

City of Rocky River, Ohio

Annual Comprehensive Financial Report



For the Year Ended December 31, 2023



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Columbus, Ohio 43215
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800-282-0370

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

We have reviewed the *Independent Auditor's Report* of the City of Rocky River, Cuyahoga County, prepared by Zupka & Associates, for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

July 30, 2024

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Auditor of State Letter

Introductory Section



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City of Rocky River, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

Issued by:

City of Rocky River
Department of Finance

Michael A. Thomas, CPA
Director of Finance

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City of Rocky River, Ohio

Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

Table of Contents	Page
I. Introductory Section	
Title Page.....	i
Table of Contents	ii
Letter of Transmittal.....	viii
GFOA Certificate of Achievement.....	xiv
List of Elected Officials	xv
Organizational Chart	xvi
II. Financial Section	
Independent Auditor’s Report	1
Management’s Discussion and Analysis (Unaudited).....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	22
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual: General Fund.....	30
Statement of Fund Net Position – Proprietary Funds	32
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	34
Statement of Cash Flows – Proprietary Fund Types	36

City of Rocky River, Ohio

Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

Table of Contents	Page
II. Financial Section (Continued)	
Statement of Fiduciary Net Position – Fiduciary Funds.....	38
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	39
Notes to Basic Financial Statements.....	40
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability Ohio Public Employee Retirement System – Traditional Plan.....	107
Schedule of the City’s Proportionate Share of the Net Pension Asset Ohio Public Employee Retirement System – Combined Plan.....	108
Schedule of the City’s Proportionate Share of the Net Pension Liability Ohio Police and Fire Pension Fund	109
Schedule of the City Pension Contributions Ohio Public Employee Retirement System – Traditional Plan.....	110
Schedule of the City Pension Contributions Ohio Public Employee Retirement System – Combined Plan.....	111
Schedule of the City Pension Contributions Ohio Police and Fire Pension Fund	112
Schedule of the City’s Proportionate Share of the Net OPEB Liability Ohio Public Employee Retirement System.....	113
Schedule of the City’s Proportionate Share of the Net OPEB Liability Ohio Police and Fire Pension Fund	114
Schedule of the City’s OPEB Contributions Ohio Public Employee Retirement System.....	115
Schedule of the City’s OPEB Contributions Ohio Police and Fire Pension Fund	116
Notes to Required Supplementary Information	117

City of Rocky River, Ohio

Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

Table of Contents **Page**

II. Financial Section (Continued)

Combining Statements and Individual Fund Schedules:

Combining Statements: Non-major Governmental Funds:

Fund Descriptions.....	124
Combining Balance Sheet – Non-major Governmental Funds	128
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	129
Combining Balance Sheet – Non-major Special Revenue Funds	130
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Special Revenue Funds	134
Combining Balance Sheet – Non-major Debt Service Funds	138
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Debt Service Funds	139
Combining Balance Sheet – Non-major Capital Projects Funds.....	140
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Capital Projects Funds.....	141

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

Governmental Major Funds:

General Fund	142
Budget Stabilization Fund	146
Capital Improvement Fund	147

Governmental Non-Major Funds:

Law Enforcement Trust Fund	148
Community Diversion Program Fund.....	149
Indigent Driver Alcohol Treatment Fund	150
Enforcement and Education Fund.....	151
Municipal Probation Services Fund.....	152

City of Rocky River, Ohio

Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

Table of Contents **Page**

II. Financial Section (Continued)

Governmental Non-Major Funds (Continued):

Office on Aging Fund.....	153
OneOhio Opioid Settlement Fund	154
Local Fiscal Recovery Fund	155
Recreation Center Fund	156
Marine Patrol Fund.....	157
Refuse and Recycling Fund.....	158
Motor Vehicle License Tax Fund	159
Street Repair and Maintenance Fund.....	160
State Highway Fund	161
Indigent Driver Alcohol Monitoring Fund	162
Fire Levy Fund	163
Police Levy Fund.....	164
Refundable Deposits.....	165
Building Standards Fee.....	166
Donations and Bequests.....	167
General Obligation Bond Retirement Fund.....	168
Special Assessment Bond Retirement Fund.....	169
Equipment Replacement Fund.....	170
Municipal Court Capital Improvement Fund.....	171

Proprietary Funds:

Wastewater Treatment Plant.....	172
Sanitary Sewer Fund.....	173
Self-Insurance Fund.....	174

Combining Statements – Fiduciary Funds:

Fund Descriptions.....	175
Combining Statement of Fiduciary Net Position Custodial Funds.....	176
Combining Statement of Changes in Fiduciary Net Position Custodial Funds.....	177

III. Statistical Section

Net Position by Component – Last Ten Fiscal Years.....	S2
Changes in Net Position – Last Ten Fiscal Years	S4

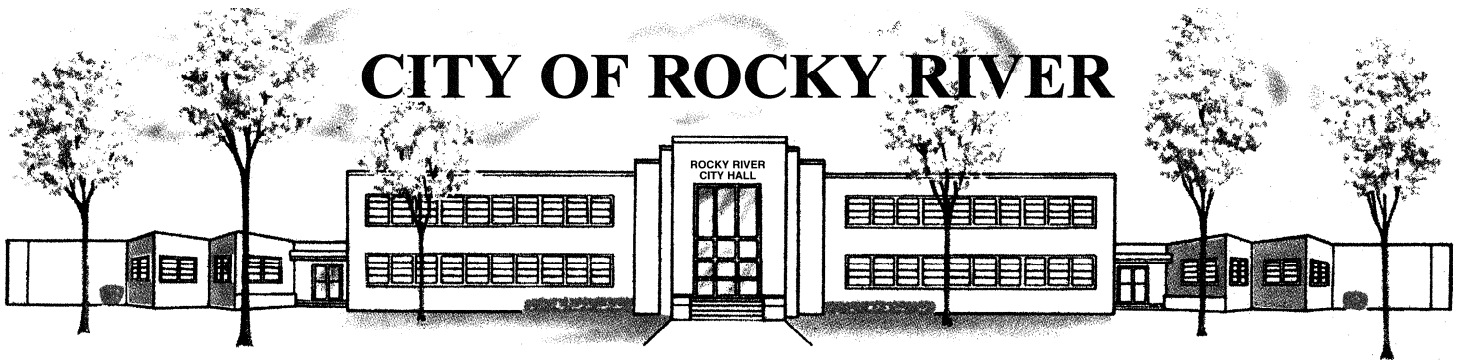
City of Rocky River, Ohio

Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

Table of Contents	Page
III. Statistical Section (Continued)	
Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	S8
Changes in Fund Balance, Governmental Funds – Last Ten Fiscal Years	S10
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years	S12
Property Tax Rates – Direct and Overlapping Governments – (Per \$1,000 of Assessed Valuation) – Last Ten Years	S15
Real Property Tax Levies and Collections – Last Ten Years.....	S16
Principal Taxpayers – Real and Tangible Public Utility – As of December 31, 2023 and 2014.....	S18
Ratio of Outstanding Debt by Type – Last Ten Years	S19
Special Assessment Levies and Collections – Last Ten Years	S20
Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita – Last Ten Years	S21
Computation of Legal Debt Margin – Last Ten Years.....	S22
Computation of Direct and Overlapping General Obligation Bonded Debt	S23
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total Governmental Expenditures – Last Ten Years	S24
Principal Employers – Current and Ten Years Ago.....	S25
Demographic and Economic Statistics.....	S26
Property Value and Construction – Last Ten Years.....	S27
Full-Time Employees by Function/Program – Last Ten Years	S28
Operating Indicators by Function/Program – Last Ten Years	S29
Capital Asset Statistics by Function/Program – Last Ten Years.....	S32

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CITY OF ROCKY RIVER



21012 HILLIARD BLVD.

• ROCKY RIVER, OHIO 44116

• (440) 331-0600

July 1, 2024

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

Transmittal of the Annual Comprehensive Financial Report

The City of Rocky River, Ohio (City) submits this Annual Comprehensive Financial Report (ACFR) for the year ending December 31, 2023. The ACFR is a more extensive report than basic financial statements and it is believed that the ACFR demonstrates the City's ongoing commitment to be accountable to its citizenry and to excellence in financial reporting. While no single report can be all things to all people, the goal in presenting this ACFR is to provide any person or entity interested in the City with information needed to gain a fair understanding of the City's financial position, results of operations and cash flows.

The Ohio Revised Code Section 117.38 requires that the City certify and file, within one hundred fifty days after the close of the fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America. The City issues the ACFR for the year ended December 31, 2023 therefore.

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

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

The financial statements of the City have been audited by independent auditor Zupka & Associates Certified Public Accountants. The objective of an audit is to provide reasonable assurance that the financial statements are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the results of the audit, Zupka & Associates Certified Public Accountants concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31,

2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of the ACFR.

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

Profile of the City of Rocky River, Ohio

The City of Rocky River is an established residential community located in northeastern Ohio, founded as a village out of Rockport Township in 1903. The City covers 4.48 square miles along the southern shore of Lake Erie west of the City of Cleveland, in Cuyahoga County. The Rocky River, which drains into Lake Erie, forms the eastern border of the City. The 2020 U. S. Census reports the City's population at 21,755 residents. The City is a home rule municipal corporation established pursuant to the general laws of the State of Ohio and its own charter. The current charter, which provides for the Mayor/Council form of government, was originally adopted in 1960 and last amended in 2020 with the next review for potential amendment(s) scheduled to occur in 2026. None of the recently enacted charter amendments are expected to have an impact on governance or financial reporting.

The City is governed by an elected full-time Mayor and seven City Council members City Council all of whom serve two year terms. The Law Director is also an elected office holder who also serves two year terms. The Mayor appoints the heads of the following departments: Safety-Service, Finance, Human Resources, Information Technology, Building, Service, Public Buildings (facilities) Office on Aging and Recreation. As of December 31, the City had 207 full-time employees, including the Rocky River Municipal Court.

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

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

Economic Conditions

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

The tax base of the City's municipal income tax consists of business (and employees) located within the City as well as individual, resident taxpayers. The largest organizations located within the City generating income tax revenue are the City and the Rocky River City School District. Other significant industries in the City are health care and senior citizen congregate housing; financial services and banking; shipping and logistics; and retail. U. S. Census *Quick Facts* report the City's median household income (in 2022 dollars), 2018-2022 was \$90,459; while for the State of Ohio that amount was \$66,990.

Components of income tax collections are:

Component	2020	2021	2022	2023
Employee Withholding	\$8,056,183	\$9,335,722	\$11,444,236	12,518,598
Residence Tax	5,616,783	6,558,744	7,590,613	7,107,016
Business Profit	1,174,752	1,455,605	1,678,445	1,565,734
Penalties & Interest	327,073	460,230	471,481	471,664
Total	\$15,174,791	\$17,810,301	\$21,184,775	\$21,663,012

Income tax collections indicate growth over the span of years shown in the above table. The overall growth over the period indicated exceeds 42%. The Employee Withholding component grew by over 55%, comfortably surpassed the \$10.0M threshold and has been sustained.

In context, over a longer lookback period of eight years, the annual income tax collection change has been in the range of -7.25 % to 18.95%. The City's income tax rate is 2.0 percent with a credit to residents of 1.5 for income taxes paid to another city. With a ballot issue approved in November 2014, 0.5 percent of the City income tax was designated to provide resources for capital projects and equipment purchases, either directly or through the payment of debt service for those activities. While this revenue source is economically sensitive in the short-term, it has been proven to be durable in the long-term. Prior to the rate increase that became effective January 1, 2015, the last rate increase was put in place in 1977.

For the City, and within the State of Ohio, property tax revenue received during 2023 represents collections of the 2022 tax levies. On behalf of the State of Ohio, the Cuyahoga County Fiscal Officer establishes property values within the City for tax purposes. The continuing strong real estate market has a favorable impact on revenue derived from property levies. In addition, during 2023, three new single-family homes were built, which amount in 2022 was six and ten in 2021. The new construction in 2023 represented about \$5,170,000 in residential investment in City neighborhoods. The Fiscal Officer most recently completed a full property value reappraisal in 2021. Resulting in overall value of property in the City to increase by about 19%. The increased values support property tax levies in place for various City services and functions.

In previous measurement periods, the percentages of the components making up the total assessed value were in the range of: residential, 85 percent; commercial, 14 percent; public utility, 1 percent. Over the time period indicated in the table below, the mix between the residential and commercial components has shifted: residential, 86 percent; commercial, 13 percent; public utility, 1 percent.

Component	2019	2020	2021	2022
Residential	\$759,712,870	\$759,648,800	\$906,497,710	\$906,594,420
Commercial	113,713,110	114,407,590	126,038,670	133,550,890
Public Utility	11,113,510	11,827,610	12,582,710	13,689,300
Total Assessed Value	\$884,539,490	\$885,884,000	\$1,045,119,090	\$1,053,834,610

Total assessed value indicates growth over the span of years shown in the above table. The growth of largest component (Residential) at 19% impacted the total assessed value which increased by a similar amount.

Demographic data confirm the importance of real estate values to the financial stability of the City. U. S. Census *Quick Facts* report the median value of owner-occupied housing units, 2018-2022 in the City as \$304,000 while that amount in the State of Ohio was \$183,300. Also reported, the owner-occupied housing unit rate, 2018-2022 was 70.5 percent in the City while that amount in the State of Ohio was 66.8 percent.

The City received its second and final allocation of the pandemic related City and State Local Fiscal Relief Funds in 2022 which total amount was \$2,101,912.

Major Initiatives

Management of various phases of significant improvement projects was the focus of attention of the City during 2023. The table below updates a project described in last year's ACFR.

Project	Estimated Project Cost	Status	Initial Construction Schedule
2020 Rocky River Sewer Improvement Project	\$5,761,350	Phase 1 Construction began in 2021	06/01/2021 to 10/31/2022
2020 Rocky River Sewer Improvement Project	\$2,124,650	Phase 2 Construction began in 2022	04/01/2022 to 07/01/2023

For this project, the City was approved for an interest free loan from the Ohio Public Works Commission; the loan approved for 56 percent of the project cost with the City providing the remaining 44 percent funding. The loan amortization period is 30 years. A source of a portion of the local match amount will be a cost reimbursement pursuant to the *Agreement between the Cities of Cleveland and Rocky River for Suburban Distribution Asset Renewal Program Project Reimbursement* for the waterline improvement component cost of the project. In 2023, the City incurred additional costs for this project with the expectation that it will be finalized in 2024.

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

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

For this project, the City was approved for an interest free loan from the Ohio Public Works Commission. The loan was approved for 30 percent of the project cost with the City providing the remaining 70 percent funding. The loan amortization period is 20 years. In 2023, the City incurred additional costs for this project with the expectation that it will be finalized in 2024.

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

The City issued no new debt in 2023. In 2022, general obligation bonds were issued for the construction and furnishing of a new Police Station. The principal amount was bonds was \$9,900,000. In addition to debt financing a portion of the project, the City had the flexibility to contribute to the total project costs of approximately \$13,095,000 from two revenue streams designated for capital purposes; the City used debt financing for approximately 75 percent of the total project costs.

During 2023, the City initiated construction on another phase to rehabilitate the City's lakefront park, Bradstreet's Landing Park. As of the end of the year, the City is reporting over \$5,600,000 as Construction-in-Progress related to this project, which is a component of a Master Plan of this particular City park. Since a pier at the Park, is a unique lakefront feature that provides Lake Erie access to more than City residents, the City applied for and was awarded funding from Cuyahoga County from its Community Development Supplemental grant program in the amount of \$1,200,000. In addition, the City designated its City and State Local Fiscal Recovery Fund allocation for this unique recreational infrastructure.

Long-term Financial Planning

Despite economic stabilization and growth in revenue, the City administration proceeds with each annual budget conservatively. In accomplishing infrastructure projects and equipment purchases, the City looks to its capital improvement property tax levy and dedicated municipal income tax revenue sources for that purpose and, to leverage its own funds, the City has obtained zero percent interest loans for a portion of many infrastructure project costs. Also, the *Agreement between the Cities of Cleveland and Rocky River for Suburban Distribution Asset Renewal Program Project Reimbursement*, put in place in 2012, has provided ongoing resources for certain to support City resident needs.

In 2019, the City established a Budget Stabilization Fund, pursuant to Ohio Revised Code Section 5705.13. Such a fund structure is an indicator of the intent of the administration and City Council to keep a stable long-term financial position. In 2019, \$688,290 was added to the new Budget Stabilization Fund; in neither 2019 nor 2020 were there expenditures from the fund. In 2021, City Council appropriated over 80% of the Budget Stabilization Fund balance; however, since experiencing revenue growth of the municipal income tax, no expenses were charged to the Budget Stabilization Fund and it continues to provide longer-term stability to the City's budget. Ohio Revised Code Section 5705.13 limits the fund accumulation to five percent of General Fund revenue in the prior fiscal year. Most recently, the Budget Stabilization Fund balance measured at 2.94%.

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

The Municipal Income Tax revenue source is economically sensitive in the short-term. In the long-term, this revenue source has proved durable and the City buffers the economic sensitivity factor by conservative budgeting. And also, where actual revenue exceeds estimated revenue, such excess is generally not appropriated and carries over to the next year. During the five year period 2019 to 2023, the City spent an average of about 76 percent of the total appropriated amount.

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

Source	Percent
Income Tax	44
Property Tax	24
Sewer Charges User Charges	10
Recreation Center User Charges	4
Other Revenue	6
Grants/Loans	6
Gas & License Fees	3
Ambulance Fees	1
Local Government Fund	1
Senior Center User Fees	0.5
Fines	0.5

Mutual agreements with other governments to provide services to City residents are always a consideration for any projects undertaken. Currently, wastewater treatment, judicial services, income tax collection, certain safety services, park management and air traffic monitoring are provided by mutual arrangement with other governments or managed by multi-jurisdictional related entities. For the organizations whereby the City joined as a member, an opportunity to participate in governance exists and there is a means to monitor the affiliated organizations' resources and reserves.

Awards and Acknowledgements

Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the year ending December 31, 2022. This was the thirty fourth year that the City has received this prestigious award. A “Certificate of Achievement” is awarded to the City when its publication is issued with easily readable language; is efficiently organized and comprehensive; and conforms to the programs standards for an annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

s/Michael A. Thomas

Michael A. Thomas, CPA
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Rocky River
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

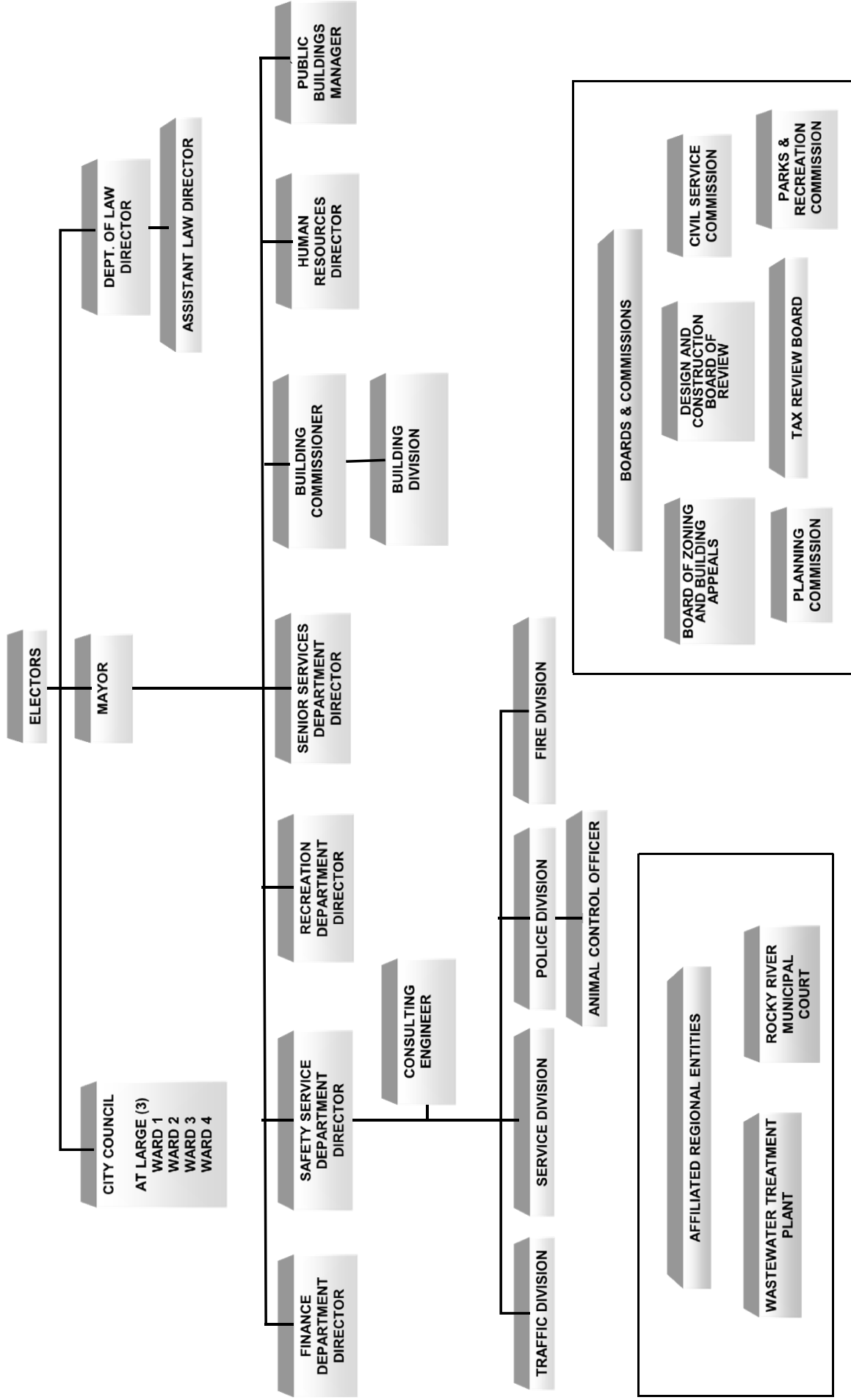
City of Rocky River, Ohio

List of Elected Officials

December 31, 2023

<u>Title</u>	<u>Name</u>
Mayor	Pamela E. Bobst
Law Director	Michael J. O’Shea
Council Member – At-Large	David W. Furry
Council Member – At-Large	Helen C. Morris
Council Member – At-Large	Brian J. Sindelar
Council Member – Ward 1	Thomas J. Hunt
Council President – Ward 2	Michael J. O’Boyle
Council Member – Ward 3	Jeanne P. Gallagher
Council Member – Ward 4	Paul M. Shipp

CITY OF ROCKY RIVER ORGANIZATIONAL CHART



Financial Section



INDEPENDENT AUDITOR'S REPORT

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

To the Members of City Council:

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky River, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky River as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

As described in Note 11 to the basic financial statements, it was determined that only the City's undivided interest in the Rocky River Wastewater Treatment Plant capital assets should be reported within the City's financial statements. These changes resulted in a restatement of net position as of December 31, 2022. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

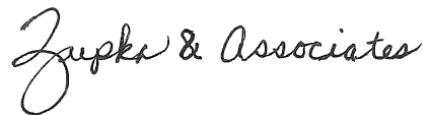
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Zupka & Associates
Certified Public Accountants

July 1, 2024

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

The administration of the City of Rocky River, Ohio (the "City") offers this Management's Discussion and Analysis to provide a narrative overview and analysis of the City's financial activities for the year ended December 31, 2023. The intent of the Management's Discussion and Analysis is to look at the City's financial performance as a whole; readers should also review the Transmittal Letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2023 are:

- During 2023, it was determined that the City's undivided interests in the Rocky River Wastewater Treatment Plant's (the "Plant") capital assets should be reported within the City's financial statements. This change resulted in a \$17,558,688 restatement to net position in the Wastewater Treatment Plant enterprise fund as well as business-type activities as of December 31, 2022. See Note 11 for additional information.
- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2023 by \$107,874,812. This is an increase of \$8,040,929 over the restated 2022 net position. Net position of the City's governmental activities increased \$11,474,182 from 2022, while net position of the business-type activities decreased \$3,433,253.
- Total assets and total deferred outflows of resources increased during 2023. The main factor affecting total assets was capital assets due to additions outpacing depreciation and deletions. The main fluctuation in deferred outflows of resources is related to the pension systems.
- Total liabilities increased while deferred inflows of resources decreased from 2022. The main factor affecting total liabilities was the net pension liability, which increased significantly. The deferred inflows of resources were down in 2023 with deferred inflows of resources related to pension being the most significant contributor.

Using This Annual Comprehensive Financial Report

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

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

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

Reporting the City of Rocky River as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the City to provide services to citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's *net position* and changes therein. The City's net position, the difference between assets and deferred outflows of resources, what the City owns, and liabilities and deferred inflows of resources, what the City owes, is one way to measure the City's financial health, or financial position. Over time, *increases or decreases* in the City's net position is an indicator of whether its *financial health* is improving or deteriorating. Also other nonfinancial factors such as changes in the City's property tax base, municipal income tax base, and the condition of the City's capital assets (roads, buildings, and sewer lines) should be considered to assess the *overall health* of the City. In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including police, fire, streets, refuse collection, parks, recreation, and general administration. Property taxes, municipal income taxes, state shared revenues, court fines, and recreation fees finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's sanitary sewer and the wastewater treatment plant activities are reported here.

The Statement of Net Position and the Statement of Activities are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Revenues and Expenses
- General Revenues
- Net Position Beginning of Year and Year's End

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

Reporting the Most Significant Funds of the City of Rocky River

Fund Financial Statements

Fund financial statements provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds that account for the multitude of services, facilities and infrastructure provided to City residents. However, these fund financial statements focus on the City's most significant funds. The City's major funds are the General Fund, Capital Improvement Capital Projects Fund, Wastewater Treatment Plant Enterprise Fund, and the Sanitary Sewer Enterprise Fund.

Governmental Funds

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

Proprietary Funds

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City's government. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the Statement of Changes in Fiduciary Net Position.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the required supplementary information, the combining statements referred to earlier in connection with non-major governmental funds are presented, as well as individual detailed budgetary comparisons for all funds.

The City of Rocky River as a Whole

The Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's Net Position for 2023 compared to 2022 restated balances.

	Table 1 Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	Restated 2022	2023	Restated 2022
Assets:						
Current and Other Assets	\$ 55,361,387	\$ 53,565,119	\$ 10,205,888	\$ 11,890,224	\$ 65,567,275	\$ 65,455,343
Capital Assets, Net	94,561,584	86,835,240	36,399,714	34,222,520	130,961,298	121,057,760
Net Pension Asset	77,969	177,887	15,408	35,151	93,377	213,038
Net OPEB Asset	<u>0</u>	<u>1,689,228</u>	<u>0</u>	<u>333,799</u>	<u>0</u>	<u>2,023,027</u>
Total Assets	<u>150,000,940</u>	<u>142,267,474</u>	<u>46,621,010</u>	<u>46,481,694</u>	<u>196,621,950</u>	<u>188,749,168</u>
Deferred Outflows of Resources:						
Deferred Charge on Refunding Pension	19,607	39,213	0	0	19,607	39,213
OPEB	<u>2,191,941</u>	<u>1,385,469</u>	<u>192,383</u>	<u>4,463</u>	<u>2,384,324</u>	<u>1,389,932</u>
Total Deferred Outflows of Resources	<u>16,176,686</u>	<u>8,224,799</u>	<u>1,478,311</u>	<u>424,228</u>	<u>17,654,997</u>	<u>8,649,027</u>
Liabilities:						
Current and Other Liabilities	2,569,379	5,120,962	2,113,105	1,615,744	4,682,484	6,736,706
Long-Term Liabilities						
Due Within One Year	3,475,509	2,970,645	1,760,400	1,673,147	5,235,909	4,643,792
Other Amounts Due in More than One Year	12,748,507	14,321,275	26,648,007	23,333,178	39,396,514	37,654,453
Net Pension Liability	38,271,428	19,454,654	3,080,337	953,159	41,351,765	20,407,813
Net OPEB Liability	<u>2,023,019</u>	<u>2,566,969</u>	<u>63,803</u>	<u>0</u>	<u>2,086,822</u>	<u>2,566,969</u>
Total Liabilities	<u>59,087,842</u>	<u>44,434,505</u>	<u>33,665,652</u>	<u>27,575,228</u>	<u>92,753,494</u>	<u>72,009,733</u>

(Continued)

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

Table 1
 Net Position (Continued)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	Restated 2022	2023	Restated 2022
Deferred Inflows of Resources:						
Property Taxes	9,584,938	9,507,252	0	0	9,584,938	9,507,252
Pension	1,941,472	11,551,039	58,318	1,187,124	1,999,790	12,738,163
OPEB	1,971,555	2,846,704	22,087	357,053	1,993,642	3,203,757
Leases	<u>70,271</u>	<u>105,407</u>	<u>0</u>	<u>0</u>	<u>70,271</u>	<u>105,407</u>
Total Deferred Inflows of Resources	<u>13,568,236</u>	<u>24,010,402</u>	<u>80,405</u>	<u>1,544,177</u>	<u>13,648,641</u>	<u>25,554,579</u>
Net Position:						
Net Investment in Capital Assets	82,813,863	73,373,418	15,870,225	14,295,201	98,684,088	87,668,619
Restricted for:						
Pension/OPEB	688,575	0	136,068	0	824,643	0
Capital Projects	11,691,838	11,344,430	0	0	11,691,838	11,344,430
Debt Service	1,425,591	1,569,164	0	0	1,425,591	1,569,164
Refuse and Recycling	1,015,363	685,356	0	0	1,015,363	685,356
Office on Aging	888,928	783,974	0	0	888,928	783,974
Street Construction and Maintenance	2,094,108	2,130,609	0	0	2,094,108	2,130,609
Recreation	379,862	496,148	0	0	379,862	496,148
Law Enforcement and Education	246,511	200,115	0	0	246,511	200,115
Fire and Police Pensions	740,182	794,703	0	0	740,182	794,703
Security of Persons and Property	302,486	348,693	0	0	302,486	348,693
Donations and Bequests	355,903	364,324	0	0	355,903	364,324
Other	25,302	5,594	0	0	25,302	5,594
Unrestricted	<u>(9,146,964)</u>	<u>(10,049,162)</u>	<u>(1,653,029)</u>	<u>3,491,316</u>	<u>(10,799,993)</u>	<u>(6,557,846)</u>
Total Net Position	\$ <u>93,521,548</u>	\$ <u>82,047,366</u>	\$ <u>14,353,264</u>	\$ <u>17,786,517</u>	\$ <u>107,874,812</u>	\$ <u>99,833,883</u>

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

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

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

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

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

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension/OPEB plans.

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

Net position may serve over time as a useful indicator of a government's financial position. For the City, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$107,874,812 as of December 31, 2023, which is a \$8,040,929 increase from the prior year. At the end of the current year, the City is able to report positive balances in the net investment in capital assets and restricted net position. Unrestricted net position is negative as a result of GASB 68 and GASB 75.

In order to further understand what makes up the changes in net position for the current year, Table 2 provides further details regarding the results of activities for 2023 compared to 2022. See table on following page.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

Table 2
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Program Revenues:						
Charges for Services	\$ 6,195,726	\$ 5,856,792	\$ 9,553,129	\$ 11,353,255	\$ 15,748,855	\$ 17,210,047
Operating Grants and Contributions	1,955,660	2,071,944	32,417	43,064	1,988,077	2,115,008
Capital Grants and Contributions	<u>1,207,845</u>	<u>871,825</u>	<u>0</u>	<u>0</u>	<u>1,207,845</u>	<u>871,825</u>
Total Program Revenues	<u>9,359,231</u>	<u>8,800,561</u>	<u>9,585,546</u>	<u>11,396,319</u>	<u>18,944,777</u>	<u>20,196,880</u>
General Revenues:						
Property Taxes	9,828,107	10,121,919	0	0	9,828,107	10,121,919
Municipal Income Taxes	22,321,912	22,282,517	0	0	22,321,912	22,282,517
Other Local Taxes	229,455	239,470	0	0	229,455	239,470
Grants and Entitlements not Restricted to Specific Programs	4,191,612	4,487,265	0	0	4,191,612	4,487,265
Investment Income	2,154,514	430,340	23,512	7,405	2,178,026	437,745
Other	<u>491,853</u>	<u>213,324</u>	<u>0</u>	<u>0</u>	<u>491,853</u>	<u>213,324</u>
Total General Revenues	<u>39,217,453</u>	<u>37,774,835</u>	<u>23,512</u>	<u>7,405</u>	<u>39,240,965</u>	<u>37,782,240</u>
Total Revenues	<u>48,576,684</u>	<u>46,575,396</u>	<u>9,609,058</u>	<u>11,403,724</u>	<u>58,185,742</u>	<u>57,979,120</u>
Program Expenses:						
General Government	7,450,678	5,302,844	0	0	7,450,678	5,302,844
Security of Persons and Property	13,408,515	10,795,308	0	0	13,408,515	10,795,308
Public Health	1,253,653	1,016,961	0	0	1,253,653	1,016,961
Transportation	4,762,234	4,074,902	0	0	4,762,234	4,074,902
Leisure Time Activities	5,575,544	4,058,109	0	0	5,575,544	4,058,109
Community Development	696,981	719,158	0	0	696,981	719,158
Basic Utility Service	2,596,381	2,201,024	0	0	2,596,381	2,201,024
Interest and Fiscal Charges	449,746	326,925	0	0	449,746	326,925
WWTP Charges	0	0	9,368,764	5,340,268	9,368,764	5,340,268
Sanitary Sewer Charges	<u>0</u>	<u>0</u>	<u>4,582,317</u>	<u>5,481,191</u>	<u>4,582,317</u>	<u>5,481,191</u>
Total Program Expenses	<u>36,193,732</u>	<u>28,495,231</u>	<u>13,951,081</u>	<u>10,821,459</u>	<u>50,144,813</u>	<u>39,316,690</u>
Change in Net Position Before Transfers	12,382,952	18,080,165	(4,342,023)	582,265	8,040,929	18,662,430
Transfers, Net	<u>(908,770)</u>	<u>0</u>	<u>908,770</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	11,474,182	18,080,165	(3,433,253)	582,265	8,040,929	18,662,430
Net Position, Beginning of Year	82,047,366	63,967,201	17,786,517	34,762,940	99,833,883	98,730,141
Cumulative effect of Restatement, see Note 11	<u>0</u>	<u>0</u>	<u>0</u>	<u>(17,558,688)</u>	<u>0</u>	<u>(17,558,688)</u>
Net Position, Beginning of Year, Restated, see Note 11	<u>82,047,366</u>	<u>63,967,201</u>	<u>17,786,517</u>	<u>17,204,252</u>	<u>99,833,883</u>	<u>81,171,453</u>
Net Position, End of Year	\$ <u>93,521,548</u>	\$ <u>82,047,366</u>	\$ <u>14,353,264</u>	\$ <u>17,786,517</u>	\$ <u>107,874,812</u>	\$ <u>99,833,883</u>

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

Effects of GASB 68 and 75

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

Under GASB 68, pension expense represents additional amounts earned based on a proportionate share of the net pension liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 68, the pension expense for 2023 is \$5,240,876, while in 2022 pension expense was \$(504,249).

Under GASB 75, OPEB expense represents additional amounts earned based on a proportionate share of the net OPEB liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 75, the OPEB expense for 2023 is \$(614,355), while in 2022 OPEB expense was \$(1,700,834).

Governmental Activities

Overall, total governmental activities net position increased as revenues continued to outpace expenses in 2023. General revenues increased primarily due to an increase investment income due to changes in market values. In the prior year, there was a fair value adjustment of (\$77,009) but in the current year, the fair value adjustment was \$822,360. The City's investments also had increased investment income during the year due to increased interest rates and improved market conditions. Program revenues increase primarily due to an increase in capital grants and charges for services. The increase in capital grants was primarily due to contributed capital of approximately \$750,000 relating to donated fixed assets. The increase in charges for services are mainly due to an increase in building permits fees, court fees, youth camp fees, and civic center membership fees.

Total program expenses for 2023 were \$36,193,732, a 27% increase from 2022 levels. In the current year the most significant program categories were the security of persons and property, general government, and leisure time activities. The increase in these categories was mainly due to the impact of GASB 68 and 75. Additional increases in expenditures in these categories was due to an increase in payroll expenses caused by an increase in employees during 2023. General government expenses also increased due to emergency sewer repairs that were not capitalized during the year.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

Business-Type Activities

For business-type activities of the City, charges for services are the primary source of revenue. The program expenses are comprised of charges to operate the Rocky River Wastewater Treatment Plant (the "Plant") as well as the cost to maintain the sanitary sewer collection system. The noted decrease in charges for services and expenses are primarily due to a decrease in revenue and expenses associated with work on water lines for the Cleveland Division of Water related to 2022. Pursuant to an agreement with the Cleveland Division of Water, the City manages all projects associated with work on the water lines within the City of Rocky River and are owned by Cleveland Division of Water. The increase in expenses relating to the Plant is due to the City purchasing capital assets for the Plant's other member cities.

The City's Funds

Governmental Funds

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

As of December 31, 2023, the City's governmental funds reported combining ending fund balance of \$37,403,013. The majority of the fund balance is shown as restricted indicating that there are constraints on how the funds can be used.

All governmental funds had total revenues of \$47,930,288 and expenditures of \$42,853,012, resulting in a \$3,978,444 current year increase in fund balance, after consideration of \$1,098,832 in net other financing uses. This increase is due primarily to revenues outpacing expenditures.

The General Fund is the most significant fund as it is the source for providing a significant portion of resources for governmental activities such as police, fire, service, legislative, and administrative functions. In 2023, the General Fund had total revenues and other financing sources of \$30,362,293 and expenditures and other financing uses, of \$26,202,631 resulting in an increase in fund balance at December 31, 2023 of \$4,159,662. General Fund revenues, including other financing sources increased \$2,087,786 from 2022, while expenditures, including other financing uses, increased by \$3,497,234. The increase in General Fund revenues was due primarily to increases in investment income. The increase in investment income from the City's investments during the year was due to increased interest rates and improved market conditions. Expenditures increased mainly due to an increase in transfers out to fund other programs within the City. The majority of the transfers were to the Refuse & Recycling fund, General Bound Retirement fund, Equipment Purchase fund, Capital Improvement Fund, and Sanitary Sewer fund. The remaining transfers were to various nonmajor governmental funds to provide additional resources for current operations and for the payment of debt.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

The Capital Improvement Fund accounts for the various projects of the City financed by tax monies and General Fund transfers. In 2023, the Capital Improvement Fund had total revenues and other financing sources of \$6,568,564 and expenditures of \$8,249,650 resulting in a decrease in fund balance of \$1,681,086 at December 31, 2023. Revenues and other financing sources decreased \$2,191,464 from the prior year due to a decrease in intergovernmental revenues. In the prior year, the City received a \$1,522,393 reimbursement from the County for the County's share of the Hilliard Boulevard resurfacing project. The City also received a \$1,217,000 grant from the County Local Area Fiscal Recovery Funds during 2022. In 2023, there were no such reimbursements or grants received. Expenditures increased from the prior year due to more capital outlay expenditures in the current year due to street projects.

General Fund Budgeting Highlights

The City's budget is prepared according to the general laws of the State of Ohio and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The General Fund's actual expenditures, not including other financing uses, were \$3,538,331 under the final budgeted amount of \$21,575,268. The main reason for the fluctuation is due to lower than expected costs related to general government and security of persons and property expenses.

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

For the General Fund, the original and final budgeted amounts remained relatively consistent.

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

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

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

Capital Assets and Debt Administration

Capital Assets

Table 3 shows fiscal year 2023 balances of capital assets, net of any accumulated depreciation, as compared to restated 2022 balances:

Table 3
 Capital Assets, Net at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
			Restated			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 2,017,826	\$ 2,017,826	\$ 39,516	\$ 39,516	\$ 2,057,342	\$ 2,057,342
Land Improvements	214,408	214,408	0	0	214,408	214,408
Right-of-Way	0	0	250,000	250,000	250,000	250,000
Construction in Progress	13,567,601	7,525,107	9,418,593	6,608,454	22,986,194	14,133,561
Land Improvements	4,290,804	3,408,256	0	0	4,290,804	3,408,256
Buildings	30,197,582	30,786,911	0	0	30,197,582	30,786,911
Equipment	3,188,909	3,052,552	227,735	160,215	3,416,644	3,212,767
Vehicles	2,790,347	2,726,822	195,648	62,452	2,985,995	2,789,274
Right-to-Use Asset	29,848	0	0	0	29,848	0
Infrastructure:						
Roads	23,836,301	22,936,462	0	0	23,836,301	22,936,462
Sidewalks	2,766,545	2,471,074	0	0	2,766,545	2,471,074
Traffic Signals	382,615	231,283	0	0	382,615	231,283
Storm Sewers	11,278,798	11,464,539	0	0	11,278,798	11,464,539
Treatment Plant	0	0	5,242,008	5,656,555	5,242,008	5,656,555
Sewer Lines	0	0	21,026,214	21,445,328	21,026,214	21,445,328
Total Capital Assets, Net	\$ <u>94,561,584</u>	\$ <u>86,835,240</u>	\$ <u>36,399,714</u>	\$ <u>34,222,520</u>	\$ <u>130,961,298</u>	\$ <u>121,057,760</u>

Total capital assets, net for the City as of December 31, 2023 were \$130,961,298, a \$9,903,538 increase from 2022. Capital asset additions of \$14,511,402 were offset by \$4,607,864 of depreciation expense.

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

See Note 10 for additional information on capital assets.

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

Debt

On December 31, 2023, the City had \$39,335,793 in bonds and loans outstanding. Table 4 summarizes bonds and loans outstanding.

Table 4
 Outstanding Debt at Year-End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General Obligation Bonds	\$ 11,099,815	\$ 12,256,601	\$ 0	\$ 0	\$ 11,099,815	\$ 12,256,601
Special Assessment Bonds	30,000	70,000	0	0	30,000	70,000
OPWC Loans	205,522	212,994	20,269,901	20,302,064	20,475,423	20,515,058
OWDA Loans	<u>0</u>	<u>0</u>	<u>7,730,555</u>	<u>4,312,913</u>	<u>7,730,555</u>	<u>4,312,913</u>
Total Outstanding Debt	\$ <u>11,335,337</u>	\$ <u>12,539,595</u>	\$ <u>28,000,456</u>	\$ <u>24,614,977</u>	\$ <u>39,335,793</u>	\$ <u>37,154,572</u>

The outstanding general obligation bonds at December 31, 2023 are composed of the following: 1) Refunded General Purpose, Series 2014, of \$535,000; 2) Refunded Civic Facility Improvements, Series 2014 of \$580,000 and 3) Police Station, Series 2022 of \$9,865,000. There remains unamortized premiums related to these issues of \$119,815.

The principal and interest of the Refunded Series 2014 General Purpose Bonds are paid from monies transferred from the General Fund into the Debt Service Fund. The principal and interest of the Series 2005 and Refunded Series 2014 Civic Facility Improvements Bonds are paid from property tax levy up to 1.0 mill approved for that purpose. The principal and interest of the Refunded Series 2011 Bonds are paid from court costs assessed and collected in accordance with Ohio Revised Code Section 1901.26(B)(1) from the Municipal Court Capital Improvement Fund.

The special assessment bonds outstanding at December 31, 2023 consist of the Erosion Control B Bond of \$30,000 (Series 2000). The principal and interest for these bonds are paid from the Special Assessment Bond Retirement Fund with monies collected through the Cuyahoga County Fiscal Officer from the affected taxpayers.

Principal of the Ohio Public Works Commission (OPWC) loans are paid semi-annually from the Wastewater Treatment Plant Fund, the Sanitary Sewer Fund and the Capital Improvement Fund. Principal and interest of the Ohio Water Development Authority (OWDA) loans are paid semi-annually from the Wastewater Treatment Plant Fund.

The City's overall legal debt margin was \$101,486,509 on December 31, 2023.

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

City of Rocky River, Ohio
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2023

Current Financial Related Activities

Current financial related activities are viewed through a lens of the mix of the City's largest revenue sources: 1) the economically sensitive and durable income tax and 2) the more foundational property tax. The City's income tax revenue base is supported meaningfully by employment in financial services/retail banking and investment management/insurance; senior services and education (public and private). The employers in these sectors have remained stable in the recent past. Home improvement and food retailers also contribute favorably to commercial activity in the City. While the City income tax provides the larger percentage of operating revenue, conservative revenue projections create confidence in a stable budget plan each year. Property tax revenue is influenced by assessed values and the governing Ohio Revised Code. The Cuyahoga County Fiscal Officer is tax assessor. Assessed values have gained and grown contributing to growth in property tax revenue of the City. The most recent reassessment by the Fiscal Officer was completed in 2021. Which resulted in an average increase in property values in the City of approximately 18%.

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

Contacting the City's Finance Department

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

City of Rocky River, Ohio

Statement of Net Position

December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 35,296,274	\$ 9,179,618	\$ 44,475,892
Restricted Cash and Cash Equivalents	373,660	44,605	418,265
Accrued Interest Receivable	303,787	0	303,787
Accounts Receivable, Net	513,996	435,883	949,879
Intergovernmental Receivable	1,775,827	0	1,775,827
Internal Balances	(40,160)	40,160	0
Lease Receivable	72,009	0	72,009
Materials and Supplies Inventory	234,687	332,548	567,235
Prepaid Assets	418,250	33,103	451,353
Municipal Income Taxes Receivable	6,413,363	0	6,413,363
Property Taxes Receivable	9,963,063	0	9,963,063
Special Assessments Receivable	36,631	139,971	176,602
Nondepreciable Capital Assets	15,799,835	9,708,109	25,507,944
Depreciable Capital Assets, Net	78,731,901	26,691,605	105,423,506
Right-to-Use Asset, Net	29,848	0	29,848
Net Pension Asset	77,969	15,408	93,377
Total Assets	150,000,940	46,621,010	196,621,950
Deferred Outflows of Resources:			
Deferred Charge on Refunding	19,607	0	19,607
Pension	13,965,138	1,285,928	15,251,066
OPEB	2,191,941	192,383	2,384,324
Total Deferred Outflows of Resources	16,176,686	1,478,311	17,654,997
Liabilities:			
Accounts Payable	897,223	1,549,825	2,447,048
Payables from Restricted Assets	304,235	0	304,235
Accrued Wages and Benefits	360,098	43,540	403,638
Intergovernmental Payable	307,855	30,973	338,828
Unearned Revenue	286,798	0	286,798
Retainage Payable	100,128	456,682	556,810
Matured Compensated Absences	72,432	0	72,432
Accrued Interest Payable	37,883	32,085	69,968
Claims Payable	202,727	0	202,727
Long-Term Liabilities:			
Due within One Year	3,475,509	1,760,400	5,235,909
Due in More than One Year:			
Other Amounts	12,748,507	26,648,007	39,396,514
Net Pension Liability	38,271,428	3,080,337	41,351,765
Net OPEB Liability	2,023,019	63,803	2,086,822
Total Liabilities	59,087,842	33,665,652	92,753,494
Deferred Inflows of Resources:			
Property Taxes	9,584,938	0	9,584,938
Pension	1,941,472	58,318	1,999,790
OPEB	1,971,555	22,087	1,993,642
Lease	70,271	0	70,271
Total Deferred Inflows of Resources	13,568,236	80,405	13,648,641

(Continued)

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Net Position (Continued)

December 31, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Position:			
Net Investment in Capital Assets	82,813,863	15,870,225	98,684,088
Restricted for:			
Pension/OPEB	688,575	136,068	824,643
Capital Projects	11,691,838	0	11,691,838
Debt Service	1,425,591	0	1,425,591
Refuse and Recycling	1,015,363	0	1,015,363
Office on Aging	888,928	0	888,928
Street Construction and Maintenance	2,094,108	0	2,094,108
Recreation	379,862	0	379,862
Law Enforcement and Education	246,511	0	246,511
Fire and Police Pensions	740,182	0	740,182
Security of Persons and Property	302,486	0	302,486
Donations and Bequests	355,903	0	355,903
Other	25,302	0	25,302
Unrestricted (Deficit)	<u>(9,146,964)</u>	<u>(1,653,029)</u>	<u>(10,799,993)</u>
Total Net Position	<u>\$ 93,521,548</u>	<u>\$ 14,353,264</u>	<u>\$ 107,874,812</u>

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Activities

For the Year Ended December 31, 2023

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution
Government Activities:				
General Government	\$ 7,450,678	\$ 2,078,014	\$ 371,004	\$ 466,390
Security of Persons and Property	13,408,515	1,374,765	152,302	0
Public Health	1,253,653	333,187	300,360	0
Transportation	4,762,234	23,715	944,934	0
Leisure Time Activities	5,575,544	2,346,317	60,353	741,455
Community Development	696,981	39,728	0	0
Basic Utility Service	2,596,381	0	126,707	0
Interest and Fiscal Charges	449,746	0	0	0
Total Governmental Activities	<u>36,193,732</u>	<u>6,195,726</u>	<u>1,955,660</u>	<u>1,207,845</u>
Business-Type Activities:				
Wastewater Treatment Plant Charges	9,368,764	6,446,434	32,417	0
Sanitary Sewer Charges	4,582,317	3,106,695	0	0
Total Business-type Activities	<u>13,951,081</u>	<u>9,553,129</u>	<u>32,417</u>	<u>0</u>
Total	<u>\$ 50,144,813</u>	<u>\$ 15,748,855</u>	<u>\$ 1,988,077</u>	<u>\$ 1,207,845</u>

General Revenues and Expenses:

Property and Other Taxes Levied for:

General Purpose

Recreation

Office on Aging

Refuse and Recycling

Fire Levy

Police Levy

Capital Improvements

General Obligation Bond Retirement

Municipal Income Taxes Levied for:

General Purpose

Other Local Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Other

Total General Revenues and Expenses

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year, Restated (see Note 11)

Net Position End of Year

The accompanying notes are an integral part of these financial statements

Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (4,535,270)	\$ 0	\$ (4,535,270)
(11,881,448)	0	(11,881,448)
(620,106)	0	(620,106)
(3,793,585)	0	(3,793,585)
(2,427,419)	0	(2,427,419)
(657,253)	0	(657,253)
(2,469,674)	0	(2,469,674)
(449,746)	0	(449,746)
<u>(26,834,501)</u>	<u>0</u>	<u>(26,834,501)</u>
0	(2,889,913)	(2,889,913)
0	(1,475,622)	(1,475,622)
0	(4,365,535)	(4,365,535)
<u>(26,834,501)</u>	<u>(4,365,535)</u>	<u>(31,200,036)</u>
5,868,896	0	5,868,896
465,788	0	465,788
465,788	0	465,788
931,573	0	931,573
279,488	0	279,488
279,488	0	279,488
931,573	0	931,573
605,513	0	605,513
22,321,912	0	22,321,912
229,455	0	229,455
4,191,612	0	4,191,612
2,154,514	23,512	2,178,026
491,853	0	491,853
<u>39,217,453</u>	<u>23,512</u>	<u>39,240,965</u>
<u>(908,770)</u>	<u>908,770</u>	<u>0</u>
<u>38,308,683</u>	<u>932,282</u>	<u>39,240,965</u>
11,474,182	(3,433,253)	8,040,929
<u>82,047,366</u>	<u>17,786,517</u>	<u>99,833,883</u>
<u>\$ 93,521,548</u>	<u>\$ 14,353,264</u>	<u>\$ 107,874,812</u>

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Balance Sheet – Governmental Funds

December 31, 2023

	General	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 17,654,010	\$ 5,473,840	\$ 11,241,539	\$ 34,369,389
Restricted Cash and Cash Equivalents	0	69,425	304,235	373,660
Accrued Interest Receivable	303,787	0	0	303,787
Accounts Receivable, Net	448,728	43,643	21,625	513,996
Intergovernmental Receivable	773,714	181,067	821,046	1,775,827
Interfund Receivable	6,700	0	0	6,700
Lease Receivable	0	0	72,009	72,009
Materials and Supplies Inventory	103,519	0	131,168	234,687
Prepaid Assets	305,429	0	110,518	415,947
Municipal Income Taxes Receivable	4,537,406	894,422	981,535	6,413,363
Property Taxes Receivable	5,949,502	944,364	3,069,197	9,963,063
Special Assessments Receivable	0	0	36,631	36,631
Total Assets	\$ 30,082,795	\$ 7,606,761	\$ 16,789,503	\$ 54,479,059
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 227,849	\$ 468,314	\$ 153,468	\$ 849,631
Accrued Wages and Benefits	270,341	0	89,757	360,098
Intergovernmental Payable	79,912	0	227,943	307,855
Retainage Payable	0	100,128	0	100,128
Unearned Revenue	0	0	286,798	286,798
Matured Compensated Absences	23,829	0	48,603	72,432
Payables from Restricted Assets	0	0	304,235	304,235
Total Liabilities	601,931	568,442	1,110,804	2,281,177
Deferred Inflows of Resources:				
Property Taxes	5,723,702	908,523	2,952,713	9,584,938
Unavailable Revenue	3,475,451	496,980	1,167,229	5,139,660
Leases	0	0	70,271	70,271
Total Deferred Inflows of Resources	9,199,153	1,405,503	4,190,213	14,794,869
Fund Balances:				
Nonspendable	491,163	0	241,686	732,849
Restricted	0	5,632,816	11,247,373	16,880,189
Assigned	11,825,495	0	0	11,825,495
Unassigned (Deficit)	7,965,053	0	(573)	7,964,480
Total Fund Balances	20,281,711	5,632,816	11,488,486	37,403,013
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 30,082,795	\$ 7,606,761	\$ 16,789,503	\$ 54,479,059

The accompanying notes are an integral part of these financial statements

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City of Rocky River, Ohio

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

December 31, 2023

Total Governmental Funds Balances \$ 37,403,013

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

Capital assets, net used in governmental activities are not financial resources and therefore are not reported in the funds. 94,561,584

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

	\$		
Delinquent Property Taxes		378,125	
Municipal Income Taxes		2,868,052	
Investment Income		298,294	
Special Assessments		36,631	
Fines, Fees and Permits		348,643	
Intergovernmental		1,209,915	
Total			5,139,660

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (37,883)

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Position.

Net Position		678,869	
Internal Balance		(46,860)	
Total			632,009

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

General Obligation Bonds		(11,099,815)	
Deferred Charges on Refunding		19,607	
Special Assessments		(30,000)	
OPWC Loans		(205,522)	
Leases		(14,118)	
Compensated Absences		(4,798,699)	
Asset retirement obligations		(75,862)	
Total			(16,204,409)

(Continued)

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

December 31, 2023

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

Net Pension Asset	77,969	
Deferred Outflows of Resources - Pension	13,965,138	
Net Pension Liability	(38,271,428)	
Deferred Inflows of Resources - Pension	<u>(1,941,472)</u>	
Total		(26,169,793)

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

Deferred Outflows of Resources - OPEB	2,191,941	
Net OPEB Liability	(2,023,019)	
Deferred Inflows of Resources - OPEB	<u>(1,971,555)</u>	
		<u>(1,802,633)</u>

Net Position of Governmental Activities		\$ <u><u>93,521,548</u></u>
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The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

For the Year Ended December 31, 2023

	General	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 5,899,158	\$ 936,377	\$ 3,043,248	\$ 9,878,783
Municipal Income Taxes	17,647,900	3,120,820	1,836,185	22,604,905
Other Local Taxes	61,941	178,709	0	240,650
Intergovernmental	1,248,391	821,893	4,320,974	6,391,258
Charges for Services	806,463	0	2,335,978	3,142,441
Fines, Fees and Permits	2,215,657	0	237,308	2,452,965
Special Assessments	3,985	0	39,518	43,503
Investment Income	1,907,376	0	211	1,907,587
Rentals	170,533	0	335,977	506,510
Contributions	0	0	240,007	240,007
Other	400,889	10,765	110,025	521,679
Total Revenues	30,362,293	5,068,564	12,499,431	47,930,288
Expenditures:				
Current:				
General Government	5,840,702	25,932	355,762	6,222,396
Security of Persons and Property	9,775,110	0	1,495,169	11,270,279
Public Health	0	0	1,361,873	1,361,873
Transportation	856,495	0	2,310,482	3,166,977
Leisure Time Activities	696,629	0	3,423,448	4,120,077
Community Development	638,695	0	38,728	677,423
Basic Utility Service	0	0	2,137,147	2,137,147
Capital Outlay	0	8,216,246	3,924,861	12,141,107
Debt Service:				
Principal Retirement	0	7,472	1,172,050	1,179,522
Interest and Fiscal Charges	0	0	576,211	576,211
Total Expenditures	17,807,631	8,249,650	16,795,731	42,853,012
Excess of Revenues Over (Under) Expenditures	12,554,662	(3,181,086)	(4,296,300)	5,077,276
Other Financing Sources (Uses):				
Inception of Lease	0	0	51,168	51,168
Transfers - In	0	1,500,000	5,745,000	7,245,000
Transfers - Out	(8,395,000)	0	0	(8,395,000)
Total Other Financing Sources (Uses)	(8,395,000)	1,500,000	5,796,168	(1,098,832)
Net Change in Fund Balances	4,159,662	(1,681,086)	1,499,868	3,978,444
Fund Balances at Beginning of Year	16,122,049	7,313,902	9,988,618	33,424,569
Fund Balances at End of Year	\$ 20,281,711	\$ 5,632,816	\$ 11,488,486	\$ 37,403,013

The accompanying notes are an integral part of these financial statements

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City of Rocky River, Ohio

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

For the Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 3,978,444

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

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

Capital Outlay	\$	10,882,036	
Contributed Capital		741,455	
Capital Assets Transferred to Business-Type Activities		(241,230)	
Depreciation		<u>(3,655,917)</u>	
Total			7,726,344

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds.

Property and Other Local Taxes		(50,676)	
Municipal Income Taxes		(282,993)	
Special Assessments		(50,713)	
Investment Income		246,927	
Fines, Fees and Permits		17,254	
Intergovernmental		<u>25,142</u>	
Total			(95,059)

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

General Obligation Bonds		1,095,000	
Special Assessment Bonds		40,000	
Ohio Public Works Commission Loans		7,472	
Lease		<u>37,050</u>	
Total			1,179,522

(Continued)

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

For the Year Ended December 31, 2023

Other financing sources in the governmental funds that increase long-term liabilities in the Statement of Net Position.

Lease	(51,168)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.

Accrued Interest on Bonds	84,285	
Amortization of Bond Premium	61,786	
Loss on Refunding	(19,606)	
Asset Retirement Obligations	(2,460)	
Compensated Absences	<u>(119,776)</u>	
Total		4,229

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

Change in Net Position	389,380	
Change in Internal Balance	<u>(51,749)</u>	
Total		337,631

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

2,711,876

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

(4,317,637)

Change in Net Position of Governmental Activities

\$ 11,474,182

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

General Fund

For the Fiscal Year Ended December 31, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 5,624,368	\$ 5,679,999	\$ 5,899,158	\$ 219,159
Municipal Income Taxes	13,659,891	13,795,001	17,806,449	4,011,448
Other Local Taxes	9,902	10,000	60,713	50,713
Intergovernmental	1,318,233	1,331,272	1,367,382	36,110
Charges for Services	831,773	840,000	816,577	(23,423)
Fines, Fees, and Permits	2,376,293	2,399,800	2,220,846	(178,954)
Special Assessments	0	0	3,985	3,985
Investment Income	717,899	725,000	1,027,674	302,674
Rentals	173,286	175,000	170,533	(4,467)
Other	312,295	315,300	535,406	220,106
Total Revenues	<u>25,023,940</u>	<u>25,271,372</u>	<u>29,908,723</u>	<u>4,637,351</u>
Expenditures:				
Current:				
General Government	7,163,345	7,233,345	5,917,357	1,315,988
Security of Persons and Property	11,446,275	11,616,818	9,890,729	1,726,089
Transportation	1,093,586	1,033,586	892,872	140,714
Leisure Time Activities	776,903	776,903	694,124	82,779
Community Development	914,616	914,616	641,855	272,761
Total Expenditures	<u>21,394,725</u>	<u>21,575,268</u>	<u>18,036,937</u>	<u>3,538,331</u>
Excess of Revenues (Under) Over Expenditures	<u>3,629,215</u>	<u>3,696,104</u>	<u>11,871,786</u>	<u>8,175,682</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	11,882	12,000	0	(12,000)
Advance - In	247,551	250,000	250,000	0
Transfers - Out	<u>(8,375,000)</u>	<u>(9,975,000)</u>	<u>(8,595,000)</u>	<u>1,380,000</u>
Total Other Financing Sources (Uses)	<u>(8,115,567)</u>	<u>(9,713,000)</u>	<u>(8,345,000)</u>	<u>1,368,000</u>
Net Change in Fund Balance	(4,486,352)	(6,016,896)	3,526,786	9,543,682
Fund Balance at Beginning of Year	11,669,152	11,669,152	11,669,152	0
Prior Year Encumbrances Appropriated	<u>442,384</u>	<u>442,384</u>	<u>442,384</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,625,184</u>	<u>\$ 6,094,640</u>	<u>\$ 15,638,322</u>	<u>\$ 9,543,682</u>

The accompanying notes are an integral part of these financial statements

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City of Rocky River, Ohio

Statement of Fund Net Position Proprietary Funds

December 31, 2023

	Business Type Activities - Enterprise Funds			Governmental
	Wastewater Treatment Plant	Sanitary Sewer	Total	Activities Internal Service Fund
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 5,220,572	\$ 3,959,046	\$ 9,179,618	\$ 926,885
Restricted Cash and Cash Equivalents	0	44,605	44,605	0
Accounts Receivable	0	435,883	435,883	0
Materials and Supplies Inventory	306,382	26,166	332,548	0
Prepaid	22,912	10,191	33,103	2,303
Special Assessments Receivable	0	139,971	139,971	0
Total Current Assets	<u>5,549,866</u>	<u>4,615,862</u>	<u>10,165,728</u>	<u>929,188</u>
Noncurrent Assets:				
Nondepreciable Capital Assets	2,131,871	7,576,238	9,708,109	0
Depreciable Capital Assets, Net	5,298,531	21,393,074	26,691,605	0
Net Pension Asset	11,206	4,202	15,408	0
Total Noncurrent Assets	<u>7,441,608</u>	<u>28,973,514</u>	<u>36,415,122</u>	<u>0</u>
Total Assets	<u>12,991,474</u>	<u>33,589,376</u>	<u>46,580,850</u>	<u>929,188</u>
Deferred Outflows of Resources:				
Pension	935,222	350,706	1,285,928	0
OPEB	139,915	52,468	192,383	0
Total Deferred Outflows of Resources	<u>1,075,137</u>	<u>403,174</u>	<u>1,478,311</u>	<u>0</u>
Liabilities:				
Current Liabilities:				
Accounts Payable	1,281,566	268,259	1,549,825	47,592
Accrued Wages and Benefits	30,908	12,632	43,540	0
Intergovernmental Payable	21,499	9,474	30,973	0
Retainage Payable	408,549	48,133	456,682	0
Accrued Interest Payable	32,085	0	32,085	0
Interfund payable	6,700	0	6,700	0
Claims Payable	0	0	0	202,727
Compensated Absences Payable	118,224	40,564	158,788	0
OPWC Loans Payable	250,802	570,436	821,238	0
OWDA Loans Payable	780,374	0	780,374	0
Total Current Liabilities	<u>2,930,707</u>	<u>949,498</u>	<u>3,880,205</u>	<u>250,319</u>
Long-term Liabilities:				
Accrued Compensated Absences	172,350	76,813	249,163	0
OPWC Loans Payable	2,849,286	16,599,377	19,448,663	0
OWDA Loans Payable	6,950,181	0	6,950,181	0
Net Pension Liability	2,240,245	840,092	3,080,337	0
Net OPEB Liability	46,403	17,400	63,803	0
Total Long-Term Liabilities	<u>12,258,465</u>	<u>17,533,682</u>	<u>29,792,147</u>	<u>0</u>
Total Liabilities	<u>15,189,172</u>	<u>18,483,180</u>	<u>33,672,352</u>	<u>250,319</u>

(Continued)

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Fund Net Position (Continued) Proprietary Funds

December 31, 2023

	Business Type Activities - Enterprise Funds			Governmental
	Wastewater Treatment Plant	Sanitary Sewer	Total	Activities Internal Service Fund
Deferred Inflows of Resources:				
Pension	42,395	15,923	58,318	0
OPEB	16,063	6,024	22,087	0
Total Deferred Inflows of Resources	<u>58,458</u>	<u>21,947</u>	<u>80,405</u>	<u>0</u>
Net Position:				
Net Investment in Capital Assets	4,173,216	11,697,009	15,870,225	0
Restricted for Pension / OPEB	98,978	37,090	136,068	0
Unrestricted	<u>(5,453,213)</u>	<u>3,753,324</u>	<u>(1,699,889)</u>	<u>678,869</u>
Total Net Position	\$ <u><u>(1,181,019)</u></u>	\$ <u><u>15,487,423</u></u>	<u>14,306,404</u>	\$ <u><u>678,869</u></u>
Net Position reported for Business-Type Activities in the Statement of Net Position are different because they include accumulated overpayments to the Internal Service Fund:			<u>46,860</u>	
Net Position of Business-Type Activities			\$ <u><u>14,353,264</u></u>	

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

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

For the Year Ended December 31, 2023

	Business Type Activities - Enterprise Funds			Governmental
	Wastewater Treatment Plant	Sanitary Sewer	Total	Internal Service Fund
Operating Revenues:				
Charges for Service	\$ 6,442,554	\$ 3,106,492	\$ 9,549,046	\$ 3,575,321
Other	3,880	203	4,083	0
Total Operating Revenues	<u>6,446,434</u>	<u>3,106,695</u>	<u>9,553,129</u>	<u>3,575,321</u>
Operating Expenses:				
Personal Service	1,976,260	893,905	2,870,165	0
Materials and Supplies	618,422	102,904	721,326	0
Contractual Services	5,322,988	3,078,676	8,401,664	847,792
Heat, Light and Power	528,658	19,262	547,920	0
Landfill	324,144	0	324,144	0
Depreciation	436,693	515,254	951,947	0
Claims	0	0	0	2,338,149
Other	0	24,065	24,065	0
Total Operating Expenses	<u>9,207,165</u>	<u>4,634,066</u>	<u>13,841,231</u>	<u>3,185,941</u>
Operating (Loss) Income	(2,760,731)	(1,527,371)	(4,288,102)	389,380
Non-Operating Revenues and (Expenses):				
Intergovernmental	32,417	0	32,417	0
Investment Income	23,512	0	23,512	0
Interest and Fiscal Charges	(161,599)	0	(161,599)	0
Total Non-Operating Expenses	<u>(105,670)</u>	<u>0</u>	<u>(105,670)</u>	<u>0</u>
(Loss) Income before Capital Contributions, Capital Distributions, and Transfers	(2,866,401)	(1,527,371)	(4,393,772)	389,380
Capital Contributions	0	229,548	229,548	0
Capital Distributions	0	(470,778)	(470,778)	0
Transfers - In	0	1,150,000	1,150,000	0
Change in Net Position	(2,866,401)	(618,601)	(3,485,002)	389,380
Net Position at Beginning of Year, Restated (see Note 11)	<u>1,685,382</u>	<u>16,106,024</u>	<u>17,791,406</u>	<u>289,489</u>
Net Position at End of Year	<u>\$ (1,181,019)</u>	<u>\$ 15,487,423</u>	<u>\$ 14,306,404</u>	<u>\$ 678,869</u>
Amount reported for Business-Type Activities in the Statement of Activities are different because of a portion of the Change in Net Position of the Internal Service Fund is reported with Business-Type Activities:			<u>51,749</u>	
Change in Net Position of Business-Type Activities			<u>\$ (3,433,253)</u>	

The accompanying notes are an integral part of these financial statements

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City of Rocky River, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2023

	Business Type Activities - Enterprise Funds			Governmental
	Wastewater	Sanitary	Total	Activities
	Treatment Plant	Sewer		Internal Service Fund
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 6,442,554	\$ 3,108,366	\$ 9,550,920	\$ 3,580,228
Cash Received from Other Operating Activities	3,880	203	4,083	0
Cash Payments for Goods and Services	(5,729,894)	(3,333,101)	(9,062,995)	(850,095)
Cash Payments to Employees for Services and Benefits	(1,934,552)	(870,541)	(2,805,093)	0
Cash Payments for Claims	0	0	0	(2,306,099)
Cash Payments for Other Operating Expenses	0	(24,065)	(24,065)	0
Net Cash (Used) Provided by Operating Activities	<u>(1,218,012)</u>	<u>(1,119,138)</u>	<u>(2,337,150)</u>	<u>424,034</u>
Cash Flows from Noncapital Financing Activities:				
Transfers - In	0	1,150,000	1,150,000	0
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities:				
Capital Acquisitions	(1,176,381)	(2,721,829)	(3,898,210)	0
Loan Proceeds	4,157,474	771,066	4,928,540	0
Return of Advance	(57,000)	0	(57,000)	0
Principal Paid on Loans	(972,624)	(570,437)	(1,543,061)	0
Interest Paid on Loans	(86,445)	0	(86,445)	0
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,865,024</u>	<u>(2,521,200)</u>	<u>(656,176)</u>	<u>0</u>
Cash Flows from Investing Activities:				
Interest Received	22,992	0	22,992	0
Net Cash Provided by Investing Activities	<u>22,992</u>	<u>0</u>	<u>22,992</u>	<u>0</u>
Net Change in Cash and Cash Equivalents	670,004	(2,490,338)	(1,820,334)	424,034
Cash and Cash Equivalents at Beginning of Year	<u>4,550,568</u>	<u>6,493,989</u>	<u>11,044,557</u>	<u>502,851</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,220,572</u>	<u>\$ 4,003,651</u>	<u>\$ 9,224,223</u>	<u>\$ 926,885</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Equity in Pooled Cash and Cash Equivalents	\$ 5,220,572	\$ 3,959,046	\$ 9,179,618	\$ 926,885
Restricted Cash and Cash Equivalents	0	44,605	44,605	0
Total Cash and Cash Equivalents	<u>\$ 5,220,572</u>	<u>\$ 4,003,651</u>	<u>\$ 9,224,223</u>	<u>\$ 926,885</u>

(Continued)

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Cash Flows (Continued) Proprietary Funds

For the Year Ended December 31, 2023

	Business Type Activities - Enterprise Funds			Governmental
	Wastewater Treatment Plant	Sanitary Sewer	Total	Internal Service Fund
Reconciliation of Operating (Loss) Income to Net Cash Used by Operating Activities:				
Operating (Loss) Income	\$ (2,760,731)	\$ (1,527,371)	\$ (4,288,102)	\$ 389,380
Adjustments:				
Depreciation	436,693	515,254	951,947	0
Change in Operating Assets and Liabilities:				
Accounts Receivable	0	(1,358)	(1,358)	4,907
Intergovernmental Receivable	1,057	436	1,493	0
Materials and Supplies Inventory	(31,554)	(1,884)	(33,438)	0
Prepaid	3,441	(619)	2,822	(2,303)
Special Assessments Receivable	0	3,232	3,232	0
Net Pension Asset	14,359	5,384	19,743	0
Net OPEB Asset	242,763	91,036	333,799	0
Deferred Outflows of Resources – Pension	(629,937)	(236,226)	(866,163)	0
Deferred Outflows of Resources – OPEB	(136,669)	(51,251)	(187,920)	0
Accounts Payable	849,661	7,878	857,539	(8,883)
Retainage Payable	300,735	(137,793)	162,942	0
Accrued Wages and Benefits	14,108	3,593	17,701	0
Compensated Absences Payable	4,818	11,785	16,603	0
Interfund Payable	(57,000)	0	(57,000)	0
Intergovernmental Payable	1,359	442	1,801	0
Claims Payable	0	0	0	40,933
Net Pension Liability	1,547,039	580,139	2,127,178	0
Net OPEB Liability	46,403	17,400	63,803	0
Deferred Inflows of Resources – Pension	(820,945)	(307,861)	(1,128,806)	0
Deferred Inflows of Resources – OPEB	(243,612)	(91,354)	(334,966)	0
Total Adjustments	<u>1,542,719</u>	<u>408,233</u>	<u>1,950,952</u>	<u>34,654</u>
Net Cash (Used) Provided by Operating Activities	\$ <u>(1,218,012)</u>	\$ <u>(1,119,138)</u>	\$ <u>(2,337,150)</u>	\$ <u>424,034</u>
Noncash Transactions from Capital and Related Financing Activities:				
Capital Assets Contributed from Governmental Activities	\$ 0	\$ 229,548	\$ 229,548	\$ 0
Capital Assets from Accounts Payable and Retainage Payable	395,925	102,490	498,415	0
Capital Assets Transferred to Governmental Activities	0	(470,778)	(470,778)	0
OWDA Interest paid with intergovernmental subsidy	32,417	0	32,417	0

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Fiduciary Net Position Fiduciary Funds

December 31, 2023

	Total Custodial Funds
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 288,479
Cash and Cash Equivalents:	
In Segregated Accounts	<u>365,999</u>
Total Assets	654,478
Liabilities:	
Deposits Held and Amounts Due to Others	<u>366,205</u>
Net Position:	
Restricted for Others	<u>\$ 288,273</u>

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Statement of Changes in Fiduciary Net Position Fiduciary Funds

For the Year Ended December 31, 2023

	Total Custodial Funds
Additions:	
Collections for Tri-City Park	\$ 532,159
Fines and Forfeitures for Others	3,837,968
Total Additions	<u>4,370,127</u>
Deductions:	
Payments on Behalf of Tri-City Park	754,723
Payments on Behalf of S.A.F.E.	61
Municipal Court Disbursements	3,837,968
Total Deductions	<u>4,592,752</u>
Change in Net Position	(222,625)
Net Position Beginning of Year	<u>510,898</u>
Net Position End of Year	\$ <u><u>288,273</u></u>

The accompanying notes are an integral part of these financial statements

City of Rocky River, Ohio

Notes to Basic Financial Statements

For the Year Ended December 31, 2023

Note 1: Description of City and Reporting Entity

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

Reporting Entity

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

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

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

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

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

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

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

Enterprise Fund Enterprise funds may be used for any activity for which a fee is charged to external users for goods and services. The City's enterprise funds are:

Wastewater Treatment Plant – Accounts for the Rocky River Wastewater Treatment Plant which provides wastewater treatment services for the cities of Rocky River, Fairview Park, Westlake, and Bay Village.

Sanitary Sewer – Accounts for the collection of sanitary sewer charges and the accumulation of resources to rehabilitate through acquisition, construction, or improvement, the City's sanitary sewer infrastructure.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's custodial funds are for deposits and fees to the Tri-City Council of Governments, Municipal Court, and the S.A.F.E. Council of Governments.

C. Measurement Focus

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflow/inflows of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income taxes, State of Ohio levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants and entitlements, and rent.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Deferred Outflows/Inflows of Resources In addition to assets, the financial statements may 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. At December 31, 2023, the City had deferred outflows of resources for deferred charges on refunding, pension and OPEB (other postemployment benefits) plans reported in the government-wide Statement of Net Position and the proprietary funds Statement of Fund Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue, leases and amounts for the pension and OPEB plans. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, special assessments, investment income, charges for services and intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position and in the proprietary funds on the Statement of Fund Net Position. Deferred inflows of resources related to leases are explained in Note 9.

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

E. Cash and Cash Equivalents

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

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

STAR Ohio, is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but the City has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the year ended 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the City Charter and the general laws of the State of Ohio. Interest revenue credited to the General Fund during 2023 amounted to \$1,907,376, which includes \$1,137,025 assigned from other City funds.

F. Restricted Assets

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

G. Inventory

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

H. Prepaid Assets

Payments made to vendors for services that will benefit periods beyond December 31, 2023 are recorded as prepaid assets using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund balance amounts are eliminated in the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. On fund financial statements, long-term interfund loans, reported as "advances to/from other funds", are classified as nonspendable fund balance, which indicate that they are not in spendable form even though it is a component of net current assets. Repayment is expected to be made within a reasonable period of time.

J. Capital Assets

General capital assets are capital assets which are associated with and arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of \$2,500. Improvements are capitalized with the exception of the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life.

All capital assets are depreciated except for land; certain land improvements; rights of way and construction in progress. Improvements are depreciated over the estimated remaining useful lives of the related capital assets. For 2023, the City's infrastructure consists of roads, traffic signals, sidewalks, and storm sewers. In addition, the City has recorded construction in progress for City road and sewer projects initiated in 2023. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following estimated useful lives:

Land improvements	10 - 40 Years
Buildings	20 - 75 Years
Furniture, Fixtures and Equipment	5 - 75 Years
Vehicles	5 - 25 Years
Infrastructure	10 - 75 Years

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

K. Compensated Absences

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

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

L. Payables, Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and net pension/OPEB liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Bond Premiums and Discounts

On the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are receipted in the year the bonds are issued.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be re-deployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. These amounts are assigned by City Council. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

N. Fund Balance (Continued)

In the General Fund, assigned amounts represent intended uses established by the City Council or a City official delegated that authority by the City Council or ordinance or State statute. State statute authorized the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2024 appropriated budget.

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

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

The City, through Council resolution, has established a reserve balance account for the purpose of budget stabilization in accordance with Ohio Revised Code Section 5705.13. The amount reserved may not exceed 5% of the General Fund's revenues in the prior year. Council may appropriate expenditures out of the reserve account to stabilize the City's budget. As the required circumstances determining when the balance can be appropriated are not sufficiently detailed, the balance of \$888,290 is reported as unassigned fund balance.

O. Net Position

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

The government-wide Statement of Net Position reports \$19,990,717 of restricted net position. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

P. Operating Revenues and Expenses

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

Q. Interfund Activity

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

R. Estimates

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

S. Budgetary Data

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

T. Pensions/Other Postemployment Benefits (OPEB)

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

U. Capital Contributions and Capital Distributions

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

V. Rocky River Wastewater Treatment Plant Capital Assets

An agreement among the Ohio cities of Bay Village, Fairview Park, Westlake and the City (WWTP Member Cities) provides that legal title to the Rocky River Wastewater Treatment Plant is held jointly by the WWTP Member Cities as measured by a proportional allocation. The City's undivided interest in the capital assets of the plant are reported in the City's Wastewater Treatment Plant Enterprise Fund. See Note 12 for additional information on the Plant.

W. Leases

As lessee, the City recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future payments on the contract exceed \$5,000 that meet the definition of an other than short-term lease. Short-term lease payments are expensed when incurred. 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. The City uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the City's incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease 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 lease asset is amortized on a straight-line basis over its useful life.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 2: Summary of Significant Accounting Policies (Continued)

W. Leases (Continued)

As lessor, the City recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future payments on the contract exceed \$5,000 that meet the definition of an other than short-term lease. At the commencement of the lease, the City records a receivable and deferred inflow of the net present value of future expected payments using a discount rate explicitly stated or implicit in the contract. Short-term lease receipts and variable lease receipts not included in the measurement of the lease receivable are recognized as income when earned.

X. Subscriptions

The City recognizes subscription-based information technology arrangements that have a term exceeding one year and future payments on the contract exceed \$6,000. Short-term subscriptions are expensed as incurred. At the commencement of the subscription arrangement, the City initially measures the subscription liability at the present value of payments expected to be made during the term. The City uses a discount rate that is determined using the City's incremental borrowing rate at start of the subscription arrangement for a similar asset type and term length to the contract. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability. Subsequently, the subscription asset is amortized on a straight-line basis over its term.

Note 3: Change in Accounting Principles

Newly Adopted Accounting Pronouncements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued in March 2020. This statement clarifies the accounting and financial reporting surrounding public-private and public-public partnerships and availability payment arrangements. The requirements of this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. The requirements of this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The City analyzed certain agreements related to potential subscriptions but did not identify any subscriptions for 2023.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 3: Change in Accounting Principles (Continued)

Newly Adopted Accounting Pronouncements (Continued)

GASB Statement No. 99, *Omnibus 2022*, was issued in April 2022. This statement addresses a variety of topics with objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The effective date of this standard to reporting periods beginning after June 15, 2022. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 AND NO. 84, and a Supersession of GASB Statement No. 32*, was issued in June 2020. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

Newly Issued Accounting Pronouncements, Not Yet Adopted

GASB Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*, was issued in June 2022. The primary objective of this Statement 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. The effective date of this standard to reporting periods beginning after June 15, 2023. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 101, *Compensated Absences*, was issued in June 2022. The objective of this Statement 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. The City has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 4: Budgetary Basis of Accounting

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

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

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

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

	<u>General</u>
GAAP basis	\$ 4,159,662
Net adjustment for revenue accruals	445,800
Net adjustment for expenditure accruals	(124,268)
Fair value adjustment for investments	(899,370)
Advances-in	250,000
Encumbrances	<u>(305,038)</u>
Budget basis	<u>\$ 3,526,786</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 5: Fund Balances

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

	<u>General Fund</u>	<u>Capital Improvement</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Inventory	\$ 103,519	\$ 0	\$ 131,168	\$ 234,687
Prepaid Assets	305,429	0	110,518	415,947
Unclaimed funds	<u>82,215</u>	<u>0</u>	<u>0</u>	<u>82,215</u>
Total Nonspendable	<u>491,163</u>	<u>0</u>	<u>241,686</u>	<u>732,849</u>
Restricted for:				
Building Standards	0	0	1,424	1,424
Capital Improvements	0	5,632,816	4,674,823	10,307,639
Debt Service	0	0	1,363,797	1,363,797
Donations and Bequests	0	0	355,163	355,163
Law Enforcement and Education	0	0	245,633	245,633
Marine Patrol	0	0	49,637	49,637
Office on Aging	0	0	794,710	794,710
Refuse and Recycling	0	0	891,737	891,737
Recreation Center	0	0	297,413	297,413
Security of Persons and Property	0	0	934,490	934,490
OneOhio	0	0	23,878	23,878
Street Construction and Maintenance	<u>0</u>	<u>0</u>	<u>1,614,668</u>	<u>1,614,668</u>
Total Restricted	<u>0</u>	<u>5,632,816</u>	<u>11,247,373</u>	<u>16,880,189</u>
Assigned to:				
Purchases on Order Subsequent Year's Budget: Appropriation of Fund Balance	249,651	0	0	249,651
Total Assigned	<u>11,575,844</u>	<u>0</u>	<u>0</u>	<u>11,575,844</u>
Unassigned (Deficit)	<u>7,965,053</u>	<u>0</u>	<u>(573)</u>	<u>7,964,480</u>
Total Fund Balance	\$ <u>20,281,711</u>	\$ <u>5,632,816</u>	\$ <u>11,488,486</u>	\$ <u>37,403,013</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 6: Deposits and Investments

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

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

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

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 6: Deposits and Investments (Continued)

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

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

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

Deposits

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 6: Deposits and Investments (Continued)

Deposits (Continued)

At year-end, the bank balance of the City's deposits were \$15,945,543. At year-end \$547,806 of the City's total bank balance was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Three of the City's financial institutions participate in the Ohio Pooled Collateral System (OPCS) and were approved by the Ohio Treasurer of State for a reduced collateral floor of 60% resulting in the uninsured and uncollateralized balance.

Investments

Investments are reported at fair value. As of December 31, 2023, the City had the following investments:

	Measurement Value	Maturities (in years) Less than 1	Maturities (in years) More than 1
Amortized Cost:			
Money Market	\$ 15,474,943	\$ 15,474,943	\$ 0
U.S. Treasury Notes	3,976,040	3,976,040	0
STAR Ohio	<u>10,316,296</u>	<u>10,316,296</u>	<u>0</u>
Total	<u>\$ 29,767,279</u>	<u>\$ 29,767,279</u>	<u>\$ 0</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investments in a money market account and STAR Ohio are valued at amortized cost (Level 1). U.S. Treasury Notes are valued based on Level 2 inputs using matrix pricing techniques.

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City Charter addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The Ohio Revised Code Chapter 135 also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow. At December 31, 2023, the average days to maturity for STAR Ohio was 46.4 days.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 6: Deposits and Investments (Continued)

Investments (Continued)

Credit Risk is addressed by the City’s Charter by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. The City’s investments in Star Ohio and the money market both carry an “AAAm” money market rating by Standard & Poor’s. U.S. Treasury Notes carry an “Aaa” rating by Moody’s.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City’s investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City’s allocation as of December 31, 2023:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Money Market	52 %
U.S. Treasury Notes	13 %
STAR Ohio	<u>35 %</u>
	<u>100 %</u>

Note 7: Property Taxes

Property taxes include amounts levied against real and public utility properties located in the City. Property tax revenue received during 2023 represents collections of the 2022 taxes.

2023 real property taxes were levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by Ohio Revised Code at 35% of appraised value. 2023 real property taxes are collected in and intended to finance 2024.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2023 public utility property taxes which became a lien December 31, 2022, were levied after October 1, 2023, and were collected in 2024 with real property taxes

The full tax rate for all City operations for the year ended December 31, 2023, was \$10.55 per \$1,000 of assessed value. The full rate for the City is the same as the effective rate. The assessed values of real and public utility properties upon which 2023 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 1,040,145,310
Public Utility	<u>13,689,300</u>
Total	<u>\$ 1,053,834,610</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 7: Property Taxes (Continued)

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

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

Property taxes receivable represents real property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim.

In the governmental funds, a portion of the receivable has been offset by deferred inflows of resources – property taxes, since current taxes were not levied to finance 2023 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Note 8: Income Taxes

The City utilizes the Regional Income Tax Agency (RITA) to collect and administer its local income tax. The tax is collected by RITA and remitted to the City on the 1st and 10th business days of each month.

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 9: Receivables

Receivables at December 31, 2023, consisted of taxes, accounts (billings for user charged services), special assessments, interest, lease, and intergovernmental receivables. Receivables are recorded net of an allowance for estimated uncollectible amounts. The allowance is based on a historical percentage of collections of amounts billed. The City has estimated \$758,378 in uncollectible billings for user charged services.

A summary of Intergovernmental Receivables follows:

Governmental Activities:

Homestead and Rollback	\$ 645,162
Local Government	280,528
Rocky River Municipal Court	103,402
Grant Reimbursements	137,316
Miscellaneous	33,192
Auto Registration and Gasoline Tax	564,740
Permissive Tax	<u>11,487</u>
Total Intergovernmental Receivable	<u>\$ 1,775,827</u>

Special assessments expected to be collected beyond one-year amount to \$15,000 in the Special Assessment Bond Retirement Fund. The amount of delinquent special assessments outstanding is \$146,602 at December 31, 2023.

Lease Receivable

On December 21, 2020, the City entered into a lease agreement with the Cleveland Clinic to lease space within the Don Umerley Civic Center. The lease was for three years with two one-year renewal periods. The City recognized lease revenue of \$35,136 and interest revenue of \$211 in 2023 related to lease payments received. A summary of future lease receipts is as follows:

Governmental activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 35,523	\$ 143	\$ 35,666
2025	<u>36,486</u>	<u>72</u>	<u>36,558</u>
Total	<u>\$ 72,009</u>	<u>\$ 215</u>	<u>\$ 72,224</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 10: Capital Assets

A summary of changes in capital assets during 2023 follows:

	Balance <u>12/31/22</u>	Additions	Deletions	Balance <u>12/31/23</u>
Governmental Activities				
<i>Non-Depreciable Capital Assets</i>				
Land	\$ 2,017,826	\$ 0	\$ 0	\$ 2,017,826
Land Improvements	214,408	0	0	214,408
Construction in Progress	<u>7,525,107</u>	<u>8,080,245</u>	<u>(2,037,751)</u>	<u>13,567,601</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>9,757,341</u>	<u>8,080,245</u>	<u>(2,037,751)</u>	<u>15,799,835</u>
<i>Depreciable Capital Assets</i>				
Land Improvements	6,214,442	1,082,195	0	7,296,637
Buildings	48,206,208	256,880	0	48,463,088
Furniture, Fixtures and Equipment	10,350,480	663,090	0	11,013,570
Vehicles	11,323,704	669,520	0	11,993,224
Infrastructure:				
Roads	46,922,016	2,079,015	(667,435)	48,333,596
Sidewalks	3,164,915	379,344	0	3,544,259
Traffic Signals	3,011,660	172,698	0	3,184,358
Storm Sewers	<u>14,346,079</u>	<u>0</u>	<u>0</u>	<u>14,346,079</u>
<i>Total Depreciable Capital Assets</i>	<u>143,539,504</u>	<u>5,302,742</u>	<u>(667,435)</u>	<u>148,174,811</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(2,806,186)	(199,647)	0	(3,005,833)
Building	(17,419,297)	(846,209)	0	(18,265,506)
Furniture, Fixtures and Equipment	(7,297,928)	(526,733)	0	(7,824,661)
Vehicles	(8,596,882)	(605,995)	0	(9,202,877)
Infrastructure:				
Roads	(23,985,554)	(1,179,176)	667,435	(24,497,295)
Sidewalks	(693,841)	(83,873)	0	(777,714)
Traffic Signals	(2,780,377)	(21,366)	0	(2,801,743)
Storm Sewers	<u>(2,881,540)</u>	<u>(185,741)</u>	<u>0</u>	<u>(3,067,281)</u>
<i>Total Accumulated Depreciation</i>	<u>(66,461,605)</u>	<u>(3,648,740)</u>	<u>667,435</u>	<u>(69,442,910)</u>
Total Depreciable Capital Assets, Net	<u>77,077,899</u>	<u>1,654,002</u>	<u>0</u>	<u>78,731,901</u>
<i>Right to Use Assets</i>				
Equipment	<u>0</u>	<u>51,168</u>	<u>0</u>	<u>51,168</u>
<i>Less Accumulated Amortization:</i>				
Equipment	<u>0</u>	<u>(21,320)</u>	<u>0</u>	<u>(21,320)</u>
Total Right to Use Assets, Net	<u>0</u>	<u>29,848</u>	<u>0</u>	<u>29,848</u>
Total Governmental Activities Capital Assets, Net	\$ <u>86,835,240</u>	\$ <u>9,764,095</u>	\$ <u>(2,037,751)</u>	\$ <u>94,561,584</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 10: Capital Assets (Continued)

	Restated Balance <u>12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/23</u>
Business-Type Activities				
<i>Non-Depreciable Capital Assets</i>				
Land	\$ 39,516	\$ 0	\$ 0	\$ 39,516
Right-of-Way	250,000	0	0	250,000
Construction in Progress	<u>6,608,454</u>	<u>2,810,139</u>	<u>0</u>	<u>9,418,593</u>
<i>Total Non-Depreciable Capital Assets</i>	<u>6,897,970</u>	<u>2,810,139</u>	<u>0</u>	<u>9,708,109</u>
<i>Depreciable Capital Assets</i>				
Furniture, Fixtures and Equipment	667,729	106,654	0	774,383
Vehicles	718,950	212,348	(14,143)	917,155
Sewer Lines	31,174,879	0	0	31,174,879
Treatment Plant	<u>16,974,020</u>	<u>0</u>	<u>0</u>	<u>16,974,020</u>
<i>Total Depreciable Capital Assets</i>	<u>49,535,578</u>	<u>319,002</u>	<u>(14,143)</u>	<u>49,840,437</u>
<i>Less Accumulated Depreciation:</i>				
Furniture, Fixtures and Equipment	(507,514)	(39,134)	14,143	(546,648)
Vehicles	(656,498)	(79,152)	0	(721,507)
Sewer Lines	(9,729,551)	(419,114)	0	(10,148,665)
Treatment Plant	<u>(11,317,465)</u>	<u>(414,547)</u>	<u>0</u>	<u>(11,732,012)</u>
<i>Total Accumulated Depreciation</i>	<u>(22,211,028)</u>	<u>(951,947)</u>	<u>14,143</u>	<u>(23,148,832)</u>
Total Depreciable Capital Assets, Net	<u>27,324,550</u>	<u>(632,945)</u>	<u>0</u>	<u>26,691,605</u>
Total Business-Type Activities Capital Assets, Net	\$ <u>34,222,520</u>	\$ <u>2,177,194</u>	\$ <u>0</u>	\$ <u>36,399,714</u>

Depreciation and amortization expense was charged to governmental functions as follows:

General Government	\$ 365,945
Security of Persons and Property	503,360
Public Health	94,594
Transportation	1,368,430
Community Development	15,309
Basic Utility Service	493,730
Leisure Time Activities	<u>814,549</u>
Total	\$ <u>3,655,917</u>

During 2023, the City's financial statements were restated to include an undivided interest in the capital assets of the Wastewater Treatment Plant (see Note 11) rather than the full value of the Plant's capital assets. As such the business-type activities balances as of 12/31/22 were restated to reflect the adjusted balance of the Wastewater Treatment Plant capital assets as of 12/31/22.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 10: Capital Assets (Continued)

During 2023, \$17,200 of the construction in progress additions and \$212,348 of vehicles additions on the business-type activities were funded with governmental fund resources. This activity is also reported as contributed capital on the proprietary funds financial statements and as a transfer in the statement of activities.

Also, during 2023, \$470,778 of roads infrastructure on the governmental activities were funded with business-type fund resources. On the statement of activities, the transaction between governmental activities and business-type activities is reported as a transfer

In addition, during 2023, the City transferred a vehicle with a cost basis and accumulated depreciation of \$14,143 (value of \$-0-) from business-type activities to governmental activities. This transfer is reported as an addition in the governmental activities and a disposal in the business-type activities.

Note 11: Restatement of Net Position

During 2023, it was determined that the City's undivided interest of the Rocky River Wastewater Treatment Plant (the "Plant" or WWTP) capital assets should be reported within the City's financial statements rather than the full value of the Plant's capital assets. This change resulted in the following restatement of net position as of December 31, 2022:

Business-Type Net Position:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position at December 31, 2022	\$ 82,047,366	\$ 35,345,205	\$ 117,392,571
Adjustment of Plant capital assets	<u>0</u>	<u>(17,558,688)</u>	<u>(17,558,688)</u>
Restated Net Position at December 31, 2022	<u>\$ 82,047,366</u>	<u>\$ 17,786,517</u>	<u>\$ 99,833,883</u>

Enterprise Net Position:

	<u>Wastewater Treatment</u>	<u>Sewer</u>	<u>Total Enterprise</u>
Net position at December 31, 2022	\$ 19,244,070	\$ 16,106,024	\$ 35,350,094
Adjustment of Plant capital assets	<u>(17,558,688)</u>	<u>0</u>	<u>(17,558,688)</u>
Restated Net Position at December 31, 2022	<u>\$ 1,685,382</u>	<u>\$ 16,106,024</u>	<u>\$ 17,791,406</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 12: Rocky River Wastewater Treatment Plant

The Plant is located at 22303 Lake Road in Rocky River on land owned by that Member City.

The Plant supplies participating residents of the WWTP Member Cities, with a combined population of approximately 83,373, with wastewater treatment services. The Plant is designed to treat an average daily flow of 22.5 million gallons per day (MGD) and has a primary treatment capacity of 128 MGD and a secondary treatment capacity of 45 MGD. The Plant facility was originally built in 1961 (for primary treatment) with a major expansion completed in 1985 (addition of secondary biological treatment process required by the 1972 Clean Water Act) and further expanded with a major upgrade to increase primary treatment capacity in 2000.

Pursuant to an organizing agreement, as amended from time to time, an operational structure and certain managerial guidelines for the Plant are stipulated. In addition, the organizing agreement provides that legal title to the Rocky River Wastewater Treatment Plant is held jointly by the WWTP Member Cities.

Permitting and Compliance

The Plant operates under authority of Ohio Environmental Protection Agency (Ohio EPA) National Pollution Discharge Elimination System (NPDES) Permit No. 3PE00009*ND that was issued January 6, 2023 effective for the period February 1, 2023 to January 31, 2028. In August 2021, the Plant applied to the Ohio EPA for a new NPDES Permit. The United States Environmental Protection Agency regulations provide that if a Federal Water Pollution Control Act permit, including the Plant's NPDES Permit, has expired and the permitting authority (Ohio EPA) has not yet issued a new permit, the expired permit is administratively extended and kept in effect until the new permit is issued.

In addition, the Plant is regulated by the Ohio EPA to limit air contaminants generated by the anaerobic digestion process and associated control equipment. On July 27, 2021, the Ohio EPA issued Air Pollution Permit-to-Install and Operate Permit Number P0130237 effective for the period July 21, 2021 through July 27, 2031.

In 2023, the Plant received preliminary notices of non-compliance for four issues; all of which were timely reported to the Ohio EPA. As of the date of this report, no fines or penalties have been either proposed or imposed. Further, Plant management is of the opinion no fines or penalties will result from these issues.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 13: Risk Management

The City is exposed to various risks related to damage to, theft of and destruction of assets; torts; errors and omissions; natural disasters; and injuries to employees. During 2023, the City obtained insurance coverage with private insurance carriers to address exposure to certain of these risks.

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

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

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

The City contracts with a third-party administrator to process and pay claims and has obtained stop-loss coverage for claims individually and stop-loss coverage for aggregate per year claims. The City pays a monthly premium into the Self-Insurance Fund for each employee that varies according to coverage elected. The monthly premium charge is paid by the fund from which the employees' salary is paid. Incurred but not reported claims of \$202,727 have been accrued as a liability at December 31, 2023 based on an estimate by the third-party administrator.

Changes in the fund's claims liability amount were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2023	\$ 161,794	\$ 2,347,032	\$ 2,306,099	\$ 202,727
2022	348,565	2,607,147	2,793,918	161,794

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans

A. Net Pension/OPEB Liability (Asset)

The net pension/OPEB liability (asset) reported on the Statement of Net Position represents a liability (asset) to employees for pensions/OPEB. Pensions/OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions/OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions/OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liabilities (assets) represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68 and 75 assumes the liability (asset) is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for OPEB benefits including primarily health care. In most cases, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium.

State statute requires the retirement systems to amortize unfunded pension/OPEB liabilities within 30 years. If the pension/OPEB amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide 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 contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

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

Plan Description – City employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the traditional pension plan, a defined benefit plan; the combined plan, a hybrid defined benefit/defined contribution plan; and the member-directed plan, a defined contribution plan. Effective January 1, 2022 the combined plan is no longer available for member selection. While members (e.g., City employees) may elect the member-directed plan, substantially all employee members are in OPERS’ traditional or combined plans; therefore, the following disclosure focuses on the traditional and combined plans.

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

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

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

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

When a benefit recipient retiring under the traditional pension plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided on the member's base benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

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

The combined plan is a hybrid defined benefit/defined contribution plan. Members earn a formula benefit similar to, but at a factor less than the traditional pension plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement, the member may choose a defined contribution distribution that is equal to the member's contributions to the plan and investment earnings (or losses). Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS. Effective January 1, 2022, members may no longer select this plan.

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

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

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

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS Board. Both member-directed plan and combined plan members who have met the eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans.

Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year.

At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit account (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance (net of taxes withheld), or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

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

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2023 for the traditional plan. For the combined plan, the portion of the employer contributions allocated to healthcare was 2% for 2023. The portion of the employer contributions allocated to health care for members in the member directed plan was 4% for 2023. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution for the traditional plan, net of postemployment health care benefits, for 2023 was \$1,515,317. The contractually required contribution for the combined plan, net of postemployment health care benefits, for 2023 was \$27,143. For the 2023 amounts, \$169,315 is reported as intergovernmental payable at December 31, 2023.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

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

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

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

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 19.5% of covered payroll for police employer units and 24.0% for fire employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 12.25% of covered payroll for police and fire. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0.5% for 2023 for police and fire employer units. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. In 2023, the City's contractually required contribution, net of postemployment health care benefits, was \$1,379,112. Of this amount, \$158,778 is reported as intergovernmental payable at December 31, 2023.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022 to December 31, 2022. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

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

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

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.066396%	0.054070%	0.234194%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.063198%</u>	<u>0.039619%</u>	<u>0.238793%</u>	
Change in Proportionate Share	(0.003198%)	(0.014451%)	0.004599%	
Proportionate Share of the Net Pension Liability	\$ 18,668,717	\$ 0	\$ 22,683,048	\$ 41,351,765
Proportionate Share of the Net Pension Asset	\$ 0	\$ 93,377	\$ 0	\$ 93,377
Pension Expense	\$ 2,448,614	\$ 14,795	\$ 2,752,219	\$ 5,215,628

Pension expense for the member-directed defined contribution plan was \$25,248 in 2023. For 2023, the aggregate pension expense for all pension plans was \$5,240,876.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources				
City Contributions Subsequent to the Measurement Date	\$ 1,515,317	\$ 27,143	\$ 1,379,112	\$ 2,921,572
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,321,171	34,031	3,302,373	8,657,575
Differences in Employer Contributions and Change in Proportionate Share	28,394	38,220	389,895	456,509
Difference Between Expected and Actual Experience	620,096	5,741	340,236	966,073
Change in Assumptions	<u>197,222</u>	<u>6,182</u>	<u>2,045,933</u>	<u>2,249,337</u>
Total Deferred Outflows of Resources	\$ <u>7,682,200</u>	\$ <u>111,317</u>	\$ <u>7,457,549</u>	\$ <u>15,251,066</u>
Deferred Inflows of Resources				
Differences in Employer Contributions and Change in Proportionate Share	\$ 327,998	\$ 12,111	\$ 687,239	\$ 1,027,348
Difference Between Expected and Actual Experience	0	13,343	516,786	530,129
Change in Assumptions	<u>0</u>	<u>0</u>	<u>442,313</u>	<u>442,313</u>
Total Deferred Inflows of Resources	\$ <u>327,998</u>	\$ <u>25,454</u>	\$ <u>1,646,338</u>	\$ <u>1,999,790</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

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

The \$2,921,572 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	OPERS		OPERS		OP&F	Total
	Traditional		Combined			
2024	\$ 528,761	\$	4,213	\$	388,318	\$ 921,292
2025	1,137,164		9,092		1,056,943	2,203,199
2026	1,566,280		11,482		1,166,158	2,743,920
2027	2,606,680		17,584		1,822,720	4,446,984
2028	0		3,554		(2,040)	1,514
2029-2032	0		12,795		0	12,795
	<u>\$ 5,838,885</u>	<u>\$</u>	<u>58,720</u>	<u>\$</u>	<u>4,432,099</u>	<u>\$ 10,329,704</u>

E. Actuarial Assumptions – OPERS

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

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

Key methods and assumptions used in valuation of total pension liability/asset - 2022

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>
Valuation date	December 31, 2022	December 31, 2022
Experience study	5-year period ended December 31, 2020	5-year period ended December 31, 2020
Actuarial cost method	Individual entry age	Individual entry age
Actuarial assumptions:		
Investment rate of return	6.90%	6.90%
Wage inflation	2.75%	2.75%

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Projected salary increases, including 2.75% wage inflation	2.75 to 10.75%	2.75 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 retirees	3.00% Simple through 2023 then 2.05% Simple	3.00% Simple through 2023 then 2.05% Simple

OPERS conducts an experience study every five years in accordance with Ohio Revised Code Section 145.22. The study for the five-year period ended December 31, 2020 and methods and assumptions were approved and adopted by the OPERS Board of Trustees.

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females). Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the traditional plan, the defined benefit component of the combined plan and the annuitized accounts of the member-directed plan. The money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for changing amounts actually invested for the Defined Benefit portfolio was a loss of 12.1% for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

E. Actuarial Assumptions – OPERS (Continued)

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	22.00%	2.62%
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risky parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability for measurement year 2022 was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9%, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9%) or one-percentage-point higher (7.9%) than the current rate:

	1% Decrease (5.9%)	Discount Rate (6.9%)	1% Increase (7.9%)
City’s Proportionate Share of the Net Pension Liability – Traditional	\$ 27,965,115	\$ 18,668,717	\$ 10,935,782
City’s Proportionate Share of the Net Pension Asset – Combined	\$ 48,731	\$ 93,377	\$ 128,762

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

F. Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2022, are presented below:

Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Projected salary increases	3.75% - 10.50%
Payroll growth	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for 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.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135.0% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

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 131.0% for females. All rates are projected using the MP-2021 Improvement Scale.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

F. Actuarial Assumptions – OP&F (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block 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.

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, 2022 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic equity	18.6%	4.8%
International equity	12.4	5.5
Private markets	10.0	7.9
Core fixed income*	25.0	2.5
High yield fixed income	7.0	4.4
Private credit	5.0	5.9
U.S. inflation linked bonds*	15.0	2.0
Midstream energy infrastructure	5.0	5.9
Real assets	8.0	5.9
Gold	5.0	3.6
Private real estate	12.0	5.3
Commodities	2.0	3.6
Total	<u>125.0%</u>	

Note: Assumptions are geometric.

*Levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 14: Defined Benefit Pension Plans (Continued)

F. Actuarial Assumptions – OP&F (Continued)

Discount Rate The 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 the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 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 (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City’s Proportionate Share of the Net Pension Liability	\$ 29,923,318	\$ 22,683,048	\$ 16,664,212

Note 15: Postemployment Benefits

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

Plan Description – OPERS administers three separate pension plans: the traditional pension plan, a defined benefit plan; the combined plan, a hybrid defined benefit/defined contribution plan; and the member-directed plan, a defined contribution plan. Effective January 1, 2022 the combined plan is no longer available for member selection. While members (e.g. City employees) may elect the member-directed plan, substantially all employee members are in OPERS’ traditional or combined plans; therefore, the following disclosure focuses on the traditional and combined plans.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an OPEB as described in GASB Statement No. 75. See OPERS’ ACFR referenced below for additional information.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 15: Postemployment Benefits (Continued)

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of the employer’s contributions allocated to health care was 0% for 2023 for the traditional plan. For the combined plan, the portion of the employer contributions allocated to healthcare was 2% for 2023. The portion of the employer contributions allocated to health care for members in the Member Directed plan was 4% for 2023. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contribution rate are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution for OPERS postemployment health care benefits was \$14,929 for 2023. Of this amount, \$1,612 is reported as intergovernmental payable at December 31, 2023.

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

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 15: Postemployment Benefits (Continued)

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$32,343 for 2023. Of this amount, \$3,724 is reported as intergovernmental payable at December 31, 2023.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 15: Postemployment Benefits (Continued)

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

The net OPEB liability for OPERS as of December 31, 2023 was measured as of December 31, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021 and rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating entities.

OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset Prior Measurement Date	0.064589%	0.234194%	
Proportion of the Net OPEB Liability/Asset Current Measurement Date	<u>0.061328%</u>	<u>0.238793%</u>	
Change in Proportionate Share	(0.003261%)	0.004599%	
Proportionate Share of the Net OPEB Liability	\$ 386,684	\$ 1,700,138	\$ 2,086,822
OPEB (Reduction) Expense	\$ (744,358)	\$ 130,000	\$ (614,355)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
City Contributions Subsequent to the Measurement Date	\$ 14,929	\$ 32,343	\$ 47,272
Differences in Employer Contributions and Change in Proportionate Share	5,367	91,500	96,867
Difference Between Expected and Actual Experience	0	101,454	101,454
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	767,970	145,821	913,791
Change in Assumptions	<u>377,684</u>	<u>847,256</u>	<u>1,224,940</u>
Total Deferred Outflows of Resources	\$ <u>1,165,950</u>	\$ <u>1,218,374</u>	\$ <u>2,384,324</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 15: Postemployment Benefits (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources			
Difference Between Expected and Actual Experience	\$ 96,453	\$ 335,233	\$ 431,686
Change in Assumptions	31,077	1,390,575	1,421,652
Differences in Employer Contributions and Change in Proportionate Share	<u>6,333</u>	<u>133,971</u>	<u>140,304</u>
Total Deferred Inflows of Resources	\$ <u>133,863</u>	\$ <u>1,859,779</u>	\$ <u>1,993,642</u>

The \$47,272 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Fiscal Year Ending December 31:			
2024	\$ 128,218	\$ (34,307)	\$ 93,911
2025	278,468	(24,585)	253,883
2026	239,478	(81,880)	157,598
2027	370,994	(45,587)	325,407
2028	0	(147,024)	(147,024)
2029-2031	<u>0</u>	<u>(340,365)</u>	<u>(340,365)</u>
	\$ <u>1,017,158</u>	\$ <u>(673,748)</u>	\$ <u>343,410</u>

D. Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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, 2021, rolled forward to the measurement date of December 31, 2022. 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:

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

	<u>Assumptions</u>
Valuation date	December 31, 2021
Rolled-forward measurement date	December 31, 2022
Experience study	5-year period ended December 31, 2020
Actuarial cost method	Individual entry age normal
Projected salary increases, including 2.75% wage inflation	2.75 to 10.75%
Investment rate of return	6.00%
Municipal bond rate	4.05%
Single discount rate of return	5.22%
Health care cost trend	Initial 5.50% to 3.50% ultimate in 2036

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality Tables (males and females). Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

OPERS managed investments in three investment portfolios: the defined benefit portfolio, the health care portfolio and the defined contribution portfolio. The health care portfolio includes the assets for health care expenses for the traditional pension plan, combined plan and member-directed plan eligible members. Within the health care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the health care portfolio was a loss of 15.6% for 2022.

The allocation of investment assets within the health care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy and the long-term expected real rates of return:

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	34.00%	2.56%
Domestic equities	26.00	4.60
Real estate	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00%	

Discount Rate A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05% for the measurement date of December 31, 2022. 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 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

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

	1% Decrease (4.22%)	Discount Rate (5.22%)	1% Increase (6.22%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,316,099	\$ 386,684	\$ (380,234)

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 15: Postemployment Benefits (Continued)

D. Actuarial Assumptions – OPERS (Continued)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 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 that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	<u>1% Decrease</u>	<u>Cost Trend Rate</u>	<u>1% Increase</u>
City’s Proportionate Share of the Net OPEB Liability	\$ 362,448	\$ 386,684	\$ 413,964

Assumption Changes Since the Prior Measurement Date Municipal bond rate increased from 1.84% to 4.05%. The health care cost trend rate changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

E. Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of 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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

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

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

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

Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Salary increases	3.75% – 10.50%
Payroll growth	3.25%
Municipal bond index rate	
Prior measurement date	2.05%
Current measurement date	3.65%
Single equivalent interest rate, net of plan investment expense, including price inflation	
Prior measurement date	2.84%
Current measurement date	4.27%

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 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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

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 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2022, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	18.6%	4.8%
International equity	12.4	5.5
Private markets	10.0	7.9
Core fixed income*	25.0	2.5
High yield fixed income	7.0	4.4
Private credit	5.0	5.9
U.S. inflation linked bonds*	15.0	2.0
Midstream energy infrastructure	5.0	5.9
Real assets	8.0	5.9
Gold	5.0	3.6
Private real estate	12.0	5.3
Commodities	2.0	3.6
Total	125.0%	

Note: Assumptions are geometric.

*Levered 2x

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5%. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, for 2022, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

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 4.27%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27%), or one percentage point higher (5.27%) than the current rate.

	1% Decrease <u>(3.27%)</u>	Discount Rate <u>(4.27%)</u>	1% Increase <u>(5.27%)</u>
City’s Proportionate Share of the Net OPEB Liability	\$ 2,093,562	\$ 1,700,138	\$ 1,367,989

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

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 15: Postemployment Benefits (Continued)

E. Actuarial Assumptions – OP&F (Continued)

Assumption Changes Since the Prior Measurement Date

The assumptions used for the January 1, 2022 actuarial valuation are based on the quinquennial experience review prepared as of December 31, 2021 and adopted by the Board of Trustees on October 26, 2022. Material assumptions and methods that were changed since the prior valuation:

- The investment return assumption was lowered from 8.00% to 7.50%.
- The DROP interest crediting rate was lowered from 4.00% to 3.75%.
- The mortality assumption, withdrawal rates, retirement rates, and disability rates were changed.
- The DROP participation rate was lowered from 90% to 80%.
- The percent married assumption was changed from assuming 75% of members are married to 80%.
- The percentage of members assumed to elect a joint annuity was changed from 33% to 40% for service retirees and from 10% to 15% for disabled retirees. The percentage continued to the joint annuitant assumption was changed from 40% to 45%.

Note 16: Compensated Absences

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

Employees earn sick leave at the rate of 2.3 hours for every 40 hours worked, except for the fire division where employees earn 9.60 hours for every 168 hours worked. Sick leave accumulation is limited to 960 hours, except for the fire division where a maximum of 1,384 hours may be accumulated. City employees with two or more years of service are paid for their accumulated sick leave upon termination or retirement.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 17: Conduit Debt

West Shore Unitarian Universalist Church

In October 2005, the City issued \$1,350,000 Economic Development Revenue Bonds, Series 2005 (Bonds) pursuant to a Loan Agreement dated October 3, 2005 between the City and the West Shore Unitarian Universalist Church (the "Borrower"). The Bonds were issued for the purpose of making a loan to the Borrower, an Ohio nonprofit corporation to acquire, construct, renovate, furnish, and equip an approximately 12,000 square foot area of the Borrower's facility at 20401 Hilliard Boulevard, Rocky River, which will be used by the Borrower, acting as the "West Shore Child Care Center" in its operation of day care and pre-school facilities. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying loan. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the City for any of those bonds.

The Bond Service Charges payable from revenue assigned to secure such payment are not payable from other funds of the City whether raised by taxation or otherwise received. Accordingly, the Bonds are not reported as a liability of the City in the accompanying financial statements. The Bonds are payable in 240 monthly payments from November 1, 2005 through October 1, 2025 inclusive.

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Outstanding 12/31/23</u>	<u>Date of Maturity</u>
Economic Development Revenue Bonds, Series 2005	\$ 1,350,000	2.51%	\$ 54,393	October 1, 2025

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 18: Long-Term Obligations

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

<u>Debt Issue</u>	<u>Interest Rate (%)</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<i>Governmental Activities</i>			
General Obligation Bonds			
2014 Civic Facility Improvements Refunded	3.500	\$ 4,640,000	December 1, 2024
2014 General Purpose Refunded	3.500	4,540,000	December 1, 2024
2022 Police Station	4.000-5.000	9,890,000	December 1, 2047
Special Assessment Bonds			
1998 Erosion Control (A)	5.10	605,000	December 1, 2023
2000 Erosion Control (B)	5.25-5.50	360,000	December 1, 2025
OPWC Loans			
Hampton Road and Lakeview Avenue Sewer	0.00	4,438,507	July 1, 2051
<i>Business –Type Activities</i>			
OPWC Loans			
Hampton Road Storm and Sanitary Sewer Improvement	0.00	3,268,413	July 1, 2045
Valley View Storm and Sanitary Sewer Improvement	0.00	2,541,718	January 1, 2045
Frazier Drive Sewer Improvement	0.00	2,891,803	July 1, 2046
Avalon Drive Sewer Improvement	0.00	4,196,825	July 1, 2048
Hampton Road and Lakeview Avenue Sewer Improvement	0.00	4,438,507	January 1, 2051
WWTP Trickling Filter Recycling Pump Replacement	0.00	274,272	January 1, 2028
WWTP Improvements	0.00	2,315,682	July 1, 2029
WWTP Improvements 2008-2009	0.00	368,524	January 1, 2031
WWTP Improvements 2013-2016	0.00	700,634	January 1, 2044
WWTP Improvements 2014-2017	0.00	795,641	July 1, 2037
WWTP Improvements 2017-2020	0.00	1,080,619	January 1, 2053
2020 Rocky River Sewer Improvement	0.00	NA	Pending
Spencer Road Sewer and Pavement Improvements	0.00	NA	Pending
OWDA Loans			
WWTP Expansion and Improvement	5.50	11,582,102	July 1, 2025
WWTP CEPT and Final Clarifier Improvements	0.00	NA	Pending

NA – Amortized loan balance has not been determined.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 18: Long-Term Obligations (Continued)

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

	<u>Outstanding 12/31/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/23</u>	<u>Amount Due in One Year</u>
Governmental Activities					
General Obligation Bonds					
2014 Civic Facility Improvements					
Refunded	\$ 1,135,000	\$ 0	\$ 555,000	\$ 580,000	\$ 580,000
2014 General Purpose Refunded	1,050,000	0	515,000	535,000	535,000
2022 Police Station	9,890,000	0	25,000	9,865,000	25,000
Unamortized Premium	<u>181,601</u>	<u>0</u>	<u>61,786</u>	<u>119,815</u>	<u>0</u>
Total General Obligation Bonds	<u>12,256,601</u>	<u>0</u>	<u>1,156,786</u>	<u>11,099,815</u>	<u>1,140,000</u>
Special Assessment Bonds					
1998 Erosion Control (A)	25,000	0	25,000	0	0
2000 Erosion Control (B)	<u>45,000</u>	<u>0</u>	<u>15,000</u>	<u>30,000</u>	<u>15,000</u>
Total Special Assessment Bonds	<u>70,000</u>	<u>0</u>	<u>40,000</u>	<u>30,000</u>	<u>15,000</u>
Ohio Public Works Commission (OPWC) Loans*					
Hampton Road and Lakeview					
Avenue Sewer Improvement	<u>212,994</u>	<u>0</u>	<u>7,472</u>	<u>205,522</u>	<u>7,472</u>
Other Long-Term Obligations					
Compensated Absences Payable	4,678,923	3,482,720	3,362,944	4,798,699	2,298,919
Lease Payable*	0	51,168	37,050	14,118	14,118
Asset Retirement Obligations	73,402	2,460	0	75,862	0
Net Pension Liability	19,454,654	18,816,774	0	38,271,428	0
OPEB Liability	<u>2,566,969</u>	<u>0</u>	<u>543,950</u>	<u>2,023,019</u>	<u>0</u>
Total Other Long-Term Obligations	<u>26,773,948</u>	<u>22,301,954</u>	<u>3,906,894</u>	<u>45,183,126</u>	<u>2,313,037</u>
<i>Total Governmental Activities</i>	<i>\$ <u>39,313,543</u></i>	<i>\$ <u>22,301,954</u></i>	<i>\$ <u>5,111,152</u></i>	<i>\$ <u>56,518,463</u></i>	<i>\$ <u>3,475,509</u></i>
Business-Type Activities					
Ohio Public Works Commission (OPWC) Loans*					
Valley View Storm and Sanitary					
Sewer Improvement	\$ 1,906,288	\$ 0	\$ 84,724	\$ 1,821,564	\$ 84,724
Hampton Road Storm and Sanitary					
Sewer Improvement	2,505,783	0	108,947	2,396,836	108,947
Frazier Drive Sewer Improvement	2,313,443	0	96,393	2,217,050	96,393
Avalon Drive Sewer Improvement	3,637,245	0	139,895	3,497,350	139,894
Hampton Road and Lakeview					
Avenue Sewer Improvement	4,003,589	0	140,478	3,863,111	140,478
WWTP Trickling Filter Recycle					
Pump Improvement	75,422	0	13,714	61,708	13,714
WWTP Improvement	810,489	0	115,784	694,705	115,784
WWTP Improvement 2008-2009	156,625	0	18,426	138,199	18,426
WWTP Improvement 2013-2016	525,474	0	35,032	490,442	35,032
WWTP Improvement 2014-2017	684,251	0	31,826	652,425	31,826
WWTP Improvement 2017-2020	1,080,619	0	18,010	1,062,609	36,020

(Continued)

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 18: Long-Term Obligations (Continued)

	<u>Outstanding</u> 12/31/22	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding</u> 12/31/23	<u>Amount</u> <u>Due in</u> <u>One Year</u>
Business-Type Activities (Continued)					
Ohio Public Works Commission (OPWC) Loans* (Continued)					
2020 Rocky River Sewer Improvement	2,402,603	565,444	0	2,968,047	0
Spencer Road Sewer and Pavement Improvement	<u>200,233</u>	<u>205,622</u>	<u>0</u>	<u>405,855</u>	<u>0</u>
Total OPWC Loans	<u>20,302,064</u>	<u>771,066</u>	<u>803,229</u>	<u>20,269,901</u>	<u>821,238</u>
Ohio Water Development Authority (OWDA) Loans*					
WWTP Expansion and Improvement	2,343,420	0	739,832	1,603,588	780,374
WWTP CEPT and Final Clarifier Improvements	<u>1,969,493</u>	<u>4,157,474</u>	<u>0</u>	<u>6,126,967</u>	<u>0</u>
Total OWDA Loans	<u>4,312,913</u>	<u>4,157,474</u>	<u>739,832</u>	<u>7,730,555</u>	<u>780,374</u>
Other Long-Term Obligations					
Compensated Absences Payable	391,348	337,358	320,755	407,951	158,788
Net Pension Liability	953,159	2,127,178	0	3,080,337	0
OPEB Liability	<u>0</u>	<u>63,803</u>	<u>0</u>	<u>63,803</u>	<u>0</u>
Total Other Long-Term Obligations	<u>1,344,507</u>	<u>2,528,339</u>	<u>320,755</u>	<u>3,552,091</u>	<u>158,788</u>
<i>Total Business-Type Activities</i>	<u>\$ 25,959,484</u>	<u>\$ 7,456,879</u>	<u>\$ 1,863,816</u>	<u>\$ 31,552,547</u>	<u>\$ 1,760,400</u>

*- Long-term obligation is a direct borrowings

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

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

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

The lease payable will be paid from the Equipment Replacement Capital Projects Fund, see Note 19.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 18: Long-Term Obligations (Continued)

During 2009, the City obtained an OPWC interest-free loan for the Valley View Storm and Sanitary Sewer Improvements to be repaid in semi-annual principal payments of \$42,362 for 30 years beginning January 1, 2015. Also during 2009, the City obtained an OPWC interest-free loan for the Hampton Road Storm and Sanitary Sewer Improvements to be repaid in semi-annual principal payments of \$54,474 for 30 years beginning July 1, 2015.

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

During 2016, the City obtained an OPWC interest-free loan for the Avalon Drive Sewer Improvements. This loan is to be repaid in semi-annual principal payments of \$69,946 for 30 years beginning July 1, 2018.

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

In September 2007, the OPWC finalized an interest-free loan to the City for the Trickling Filter Recycle Pump Replacement project totaling \$274,272. The loan will be repaid in semi-annual installments of \$6,857 over 21 years, ending in 2028.

In January 2009, the OPWC finalized an interest-free loan to the City for the plant improvements project totaling \$2,315,681. The loan will be repaid in semi-annual installments of \$57,892 beginning in 2009 over 20 years, ending in 2029.

In May 2010, the OPWC finalized an interest-free loan for the WWTP Improvements 2008 – 2009 projects totaling \$368,524. The loan will be repaid in semi-annual installments of \$9,213 beginning in 2011 over 20 years, ending in 2031.

In November 2016, the OPWC finalized an interest-free loan for the WWTP Improvements 2013 – 2016 projects totaling \$700,634. The loan will be repaid in semi-annual installments of \$17,516 beginning in the second half of 2017 over 20 years, ending in 2037.

In 2018, the OPWC finalized an interest-free loan for the WWTP Improvements 2014 – 2017 projects totaling \$795,641. The loan will be repaid in semi-annual installments of \$15,913 beginning in 2019 over 26 years, ending in 2044.

In 2022, the OPWC finalized an interest-free loan for the WWTP Improvements 2017 – 2020 projects totaling \$1,080,619. The loan will be repaid in semi-annual installments of \$18,010 beginning in 2023 over 30 years, ending in 2053.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 18: Long-Term Obligations (Continued)

During 2020, the City obtained an OPWC interest-free loan for the 2020 Rocky River Sewer Improvements. OPWC has authorized this loan up to \$4,399,100. The loan proceeds in the long-term obligations table represent monies drawn against this loan through December 31, 2023, and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

During 2021, the City obtained an OPWC interest-free loan for the Spencer Road Sewer and Pavement Improvements. OPWC has authorized this loan up to \$524,100. The loan proceeds in the long-term obligations table represent monies drawn against this loan through December 31, 2023, and as a result, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

The City's outstanding OPWC loans from direct borrowings contain provisions that in the event of default (1) OPWC may apply late fees of 8% per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

In July 2001, the OWDA finalized a loan to the City for plant expansion totaling \$11,582,103. The initial loan was for 25 years at 5.5% interest. In 2016, OWDA provided the City with an interest buy-down, which reduces the interest rate by 1.50%. This also adjusted the semi-annual installments to an amount to retire the principal over 24 years plus the adjusted interest amount.

The City has entered into contractual agreements for a construction loan from the Ohio Water Development Authority (OWDA) under the project name WWTP CEPT & Final Clarified Improvements. Under the terms of the agreement, the OWDA will reimburse, advance, or directly pay the construction costs of the approved project in the amount of \$29,088,891. The OWDA will also capitalize interest throughout the project period and add it to the total amount of the final loan. During 2023, the City drew \$4,157,474 against the loan resulting in a balance of \$6,126,967 as of December 31, 2023. As a result of the loan still being in progress, the debt maturity schedule below does not reflect any amount for principal. When the loan is finalized, the principal will be included below.

The City's overall legal debt margin was \$101,486,509 at December 31, 2023. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2023, are shown on the next page:

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 18: Long-Term Obligations (Continued)

	Governmental Activities						
	General Obligation Bonds		Special Assessment Bonds		OPWC	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2024	\$ 1,140,000	\$ 452,938	\$ 15,000	\$ 1,650	\$ 7,472	\$ 1,162,472	\$ 454,588
2025	260,000	412,913	15,000	825	7,472	282,472	413,738
2026	270,000	402,513	0	0	7,472	277,472	402,513
2027	280,000	391,713	0	0	7,472	287,472	391,713
2028	295,000	380,513	0	0	7,472	302,472	380,513
2029-2033	1,700,000	1,676,665	0	0	37,360	1,737,360	1,676,665
2034-2038	2,080,000	1,297,065	0	0	37,360	2,117,360	1,297,065
2039-2043	2,525,000	843,227	0	0	37,360	2,562,360	843,227
2044-2048	2,430,000	263,501	0	0	37,360	2,467,360	263,501
2049-2053	0	0	0	0	18,722	18,722	0
Total	\$ <u>10,980,000</u>	\$ <u>6,121,048</u>	\$ <u>30,000</u>	\$ <u>2,475</u>	\$ <u>205,522</u>	\$ <u>11,215,522</u>	\$ <u>6,123,523</u>

	Business-Type Activities				
	OWDA		OPWC	Total	
	Principal	Interest	Principal	Principal	Interest
2024	\$ 780,374	\$ 56,472	\$ 821,238	\$ 1,601,612	\$ 56,472
2025	823,214	24,829	821,239	1,644,453	24,829
2026	0	0	821,239	821,239	0
2027	0	0	821,239	821,239	0
2028	0	0	814,377	814,377	0
2029-2033	0	0	3,528,429	3,528,429	0
2034-2038	0	0	3,331,537	3,331,537	0
2039-2043	0	0	3,191,406	3,191,406	0
2044-2048	0	0	2,232,049	2,232,049	0
2049-2053	0	0	513,246	513,246	0
Total	\$ <u>1,603,588</u>	\$ <u>81,301</u>	\$ <u>16,895,999</u>	\$ <u>18,499,587</u>	\$ <u>81,301</u>

Note 19: Lease

The City entered into a contract for the use of police equipment. The lease requires an annual payment. The contract meets the definition of a lease under GASB Statement No. 87. A summary of the principal and interest amounts for the remaining lease is as follows:

	Governmental Activities	
	Principal	Interest
2024	\$ 14,118	\$ 663

Note 20: Jointly Governed Organizations

A. West Shore Council of Governments

The West Shore Council of Governments (the “West Shore Council”) was organized pursuant to the Ohio Revised Code Section 167.01 by the Ohio cities of Rocky River, Bay Village, Fairview Park, Lakewood, North Olmsted, and Westlake. The West Shore Council was formed to foster cooperation between members in the areas of public health, welfare, police protection, fire protection, and regional development.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 20: Jointly Governed Organizations (Continued)

A. West Shore Council of Governments (Continued)

The West Shore Council oversees both the West Shore Hazardous Materials Committee which provides hazardous material handling training, protection, and assistance and the West Shore Enforcement Bureau which provides SWAT Team training, protection, and assistance.

The West Shore Council is governed by a board comprised of one member from each member city. The board exercises control over the operation of the West Shore Council including budgeting, appropriating, contracting, and administration. The West Shore Council board adopts an annual budget governing its activities for that year. Each city's degree of control is limited to its representation on the board. In 2023, the City contributed \$55,791 to the West Shore Council.

Financial information for the West Shore Council may be obtained from the Fiscal Officer, West Shore Council of Governments, in care of City of Bay Village, 350 Dover Center Road, Bay Village, Ohio 44140.

B. Tri-City Park Council of Governments

The Tri-City Park Council of Governments (the "Tri-City Park") was organized pursuant to the Ohio Revised Code Section 167.01 by the Ohio cities of Rocky River, Fairview Park, and Westlake. Tri-City Park was formed to operate a public park to which residents of all member cities have access and which is bordered by all member cities. Tri-City Park is governed by a board comprised of one member from each member city. The board exercises control over the operation of Tri-City Park including budgeting, appropriating, contracting, and administration. The Tri-City Park board adopts an annual budget governing its activities for that year. Each City's degree of control is limited to its representation on the board. In 2023, the City made contributions of \$180,000 to the Tri-City Park.

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

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

The Safe Air for the Environment Council of Governments (the "S.A.F.E. Council") was organized pursuant to the Ohio Revised Code Section 167.01 by the Ohio cities of Rocky River, Bay Village, Fairview Park, and Westlake. The S.A.F.E. Council was formed to oppose and to monitor changes to air traffic patterns of flights from nearby Cleveland Hopkins International Airport.

The S.A.F.E. Council is governed by a board comprised of one member from each member city. The board exercises control over the operation of the S.A.F.E. Council including budgeting, appropriating, contracting, and administration. The S.A.F.E. Council board adopts an annual budget governing its activities for that year. Each city's degree of control is limited to its representation on the board. In 2023, the City made no contributions to the S.A.F.E. Council.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 20: Jointly Governed Organizations (Continued)

D. Suburban Water Regional Council of Governments

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

The Water Council is governed by a Board of Trustees elected from each of nine member groups defined in the organizing agreement. The Mayor represents the City and is eligible to be elected to the Board of Trustees of the Water Council. The City made no contributions to the Water Council in 2023. The organizing agreement provides for the assessment of dues to members; however, no dues have been assessed since the inception of the Water Council.

The fiscal information of the Water Council may be obtained through the office of the Executive Secretary of the Cuyahoga County Mayors and Managers Association located at 10107 Brecksville Road, Brecksville, Ohio 44141, who serves as the fiscal agent.

E. Regional Council of Governments

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

The Regional Council is governed by officers elected to annual terms by designated delegates of its member communities. In addition, RITA is governed by a Board of Trustees elected to staggered and varied terms by designated delegates of the Regional Council. The Director of Finance is the City’s appointed delegate to the Regional Council. During 2023, the City contributed \$265,629 to the Regional Council for RITA services. Financial information for the Regional Council may be obtained from the Executive Director of RITA at 10107 Brecksville Road, Brecksville, Ohio 44141 or www.ritaohio.com.

F. Northeast Ohio Public Energy Council

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 20: Jointly Governed Organizations (Continued)

F. Northeast Ohio Public Energy Council (Continued)

NOPEC is governed by a General Assembly, made up of one representative from each member community. The representatives from each county elect persons to serve on the 13 member NOPEC Board of Directors. The Board oversees and manages both NOPEC and the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. During 2023, the City made no contributions to NOPEC.

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

Note 21: Contingent Liabilities

Grants

The City has received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2023.

Litigation

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

Note 22: Interfund Activity

A. Transfers

The transfers among City funds were made to provide additional resources for current operations and for the payment of debt. The General Fund made the following transfers during the year ended December 31, 2023:

<u>Transfer to</u>	
Capital Improvement	\$ 1,500,000
Non-Major Governmental Funds	5,745,000
Sanitary Sewer	<u>1,150,000</u>
Total Transfers	\$ <u>8,395,000</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 22: Interfund Activity (Continued)

A. Transfers (Continued)

In addition to the transfers noted above, the City had a net transfer of \$241,230 from business-type activities to governmental activities related to construction in progress, infrastructure, and vehicles. See Note 10 for additional information.

B. Interfund Balances

As of December 31, 2023, interfund balances were as follows:

	<u>Receivable</u> <u>Interfund</u>	<u>Payable</u> <u>Interfund</u>
Governmental Activities:		
General Fund	\$ 6,700	\$ 0
Wastewater Treatment Plant Fund	<u>0</u>	<u>6,700</u>
Total	<u>\$ 6,700</u>	<u>\$ 6,700</u>

Interfund balances are expected to be repaid within one year. During 2023, the Wastewater Treatment Plant Enterprise Fund did not make a payment to the General Fund for use of City resources. This payment is expected to be made in 2024.

Note 23: Accountability and Compliance

A. Accountability

There is a deficit in the Indigent Driver Alcohol Monitoring (IDAM) Fund of \$573 caused by the application of accounting principles generally accepted in the United States of America to the funds. The General Fund is liable for any deficit in the funds and provides transfers when cash is required, not when accruals occur.

B. Compliance

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

<u>Fund</u>	<u>Appropriations</u> <u>Plus Prior Year</u> <u>Encumbrances</u>	<u>Expenditures</u> <u>Plus</u> <u>Encumbrances</u>	<u>Excess</u>
General Fund			
General Government			
Mayor			
Personal Service	\$ 163,000	\$ 165,497	\$ (2,497)
Municipal Courts			
Fringe Benefits	226,089	244,079	(17,990)

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 23: Accountability and Compliance (continued)

B. Compliance (continued)

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
Municipal Probation Services Fund			
General Government			
Personal Service	102,000	125,000	(23,000)
Motor Vehicle License Tax Fund			
Transportation			
Fringe Benefits	101,561	119,986	(18,425)
Building Standards Fee Fund			
Community Development			
Other Expenditures	8,443	8,678	(235)

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

Fund	Estimated Resources	Appropriations	Variance
<u>Municipal Probation Services Fund</u>			
Original Budget	\$ 200,384	\$ 210,100	\$ (9,716)

Note 24: Significant Commitments

A. Contracts

At December 31, 2023, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Building Construction, Maintenance and Repair	\$ 2,383,160	\$ 717,377	\$ 1,665,783
Professional Services	324,331	222,390	101,941
Equipment, Vehicle, Computer Purchases and Repair	2,650,313	462,923	2,187,390
Wastewater Treatment Plant	773,101	253,805	519,296
Sanitary and Storm Sewer Projects	9,534,720	8,628,784	905,936
Road and Sidewalk Improvement	5,347,862	4,696,270	651,592
Parks, Recreation Equipment and Facilities	<u>6,328,119</u>	<u>5,378,418</u>	<u>949,701</u>
Total	<u>\$ 27,341,606</u>	<u>\$ 20,359,967</u>	<u>\$ 6,981,639</u>

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 24: Significant Commitments (Continued)

B. Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$	249,651
Capital Improvement Fund		2,869,053
Other Governmental Funds		<u>2,393,678</u>
Total Governmental	\$	<u>5,512,382</u>

Note 25: Related Organization

The Rocky River Community Improvement Corporation (CIC) was organized pursuant to the Ohio Revised Code Chapter 1724 in October 2002. The CIC was formed to advance, encourage and promote development of the City by acting as the designated agency of the City for such purposes in accordance with the Ohio Revised Code Section 1724.10.

The CIC is a body politic, separate from the City, which may act as an individual entity to carry out the powers conferred upon it by the general laws of the State of Ohio. The corporate code of regulations provides for a Board of Directors comprised of the Mayor; the members of City Council and the Directors of Community and Economic Development and Finance of the City. The Director of Finance serves as CIC Treasurer and the Clerk of Council serves as CIC secretary. The CIC has neither applied nor qualified for a tax-exemption pursuant to any section of the Internal Revenue Code.

At December 31, 2023, the CIC has no assets or liabilities. The CIC has had no financial activity since 2005.

Note 26: Municipal Utility Districts

In 2008, the City entered into a 30-year agreement with 13 other cities in Cuyahoga and Lorain Counties to create and provide for the operation of a Municipal Utility District (District) for the purpose of facilitating new or expanded growth for commercial or economic development. The District is known as the Nagel-Interstate 90 Municipal Utility District and consists of about 791 acres in the City of Avon, Lorain County, Ohio.

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

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 26: Municipal Utility Districts (Continued)

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

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

Note 27: Solid Waste Transfer Station

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

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

As of December 31, 2023, management's estimate of the final closure cost of the transfer station is \$35,524.

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

Note 28: Asset Retirement Obligations

Ohio Administrative Code Section 1301-7-9 requires a City classified as an "owner" or "operator," to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of \$75,862 associated with the City's underground storage tanks was estimated by the City engineer. The remaining useful lives of the USTs is 0 years. The City maintains insurance coverage to address its exposure to the risks related to the operation of the underground storage tanks which protects the City according to the terms and definitions of the policy.

City of Rocky River, Ohio

Notes to Basic Financial Statements (Continued)

For the Year Ended December 31, 2023

Note 28: Asset Retirement Obligations (Continued)

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

City of Rocky River, Ohio

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

For the Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's Proportion of the Net Pension Liability	0.063198%	0.066396%	0.065500%	0.067947%	0.070438%
City's Proportionate Share of the Net Pension Liability	\$ 18,668,717	\$ 5,776,720	\$ 9,699,122	\$ 13,430,187	\$ 19,291,539
City's Covered Payroll	\$ 9,930,322	\$ 9,509,786	\$ 9,271,586	\$ 9,606,736	\$ 9,356,623
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	188.00%	60.75%	104.61%	139.80%	206.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.068020%	0.065852%	0.066504%	0.039826%	0.044417%
City's Proportionate Share of the Net Pension Liability	\$ 10,671,021	\$ 14,953,871	\$ 11,519,332	\$ 8,165,136	\$ 7,980,712
City's Covered Payroll	\$ 9,022,986	\$ 8,838,664	\$ 8,268,559	\$ 7,893,372	\$ 8,865,965
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.26%	169.19%	139.31%	103.44%	90.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

Note: Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

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

City of Rocky River, Ohio

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

For the Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's Proportion of the Net Pension Asset	0.039619%	0.054070%	0.055829%	0.048637%	0.445010%
City's Proportionate Share of the Net Pension Asset	\$ 93,377	\$ 213,038	\$ 161,159	\$ 101,421	\$ 50,914
City's Covered Payroll	\$ 186,194	\$ 238,494	\$ 250,322	\$ 218,786	\$ 191,583
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	50.15%	89.33%	64.38%	46.36%	26.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.14%	169.88%	157.67%	145.28%	126.64%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Asset	0.039515%	0.036326%	0.035760%	0.040975%	0.040975%
City's Proportionate Share of the Net Pension Asset	\$ 53,925	\$ 20,094	\$ 17,402	\$ 15,776	\$ 4,300
City's Covered Payroll	\$ 162,735	\$ 146,063	\$ 129,367	\$ 138,364	\$ 138,718
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	33.14%	13.76%	13.45%	11.40%	3.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.28%	116.55%	116.90%	114.83%	104.56%

Note: Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

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

City of Rocky River, Ohio

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

For the Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's Proportion of the Net Pension Liability	0.238793%	0.234194%	0.246675%	0.243605%	0.248847%
City's Proportionate Share of the Net Pension Liability	\$ 22,683,048	\$ 14,631,093	\$ 16,816,028	\$ 16,410,547	\$ 20,312,491
City's Covered Payroll	\$ 6,514,646	\$ 5,720,951	\$ 6,194,930	\$ 5,822,994	\$ 5,678,025
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	348.19%	255.75%	271.45%	281.82%	357.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%	63.07%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.251282%	0.247857%	0.253444%	0.256817%	0.256817%
City's Proportionate Share of the Net Pension Liability	\$ 15,422,311	\$ 15,699,015	\$ 16,304,230	\$ 13,304,187	\$ 12,507,789
City's Covered Payroll	\$ 5,496,825	\$ 5,454,476	\$ 5,123,147	\$ 5,095,764	\$ 5,067,831
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	280.57%	287.82%	318.25%	261.08%	246.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%

Note: Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

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

City of Rocky River, Ohio

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

For the Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually-Required Contribution	\$ 1,515,317	\$ 1,390,245	\$ 1,331,370	\$ 1,298,022	\$ 1,344,943
Contributions in Relation to the Contractually-Required Contribution	<u>(1,515,317)</u>	<u>(1,390,245)</u>	<u>(1,331,370)</u>	<u>(1,298,022)</u>	<u>(1,344,943)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 10,823,693	\$ 9,930,322	\$ 9,509,786	\$ 9,271,586	\$ 9,606,736
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually-Required Contribution	\$ 1,309,927	\$ 1,172,988	\$ 1,060,640	\$ 992,227	\$ 947,255
Contributions in Relation to the Contractually-Required Contribution	<u>(1,309,927)</u>	<u>(1,172,988)</u>	<u>(1,060,640)</u>	<u>(992,227)</u>	<u>(947,255)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 9,356,623	\$ 9,022,986	\$ 8,838,664	\$ 8,268,559	\$ 7,893,372
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	12.00%

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

City of Rocky River, Ohio

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

For the Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually-Required Contribution	\$ 27,143	\$ 23,719	\$ 33,390	\$ 35,045	\$ 30,630
Contributions in Relation to the Contractually-Required Contribution	<u>(27,143)</u>	<u>(23,719)</u>	<u>(33,390)</u>	<u>(35,045)</u>	<u>(30,630)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 226,194	\$ 186,194	\$ 238,494	\$ 250,322	\$ 218,786
Contributions as a Percentage of Covered Payroll	12.00%	12.74%	14.00%	14.00%	14.00%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually-Required Contribution	\$ 26,822	\$ 21,155	\$ 17,527	\$ 15,524	\$ 16,604
Contributions in Relation to the Contractually-Required Contribution	<u>(26,822)</u>	<u>(21,155)</u>	<u>(17,527)</u>	<u>(15,524)</u>	<u>(16,604)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 191,583	\$ 162,735	\$ 146,063	\$ 129,367	\$ 138,364
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	12.00%

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

City of Rocky River, Ohio

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

For the Last Ten Years

	2023	2022	2021	2020	2019
Contractually-Required Contribution	\$ 1,379,112	\$ 1,384,633	\$ 1,213,088	\$ 1,309,786	\$ 1,229,189
Contributions in Relation to the Contractually-Required Contribution	<u>(1,379,112)</u>	<u>(1,384,633)</u>	<u>(1,213,088)</u>	<u>(1,309,786)</u>	<u>(1,229,189)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 6,468,628	\$ 6,514,646	\$ 5,720,951	\$ 6,194,930	\$ 5,822,994
Contributions as a Percentage of Covered Payroll	21.32%	21.25%	21.20%	21.14%	21.11%
	2018	2017	2016	2015	2014
Contractually-Required Contribution	\$ 1,199,543	\$ 1,161,998	\$ 1,151,686	\$ 1,083,474	\$ 1,078,649
Contributions in Relation to the Contractually-Required Contribution	<u>(1,199,543)</u>	<u>(1,161,998)</u>	<u>(1,151,686)</u>	<u>(1,083,474)</u>	<u>(1,078,649)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 5,678,025	\$ 5,496,825	\$ 5,454,476	\$ 5,123,147	\$ 5,095,764
Contributions as a Percentage of Covered Payroll	21.13%	21.14%	21.11%	21.15%	21.17%

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

City of Rocky River, Ohio

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

For the Last Seven Years (1)

	<u>2023</u>	<u>2022</u>			
City's Proportion of the Net OPEB Liability/Asset	0.061328%	0.064589%			
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 386,684	\$ (2,023,027)			
City's Covered Payroll	\$ 10,344,086	\$ 9,937,079			
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	3.74%	(20.36%)			
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability/Asset	0.063339%	0.065509%	0.067832%	0.065400%	0.063617%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (1,128,437)	\$ 9,048,493	\$ 8,843,694	\$ 7,101,959	\$ 6,425,493
City's Covered Payroll	\$ 9,627,815	\$ 9,944,872	\$ 9,675,928	\$ 9,299,172	\$ 9,128,965
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	(11.72%)	90.99%	91.40%	76.37%	70.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	54.04%

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

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

City of Rocky River, Ohio

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

For the Last Seven Years (1)

	<u>2023</u>	<u>2022</u>			
City's Proportion of the Net OPEB Liability	0.238793%	0.234194%			
City's Proportionate Share of the Net OPEB Liability	\$ 1,700,138	\$ 2,566,969			
City's Covered Payroll	\$ 6,514,646	\$ 5,720,951			
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	26.10%	44.87%			
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.60%	46.90%			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.246675%	0.243605%	0.248847%	0.251282%	0.247857%
City's Proportionate Share of the Net OPEB Liability	\$ 2,613,557	\$ 2,406,266	\$ 2,266,133	\$ 14,237,285	\$ 11,765,214
City's Covered Payroll	\$ 6,194,930	\$ 5,822,994	\$ 5,678,025	\$ 5,496,825	\$ 5,454,476
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.19%	41.32%	39.91%	259.01%	215.70%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.40%	47.10%	46.57%	14.13%	15.96%

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

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

City of Rocky River, Ohio

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

For the Last Eight Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 14,929	\$ 11,451	\$ 7,552	\$ 4,236	\$ 4,774
Contributions in Relation to the Contractually Required Contribution	<u>(14,929)</u>	<u>(11,451)</u>	<u>(7,552)</u>	<u>(4,236)</u>	<u>(4,774)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 11,310,021	\$ 10,344,086	\$ 9,937,079	\$ 9,627,815	\$ 9,944,872
Contributions as a Percentage of Covered Payroll	0.13%	0.11%	0.08%	0.04%	0.05%
	<u>2018</u>	<u>2017</u>	<u>2016</u>		
Contractually Required Contribution	\$ 5,109	\$ 96,395	\$ 186,002		
Contributions in Relation to the Contractually Required Contribution	<u>(5,109)</u>	<u>(96,395)</u>	<u>(186,002)</u>		
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>		
City Covered Payroll	\$ 9,675,928	\$ 9,299,172	\$ 9,128,965		
Contributions as a Percentage of Covered Payroll	0.05%	1.04%	2.04%		

(1) Information prior to 2016 is not available.

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

City of Rocky River, Ohio

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

For the Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually-Required Contribution	\$ 32,343	\$ 32,573	\$ 28,605	\$ 30,975	\$ 29,115
Contributions in Relation to the Contractually-Required Contribution	<u>(32,343)</u>	<u>(32,573)</u>	<u>(28,605)</u>	<u>(30,975)</u>	<u>(29,115)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 6,468,628	\$ 6,514,646	\$ 5,720,951	\$ 6,194,930	\$ 5,822,994
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually-Required Contribution	\$ 28,390	\$ 27,484	\$ 27,272	\$ 25,616	\$ 25,479
Contributions in Relation to the Contractually-Required Contribution	<u>(28,390)</u>	<u>(27,484)</u>	<u>(27,272)</u>	<u>(25,616)</u>	<u>(25,479)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City Covered Payroll	\$ 5,678,025	\$ 5,496,825	\$ 5,454,476	\$ 5,123,147	\$ 5,095,764
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

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

City of Rocky River, Ohio

Notes to Required Supplementary Information

For the Year Ended December 31, 2023

Note 1: Net Pension Liability/Asset

Changes in Assumptions – OPERS

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

Key Methods and Assumptions in Valuing Total Pension Liability – 2023

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Experience Study	5-year period ended December 31, 2020	5-year period ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases, including 2.75% inflation	2.75 to 10.75%	2.75 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2023 then 2.05% Simple	3% Simple though 2023 then 2.05% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2022

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Experience Study	5-year period ended December 31, 2020	5-year period ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases, including 2.75% inflation	2.75 to 10.75%	2.75 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2022 then 2.05% Simple	3% Simple though 2022 then 2.05% Simple

City of Rocky River, Ohio

Notes to Required Supplementary Information (Continued)

For the Year Ended December 31, 2023

Note 1: Net Pension Liability/Asset (Continued)

Changes in Assumptions – OPERS (Continued)

Key Methods and Assumptions in Valuing Total Pension Liability – 2021

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%	3.25 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	0.50% Simple through 2021 then 2.15% Simple	0.50% Simple though 2021 then 2.15% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2020

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%	3.25 to 8.25%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	1.40% Simple through 2020 then 2.15% Simple	1.40% Simple though 2020 then 2.15% Simple

City of Rocky River, Ohio

Notes to Required Supplementary Information (Continued)

For the Year Ended December 31, 2023

Note 1: Net Pension Liability/Asset (Continued)

Changes in Assumptions – OPERS (Continued)

Key Methods and Assumptions in Valuing Total Pension Liability – 2019

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

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

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

City of Rocky River, Ohio

Notes to Required Supplementary Information (Continued)

For the Year Ended December 31, 2023

Note 1: Net Pension Liability/Asset (Continued)

Changes in Assumptions – OPERS (Continued)

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

	OPERS <u>Traditional plan</u>	OPERS <u>Combined plan</u>
Experience Study	5-year period ended December 31, 2010	5-year period ended December 31, 2010
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	8.00%	8.00%
Wage Inflation	3.75%	3.75%
Projected Salary Increases, including 3.75% inflation	4.25 to 10.05%	4.25 to 8.05%
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3% Simple	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.8% Simple	3% Simple though 2018 then 2.8% Simple

Mortality rates – For amounts reported beginning in 2022, the measurement uses pre-retirement mortality rates based on 130% of the Pub-2010 General Employee Mortality tables (males and females). Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

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

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

City of Rocky River, Ohio

Notes to Required Supplementary Information (Continued)

For the Year Ended December 31, 2023

Note 1: Net Pension Liability/Asset (Continued)

Changes in Assumptions – OP&F

Amounts reported for 2023 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used from 2022 and prior are presented below:

	2022 to 2023		2017 and Prior
Actuarial Cost Method	Entry Age Normal		Entry Age Normal
Investment Rate of Return	7.50%		8.25%
Projected Salary Increases	3.75% to 10.50%		4.25% to 11.00%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%		Inflation rate of 3.25% plus productivity increase rate of 0.50%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3%		3.00% simple; 2.60% simple for increases based on the lesser of the increase in CPI and 3%
	2018 to 2021		2017 and Prior
Actuarial Cost Method	Entry Age Normal		Entry Age Normal
Investment Rate of Return	8.00%		8.25%
Projected Salary Increases	3.75% to 10.50%		4.25% to 11.00%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%		Inflation rate of 3.25% plus productivity increase rate of 0.50%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3%		3.00% simple; 2.60% simple for increases based on the lesser of the increase in CPI and 3%

For 2022, 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.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135.0% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, 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 131.0% for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, 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.

City of Rocky River, Ohio

Notes to Required Supplementary Information (Continued)

For the Year Ended December 31, 2023

Note 1: Net Pension Liability/Asset (Continued)

Changes in Assumptions – OP&F (Continued)

For 2018-2021 actuarial valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

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

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

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

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

Note 2: Net OPEB Liability/Asset

Changes in Assumptions – OPERS

For fiscal year 2023, the municipal bond rate increased from 1.84% to 4.05%. The single discount rate decreased from 6.00% to 5.22%. The health care cost trend rate changed from 5.5% initial, 3.5% ultimate in 2034 to 5.5% initial, 3.5% ultimate in 2036.

For fiscal year 2022, the municipal bond rate decreased from 2.00% to 1.84% and wage inflation decreased from 3.25% to 2.75%. The single discount rate remained 6.00%. The health care cost trend rate decreased from 8.5% initial, 3.5% ultimate in 2035 to 5.5% initial, 3.5% ultimate in 2034.

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

City of Rocky River, Ohio

Notes to Required Supplementary Information (Continued)

For the Year Ended December 31, 2023

Note 2: Net OPEB Liability/Asset (Continued)

Changes in Assumptions – OPERS (Continued)

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

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

Changes in Assumptions – OP&F

For 2023 the investment return assumption was lowered from 8.00% to 7.50%. The DROP interest crediting rate was lowered from 4.00% to 3.75%. The mortality assumption, withdrawal rates, retirement rates, and disability rates were changed. The DROP participation rate was lowered from 90% to 80%. The percent married assumption was changed from assuming 75% of members are married to 80%. The percentage of members assumed to elect a joint annuity was changed from 33% to 40% for service retirees and from 10% to 15% for disabled retirees. The percentage continued to the joint annuitant assumption was changed from 40% to 45%.

For 2022, the single discount rate changed from 2.96% to 2.84%.

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

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

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

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

Changes in Benefit Terms – OP&F

Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

City of Rocky River, Ohio

Combining Statements
Non-Major Governmental Funds
Fund Descriptions

Non-major Special Revenue Funds

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

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

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

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

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

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

Federal Emergency Management Agency (FEMA) Fund – To account for federal monies received to pay for expenses incurred during emergencies. This fund did not have any budgetary activity in 2023, therefore, budgetary information is not provided.

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

OneOhio Opioid Settlement Fund – This fund is used to account for the receipt of revenues received from the State of Ohio’s OneOhio Opioid Settlement.

Local Fiscal Recovery Fund – This fund is used to account for American Rescue Plan Act of 2021 funds received by the City to cover costs that are necessary expenditures incurred due to the public health emergency with respect to COVID-19.

Recreation Center Fund – To account for membership fees, program fees, General Fund subsidies and levied property tax revenue used for the operation and maintenance of the City’s recreation activities.

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

City of Rocky River, Ohio

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

Non-major Special Revenue Funds (Continued)

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

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

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

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

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

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

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

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

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

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

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

City of Rocky River, Ohio

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

Non-major Debt Service Funds

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

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

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

Non-major Capital Projects Fund

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

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

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

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City of Rocky River, Ohio

Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 5,763,161	\$ 1,363,797	\$ 4,114,581	\$ 11,241,539
Restricted Cash	304,235	0	0	304,235
Accounts Receivable	21,625	0	0	21,625
Intergovernmental Receivable	742,312	39,749	38,985	821,046
Lease Receivable	72,009	0	0	72,009
Materials and Supplies Inventory	131,168	0	0	131,168
Prepaid Asset	79,374	0	31,144	110,518
Municipal Income Taxes Receivable	0	0	981,535	981,535
Property Taxes Receivable	2,455,358	613,839	0	3,069,197
Special Assessments Receivable	0	36,631	0	36,631
Total Assets	\$ 9,569,242	\$ 2,054,016	\$ 5,166,245	\$ 16,789,503
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 132,132	\$ 0	\$ 21,336	\$ 153,468
Accrued Wages and Benefits	89,757	0	0	89,757
Intergovernmental Payable	227,943	0	0	227,943
Unearned Revenue	286,798	0	0	286,798
Matured Compensated Absences	48,603	0	0	48,603
Payables from Restricted Assets	304,235	0	0	304,235
Total Liabilities	1,089,468	0	21,336	1,110,804
Deferred Inflows of Resources:				
Property Taxes	2,362,171	590,542	0	2,952,713
Unavailable Revenue	628,610	99,677	438,942	1,167,229
Lease	70,271	0	0	70,271
Total Deferred Inflows of Resources	3,061,052	690,219	438,942	4,190,213
Fund Balances:				
Nonspendable	210,542	0	31,144	241,686
Restricted	5,208,753	1,363,797	4,674,823	11,247,373
Unassigned (Deficit)	(573)	0	0	(573)
Total Fund Balances	5,418,722	1,363,797	4,705,967	11,488,486
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,569,242	\$ 2,054,016	\$ 5,166,245	\$ 16,789,503

City of Rocky River, Ohio

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

For the Year Ended December 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 2,434,613	\$ 608,635	\$ 0	\$ 3,043,248
Municipal Income Taxes	0	0	1,836,185	1,836,185
Intergovernmental	3,822,177	78,458	420,339	4,320,974
Charges for Services	2,335,978	0	0	2,335,978
Fees, Fines and Permits	237,308	0	0	237,308
Investment Income	211	0	0	211
Special Assessments	0	39,518	0	39,518
Rentals	335,977	0	0	335,977
Contributions	240,007	0	0	240,007
Other	52,239	0	57,786	110,025
Total Revenues	9,458,510	726,611	2,314,310	12,499,431
Expenditures:				
Current:				
General Government	184,600	0	171,162	355,762
Security of Persons and Property	1,495,169	0	0	1,495,169
Public Health	1,361,873	0	0	1,361,873
Transportation	2,310,482	0	0	2,310,482
Leisure Time Activities	3,423,448	0	0	3,423,448
Community Development	38,728	0	0	38,728
Basic Utility Service	2,137,147	0	0	2,137,147
Capital Outlay	2,215,650	0	1,709,211	3,924,861
Debt Service:				
Principal Retirement	0	1,135,000	37,050	1,172,050
Interest and Fiscal Charges	0	576,211	0	576,211
Total Expenditures	13,167,097	1,711,211	1,917,423	16,795,731
Excess of Revenue Over (Under)				
Expenditures	(3,708,587)	(984,600)	396,887	(4,296,300)
Other Financing Sources:				
Inception of Lease	0	0	51,168	51,168
Transfers - In	3,935,000	810,000	1,000,000	5,745,000
Total Other Financing Sources	3,935,000	810,000	1,051,168	5,796,168
Net Change in Fund Balances	226,413	(174,600)	1,448,055	1,499,868
Fund Balances at				
Beginning of Year	5,192,309	1,538,397	3,257,912	9,988,618
Fund Balances at End of Year	\$ 5,418,722	\$ 1,363,797	\$ 4,705,967	\$ 11,488,486

City of Rocky River, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds

December 31, 2023

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education	Municipal Probation Services
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 214,539	\$ 536	\$ 228,393	\$ 28,860	\$ 29,042
Restricted Cash	0	0	0	0	0
Accounts Receivable	0	0	0	0	13,674
Intergovernmental Receivable	2,234	0	0	0	0
Lease Receivable	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Assets	878	79	0	0	0
Property Taxes Receivable	0	0	0	0	0
Total Assets	\$ 217,651	\$ 615	\$ 228,393	\$ 28,860	\$ 42,716
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts Payable	\$ 0	\$ 2	\$ 19,131	\$ 0	\$ 57
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Unearned Revenue	0	0	0	0	0
Matured Compensated Absences	0	0	0	0	0
Payables from Restricted Assets	0	0	0	0	0
Total Liabilities	0	2	19,131	0	57
Deferred Inflows of Resources:					
Property Taxes	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
Lease	0	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0	0
Fund Balances:					
Nonspendable	878	79	0	0	0
Restricted	216,773	534	209,262	28,860	42,659
Unassigned (Deficit)	0	0	0	0	0
Total Fund Balances	217,651	613	209,262	28,860	42,659
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 217,651	\$ 615	\$ 228,393	\$ 28,860	\$ 42,716

Federal Emergency Management Agency	Office on Aging	OneOhio Opioid Settlement	Local Fiscal Recovery	Recreation Center	Marine Patrol	Refuse and Recycling
\$ 47	\$ 816,200	\$ 23,878	\$ 1,913	\$ 664,461	\$ 44,891	\$ 950,076
0	0	0	0	0	0	0
0	0	0	0	7,951	0	0
0	30,575	0	0	30,575	4,857	61,154
0	0	0	0	72,009	0	0
0	27,060	0	0	4,446	0	11,551
0	18,662	0	0	29,507	268	15,080
0	472,186	0	0	472,186	0	944,364
<u>\$ 47</u>	<u>\$ 1,364,683</u>	<u>\$ 23,878</u>	<u>\$ 1,913</u>	<u>\$ 1,281,135</u>	<u>\$ 50,016</u>	<u>\$ 1,982,225</u>
\$ 0	\$ 2,591	\$ 0	\$ 0	\$ 32,870	\$ 111	\$ 20,375
0	10,362	0	0	33,352	0	22,495
0	8,537	0	0	25,630	0	15,469
0	0	0	1,913	284,885	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	21,490	0	1,913	376,737	111	58,339
0	454,265	0	0	454,265	0	908,523
0	48,496	0	0	48,496	0	96,995
0	0	0	0	70,271	0	0
0	502,761	0	0	573,032	0	1,005,518
0	45,722	0	0	33,953	268	26,631
47	794,710	23,878	0	297,413	49,637	891,737
0	0	0	0	0	0	0
47	840,432	23,878	0	331,366	49,905	918,368
<u>\$ 47</u>	<u>\$ 1,364,683</u>	<u>\$ 23,878</u>	<u>\$ 1,913</u>	<u>\$ 1,281,135</u>	<u>\$ 50,016</u>	<u>\$ 1,982,225</u>

(Continued)

City of Rocky River, Ohio

Combining Balance Sheet (Continued) Nonmajor Special Revenue Funds

December 31, 2023

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Indigent Driver Alcohol Monitoring
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 344,569	\$ 1,012,744	\$ 192,164	\$ 9,031
Restricted Cash	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	11,487	522,386	42,354	0
Lease Receivable	0	0	0	0
Materials and Supplies Inventory	0	88,111	0	0
Prepaid Assets	2,727	12,173	0	0
Property Taxes Receivable	0	0	0	0
Total Assets	\$ 358,783	\$ 1,635,414	\$ 234,518	\$ 9,031
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 38,820	\$ 7,831	\$ 0	\$ 9,604
Accrued Wages and Benefits	4,719	18,829	0	0
Intergovernmental Payable	3,439	12,366	0	0
Unearned Revenue	0	0	0	0
Matured Compensated Absences	0	48,603	0	0
Payables from Restricted Assets	0	0	0	0
Total Liabilities	46,978	87,629	0	9,604
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	0	348,198	28,231	0
Lease	0	0	0	0
Total Deferred Inflows of Resources	0	348,198	28,231	0
Fund Balances:				
Nonspendable	2,727	100,284	0	0
Restricted	309,078	1,099,303	206,287	0
Unassigned (Deficit)	0	0	0	(573)
Total Fund Balances	311,805	1,199,587	206,287	(573)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 358,783	\$ 1,635,414	\$ 234,518	\$ 9,031

<u>Fire Levy</u>	<u>Police Levy</u>	<u>Refundable Deposits</u>	<u>Building Standards Fee</u>	<u>Donations and Bequests</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 305,551	\$ 538,939	\$ 0	\$ 1,424	\$ 355,903	\$ 5,763,161
0	0	304,235	0	0	304,235
0	0	0	0	0	21,625
18,345	18,345	0	0	0	742,312
0	0	0	0	0	72,009
0	0	0	0	0	131,168
0	0	0	0	0	79,374
<u>283,311</u>	<u>283,311</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,455,358</u>
<u>\$ 607,207</u>	<u>\$ 840,595</u>	<u>\$ 304,235</u>	<u>\$ 1,424</u>	<u>\$ 355,903</u>	<u>\$ 9,569,242</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 740	\$ 132,132
0	0	0	0	0	89,757
92,133	70,369	0	0	0	227,943
0	0	0	0	0	286,798
0	0	0	0	0	48,603
<u>0</u>	<u>0</u>	<u>304,235</u>	<u>0</u>	<u>0</u>	<u>304,235</u>
<u>92,133</u>	<u>70,369</u>	<u>304,235</u>	<u>0</u>	<u>740</u>	<u>1,089,468</u>
272,559	272,559	0	0	0	2,362,171
29,097	29,097	0	0	0	628,610
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>70,271</u>
<u>301,656</u>	<u>301,656</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,061,052</u>
0	0	0	0	0	210,542
213,418	468,570	0	1,424	355,163	5,208,753
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(573)</u>
<u>213,418</u>	<u>468,570</u>	<u>0</u>	<u>1,424</u>	<u>355,163</u>	<u>5,418,722</u>
<u>\$ 607,207</u>	<u>\$ 840,595</u>	<u>\$ 304,235</u>	<u>\$ 1,424</u>	<u>\$ 355,903</u>	<u>\$ 9,569,242</u>

City of Rocky River, Ohio

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

For the Year Ended December 31, 2023

	Law Enforcement Trust	Community Diversion Program	Indigent Driver Alcohol Treatment	Enforcement and Education	Municipal Probation Services
Revenues:					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	36,424	2,600	0	0	0
Charges for Services	0	0	0	0	0
Fees, Fines and Permits	10,528	0	32,012	828	155,029
Investment Income	0	0	0	0	0
Rentals	0	0	0	0	0
Contributions	0	0	0	0	0
Other	0	0	0	0	0
Total Revenues	46,952	2,600	32,012	828	155,029
Expenditures:					
Current:					
General Government	0	0	0	0	184,600
Security of Persons and Property	1,384	4,608	40,003	0	57
Public Health	0	0	0	0	0
Transportation	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	0	0	0	0	0
Basic Utility Service	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	1,384	4,608	40,003	0	184,657
Excess of Revenues Over (Under)					
Expenditures	45,568	(2,008)	(7,991)	828	(29,628)
Other Financing Sources:					
Transfers - In	0	0	0	0	0
Net Change in Fund Balances	45,568	(2,008)	(7,991)	828	(29,628)
Fund Balances at					
Beginning of Year	172,083	2,621	217,253	28,032	72,287
Fund Balances at End of Year	\$ 217,651	\$ 613	\$ 209,262	\$ 28,860	\$ 42,659

Federal Emergency Management Agency	Office on Aging	OneOhio Opioid Settlement	Local Fiscal Recovery	Recreation Center	Marine Patrol	Refuse and Recycling
\$ 0	\$ 468,189	\$ 0	\$ 0	\$ 468,189	\$ 0	\$ 936,377
0	60,353	19,525	2,100,000	39,304	39,646	126,707
0	340,863	0	0	1,995,115	0	0
0	0	0	0	0	0	0
0	0	0	0	211	0	0
0	0	0	0	335,977	0	0
0	0	0	0	0	0	0
0	213	0	0	20,325	0	7,986
<u>0</u>	<u>869,618</u>	<u>19,525</u>	<u>2,100,000</u>	<u>2,859,121</u>	<u>39,646</u>	<u>1,071,070</u>
0	0	0	0	0	0	0
0	0	0	0	0	37,662	0
0	1,112,705	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	3,423,448	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	2,137,147
0	0	0	2,100,000	0	0	0
<u>0</u>	<u>1,112,705</u>	<u>0</u>	<u>2,100,000</u>	<u>3,423,448</u>	<u>37,662</u>	<u>2,137,147</u>
0	(243,087)	19,525	0	(564,327)	1,984	(1,066,077)
<u>0</u>	<u>350,000</u>	<u>0</u>	<u>0</u>	<u>450,000</u>	<u>10,000</u>	<u>1,400,000</u>
0	106,913	19,525	0	(114,327)	11,984	333,923
<u>47</u>	<u>733,519</u>	<u>4,353</u>	<u>0</u>	<u>445,693</u>	<u>37,921</u>	<u>584,445</u>
<u>\$ 47</u>	<u>\$ 840,432</u>	<u>\$ 23,878</u>	<u>\$ 0</u>	<u>\$ 331,366</u>	<u>\$ 49,905</u>	<u>\$ 918,368</u>

(Continued)

City of Rocky River, Ohio

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

For the Year Ended December 31, 2023

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Indigent Drive Alcohol Monitoring	Fire Levy
Revenues:					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 280,929
Intergovernmental	130,231	1,081,826	87,715	25,416	36,215
Charges for Services	0	0	0	0	0
Fees, Fines and Permits	0	0	0	0	0
Investment Income	0	0	0	0	0
Rentals	0	0	0	0	0
Contributions	0	0	0	0	0
Other	0	23,715	0	0	0
Total Revenues	130,231	1,105,541	87,715	25,416	317,144
Expenditures:					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	0	800,387
Public Health	0	0	0	0	0
Transportation	833,720	1,385,332	91,430	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	0	0	0	0	0
Basic Utility Service	0	0	0	0	0
Capital Outlay	44,882	26,215	0	44,553	0
Total Expenditures	878,602	1,411,547	91,430	44,553	800,387
Excess of Revenues Over (Under) Expenditures	(748,371)	(306,006)	(3,715)	(19,137)	(483,243)
Other Financing Sources:					
Transfers - In	600,000	400,000	0	0	450,000
Net Change in Fund Balances	(148,371)	93,994	(3,715)	(19,137)	(33,243)
Fund Balances at Beginning of Year	460,176	1,105,593	210,002	18,564	246,661
Fund Balances at End of Year	\$ 311,805	\$ 1,199,587	\$ 206,287	\$ (573)	\$ 213,418

	Police Levy	Refundable Deposits	Building Standards Fee	Donations and Bequests	Total Nonmajor Special Revenue Funds
\$	280,929	\$ 0	\$ 0	\$ 0	\$ 2,434,613
	36,215	0	0	0	3,822,177
	0	0	0	0	2,335,978
	0	30,050	8,861	0	237,308
	0	0	0	0	211
	0	0	0	0	335,977
	0	0	0	240,007	240,007
	0	0	0	0	52,239
	<u>317,144</u>	<u>30,050</u>	<u>8,861</u>	<u>240,007</u>	<u>9,458,510</u>
	0	0	0	0	184,600
	611,068	0	0	0	1,495,169
	0	0	0	249,168	1,361,873
	0	0	0	0	2,310,482
	0	0	0	0	3,423,448
	0	30,050	8,678	0	38,728
	0	0	0	0	2,137,147
	0	0	0	0	2,215,650
	<u>611,068</u>	<u>30,050</u>	<u>8,678</u>	<u>249,168</u>	<u>13,167,097</u>
	(293,924)	0	183	(9,161)	(3,708,587)
	<u>275,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,935,000</u>
	(18,924)	0	183	(9,161)	226,413
	<u>487,494</u>	<u>0</u>	<u>1,241</u>	<u>364,324</u>	<u>5,192,309</u>
\$	<u><u>468,570</u></u>	<u><u>0</u></u>	<u><u>1,424</u></u>	<u><u>355,163</u></u>	<u><u>5,418,722</u></u>

City of Rocky River, Ohio

Combining Balance Sheet Nonmajor Debt Service Funds

December 31, 2023

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 1,355,837	\$ 7,960	\$ 1,363,797
Intergovernmental Receivable	39,749	0	39,749
Property Taxes Receivable	613,839	0	613,839
Special Assessments Receivable	<u>0</u>	<u>36,631</u>	<u>36,631</u>
 Total Assets	 <u>\$ 2,009,425</u>	 <u>\$ 44,591</u>	 <u>\$ 2,054,016</u>
Liabilities and Fund Balances:			
Deferred Inflows of Resources:			
Property Taxes	\$ 590,542	\$ 0	\$ 590,542
Unavailable Revenue	<u>63,046</u>	<u>36,631</u>	<u>99,677</u>
 Total Deferred Inflows of Resources	 <u>653,588</u>	 <u>36,631</u>	 <u>690,219</u>
Fund Balances:			
Restricted	<u>1,355,837</u>	<u>7,960</u>	<u>1,363,797</u>
 Total Fund Balances	 <u>1,355,837</u>	 <u>7,960</u>	 <u>1,363,797</u>
 Total Liabilities and Fund Balances	 <u>\$ 2,009,425</u>	 <u>\$ 44,591</u>	 <u>\$ 2,054,016</u>

City of Rocky River, Ohio

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

For the Year Ended December 31, 2023

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Property Taxes	\$ 608,635	\$ 0	\$ 608,635
Intergovernmental	78,458	0	78,458
Special Assessments	0	39,518	39,518
	<u>687,093</u>	<u>39,518</u>	<u>726,611</u>
Total Revenues			
Expenditures:			
Debt Service:			
Principal Retirement	1,095,000	40,000	1,135,000
Interest and Fiscal Charges	572,065	4,146	576,211
	<u>1,667,065</u>	<u>44,146</u>	<u>1,711,211</u>
Total Expenditures			
Excess of Revenue (Under)			
Expenditures	(979,972)	(4,628)	(984,600)
Other Financing Sources:			
Transfers - In	800,000	10,000	810,000
	<u>800,000</u>	<u>10,000</u>	<u>810,000</u>
Net Change in Fund Balances			
	(179,972)	5,372	(174,600)
Fund Balances at Beginning of Year	1,535,809	2,588	1,538,397
	<u>1,535,809</u>	<u>2,588</u>	<u>1,538,397</u>
Fund Balances at End of Year	\$ <u>1,355,837</u>	\$ <u>7,960</u>	\$ <u>1,363,797</u>

City of Rocky River, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds

December 31, 2023

	Equipment Replacement	Municipal Court Capital Improvement	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 3,689,824	\$ 424,757	\$ 4,114,581
Intergovernmental Receivable	15,169	23,816	38,985
Prepaid Assets	31,144	0	31,144
Municipal Income Taxes Receivable	<u>981,535</u>	<u>0</u>	<u>981,535</u>
 Total Assets	 <u>\$ 4,717,672</u>	 <u>\$ 448,573</u>	 <u>\$ 5,166,245</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ <u>21,268</u>	\$ <u>68</u>	\$ <u>21,336</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>438,942</u>	<u>0</u>	<u>438,942</u>
Fund Balances:			
Nonspendable	31,144	0	31,144
Restricted	<u>4,226,318</u>	<u>448,505</u>	<u>4,674,823</u>
 Total Fund Balances	 <u>4,257,462</u>	 <u>448,505</u>	 <u>4,705,967</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,717,672</u>	 <u>\$ 448,573</u>	 <u>\$ 5,166,245</u>

City of Rocky River, Ohio

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

For the Year Ended December 31, 2023

	Equipment Replacement	Municipal Court Capital Improvement	Total Nonmajor Capital Projects Funds
Revenues:			
Municipal Income Taxes	\$ 1,836,185	\$ 0	\$ 1,836,185
Intergovernmental	74,751	345,588	420,339
Other	57,786	0	57,786
Total Revenues	1,968,722	345,588	2,314,310
Expenditures:			
Current:			
General Government	12,772	158,390	171,162
Capital Outlay	1,704,381	4,830	1,709,211
Debt Service:			
Principal Retirement	37,050	0	37,050
Total Expenditures	1,754,203	163,220	1,917,423
Excess of Revenue (Under) Over Expenditures	214,519	182,368	396,887
Other Financing Sources:			
Inception of Lease	51,168	0	51,168
Transfers - In	1,000,000	0	1,000,000
Total Other Financing Sources	1,051,168	0	1,051,168
Net Change in Fund Balances	1,265,687	182,368	1,448,055
Fund Balances at Beginning of Year	2,991,775	266,137	3,257,912
Fund Balances at End of Year	\$ 4,257,462	\$ 448,505	\$ 4,705,967

City of Rocky River, Ohio

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

General Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 5,624,368	\$ 5,679,999	\$ 5,899,158	\$ 219,159
Municipal Income Taxes	13,659,891	13,795,001	17,806,449	4,011,448
Other Local Taxes	9,902	10,000	60,713	50,713
Intergovernmental	1,318,233	1,331,272	1,367,382	36,110
Charges for Services	831,773	840,000	816,577	(23,423)
Fines, Fees, and Permits	2,376,293	2,399,800	2,220,846	(178,954)
Special Assessments	0	0	3,985	3,985
Investment Income	717,899	725,000	1,027,674	302,674
Rentals	173,286	175,000	170,533	(4,467)
Other	312,295	315,300	535,406	220,106
Total Revenues	<u>25,023,940</u>	<u>25,271,372</u>	<u>29,908,723</u>	<u>4,637,351</u>
Expenditures:				
Current:				
General Government:				
Council:				
Personal Service	127,000	127,000	125,491	1,509
Fringe Benefits	22,752	22,752	19,891	2,861
Other	7,800	7,800	3,720	4,080
Total Council	<u>157,552</u>	<u>157,552</u>	<u>149,102</u>	<u>8,450</u>
Mayor:				
Personal Service	163,000	163,000	165,497	(2,497)
Fringe Benefits	56,454	56,454	55,112	1,342
Other	18,480	18,480	16,282	2,198
Total Mayor	<u>237,934</u>	<u>237,934</u>	<u>236,891</u>	<u>1,043</u>
Finance Department:				
Personal Service	309,300	309,300	309,297	3
Fringe Benefits	183,496	183,496	102,583	80,913
Other	715,026	715,026	513,755	201,271
Total Finance Department	<u>1,207,822</u>	<u>1,207,822</u>	<u>925,635</u>	<u>282,187</u>
Law Director:				
Personal Service	137,000	137,000	126,167	10,833
Fringe Benefits	23,542	23,542	19,925	3,617
Other	84,556	134,556	120,101	14,455
Total Law Director	<u>245,098</u>	<u>295,098</u>	<u>266,193</u>	<u>28,905</u>

(Continued)

City of Rocky River, Ohio

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

General Fund (Continued)

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Other Executive Administration:				
Personal Service	298,500	298,500	283,614	14,886
Fringe Benefits	110,791	110,791	101,713	9,078
Other	235,450	255,450	220,657	34,793
Total Other Executive Administration	644,741	664,741	605,984	58,757
Boards and Commissions:				
Personal Service	41,000	41,000	24,719	16,281
Fringe Benefits	6,515	6,515	3,140	3,375
Other	25,280	25,280	21,490	3,790
Total Boards and Commissions	72,795	72,795	49,349	23,446
Building Maintenance:				
Personal Service	430,800	430,800	374,977	55,823
Fringe Benefits	180,203	180,203	172,346	7,857
Other	686,906	686,906	491,532	195,374
Total Building Maintenance	1,297,909	1,297,909	1,038,855	259,054
Human Resources:				
Personal Service	90,800	90,800	89,601	1,199
Fringe Benefits	15,259	15,259	14,525	734
Other	44,677	44,677	44,373	304
Total Human Resources	150,736	150,736	148,499	2,237
Municipal Courts:				
Personal Service	823,000	823,000	577,484	245,516
Fringe Benefits	226,089	226,089	244,079	(17,990)
Other	202,700	202,700	146,011	56,689
Total Municipal Courts	1,251,789	1,251,789	967,574	284,215
Clerk of Courts:				
Personal Service	793,500	793,500	734,178	59,322
Fringe Benefits	389,392	389,392	343,712	45,680
Other	350,400	350,400	260,707	89,693
Total Clerk of Courts	1,533,292	1,533,292	1,338,597	194,695
Information Technology				
Personal Service	147,000	147,000	102,556	44,444
Fringe Benefits	46,658	46,658	37,975	8,683
Other	68,067	68,067	32,792	35,275
Total Information Technology	261,725	261,725	173,323	88,402

(Continued)

City of Rocky River, Ohio

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

General Fund (Continued)

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Miscellaneous:				
Fringe Benefits	1,734	1,734	877	857
Other	100,218	100,218	16,478	83,740
Total Miscellaneous	101,952	101,952	17,355	84,597
Total General Government	7,163,345	7,233,345	5,917,357	1,315,988
Security of Persons and Property:				
Police Department:				
Personal Service	4,278,600	4,278,600	3,780,839	497,761
Fringe Benefits	1,007,068	1,057,611	738,626	318,985
Other	881,120	881,120	542,285	338,835
Total Police Department	6,166,788	6,217,331	5,061,750	1,155,581
Fire Department:				
Personal Service	3,418,100	3,510,100	3,444,338	65,762
Fringe Benefits	914,788	822,788	705,340	117,448
Other	837,375	837,375	584,395	252,980
Total Fire Department	5,170,263	5,170,263	4,734,073	436,190
Police on Patrol Arresting Speeders:				
Personal Service	64,000	64,000	0	64,000
Fringe Benefits	1,500	1,500	0	1,500
Other	43,724	163,724	94,906	68,818
Total Police on Patrol Arresting Speeders	109,224	229,224	94,906	134,318
Total Security of Persons and Property	11,446,275	11,616,818	9,890,729	1,726,089
Transportation:				
Equipment Repair and Garage:				
Personal Service	554,900	554,900	522,895	32,005
Fringe Benefits	224,683	224,683	197,309	27,374
Other	314,003	254,003	172,668	81,335
Total Transportation	1,093,586	1,033,586	892,872	140,714

(Continued)

City of Rocky River, Ohio

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

General Fund (Continued)

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Leisure Time Activities:				
Parks Department:				
Personal Service	417,100	417,100	396,912	20,188
Fringe Benefits	189,274	189,274	160,632	28,642
Other	170,529	170,529	136,580	33,949
Total Leisure Time Activities	<u>776,903</u>	<u>776,903</u>	<u>694,124</u>	<u>82,779</u>
Community Development:				
Engineering:				
Other	52,001	52,001	49,450	2,551
Building:				
Personal Service	359,900	359,900	334,263	25,637
Fringe Benefits	144,579	144,579	134,224	10,355
Other	146,446	146,446	101,249	45,197
Total Building	<u>650,925</u>	<u>650,925</u>	<u>569,736</u>	<u>81,189</u>
Economic Development:				
Personal Service	80,000	80,000	0	80,000
Fringe Benefits	38,421	38,421	1,254	37,167
Other	93,269	93,269	21,415	71,854
Total Economic Development	<u>211,690</u>	<u>211,690</u>	<u>22,669</u>	<u>189,021</u>
Total Community Development	<u>914,616</u>	<u>914,616</u>	<u>641,855</u>	<u>272,761</u>
Total Expenditures	<u>21,394,725</u>	<u>21,575,268</u>	<u>18,036,937</u>	<u>3,538,331</u>
Excess of Revenues Over Expenditures	<u>3,629,215</u>	<u>3,696,104</u>	<u>11,871,786</u>	<u>8,175,682</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	11,882	12,000	0	(12,000)
Advance - In	247,551	250,000	250,000	0
Transfers - Out	(8,375,000)	(9,975,000)	(8,595,000)	1,380,000
Total Other Financing Sources (Uses)	<u>(8,115,567)</u>	<u>(9,713,000)</u>	<u>(8,345,000)</u>	<u>1,368,000</u>
Net Change in Fund Balance	(4,486,352)	(6,016,896)	3,526,786	9,543,682
Fund Balance at Beginning of Year	11,669,152	11,669,152	11,669,152	0
Prior Year Encumbrances Appropriated	<u>442,384</u>	<u>442,384</u>	<u>442,384</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,625,184</u>	<u>\$ 6,094,640</u>	<u>\$ 15,638,322</u>	<u>\$ 9,543,682</u>

City of Rocky River, Ohio

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

Budget Stabilization Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources:				
Transfers - In	\$ 0	\$ 0	\$ 200,000	\$ 200,000
Net Change in Fund Balance	0	0	200,000	200,000
Fund Balance at Beginning of Year	688,290	688,290	688,290	0
Fund Balance at End of Year	\$ 688,290	\$ 688,290	\$ 888,290	\$ 200,000

City of Rocky River, Ohio

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

Capital Improvement Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 901,587	\$ 901,587	\$ 936,377	\$ 34,790
Municipal Income Taxes	3,058,550	3,058,550	3,111,812	53,262
Other Local Taxes	250,000	250,000	182,144	(67,856)
Intergovernmental	2,558,716	2,558,716	740,946	(1,817,770)
Other	59,328	59,328	10,765	(48,563)
Total Revenues	<u>6,828,181</u>	<u>6,828,181</u>	<u>4,982,044</u>	<u>(1,846,137)</u>
Expenditures:				
Current:				
General Government	91,756	91,756	24,840	66,916
Capital Outlay	16,964,371	17,945,371	12,025,822	5,919,549
Debt Service:				
Principal retirement	17,697	17,697	7,472	10,225
Issuance Costs	0	40,000	0	40,000
Total Expenditures	<u>17,073,824</u>	<u>18,094,824</u>	<u>12,058,134</u>	<u>6,036,690</u>
Excess of Revenues (Under) Over Expenditures	<u>(10,245,643)</u>	<u>(11,266,643)</u>	<u>(7,076,090)</u>	<u>4,190,553</u>
Other Financing Sources:				
Note Proceeds	3,000,000	3,000,000	0	(3,000,000)
Transfers - In	1,500,000	1,500,000	1,500,000	0
Total Other Financing Sources	<u>4,500,000</u>	<u>4,500,000</u>	<u>1,500,000</u>	<u>(3,000,000)</u>
Net Change in Fund Balance	(5,745,643)	(6,766,643)	(5,576,090)	1,190,553
Fund Balance at Beginning of Year	4,738,749	4,738,749	4,738,749	0
Prior Year Encumbrances Appropriated	<u>3,105,371</u>	<u>3,105,371</u>	<u>3,105,371</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,098,477</u>	<u>\$ 1,077,477</u>	<u>\$ 2,268,030</u>	<u>\$ 1,190,553</u>

City of Rocky River, Ohio

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

Law Enforcement Trust Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 46,200	\$ 46,200	\$ 37,626	\$ (8,574)
Fines, Fees, and Permits	10,000	10,000	10,528	528
Total Revenues	<u>56,200</u>	<u>56,200</u>	<u>48,154</u>	<u>(8,046)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	56,000	56,000	0	56,000
Fringe Benefits	12,060	12,060	588	11,472
Other	51,127	51,127	4,447	46,680
Total Expenditures	<u>119,187</u>	<u>119,187</u>	<u>5,035</u>	<u>114,152</u>
Net Change in Fund Balance	(62,987)	(62,987)	43,119	106,106
Fund Balance at Beginning of Year	159,558	159,558	159,558	0
Prior Year Encumbrances Appropriated	<u>8,395</u>	<u>8,395</u>	<u>8,395</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 104,966</u>	<u>\$ 104,966</u>	<u>\$ 211,072</u>	<u>\$ 106,106</u>

City of Rocky River, Ohio

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

Community Diversion Program Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,400	\$ 5,400	\$ 2,600	\$ (2,800)
Total Revenues	<u>5,400</u>	<u>5,400</u>	<u>2,600</u>	<u>(2,800)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	5,000	5,000	4,359	641
Fringe Benefits	900	900	230	670
Other	300	300	43	257
Total Expenditures	<u>6,200</u>	<u>6,200</u>	<u>4,632</u>	<u>1,568</u>
Net Change in Fund Balance	(800)	(800)	(2,032)	(1,232)
Fund Balance at Beginning of Year	<u>2,568</u>	<u>2,568</u>	<u>2,568</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,768</u>	<u>\$ 1,768</u>	<u>\$ 536</u>	<u>\$ (1,232)</u>

City of Rocky River, Ohio

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

Indigent Driver Alcohol Treatment Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 25,000	\$ 25,000	\$ 32,012	\$ 7,012
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>32,012</u>	<u>7,012</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Other	30,000	30,000	20,872	9,128
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>20,872</u>	<u>9,128</u>
Net Change in Fund Balance	(5,000)	(5,000)	11,140	16,140
Fund Balance at Beginning of Year	<u>217,253</u>	<u>217,253</u>	<u>217,253</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 212,253</u></u>	<u><u>\$ 212,253</u></u>	<u><u>\$ 228,393</u></u>	<u><u>\$ 16,140</u></u>

City of Rocky River, Ohio

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

Enforcement and Education Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 3,000	\$ 3,000	\$ 828	\$ (2,172)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>828</u>	<u>(2,172)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Other	15,000	15,000	0	15,000
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Net Change in Fund Balance	(12,000)	(12,000)	828	12,828
Fund Balance at Beginning of Year	<u>28,032</u>	<u>28,032</u>	<u>28,032</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,032</u>	<u>\$ 16,032</u>	<u>\$ 28,860</u>	<u>\$ 12,828</u>

City of Rocky River, Ohio

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

Municipal Probation Services Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 146,000	\$ 146,000	\$ 155,740	\$ 9,740
Total Revenues	<u>146,000</u>	<u>146,000</u>	<u>155,740</u>	<u>9,740</u>
Expenditures:				
Current:				
General Government:				
Personal Service	114,000	102,000	125,000	(23,000)
Other	96,100	96,100	56,082	40,018
Total Expenditures	<u>210,100</u>	<u>198,100</u>	<u>181,082</u>	<u>17,018</u>
Net Change in Fund Balance	(64,100)	(52,100)	(25,342)	26,758
Fund Balance at Beginning of Year	<u>54,384</u>	<u>54,384</u>	<u>54,384</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (9,716)</u></u>	<u><u>\$ 2,284</u></u>	<u><u>\$ 29,042</u></u>	<u><u>\$ 26,758</u></u>

City of Rocky River, Ohio

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

Office on Aging Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 450,793	\$ 450,793	\$ 468,189	\$ 17,396
Intergovernmental	60,053	60,053	60,353	300
Charges for Services	383,100	383,100	340,863	(42,237)
Other	7,000	7,000	213	(6,787)
Total Revenues	<u>900,946</u>	<u>900,946</u>	<u>869,618</u>	<u>(31,328)</u>
Expenditures:				
Current:				
Public Health Services:				
Personal Service	696,700	696,700	569,821	126,879
Fringe Benefits	220,799	220,799	187,381	33,418
Other	655,267	655,267	406,199	249,068
Total Expenditures	<u>1,572,766</u>	<u>1,572,766</u>	<u>1,163,401</u>	<u>409,365</u>
Excess of Revenues (Under) Over Expenditures	(671,820)	(671,820)	(293,783)	378,037
Other Financing Sources:				
Transfers - In	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>
Net Change in Fund Balance	(321,820)	(321,820)	56,217	378,037
Fund Balance at Beginning of Year	692,776	692,776	692,776	0
Prior Year Encumbrances Appropriated	<u>51,328</u>	<u>51,328</u>	<u>51,328</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 422,284</u>	<u>\$ 422,284</u>	<u>\$ 800,321</u>	<u>\$ 378,037</u>

City of Rocky River, Ohio

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

OneOhio Opioid Settlement Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,300	\$ 4,300	\$ 19,525	\$ 15,225
Total Revenues	<u>4,300</u>	<u>4,300</u>	<u>19,525</u>	<u>15,225</u>
Expenditures:				
Current:				
General Government:				
Other	8,000	8,000	0	8,000
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>0</u>	<u>8,000</u>
Net Change in Fund Balance	(3,700)	(3,700)	19,525	23,225
Fund Balance at Beginning of Year	<u>4,353</u>	<u>4,353</u>	<u>4,353</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 653</u>	<u>\$ 653</u>	<u>\$ 23,878</u>	<u>\$ 23,225</u>

City of Rocky River, Ohio

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

Local Fiscal Recovery Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Capital Outlay	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 0
Total Expenditures	<u>2,100,000</u>	<u>2,100,000</u>	<u>2,100,000</u>	<u>0</u>
Net Change in Fund Balance	(2,100,000)	(2,100,000)	(2,100,000)	0
Fund Balance at Beginning of Year	<u>2,101,913</u>	<u>2,101,913</u>	<u>2,101,913</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,913</u>	<u>\$ 1,913</u>	<u>\$ 1,913</u>	<u>\$ 0</u>

City of Rocky River, Ohio

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

Recreation Center Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 415,827	\$ 450,793	\$ 468,189	\$ 17,396
Intergovernmental	55,395	60,053	60,353	300
Charges for Services	1,615,138	1,750,950	2,027,611	276,661
Rentals	238,726	258,800	335,977	77,177
Other	2,306	2,500	20,325	17,825
Total Revenues	<u>2,327,392</u>	<u>2,523,096</u>	<u>2,912,455</u>	<u>389,359</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Personal Service	1,854,000	1,854,000	1,838,310	15,690
Fringe Benefits	524,533	524,533	505,785	18,748
Other	1,486,164	1,486,164	1,164,889	321,275
Total Expenditures	<u>3,864,697</u>	<u>3,864,697</u>	<u>3,508,984</u>	<u>355,713</u>
Excess of Revenues (Under) Over Expenditures	<u>(1,537,305)</u>	<u>(1,341,601)</u>	<u>(596,529)</u>	<u>745,072</u>
Other Financing Sources (Uses):				
Transfers - In	645,704	700,000	450,000	(250,000)
Advance - Out	0	(250,000)	(250,000)	0
Total Other Financing Sources (Uses)	<u>645,704</u>	<u>450,000</u>	<u>200,000</u>	<u>(250,000)</u>
Net Change in Fund Balances	(891,601)	(891,601)	(396,529)	495,072
Fund Balance at Beginning of Year	856,719	856,719	856,719	0
Prior Year Encumbrances Appropriated	<u>125,901</u>	<u>125,901</u>	<u>125,901</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 91,019</u>	<u>\$ 91,019</u>	<u>\$ 586,091</u>	<u>\$ 495,072</u>

City of Rocky River, Ohio

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

Marine Patrol Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 34,789	\$ (211)
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>34,789</u>	<u>(211)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Personal Service	17,000	17,000	16,515	485
Fringe Benefits	3,915	3,915	559	3,356
Other	29,024	29,024	20,760	8,264
Total Expenditures	<u>49,939</u>	<u>49,939</u>	<u>37,834</u>	<u>12,105</u>
Excess of Revenues (Under) Over Expenditures	(14,939)	(14,939)	(3,045)	11,894
Other Financing Sources:				
Transfers - In	<u>15,000</u>	<u>15,000</u>	<u>10,000</u>	<u>(5,000)</u>
Net Change in Fund Balance	61	61	6,955	6,894
Fund Balance at Beginning of Year	36,807	36,807	36,807	0
Prior Year Encumbrances Appropriated	<u>843</u>	<u>843</u>	<u>843</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 37,711</u>	<u>\$ 37,711</u>	<u>\$ 44,605</u>	<u>\$ 6,894</u>

City of Rocky River, Ohio

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

Refuse and Recycling Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 901,587	\$ 901,587	\$ 936,377	\$ 34,790
Intergovernmental	125,106	125,106	126,707	1,601
Charges for Services	7,000	7,000	0	(7,000)
Other	22,000	22,000	7,986	(14,014)
Total Revenues	<u>1,055,693</u>	<u>1,055,693</u>	<u>1,071,070</u>	<u>15,377</u>
Expenditures:				
Current:				
Basic Utilities Service:				
Personal Service	1,066,200	1,066,200	910,755	155,445
Fringe Benefits	471,444	471,444	403,765	67,679
Other	1,112,867	1,112,867	927,133	185,734
Total Expenditures	<u>2,650,511</u>	<u>2,650,511</u>	<u>2,241,653</u>	<u>408,858</u>
Excess of Revenues (Under) Over Expenditures	(1,594,818)	(1,594,818)	(1,170,583)	424,235
Other Financing Sources:				
Transfers - In	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,400,000</u>	<u>400,000</u>
Net Change in Fund Balance	(594,818)	(594,818)	229,417	824,235
Fund Balance at Beginning of Year	587,763	587,763	587,763	0
Prior Year Encumbrances Appropriated	<u>65,122</u>	<u>65,122</u>	<u>65,122</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 58,067</u>	<u>\$ 58,067</u>	<u>\$ 882,302</u>	<u>\$ 824,235</u>

City of Rocky River, Ohio

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

Motor Vehicle License Tax Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 141,000	\$ 141,000	\$ 129,308	\$ (11,692)
Total Revenues	<u>141,000</u>	<u>141,000</u>	<u>129,308</u>	<u>(11,692)</u>
Expenditures:				
Current:				
Transportation:				
Personal Service	245,600	245,600	226,348	19,252
Fringe Benefits	101,561	101,561	119,986	(18,425)
Other	484,925	609,925	491,234	118,691
Total Transportation	<u>832,086</u>	<u>957,086</u>	<u>837,568</u>	<u>119,518</u>
Capital Outlay	51,009	51,009	44,882	6,127
Total Expenditures	<u>883,095</u>	<u>1,008,095</u>	<u>882,450</u>	<u>125,645</u>
Excess of Revenues (Under) Over Expenditures	(742,095)	(867,095)	(753,142)	113,953
Other Financing Sources:				
Transfers - In	<u>625,000</u>	<u>625,000</u>	<u>600,000</u>	<u>(25,000)</u>
Net Change in Fund Balance	(117,095)	(242,095)	(153,142)	88,953
Fund Balance at Beginning of Year	472,992	472,992	472,992	0
Prior Year Encumbrances Appropriated	<u>13,493</u>	<u>13,493</u>	<u>13,493</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 369,390</u>	<u>\$ 244,390</u>	<u>\$ 333,343</u>	<u>\$ 88,953</u>

City of Rocky River, Ohio

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

Street Repair and Maintenance Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,055,400	\$ 1,055,400	\$ 1,078,977	\$ 23,577
Other	0	0	23,715	23,715
Total Revenues	<u>1,055,400</u>	<u>1,055,400</u>	<u>1,102,692</u>	<u>47,292</u>
Expenditures:				
Current:				
Transportation:				
Personal Service	828,000	828,000	694,273	133,727
Fringe Benefits	390,909	390,909	338,065	52,844
Other	587,075	587,075	402,160	184,915
Total Transportation	<u>1,805,984</u>	<u>1,805,984</u>	<u>1,434,498</u>	<u>371,486</u>
Capital Outlay	30,401	30,401	27,215	3,186
Total Expenditures	<u>1,836,385</u>	<u>1,836,385</u>	<u>1,461,713</u>	<u>374,672</u>
Excess of Revenues (Under) Over Expenditures	(780,985)	(780,985)	(359,021)	421,964
Other Financing Sources:				
Transfers - In	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
Net Change in Fund Balance	(380,985)	(380,985)	40,979	421,964
Fund Balance at Beginning of Year	865,640	865,640	865,640	0
Prior Year Encumbrances Appropriated	<u>37,199</u>	<u>37,199</u>	<u>37,199</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 521,854</u>	<u>\$ 521,854</u>	<u>\$ 943,818</u>	<u>\$ 421,964</u>

City of Rocky River, Ohio

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

State Highway Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 84,400	\$ 84,400	\$ 87,485	\$ 3,085
Total Revenues	<u>84,400</u>	<u>84,400</u>	<u>87,485</u>	<u>3,085</u>
Expenditures:				
Current:				
Transportation:				
Other	183,677	183,677	91,430	92,247
Total Expenditures	<u>183,677</u>	<u>183,677</u>	<u>91,430</u>	<u>92,247</u>
Net Change in Fund Balance	(99,277)	(99,277)	(3,945)	95,332
Fund Balance at Beginning of Year	<u>196,109</u>	<u>196,109</u>	<u>196,109</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 96,832</u>	<u>\$ 96,832</u>	<u>\$ 192,164</u>	<u>\$ 95,332</u>

City of Rocky River, Ohio

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

Indigent Drive Alcohol Monitoring Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 31,000	\$ 31,000	\$ 25,416	\$ (5,584)
Total Revenues	<u>31,000</u>	<u>31,000</u>	<u>25,416</u>	<u>(5,584)</u>
Expenditures:				
Capital Outlay	50,000	50,000	43,823	6,177
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>43,823</u>	<u>6,177</u>
Net Change in Fund Balance	(19,000)	(19,000)	(18,407)	593
Fund Balance at Beginning of Year	<u>27,438</u>	<u>27,438</u>	<u>27,438</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,438</u>	<u>\$ 8,438</u>	<u>\$ 9,031</u>	<u>\$ 593</u>

City of Rocky River, Ohio

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

Fire Levy Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 270,476	\$ 270,476	\$ 280,929	\$ 10,453
Intergovernmental	36,032	36,032	36,215	183
Total Revenues	<u>306,508</u>	<u>306,508</u>	<u>317,144</u>	<u>10,636</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fringe Benefits	821,000	821,000	792,387	28,613
Total Expenditures	<u>821,000</u>	<u>821,000</u>	<u>792,387</u>	<u>28,613</u>
Excess of Revenues (Under) Over Expenditures	(514,492)	(514,492)	(475,243)	39,249
Other Financing Sources:				
Transfers - In	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>0</u>
Net Change in Fund Balance	(64,492)	(64,492)	(25,243)	39,249
Fund Balance at Beginning of Year	<u>330,794</u>	<u>330,794</u>	<u>330,794</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 266,302</u>	<u>\$ 266,302</u>	<u>\$ 305,551</u>	<u>\$ 39,249</u>

City of Rocky River, Ohio

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

Police Levy Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 270,476	\$ 270,476	\$ 280,929	\$ 10,453
Intergovernmental	36,032	36,032	36,215	183
Total Revenues	<u>306,508</u>	<u>306,508</u>	<u>317,144</u>	<u>10,636</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fringe Benefits	735,000	735,000	611,283	123,717
Total Expenditures	<u>735,000</u>	<u>735,000</u>	<u>611,283</u>	<u>123,717</u>
Excess of Revenues (Under) Over Expenditures	(428,492)	(428,492)	(294,139)	134,353
Other Financing Sources:				
Transfers - In	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>0</u>
Net Change in Fund Balance	(153,492)	(153,492)	(19,139)	134,353
Fund Balance at Beginning of Year	<u>558,078</u>	<u>558,078</u>	<u>558,078</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 404,586</u>	<u>\$ 404,586</u>	<u>\$ 538,939</u>	<u>\$ 134,353</u>

City of Rocky River, Ohio

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

Refundable Deposits Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 9,000	\$ 9,000	\$ 30,050	\$ 21,050
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>30,050</u>	<u>21,050</u>
Expenditures:				
Current:				
Community Development:				
Building:				
Other	35,600	135,600	101,600	34,000
Total Expenditures	<u>35,600</u>	<u>135,600</u>	<u>101,600</u>	<u>34,000</u>
Net Change in Fund Balance	(26,600)	(126,600)	(71,550)	55,050
Fund Balance at Beginning of Year	<u>375,785</u>	<u>375,785</u>	<u>375,785</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 349,185</u>	<u>\$ 249,185</u>	<u>\$ 304,235</u>	<u>\$ 55,050</u>

City of Rocky River, Ohio

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

Building Standards Fee Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Fees, and Permits	\$ 8,300	\$ 8,300	\$ 8,861	\$ 561
Total Revenues	<u>8,300</u>	<u>8,300</u>	<u>8,861</u>	<u>561</u>
Expenditures:				
Current:				
Community Development:				
Building:				
Other	8,443	8,443	8,678	(235)
Total Expenditures	<u>8,443</u>	<u>8,443</u>	<u>8,678</u>	<u>(235)</u>
Net Change in Fund Balance	(143)	(143)	183	326
Fund Balance at Beginning of Year	798	798	798	0
Prior Year Encumbrances Appropriated	<u>443</u>	<u>443</u>	<u>443</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,098</u>	<u>\$ 1,098</u>	<u>\$ 1,424</u>	<u>\$ 326</u>

City of Rocky River, Ohio

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

Donations and Bequests Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions	\$ 220,000	\$ 220,000	\$ 240,007	\$ 20,007
Total Revenues	<u>220,000</u>	<u>220,000</u>	<u>240,007</u>	<u>20,007</u>
Expenditures:				
Current:				
Public Health Services:				
Senior Center				
Other	522,873	522,873	261,837	261,036
Total Expenditures	<u>522,873</u>	<u>522,873</u>	<u>261,837</u>	<u>261,036</u>
Net Change in Fund Balance	(302,873)	(302,873)	(21,830)	281,043
Fund Balance at Beginning of Year	325,886	325,886	325,886	0
Prior Year Encumbrances Appropriated	<u>47,873</u>	<u>47,873</u>	<u>47,873</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 70,886</u>	<u>\$ 70,886</u>	<u>\$ 351,929</u>	<u>\$ 281,043</u>

City of Rocky River, Ohio

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

General Obligation Bond Retirement Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 586,031	\$ 586,031	\$ 608,635	\$ 22,604
Intergovernmental	78,069	78,069	78,458	389
Total Revenues	<u>664,100</u>	<u>664,100</u>	<u>687,093</u>	<u>22,993</u>
Expenditures:				
Debt Service:				
Principal Retirement	1,675,000	2,230,000	1,095,000	1,135,000
Interest and fiscal charges	573,000	573,000	572,065	935
Total Expenditures	<u>2,248,000</u>	<u>2,803,000</u>	<u>1,667,065</u>	<u>1,135,935</u>
Excess of Revenues (Under) Over Expenditures	(1,583,900)	(2,138,900)	(979,972)	1,158,928
Other Financing Sources:				
Transfers - In	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>0</u>
Net Change in Fund Balance	(783,900)	(1,338,900)	(179,972)	1,158,928
Fund Balance at Beginning of Year	<u>1,535,809</u>	<u>1,535,809</u>	<u>1,535,809</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 751,909</u>	<u>\$ 196,909</u>	<u>\$ 1,355,837</u>	<u>\$ 1,158,928</u>

City of Rocky River, Ohio

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

Special Assessment Bond Retirement Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 55,000	\$ 55,000	\$ 39,518	\$ (15,482)
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>39,518</u>	<u>(15,482)</u>
Expenditures:				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and fiscal charges	5,600	5,600	4,146	1,454
Total Expenditures	<u>45,600</u>	<u>45,600</u>	<u>44,146</u>	<u>1,454</u>
Excess of Revenues (Under) Over Expenditures	9,400	9,400	(4,628)	(14,028)
Other Financing Sources:				
Transfers - In	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balance	19,400	19,400	5,372	(14,028)
Fund Balance at Beginning of Year	<u>2,588</u>	<u>2,588</u>	<u>2,588</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 21,988</u>	<u>\$ 21,988</u>	<u>\$ 7,960</u>	<u>\$ (14,028)</u>

City of Rocky River, Ohio

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

Equipment Replacement Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 1,506,449	\$ 1,506,449	\$ 1,532,684	\$ 26,235
Intergovernmental	10,000	10,000	59,582	49,582
Other	0	0	57,786	57,786
Total Revenues	<u>1,516,449</u>	<u>1,516,449</u>	<u>1,650,052</u>	<u>133,603</u>
Expenditures:				
Current:				
General Government:				
Other	45,194	45,194	12,235	32,959
Capital Outlay	5,319,969	5,229,969	3,918,692	1,311,277
Total Expenditures	<u>5,365,163</u>	<u>5,275,163</u>	<u>3,930,927</u>	<u>1,344,236</u>
Excess of Revenues (Under) Over Expenditures	(3,848,714)	(3,758,714)	(2,280,875)	1,477,839
Other Financing Sources:				
Transfers - In	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,000,000</u>	<u>(300,000)</u>
Net Change in Fund Balance	(2,548,714)	(2,458,714)	(1,280,875)	1,177,839
Fund Balance at Beginning of Year	1,318,658	1,318,658	1,318,658	0
Prior Year Encumbrances Appropriated	<u>1,463,769</u>	<u>1,463,769</u>	<u>1,463,769</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 233,713</u>	<u>\$ 323,713</u>	<u>\$ 1,501,552</u>	<u>\$ 1,177,839</u>

City of Rocky River, Ohio

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

Municipal Court Capital Improvement Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 354,000	\$ 354,000	\$ 343,876	\$ (10,124)
Total Revenues	<u>354,000</u>	<u>354,000</u>	<u>343,876</u>	<u>(10,124)</u>
Expenditures:				
Current:				
General Government:				
Personal Service	258,450	208,450	150,000	58,450
Other	240,000	255,000	8,322	246,678
Total General Government	<u>498,450</u>	<u>463,450</u>	<u>158,322</u>	<u>305,128</u>
Capital Outlay	<u>17,500</u>	<u>32,500</u>	<u>4,830</u>	<u>27,670</u>
Total Expenditures	<u>515,950</u>	<u>495,950</u>	<u>163,152</u>	<u>332,798</u>
Net Change in Fund Balance	(161,950)	(141,950)	180,724	322,674
Fund Balance at Beginning of Year	<u>244,033</u>	<u>244,033</u>	<u>244,033</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 82,083</u>	<u>\$ 102,083</u>	<u>\$ 424,757</u>	<u>\$ 322,674</u>

City of Rocky River, Ohio

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

Wastewater Treatment Plant Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 5,981,000	\$ 5,981,000	\$ 6,442,554	\$ 461,554
Investment Income	2,000	2,000	10,013	8,013
Other	2,400	2,400	3,880	1,480
Total Revenues	<u>5,985,400</u>	<u>5,985,400</u>	<u>6,456,447</u>	<u>471,047</u>
Expenditures:				
Current Operations:				
Personal Services	1,465,606	1,465,606	1,398,869	66,737
Fringe Benefits	548,940	548,940	535,683	13,257
Materials And Supplies	929,731	929,731	760,143	169,588
Contractual Services	1,066,375	1,066,375	895,725	170,650
Heat, Light, And Power	832,642	832,642	686,899	145,743
Landfill	427,943	427,943	335,885	92,058
Total Current Operations	<u>5,271,237</u>	<u>5,271,237</u>	<u>4,613,204</u>	<u>658,033</u>
Capital Outlay	21,545,015	21,545,015	5,077,550	16,467,465
Debt Service:				
Principal Retirement	972,657	972,657	972,624	33
Interest and fiscal charges	86,446	86,446	86,445	1
Total Expenditures	<u>27,875,355</u>	<u>27,875,355</u>	<u>10,749,823</u>	<u>17,125,532</u>
Excess of Revenues Over Expenditures	<u>(21,889,955)</u>	<u>(21,889,955)</u>	<u>(4,293,376)</u>	<u>17,596,579</u>
Other Financing Sources:				
Sale of Capital Assets	1,000	1,000	0	(1,000)
Note Proceeds	20,000,000	20,000,000	4,099,954	(15,900,046)
Total Other Financing Sources	<u>20,001,000</u>	<u>20,001,000</u>	<u>4,099,954</u>	<u>(15,901,046)</u>
Net Change in Fund Equity	(1,888,955)	(1,888,955)	(193,422)	1,695,533
Fund Equity at Beginning of Year	3,873,935	3,873,935	3,873,935	0
Prior Year Encumbrances Appropriated	<u>675,616</u>	<u>675,616</u>	<u>675,616</u>	<u>0</u>
Fund Equity at End of Year	<u>\$ 2,660,596</u>	<u>\$ 2,660,596</u>	<u>\$ 4,356,129</u>	<u>\$ 1,695,533</u>

City of Rocky River, Ohio

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

Sanitary Sewer Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 4,444,379	\$ 4,444,379	\$ 3,108,366	\$ (1,336,013)
Intergovernmental	2,934,900	2,934,900	771,066	(2,163,834)
Other	1,000	1,000	203	(797)
Total Revenues	<u>7,380,279</u>	<u>7,380,279</u>	<u>3,879,635</u>	<u>(3,500,644)</u>
Expenditures:				
Current Operations:				
Personal Services	624,400	624,400	601,722	22,678
Fringe Benefits	293,138	293,138	268,819	24,319
Materials And Supplies	142,153	142,153	110,239	31,914
Contractual Services	9,229,131	9,229,131	5,584,102	3,645,029
Heat, Light, And Power	24,000	24,000	23,064	936
Other	29,500	29,500	24,065	5,435
Total Current Operations	<u>10,342,322</u>	<u>10,342,322</u>	<u>6,612,011</u>	<u>3,730,311</u>
Capital Outlay	2,924,273	2,924,273	1,252,600	1,671,673
Debt Service:				
Principal Retirement	<u>573,320</u>	<u>573,320</u>	<u>570,437</u>	<u>2,883</u>
Total Expenditures	<u>13,839,915</u>	<u>13,839,915</u>	<u>8,435,048</u>	<u>5,404,867</u>
Excess of Revenues Over Expenditures	<u>(6,459,636)</u>	<u>(6,459,636)</u>	<u>(4,555,413)</u>	<u>1,904,223</u>
Other Financing Sources:				
Transfers - In	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,150,000</u>	<u>(50,000)</u>
Total Other Financing Sources	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,150,000</u>	<u>(50,000)</u>
Net Change in Fund Equity	(5,259,636)	(5,259,636)	(3,405,413)	1,854,223
Fund Equity at Beginning of Year	2,111,472	2,111,472	2,111,472	0
Prior Year Encumbrances Appropriated	<u>4,382,517</u>	<u>4,382,517</u>	<u>4,382,517</u>	<u>0</u>
Fund Equity at End of Year	<u>\$ 1,234,353</u>	<u>\$ 1,234,353</u>	<u>\$ 3,088,576</u>	<u>\$ 1,854,223</u>

City of Rocky River, Ohio

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

Self Insurance Fund

For the Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 3,491,511	\$ 3,491,511	\$ 3,580,228	\$ 88,717
Total Revenues	<u>3,491,511</u>	<u>3,491,511</u>	<u>3,580,228</u>	<u>88,717</u>
Expenditures:				
Contractual Services	959,427	959,427	850,095	109,332
Claims	2,713,502	2,713,502	2,306,099	407,403
Total Expenditures	<u>3,672,929</u>	<u>3,672,929</u>	<u>3,156,194</u>	<u>516,735</u>
Net Change in Fund Equity	(181,418)	(181,418)	424,034	605,452
Fund Equity at Beginning of Year	502,042	502,042	502,042	0
Prior Year Encumbrances Appropriated	<u>809</u>	<u>809</u>	<u>809</u>	<u>0</u>
Fund Equity at End of Year	<u>\$ 321,433</u>	<u>\$ 321,433</u>	<u>\$ 926,885</u>	<u>\$ 605,452</u>

City of Rocky River, Ohio

Fiduciary Funds

Fund Descriptions

Custodial Funds

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

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

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

City of Rocky River, Ohio

Combining Statement of Fiduciary Net Position Custodial Funds

December 31, 2023

	<u>Municipal Court</u>	<u>S.A.F.E.</u>	<u>Tri-City Park</u>	<u>Total</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 13,042	\$ 275,437	\$ 288,479
Cash and Cash Equivalents: In Segregated Accounts	<u>365,999</u>	<u>0</u>	<u>0</u>	<u>365,999</u>
Total Assets	365,999	13,042	275,437	654,478
Liabilities				
Deposits Held and Due to Others	<u>365,999</u>	<u>0</u>	<u>206</u>	<u>366,205</u>
Net Position				
Restricted for Other Governments	<u>\$ 0</u>	<u>\$ 13,042</u>	<u>\$ 275,231</u>	<u>\$ 288,273</u>

City of Rocky River, Ohio

Combining Statement of Changes in Fiduciary Net Position Custodial Funds

For the Year Ended December 31, 2023

	<u>Municipal Court</u>	<u>S.A.F.E.</u>	<u>Tri-City Park</u>	<u>Total</u>
Additions				
Collections for Tri-City Park	\$ 0	\$ 0	\$ 532,159	\$ 532,159
Fines and Forfeitures for Others	<u>3,837,968</u>	<u>0</u>	<u>0</u>	<u>3,837,968</u>
Total Additions	<u>3,837,968</u>	<u>0</u>	<u>532,159</u>	<u>4,370,127</u>
Deductions				
Payments on Behalf of Tri-City Park	0	0	754,723	754,723
Payments on Behalf of S.A.F.E.	0	61	0	61
Municipal Court Expense and Distributions to Others	<u>3,837,968</u>	<u>0</u>	<u>0</u>	<u>3,837,968</u>
Total Deductions	<u>3,837,968</u>	<u>61</u>	<u>754,723</u>	<u>4,592,752</u>
Change in Net Position	0	(61)	(222,564)	(222,625)
Net Position Beginning of Year	<u>0</u>	<u>13,103</u>	<u>497,795</u>	<u>510,898</u>
Net Position End of Year	<u>\$ 0</u>	<u>\$ 13,042</u>	<u>\$ 275,231</u>	<u>\$ 288,273</u>

Statistical Section



City of Rocky River, Ohio

December 31, 2023

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 – S11
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	S12 – S18
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S19 – S24
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S25 – S27
Operating Information These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S28 – S33

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

City of Rocky River, Ohio

Net Position by Component – Last Ten Fiscal Years

Accrual Basis of Accounting

	2014 (a)	2015	2016	2017 (b)	2018	2019 (c)	2020 (d)	2021 (e)	2022 (f)	2023
Governmental activities:										
Net Investment in										
Capital Assets	\$ 41,586,463	\$ 42,891,009	\$ 45,354,753	\$ 49,427,948	\$ 53,411,670	\$ 56,810,711	\$ 64,810,278	\$ 68,670,514	\$ 73,373,418	\$ 82,813,863
Restricted for:										
Pension/OPEB	0	0	0	0	0	0	0	0	0	688,575
Capital Projects	4,801,489	5,165,910	5,634,447	6,121,210	9,335,895	11,891,776	11,087,760	9,567,052	11,344,430	11,691,838
Debt Service	869,385	944,069	698,441	540,879	387,087	267,982	512,769	1,007,540	1,569,164	1,425,591
Refuse and Recycling	119,601	377,763	456,101	680,801	411,657	550,878	1,047,176	927,362	685,356	1,015,363
Office on Aging	159,197	243,704	291,038	286,539	248,791	218,999	551,965	698,177	783,974	888,928
Street Construction and										
Maintenance	881,576	821,270	951,838	1,014,243	882,471	1,367,285	1,549,804	2,022,001	2,130,609	2,094,108
Recreation	0	0	0	0	0	0	791,357	405,875	496,148	379,862
Law Enforcement and										
Education	225,765	300,154	257,589	223,914	185,206	159,645	174,493	180,851	200,115	246,511
Fire and Police Pension	0	0	0	4,101	66,532	112,410	430,072	653,713	794,703	740,182
Security of Persons and										
Property	573,715	464,107	402,214	379,282	314,167	317,396	356,646	311,045	348,693	302,486
Donations and Bequests	0	0	0	0	0	0	613,472	604,653	364,324	355,903
Other Purposes	3,312	3,312	3,312	3,312	3,312	3,312	4,218	363	5,594	25,302
Unrestricted (Deficit)	<u>(12,221,978)</u>	<u>(10,876,056)</u>	<u>(30,032,353)</u>	<u>(34,059,046)</u>	<u>(34,059,046)</u>	<u>(29,207,557)</u>	<u>(30,114,837)</u>	<u>(21,081,945)</u>	<u>(10,049,162)</u>	<u>(9,146,964)</u>
Total Net Position –										
Governmental Activities	<u>36,998,525</u>	<u>40,335,242</u>	<u>24,017,380</u>	<u>24,623,183</u>	<u>31,187,742</u>	<u>42,492,837</u>	<u>51,815,173</u>	<u>63,967,201</u>	<u>82,047,366</u>	<u>93,521,548</u>
Business-type activities:										
Net Investment in										
Capital Assets	12,478,608	13,678,763	12,418,716	12,418,716	12,032,701	12,314,284	7,516,341	24,320,067	14,295,201	15,870,225
Pension/OPEB	0	0	0	0	0	0	0	0	0	136,068
Unrestricted (Deficit)	<u>8,735,194</u>	<u>8,189,432</u>	<u>10,959,005</u>	<u>10,959,005</u>	<u>11,316,195</u>	<u>10,966,498</u>	<u>12,104,546</u>	<u>10,442,873</u>	<u>3,491,316</u>	<u>(1,653,029)</u>
Total Net Position –										
Business-Type Activities	<u>21,213,802</u>	<u>21,868,195</u>	<u>23,377,721</u>	<u>23,377,721</u>	<u>23,348,896</u>	<u>23,280,782</u>	<u>19,620,887</u>	<u>34,762,940</u>	<u>17,786,517</u>	<u>14,353,264</u>

(Continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

	2014 (a)	2015	2016	2017 (b)	2018	2019 (c)	2020 (d)	2021 (e)	2022 (f)	2023
Primary Government:										
Net Investment in										
Capital Assets	54,065,071	56,569,772	60,041,416	61,846,664	65,444,371	69,124,995	72,326,619	92,990,581	87,668,619	98,684,088
Restricted for:										
Pension/OPEB	0	0	0	0	0	0	0	0	0	824,643
Capital Projects	4,801,489	5,165,910	5,634,447	6,121,210	9,335,895	11,891,776	11,087,760	9,567,052	11,344,430	11,691,838
Debt Service	869,385	944,069	698,441	540,879	387,087	267,982	512,769	1,007,540	1,569,164	1,425,591
Refuse and Recycling	119,601	377,763	456,101	680,801	411,657	550,878	1,074,176	927,362	685,356	1,015,363
Office on Aging	159,197	243,704	291,038	286,539	248,791	218,999	551,965	698,177	783,974	888,928
Street Construction and Maintenance	881,576	821,270	951,838	1,014,243	882,471	1,367,285	1,549,804	2,022,001	2,130,609	2,094,108
Recreation	0	0	0	0	0	0	791,357	405,875	496,148	379,862
Law Enforcement and Education	225,765	300,154	257,589	223,914	185,206	159,645	174,493	180,851	200,115	246,511
Fire and Police Pension	0	0	4,101	66,532	112,410	107,478	430,072	653,713	794,703	740,182
Security of Persons and Property	573,715	464,107	402,214	379,282	314,167	317,396	356,646	311,045	348,693	302,486
Donations and Bequests	0	0	0	0	0	0	613,472	604,653	364,324	355,903
Other Purposes	3,312	3,312	3,312	3,312	3,312	3,312	4,218	363	5,594	25,302
Unrestricted (Deficit)	<u>(3,486,784)</u>	<u>(2,686,624)</u>	<u>(1,661,991)</u>	<u>(19,073,348)</u>	<u>(22,742,851)</u>	<u>(18,241,059)</u>	<u>(18,010,291)</u>	<u>(10,639,072)</u>	<u>(6,557,846)</u>	<u>(10,799,993)</u>
Total Primary Government										
Net Position	<u>\$ 58,212,327</u>	<u>\$ 62,203,437</u>	<u>\$ 67,078,506</u>	<u>\$ 52,090,028</u>	<u>\$ 54,582,516</u>	<u>\$ 65,768,687</u>	<u>\$ 71,463,060</u>	<u>\$ 98,730,141</u>	<u>\$ 99,833,883</u>	<u>\$ 107,874,812</u>

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

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

(c) Balances as of December 31, 2019 were restated for implementation of GASB Statement No. 83.

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

(e) Balances as of December 31, 2021 were restated as the City included the Wastewater Treatment Plant Fund as a part of the business-type activities.

(f) Balances as of December 31, 2022 were restated as the City adjusted the Wastewater Treatment Plant Fund to show the City's undivided interest.

Source: City financial records

City of Rocky River, Ohio

Changes in Net Position – Last Ten Fiscal Years

Accrual Basis of Accounting

	2014 (a)	2015	2016	2017 (b)	2018	2019 (c)	2020 (d)	2021 (e)	2022	2023
Program revenues:										
Governmental activities:										
Charges for Services										
General Government	\$ 2,432,809	\$ 2,088,114	\$ 2,472,472	\$ 2,483,792	\$ 2,350,106	\$ 2,214,094	\$ 1,727,062	\$ 1,786,822	\$ 1,863,133	\$ 2,078,014
Security of Persons and Property	1,045,198	1,196,046	1,118,100	1,097,312	1,058,498	1,313,335	959,402	1,113,623	1,426,286	1,374,765
Public Health	578,496	371,903	347,508	381,637	425,143	312,758	104,922	185,508	285,784	333,187
Transportation	325	975	700	1,750	525	3,500	500	100	25	23,715
Leisure Time Activities	2,255,732	2,381,887	2,277,701	2,233,472	2,253,507	2,214,201	1,070,423	1,544,812	2,014,719	2,346,317
Community Development	225	325	175	350	175	575	23,976	16,475	266,845	39,728
Basic Utility Service	6,025	9,310	9,608	10,743	9,198	4,623	0	0	0	0
Operating Grants and Contributions:										
General Government	35,811	111,317	21,420	33,182	533,526	447,897	340,682	349,921	326,236	371,004
Security of Persons and Property	24,626	30,925	31,231	30,000	30,000	48,259	118,177	123,037	153,726	152,302
Public Health	0	0	0	0	0	0	300,951	96,599	110,448	300,360
Transportation	888,696	902,937	911,659	944,656	933,750	1,472,721	1,210,665	1,338,680	1,267,930	944,934
Leisure Time Activities	0	0	0	0	0	0	52,247	51,932	60,866	60,353
Basic Utility Service	83,952	85,407	91,485	91,166	91,011	105,370	110,491	109,009	152,738	126,707
Capital Grants and Contributions:										
General Government	3,579,488	512,763	551,723	536,375	57,969	127,470	57,558	540,462	871,825	466,390
Public Health	2,286	150,000	0	0	0	23,885	0	0	0	0
Transportation	0	0	0	0	2,318,717	0	0	0	0	0
Leisure Time Activities	0	0	0	0	45,000	135,934	0	0	0	741,455
Total Governmental Activities										
Program Revenues	10,933,669	7,841,909	7,833,782	7,844,435	10,107,125	8,424,622	6,077,056	7,256,980	8,800,561	9,359,231

(Continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

	2014 (a)	2015	2016	2017 (b)	2018	2019 (c)	2020 (d)	2021 (e)	2022	2023
Business-type activities:										
Charges for Services:										
Sanitary Sewer Charges	4,203,128	4,553,885	6,058,487	5,090,108	4,227,218	3,555,105	4,774,031	3,933,880	5,444,498	3,106,695
WWTP Charges	0	0	0	0	0	0	0	5,354,800	5,908,757	6,446,434
Operating Grants and Contributions:										
Sanitary Sewer Charges	0	0	0	0	0	0	7,350	0	0	0
WWTP Charges	0	0	0	0	0	0	0	0	0	32,417
Capital Grants and Contributions:										
WWTP Charges	0	0	0	0	0	0	0	53,147	43,064	0
Total Business-Type Activities										
Program Revenues	4,203,128	4,553,885	6,058,487	5,090,108	4,227,218	3,555,105	4,781,381	9,341,827	11,396,319	9,585,546
Total Primary Government Program Revenues	15,136,797	12,395,794	13,892,269	12,934,543	14,334,343	11,979,727	10,858,437	16,598,807	20,196,880	18,944,777
Expenses										
Governmental activities:										
General Government	5,668,787	5,591,132	6,005,870	7,176,860	7,358,241	7,503,253	5,945,207	4,221,559	5,302,844	7,450,678
Security of Persons and Property	9,306,477	9,391,822	11,044,627	10,765,969	12,094,504	1,251,659	11,537,760	9,240,258	10,795,308	13,408,515
Public Health	1,175,476	1,092,402	1,058,578	1,188,400	1,180,829	1,375,982	973,703	785,905	1,016,961	1,253,653
Transportation	3,754,446	4,005,442	2,898,876	3,783,233	4,011,387	4,240,707	4,944,098	3,997,359	4,074,902	4,762,234
Leisure Time Activities	3,174,829	3,497,102	4,276,788	4,419,638	4,494,796	5,376,837	4,048,562	3,235,764	4,058,109	5,575,544
Community Development	651,553	509,093	444,184	565,535	612,083	732,960	641,072	143,659	719,158	696,981
Basic Utility Services	1,516,591	1,941,569	1,832,793	2,257,068	2,512,750	2,804,059	2,646,377	2,386,630	2,201,024	2,596,381
Interest and Fiscal Charges	411,086	306,989	301,011	271,054	240,917	260,577	295,315	178,767	326,925	449,746
Total Governmental Activities										
Program Expenses	25,659,245	26,335,551	27,862,727	30,427,757	32,505,507	23,546,034	31,032,094	24,189,901	28,495,231	36,193,732

(Continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

	2014 (a)	2015	2016	2017 (b)	2018	2019 (c)	2020 (d)	2021 (e)	2022	2023
Expenses (Continued):										
Business-Type Activities:										
Sanitary Sewer Charges	3,862,901	3,965,030	4,822,410	4,622,700	4,651,116	3,797,859	4,413,526	3,072,260	5,481,191	4,582,317
WWTP Charges	0	0	0	0	0	0	0	4,845,791	5,340,268	9,368,764
Total Business-Type Activities										
Program Expenses	3,862,901	3,965,030	4,822,410	4,622,700	4,651,116	3,797,859	4,413,526	7,918,051	10,821,459	13,951,081
Total Primary Government										
Program Expenses	29,522,146	30,300,581	32,685,137	35,050,457	37,156,623	27,343,893	35,445,620	32,107,952	39,316,690	50,144,813
General Revenues:										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	\$ 3,765,359	\$ 3,756,030	\$ 4,146,236	\$ 4,146,550	\$ 4,173,148	\$ 4,789,888	\$ 4,894,812	\$ 4,963,035	\$ 5,875,726	\$ 5,868,896
Recreation	299,553	298,146	326,994	330,679	329,638	486,249	388,455	393,908	466,311	465,788
Office on Aging	299,553	298,146	326,994	330,679	329,638	400,753	388,456	393,908	466,311	465,788
Refuse and Recycling	599,103	596,288	653,990	661,359	659,328	716,011	776,961	787,772	932,660	931,573
Fire Levy	183,804	179,415	196,176	198,424	197,799	240,467	233,079	236,349	279,792	279,488
Police Levy	181,945	179,415	196,176	198,424	197,799	240,468	233,080	236,349	279,792	279,488
Capital Improvements	599,103	596,289	653,990	661,359	659,328	801,506	776,962	787,772	932,660	931,573
General Obligation Bond										
Retirement	599,103	596,289	653,990	595,231	593,369	625,173	606,039	613,533	888,667	605,513
Municipal Taxes Levied for										
General Purposes	10,246,564	13,304,985	14,444,530	14,194,524	14,836,850	15,937,337	15,282,615	18,109,512	22,282,517	22,321,912
Other Local Taxes	288,364	353,691	434,582	349,173	284,922	340,060	341,978	253,367	239,470	229,455
Grants and Entitlements not Restricted										
to Specific Programs	1,556,143	1,355,228	1,312,623	1,360,654	1,354,155	1,211,407	3,011,858	1,999,145	4,487,265	4,191,612
Investment Earnings	21,536	27,452	81,375	190,263	314,231	582,984	188,166	25,499	430,340	2,154,514
Gain on Sale of Asset	0	0	0	0	0	0	24,343	0	0	0
Other	400,006	354,523	240,281	184,060	118,851	243,034	2,648,055	406,483	213,324	491,853
Transfers	1,365,188	(65,538)	(2,000,000)	2,974,188	838,994	(174,640)	4,027,750	(121,683)	0	(908,770)
Total Governmental Activities										
General Revenues and										
Transfers	20,405,324	21,830,359	21,667,937	26,375,567	24,888,050	26,440,697	33,822,609	29,084,949	37,774,835	38,308,683

(Continued)

City of Rocky River, Ohio

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

Accrual Basis of Accounting

	2014 (a)	2015	2016	2017 (b)	2018	2019 (c)	2020 (d)	2021 (e)	2022	2023
General Revenues (Continued):										
Business-Type Activities:										
Municipal Taxes Levied for										
General Purposes	0	0	0	1,225,620	1,265,712	0	0	0	0	0
Investment Earnings	0	0	0	0	0	0	0	406	7,405	23,512
Other	0	0	0	0	0	0	0	49	0	0
Transfers	(1,365,188)	65,538	2,000,000	(2,974,188)	(838,994)	174,640	(4,027,750)	121,683	0	908,770
Total Business-Type Activities										
General Revenues and										
Transfers	(1,365,188)	65,538	2,000,000	(1,748,568)	426,718	174,640	(4,027,750)	122,138	7,405	932,282
Total General Revenues and Transfers	19,040,136	21,895,897	23,667,937	24,626,999	25,314,768	26,615,337	29,794,859	29,207,087	37,782,240	39,240,965
Change in Net Position:										
Governmental Activities	5,679,748	3,336,717	1,638,992	3,792,245	2,489,668	11,319,285	8,867,571	12,152,028	18,080,165	11,474,182
Business-Type Activities	(1,024,961)	654,393	3,236,077	(1,281,160)	2,820	(68,114)	(3,659,895)	1,545,914	582,265	(3,433,253)
Total Primary Government										
Change in Net Position	\$ 4,654,787	\$ 3,991,110	\$ 4,875,069	\$ 2,511,085	\$ 2,492,488	\$ 11,251,171	\$ 5,207,676	\$ 13,697,942	\$ 18,662,430	\$ 8,040,929

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

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

(c) During 2019 the City implemented a new accounting system. As a result, balances as of December 31, 2018 were reclassified in order to be comparative and provide an understanding of the changes in financial position and operations.

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

(e) Activity in 2021 includes the activity of the Wastewater Treatment Plant Fund as it was determined it should be reported as part of the City's business-type activities during 2022.

City of Rocky River, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	2014	2015	2016	2017	2018	2019	2020 (a)	2021	2022	2023
General Fund										
Nonspendable	\$ 41,608	\$ 60,058	\$ 68,794	\$ 308,225	\$ 308,225	\$ 376,504	\$ 530,433	\$ 504,742	\$ 649,452	\$ 491,163
Assigned	3,752,213	3,221,848	3,262,222	3,419,408	4,256,452	4,639,954	5,518,138	4,138,280	4,433,160	11,825,495
Unassigned	2,694,990	3,783,076	4,673,864	5,405,983	3,199,410	2,228,579	2,958,768	5,909,917	11,039,437	7,965,053
Total General Fund	6,488,811	7,064,982	8,004,880	9,133,616	7,764,087	7,245,037	9,007,339	10,552,939	16,122,049	20,281,711
All Other Governmental Funds										
Nonspendable	160,495	159,099	189,435	286,568	215,544	185,245	217,565	260,958	156,208	241,686
Restricted	6,608,029	7,485,009	7,879,652	8,449,837	11,054,725	11,189,835	13,406,671	11,359,592	17,146,312	16,880,189
Unassigned (Deficit)	(482,711)	(289,493)	(307,565)	(99,613)	(155,823)	(187,826)	(5,961,001)	(9,144,117)	0	(573)
Total All Other Governmental Funds	6,285,813	7,354,615	7,761,522	8,636,792	11,114,446	11,187,254	7,663,235	2,476,433	17,302,520	17,121,302
Total Governmental Funds	\$ 12,774,624	\$ 14,419,597	\$ 15,766,402	\$ 17,770,408	\$ 18,878,533	\$ 18,432,291	\$ 16,670,574	\$ 13,029,372	\$ 33,424,569	\$ 37,403,013

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

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City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

	2014	2015	2016	2017	2018	2019	2020 (a)	2021	2022	2023
Revenues										
Property Taxes	\$ 6,536,524	\$ 6,500,467	\$ 7,128,340	\$ 7,142,839	\$ 7,120,568	\$ 8,315,568	\$ 8,213,475	\$ 8,400,519	\$ 10,034,101	\$ 9,878,783
Municipal Income Taxes	10,194,101	13,075,238	14,535,231	13,823,124	13,780,979	16,363,652	15,799,630	17,878,179	21,652,530	22,604,905
Other Local Taxes	288,364	353,691	434,582	349,173	338,535	331,284	338,005	237,838	238,651	240,650
Intergovernmental	3,199,672	3,120,298	2,893,176	3,013,818	4,146,884	3,325,578	4,740,543	4,664,566	7,450,051	6,391,258
Charges for Services	2,835,023	2,744,317	2,622,330	2,580,736	2,669,154	2,534,035	1,581,425	2,133,310	2,810,105	3,142,441
Fines, Fees, and Permits	3,432,285	3,442,054	3,464,180	3,422,995	3,325,728	3,141,892	2,042,742	2,054,011	2,499,272	2,452,965
Special Assessments	53,920	54,353	51,032	109,868	49,031	46,191	43,877	44,770	41,813	43,503
Investment Income	21,536	11,173	61,366	226,551	287,335	540,808	242,010	40,313	379,387	1,907,587
Rentals	92,875	96,495	108,389	97,587	106,462	311,672	204,195	363,553	399,338	506,510
Contributions	0	0	0	0	0	0	248,709	44,667	49,582	240,007
Other	400,006	354,523	240,740	184,060	1,283,026	206,806	1,840,508	259,432	392,701	521,679
Total Revenues	27,054,306	29,752,609	31,539,366	30,950,751	33,107,702	35,117,486	35,295,119	36,121,158	45,947,531	47,930,288
Expenditures										
Current:										
General Government	4,972,508	5,210,524	5,835,805	5,060,314	5,755,323	5,786,451	5,240,390	5,668,018	5,938,219	6,222,396
Security of Persons and Property	9,180,199	8,992,682	9,213,697	9,663,674	10,032,250	10,239,172	10,260,705	10,659,411	10,802,654	11,270,279
Public Health	1,153,116	993,557	899,726	963,653	1,005,754	1,078,986	891,046	1,131,918	1,146,043	1,361,873
Transportation	1,963,888	2,080,847	2,046,662	2,233,537	2,485,655	2,365,064	2,734,230	2,976,672	2,925,849	3,166,977
Leisure Time Activities	3,159,934	3,314,950	3,368,485	3,430,564	3,538,637	3,724,746	2,935,211	3,431,399	3,596,164	4,120,077
Community Development	669,155	655,520	478,221	512,785	533,033	583,696	574,491	597,254	898,435	677,423
Basic Utility Services	1,511,655	1,551,473	1,389,284	1,646,872	1,846,102	1,968,209	2,016,470	2,032,988	2,104,126	2,137,147
Capital Outlay	2,081,172	4,225,764	3,434,268	3,460,696	5,493,418	8,034,350	12,051,883	11,790,055	6,711,828	12,141,107
Debt Service										
Principal	1,338,224	739,651	1,226,139	1,257,690	1,274,310	1,518,906	1,255,000	1,288,699	1,142,472	1,179,522
Interest	423,666	354,653	331,358	302,630	270,679	269,211	300,105	183,904	132,043	576,211
Issuance Costs	128,353	0	0	0	0	23,634	25,798	25,895	110,572	0
Total Expenditures	26,581,870	28,119,621	28,223,645	28,532,415	32,235,161	35,592,425	38,285,329	39,786,213	35,508,405	42,853,012
Excess of Revenues Over (Under) Expenditures	472,436	1,632,988	3,315,721	2,418,336	872,541	(474,939)	(2,990,210)	(3,665,055)	10,439,126	5,077,276

(Continued)

City of Rocky River, Ohio

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

Modified Accrual Basis of Accounting

	2014	2015	2016	2017	2018	2019	2020 (a)	2021	2022	2023
Other Financing Sources (Uses)										
Proceeds from Sale of										
Capital Assets	17,646	11,985	13	16,741	425	0	24,343	23,853	2,999	0
Inception of Lease	0	0	0	0	0	0	0	0	0	51,168
Issuance of Debt	9,180,000	0	0	0	191,433	32,732	0	0	9,890,000	0
Premium on General	592,633	0	0	0	0	39,691	0	0	63,072	0
Obligation Debt										
Payment to Escrow	(9,644,280)	0	0	0	0	0	0	0	0	0
Insurance Proceeds	0	0	0	0	0	0	744,453	0	0	0
Transfers - In	3,353,300	4,798,300	3,030,000	4,123,000	4,225,000	6,450,000	13,854,250	9,147,687	5,770,000	7,245,000
Transfers - Out	(3,353,300)	(4,798,300)	(5,030,000)	(4,523,000)	(4,225,000)	(6,450,000)	(13,854,250)	(9,147,687)	(5,770,000)	(8,395,000)
Total Other Financing Sources (Uses)	145,999	11,985	(1,999,987)	(383,259)	191,858	72,423	768,796	23,853	9,956,071	(1,098,832)
Net Change in Fund Balances	\$ 618,435	\$ 1,644,973	\$ 1,315,734	\$ 2,035,077	\$ 1,064,399	\$ (402,516)	\$ (2,221,414)	\$ (3,641,202)	\$ 20,395,197	\$ 3,978,444
Debt Service as a Percentage of Noncapital Expenditures	8.43%	4.36%	6.37%	5.82%	5.72%	6.38%	5.81%	5.14%	4.23%	5.49%

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

City of Rocky River, Ohio

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Tax Year/ Collection Year	Real Property		Public Utility Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2014/2015	\$ 680,005,610	\$ 1,942,873,171	\$ 8,706,580	\$ 9,893,841
2015/2016	737,074,070	2,105,925,914	8,855,180	10,062,704
2016/2017	740,435,050	2,115,528,714	9,372,340	10,650,386
2017/2018	740,455,520	2,115,587,200	10,034,290	11,402,602
2018/2019	868,272,810	2,480,779,457	10,407,290	11,826,466
2019/2020	873,425,980	2,495,502,800	11,113,510	12,628,989
2020/2021	874,056,390	2,497,303,971	11,827,610	13,440,466
2021/2022	1,032,536,380	2,950,103,943	12,582,710	14,298,534
2022/2023	1,040,145,310	2,971,843,743	13,689,300	15,556,023
2023/2024	1,044,594,890	2,984,556,828	14,078,760	15,998,591

(Continued)

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) This amount is calculated for 2013 through 2022 based on the following percentages:

Real property is assessed at 35 percent of actual value.

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

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

<u>Total</u>				
<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Ratio</u>	<u>Total Direct Rate (2)</u>	
\$ 688,712,190	\$ 1,952,767,012	35.26 %	\$ 10.90	
745,929,250	2,115,988,618	35.25	10.90	
749,807,390	2,126,179,100	35.26	10.90	
750,489,810	2,126,989,802	35.28	10.80	
878,680,100	2,492,605,923	35.25	10.80	
884,539,490	2,508,131,789	35.27	10.68	
885,884,000	2,510,744,437	35.28	10.68	
1,045,119,090	2,964,402,477	35.26	10.65	
1,053,834,610	2,987,399,766	35.28	10.65	
1,058,673,650	3,000,555,419	35.28	10.55	

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City of Rocky River, Ohio

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

Last Ten Years

Year	City of Rocky River					Rocky River School and Library	Cuyahoga County	Special(1) Taxing Districts	Total
	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Bond Service	Total				
2014	\$ 6.30	\$ 2.60	\$ 1.00	\$ 1.00	\$ 10.90	\$ 95.35	\$ 14.05	\$ 5.98	\$ 126.28
2015	6.30	2.60	1.00	1.00	10.90	95.35	14.05	6.88	127.18
2016	6.30	2.60	1.00	1.00	10.90	95.35	14.05	6.88	127.18
2017	6.30	2.60	1.00	0.90	10.80	95.35	14.05	6.88	127.08
2018	6.30	2.60	1.00	0.90	10.80	96.57	14.05	7.38	128.80
2019	6.30	2.60	1.00	0.78	10.68	97.47	14.05	7.78	129.98
2020	6.30	2.60	1.00	0.78	10.68	97.47	14.05	7.78	129.98
2021	6.30	2.60	1.00	0.78	10.68	97.37	14.85	7.78	130.68
2022	6.30	2.60	1.00	0.75	10.65	96.37	14.85	7.78	129.65
2023	6.30	2.60	1.00	0.65	10.55	101.27	14.85	7.78	134.45

Source: Cuyahoga County Fiscal Officer.

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

City of Rocky River, Ohio

Real Property Tax Levies and Collection

Last Ten Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Collections (1)</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Tax Collections</u>
2014	\$ 7,697,980	\$ 7,276,041	94.52%	\$ 148,083
2015	7,660,093	7,252,808	94.68	177,485
2016	8,312,742	7,978,215	95.98	147,000
2017	8,375,791	7,951,509	94.93	175,946
2018	8,365,542	7,959,064	95.14	144,404
2019	9,677,193	9,232,422	95.40	208,486
2020	9,669,190	9,163,801	94.77	165,626
2021	9,811,437	9,257,459	94.35	252,289
2022	11,556,775	10,829,922	93.71	307,425
2023	11,534,523	10,846,156	94.03	306,086

(Continued)

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

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

	<u>Total Tax Collections</u>	<u>Percent of Total Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent Delinquent Taxes to Tax Levy</u>
\$	7,424,124	96.44%	\$ 234,457	3.05%
	7,430,293	97.00	234,007	3.05
	8,125,215	97.74	260,215	3.13
	8,127,455	97.04	240,079	2.87
	8,103,468	96.87	259,559	3.10
	9,440,908	97.56	244,508	2.53
	9,329,427	96.49	328,869	3.40
	9,509,748	96.93	340,983	3.48
	11,137,347	96.37	428,802	3.71
	11,152,242	96.69	378,125	3.28

City of Rocky River, Ohio

Principal Taxpayers: Real Property and Public Utility Tax

As of December 31, 2023 and December 31, 2014

Name of Taxpayer	2023	
	Real Property and Public Utility Assessed Value	Percent of Total Assessed Value
Rocky River Apartments, LLC	\$ 12,075,000	1.14%
Cleveland Electric Illuminating Company	7,797,390	0.74
Normandy Association, LP & Normandy II, LP	7,603,770	0.72
Westwood Town Center	7,390,680	0.70
TIA Rocky River, LLC	5,600,010	0.53
SRK Perrysburg Associates, LLC	4,670,750	0.44
Presidential Apartments, LTD	4,200,000	0.40
20639 Center Ridge Road, LLC	3,872,580	0.37
Beachcliff Properties, LP	3,459,960	0.33
Westwood Country Club, Co.	3,277,160	0.31
<i>Total</i>	<u>\$ 59,947,300</u>	<u>5.68%</u>
<i>Total City Assessed Valuation</i>	<u>\$ 1,058,673,650</u>	
Name of Taxpayer	2014	
	Real Property and Public Utility Assessed Value	Percent of Total Assessed Value
Cleveland Illuminating Company	\$ 8,706,580	1.26
Westwood Town Center	7,007,250	1.02
Inland Westgate, LLC	5,074,130	0.74
Normandy Association, LP	4,987,510	0.72
Beachcliff Properties, LP	4,049,540	0.59
SRK Perrysburg Association, LLC	3,277,890	0.48
Westwood Country Club, Co.	3,221,050	0.47
Presidential Apartments, LTD.	2,773,120	0.40
Gross Management, Inc.	2,607,930	0.38
Linden Apartment Company	2,388,200	0.35
<i>Total</i>	<u>\$ 44,093,200</u>	<u>6.41%</u>
<i>Total City Assesed Valuation</i>	<u>\$ 688,712,190</u>	

Source: Cuyahoga County, Ohio; County Fiscal Officer

City of Rocky River, Ohio

Ratio of Outstanding Debt by Type

Last Ten Years

Fiscal Year	Governmental Activities			Business-Type		Total Primary Government	Percentage of Personal Income (1)	Percentage per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	OPWC Loan	OPWC Loan	OWDA Loan			
2014	\$ 11,790,949	\$ 390,000	\$ 0	\$ 8,700,960	\$ 224,202	\$ 21,106,111	3.01%	\$ 1,044.18
2015	11,061,896	350,000	0	9,264,658	132,247	20,808,801	2.97	1,029.48
2016	9,847,843	310,000	0	12,246,779	97,897	22,502,519	3.21	1,113.27
2017	8,603,790	270,000	0	13,154,483	75,080	22,103,353	3.15	1,093.52
2018	7,344,737	230,000	191,433	15,924,978	51,192	23,742,340	3.39	1,174.61
2019	6,050,684	190,000	224,165	15,649,778	26,183	22,140,810	4.12	1,429.32
2020	4,771,631	150,000	224,165	15,449,795	0	20,595,591	2.94	1,030.50
2021(a)	3,462,578	110,000	220,466	18,489,169	3,413,804	25,696,017	1.50	878.44
2022	12,256,601	70,000	212,994	20,302,064	4,312,913	37,154,572	2.83	1,707.86
2023	11,099,815	30,000	205,522	20,269,901	7,730,555	39,335,793	2.92	1,808.13

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

(1) See the schedule of Demographic and Economic Statistics on page S25 for personal income and population data.

(a) Balances as of December 31, 2021 were restated due to City's decision to include the Wastewater Treatment Plant Fund as business-type activities.

City of Rocky River, Ohio

Special Assessment Levies and Collections

Last Ten Years

<u>Year</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected(1)</u>	<u>Ratio of Collections to Amount Due</u>
2014	\$ 354,583	\$ 194,403	54.82%
2015	296,401	144,183	48.64
2016	342,452	215,899	63.05
2017	377,209	201,007	53.28
2018	300,109	274,260	91.39
2019	263,354	250,687	95.19
2020	299,494	269,898	90.12
2021	163,736	140,266	85.67
2022	103,416	97,577	94.35
2023	153,878	146,884	95.45

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

City of Rocky River, Ohio

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

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Net General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2014	20,213 (a)	\$ 10,921,564	\$ 688,712,190	1.59%	\$ 540.32
2015	20,213 (a)	10,117,827	745,929,250	1.36	500.56
2016	20,213 (a)	9,149,402	749,807,390	1.22	452.65
2017	20,213 (a)	8,062,911	750,489,810	1.07	398.9
2018	20,213 (a)	6,957,650	878,680,100	0.79	344.22
2019	19,986 (b)	12,532,702	884,539,490	1.41	620.03
2020	21,755 (c)	14,184,404	885,884,000	1.60	709.72
2021	21,755 (c)	2,455,038	1,045,119,090	0.23	112.85
2022	21,755 (c)	10,687,437	1,053,834,610	1.01	491.26
2023	21,755 (c)	9,674,224	1,058,673,650	0.91	444.69

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

(a) 2010 Federal Census

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

(c) 2020 Federal Census

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

City of Rocky River, Ohio

Computation of Legal Debt Margin

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021 (a)	2022	2023
Assessed valuation	\$ 688,712,190	\$ 745,929,250	\$ 749,807,390	\$ 750,489,810	\$ 878,680,100	\$ 884,539,490	\$ 885,884,000	\$ 1,045,119,090	\$ 1,053,834,610	\$ 1,058,673,650
Debt limit - 10% of Assessed Valuation	\$ 72,314,780	\$ 78,322,571	\$ 78,729,776	\$ 78,801,430	\$ 92,261,411	\$ 92,876,646	\$ 93,017,820	\$ 109,737,504	\$ 110,652,634	\$ 111,160,733
Gross Indebtedness	21,106,111	20,808,801	22,502,519	22,103,353	23,742,340	28,890,810	30,521,133	35,621,930	37,154,572	39,335,793
Less: Debt Outside Limitation										
Special Assessment Bond	(390,000)	(350,000)	(310,000)	(270,000)	(230,000)	(190,000)	(150,000)	(110,000)	(70,000)	(30,000)
OPWC Loans	(8,700,960)	(9,264,658)	(12,246,779)	(13,154,483)	(16,116,411)	(15,873,943)	(15,673,960)	(18,709,635)	(20,515,058)	(20,475,423)
OWDA Loans	(224,202)	(132,247)	(97,897)	(75,080)	(51,192)	(26,183)	0	(3,413,804)	(4,312,913)	(7,730,555)
Less: Amount Available in Debt Service Funds	(869,385)	(944,069)	(698,441)	(540,879)	(387,087)	(267,982)	(512,769)	(1,007,540)	(1,569,164)	(1,425,591)
Net Debt Within 10.5% Limitation	10,921,564	10,117,827	9,149,402	8,062,911	6,957,650	12,532,702	14,184,404	12,380,951	10,687,437	9,674,224
Legal Debt Margin	\$ 61,393,216	\$ 68,204,744	\$ 69,580,374	\$ 70,738,519	\$ 85,303,761	\$ 80,343,944	\$ 78,833,416	\$ 97,356,553	\$ 99,965,197	\$ 101,486,509
Debt Limit - 5.5% of Assessed Unvoted Value	\$ 37,879,170	\$ 41,026,109	\$ 41,239,406	\$ 41,276,940	\$ 48,327,406	\$ 48,649,672	\$ 48,723,620	\$ 57,481,550	\$ 57,960,904	\$ 58,227,051
Gross Indebtedness	21,106,111	20,808,801	22,502,519	22,103,353	23,742,340	28,890,810	30,521,133	35,621,930	37,154,572	39,335,793
Less: Debt Outside Limitation	(14,699,605)	(14,663,904)	(17,084,231)	(17,426,674)	(19,812,270)	(18,977,349)	(18,168,739)	(24,015,774)	(26,107,862)	(28,877,764)
Less: Amount Available in Debt Service Funds Related to Related to Unvoted Debt	(869,385)	(944,069)	(619,941)	(463,472)	(307,739)	(188,634)	(264,828)	(297,482)	(224,222)	(162,122)
Net Debt Within 5.5% Limitation	5,537,121	5,200,828	4,798,347	4,213,207	3,622,331	9,724,827	12,087,566	11,308,674	10,822,488	10,295,907
Unvoted Debt Margin	\$ 32,342,049	\$ 35,825,281	\$ 36,441,059	\$ 37,063,733	\$ 44,705,075	\$ 38,924,845	\$ 36,636,054	\$ 46,172,876	\$ 47,138,416	\$ 47,931,144

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

(a) Balances as of December 31, 2021 were restated due to City's decision to include the Wastewater Treatment Plant Fund as business-type activities.

City of Rocky River, Ohio

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2023

	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City of Rocky River</u>
<u>Direct:</u>			
General Obligation Bonds	\$ 11,099,815	100.00%	\$ 11,099,815
Special Assessment Bonds	30,000	100.00	30,000
OPWC Loans	<u>205,522</u>	100.00	<u>205,522</u>
Total Direct Debt	<u>11,335,337</u>		<u>11,335,337</u>
<u>Overlapping:</u>			
Cuyahoga County	228,740,000	2.99	6,846,314
Cuyahoga Community College	183,840,000	2.99	5,502,432
Rocky River School District	<u>49,844,901</u>	95.10	<u>47,404,155</u>
Total Overlapping	<u>462,424,901</u>		<u>59,752,901</u>
Total	<u>\$ 473,760,238</u>		<u>\$ 71,088,238</u>

Source: Cuyahoga County Fiscal Officer

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

City of Rocky River, Ohio

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

Last Ten Years

<u>Year</u>	<u>Debt Service</u>	<u>General Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2014	\$ 1,761,890	\$ 26,581,870	6.63%
2015	1,094,304	28,119,621	3.89
2016	1,557,497	28,223,645	5.52
2017	1,560,320	28,532,415	5.47
2018	1,544,989	32,235,161	4.79
2019	1,788,117	35,592,425	5.02
2020	1,555,105	35,592,425	4.06
2021	1,472,603	38,285,329	3.85
2022	1,274,515	35,508,405	3.59
2023	1,755,733	42,853,012	3.59

Source: City Financial Records

City of Rocky River, Ohio

Principal Employers

Current Year and Ten Years Ago

2023		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
City of Rocky River	601	4.2%
Rocky River Board of Education	528	3.7
Whole Foods Market Group, Inc.	376	2.6
Normandy Manor of Rocky River	373	2.6
Westwood Country Club Co.	335	2.3
Group Management Services Inc	321	2.2
Cleveland Yacht Club Inc.	296	2.1
The Cleveland Clinic Foundation	275	1.9
Magnificat High School	270	1.9
Riser Foods Co.	270	1.9
Total	<u>3,645</u>	<u>25.4%</u>
Total City Employment	<u>14,333</u>	
2014		
<u>Name of Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
City of Rocky River	641	4.3%
Rocky River Board of Education	567	3.8
Risers Foods Co.	282	1.9
Westwood Country Club Co.	248	1.7
Cleveland Yacht Club Inc.	247	1.7
Marc Glassman Inc.	233	1.6
Magnificat High School	213	1.4
JP Recovery Services Inc.	211	1.4
Lowe's Home Center	206	1.4
CRS Marketing Services, Inc.	198	1.3
Total	<u>3,046</u>	<u>20.5%</u>
Total City Employment	<u>14,848</u>	

Source: Regional Income Tax Agency (RITA) and Central Collection Agency (CCA). Total City employment based upon the estimated number of W-2's filed with RITA in 2022 and CCA in 2013.

City of Rocky River, Ohio

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Household Income(1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Cuyahoga County (4)</u>
2014	20,213 a	\$ 700,643,219	\$ 34,663	\$ 51,636	2,693	6.40%
2015	20,213 a	700,643,219	34,663	51,636	2,763	4.00
2016	20,213 a	700,643,219	34,663	51,636	2,741	5.30
2017	20,213 a	700,643,219	34,663	51,636	2,672	4.80
2018	20,213 a	700,643,219	34,663	51,636	2,698	4.20
2019	20,213 a	700,643,219	34,663	51,636	2,743	3.60
2020	19,986 b	700,643,219	34,663	74,950 b	2,744	8.30
2021	21,755 c	1,272,167,135	58,477	81,370 c	2,623	4.90
2022	21,755 d	1,315,046,240	60,448	83,929 d	2,683	3.60
2023	21,755 d	1,346,772,475	61,906	90,459 d	2,644	3.20

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

(a) 2010 Federal Census

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

(c) 2020 Federal Census, interterm

(d) 2020 Federal Census, final

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

(3) Rocky River Board of Education

(4) Ohio Department of Job and Family Services

City of Rocky River, Ohio

Property Value and Construction

Last Ten Years

Year	Property Value (1)			Residential (2)		Commercial (2)	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
2014	\$ 292,850,428	\$ 1,650,022,742	\$ 1,942,873,170	13	\$ 3,896,800	3	\$ 8,840,000
2015	295,212,286	1,810,713,628	2,105,925,914	12	5,625,350	0	0
2016	299,519,886	1,816,008,828	2,115,528,714	4	3,119,000	1	1,366,000
2017	296,106,258	1,819,480,942	2,115,587,200	14	6,070,000	1	830,000
2018	316,789,914	2,163,989,543	2,480,779,457	12	7,675,000	0	0
2019	324,894,600	2,170,608,200	2,495,502,800	7	5,285,500	1	1,300,000
2020	326,878,828	2,170,425,143	2,497,303,971	4	3,140,000	3	28,400,000
2021	360,110,486	2,589,993,457	2,950,103,943	10	4,914,665	0	0
2022	381,573,971	2,590,269,771	2,971,843,742	6	6,175,000	0	0
2023	368,837,771	2,615,719,057	2,984,556,828	3	5,710,000	1	2,500,000

Sources: Cuyahoga County, Ohio - County Fiscal Officer; City Building Department

(1) Represents total estimated market value of real property, obtained from the County Fiscal Officer.

(2) Number of units (single and multi-family) include new construction only. Obtained information from City Building Department.

City of Rocky River, Ohio

Full-time Employees by Function/Program

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fuction/Program										
General Government:										
Mayor	2	2	2	2	2	2	2	2	2	2
Finance Department	3	3	3	3	3	3	4	3	4	4
Building Maintenance	5	5	5	6	6	6	6	6	6	6
Human Resources	1	1	1	1	1	2	2	2	3	1
Municipal Courts	25	25	24	26	26	26	26	25	25	26
Building	6	4	4	4	4	4	4	4	4	4
Information Technology	0	0	0	0	0	0	0	0	0	2
Security of Persons and Property:										
Police Department	34	37	37	37	38	37	37	37	35	39
Fire Department	30	30	30	29	30	30	30	30	30	30
Safety Service Director	2	2	3	3	3	3	3	3	3	3
Traffic Signal	2	3	3	3	3	3	3	3	3	3
Transportation:										
Equipment Repair and Garage	7	7	7	7	7	7	6	7	7	7
Street Repair and Maintenance	10	10	10	11	9	10	10	10	10	10
Leisure Time Activities:										
Parks	3	3	3	5	5	6	7	6	6	6
Recreation Center	14	14	14	12	13	12	12	12	14	15
Community Development:										
Economic Development	0	0	0	0	0	0	0	0	0	0
Public Health:										
Office on Aging	5	5	5	6	5	6	7	7	6	7
Basic Utilities Services:										
Refuse and Recycling	13	12	11	15	15	15	15	13	15	15
Total Governmental Activities:	<u>162</u>	<u>163</u>	<u>162</u>	<u>170</u>	<u>170</u>	<u>172</u>	<u>174</u>	<u>170</u>	<u>173</u>	<u>180</u>
Sanitary Sewer	6	7	8	9	10	10	10	9	9	9
WWTP	0	0	0	0	0	0	0	18	19	18
Total Business-Type Activities:	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>27</u>	<u>28</u>	<u>27</u>
Total Primary Government:	<u>168</u>	<u>170</u>	<u>170</u>	<u>179</u>	<u>180</u>	<u>182</u>	<u>184</u>	<u>197</u>	<u>201</u>	<u>207</u>

Source: City Records

City of Rocky River, Ohio

Operating Indicators by Function/Program

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Council:										
Total Ordinances/Resolutions:										
Introduced	101	91	83	90	88	103	105	105	87	84
Passed on 1st Reading	11	9	3	1	0	1	8	3	1	1
Passed on 2nd Reading	8	10	7	5	2	7	21	5	10	1
Passed on 3rd Reading	82	65	73	82	81	95	74	98	76	73
Tabled/Postponed	1	2	1	2	1	0	2	2	0	0
Passed with Emergency Provision	91	58	61	46	52	66	69	60	61	60
Building Department:										
New Single Family Home Permits	13	12	4	14	12	7	4	10	6	6
Commercial Building/Structures										
New	3	0	1	1	0	1	3	0	0	0
Additions	20	25	25	27	N/A	N/A	8	2	N/A	N/A
Increase in Dwelling Units	17	9	1	12	N/A	N/A	4	4	N/A	N/A
Total Receipts – Building Permits	\$ 461,583	\$ 305,143	\$ 286,553	\$ 395,181	\$ 342,746	\$ 423,746	\$ 423,604	\$ 458,795	\$ 647,772	\$ 647,772
Municipal Court:										
Jurisdiction Population	118,137	118,137	118,137	118,137	118,137	115,538	114,714	121,879	121,879	121,879
Case Filed:										
Criminal/Traffic	13,735	13,005	13,931	11,394	11,274	9,922	6,699	6,663	7,424	7,275
Civil/Small Claims	2,391	2,126	2,364	2,729	2,777	2,969	1,963	2,211	2,272	2,367

(Continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Security of Persons and Property:										
Police Protection:										
Motor Vehicle Accidents	605	596	625	629	672	561	435	509	509	568
BAC Licensed Operators	17	17	17	19	N/A	N/A	N/A	24	24	N/A
Community Diversion Cases	N/A	N/A	N/A	50	46	40	42	N/A	N/A	N/A
Marine Patrol Boat Hours	516	652	534	569	634	698	614	819	819	836
Total Prisoners	816	771	841	739	646	517	149	123	123	296
Fire Protection:										
Emergency Responses:										
Building Fire Calls	33	38	30	30	19	18	32	20	21	16
Emergency Medical Care	2,173	2,403	2,380	2,437	2,469	2,299	2,163	2,497	2,721	2,693
System Tests Witnessed:										
Commercial Kitchen	24	38	16	28	13	5	5	10	14	4
Sprinkler / Standpipe	64	31	14	29	20	5	5	16	19	17
Fire Alarm	24	30	10	26	11	3	6	9	21	14
General Inspections for Licensure	53	103	84	75	53	102	139	195	198	175
Public Health Services:										
Senior Center:										
Volunteers	167	180	130	100	128	103	75	59	100	75
Volunteer Hours	13,000	15,000	15,000	9,400	15,000	15,000	2,037	1,930	3,072	4,402
Senior Transportation Trips	6,897	6,761	6,854	6,927	8,679	8,898	4,053	5,563	5,958	6,662
Lunches Served	N/A	N/A	13,000	13,000	14,000	12,000	2,146	2,182	5,482	7,990
Gift Shop Sales	\$ 49,553	\$ 42,343	\$ 44,688	\$ 37,178	\$ 35,179	\$ 30,754	\$ 4,662	\$ 10,245	\$ 12,974	\$ 14,015
Transportation:										
Safety Service:										
Snowfall in Inches [1]	84.2	20.9	24.3	53.1	24.2	26.6	42.4	43.4	11.1	23.0
Rock Salt Purchased (tons)	3,300	3,300	2,600	3,500	2,825	2,500	3,150	3,130	3,100	1,900
Cold Patch Purchased (tons)	327	355	233	163	206	200	145	158	N/A	150
Trees Planted	62	82	55	121	119	239	264	173	208	N/A
Trees Removed	59	82	75	54	55	126	45	86	78	57

(Continued)

City of Rocky River, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Leisure Time Activities:										
Recreation Center:										
Summer Camp – Recreation [2]	342	351	368	355	324	845	0	906	991	791
Summer Camp – Sports	581	651	579	451	454	N/A	0	0	132	106
Summer Sunset Concerts	8	8	9	8	10	10	4	6	8	N/A
Outdoor Pool Attendance	18,144	37,309	34,062	24,467	9,497	16,594	10,835	10,712	25,076	24,089
Hockey Spectator Admissions	2,210	2,160	2,262	2,450	2,950	2,322	1,519	1,080	3,183	2,342
Learn-to-Skate Participants	N/A	2,962	N/A	N/A	N/A	1,436	945	1,124	1,237	1,289
Swim Team Participants	128	140	129	125	128	169	N/A	81	94	96
Basic Utilities Service:										
Refuse Collection:										
Refuse Truck Collections (tons)	8,114	7,519	7,354	7,485	7,613	7,831	9,095	8,888	8,497	8,686
Blue Bag Collections (tons)	968	928	1,019	1,013	975	843	403	191	172	145
Leaf Collections (tons)	1,434	1,149	1,252	859	1,828	1,164	974	792	856	1,173
Cardboard Collections (tons) [3]	128	136	116	117	105	106	100	247	271	206
Sanitary Sewer:										
Quantity and Strength Percent of										
Wastewater Treatment Plant	25.31	25.31	25.31	25.31	24.11	24.11	24.11	23.12	23.12	23.12
Total Gallons Treated (millions)	5,516	5,189	4,935	4,631	5,400	5,016	5,460	4,740	4,880	5,240
Average Daily Flow										
(millions gallons)	15,110	14,220	13,020	13,370	14,940	13,740	14,730	13,010	13,440	14,330

Source: City Records

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

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

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

N/A – Information is not available

City of Rocky River, Ohio

Capital Asset Statistics by Function/Program

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Other Departmental Vehicles	10	9	9	9	9	10	10	10	10	10
Square Footage of Building	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370	44,370
Miles of Storm Sewer	90	90	90	90	90	90	90	90	90	90
Security of Persons and Property:										
Police Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	23	26	26	26	26	26	26	26	26	32
Marine Patrol Boat	1	1	1	1	1	1	1	1	1	1
Canine Unit(s)	2	2	2	2	2	2	1	1	1	1
Square Footage of Police Station	9,672	9,672	9,672	9,672	9,672	*	*	36,729	36,729	36,729
Number of Street Lights	1,813	1,813	1,813	1,805	1,805	1,805	1,805	1,805	1,802	1,802
Fire Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	10	9	9	9	8	9	9	9	9	10
Square Footage of Fire Station	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088	10,088
Number of Fire Hydrants	1,041	1,016	1,016	1,016	1,016	1,037	1,037	1,037	1,016	1,016
Public Health Services:										
Senior Transportation:										
Number of Vehicles	5	5	5	5	5	7	7	7	4	4
Square Footage of Senior Center	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012	20,012
Transportation:										
Number of Vehicles	31	31	31	31	31	32	32	32	32	33
Square Footage of Service Building	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198	52,198
Miles of Streets	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49	60.49

City of Rocky River, Ohio

Capital Asset Statistics by Function/Program (continued)

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Leisure Time Activities:										
Recreation and Culture:										
Number of Parks	9	9	9	9	9	9	9	9	9	9
Acres of Parks	106	106	106	106	106	106	106	106	106	106
Number of Vehicles	10	12	12	12	12	12	12	12	12	14
Square Footage of Recreation										
Facilities	81,379	81,379	81,379	81,379	81,379	81,379	81,379	81,379	81,379	81,379
Miles of Shoreline	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Basic Utilities Service:										
Refuse Collection:										
Refuse Vehicles	24	22	22	22	22	19	19	19	19	20
Transit Scooters	10	11	11	11	11	13	13	13	13	15
Transfer Station	1	1	1	1	1	1	1	1	1	1
Sewers:										
Miles of Sanitary Sewers	90	90	90	90	90	90	90	90	90	90
Number of Vehicles	8	8	8	8	8	10	10	10	10	12
Number of Sanitary Sewer										
Accounts	6,840	6,840	6,893	6,854	6,878	6,881	6,876	6,902	6,923	6,915

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

Source: City Records

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

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

Zupka & Associates
Certified Public Accountants

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	Under Separate Cover
Annual Comprehensive Financial Report	Under Separate Cover
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>	1-2
Schedule of Prior Year Audit Findings and Recommendations	3

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

To the Members of City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky River, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 1, 2024, wherein we noted it was determined that only the City's undivided interest in the Rocky River Wastewater Treatment Plant capital assets should be reported within the City's financial statements. These changes resulted in a restatement of net position as of December 31, 2022.

Report on Internal Control Over Financial Reporting

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

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

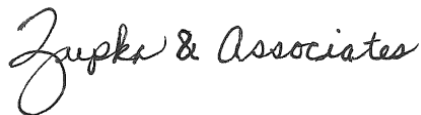
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Zupka & Associates
Certified Public Accountants

July 1, 2024

**CITY OF ROCKY RIVER
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

The prior issued audit report, as of December 31, 2022, included no findings. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

OHIO AUDITOR OF STATE KEITH FABER



CITY OF ROCKY RIVER

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/13/2024

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