2,290,020		
152,286	2,028,043		
217,621	217,621		
819,674	839,532		
-	20,920		
95,139	1,127,813		
-	1,207,201		
-	35,800		
141	234,704		
<u>\$ 3,698,008</u>	<u>\$ 26,616,407</u>		
\$ 32,572	\$ 344,746		
-	489,787		
-	245,041		
-	182,006		
-	9,352		
2,000	2,000		
-	175,000		
<u>34,572</u>	<u>1,447,932</u>		
217,621	2,349,796		
-	150,919		
-	6,572		
819,674	2,223,851		
-	352,041		
-	2,203,724		
63,727	947,330		
152,286	152,286		
-	1,078,880		
<u>1,253,308</u>	<u>9,465,399</u>		
141	270,504		
1,652,387	4,517,628		
209,930	209,930		
547,670	2,693,091		
-	8,011,923		
<u>2,410,128</u>	<u>15,703,076</u>		
<u>\$ 3,698,008</u>	<u>\$ 26,616,407</u>		

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CITY OF RIVERSIDE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024

Total governmental fund balances		\$	15,703,076
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			31,444,995
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	2,203,724	
Property and other taxes receivable		150,919	
Accounts receivable		352,041	
Settlements receivable		152,286	
Intergovernmental receivable		947,330	
Special assessments receivable		2,223,851	
Accrued interest receivable		6,572	
Total			6,036,723
In the statement of activities, interest is accrued on outstanding obligations, whereas in governmental funds, an interest expenditure is reported when due.			(485,933)
Prepaid bond insurance is not recorded as an asset in the funds, however, on the statement of net position it is report as an asset (prepayments) and amortized over the life of the bonds.			21,491
Unamortized premiums on bond issuances are not recognized in the funds.			(154,248)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows of resources are not reported in governmental funds.			
Net pension asset		36,483	
Deferred outflows of resources		5,454,687	
Net pension liability		(16,995,245)	
Deferred inflows of resources		(911,251)	
Total			(12,415,326)
The net OPEB liability is not available to pay for current period expenditures and are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.			
Net OPEB asset		83,339	
Deferred outflows of resources		697,118	
Deferred inflows of resources		(1,033,083)	
Net OPEB liability		(1,095,439)	
Total			(1,348,065)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(1,675,949)	
Financed purchase obligations		(739,496)	
Leases		(474,847)	
General obligation bonds payable		(2,380,000)	
Loans payable		(4,633,886)	
Notes payable		(4,390,000)	
Total			(14,294,178)
Net position of governmental activities		\$	<u>24,508,535</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF RIVERSIDE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Fire	Street/ Public Service	Police
Revenues:				
Income taxes	\$ 4,141,304	\$ 3,105,978	\$ -	\$ 3,105,978
Property and other local taxes.	573,641	611,691	-	1,068,291
Charges for services.	121,885	373,295	-	23,533
Licenses and permits	216,426	-	3,200	300
Fines, forfeitures, and settlements	37,101	-	-	15,301
Intergovernmental.	862,596	210,938	2,144,248	172,050
Special assessments	-	-	139,350	-
Investment income.	714,341	-	-	-
Rental income	601,680	-	-	-
Payments in lieu of taxes.	-	-	-	-
Other	593,842	16,681	41,038	132,965
Total revenues	<u>7,862,816</u>	<u>4,318,583</u>	<u>2,327,836</u>	<u>4,518,418</u>
Expenditures:				
Current:				
General government	2,222,174	-	-	-
Security of persons and property	-	4,699,566	-	4,934,303
Transportation	-	-	1,848,195	-
Community and economic development.	589,093	-	-	-
Leisure time activity	24,520	-	-	-
Capital outlay	1,179,101	211,724	1,552,889	399,569
Debt service:				
Principal retirement.	4,583,774	217,570	142,446	59,808
Interest	293,644	15,673	21,010	9,000
Total expenditures	<u>8,892,306</u>	<u>5,144,533</u>	<u>3,564,540</u>	<u>5,402,680</u>
Excess of expenditures over revenues	<u>(1,029,490)</u>	<u>(825,950)</u>	<u>(1,236,704)</u>	<u>(884,262)</u>
Other financing sources (uses):				
Note issuance	4,390,000	-	-	-
Loan issuance.	-	-	353,712	-
Lease transaction.	-	45,782	47,484	329,632
Transfers in	-	253,071	270,000	253,071
Transfers (out).	(285,000)	-	-	-
Total other financing sources (uses)	<u>4,105,000</u>	<u>298,853</u>	<u>671,196</u>	<u>582,703</u>
Net change in fund balances	3,075,510	(527,097)	(565,508)	(301,559)
Fund balance at beginning of year, as previously reported.	7,142,500	1,551,829	1,592,088	1,325,185
Adjustment - changes in major fund to nonmajor fund.	-	-	-	-
Fund balances at beginning of year, as adjusted	<u>7,142,500</u>	<u>1,551,829</u>	<u>1,592,088</u>	<u>1,325,185</u>
Fund balances at end of year	<u>\$ 10,218,010</u>	<u>\$ 1,024,732</u>	<u>\$ 1,026,580</u>	<u>\$ 1,023,626</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

(Formerly Major) Fire/EMS and Police Income Tax	Other Governmental Funds	Total Governmental Funds
	\$ -	\$ 10,353,260
	231,826	2,485,449
	1,000	519,713
	-	219,926
	65,558	117,960
	1,396,703	4,786,535
	195,251	334,601
	491	714,832
	-	601,680
	215,097	215,097
	48,589	833,115
	<u>2,154,515</u>	<u>21,182,168</u>
	163,288	2,385,462
	204,337	9,838,206
	41,284	1,889,479
	1,801	590,894
	7,314	31,834
	1,456,773	4,800,056
	242,821	5,246,419
	<u>240,253</u>	<u>579,580</u>
	<u>2,357,871</u>	<u>25,361,930</u>
	<u>(203,356)</u>	<u>(4,179,762)</u>
	-	4,390,000
	-	353,712
	-	422,898
	35,000	811,142
	<u>(526,142)</u>	<u>(811,142)</u>
	<u>(491,142)</u>	<u>5,166,610</u>
	(694,498)	986,848
506,142	2,598,484	14,716,228
<u>(506,142)</u>	<u>506,142</u>	<u>-</u>
	3,104,626	14,716,228
	<u>\$ 2,410,128</u>	<u>\$ 15,703,076</u>

CITY OF RIVERSIDE, 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, 2024

Net change in fund balances - total governmental funds	\$	986,848
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlays exceeds depreciation/amortization expense in the current period.

Capital asset additions	\$ 4,677,510	
Current year depreciation/amortization	(2,113,179)	
Total		2,564,331

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Income taxes	507,202	
Delinquent property taxes	49,915	
Intergovernmental revenues	(302,864)	
Special assessments	667,083	
Settlements not available	152,286	
Licenses and permits	(1,350)	
Investment income	(4,161)	
Charges for services	(26,054)	
Total		1,042,057

Proceeds of debt are reported as an other financing sources in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.

(5,166,610)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

5,246,419

In the statement of activities, interest is accrued on outstanding bonds, notes, and loans, whereas in governmental funds, an interest expenditure is reported when due.

Change in accrued interest payable	11,151	
Amortization of prepaid bond insurance	(1,309)	
Amortization of premiums	9,420	
Total		19,262

Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension		1,470,431
OPEB		29,506

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.

Pension		(1,714,949)
OPEB		(56,059)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(204,318)

Change in net position of governmental activities	\$	4,216,918
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Riverside (the “City”) is a chartered municipal corporation established and operating under the laws of the State of Ohio and its charter. Mad River Township and the Village of Riverside merged in 1994 to become the City of Riverside. The City operates under a Council-Manager form of government. Elected officials include seven council members, one of which is the Mayor. Legislative power is vested in this seven-member Council. All council members, including the Mayor, are elected to four-year terms.

The City Manager, who is appointed by the Council, is the chief executive officer for the City. The administrative activities of the City are carried out by a Department of Finance, a Department of Law, a Department of Service, and a Department of Safety. All department heads are hired by the City Manager, with approval from Council, except for the Director of the Department of Law, who is appointed by Council.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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. Reporting Entity

The City’s reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the City are not misleading.

The primary government of the City consists of all funds, departments, and activities which are not legally separate from the City. They comprise the City’s legal entity, which provides various services including police protection, fire protection, health services, street maintenance and repairs, leisure-time activities, and community and economic development. Council and the City Manager have direct responsibility for these activities.

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; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. The City has no component units.

The City is associated with five organizations, three of which are defined as jointly governed organizations, one as a related organization, and one as a risk sharing pool.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Regional Planning Commission

The Miami Valley Regional Planning Commission (the "Commission") is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami, and Montgomery Counties and various cities residing within these counties, including the City of Riverside. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers, and other public improvements and land uses that affect the development of the region. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designing management. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives. Payments to the Commission are made from the general fund. The City contributed \$13,321 for the operation of the Commission during 2024. Financial information may be obtained by writing to Brian Martin, Executive Director, 10 North Ludlow Street, Suite 700, Dayton, Ohio 45402.

Greater Miami Valley Emergency Medical Services Council

The Greater Miami Valley EMS Council (the "Council") is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Council is to foster cooperation among the political subdivisions by promoting programs and recommending matters that will result in more efficient methods of delivering fire and emergency medical services in the region. The Council is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS services by volunteers, two representatives appointed by the members who are provided Fire/EMS services by a combination of full-time employees and volunteers, and a representative appointed by members who are provided Fire/EMS services by full-time employees. Payments to the Council are made from the fire special revenue fund. The board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designing management. The degree of control exercised by any participating member is limited to its representation on the Board. The City made no contributions toward the operation of the Council during 2024. Financial information may be obtained by writing to Sandy Lehrter, Executive Administrator, at 247 Taylor Street, Suite 130, Dayton, Ohio 45402.

Economic Development/Government Equity Program

The Economic Development/Government Equity Program (ED/GE) was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that county economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships, and cities within Montgomery County (the "County") and the County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in the County by assisting in the establishment or expansion within the County of industrial, commercial, or research facilities and by creating and preserving job and employment opportunities for the people of the County.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by the County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. Any member default in paying its contributions will be liable for the amount of the contribution, any interest accrued, and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the general fund. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designing management. The degree of control exercised by any participating government is limited to its representation on the Board. The City did not receive any monies from ED/GE during 2024. Financial information may be obtained by writing to Erik Collins, Executive Administrator, 451 West Third Street, Dayton, Ohio 45422.

RELATED ORGANIZATION

The Riverside Historical Society

The Riverside Historical Society (RHS) is a related organization that was created by Ordinance No. 96-0-79 on November 7, 1996 by the City of Riverside. RHS is governed by seven members, which are appointed by City Council. RHS was established to provide a society that is interested and qualified to undertake such programs that will promote the historical and cultural heritage of the City, to protect existing historical landmarks in the City, and to promote the use of protected historical sites within the City. The City is not able to impose its will on the RHS, and no financial benefit and/or burden relationship exists. The City contributed \$4,973 to the operating of the RHS during 2024.

RISK SHARING POOL

Public Entities Pool of Ohio

The Public Entities Pool of Ohio (PEP) is a statutory entity created pursuant to Section 2744.081 of the Ohio Revised Code by the execution of an intergovernmental contract ("Participation Agreements"). PEP enables the subscribing subdivisions to pool risk for property, liability, and public official liability.

PEP has no employees; rather, it is administered through contracts with various professionals. Pursuant to a contract, the firm of American Risk Pooling Consultants administers PEP. PEP is a separate legal entity. PEP subcontracts certain self-insurance, administrative, and claims functions to a "Pool Operator," currently USI Insurance Services. PEP has executed contracts with various professionals for actuary services, as independent auditors, as loss control representatives, as litigation management and defense law firms, as counsel to PEP, and other as required.

The City pays an annual "premium" to PEP for the coverage they are provided, based on rates established by PEP, using anticipated and actual results of operation for the various coverage provided. Participants are also charged for a "surplus contribution" that is used to fund the activities of PEP. During 2024, the City made premium payments of \$268,907 to PEP. There was no required surplus contribution in 2024.

PEP is governed by a seven-member Board of Trustees elected by the members of PEP. The City makes an annual contribution to PEP for the coverage it is provided, based on rates established by PEP. Financial information may be obtained by writing to the Public Entities Pool of Ohio, 229 Riverside Drive, Dayton, Ohio 45402.

B. 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.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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. The statements normally distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities. The City, however; has no business-type activities.

The statement of net position presents the financial condition of the governmental 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 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 segment is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial 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 fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

C. 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.

Governmental Funds - Governmental funds are those through which most governmental functions of the City are typically 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 purpose 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 plus deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance.

The following are the City's major governmental funds:

General fund - This fund accounts for and reports 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 general laws of Ohio and the Charter of the City.

Fire fund - This fund accounts for and reports restricted monies related to the fire department activities and the fire levy tax proceeds.

Street/public service fund - This fund accounts for and reports that portion of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of streets within the City.

Police fund - This fund accounts for and reports restricted monies received from police levy tax proceeds, along with fines generated through safety enforcement within the City.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Other governmental funds of the City are used to account for:

Nonmajor special revenue funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Nonmajor capital projects funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Nonmajor debt service fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

D. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, 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, current deferred outflows of resources, current liabilities, and current 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. The governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

E. 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. 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 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. "Measurable" means the amount of the transaction can be determined and "available" means 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 31 days of year-end.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, revenue in lieu of taxes, grants, entitlements, and donations. On an accrual basis, revenue from income tax is recognized in the year in which the income is earned. Revenue from property taxes and revenue in lieu of taxes are recognized in the year for which the taxes are levied. 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 a 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, other local taxes, investment income, and intergovernmental revenues (including motor vehicle license tax, gasoline tax, grants, and local government assistance).

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 15 and 16 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance 2025 operations. These amounts have been recorded as a deferred inflow of resources 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. Unavailable revenue includes, but is not limited to, income tax, special assessments delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 15 and 16 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

F. Cash and Investments

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 the City's records. Interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The City has permissive motor vehicle license money, which is held by the Montgomery County Engineer as a fiscal agent and distributed to the City for approved street projects. The balance in this account is presented on the statement of net position and balance sheet as “cash with fiscal agent”.

During the year, investments were limited to federal agency securities, a U.S. Government money market mutual fund, U. S. Treasury Notes and Bills, and the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio and the U.S. Government money market mutual fund, the City measures its investments at fair value which is based upon quoted market prices.

During 2024, the City invested in STAR Ohio. 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The U.S. Government money market mutual fund is also valued at NAV per share. The NAV per share is calculated on an amortized cost basis that provides NAV per share that approximates fair value.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant’s accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements.

Investments with an original maturity of three months or less at the time of purchase are considered to be cash equivalents.

G. Materials and Supplies Inventory

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

H. Capital Assets

General capital assets are capital assets that are associated with governmental activities. These assets generally result from expenditures in governmental funds. These 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 are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and deletions during the year. Donated capital assets are recorded at their acquisition values on the date received. The City maintains a capitalization threshold of \$1,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are expensed. In addition, assets having an estimated useful life of more than one year that are below the \$1,000 threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

All reported capital assets, except for land and construction in progress, are depreciated/amortized. Improvements are depreciated/amortized over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacements.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Depreciation/amortization is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	10 - 25 years
Buildings and improvements	20 - 50 years
Machinery and equipment	3 - 20 years
Vehicles	5 - 20 years
Infrastructure	10 - 60 years
Intangible right to use assets	5 years

The City's infrastructure consists of streets, a storm sewer system, light poles, street lights, traffic signals, and curbs. The City only reports the amounts acquired after 2003. General infrastructure assets acquired prior to January 1, 2004 are not reported in the basic financial statements.

I. Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - vacation, sick leave and comp time. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the City and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

Comp Time

The City's policy permits employees to accumulate earned but unused comp time, which are eligible for payment at the employee's current pay rate upon separation from employment.

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (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, compensated absences, claims and judgments that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans, bond anticipation notes, and lease purchase agreements are recognized as liabilities on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

K. Bond Premiums/Bond Issuance Costs/Prepaid Bond Insurance

On both the government-wide financial statements and the fund financial statements, bond issuance costs are recognized in the period in which these items are incurred.

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. On the governmental fund financial statements bond premiums are recognized in the period in which these items are incurred. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund.

Prepaid bond insurance is amortized over the term of the bonds using the straight-line method.

L. 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 classification 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. The nonspendable fund balance for the City includes materials and supplies inventory and prepayments.

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

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 RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision-making authority). Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is 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 nor committed. 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 ordinance or by State statute. The future appropriations amount assigned in the general fund represents 2025 appropriations that exceed estimated revenues and outstanding encumbrances at year end. State statute authorizes the finance director to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated.

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 only used to report a deficit fund 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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

M. Interfund Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

N. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The City's net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, 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 the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes primarily includes amounts related to federal equitable sharing and cemetery purposes. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

O. Estimates

The preparation of 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.

P. Interfund Receivables and Payables

On fund financial statements, outstanding interfund loans and unpaid interfund services are reported as “interfund loans receivable” and “interfund loans payable.” Interfund balances are eliminated in the governmental activities column of the statement of net position. The City had no interfund balances reported at December 31, 2024.

Q. Fair Value Measurements

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.

R. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriation ordinance is Council’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund, department, and personnel service and other expenses. Budgetary modifications may only be made by resolution of Council.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts set forth in the schedules as final budgeted amounts represent estimates from the amended certificate in effect at the time final appropriations were passed by 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 amounts automatically carried forward from prior years. The amounts reported as the revised budgeted amounts represent the final appropriation amounts passed by Council during the year, including all supplemental appropriations.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2024.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

T. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net pension asset, net OPEB asset, deferred outflows of resources and deferred inflows of resources related 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 plan. 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 plans report investments at fair value.

U. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

V. 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 the amounts have not yet been earned. The City recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

W. Leases

The City serves as both lessee and lessor in various noncancellable leases which are accounted for as follows:

Lessee At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life. Leased assets are reported with other capital assets and leased liabilities are reported with long-term debt on the statement of net position.

Lessor At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2024, the City has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "Omnibus 2022", GASB Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62", Implementation Guide No. 2023-1 and GASB Statement No. 101, "Compensated Absences".

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously report by the City.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the City.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

B. Change within the Financial Reporting Entity

For 2024, the City's Fire/EMS and Police Income tax fund presentation was adjusted from major to nonmajor due to no longer meeting the qualitative threshold for a major fund. This change is separately displayed in the financial statements.

C. Restatement of Net Position

During 2024, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "Compensated Absences". The effect of this change on net position at the beginning of the year for the governmental activities funds are separately displayed in the financial statements.

NOTE 4 - DEPOSITS AND INVESTMENTS

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 public deposits that the City has 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.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have not been met.

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and,
3. Obligations of the City.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (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.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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. In accordance with Ohio Revised Code, except as noted above, 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. The City's investment policy limits security purchases to those that mature within five years of the settlement date. 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.

A. Cash with Fiscal Agent

At year end, the City had \$112,332 on deposit with the Montgomery County Treasurer. The data regarding insurance and collateralization can be obtained from the Montgomery County Annual Comprehensive Financial Report for the year ended December 31, 2024. This amount is not included in the City's depository balance below.

B. Deposits with Financial Institutions

At December 31, 2024, the carrying amount of all City deposits was \$2,449,428 and the bank balance of all City deposits was \$4,212,407. Of the bank balance, \$3,766,977 was covered by the Ohio Pooled Collateral System (OPCS), \$250,000 was covered by the FDIC, and the remaining \$195,430 was potentially exposed to custodial risk.

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. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's 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 percent of the deposits being secured, or (2) 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 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the City's financial institutions were approved for a reduced collateral rate of 85 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of December 31, 2024, the City had the following investments:

Measurement/ Investment type	Measuremnt Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
<i>Fair value:</i>					
FNMA	\$ 364,479	\$ 237,378	\$ 127,101	\$ -	\$ -
FFCB	24,964	24,964	-	-	-
FHLMC	29,903	29,903	-	-	-
FHLB	877,829	517,905	235,849	-	124,075
U.S. Treasury Notes	1,212,527	414,617	350,095	382,963	64,852
U.S. Treasury Bills	298,557	298,557	-	-	-
<i>Amortized cost:</i>					
STAR Ohio	10,209,325	10,209,325	-	-	-
U.S. Government money market mutual fund	17,779	17,779	-	-	-
Total	\$ 13,035,363	\$ 11,750,428	\$ 713,045	\$ 382,963	\$ 188,927

The weighted average of maturity of investments is 0.14 years.

The City's investments in federal agency securities (FHLB, FFCB, FHLMC, FNMA), U.S. Treasury Bills, and U.S. Treasury Notes are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: State statute requires that an investment mature within five years from the date of purchase unless matched to a specific obligation or debt of the City and that an investment must be purchased with the expectation that it will be held to maturity. The City's investment policy states that the City will not directly invest in securities maturing more than five years from the settlement date unless, per a bond indenture, the investment is matched to a specified obligation or debt of the subdivision. Reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. The intent to invest in securities with longer maturities will be disclosed in writing to City Council.

Credit Risk: Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The City's investments in federal agency securities and the U.S. treasury notes were both rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market mutual fund an AAAM money market rating. The City limits its investments to those authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Director of Finance or qualified trustee.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any single issuer. The following table includes the percentage of each investment type held by the City at December 31, 2024:

Measurement/ Investment type	Measurement Amount	% of Total
<i>Fair value:</i>		
FNMA	\$ 364,479	2.80%
FHLMC	29,903	0.23%
FHLB	877,829	6.73%
FFCB	24,964	0.19%
U.S. Treasury Notes	1,212,527	9.30%
U.S. Treasury Bills	298,557	2.29%
<i>Amortized cost:</i>		
STAR Ohio	10,209,325	78.32%
U.S. Government money market mutual fund	<u>17,779</u>	<u>0.14%</u>
Total	<u>\$ 13,035,363</u>	<u>100.00%</u>

D. Reconciliation of Cash and Investments to Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2024:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,449,428
Investments	13,035,363
Cash with fiscal agent	<u>112,332</u>
Total	<u>\$ 15,597,123</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 15,597,123</u>

NOTE 5 - MUNICIPAL INCOME TAX

The City levies and collects an income tax of two and one-half percent on all income earned within the City, as well as on incomes of residents earned outside the City. However, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate. The City utilizes the Central Collection Agency (CCA) to collect income taxes.

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, police and fire operations, and other governmental functions when needed, as determined by Council. In 2024, the income tax revenues were allocated to the general fund, the fire fund, and the police fund.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2024, consisted of the following, as reported on the fund financial statements.

Transfers from:	Transfers to:				Total
	Fire Fund	Street/Public Service Fund	Police Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 270,000	\$ -	\$ 15,000	\$ 285,000
Nonmajor governmental funds	253,071	-	253,071	20,000	526,142
Total	<u>\$ 253,071</u>	<u>\$ 270,000</u>	<u>\$ 253,071</u>	<u>\$ 35,000</u>	<u>\$ 811,142</u>

Transfers from the general fund were made to move unrestricted balances to support programs and projects accounted for in other funds. Transfers from the nonmajor governmental funds in the amount of \$253,071 and \$253,071 to the fire fund and the police fund, respectively, were made to close out the fire/EMS and police income tax nonmajor special revenue fund. During 2024, the City began receipting income tax revenue directly into the fire and police funds. Transfers from nonmajor governmental funds to other nonmajor governmental funds were made for debt service. Interfund transfers between governmental funds are eliminated on the government-wide financial statements. All transfers were compliant with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. 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, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Montgomery County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The Montgomery County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2024 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflow of resources since the current taxes were not levied to finance 2024 operations and the collection of delinquent taxes has been offset by deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow of resources.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 - PROPERTY TAXES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2024 was \$16.94 per \$1,000 of assessed value. The assessed values of real property and public utility personal property upon which 2024 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 323,342,820
Commercial/industrial/public utility	52,198,690
<u>Public utility</u>	
Personal	9,269,230
Total assessed value	<u>\$ 384,810,740</u>

NOTE 8 - RECEIVABLES

Receivables at December 31, 2024, consisted of property taxes, payments in lieu of taxes, other local taxes, municipal income taxes, accounts, accrued interest, leases, special assessments and amounts due from other governments arising from grants, entitlements or shared revenues.

A summary of the principal items of due from other governments receivables follows:

<u>Governmental activities:</u>	<u>Amount</u>
Local government	\$ 235,113
BWC	2,457
Homestead and rollback	164,864
Auto license	17,049
Gasoline tax	685,498
Permissive motor vehicle license tax	22,832
Total due from other governments	<u>\$ 1,127,813</u>

All receivables are expected to be collected within the subsequent year with the exception of the opioid settlement receivable which will be collected over the course of the settlement agreements and special assessment receivables. Opioid settlement receivables in the amount of \$134,539 will not be received within one year. Property taxes, revenue in lieu of taxes and income taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected in more than one year for the City amounts to \$36,373 and represents delinquents at December 31, 2024.

Payments in lieu of taxes

The City granted real property tax exemptions to landowners for improvements made to their properties for a period of 10 years. The City requires the owners to make an annual payment to the City in lieu of taxes in the amount that would be payable on the increase in the value of the property if not for the exemption. The City then uses these monies to pay for public infrastructure improvements benefitting the owners. The City accrues a receivable for amounts measurable at December 31, 2024, with a corresponding credit to deferred inflows of resources.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance 12/31/23	Additions	Disposals	Balance 12/31/23
<u>Governmental activities:</u>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 3,154,350	\$ -	\$ -	\$ 3,154,350
Construction in progress	2,946,182	2,571,562	(2,719,403)	2,798,341
Total capital assets, not being depreciated/amortized	<u>6,100,532</u>	<u>2,571,562</u>	<u>(2,719,403)</u>	<u>5,952,691</u>
<i>Capital assets being depreciated/amortized:</i>				
Land improvements	979,081	-	-	979,081
Buildings and improvements	5,686,073	-	-	5,686,073
Machinery and equipment	5,858,366	415,204	-	6,273,570
Vehicles	5,223,899	466,865	-	5,690,764
Infrastructure	22,738,263	3,517,423	-	26,255,686
Intangible right to use assets:				
Leased vehicles	83,226	425,859	-	509,085
Leased equipment	78,555	-	-	78,555
Total capital assets being depreciated/amortized	<u>40,647,463</u>	<u>4,825,351</u>	<u>-</u>	<u>45,472,814</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(550,919)	(40,312)	-	(591,231)
Buildings and improvements	(2,223,509)	(161,645)	-	(2,385,154)
Machinery and equipment	(3,962,001)	(316,745)	-	(4,278,746)
Vehicles	(3,776,043)	(377,059)	-	(4,153,102)
Infrastructure	(7,314,647)	(1,136,610)	-	(8,451,257)
Intangible right to use assets:				
Leased vehicles	(16,645)	(65,097)	-	(81,742)
Leased equipment	(23,567)	(15,711)	-	(39,278)
Total accumulated depreciation/amortization	<u>(17,867,331)</u>	<u>(2,113,179)</u>	<u>-</u>	<u>(19,980,510)</u>
Total capital assets being depreciated/amortized, net	<u>22,780,132</u>	<u>2,712,172</u>	<u>-</u>	<u>25,492,304</u>
Governmental activities capital assets, net	<u>\$ 28,880,664</u>	<u>\$ 5,283,734</u>	<u>\$ (2,719,403)</u>	<u>\$ 31,444,995</u>

Depreciation/amortization expense was charged to functions/programs of the City as follows:

<u>Governmental activities:</u>	
General government	\$ 232,602
Security of persons and property	485,868
Leisure time activities	34,537
Transporation	<u>1,360,172</u>
Total depreciation/amortization expense	<u>\$ 2,113,179</u>

CITY OF RIVERSIDE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - LEASES RECEIVABLE

The City is reporting leases receivable of \$1,207,201 in the general fund. For 2024, the general fund recognized lease revenue of \$449,275, which is reported in rental income, and investment income of \$61,514.

The City has entered into lease agreements as the lessor at varying years and terms for office space at the Wright Point office complex. Rent is received from each tenant monthly. All but one of the agreements ends by 2026. The agreement with the longest term ends in 2032.

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 283,931	\$ 53,891	\$ 337,822
2026	201,234	40,386	241,620
2027	112,707	33,560	146,267
2028	121,467	27,726	149,193
2029	130,734	21,442	152,176
2030-2032	<u>357,128</u>	<u>22,928</u>	<u>380,056</u>
Total	<u>\$ 1,207,201</u>	<u>\$ 199,933</u>	<u>\$ 1,407,134</u>

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CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 101 (see Note 3 for detail), the City has restated compensated absences as of December 31, 2023 which is reflected in the schedule below. This restatement also includes \$220,861 in accrued vacation payable at December 31, 2023, that is now being reported in long-term compensated absences payable. During 2024, the following changes occurred in the City's long-term obligations.

	Restated Interest Rate	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Due Within One Year
<u>Governmental activities:</u>						
<u>Loans - from direct borrowings:</u>						
OWDA loan	3.25%	\$ 9,190	\$ -	\$ (1,292)	\$ 7,898	\$ 1,334
OPWC Harshman Road Phase II	0.00%	120,000	-	(8,000)	112,000	8,000
OPWC Union Schoolhouse Road	0.00%	41,733	-	(2,981)	38,752	2,981
OPWC East Springfield Street	0.00%	1,039,145	-	(25,979)	1,013,166	51,957
OPWC Spinning Road Rehab Phase I	0.00%	-	125,000	-	125,000	-
OPWC West Springfield Street Construction	0.00%	-	228,712	-	228,712	4,574
OPWC Valley Pike	0.00%	173,186	-	(8,659)	164,527	8,659
OPWC Needmore Road	0.00%	224,688	-	(11,234)	213,454	11,234
Brantwood Subdivision TIF loan	5.00%	1,676,689	-	(50,968)	1,625,721	-
Brantwood Subdivision II TIF loan	5.00%	1,104,656	-	-	1,104,656	-
Total loans		<u>4,389,287</u>	<u>353,712</u>	<u>(109,113)</u>	<u>4,633,886</u>	<u>88,739</u>
<u>General obligation bonds:</u>						
Refunding - series 2020	2.25 - 4.00%	350,000	-	(45,000)	305,000	45,000
Various purpose - series 2020	2.25 - 4.00%	895,000	-	(40,000)	855,000	40,000
Road improvements - series 2022	2.25 - 4.00%	1,270,000	-	(50,000)	1,220,000	55,000
Total general obligation bonds		<u>2,515,000</u>	<u>-</u>	<u>(135,000)</u>	<u>2,380,000</u>	<u>140,000</u>
<u>Bond anticipation notes:</u>						
2024 property acquisition	6.75%	-	4,390,000	-	4,390,000	-
2023 property acquisition	6.25%	4,565,000	-	(4,565,000)	-	-
Total bond anticipation notes		<u>4,565,000</u>	<u>4,390,000</u>	<u>(4,565,000)</u>	<u>4,390,000</u>	<u>-</u>
<u>Other long-term liabilities:</u>						
Leases payable		121,521	422,898	(69,572)	474,847	108,643
Financed purchase agreements		783,097	-	(312,667)	470,430	285,423
Energy conservation financing		324,133	-	(55,067)	269,066	56,725
Net pension liability		16,735,822	748,908	(489,485)	16,995,245	-
Net OPEB liability		1,092,279	65,121	(61,961)	1,095,439	-
Compensated absences* (restated)		1,471,631	204,318	-	1,675,949	547,341
Total other long-term liabilities		<u>20,528,483</u>	<u>1,441,245</u>	<u>(988,752)</u>	<u>20,980,976</u>	<u>998,132</u>
Total governmental activities						
long-term liabilities		<u>\$ 31,997,770</u>	<u>\$ 6,184,957</u>	<u>\$ (5,797,865)</u>	<u>32,384,862</u>	<u>\$ 1,226,871</u>
				Unamortized premium	<u>154,248</u>	
				Total on statement of net position	<u>\$ 32,539,110</u>	

*The change in compensated absences liability is presented as a net change.

On November 5, 2020 the City issued series 2020 refunding bonds to currently refund the series 2010 general obligation bonds. The issuance proceeds of \$495,026, along with a \$54,633 contribution from the City, were used to pay for the cost of the issuance and to retire the outstanding series 2010 general obligation bonds.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The 2020 refunding issue is comprised of current interest bonds, par value \$475,000. The interest rate on the current interest bonds ranges from 2.25-4.00% and mature on December 1, 2030. The bonds will be retired through the capital equipment improvement fund (a nonmajor governmental fund) using transfers from the general fund.

The reacquisition price exceeded the net carrying amount of the old debt by \$14,571. This amount was expensed in 2020 because the series 2010 general obligation bonds matured on November 8, 2020.

On November 5, 2020 the City issued series 2020 various purpose bonds to provide resources for various infrastructure improvement projects. The 2020 various purpose issue is comprised of current interest bonds, par value \$1,005,000. The interest rate on the current interest bonds ranges from 2.25-4.00% and mature on December 1, 2040. The bonds will be retired through the bond retirement fund (a nonmajor governmental fund) using transfers from the general fund and the street/public service fund.

On March 9, 2022, the City issued series 2022 road improvement general obligation bonds to provide resources for various road improvement projects. The 2022 road improvement issue is comprised of current interest bonds, par value \$1,400,000. The interest rate on the current interest bonds ranges from 2.25-4.00% and mature on December 1, 2041. The bonds will be retired through the bond retirement fund (a nonmajor governmental fund) using transfers from the general fund and the street/public service fund.

The Ohio Water Development Authority (OWDA) loan consists of money owed to the OWDA for the construction of a salt storage shed. The loan was issued at a 3.25% interest rate and will reach maturity on July 1, 2030. The loan will be repaid from the street/public service fund and the bond retirement fund (a nonmajor governmental fund).

OWDA loans are direct borrowings that have terms negotiated directly between the City and the OWDA and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

On December 21, 2012, the City entered into a tax increment financing (TIF) and infrastructure development agreement with Disciple Development Company, LLC to fund the construction of public infrastructure improvement in the Brantwood Subdivision. The initial loan was received in 2013. During 2018, the City received an additional loan of \$403,724. Per the agreement, the City will make payments on the loan based on the TIF monies received from the Brantwood Subdivision development, and the repayment schedule will depend upon the amount of TIF monies received by the City. The loan will be repaid from the Brantwood Subdivision fund (a nonmajor governmental fund).

On February 5, 2016, the City entered into a tax increment financing (TIF) and infrastructure development agreement with Brantwood Development, LLC to fund the construction of public infrastructure improvement in the Brantwood Subdivision II. The initial loan was received in 2016. During 2018, the City received an additional loan of \$376,961. Per the agreement, the City will make payments on the loan based on TIF monies received from the Brantwood Subdivision II development, and the repayment schedule will depend upon the amount of TIF monies received by the City. The loan will be repaid from the Brantwood II Subdivision fund (a nonmajor governmental fund).

TIF loans are direct borrowings that have terms negotiated directly between the City and the developers and are not offered for public sale.

The 2023 property acquisition bond anticipation note was issued on March 7, 2023 in the amount of \$4,735,000 (\$4,565,000 of which was considered long-term, see Note 12 for details on short term portion of notes) for acquisition and improvements of properties and buildings. This note had an initial maturity date of March 6, 2024. This note was refinanced on March 5, 2024 for \$4,565,000 (\$4,390,000 of which was considered long-term, see Note 12 for details on short term portion of notes). The 2024 property acquisition bond anticipation note matures on March 4, 2025. On February 27, 2025, the City refinanced the \$4,565,000 bond anticipation note with a \$6,390,000 bond anticipation note, of which \$2,000,000 was for new projects. See Note 21 for more details. The bond anticipation notes are paid from the general fund.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

During 2014, the City received a loan in the amount of \$200,000 from the Ohio Public Works Commission (OPWC) for the Harshman Road improvements. The loan was issued at a zero percent interest rate and will mature on January 1, 2040. The loan will be repaid from the permissive tax fund (a nonmajor governmental fund).

During 2018, the City received a loan in the amount of \$59,618 from OPWC for the Union Schoolhouse Road Rehab project. The loan was issued at a zero percent interest rate and will mature on January 1, 2039. The loan will be repaid from the Issue II - Union Schoolhouse fund (a nonmajor governmental fund).

During 2021, the City received a loan from OPWC for the East Springfield Street Reconstruction project in the amount of \$1,039,145. The loan was issued with a zero percent interest rate and will mature on July 1, 2044. The loan will be repaid from the permissive tax fund (a nonmajor governmental fund).

During 2022, the City received a loan in the amount of \$181,845 from OPWC for the Valley Pike Resurfacing project. The loan was issued with a zero percent interest rate and will mature on January 1, 2044. The loan will be repaid from the issue II - valley pike fund (a nonmajor governmental fund).

During 2022, the City received a loan in the amount of \$235,923 from OPWC for the Needmore Road Resurfacing project. The loan was issued with a zero percent interest rate and will mature on January 1, 2044. The loan will be repaid from the issue II - needmore fund (a nonmajor governmental fund).

During 2024, the City received a loan from OPWC for the Spinning Road Rehabilitation Phase 1 project. The maximum amount available for the loan is \$250,000. \$125,000 was drawn down during 2024. Since this an open loan at December 31, 2024, no amortization schedule is available. The loan was issued with a zero percent interest rate.

During 2024, the City received a loan in the amount of \$228,712 from OPWC for the West Springfield Street Reconstruction project. The loan was issued with a zero percent interest rate and will mature on January 1, 2050.

OPWC loans are direct borrowings that have terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest or late charges associated with the default.

A summary of the City's financed purchase obligations, which are all direct borrowings, is below:

	Paid From Fund	Issue Year	Maturity Year	Original Balance
<u>Governmental activities:</u>				
<u>Financed purchase agreements:</u>				
Fire truck	Fire Fund	2015	2025	\$ 985,000
Ambulance	Fire Fund	2021	2026	255,000
Police cruiser	Police Fund	2021	2025	52,512
Honeywell improvements	Street/Public Service Fund	2014	2029	56,742
Police cruisers	Police Fund	2020	2024	130,800
Pickup trucks	Street/Public Service Fund	2020	2024	143,000
Freightliner truck	Street/Public Service Fund	2022	2027	155,480
Backhoe	Street/Public Service Fund	2022	2026	87,602
Ambulance	Fire Fund	2022	2026	265,000

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

	Interest Rate	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Due Within One Year
<u>Governmental activities:</u>						
<u>Financed purchase agreements:</u>						
Fire truck	2.50%	\$ 217,072	\$ -	\$ (107,186)	\$ 109,886	\$ 109,886
Ambulance	5.00%	134,457	-	(52,454)	82,003	54,216
Police cruiser	5.00%	27,232	-	(13,363)	13,869	13,869
Honeywell improvements	2.99%	23,783	-	(4,041)	19,742	4,163
Police cruisers	3.50%	17,320	-	(17,320)	-	-
Pickup trucks	3.50%	18,937	-	(18,937)	-	-
Freightliner truck	4.28%	127,398	-	(29,514)	97,884	31,019
Backhoe	4.14%	54,678	-	(17,491)	37,187	18,215
Ambulance	3.22%	162,220	-	(52,361)	109,859	54,055
Total		<u>\$ 783,097</u>	<u>\$ -</u>	<u>\$ (312,667)</u>	<u>\$ 470,430</u>	<u>\$ 285,423</u>

The financed purchase agreements are direct borrowings that have terms negotiated directly between the City and the creditor. The creditor, without notice to anyone, may declare the entire debt due after continuous default in the payment of any installment of principal or interest or in the performance or observance of any covenant or condition contained in the agreements. Upon such declaration the entire debt shall be immediately due and payable.

In 2014, the City entered into an energy conservation financing agreement with U.S. Bancorp for energy conservation improvements. The original amount of the borrowing was \$773,258. This obligation bears an interest rate of 2.99% and is being paid from the Street/Public Service Fund. The individual improvements were less than the City's capitalization threshold and were not capitalized. Therefore, this long-term obligation is not included in the calculation of net investment in capital assets. Payments on the financing agreement are due semi-annually with a maturity date of June 20, 2029.

In 2022, the City entered into lease agreement for the use for the right to use copier equipment. The City has reported intangible - right to use capital assets and corresponding liability for the future scheduled payments under the lease. The lease payments will be paid out of the general fund. Lease payments are reflected as debt service expenditures in the financial statements and as functional expenditures in the budgetary schedules. Payments are due monthly and the lease matures in 2027.

In 2023 and 2024, the City entered into lease agreements for the use for the right to use vehicles. The City has reported intangible - right to use capital assets and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid out of the general fund, street/public service fund, the fire fund, and the police fund. Payments are due monthly and the leases mature in 2027, 2028 and 2029.

For additional information regarding the City's net pension liability and net OPEB liability, see Notes 15 and 16, respectively.

The City's overall legal debt margin was \$33,845,313, with an unvoted debt margin of \$14,604,776 at December 31, 2024.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Annual debt service requirements to maturity for long-term obligations are:

Year Ending December 31,	General Obligation Bonds		OWDA Loan - Direct Borrowing		OPWC Loans - Direct Borrowing
	Principal	Interest	Principal	Interest	Principal
2025	\$ 140,000	\$ 84,700	\$ 1,334	\$ 227	\$ 87,405
2026	150,000	80,063	1,377	187	91,981
2027	150,000	76,687	1,422	145	91,979
2028	155,000	72,350	1,470	102	91,980
2029	160,000	67,813	1,518	58	91,980
2030 - 2034	655,000	268,362	777	12	459,903
2035 - 2039	715,000	139,200	-	-	445,939
2040 - 2044	255,000	14,000	-	-	359,128
2045 - 2049	-	-	-	-	45,742
2050	-	-	-	-	4,574
Totals	<u>\$ 2,380,000</u>	<u>\$ 803,175</u>	<u>\$ 7,898</u>	<u>\$ 731</u>	<u>\$ 1,770,611</u>

Year Ending December 31,	Financed Purchases Direct Borrowings		Energy Conservation Direct Borrowing		Leases Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 285,423	\$ 15,389	\$ 56,725	\$ 7,625	\$ 108,643	\$ 20,705
2026	139,452	6,896	58,435	5,915	113,900	15,213
2027	38,681	2,053	60,195	4,155	117,994	9,696
2028	4,548	174	62,010	2,340	93,554	4,549
2029	2,326	35	31,701	474	40,756	757
Totals	<u>\$ 470,430</u>	<u>\$ 24,547</u>	<u>\$ 269,066</u>	<u>\$ 20,509</u>	<u>\$ 474,847</u>	<u>\$ 50,920</u>

NOTE 12 - NOTES PAYABLE

On March 7, 2023, the City issued \$4,735,000 to refinance the 2022 bond anticipation notes. \$170,000 of this issue was considered short-term. The bond anticipation notes at December 31, 2023 had an interest rate of 6.125% and an original maturity date of March 6, 2024. On March 5, 2024, the City refinanced the \$4,735,000 bond anticipation note with a \$4,565,000 bond anticipation note. \$175,000 of this issue is considered short-term. The bond anticipation notes outstanding at December 31, 2024 bear an interest rate of 6.75% and mature on March 4, 2025. On February 27, 2025 the City refinanced the \$4,565,000 bond anticipation note with a \$6,390,000 bond anticipation note, of which \$2,000,000 was for new projects. See Note 21 for more details. The bond anticipation notes are a liability of the general fund. A summary of the bond anticipation note transactions for the year ended December 31, 2024 follows:

	Maturity Date	Outstanding 12/31/2023	Issued	Retired	Outstanding 12/31/2024
<u>Governmental activities:</u>					
Bond anticipation notes:					
2024 property acquisition	3/7/2025	\$ -	\$ 175,000	\$ -	\$ 175,000
2023 property acquisition	3/7/2024	170,000	-	(170,000)	-
Total bond anticipation notes		<u>\$ 170,000</u>	<u>\$ 175,000</u>	<u>\$ (170,000)</u>	<u>\$ 175,000</u>

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and negotiated agreements. The current policy of union employees covered by negotiated agreements credits vacation leave annually on January 1 and allows the unused balance to be accumulated at levels that depend upon years of service. City employees covered by the negotiated agreements are paid for earned, unused vacation leave at the time of termination of employment. However, non-union employees covered by the personnel policy of the City cannot carry over more than 40 hours of accrued vacation. These employees lose any remaining vacation balances existing at the end of the calendar year. On governmental fund financial statements, a liability is reported for non-union employees for vacation balances that do not carry over beyond the anniversary of their date of hire each year.

Sick leave is earned at rates that vary depending upon specified personnel policies and union contracts. At retirement, employees will be paid varying portions of their accumulated leave, based on the union agreements and the City personnel policy.

City employees can also earn compensatory time. Compensatory time is paid at one and one-half times an employee's regular rate. Employees with time remaining upon termination of their employment will be paid for any unused compensatory time.

B. Insurance Benefits

Full-time City employees are provided medical/surgical benefits from Medical Mutual of Ohio. The City pays 90 percent for non-union employees, 84 percent for fire and police union employees, and 85 percent of street union employees, of the monthly premiums for the employees. The premium varies with each employee depending on the plan. Department heads and administrative staff receive an amount equal to their annual salary in life insurance, up to \$50,000; the City Manager receives two times his annual salary; police and fire employees receive \$50,000, and street union employees receive \$30,000 in coverage selected. Additionally, the City contributes to health reimbursement accounts for all full-time employees, which serves to pay part of the employees' deductible each year. Employees can purchase dental insurance through Superior Dental Care and vision benefits through Superior Vision. Life insurance is provided through Medical Mutual of Ohio.

C. Deferred Compensation

City employees may participate in the Ohio Public Employees Deferred Compensation Plan, Ohio Municipal League 457 Deferred Compensation Plan, International City Manager Association 457 Deferred Compensation Plan, or the Ohio Association of Professional Fire Fighters 457 Deferred Compensation Plan. These plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permits deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - RISK MANAGEMENT

The City is a member of the Public Entities Pool of Ohio (The “Pool”). The Pool assumes the risk of loss up to the limits of the City’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2023 (the latest information available):

	<u>2023</u>
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Property and casualty settlements did not exceed insurance coverage for the past three years. There have been no significant reductions in coverage from the prior year.

NOTE 15 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset) and Net OPEB Liability (Asset)

The net pension liability (asset) and the net OPEB liability (asset) reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the City’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability 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.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, 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 liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability (asset) on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 16 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Traditional plan state and local 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 amount of a member's pension benefit vests at retirement.

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement 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 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	State and Local	
	Traditional	Combined
2024 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2024 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$292,098 for 2024. Of this amount, \$30,059 is reported as due to other governments.

Plan Description - Ohio Police & Fire Pension Fund (OP&F)

Plan Description - City full-time police and firefighters 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.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

	Police	Firefighters
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2024 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,178,333 for 2024. Of this amount, \$127,893 is reported as due to other governments.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension liability (asset) for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.01012000%	0.01116500%	0.00217300%	0.14471340%	
Proportion of the net pension liability/asset current measurement date	<u>0.00954900%</u>	<u>0.01184900%</u>	<u>0.00054300%</u>	<u>0.15003320%</u>	
Change in proportionate share	<u>-0.00057100%</u>	<u>0.00068400%</u>	<u>-0.00163000%</u>	<u>0.00531980%</u>	
Proportionate share of the net pension liability	\$ 2,499,967	\$ -	\$ -	\$ 14,495,278	\$ 16,995,245
Proportionate share of the net pension asset	-	(36,422)	(61)	-	(36,483)
Pension expense	256,464	2,675	(6)	1,455,816	1,714,949

CITY OF RIVERSIDE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 40,860	\$ 1,476	\$ 129	\$ 465,344	\$ 507,809
Net difference between projected and actual earnings on pension plan investments	504,602	5,923	12	1,642,621	2,153,158
Changes of assumptions	-	1,347	6	916,085	917,438
Changes in employer's proportionate percentage/ difference between employer contributions	-	-	-	405,851	405,851
Contributions subsequent to the measurement date	284,747	6,951	400	1,178,333	1,470,431
Total deferred outflows of resources	<u>\$ 830,209</u>	<u>\$ 15,697</u>	<u>\$ 547</u>	<u>\$ 4,608,234</u>	<u>\$ 5,454,687</u>
	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ -	\$ 3,605	\$ -	\$ 162,110	\$ 165,715
Changes of assumptions	-	-	-	220,128	220,128
Changes in employer's proportionate percentage/ difference between employer contributions	68,515	-	-	456,893	525,408
Total deferred inflows of resources	<u>\$ 68,515</u>	<u>\$ 3,605</u>	<u>\$ -</u>	<u>\$ 839,131</u>	<u>\$ 911,251</u>

\$1,470,431 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/increase to the net pension liability/asset in the year ending December 31, 2025.

CITY OF RIVERSIDE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	OPERS - Member- Directed	OP&F	Total
Year Ending December 31:					
2025	\$ 77,905	\$ 905	\$ 21	\$ 686,297	\$ 765,128
2026	148,887	1,626	24	736,361	886,898
2027	322,007	3,415	26	1,102,197	1,427,645
2028	(71,852)	(980)	17	(66,374)	(139,189)
2029	-	95	14	130,317	130,426
Thereafter	-	80	45	1,972	2,097
Total	<u>\$ 476,947</u>	<u>\$ 5,141</u>	<u>\$ 147</u>	<u>\$ 2,590,770</u>	<u>\$ 3,073,005</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2023, compared to the December 31, 2022 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 2.30%, simple through 2024, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return 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 Defined Benefit portfolio was a gain of 11.20% for 2023.

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

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	24.00 %	2.85 %
Domestic equities	21.00	4.27
Real estate	13.00	4.46
Private equity	15.00	7.52
International equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00 %</u>	

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. 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 contractually 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 3,935,620	\$ 2,499,967	\$ 1,305,921
Combined Plan	(22,039)	(36,422)	(47,751)
Member-Directed Plan	(43)	(61)	(76)

Actuarial Assumptions - OP&F

OP&F's 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 retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. A comprehensive experience study was performed during 2022 by OP&F's actuary and completed as of December 31, 2021. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.03 years at December 31, 2023.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2023, compared to December 31, 2022, are presented below.

Valuation date	1/1/23 with actuarial liabilities rolled forward to 12/31/23
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year

CITY OF RIVERSIDE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Healthy Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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CITY OF RIVERSIDE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2023 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	18.60 %	4.10 %
Non-US equity	12.40	4.90
Private markets	10.00	7.30
Core fixed income *	25.00	2.40
High yield fixed income	7.00	4.10
Private credit	5.00	6.80
U.S. inflation linked bonds *	15.00	2.10
Midstream energy infrastructure	5.00	5.80
Real assets	8.00	6.00
Gold	5.00	3.50
Private real estate	12.00	5.40
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

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

Discount Rate - Total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payment of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 19,200,075	\$ 14,495,278	\$ 10,582,781

CITY OF RIVERSIDE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 16 - POSTEMPLOYMENT BENEFITS

Net OPEB Liability (Asset)

See Note 15 for a description of the net OPEB liability (asset).

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 post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. 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. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit;

Group C 32 years of total service credit with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52;

Group C 32 years of qualified health care service credit and at least age 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51.00% and 90.00% of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10.00% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20.00% per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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 RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.00% of earnable salary. These are 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. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.00%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,319 for 2024. Of this amount, \$136 is reported as due to other governments.

Plan Description - Ohio Police & Fire Pension Fund (OP&F)

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)

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 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The City's contractually required contribution to OP&F was \$28,187 for 2024. Of this amount, \$3,059 is reported as due to other governments.

Net OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. 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:

	OPERS	OP&F	Total
Proportion of the net OPEB liability prior measurement date	0.00982700%	0.14471340%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.00923400%</u>	<u>0.15003320%</u>	
Change in proportionate share	<u>-0.00059300%</u>	<u>0.00531980%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 1,095,439	\$ 1,095,439
Proportionate share of the net OPEB asset	(83,339)	-	(83,339)
OPEB expense	(4,690)	60,749	56,059

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 52,675	\$ 52,675
Net difference between projected and actual earnings on OPEB plan investments	50,049	80,891	130,940
Changes of assumptions	21,456	376,952	398,408
Changes in employer's proportionate percentage/ difference between employer contributions	2,575	83,014	85,589
Contributions subsequent to the measurement date	1,319	28,187	29,506
Total deferred outflows of resources	<u>\$ 75,399</u>	<u>\$ 621,719</u>	<u>\$ 697,118</u>
	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 11,862	\$ 201,312	\$ 213,174
Changes of assumptions	35,825	705,435	741,260
Changes in employer's proportionate percentage/ difference between employer contributions	540	78,109	78,649
Total deferred inflows of resources	<u>\$ 48,227</u>	<u>\$ 984,856</u>	<u>\$ 1,033,083</u>

\$29,506 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/increase to the net OPEB liability in the year ending December 31, 2025.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2025	\$ (999)	\$ (3,494)	\$ (4,493)
2026	4,791	(51,023)	(46,232)
2027	38,959	(28,843)	10,116
2028	(16,898)	(93,457)	(110,355)
2029	-	(103,138)	(103,138)
Thereafter	-	(111,369)	(111,369)
Total	<u>\$ 25,853</u>	<u>\$ (391,324)</u>	<u>\$ (365,471)</u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023.

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CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.70%
Prior Measurement date	5.22%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	3.77%
Prior Measurement date	4.05%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2038
Prior Measurement date	5.50% initial, 3.50% ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.00% for 2023.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.82 %
Domestic equities	25.00	4.27
Real Estate Investment Trusts (REITs)	5.00	4.68
International equities	25.00	5.16
Risk parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

Discount Rate - A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, 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 (Asset) to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70%, as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70%) or one-percentage-point higher (6.70%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ 45,801	\$ (83,339)	\$ (190,313)

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)

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

- Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. 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 the health care 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 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 86,800	\$ 83,339	\$ 79,412

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, 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 retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)

Key methods and assumptions used in the December 31, 2023, compared to the December 31, 2022 actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	
Current measurement date	3.50% to 10.50%
Prior measurement date	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.07%
Prior measurement date	4.27%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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 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.

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)

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, 2023, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	18.60 %	4.10 %
Non-US equity	12.40	4.90
Private markets	10.00	7.30
Core fixed income *	25.00	2.40
High yield fixed income	7.00	4.10
Private credit	5.00	6.80
U.S. inflation linked bonds *	15.00	2.10
Midstream energy infrastructure	5.00	5.80
Real assets	8.00	6.00
Gold	5.00	3.50
Private real estate	12.00	5.40
Commodities	2.00	3.50
Total	125.00 %	

Note: assumptions are geometric.

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

Discount Rate - Total OPEB liability was calculated using the discount rate of 4.07%. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38% was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07%.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.07%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07%), or one percentage point higher (5.07%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,349,276	\$ 1,095,439	\$ 881,657

CITY OF RIVERSIDE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 17 - CONTINGENCIES

A. Litigation

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

B. Federal and State Grants

For the period January 1, 2024, to December 31, 2024, the City received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would not have a material impact on the financial statements.

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CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 18 - FUND BALANCE

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

Fund balance	General	Fire	Street/Public Service	Police	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Materials and supplies inventory	\$ -	\$ -	\$ 35,800	\$ -	\$ -	\$ 35,800
Prepayments	60,666	71,657	35,474	66,766	141	234,704
Total nonspendable	60,666	71,657	71,274	66,766	141	270,504
Restricted:						
Safety forces	-	953,075	-	956,860	16,241	1,926,176
Transportation services	-	-	955,306	-	1,108,790	2,064,096
Center of Flight program	-	-	-	-	62,193	62,193
Street lighting	-	-	-	-	219,514	219,514
Drug law enforcement	-	-	-	-	927	927
Fire insurance settlements	-	-	-	-	27,840	27,840
Community development	-	-	-	-	123,370	123,370
Capital improvements	-	-	-	-	87,442	87,442
Cemetery purposes	-	-	-	-	6,070	6,070
Total restricted	-	953,075	955,306	956,860	1,652,387	4,517,628
Committed:						
Capital improvements	-	-	-	-	209,930	209,930
Total committed	-	-	-	-	209,930	209,930
Assigned:						
Capital improvements	445,535	-	-	-	337,485	783,020
Debt service	-	-	-	-	210,185	210,185
General government	165,698	-	-	-	-	165,698
Community environment	80,045	-	-	-	-	80,045
Leisure time activities	2,141	-	-	-	-	2,141
Subsequent year appropriations	1,452,002	-	-	-	-	1,452,002
Total assigned	2,145,421	-	-	-	547,670	2,693,091
Unassigned	8,011,923	-	-	-	-	8,011,923
Total fund balances	\$ 10,218,010	\$ 1,024,732	\$ 1,026,580	\$ 1,023,626	\$ 2,410,128	\$ 15,703,076

CITY OF RIVERSIDE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 19 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances (less those included in payables) in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 3,464,508
Fire fund	211,784
Street/public service fund	112,641
Police fund	275,477
Other governmental funds	<u>221,200</u>
Total	<u><u>\$ 4,285,610</u></u>

NOTE 20 - TAX ABATEMENTS

The City has entered into multiple property tax abatement agreements with property owners under The Ohio Community Reinvestment Area (CRA) program. Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

<u>Tax Abatement Program</u>	<u>City Taxes Abated</u>
Community Reinvestment Area	<u><u>\$ 79,494</u></u>

NOTE 21 - SUBSEQUENT EVENT

On February 27, 2025, the City issued \$6,390,000 in bond anticipation notes. This issue was used to refinance the 2024 bond anticipation notes and to issue an additional \$2,000,000 for building improvements, described in Note 11. The bond anticipation notes bear an interest rate of 6.375% and mature on February 25, 2026.

NOTE 22 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

NOTE 23 – CONTRACTUAL COMMITMENT

The City has paid \$1,682,074 of the \$5,989,424 contract with Energy Systems Group for the Wright Point Facility Upgrade leaving an outstanding contractual commitment of \$4,307,350 at year end.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERSIDE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget -</u>
			<u>Basis</u>	<u>Over (Under)</u>
				<u>Actual Amounts</u>
Budgetary revenues:				
Income taxes	\$ 3,586,487	\$ 4,083,564	\$ 4,184,454	\$ 100,890
Property and other local taxes.	497,261	566,180	580,168	13,988
Charges for services.	103,971	118,381	121,306	2,925
Licenses and permits	185,951	211,723	216,954	5,231
Fines, forfeitures, and settlements	31,799	36,206	37,101	895
Intergovernmental.	733,630	835,309	855,947	20,638
Investment income.	559,104	636,594	652,322	15,728
Other	29,307	33,369	34,193	824
Total budgetary revenues	<u>5,727,510</u>	<u>6,521,326</u>	<u>6,682,445</u>	<u>161,119</u>
Budgetary expenditures:				
Current:				
General government	5,716,948	4,859,798	1,870,386	(2,989,412)
Community and economic development.	782,859	901,421	689,519	(211,902)
Leisure time activity	100,258	180,258	27,129	(153,129)
Capital outlay	704,935	704,935	766,849	61,914
Total budgetary expenditures	<u>7,305,000</u>	<u>6,646,412</u>	<u>3,353,883</u>	<u>(3,292,529)</u>
Budgetary excess (deficiency) of revenues over (under) expenditures	<u>(1,577,490)</u>	<u>(125,086)</u>	<u>3,328,562</u>	<u>3,453,648</u>
Budgetary other financing sources (uses):				
Advances in.	359,981	409,873	420,000	10,127
Transfers (out).	-	(4,385,000)	(4,385,000)	-
Total budgetary other financing sources (uses)	<u>359,981</u>	<u>(3,975,127)</u>	<u>(3,965,000)</u>	<u>10,127</u>
Net change in fund balances	(1,217,509)	(4,100,213)	(636,438)	3,463,775
Budgetary fund balance at beginning of year	5,134,915	5,134,915	5,134,915	-
Prior year encumbrances appropriated . . .	908,152	908,152	908,152	-
Budgetary fund balance at beginning of year	<u>\$ 4,825,558</u>	<u>\$ 1,942,854</u>	<u>\$ 5,406,629</u>	<u>\$ 3,463,775</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF RIVERSIDE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget -</u>
			<u>Basis</u>	<u>Over (Under)</u>
				<u>Actual Amounts</u>
Budgetary revenues:				
Income taxes	\$ 3,233,824	\$ 3,523,367	\$ 3,138,340	\$ (385,027)
Property and other local taxes.	630,302	686,736	611,691	(75,045)
Charges for services.	332,961	362,773	323,130	(39,643)
Intergovernmental.	217,356	236,817	210,938	(25,879)
Other	17,189	18,728	16,681	(2,047)
Total budgetary revenues	<u>4,431,632</u>	<u>4,828,421</u>	<u>4,300,780</u>	<u>(527,641)</u>
Budgetary expenditures:				
Current:				
Security of persons and property	4,795,770	5,221,637	5,032,506	(189,131)
Capital outlay	167,436	182,304	182,301	(3)
Debt service:				
Principal retirement.	194,711	212,001	212,001	-
Interest	12,913	14,060	14,060	-
Total budgetary expenditures	<u>5,170,830</u>	<u>5,630,002</u>	<u>5,440,868</u>	<u>(189,134)</u>
Net change in fund balances	(739,198)	(801,581)	(1,140,088)	(338,507)
Budgetary fund balance at beginning of year	1,079,546	1,079,546	1,079,546	-
Prior year encumbrances appropriated . . .	618,571	618,571	618,571	-
Budgetary fund balance at beginning of year	<u>\$ 958,919</u>	<u>\$ 896,536</u>	<u>\$ 558,029</u>	<u>\$ (338,507)</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERSIDE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET/PUBLIC SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Over (Under) Actual Amounts</u>
	<u>Original</u>	<u>Final</u>		
Budgetary revenues:				
Licenses and permits	\$ 3,252	\$ 4,723	\$ 3,200	\$ (1,523)
Intergovernmental.	2,528,381	3,672,001	2,488,170	(1,183,831)
Special assessments	141,602	205,650	139,350	(66,300)
Other	41,701	60,563	41,038	(19,525)
Total budgetary revenues	<u>2,714,936</u>	<u>3,942,937</u>	<u>2,671,758</u>	<u>(1,271,179)</u>
Budgetary expenditures:				
Current:				
Transportation	1,269,684	2,185,277	1,927,376	(257,901)
Capital outlay	1,015,749	1,748,225	1,541,903	(206,322)
Debt service:				
Principal retirement.	88,651	152,579	134,572	(18,007)
Interest	6,564	11,297	9,964	(1,333)
Total budgetary expenditures	<u>2,380,648</u>	<u>4,097,378</u>	<u>3,613,815</u>	<u>(483,563)</u>
Budgetary excess (deficiency) of revenues over (under) expenditures	<u>334,288</u>	<u>(154,441)</u>	<u>(942,057)</u>	<u>(787,616)</u>
Budgetary other financing sources (uses):				
Advances (out)	(276,681)	(476,200)	(420,000)	56,200
Transfers in	274,364	398,462	270,000	(128,462)
Total budgetary other financing sources (uses)	<u>(2,317)</u>	<u>(77,738)</u>	<u>(150,000)</u>	<u>(72,262)</u>
Net change in fund balances	331,971	(232,179)	(1,092,057)	(859,878)
Budgetary fund balance at beginning of year	1,508,233	1,508,233	1,508,233	-
Prior year encumbrances appropriated . . .	355,533	355,533	355,533	-
Budgetary fund balance at beginning of year	<u>\$ 2,195,737</u>	<u>\$ 1,631,587</u>	<u>\$ 771,709</u>	<u>\$ (859,878)</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERSIDE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget -</u>
			<u>Basis</u>	<u>Over (Under)</u>
				<u>Actual Amounts</u>
Budgetary revenues:				
Income taxes	\$ 3,566,921	\$ 3,628,032	\$ 3,138,340	\$ (489,692)
Property and other local taxes.	1,214,180	1,234,982	1,068,291	(166,691)
Charges for services.	26,747	27,205	23,533	(3,672)
Licenses and permits	341	347	300	(47)
Fines, forfeitures, and settlements	17,391	17,688	15,301	(2,387)
Intergovernmental.	201,086	204,532	176,925	(27,607)
Other	151,123	153,712	132,965	(20,747)
Total budgetary revenues	<u>5,177,789</u>	<u>5,266,498</u>	<u>4,555,655</u>	<u>(710,843)</u>
Budgetary expenditures:				
Current:				
Security of persons and property	5,229,203	5,494,367	5,372,263	(122,104)
Capital outlay	252,672	265,485	259,585	(5,900)
Debt service:				
Principal retirement.	29,866	31,380	30,683	(697)
Interest	1,173	1,232	1,205	(27)
Total budgetary expenditures	<u>5,512,914</u>	<u>5,792,464</u>	<u>5,663,736</u>	<u>(128,728)</u>
Net change in fund balances	(335,125)	(525,966)	(1,108,081)	(582,115)
Budgetary fund balance at beginning of year	1,360,618	1,360,618	1,360,618	-
Prior year encumbrances appropriated . . .	392,864	392,864	392,864	-
Budgetary fund balance at beginning of year	<u>\$ 1,418,357</u>	<u>\$ 1,227,516</u>	<u>\$ 645,401</u>	<u>\$ (582,115)</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERSIDE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND
CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - TRADITIONAL PLAN**

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.009549000%	\$ 2,499,967	\$ 1,583,621	157.86%	79.01%
2023	0.010120000%	2,989,452	1,571,943	190.18%	75.74%
2022	0.010163000%	884,222	1,479,900	59.75%	92.62%
2021	0.009469000%	1,402,153	1,276,700	109.83%	86.88%
2020	0.008602000%	1,700,244	1,234,893	137.68%	82.17%
2019	0.009047000%	2,477,790	1,216,657	203.66%	74.70%
2018	0.009704000%	1,522,369	1,287,969	118.20%	84.66%
2017	0.009880000%	2,243,580	1,277,675	175.60%	77.25%
2016	0.010230000%	1,771,965	1,272,350	139.27%	81.08%
2015	0.010207000%	1,231,016	1,252,892	98.25%	86.45%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 284,747	\$ (284,747)	\$ -	\$ 2,033,907	14.00%
2023	221,707	(221,707)	-	1,583,621	14.00%
2022	220,072	(220,072)	-	1,571,943	14.00%
2021	207,186	(207,186)	-	1,479,900	14.00%
2020	178,738	(178,738)	-	1,276,700	14.00%
2019	172,885	(172,885)	-	1,234,893	14.00%
2018	170,332	(170,332)	-	1,216,657	14.00%
2017	167,436	(167,436)	-	1,287,969	13.00%
2016	153,321	(153,321)	-	1,277,675	12.00%
2015	152,682	(152,682)	-	1,272,350	12.00%

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERSIDE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION ASSET AND
CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - COMBINED PLAN**

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Asset	City's Proportionate Share of the Net Pension Asset	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.011849000%	\$ 36,422	\$ 54,408	66.94%	144.55%
2023	0.011165000%	26,315	51,807	50.79%	137.14%
2022	0.011037000%	43,486	50,029	86.92%	169.88%
2021	0.009738000%	28,110	42,914	65.50%	157.67%
2020	0.010765000%	22,448	47,921	46.84%	145.28%
2019	0.016564000%	18,522	70,843	26.15%	126.64%
2018	0.019486000%	26,527	79,800	33.24%	137.28%
2017	0.025438000%	14,158	99,017	14.30%	116.55%
2016	n/a	n/a	n/a	n/a	n/a
2015	n/a	n/a	n/a	n/a	n/a

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 6,951	\$ (6,951)	\$ -	\$ 57,925	12.00%
2023	6,529	(6,529)	-	54,408	12.00%
2022	7,253	(7,253)	-	51,807	14.00%
2021	7,004	(7,004)	-	50,029	14.00%
2020	6,008	(6,008)	-	42,914	14.00%
2019	6,709	(6,709)	-	47,921	14.00%
2018	9,918	(9,918)	-	70,843	14.00%
2017	10,374	(10,374)	-	79,800	13.00%
2016	11,882	(11,882)	-	99,017	12.00%
2015	n/a	n/a	n/a	n/a	n/a

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

n/a - information not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERSIDE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION ASSET AND
CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - MEMBER DIRECTED PLAN**

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Asset	City's Proportionate Share of the Net Pension Asset	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.000543000%	\$ 61	\$ 4,000	1.53%	134.44%
2023	0.002173000%	170	15,190	1.12%	126.74%
2022	0.000897000%	163	5,630	2.90%	171.84%
2021	0.000666000%	121	4,000	3.03%	188.21%
2020	0.002081000%	79	12,370	0.64%	118.84%
2019	0.015302000%	349	87,470	0.40%	113.42%
2018	0.016575000%	578	90,840	0.64%	124.46%
2017	0.022995000%	96	99,475	0.10%	103.40%
2016	n/a	n/a	n/a	n/a	n/a
2015	n/a	n/a	n/a	n/a	n/a

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 400	\$ (400)	\$ -	\$ 4,000	10.00%
2023	400	(400)	-	4,000	10.00%
2022	1,519	(1,519)	-	15,190	10.00%
2021	563	(563)	-	5,630	10.00%
2020	400	(400)	-	4,000	10.00%
2019	1,237	(1,237)	-	12,370	10.00%
2018	8,747	(8,747)	-	87,470	10.00%
2017	9,084	(9,084)	-	90,840	10.00%
2016	11,937	(11,937)	-	99,475	12.00%
2015	n/a	n/a	n/a	n/a	n/a

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.
n/a - information not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERSIDE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND
CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.150033200%	\$ 14,495,278	\$ 4,270,437	339.43%	63.63%
2023	0.144713400%	13,746,370	4,038,855	340.35%	62.90%
2022	0.153126100%	9,566,433	4,000,832	239.11%	75.03%
2021	0.155221500%	10,581,589	3,700,394	285.96%	70.65%
2020	0.149966100%	10,102,518	3,676,956	274.75%	69.89%
2019	0.152613000%	12,457,253	3,592,265	346.78%	63.07%
2018	0.153427000%	9,416,530	3,441,383	273.63%	70.91%
2017	0.149741000%	9,484,406	3,148,566	301.23%	68.36%
2016	0.148219000%	9,535,032	3,071,613	310.42%	66.77%
2015	0.144219900%	7,471,192	2,928,529	255.12%	71.71%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<i>Police:</i>					
2024	\$ 618,203	\$ (618,203)	\$ -	\$ 3,253,700	19.00%
2023	486,910	(486,910)	-	2,562,684	19.00%
2022	477,799	(477,799)	-	2,514,732	19.00%
2021	466,778	(466,778)	-	2,456,726	19.00%
2020	433,979	(433,979)	-	2,284,100	19.00%
2019	455,530	(455,530)	-	2,397,526	19.00%
2018	445,614	(445,614)	-	2,345,337	19.00%
2017	417,734	(417,734)	-	2,198,600	19.00%
2016	390,585	(390,585)	-	2,055,711	19.00%
2015	377,919	(377,919)	-	1,989,047	19.00%
<i>Fire:</i>					
2024	\$ 560,130	\$ (560,130)	\$ -	\$ 2,383,532	23.50%
2023	401,322	(401,322)	-	1,707,753	23.50%
2022	358,169	(358,169)	-	1,524,123	23.50%
2021	362,865	(362,865)	-	1,544,106	23.50%
2020	332,829	(332,829)	-	1,416,294	23.50%
2019	300,666	(300,666)	-	1,279,430	23.50%
2018	293,028	(293,028)	-	1,246,928	23.50%
2017	292,054	(292,054)	-	1,242,783	23.50%
2016	256,821	(256,821)	-	1,092,855	23.50%
2015	254,403	(254,403)	-	1,082,566	23.50%

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERSIDE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/(ASSET) AND
CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	City's Proportion of the Net OPEB Liability/(Asset)	City's Proportionate Share of the Net OPEB Liability/(Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.009234000%	\$ (83,339)	\$ 1,642,029	5.08%	107.76%
2023	0.009827000%	61,961	1,638,940	3.78%	94.79%
2022	0.009817000%	(307,483)	1,535,559	20.02%	128.23%
2021	0.009129000%	(162,640)	1,323,614	12.29%	115.57%
2020	0.008410000%	1,161,639	1,295,184	89.69%	47.80%
2019	0.009517000%	1,240,792	1,374,970	90.24%	46.33%
2018	0.010260000%	1,114,160	1,458,609	76.39%	54.14%
2017	0.010776780%	1,088,492	1,476,167	73.74%	54.05%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 1,319	\$ (1,319)	\$ -	\$ 2,095,832	0.06%
2023	1,248	(1,248)	-	1,642,029	0.08%
2022	607	(607)	-	1,638,940	0.04%
2021	225	(225)	-	1,535,559	0.01%
2020	160	(160)	-	1,323,614	0.01%
2019	495	(495)	-	1,295,184	0.04%
2018	3,499	(3,499)	-	1,374,970	0.25%
2017	17,312	(17,312)	-	1,458,609	1.19%
2016	29,907	(29,907)	-	1,476,167	2.03%
2015	59,818	(59,818)	-	1,272,350	4.70%

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERSIDE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY AND
CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.150033200%	\$ 1,095,439	\$ 4,270,437	25.65%	51.89%
2023	0.144713400%	1,030,318	4,038,855	25.51%	52.59%
2022	0.153126100%	1,678,394	4,000,832	41.95%	46.86%
2021	0.155221500%	1,644,597	3,700,394	44.44%	45.42%
2020	0.149966100%	1,481,325	3,676,956	40.29%	47.08%
2019	0.152613000%	1,389,775	3,592,265	38.69%	46.57%
2018	0.153427000%	8,692,976	3,441,383	252.60%	14.13%
2017	0.149741000%	7,107,869	3,148,566	225.75%	15.96%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
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Police:

2024	\$ 16,269	\$ (16,269)	\$ -	\$ 3,253,700	0.50%
2023	12,813	(12,813)	-	2,562,684	0.50%
2022	12,574	(12,574)	-	2,514,732	0.50%
2021	12,284	(12,284)	-	2,456,726	0.50%
2020	11,420	(11,420)	-	2,284,100	0.50%
2019	11,988	(11,988)	-	2,397,526	0.50%
2018	11,727	(11,727)	-	2,345,337	0.50%
2017	10,993	(10,993)	-	2,198,600	0.50%
2016	10,279	(10,279)	-	2,055,711	0.50%
2015	9,945	(9,945)	-	1,989,047	0.50%

Fire:

2024	\$ 11,918	\$ (11,918)	\$ -	\$ 2,383,532	0.50%
2023	8,539	(8,539)	-	1,707,753	0.50%
2022	7,621	(7,621)	-	1,524,123	0.50%
2021	7,721	(7,721)	-	1,544,106	0.50%
2020	7,081	(7,081)	-	1,416,294	0.50%
2019	6,397	(6,397)	-	1,279,430	0.50%
2018	6,235	(6,235)	-	1,246,928	0.50%
2017	6,214	(6,214)	-	1,242,783	0.50%
2016	15,743	(15,743)	-	1,092,855	0.50%
2015	15,358	(15,358)	-	1,082,566	0.50%

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERSIDE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - BUDGETARY PROCESS

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 law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The schedule of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, the fire fund, the street/public service fund, and the police fund are 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 that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis is as follows:

Net Change in Fund Balance

	<u>General fund</u>	<u>Fire fund</u>	<u>Street/Public Service fund</u>	<u>Police fund</u>
Budget basis	\$ (636,438)	\$ (1,140,088)	\$ (1,092,057)	\$ (1,108,081)
Net adjustment for revenue accruals	(29,500)	17,803	(343,922)	(37,237)
Net adjustment for expenditure accruals	(143,829)	18,126	(434,362)	(23,177)
Net adjustment for other sources/uses	(420,000)	298,853	821,196	582,703
Funds budgeted elsewhere	3,387,051	-	-	-
Adjustments for encumbrances	<u>918,226</u>	<u>278,209</u>	<u>483,637</u>	<u>284,233</u>
GAAP Basis	<u>\$ 3,075,510</u>	<u>\$ (527,097)</u>	<u>\$ (565,508)</u>	<u>\$ (301,559)</u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the Wright Point fund and contingency reserve fund.

CITY OF RIVERSIDE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

Change in assumptions:

- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25%, (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75% and (d) COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2018, then 2.15% simple.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- For 2020, COLA for post 1/7/2013 retirees were changed to 1.40%, simple through 2020, then 2.15% simple.
- For 2021, COLA for post 1/7/2013 retirees were changed to 0.50%, simple through 2021, then 2.15% simple.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- For 2023, COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2023, then 2.05% simple.
- For 2024, COLA for post 1/7/2013 retirees were changed to 2.30%, simple through 2024, then 2.05% simple.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.

CITY OF RIVERSIDE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

Changes in assumptions:

- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.
- There were no changes in assumptions for 2024.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

CITY OF RIVERSIDE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) the investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.
- For 2024, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed to 5.70%, (b) the municipal bond rate was changed to 3.77% and (c) the health care cost trend rate was changed to 5.50% initial, 3.50% ultimate in 2038.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

CITY OF RIVERSIDE, OHIO

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) investment rate of return was reduced from 8.25% to 8.00%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66% and (b) the municipal bond rate was increased from 3.16% to 4.13%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56% and (b) the municipal bond rate was decreased from 4.13% to 2.75%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96% and (b) the municipal bond rate was decreased from 2.75% to 2.12%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50%, (b) the discount rate was changed from 2.96% to 2.84% and (c) the municipal bond rate was decreased from 2.12% to 2.05%.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed from 2.84% to 4.27% and (b) the municipal bond rate was increased from 2.05% to 3.65%.
- For 2024, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed to 4.07% and (b) and the municipal bond rate was changed to 3.38%.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

City of Riverside
Montgomery County
5200 Springfield Street, Suite 100
Riverside, Ohio 45431

To the Members of the City Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Riverside, Montgomery County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Riverside's basic financial statements, and have issued our report thereon dated July 21, 2025, wherein we noted as described in Note 3 to the financial statements, the City of Riverside restated beginning net position as a result of a change in accounting principle by implementing GASB Statement No. 101, "Compensated Absences".

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

City of Riverside's Response to Findings

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

Purpose of this Report

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



Julian & Grube, Inc.
July 21, 2025

**CITY OF RIVERSIDE
MONTGOMERY COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2024**

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2024-001

Significant Deficiency - Financial Reporting

In our 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 controls 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. In order to properly state financial statement amounts, the following adjustments were made to the City's financial statements:

The following adjustments were made to the financial statements.

- To properly state prepaids related to a road project, Prepayments on the Statement of Net Position and on the Balance Sheet were each decreased by \$250,000, Capital outlay on the Statement of Revenues, Expenditures and Changes in Fund Balance was increased by \$250,000, Security of persons and property on the Statement of Activities was increased by \$63,727, and Transportation on the Statement of Activities was increased by \$186,273.
- Various amounts in the Final Budget columns of the Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) of the General Fund and Street/Public Service Fund were adjusted to properly align with the appropriations approved by Council and the actual cash basis activity.

Control procedures not properly developed related to the financial statements limits management's ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

We recommend the City implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors.

Officials Response: The City will implement a more detailed review of draft statements by the Finance Director in conjunction with our GAAP preparer to aid in the financial statement presentation.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024**

<u>Finding Number</u>	<u>Year Initially Occurred</u>	<u>Finding Summary</u>	<u>Status</u>	<u>Additional Information</u>
2023-001	2021	<u>Significant Deficiency</u> – <u>Financial Reporting</u> – Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Certain adjustments were made to the financial statements and related notes.	Not Corrected	Repeated as Finding 2024-001 as audit adjustments were necessary to properly state financial statement amounts and the related notes.
2023-002	2022	<u>Noncompliance</u> – Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated. In addition, Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Board resolution and comply with the same provisions of the law as used in making the original appropriations. The City did not timely and properly modify its appropriations throughout the year or at year end. Due to not timely and properly modifying appropriations, disbursements exceeded Council approved appropriations for certain budgetary line items in certain funds.	Corrective Action Taken and Finding is Fully Corrected	N/A
2023-003	2021	<u>Significant Deficiency</u> – <u>Bank Reconciliations</u> – The completion of timely monthly bank reconciliations to zero unidentified differences is critical to financial data reporting for both the City’s Council and its citizens. The City Finance Director is responsible for reconciling the book (fund) balance to the total cash (bank) balance with zero unidentified variances on a monthly basis and the City Council is responsible for reviewing the reconciliations and related support. The City’s monthly bank reconciliations contained unidentified variances and improperly excluded accurate reconciliations of three bank accounts.	Corrective Action Taken and Finding is Fully Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



CITY OF RIVERSIDE

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/13/2026

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

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