

**Ratings: Fitch: AA-
S&P: AA (BAM Insured)**

NEW ISSUE BOOK-ENTRY FORM ONLY

See “RATINGS” and “BOND INSURANCE” herein

In the opinion of Bricker Graydon LLP, Bond Counsel, under existing law assuming continuing compliance with certain covenants and the accuracy of certain representations, (i) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax under the Code; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Internal Revenue Code of 1986, as amended, and (ii) interest on the Bonds and any profit made on the sale, exchange or other disposition of the Bonds, are exempt from certain taxes levied by the State of Ohio and its political subdivisions. The City has not designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Interest on the Bonds may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the Bonds. For a more complete discussion of the tax aspects, see “TAX MATTERS” herein.

OFFICIAL STATEMENT

**\$14,000,000
CITY OF PARMA, OHIO
CAPITAL IMPROVEMENT BONDS, SERIES 2024
(GENERAL OBLIGATION – LIMITED TAX)**

Dated: Date of Delivery

Due: As shown on the inside cover herein

The above-captioned bonds (the “Bonds”) will be unvoted general obligations of the City of Parma, Ohio (the “City”) issued for the purposes described herein. See “THE BONDS – Authorization and Purpose” herein. The full faith, credit and revenue of the City are irrevocably pledged for the prompt payment of the principal and interest on the Bonds. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE CITY’S GENERAL OBLIGATION DEBT” herein. Terms used herein with initial capitalization where the rules of grammar would not otherwise so require and not defined have the meanings given to them under “DEFINITIONS” herein.

Interest on the Bonds will be payable semiannually on June 1 and December 1 of each year, commencing December 1, 2024.

Principal of and interest on the Bonds will be payable at maturity in federal funds at the designated office of The Bank of New York Mellon Trust Company, N.A., as registrar, paying agent and transfer agent for the Bonds.

The Bonds are issuable as fully registered obligations in denominations of \$5,000 and integral multiples thereof and, when issued, will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the Bonds will be made in book-entry only form. Purchasers of beneficial interests (“Beneficial Owners”) will not receive certificates representing their interests in the Bonds. So long as the Bonds of an issue are registered in the name of Cede & Co., as nominee of DTC, references herein to the owners shall mean Cede & Co. and shall not mean the Beneficial Owners of that issue of Bonds. See “BOOK-ENTRY ONLY SYSTEM” herein.

The Bonds are subject to optional redemption prior to their stated maturity, as set forth herein. The Bonds maturing on December 1, 2038, December 1, 2041, December 1, 2044, December 1, 2049, December 1, 2054 will be subject to mandatory sinking fund redemption prior to stated maturity as set forth herein. See “THE BONDS – Redemption Provisions” herein.

The scheduled payment of the principal of and interest on the Bonds when due will be guaranteed by a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company (the “Bond Insurer”).



The Bonds are offered when, as and if issued and received by the Underwriter identified herein (see “UNDERWRITING” herein), subject to prior sale and to the approval of certain legal matters by Bricker Graydon LLP, Bond Counsel, and certain other conditions. See “LEGAL MATTERS” and “TAX MATTERS” herein.

This Cover contains certain information for general reference only. It is not a summary of the provisions of the Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement has been prepared by the City of Parma in connection with the original offering for sale by it of the Bonds. It is expected that delivery of the Bonds in definitive form will be made through DTC on or about July 11, 2024. The date of this Official Statement is June 27, 2024, and the information herein speaks only as of that date.

RAYMOND JAMES®

\$14,000,000
CITY OF PARMA, OHIO
CAPITAL IMPROVEMENT BONDS, SERIES 2024
(GENERAL OBLIGATION – LIMITED TAX)

Maturity Date (December 1)	Principal Maturing	Interest Rate	Price	CUSIP ¹
2025	\$25,000	5.000%	102.354	701723 SX7
2026	230,000	5.000	104.057	701723 SY5
2027	240,000	5.000	105.800	701723 SZ2
2028	250,000	5.000	107.354	701723 TA6
2029	265,000	5.000	108.893	701723 TB4
2030	280,000	5.000	110.201	701723 TC2
2031	290,000	5.000	110.720	701723 TD0
2032	305,000	5.000	110.655	701723 TE8
2033	320,000	5.000	110.590	701723 TF5
2034	340,000	5.000	110.460	701723 TG3
2035	355,000	5.000	110.007	701723 TH1

**\$1,170,000 5.000% TERM BONDS MATURING DECEMBER 1, 2038,
PRICE 108.788%, CUSIP¹ 701723 TJ7**

**\$1,355,000 5.000% TERM BONDS MATURING DECEMBER 1, 2041,
PRICE 107.397%, CUSIP¹ 701723 TK4**

**\$1,575,000 5.000% TERM BONDS MATURING DECEMBER 1, 2044,
PRICE 106.460%, CUSIP¹ 701723 TL2**

**\$3,135,000 4.250% TERM BONDS MATURING DECEMBER 1, 2049,
PRICE 98.619%, CUSIP¹ 701723 TM0**

**\$3,865,000 4.250% TERM BONDS MATURING DECEMBER 1, 2054,
PRICE 97.168%, CUSIP¹ 701723 TN8**

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\$14,000,000
CITY OF PARMA, OHIO
CAPITAL IMPROVEMENT BONDS, SERIES 2024
(GENERAL OBLIGATION – LIMITED TAX)

City Council

Vito Dipierro
President

Deborah Lime
President Pro Tempore

Monica Wilson
Member

Mark Casselberry
Member

Kelly Zacharias
Member

Allan Divis
Member

Kevin Kussmaul
Member

Kammy Coyle Shuman
Member

Amanda Boyd
Member

Rob Euerle
Member

City Administration

Timothy DeGeeter, Mayor

Brian Day, Auditor

Thomas Mastroianni, Treasurer

Scott Tuma, Director of Law

Professional Services

Raymond James & Associates, Inc., Underwriter

Bricker Graydon LLP, Bond Counsel

The Bank of New York Mellon Trust Company, N.A., Paying Agent/Bond Registrar

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the City of Parma, Ohio, (the “City”) identified on the Cover hereof. No person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the City. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth herein has been obtained from the City and other sources that are believed to be reliable for purposes of this Official Statement. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions or that they will be realized. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. In accordance with Section (f)(3) of the Rule, the City may provide additional or updated financial information and/or operating data about the City in a document or documents filed on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) website, and any such documents are hereby included by specific reference through the date that the Bonds are delivered to DTC.

Certain information located at websites referred to herein has been prepared by the respective entities responsible for maintaining such websites. The City takes no responsibility for the continued accuracy of any internet address or the accuracy, completeness, or timeliness of any information posted at any such address. In the absence of an express statement to the contrary, none of such information is incorporated herein by reference.

The CUSIP data on the Cover has been provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association (“ABA”) by FactSet Research Systems Inc. CUSIP is a registered trademark of the ABA. The CUSIP data is being provided solely for the convenience of the owners of the Bonds and only at the time of issuance of the Bonds. The City, Bond Counsel, and the Underwriter are not responsible for the selection or use of these CUSIP numbers and make no representation with respect to such data or undertake any responsibility for its accuracy now or at any time in the future. CUSIP numbers are subject to being changed after the issuance of the Bonds as a result of subsequent actions and events.

Certain information in this Official Statement is attributed to the Ohio Municipal Advisory Council (“OMAC”). OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guarantee its accuracy. OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

Build America Mutual Assurance Company (the “Bond Insurer”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer, supplied by the Bond Insurer and presented under the heading “BOND INSURANCE” and “APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY”.

Raymond James & Associates, Inc. (the “Underwriter”) has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE CITY UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAW OF ANY STATE, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS ANY OTHER FEDERAL, STATE, MUNICIPAL OR OTHER GOVERNMENTAL ENTITY OR AGENCY, EXCEPT THE CITY, PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE BONDS FOR SALE. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF, THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER AND/OR YIELDS HIGHER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

INVESTMENT CONSIDERATIONS

General

The Bonds, like other obligations of state and local governments, are subject to changes in value due to changes in the condition of the market for tax-exempt obligations or changes in the financial position of the City.

It is possible under certain market conditions, or if the financial condition of the City should change, that the market price of the Bonds could be adversely affected. With regard to the risk involved in a downward revision or withdrawal of the rating for the Bonds shown on the Cover hereof, see “RATINGS” herein.

With regard to the risk involved in a loss of the exclusion from gross income for purposes of federal income taxation of interest payable on the Bonds, see “TAX MATTERS” herein.

Prospective purchasers of the Bonds should consult their own tax advisors prior to any purchase of the Bonds as to the impact of the Internal Revenue Code of 1986, as amended, upon their acquisition, holding or disposition of the Bonds.

Prepayments of Principal

The Bonds allow the City to prepay certain maturities of the principal of the Bonds without penalty. See “THE BONDS – Redemption Provisions – Optional Redemption” herein. If such Bonds were to be prepaid before scheduled maturity, the investor would not receive the anticipated yield through the scheduled maturity date. In such a prepayment situation there is no guarantee that the investor could reinvest the proceeds and receive a comparable yield for the period remaining until the scheduled maturity of such Bonds. The investor, therefore, may receive a lower total return for the period beginning on the date of purchase through the scheduled date of maturity than anticipated.

Investment Suitability of Tax-Exempt Bonds

A primary test of the suitability of a tax-exempt obligation for an individual investor is a comparison of the yield the investor would have to earn on a taxable obligation to equal a tax-exempt yield in his or her income tax bracket. Individuals should consult with brokers or qualified financial or tax advisors to determine the taxable equivalent yield they could expect given their particular tax circumstances.

Litigation Potentially Affecting Municipal Income Taxes

During the COVID-19 pandemic, the Ohio General Assembly passed legislation that (among other things) temporarily modified several state statutes dealing with income tax matters including municipal income tax matters to address a widespread shift in work locations to maintain consistency in municipal income tax revenues, which provided that for a limited time, Ohio employees would be taxed by the municipality that was their “principal place of work,” rather than by the municipality where they actually performed the work, including when that work was performed from the employee’s home. That temporary uncodified law was implemented in Section 29 of House Bill 197 of the 133rd General Assembly (“H.B. 197”).

On July 11, 2020, a complaint, the *Buckeye Institute, et al. v. Megan Kilgore, Columbus City Auditor, et al.*, Franklin C. P. No. 20CV004301, was filed with the Franklin County Court of Common Pleas naming as defendant the City Auditor and the Ohio Attorney General in a declaratory judgment action seeking a declaration that H.B. 197 was an unconstitutional violation of due process rights as secured by the Fifth and Fourteenth Amendments to the U.S. Constitution, as well as Art. I, Sec. 1 of the Ohio Constitution. The Franklin County Court of Common Pleas granted the City Auditor’s motion to dismiss the original Buckeye Institute’s lawsuit in April 2021 finding that the General Assembly acted within its constitutional power when enacting Section 29 of H.B. 197. Thereafter, the Buckeye Institute appealed the court’s decision to the Tenth District Court of Appeals, Franklin No. 20AP193. On November 30, 2021, the Tenth District Court of Appeals upheld the trial court’s decision finding that the General Assembly acted constitutionally in enacting Section 29 of H.B. 197. In early 2022, the Buckeye Institute filed a jurisdictional appeal with the Ohio Supreme Court seeking reversal of the Tenth District Court of Appeals decision. On March 29, 2022, the Ohio Supreme Court declined to accept the jurisdictional appeal in the case, effectively ending that case.

On June 7, 2022, the Ohio Supreme Court did accept for review the jurisdictional appeal in another case, *Schaad v. Alder*, Case No. 2022-0316, another Buckeye Institute challenge to Ohio’s pandemic-based policies, which was filed in the Hamilton County Common Pleas Court against the City of Cincinnati. The plaintiff in the *Schaad* case was seeking an income tax refund from the City of Cincinnati for the period he

worked outside the city during the limited period of time for which H.B. 197 applied. The core issue in *Schaad* was essentially the same as that presented in the *Buckeye Institute v. Kilgore, et. al.* case. On February 14, 2024, the Ohio Supreme Court affirmed the decision of the lower court in *Schaad* and held that the General Assembly acted within its constitutional power when it enacted Section 29 of H.B. 197 that required Ohio residents to pay taxes to the municipality where the employee’s principal place of work was located rather than the municipality where the employee actually worked. Therefore, income taxes collected in 2020 were not required to be refunded by the City of Cincinnati to the plaintiff.

The City does not expect the results of any of the outstanding cases relating to H.B. 197 to have a material adverse impact on the City’s municipal income tax collections or refunds.

Market for the Bonds

Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to make a market in the Bonds. There is presently no assurance that a secondary market for the Bonds will develop or, if developed, will not be disrupted by events including, but not limited to, the current pandemic associated with the COVID-19 virus (See “CORONAVIRUS (COVID-19)”). Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes.

BOND ISSUE SUMMARY

The information contained in this Bond Issue Summary is qualified in its entirety by the entire Official Statement, which should be reviewed in its entirety by potential investors.

City:	City of Parma, Ohio (the “City”)
Issue:	\$14,000,000 Capital Improvement Bonds, Series 2024 (the “Bonds”)
Dated Date:	Date of Delivery
Interest Payment Dates:	Interest on the Bonds will be paid each June 1 and December 1, commencing December 1, 2024.
Maturity Dates:	<u>Serial Bonds</u> : December 1, 2025 through December 1, 2035, inclusive <u>Term Bonds</u> : December 1, 2038; December 1, 2041; December 1, 2044; December 1, 2049; and December 1, 2054.
Redemption:	<p>The Bonds maturing on or after December 1, 2031 are subject to redemption at the option of the City, either in whole or in part, in such order of maturity as the City shall determine, on any date on or after June 1, 2031, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption. See “THE BONDS – Redemption Provisions” herein.</p> <p>The Bonds maturing on December 1, 2038, December 1, 2041, December 1, 2044, December 1, 2049, and December 1, 2054 are subject to mandatory sinking fund redemption prior to stated maturity. See “THE BONDS – Redemption Provisions – Mandatory Sinking Fund Redemption.”</p>
Purpose:	The Bonds are limited tax general obligation bonds issued for the purpose of improving the municipal golf course, including constructing a clubhouse and event center and furnishing and equipping the same; together with site improvements and all necessary appurtenances thereto. See “THE BONDS – Authorization and Purpose” herein.
Security:	The Bonds will be unvoted general obligations of the City and will contain a pledge of the full faith and credit of the City for the payment of the principal of and interest on the Bonds when due. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE CITY’S GENERAL OBLIGATION DEBT” herein.
Credit Ratings:	The City has applied for a rating on the Bonds from S&P Global Ratings, a division of S&P Global Inc. (“S&P”), which has rated the Bonds “AA,” on the understanding that the Bonds will be insured by the Bond Insurer upon their issuance. The Bonds also have an underlying rating of “AA-” from Fitch Ratings, Inc. (See “RATINGS” and “BOND INSURANCE” herein.)
Bond Insurance:	The Bonds will be secured by a municipal insurance policy, to be issued on the date of delivery of the Bonds, securing the payment, when due, of the principal of and interest on the Bonds. (See “BOND INSURANCE” herein.)
Tax Matters:	In the opinion of Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax under the Internal Revenue Code of 1986, as amended; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code, and (ii) interest on and any profit made on the sale, exchange or other disposition of the Bonds is exempt from certain taxes levied by the State of Ohio and its political subdivisions. Interest on the Bonds may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse

federal income tax consequences as a result of owning the Bonds. For a more complete discussion of the tax aspects, see “TAX MATTERS” herein.

- Bank Qualification:** The City has **not** designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.
- Legal Opinion:** Bricker Graydon LLP
- Underwriter:** Raymond James & Associates, Inc.
- Bond Registrar and Paying Agent:** The Bank of New York Mellon Trust Company, N.A.
- Book-Entry Only System** The Bonds are being issued as fully registered Bonds in book entry form only and book entry interests therein will be available for purchase in amounts of \$5,000 and integral multiples in excess thereof. Owners of book entry interests will not receive physical delivery of bond certificates. DTC or its nominee will receive all payments with respect to the Bonds from the Paying Agent and Bond Registrar. DTC is required by its rules and procedures to remit such payments to its participants for subsequent disbursement to owners of the book-entry interests.
- Delivery and Payment:** It is expected that delivery of the Bonds in definitive form will be made through DTC on or about July 11, 2024. The Bonds will be released to the Underwriter against payment in federal funds.
- City Official:** Questions concerning the Official Statement should be directed to Brian Day, Auditor, City of Parma, 6611 Ridge Road, Parma, Ohio 44129, (440) 885-8020, e-mail: bday@cityofparma-oh.gov.

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\$14,000,000
CITY OF PARMA, OHIO
CAPITAL IMPROVEMENT BONDS, SERIES 2024
(GENERAL OBLIGATION – LIMITED TAX)

INTRODUCTORY STATEMENT

This Official Statement has been prepared by the City in connection with the original issuance and sale by the City of the Bonds identified on the Cover.

All financial and other information presented herein has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as might be shown by such financial and other information, will necessarily continue or be repeated in the future.

Certain statements contained in this Official Statement, including, without limitation, statements containing the words “believes,” “anticipates,” “expects” and words of similar import, involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the City to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, among others, general economic conditions, demographic changes, and existing government regulations and changes in, or the failure to comply with, government regulations. Certain of these factors are discussed in more detail elsewhere in this Official Statement. Given these uncertainties, readers of this Official Statement and investors are cautioned not to place undue reliance on such forward-looking statements.

This Official Statement should be considered in its entirety and no subject discussed should be considered less important than any other subject by reason of its location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the “Revised Code”) or uncodified, the Ohio Constitution, or federal law, are references to such provisions as they presently exist. Provisions of the Ohio law and the Ohio Constitution and federal law may in the future, and from time to time, be amended, repealed or supplemented.

Additional information relating to the financial condition of the City may be obtained by contacting its Auditor, Brian Day, Auditor, City of Parma, 6611 Ridge Road, Parma, Ohio 44129, (440) 885-8020, e-mail: bday@cityofparma-oh.gov.

DEFINITIONS

The following capitalized terms, as used in this Official Statement and the Appendices attached hereto, have the following meanings unless otherwise indicated:

“**Annual Report**” means any continuing disclosure annual report provided by the City referred to in this Official Statement and any appendix hereto, which Annual Reports are intended to satisfy the annual financial information requirements of the Rule and Section (b)(5)(i)(A) therein.

“**Auditor**” means the Auditor of the City.

“Bankruptcy Code” means Title 11 of the United States Code.

“Bond Counsel” means Bricker Graydon LLP.

“Bond Registrar” means The Bank of New York Mellon Trust Company, N.A.

“Bonds” means the City’s \$14,000,000 Capital Improvement Bonds, Series 2024, dated July 11, 2024.

“City” means the City of Parma, Ohio.

“Code” means the Internal Revenue Code of 1986, as amended.

“Council” means the City Council of the City.

“County” means Cuyahoga County, Ohio.

“County Fiscal Officer” means the County Fiscal Officer of the County.

“Cover” means the cover page and the inside cover page of this Official Statement.

“MSA” means the Cleveland Metropolitan Statistical Area, as defined by the United States Office of Management and Budget.

“OMAC” means the Ohio Municipal Advisory Council.

“Project” means improving the municipal golf course, including constructing a clubhouse and event center and furnishing and equipping the same; together with site improvements and all necessary appurtenances thereto.

“Revised Code” means the Ohio Revised Code.

“Rule” means Rule 15c2-12, and particularly Section (b)(5) therein, adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” or **“Ohio”** means the State of Ohio.

“State Auditor” means Auditor of the State.

“Tax Commissioner” means the Tax Commissioner of the State.

“Underwriter” means Raymond James & Associates, Inc., Cleveland, Ohio.

THE BONDS

Authorization and Purpose

The Bonds are being issued pursuant to an ordinance of the City Council of the City (the “Council”) adopted on April 1, 2024 and amended on June 17, 2024 (together, the “Bond Ordinance”).

Purpose of the Bonds

The Bonds are limited tax general obligation bonds issued for the purpose of improving the municipal golf course, including constructing a clubhouse and event center and furnishing and equipping the same; together with site improvements and all necessary appurtenances thereto. See “THE BONDS – Authorization and Purpose” herein.

The Bonds are issued in conformity with Revised Code Chapter 133 and are, therefore, lawful investments for banks, savings and loan associations, credit union share guaranty corporations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other funds of the State, subdivisions and taxing districts of the State, the Commissioners of the Sinking Fund of the State, the Administrator of Workers’ Compensation, the State teachers, public employees, and public school employees retirement systems, and the police and firemen’s disability and pension fund, and are eligible as security for the repayment of the deposit of public moneys.

Under Ohio law, the maximum maturity of the Bonds is 30 years.

Form and Terms

The Bonds will be issued in fully registered form and will bear interest at the rates set forth on the Cover hereof, based on a 360-day year, from their dated date until maturity. The Bonds will be in denominations of \$5,000 or any integral multiple thereof, and will be numbered consecutively from R-1 upward as determined by the Auditor of the City (the “Auditor”).

The Bonds will bear interest payable on June 1 and December 1 of each year, commencing December 1, 2024, at the rates set forth on the inside cover of the Cover hereof and will be payable as to principal on December 1 in the years set forth on the inside cover of the Cover hereof. Principal of and interest on the Bonds will be payable at maturity in immediately available funds, in lawful money of the United States of America, at the designated office of The Bank of New York Mellon Trust Company, N.A., which has been designated by the City as paying agent, and transfer agent for the Bonds (the “Bond Registrar”).

Redemption Provisions

Mandatory Sinking Fund Redemption

The Term Bonds maturing on December 1, 2038 (the “2038 Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2036	\$370,000
2037	390,000

The remaining principal amount of such 2038 Term Bonds (\$410,000) will mature at stated maturity on December 1, 2038.

The Term Bonds maturing on December 1, 2041 (the “2041 Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2039	\$430,000
2040	450,000

The remaining principal amount of such 2041 Term Bonds (\$475,000) will mature at stated maturity on December 1, 2041.

The Term Bonds maturing on December 1, 2044 (the “2044 Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2042	\$500,000
2043	525,000

The remaining principal amount of such 2044 Term Bonds (\$550,000) will mature at stated maturity on December 1, 2044.

The Term Bonds maturing on December 1, 2049 (the “2049 Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2045	\$575,000
2046	600,000
2047	625,000
2048	655,000

The remaining principal amount of such 2049 Term Bonds (\$680,000) will mature at stated maturity on December 1, 2049.

The Term Bonds maturing on December 1, 2054 (the “2054 Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2050	\$710,000
2051	740,000
2052	770,000
2053	805,000

The remaining principal amount of such 2054 Term Bonds (\$840,000) will mature at stated maturity on December 1, 2054.

Optional Redemption

The Bonds maturing on or after December 1, 2031 are subject to redemption at the option of the City, either in whole or in part, in such order of maturity as the City shall determine, on any date on or after June 1, 2031 at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

Redemption Procedures

When partial redemption is authorized, the Bonds or portions thereof to be redeemed will be selected by lot within a maturity in such manner as the Bond Registrar may determine, provided, however, that the portion of any such Bond so selected will be in the amount of \$5,000 or any integral multiple thereof.

The notice of the call for redemption of the Bonds to be redeemed shall identify (i) by designation, letters, numbers or other distinguishing marks, such Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. From and after the specified redemption date, interest on such Bonds or portions thereof called for redemption shall cease to accrue. Such notice shall be sent by first class mail to each such registered holder at the address shown in Bond registration records at least 30 days

prior to the redemption date. Failure to receive such notice or any defect therein shall not affect the validity of the proceedings for the redemption of any such Bond.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds will be applied as follows:

<hr/>	
Sources	
Par Amount	\$14,000,000.00
Net Original Issue Premium	414,959.25
 Total Sources	 \$14,414,959.25
 Uses	
Deposit to the Project Fund	\$14,000,000.00
Deposit for Bond Retirement Fund	139,742.08
Costs of Issuance ¹	<u>275,217.17</u>
 Total Uses	 \$14,414,959.25
<hr/>	

**SECURITY FOR AND SOURCES OF PAYMENT OF
THE CITY’S GENERAL OBLIGATION DEBT**

General

The Bonds are unvoted general obligation debt of the City, payable from the sources described, subject to Chapter 9 of the Federal Bankruptcy Code and other laws affecting creditors’ rights. The basic security for payment of the Bonds is the requirement that the City levy ad valorem taxes within the ten mill limitation (which limitation is further described in APPENDIX A under “CITY DEBT AND DEBT LIMITATIONS – Statutory Debt Limitations Generally – Indirect Debt Limitation”), which taxes are limited as to rate and amount, to the extent necessary to pay the debt service anticipated to become due on the Bonds and to the extent that such debt service is not paid from other sources.

The Bonds are also secured by a pledge of the full faith and credit of the City. This pledge includes all of the funds of the City, except those prohibited from use by the Ohio Constitution, Ohio or federal law or specifically limited to another use, such as tax levies specifically voted for another purpose and certain utility revenues. A similar pledge is made in each ordinance authorizing the City’s voted and unvoted general obligation bonds and notes. See “CITY DEBT AND DEBT LIMITATIONS – Statutory Debt Limitations Generally – Indirect Debt Limitation” in APPENDIX A herein.

In addition to the full faith and credit pledge discussed above, the Bond Ordinance contains a covenant, pursuant to Revised Code Section 133.05(B)(7), to appropriate annually from lawfully available municipal income taxes the amounts necessary to meet the annual debt service charges on the Bonds. See “CITY TAX BASE – Income Tax Revenues” in APPENDIX A herein.

¹ Includes Underwriter’s discount, bond insurance premium, rating fees, legal fees, printing and distribution costs, and other miscellaneous expenses.

In addition to the right of individual bondholders to sue upon their particular Bonds, State law authorizes the holders of not less than 10% in principal amount of the Bonds to bring mandamus or other actions to enforce all contractual or other rights of the bondholders, including the right to require the City to levy, collect and apply the taxes to pay debt service on the Bonds, and in the case of any default in payment of debt service on the Bonds to bring an action to require the City to account as if it were the trustee of an express trust for the bondholders or to enjoin any acts that may be unlawful or in violation of bondholder rights.

The Bonds are further secured by the Bond Insurer's insurance policy described herein.

Municipal Bankruptcy

An Ohio municipality may file for bankruptcy under Chapter 9 of the Bankruptcy Code if it meets certain prerequisites under both federal and State law. Section 109(c) of the Bankruptcy Code sets forth the requirements for a State political subdivision to file for bankruptcy protection. In addition to requiring the municipality to be insolvent¹, the municipality must be specifically authorized, in its capacity as a municipality or by name, to be a debtor under such chapter by State law, or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under such chapter². With regard to State law, Revised Code Section 133.36 requires that a political subdivision which desires to file bankruptcy seek and obtain permission of the Tax Commissioner.

The foregoing federal and State laws also permit an Ohio county to initiate Chapter 9 proceedings which, because a county collects certain revenues on behalf of a municipality (particularly ad valorem property taxes), may adversely affect the financial condition of such municipality.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

¹ 11 U.S.C. Section 101(32)(C) requires that in order to be "insolvent" a municipality must not be paying its debts as they come due.

² See 11 U.S.C. Section 109(c)(2).

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-962-1710, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P. An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$483.2 million, \$221.8 million and \$261.4 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

RATINGS

As noted on the Cover, the City is expected to receive a rating of on the Bonds from S&P Global Ratings ("S&P"), a division of S&P Global Inc., which has rated the Bonds "AA" (the "Insured Rating"), on the understanding that the Bonds will be insured by the Bond Insurer upon their issuance. The Bonds also have an underlying rating of "AA-" on the Bonds from Fitch Ratings ("Fitch"). No application for a rating has been made to any other rating agency.

The ratings reflect only the views of such rating agency. Any explanation of the significance of the ratings may only be obtained from such rating agency at S&P Global Ratings, a division of S&P Global Inc., 55 Water Street, New York, New York 10041, telephone (212) 438-2000; website: www.standardandpoors.com and Fitch Ratings, Inc., 33 Whitehall St., New York, New York 10004, telephone (212) 908-0500, website: www.fitchratings.com.

The City furnished the rating agencies with certain information and materials, some of which may not have been included in this Official Statement, relating to the Bonds and the City. Generally, rating agencies base their ratings on such information and materials, as well as investigation, studies and assumptions by the rating agencies. Such ratings are not recommendations to buy, sell or hold the Bonds.

The Insured Rating assumes, upon delivery of the Bonds, the issuance of the Policy by the Bond Insurer, a copy of which is attached to this Official Statement as APPENDIX F. See "BOND INSURANCE" herein. Pursuant to the Policy, the Bond Insurer will insure the payment, when due, of principal of and interest on the Bonds, as described in this Official Statement.

The ongoing stability of the Bond Insurer and the Bond Insurer's ability to pay principal of and interest on the Bonds, and otherwise to perform its obligation under the Policy, are the primary basis for the Insured Rating assigned to the Bonds and the ultimate security for the payment of principal of and

interest on the Bonds. A decline in the financial condition of the Bond Insurer could have an adverse effect on the Insured Rating and, consequently, on the market price of the Bonds.

There can be no assurance that a rating, when assigned, will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if, in the rating agency's judgment, circumstances so warrant. In addition, the City currently expects to provide to Fitch, but assumes no obligation to furnish to the Underwriter or the holders of the Bonds, further information and materials that it may request. However, the City does not obligate itself hereby to furnish such information and materials to Fitch, and the City may issue unrated bonds and notes from time to time. Failure by the City to furnish such information and materials, or the issuance of unrated bonds or notes, may result in the suspension or withdrawal of a rating agency's rating on the Bonds. Any lowering, suspension or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

Raymond James & Associates, Inc. (the "Underwriter") has agreed, pursuant to the Bond Purchase Agreement with the City, dated June 27, 2024, to purchase all, but not less than all of the Bonds at a purchase price of \$14,295,959.25 (the "Purchase Price"), which is equal to the par amount of the Bonds (\$14,000,000.00), plus net original issue premium (\$414,959.25), less Underwriter's discount (\$119,000.00).

The Underwriter is purchasing the Bonds as originally issued for the purpose of resale. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter), and others at prices lower and/or yields higher than the public offering prices noted on the Cover. The initial offering prices of the Bonds may be changed, from time to time, by the Underwriter.

The Underwriter has agreed to retain \$275,217.17 from the Purchase Price to pay certain costs of issuance of the Bonds on behalf of the City, including rating fees, printing and distribution costs, legal fees, Bond Registrar fees, bond insurance premium, OMAC fees and other miscellaneous expenses.

The obligation of the Underwriter to accept delivery of the Bonds is subject to the various conditions set forth in the Bond Purchase Agreement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

LITIGATION

To the knowledge of the appropriate officials of the City, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or the levy and collection of taxes to pay the debt service on the Bonds, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and under which the Bonds are to be issued, sold, executed and delivered, or the validity of the Bonds. A no-litigation certificate to such effect will be delivered by the City to the Underwriter at the time of original delivery of the Bonds to the Underwriter.

The City is a party to various legal proceedings seeking damages or injunctive relief and generally incidental to its operations. These proceedings are unrelated to the Bonds or the security therefor. The ultimate disposition of such proceedings is not presently determinable, but will not, in the opinion of the City's Director of Law, have a material adverse effect on the Bonds or the security therefor.

In common with other political subdivisions, the City from time to time receives notices of claims for money damages. In the opinion of City officials, any such claims outstanding, regardless of their merit, are not in excess of the City's insurance coverage.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the excludability of the interest on the Bonds from gross income for federal income tax purposes (see "TAX MATTERS" herein) are subject to the approving opinion of Bricker Graydon LLP, Bond Counsel to the City. A signed copy of that opinion will be delivered to the Underwriter at the time of original delivery. Assuming no change in applicable law prior to the date of delivery of such opinion, the opinion will be substantially in the form attached hereto as APPENDIX C. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to the date thereof.

While Bond Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to the accuracy, completeness or fairness of any of the statements in this Official Statement, including its appendices (other than APPENDIX C), or in any other reports, financial information, offering or disclosure documents or other information pertaining to the City or the Bonds that may be prepared or made available by the City or others to the holders of the Bonds or others.

TAX MATTERS

General

In the opinion of Bricker Graydon LLP, Bond Counsel, under existing law interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Code, and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax under the Code; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Further, the Bonds are not "private activity bonds" as defined in Section 141(a) of the Code.

Interest on the Bonds, the transfer thereof, and any profit made on their sale, exchange or other disposition, are exempt from the Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district, and joint economic development district income taxes in Ohio. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications made by the City and others, and the compliance with certain covenants of the City, to be contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has not and will not independently verify the accuracy of such certifications and representations.

The City has **not** designated the Bonds as "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes and thus to be subject to regular federal income tax retroactively to the date of their issuance. The City has covenanted to take such actions that may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and not to take any actions which would adversely affect that exclusion.

Under the Code, interest on the Bonds may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States of America and a tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other items of income and expenses of the holders of the Bonds. Bond Counsel will express no opinion and make no representation regarding such consequences.

From time to time, legislative proposals are pending in the United States Congress that would, if enacted, alter or amend one or more of the federal tax matters referred to above in certain respects or would adversely affect the market value of the Bonds. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, as to all of which Bond Counsel expresses no opinion.

Original Issue Discount

Certain of the Bonds may be sold to the public at a price of less than 100% of their face amount (the “Discount Bonds”). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Discount Bonds.

Under present federal income tax law, original issue discount (i.e., the difference between the issue price, as hereinafter defined, of a Discount Bond and the stated redemption price at maturity of such Discount Bond), is treated as accruing (“accreted”) over the term of such Discount Bond. The issue price is the price at which a substantial amount of the Discount Bonds is sold to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers). In general, the amount of original issue discount that is to be accreted in each “accretion period” will equal (i) the issue price of that Discount Bond, increased by the amount of original issue discount that has been accreted in all prior accretion periods, multiplied by (ii) the initial offering yield of that Discount Bond reflected on the Cover of this Official Statement (determined on the basis of compounding at the close of each accretion period and properly adjusted for the length of the accretion period), minus, with respect to the Bonds, interest actually paid during such accretion period. For these purposes, “accretion period” means a six-month period (or shorter period from the date the Discount Bond was issued) which ends on a day in the calendar year corresponding to the maturity date of that Discount Bond or the date six months before such maturity date.

The amount of original issue discount so accreted in a particular accretion period will be considered to accrete ratably on each day of the accretion period. Such accreted amount is used for purposes of determining the adjusted basis for federal income tax purposes of the holder of such Discount Bond but is not included in such holder's gross income for federal income tax purposes. Consequently, a purchaser who buys a Discount Bond in the initial offering at the issue price and holds such Discount Bond to its maturity would not realize any gain or loss for federal income tax purposes upon payment of the stated redemption price of that Discount Bond at maturity.

Amortizable Bond Premium

Certain of the Bonds may be sold at issue prices greater than the principal amount payable at maturity or earlier call date (the "Premium Bonds"). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Premium Bonds.

Premium Bonds will be considered to be issuable with amortizable bond premium (the "Bond Premium"). A taxpayer who acquires a Premium Bond in the initial public offering will be required to adjust his or her basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed to a holder pursuant in Section 171(a)(2) of the Code. The amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. A purchaser of a Premium Bond at its issue price in the initial public offering who holds that Premium Bond to maturity will realize no gain or loss upon the retirement of such Premium Bond.

PROSPECTIVE PURCHASERS OF THE DISCOUNT OR PREMIUM BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, SALE, TRANSFER, REDEMPTION, PAYMENT, OR OTHER DISPOSITION OF THE DISCOUNT OR PREMIUM BONDS, INCLUDING, WITHOUT LIMITATION, MODIFICATIONS TO THE METHOD FOR ACCRETING ORIGINAL ISSUE DISCOUNT OR AMORTIZING PREMIUM FOR CERTAIN SUBSEQUENT PURCHASERS, AND INCLUDING THE EFFECT OF ANY APPLICABLE STATE OR LOCAL INCOME TAX LAWS.

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning the Depository Trust Company, New York, New York ("DTC") and DTC's book-entry only system has been obtained from DTC and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners (each as hereinafter defined) (a) payments of interest, principal, or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be

requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of "AA+" from S&P. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry only system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds. For example, Beneficial Owners

of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Bond Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as a depository with respect to the Bonds at any time by giving reasonable notice to the City or the Bond Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed (or otherwise produced) and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed (or otherwise produced) and delivered to DTC. (See also "BOOK-ENTRY ONLY SYSTEM – Revision of Book-Entry Only System – Replacement Bonds")

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Revision of Book-Entry Only System – Replacement Bonds

The Bond Ordinance provides for issuance of fully registered Bonds (the "Replacement Bonds") directly to owners other than DTC or its nominee only if DTC determines not to continue to act as security depository of the Bonds. In such event, the City may in its discretion establish a securities depository/book entry relationship with another qualified securities depository. If the City does not or is unable to do so, and after appropriate notice to DTC, the Bond Registrar will authenticate and deliver fully registered Replacement Bonds, in the denominations of \$5,000 or any integral multiple thereof with respect to the

Bonds, to or at the direction of and, if the event is not the result of City action or inaction, at the expense (including printing costs) of, any persons requesting such issuance. Replacement Bonds may be transferred, registered and assigned only in the registration books of the Bond Registrar.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings for the Bonds, including an appropriate no-litigation certificate (see “LITIGATION” herein), will be delivered by the City when the Bonds are delivered by the City to the Underwriter. The City will at that time also provide to the Underwriter a certificate of the Auditor, in the form attached hereto as APPENDIX D, addressed to the Underwriter relating to the accuracy and completeness of this Official Statement.

CORONAVIRUS (COVID-19)

The spread of the strain of coronavirus commonly known as COVID-19 (“COVID-19” or the “Pandemic”) began altering the behavior of businesses and people early in 2020 in a manner that had, and continues to have, negative effects on global, state and local economies and, in turn, on state and local governments and their revenues and expenses.

The United States and the State declared a state of emergency in March 2020 due to the Pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. (See “APPENDIX A – CITY TAX BASE – Income Tax Revenues”).

As a part of its response to the Pandemic, the federal government has provided and continues to provide certain assistance under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other legislation to assist states in addressing the adverse impact that COVID-19 was having, and continues to have, on local governments across the nation. The State, in turn, began allocating such assistance it received and other available grant assistance to Ohio local governments in Fiscal Year 2020.

The City was provided \$6,388,320 in CARES Act funding from the State and Federal governments, which was used to cover eligible expenses used to prevent the spread of COVID-19 and address the impact of the Pandemic. The City has expended the full amount of its CARES Act funds. The Pandemic has not materially impacted the City’s real property tax or local government fund receipts but did result in a decrease in other taxes (such as hotel and motel tax receipts that are based on room nights, that were down as a result of reduced travel in 2020).

The City was also provided \$23,734,921.00 from the American Rescue Plan Act of 2021 (“ARPA”) to be used to address the City’s COVID-19 response, mitigation, and prevention activities. The City has received the entire amount of its ARPA funds. As of December 31, 2023, the City has spent \$15,957,177.60 of ARPA funding, which includes lost revenue reimbursements for the 2020-2023 years in accordance with ARPA guidelines. The City administration and the City council continue to work together to identify eligible uses for ARPA funds. The City remains on pace to encumber any unobligated ARPA funds by December 31, 2024, with the total ARPA funds spent by 2026.

There can be no assurance concerning the Pandemic’s full effect on the City’s finances or operations, including on subsequent levels of other State and federal assistance.

CONTINUING DISCLOSURE

The City has agreed for the benefit of the holders and beneficial owners of the Bonds to provide annual financial and operating information in its Annual Report and to provide notices of certain events, if material. Concurrently with the delivery of the Bonds, the City will deliver a certificate of the Auditor, in the form attached hereto as APPENDIX E (the “Disclosure Certificate”), describing the nature of the information to be provided, the persons and entities to whom such information will be provided and the times at which such information will be provided. The City’s failure to comply with any undertaking contained in such certificate will not constitute an event of default under the Bonds.

The Disclosure Certificate is being executed by the City to assist the Underwriter in complying with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission. Specifically, the City agrees to provide the Annual Report to the MSRB and EMMA, if required, and to provide notice of the enumerated events to the MSRB and EMMA, if required.

The City has had three continuing disclosure undertakings (collectively, the “Undertakings”) that were in effect for all or part of the previous five years. During the previous five years, the City failed timely file its audited financial statements for Fiscal Years 2018 through 2020 and also failed to include updates for General Fund Receipts and Expenditures in the Annual Reports for Fiscal Years 2018 through 2021. A Notice of Failure to Provide Annual Information was filed on August 20, 2023.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the City from official and other sources and is believed by the City to be reliable, but information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as or as part of a contract with the original purchasers or holders of the Bonds.

This Official Statement has been duly prepared and delivered by the City, and executed for and on behalf of the City by its Mayor and Auditor.

CITY OF PARMA, OHIO

By: /s/ Timothy DeGeeter

Mayor

By: /s/ Brian Day

Auditor

THE CITY OF PARMA, OHIO

The following is a brief description of the City of Parma, Ohio (the “City”) and the geographic area in which the City is located, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

General Information

The City is located in Cuyahoga County (the “County”), eight miles south of downtown Cleveland, Ohio and is contiguous with the southern boundary of Cleveland. The City was incorporated as a village in 1924, and became a city in 1931. It is served by CSX Transportation and Norfolk Southern Railway Company and is adjacent to areas served by Amtrak and also by Cleveland-Hopkins International Airport.

The City’s area is approximately 20.02 square miles, broken down by land use as follows:

Type	Percent of “Real” Assessed Valuation
Residential	54.58%
Commercial	11.40
Industrial	10.84
Agricultural	3.39
Public Utility	15.42
Undeveloped	4.37

The City owns City Hall, Memorial Hall, a Senior Center, an 18 hole golf course, the Law/Recreation/Communications Center Building, five fire stations, a main service and maintenance facility, the Michael A. Ries Ice Rink, the Veterans Memorial Park Maintenance Barn, two outdoor swimming pool facilities, one children’s splash pad and bathroom facility, and Nike Park Maintenance Building.

The City owns and operates 19 parks covering 415 acres, which provide year-round recreational facilities. In addition, the City is served by the Cleveland Metropolitan Park System, created to preserve remaining natural areas. There are approximately 87 acres of Metropark land and one park area in the City open for use all year.

The City’s many ethnic organizations, non-profits, churches, and parks are home to numerous annual festivals most notably the annual Ukrainian Independence Day Parade and Festival, the Polish Constitution Day Parade and Festival, Oktoberfest at German Central, and the St. Anthony Parish Festival.

Map of Geographic Area



Structure of Government

The City currently operates under a mayor-council form of government in accordance with the general laws of Ohio. Under the Ohio Constitution, the City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable general laws.

Legislative authority is vested in a nine-member council (the “Council”), all of whom three are elected from wards, for two-year terms. The presiding officer (who does not vote except in the event of a tie) is the President of Council, elected by the electorate for a two-year term. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. In addition, the Council appoints and may remove the Clerk of Council.

The City’s chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term. Directors of Public Safety, Public Service, and the Engineer and Building Commissioner. The Mayor also appoints, subject to the approval of Council, members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except officers and employees reporting to any of the other City elected official.

The Mayor may veto any legislation passed by the Council. A veto may be overridden by the Council if at least five members vote in favor of the legislation.

The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of all members of the Council.

All elected executive officials serve full-time and consist of the Mayor, Auditor, Treasurer and Law Director. All elected legislative officials serve part-time. All appointed officials serve full-time.

Principal Officials

Elected Officials

Office	Name	Years in Office	Term Expires (December 31)
Mayor	Timothy DeGeeter	12	12/31/2027
Director of Law	Scott Tuma	0	12/31/2027
Auditor	Brian Day	8	12/31/2027
Treasurer	Thomas Mastroianni	12	12/31/2025
<u>Members of Council</u>			
Council President	Vito Dipierro	10	12/31/2025
1st Ward	Monica Wilson	1	12/31/2025
2nd Ward/President Pro Tempore	Deborah Lime	12	12/31/2025
3rd Ward	Mark Casselberry	12	12/31/2025
4th Ward	Kelly Zacharias	1	12/31/2025
5th Ward	Allan Divis	12	12/31/2025
6th Ward	Kevin Kussmaul	2	12/31/2025
7th Ward	Kammy Coyle Shuman	2	12/31/2025
8th Ward	Amanda Boyd	0	12/31/2025
9th Ward	Rob Euerle	2	12/31/2025

Appointed Officials

Office	Name	Years in Office	Years of Service with the City
Director of Public Safety	Timothy DeGeeter	12	12
Director of Public Service	Tony Vannello	1	31
Director of Community Services & Economic Development	Erik Tollerup	18	19
Police Chief	Joseph Bobak	7	33
Fire Chief	Mike Lasky	8	28
Clerk of Council	Kristin Saban	1	8

City Employees

The City has 518 full-time and 176 part-time employees. Of those City employees, approximately 428 are represented by bargaining units. The number of full-time employees has remained consistent since December 31, 2023. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

Full-time employees are represented by the following bargaining units:

Bargaining Unit	Number of Employees	Agreement Duration
AFSCME - City Hall	78	December 31, 2023
Municipal Foremen & Laborers' Union Local 1099	6	January 1, 2024
Parma Service Workers' Local 1	78	March 31, 2023
Ohio Patrolmen's Benevolent Association (Patrolmen)	97	December 31, 2023
Ohio Patrolmen's Benevolent Association (Dispatchers)	18	December 31, 2023
Ohio Patrolmen's Benevolent Association (Corrections Officers)	13	December 31, 2023
International Association of Fire Fighters Local #639	110	December 31, 2023
Bargaining Unit Fraternal Order of Police Local #15 (Police Captains)	4	December 31, 2023
American Federation of State, County and Municipal Employees (Police Record Room)	7	December 31, 2023
Ohio Patrolmen's Benevolent Association (Police Sergeants and Lieutenants)	17	December 31, 2023

The terms of salaries, wages, and other economic benefits for these City employees have been the product of negotiations with representatives of the bargaining units. Each bargaining unit has a formal written agreement with the City covering working conditions, employee rights, grievance procedures, and other standard features of collective bargaining agreements. Generally, the terms of salaries, wages, and other economic benefits for City employees not represented by bargaining units are established by the Council, upon the recommendation of the Mayor.

In the City's judgment, labor relations have been and are currently considered to be good.

Pension Obligations

All full-time employees of the City are covered by the Public Employees Retirement System of Ohio All full-time employees of the City are covered by the Public Employees Retirement System of Ohio

("OPERS") or the Ohio Police and Fire Pension Fund of Ohio ("OP&F"). Prior to the creation of the statewide OP&F, the City operated its own Police and Fire Pension Funds. The State of Ohio absorbed all the assets of the local pension funds when the changeover to the statewide system occurred in 1967.

The current employee contribution to the statewide systems is 10.0% of total compensation to the Ohio Public Employee's Retirement System and 12.25% to the Ohio Police and Firemen Pension Fund. The City's share, as employer, is currently 14.0% to Public Employees Retirement System and 19.5% and 24.0% to the Ohio Police and Fire Pension Fund for policemen and firemen, respectively.

These pension funds are regulated by the laws of the State of Ohio, and changes in the law may affect the City's contribution rate.

Under the Consolidated Omnibus Reconciliation Act of 1985 (P.L. 99-272), public employers including the City are subject to mandatory Medicare (hospital insurance tax of FICA tax) contributions of 1.45% of each covered employee's wage base. Covered employees include all employees (with limited exceptions) hired after March 31, 1986.

City Services

The City provides general governmental services within the City, including: police and fire protection, emergency medical services, health, disposal of garbage and rubbish, sewer services, street maintenance, street construction and reconstruction, and cultural, park, and recreational facilities. The City also offers extensive services for early childhood, youth, and senior citizens.

Water supply is provided by the City of Cleveland directly to consumers. Sanitary sewage collection is collected and treated by Northeast Ohio Regional Sewer District. Sanitary sewage maintenance is provided by the Cuyahoga County Sanitary Engineer, by a contractual agreement with the City.

Electricity is provided by The Illuminating Company, a subsidiary of First Energy, and natural gas is provided by Columbia Gas Company of Ohio, Inc. The City provides for its own trash removal through its Refuse and Recycling Division.

The Greater Cleveland Regional Transit Authority, a county-wide transit system, provides bus and community circulator services within the City.

ECONOMY AND EMPLOYMENT

Economic Development

The Parma Metal Center of General Motors ("GM") continues to be one of the largest income taxpayers to the City of Parma. GM's operations represent a significant portion of the City's manufacturing jobs. The Parma Metal Center is a large supplier of sheet metal stampings and welded sub-assemblies for GM operations across North America. The Parma Metal Center is considered to be one of the largest and most productive metal fabricating operations in North America. The facility is capable of producing over 100 million parts per year. The manufacturing processes include small, medium and large transfer press lines, high speed progressive presses and a world class cut-to-length shear, as well as GM North America's largest stand-alone, multi-cell, resistance and laser welding metal assembly operations. The Parma Metal Center processes over 475 tons of steel per day and services/supports approximately 20 different customers including the majority of GM vehicles built in North America. Since 2014, General Motors has invested \$303.4 million into the 2.3

million square foot facility. The union and management at the Parma Metal Center continue to enjoy a stable working relationship.

University Hospital Parma Medical Center is the largest employer in the City and serves as an important resource for the community; as a health care provider, a major employer, and as a philanthropic partner. The Hospital receives no taxpayer support. UH Parma Medical Center is an approved provider for all major managed health care plans and accepts Medicare and Medicaid. The Hospital also provides free space and support services for the Parma Health Ministry which serves the uninsured working population of the City. In cooperation with Cuyahoga Community College, the Hospital runs a nursing school in its Health Education Center. The Hospital has invested in state-of-the-art technology, including a new vascular suite and a DaVinci surgical robot suite. In 2020, Parma UH completed the first phase of a \$27.5 million expansion and renovation of its Surgery Department. This resulted in 7,700 new square feet of operating space and a complete renovation of an existing 32,000 square feet. Since 2014, UH has invested \$80 million into the facility.

Parma's Commerce Center is home to 17 major businesses with 97% occupancy and include Eaton Corporation, MWP Produce, Cuyahoga County Board of Health, the Cleveland Cavaliers, FDC Realty, Marlin Manufacturing, Melin Tool, Ricoh and Cleveland Plant & Flower. In 2023, APG Parma completed construction of their new 40,000 sf building adding \$4,438,000 in market value and 20 additional agricultural jobs.

Several significant commercial property acquisitions have taken place within the City's industrial corridor resulting in new investment and job creation/retention. In 2020, local developer ICP purchased the 575,000 square foot (former GM Powertrain) building at 5520 Chevrolet Boulevard for \$9.7 million, made renovations and sold it in early 2022 for \$34 million. The new owner has leased the majority of the space to the United States' Postal Service for a new priority package distribution facility. The new Post Office facility and remaining manufacturing space should lead to the creation of at least 250 jobs in the next three (3) years.

Pitt-Ohio operates its Northeast Ohio trucking hub on 20 acres in a new \$25 million, 112,000 square foot facility. Over 200 jobs were added with a payroll of \$8 million.

In 2021, Prince & Izant Company decided to expand its operations in Parma with the purchase of nearby warehouse space for \$2 million. Within two years, employment at Prince & Izant has increased by 30 jobs (201 total) and the payroll has grown by \$1.1 million to \$5.92 million.

The Shoppes at Parma re-development of the old Parmatown Mall, completed in 2019, spurred new housing and medical care development with the arrival of Vista Springs, an 87-unit assisted living center located within the Shoppes at Parma property. Vista Springs employs 75 people with an approximate payroll of \$2.5 million. New retail investment in and around The Shoppes at Parma included an expanded Wal-Mart Supercenter, Burlington, Fitworks, Rally House, Ulta, Shoe Department, Mattress Firm, Panera, Chase Bank, Chick-fil-A, Chipotle, Five Guys, Mission Barbeque, Fast Eddie's, Ace Hardware, Panda Express, Old Navy and Bank of America. The Retail Center was strong enough to weather COVID restrictions without loss of any retailers.

Building Permit Values

The number and value of all building permits (including commercial, industrial, residential and public, and both remodeling and new construction) issued by the City in recent years were:

Annual Permits and Total Construction Value City of Parma, Ohio

Year	Number	Value
2019	5,948	\$69,848,421
2020	5,367	51,708,324
2021	5,617	59,149,937
2022	4,505	54,216,031
2023	4,047	71,896,567

Labor Force Statistics

The City, County and MSA information presented in this section is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the City is representative of the County or the MSA, or vice versa. The following statistics are not seasonally adjusted.

Year	Area Unemployment Rates (annual percentages)					Labor Force (in thousands)	
	City of Parma	Cuyahoga County	MSA	State of Ohio	United States	Year	Cuyahoga County
2014	5.9%	6.3%	6.0%	5.8%	6.2%	2014	615,600
2015	4.9	5.2	5.0	5.0	5.3	2015	609,100
2016	5.3	5.6	5.4	5.0	4.9	2016	612,200
2017	5.4	5.8	5.6	5.0	4.4	2017	623,400
2018	4.6	4.8	4.7	4.5	3.9	2018	623,754
2019	4.0	4.2	4.1	4.2	3.7	2019	627,887
2020	10.2	10.5	9.7	8.2	8.1	2020	599,293
2021	5.7	6.2	5.7	5.1	5.3	2021	595,435
2022	4.6	4.8	4.6	4.0	3.6	2022	600,431
2023	3.6	3.8	3.7	3.5	3.6	2023	605,553
2024 ¹	4.3	4.5	4.4	4.3	3.9	2024 ¹	593,915

Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information

¹ Data through April 2024 only.

Largest Employers

The following employers (private and public) have the ten largest work forces within the City based on the number of W-2 Forms filed with the City (as of December 31, 2023):

Largest Employers City of Parma		
Employer	Nature of Activity	Employees
1. University Hospitals Health	2,924	Healthcare
2. Parma Board of Education	1,727	K-12 Education
3. The Metrohealth System	1,179	Healthcare
4. General Motors Company	1,039	Automobile Manufacturer
5. Cuyahoga Community College	1,009	Higher Education
6. Intelycare Inc.	926	Healthcare Talent Platform
7. Cuyahoga County Auditor	768	County Government
8. Wal-Mart Associates Inc.	731	Retail
9. DMD Management Inc.	615	Healthcare Services
10. Group Management Services Inc.	578	Employer Organization
11. Franciscan Homes & Community	555	Senior Living
12. Ridge Pleasant Valley Inc.	535	Healthcare
13. Riser Foods Company	456	Retail
14. Broadview Nursing Home Inc.	362	Nursing Care
15. Pleasant Lake Nursing Home	359	Nursing Care
16. Ricoh USA	355	Digital Business Services
17. Next Generation Construction	350	Construction Services
18. Cuyahoga County Public Library	346	Public Library
19. Cleveland Clinic Foundation	345	Healthcare
20. Target Corporation	345	Retail

Source: The City

The following table lists the 25 largest employers in Northeast Ohio with operations in Cuyahoga County, as of June 30, 2023:

Rank	Firm	Number of Employees in Northeast Ohio	Industry
1	Cleveland Clinic	45,673	Healthcare provider
2	Group Management Services Inc.	33,972	Benefits and employment services
3	Minute Men Cos.	26,578	Staffing and employment services
4	University Hospitals	25,030	Healthcare provider
5	Amazon	20,000 ¹	Online retailer
6	U.S. Federal Government	15,740 ²	Federal government
7	Progressive Insurance	13,150	Insurance company
8	Walmart	12,650	Retail
9	Giant Eagle, Inc.	9,599	Multi-format food, fuel & pharmacy retailer
10	State of Ohio	7,605	State government
11	The MetroHealth System	7,491	Healthcare provider
12	Cuyahoga County	7,341	County government
13	City of Cleveland	7,333 ³	Municipal government
14	Accurate Staffing Inc.	6,997	Employment agency offering staffing and recruiting
15	Summa Health	6,275 ⁴	Healthcare provider
16	Mercy Health	6,158	Healthcare provider
17	KeyCorp	5,767	Banking and financial services
18	Cleveland Metropolitan School District	5,752	Public school district
19	Akron Children's Hospital	5,416	Pediatric healthcare provider
20	Swagelok Co.	5,070	Manufacturer of industrial fluid system products and solutions
21	Aultman Health Foundation	4,967	Healthcare provider
22	The Sherwin-Williams Co.	4,614	Manufacturer of paint, coatings & related products
23	Kent State University	4,288	Public university
24	Firstenergy Corp.	4,287	Electric utility holding company
25	Case Western Reserve University	3,868	Private university

Source: Crain's Cleveland Business, published August 28, 2023

¹ Estimate based on Cuyahoga and Summit Counties Annual Comprehensive Financial Reports.

² As of December 2022

³ Budgeted positions for 2023

⁴ As of June 2022

CITY TAX BASE

Ad Valorem Taxes and Assessed Valuation

Overview

For property taxation purposes, assessment of real property is performed on a calendar year basis by the elected County Fiscal Officer subject to supervision by the Tax Commissioner, and assessment of public utility tangible personal property is performed by the Tax Commissioner. Property taxes are billed and collected by the Treasurer of the County (the “County Treasurer”).

Taxes collected from real property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Public utility tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of that second year preceding the tax collection year. Beginning with the 2009 tax year, general business tangible personal property is no longer subject to tax.

Real Property

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the Tax Commissioner, except that real property devoted exclusively to agricultural use is assessed at not more than 35% of its current agricultural use value. Certain homeowners 65 years of age or older or disabled resident homeowners receive a \$25,000 property tax exemption on the market value of their homestead. Disabled veterans or the surviving spouse of a public service officer, which includes police officers, firefighters, and other first responders, who died in the line of duty or as a result of an injury or illness sustained in the line of duty are both eligible to receive a \$50,000 property tax exemption on the market value of their homestead.

Ohio law requires the County Auditor, subject to supervision by the Tax Commissioner, to adjust the true value of taxable real property every six years to reflect current fair market values. This “sexennial reappraisal” is done by individual appraisal of properties. In the third year following a sexennial reappraisal, the County Auditor, again subject to supervision by the Tax Commissioner, performs a “triennial update” to adjust the value of taxable real property to reflect true values. The triennial update is done without individual appraisal of properties, but with reference to a sales-assessment ratio over the three-year period.

Personal Property

The State formerly imposed a broad personal property tax on property used in business. However, due to changes in State law, most tangible personal property has been excluded from this tax since 2011 through a gradual phase-out. Initially, the State reimbursed political subdivisions for tax losses resulting from repeal of the broad-based tax on tangible personal property. However, the State has since substantially ended this reimbursement.

Unlike most business personal property, public utility tangible personal property was not subject to the personal property tax repeal referenced above and remains subject to tax under State law. Unless an exemption or abatement program applies, all public utility tangible personal property is assessed at varying percentages of its true value depending on the type of property and type of utility.

Tax Abatements and Economic Development Incentives

Tax abatements are temporary property tax exemptions designed to stimulate economic growth or to promote other activities deemed by the State to be in the public interest. Under Ohio law, tax abatements may be granted for urban renewal projects, community redevelopment corporations, community reinvestment areas, property acquired by municipal corporations engaged in urban redevelopment, enterprise zones, railroad property, and for any improvements declared to serve a “public purpose” in municipalities, townships, and counties.

Since 2007, the City has focused on using payroll tax sharing instead of property tax abatement as a means of attracting and retaining business. There are seven active Economic Development Grant Agreements that help support 622 full-time and three part-time jobs and \$23,789,742 in payroll. An eighth agreement went into effect January 1, 2024 with Oatey Company to move 40 administrative and manufacturing jobs to their site in the City.

The City currently has three tax-increment financing areas affecting real property with a combined market valuation of \$84,001,000.

See the City’s audited financial statements for the year ended December 31, 2022 attached hereto as APPENDIX B for additional information on the City’s tax abatements.

Delinquency Procedures

The following is a general description of property tax delinquency procedures under State law. The implementation of these procedures may vary in practice among Ohio counties.

If real estate taxes and special assessments are not paid in the year in which they are due, they are to be certified by the County Fiscal Officer’s office as delinquent. A list of current delinquent properties is then to be published in a newspaper of general circulation in the County. If the delinquent taxes and special assessments are not paid within one year after such certification, the properties are then also to be certified as delinquent to the Prosecuting Attorney of the County (the “County Prosecuting Attorney”). Five percent (5%) of all certified delinquent taxes and assessments collected by the County Treasurer is deposited into a special fund to be divided between the County Treasurer and the County Prosecuting Attorney and used solely for the collection of delinquent real property taxes and assessments.

If the property owner so requests, a payment plan may be arranged with the County Treasurer. If such a payment plan is not adhered to or none is arranged, foreclosure proceedings may be initiated by the County. Ohio law also provides for notice by publication and mass foreclosure proceedings and sales after two years’ delinquency.

If personal property taxes are not paid at the time they are due, they are to be certified by the County Fiscal Officer’s office as delinquent. Annually on December 1, one copy of the list of delinquent taxes is given to the County Treasurer, who is required to prepare and mail a bill for the taxes to the property owner. A second copy of the list is to be published in a newspaper of general circulation in the County. A third copy of the list is to be provided to the County Recorder, at which time it becomes a notice of lien for the taxes on the real and personal property of the property owner.

If the property owner so requests, a payment plan may be arranged with the County Treasurer for delinquent personal property taxes.

In collecting the delinquent personal property taxes, the County Treasurer may employ collectors. The County Treasurer may also collect the taxes by civil suit in the county court of common pleas, or may seize property of the taxpayer and, after notice, sell the property at public sale.

Proceeds from foreclosure sales of delinquent property become part of the current collection and are distributed as current collections to the taxing or assessing subdivisions in the County.

State Reimbursement of Property Tax Revenues

Rollback and Homestead Exemption Reimbursement

The State reimburses taxing districts, including municipalities, for decreased tax revenues due to (a) the 10% reduction or “rollback” in certain non-commercial property taxes, (b) the 2.5% reduction or “rollback” applicable to certain owner-occupied housing, (c) the \$25,000 reduction in market value available to certain elderly or disabled homeowners, and (d) the \$50,000 reduction in market value available to those homeowners who are (1) disabled veterans or (2) the surviving spouse of a public service officer, which includes police officers, firefighters, and other first responders, who died in the line of duty or as a result of an injury or illness sustained in the line of duty. Such reimbursements are subject to repeal or revision by the State. Legislation passed by the State’s General Assembly in 2023 adjusts both the \$25,000 and \$50,000 homestead exemption reduction values for inflation annually by the Tax Commissioner, beginning in the 2023 tax year.

Public Utility Property and Tangible Personal Property Tax Loss Reimbursement

Beginning in tax year 2006, the State began to phase out the tax on tangible personal property used in business. The State also reimbursed certain taxing districts for the loss of tax revenues due to the phase-out of the tax on general business tangible personal property, and on the tangible personal property belonging to telephone, telegraph, and interexchange telecommunications companies. The reimbursement of both types of tangible personal property tax revenues losses have substantially ended for cities. In order to replace a portion of the lost revenue, a commercial activity tax was enacted in 2005 and is imposed on gross receipts, including receipts from services, in the State.

Assessed Valuation

The following table classifies the City’s taxable property according to use:

Assessed Valuation
City of Parma
(2024 Collection Year)

Property Classification	Assessed Valuation	Percent of Total Assessed Valuation
<i>Real Property</i> ¹		
Class I (Residential/Agricultural)	\$1,454,053,650	79.67%
Class II (Commercial/Industrial/Mineral)	308,741,640	16.92
Total Real Property		
<i>Personal Property</i> ²		
Public Utility Personal	62,190,450	3.41
Total Assessed Valuation		
	\$1,824,985,740	100.00%

Source: Cuyahoga County Fiscal Officer

Historic Change in Assessed Valuation
City of Parma

Collection Year	Assessed Valuation	Percent Increase Over Prior Year
2015	\$1,394,172,370	0.22%
2016 ³	1,358,512,260	(2.56)
2017	1,349,012,930	(0.70)
2018	1,362,061,400	0.97
2019 ⁴	1,510,824,840	10.92
2020	1,508,062,480	(0.18)
2021	1,517,053,360	0.60
2022 ³	1,817,569,940	19.81
2023	1,816,694,850	(0.05)
2024	1,824,985,740	0.46

Source: Cuyahoga County Fiscal Officer

¹ Real property taxes collected in a calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Real property is assessed at 35% of market value and reappraised every six years, with triennial updates every three years.

² Tangible personal property taxes collected in a calendar year are levied in the same calendar year, on assessed values during and at the close of the most recent fiscal year of the taxpayer (ending on or before March 30 of said calendar year) at tax rates determined in the preceding year.

³ Year of triennial update. The County’s next triennial update occurs in tax year 2027, collection year 2028.

⁴ Year of sexennial reappraisal. The County’s next sexennial reappraisal occurs in tax year 2024 collection year 2025.

Largest Taxpayers

The following tables list the largest real estate and public utility taxpayers in the City. Percentages of total assessed valuation are based on a total assessed valuation of \$1,824,985,740 for collection year 2024.

Largest Taxpayers City of Parma (2024 Collection Year)

Real Estate Taxpayers

Name	Type of Business	Assessed Valuation	Percent of City's Total Assessed Valuation
Allied Development of Parma LLC	Real Estate Management	\$22,647,440	1.24%
Regency Apartments LLC	Apartments	10,675,000	0.58
Brookfield	Apartments	9,905,850	0.54
Pleasant Lake Apartments LLC	Apartments	9,581,190	0.53
Parma OH I FGF LLC	Bakery/Food Service	7,735,010	0.42
Weston	Warehouse	6,685,250	0.37
Racer Properties LLC	Redevelopment	6,624,490	0.36
Terminal Properties LLC	Logistics /Transportation	5,906,190	0.32
Pleasant Lake Associates	Skilled Nursing	4,266,400	0.23
Kimberly Park Apartments LLC	Apartments	4,257,130	0.23

Public Utility Taxpayers

Name	Type of Business	Assessed Valuation	Percent of City's Total Assessed Valuation
Cleveland Electric Illuminating	Electric Utilities	\$29,238,970	1.60%
Columbia Gas of Ohio Inc.	Gas Utilities	21,833,880	1.20
American Transmission System	Electric Utilities	9,838,330	0.54

Source: Cuyahoga County Fiscal Officer

Property Tax Rate Calculations

State law has a “reduction factor” mechanism that is intended to negate increases in taxes resulting from increases in the true value of real property due solely to inflation. Legislation implementing a 1980 constitutional amendment classifies real property as either (1) residential and agricultural or (2) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class.

Statutory procedures limit the amount realized by each taxing subdivision from real property taxation, by the application of a tax reduction factor, to the amount realized from those taxes in the preceding year plus: (i) the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year, and (ii) amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year. Such limitations are expressly

inapplicable to amounts realized from taxes levied at a rate required to produce a specified amount, such as for debt service charges, and from taxes levied inside the ten-mill limitation or any applicable municipal charter tax rate limitation.

A reduction factor is computed for each separate levy that is subject to the limitation. A resulting “effective tax rate” reflects the aggregate of those reductions and is the rate at which real property taxes are, in fact, collected. Real property tax amounts from property devoted to residential and agricultural purposes are, in certain cases, further reduced by:

(a) property tax rollbacks, which include a 10% reduction for residential and agricultural properties and an additional 2.5% reduction for owner-occupied residential property; such reductions do not apply to (1) new levies, (2) replacement levies, or (3) the increase portion of a renewal levy combined with an increase that are approved by voters after September 29, 2013; and

(b) the homestead exemption, which provides a \$25,000 reduction in a homestead’s market value available to certain homeowners 65 years of age or older or disabled resident homeowners, or a \$50,000 reduction in a homestead’s market value available to (1) disabled veterans or (2) the surviving spouse of a public service officer, which includes police officers, firefighters, and other first responders, who died in the line of duty or as a result of an injury or illness sustained in the line of duty. Beginning in the 2014 tax year, the homestead exemption that provides a \$25,000 reduction in market value to certain homeowners 65 years of age or older and disabled resident homeowners is subject to means testing that is adjusted for inflation annually by the Tax Commissioner. Additionally, legislation passed by the State’s General Assembly in 2023 adjusts both the \$25,000 and \$50,000 homestead exemption reduction values for inflation annually by the Tax Commissioner, beginning with the 2023 tax year.

These reductions are reimbursed to taxing subdivisions by the State. See “CITY TAX BASE – State Reimbursement of Property Tax Revenues” for a discussion of reimbursement by the State for these reductions.

Property Tax Revenues

The following tables show historical property tax levies and collections for the City:

Property Tax Collections City of Parma

Ad Valorem Real Property Taxes

Collection Year	Assessed Valuation	Current Billed ¹	Total Collected ²	% Collected	Current Delinquent	Accumulated Delinquent
2019	1,510,824,840	\$12,296,342	\$12,041,295	97.93%	\$283,775	\$486,560
2020	1,508,062,480	11,551,320	11,858,752	102.66	321,734	566,554
2021	1,517,053,360	12,118,143	11,984,593	98.90	427,956	701,421
2022	1,817,569,940	13,159,523	13,164,373	100.04	363,429	633,751
2023	1,816,694,850	13,407,881	13,326,891	99.40	335,154	556,068
2024	1,824,985,740	N/A	N/A	N/A	N/A	N/A

Special Assessments

Collection Year	Current Billed ¹	Total Collected ²	% Collected	Current Delinquent	Accumulated Delinquent
2019	\$5,478,093	\$5,500,572	100.41%	\$212,898	\$407,485
2020	5,379,517	5,361,397	99.66	223,491	449,029
2021	6,751,081	6,644,421	98.42	300,407	566,860
2022	6,803,377	6,791,028	99.82	280,210	631,693
2023	6,966,764	7,054,928	101.27	240,564	576,808

Source: County Fiscal Officer.

Budgeting, Tax Levy and Appropriations Procedure

The Revised Code contains detailed provisions regarding the City’s budgeting, tax levy and appropriation procedures. These procedures involve review by County officials at several steps.

The law requires generally that a subdivision prepare, and then adopt after a public hearing, a tax budget approximately six months before the start of the next fiscal year. The tax budget then is presented for review by the county budget commission, which is comprised of the county auditor, treasurer and prosecuting attorney. However, a county budget commission may waive the requirement for a tax budget and require an alternative form of more limited information required by the commission to perform its duties.

City budgeting for a fiscal year (which is the calendar year) formally begins with the preparation of a tax budget by the Cuyahoga County Budget Commission, comprised of the County Fiscal Officer, County Treasurer and County Prosecuting Attorney (the “Budget Commission”). Among other items, the tax budget must show the amounts required for debt service, the estimated receipts for payment from sources other than ad valorem property taxes and the net amount for which an ad valorem property tax levy must be made. The tax budget then is presented for review by the Budget Commission. The Budget Commission holds a public

¹ “Billed” amounts include the current charges only.

² “Collected” amounts include “billed” amounts collected plus all delinquent charges collected.

hearing, reviews the budget, and issues a Certificate of Estimated Resources by September 1, which certificate is the basis for City appropriations and expenditures for the coming fiscal year.

Upon approval of the tax budget and issuance of the Certificate of Estimated Resources, the Budget Commission certifies its actions to the Council together with the approved tax rates. Thereafter, the Council levies the approved taxes and certifies them to the proper County officials. The approved and certified tax rates are reflected in the tax bills sent to property owners during the collection year. Real property taxes are payable on a calendar year basis, generally in two installments with the first due usually in January or later and the second due in July or later.

Permanent appropriation measures may be amended or supplemented during the fiscal year. Annual appropriations may not exceed the Budget Commission's official estimates of resources. The County Fiscal Officer must certify that the Council's appropriation measures, including any supplements or amendments, do not appropriate moneys in excess of the amount set forth in the latest of those official estimates.

The County serves as tax collector for the City. Investments and deposits of county funds are also governed by the Uniform Depository Act. The County Treasurer is responsible for those investments and deposits. The County's most recent audited financials contain a recitation of the County's current investment practices and can be obtained at the Ohio Auditor of State website: <http://www.auditor.state.oh.us/>.

Investment of Funds

According to the Auditor, all moneys of the City, including specifically moneys in the general fund, the bond retirement fund, and all project funds containing proceeds of any debt issuances of the City, are presently or will be invested in accordance with the requirements of Ohio law, and in particular Chapter 135 of the Revised Code (the "Uniform Depository Act"). Under Section 135.14, Revised Code, the City may invest its funds provided that such investments must mature or be redeemable within five years from the date of purchase. The classifications of obligations which are eligible for such investment by the City range from investment in the State Treasury Asset Reserve of Ohio investment pool ("STAR Ohio") to investment in United States Treasury bills, certificates of deposit and investment grade bonds, notes, or other obligations issued by any federal government agency. Certain investment practices remain exclusive to those political subdivisions whose fiscal officers have completed additional training in accordance with the Uniform Depository Act.

Further, pursuant to Revised Code Section 135.14, all investments of the City, except for investments in securities in STAR Ohio and certain no-load money market mutual funds, must be made through members of the National Association of Securities Dealers, Inc., banks, savings banks, or savings and loan associations regulated by the State superintendent of financial institutions or through institutions regulated by the comptroller of the currency, Federal Deposit Insurance Corporation, or board of governors of the Federal Reserve System.

The City interprets the limits on federally guaranteed investments and all other legal investments very conservatively. No moneys of the City have ever been invested in interest-only obligations, reverse-repurchase obligations, inverse floater obligations, or other investment vehicles commonly referred to as derivative investments. No moneys of the City are invested in obligations which mature later than the time at which it is reasonably expected that the City will need access to such moneys in order to meet current financial commitments. The Auditor has attended special training in all of the investment areas to assure strict compliance with the conservative investment philosophy of the City. All investments are transacted with banks or other financial institutions operating in the State. Complete detail of the current investment

practices of the City can be found in the most recent audited financial statements of the City (see APPENDIX B herein.

Income Tax Revenues

The Revised Code authorizes municipal corporations to levy a tax on income at a uniform rate. No municipal corporation is authorized to levy a municipal income tax in excess of one percent (1%) per annum without obtaining the approval of at least a majority of its electors voting on the question at an election held in accordance with applicable Ohio law. The City's income tax is imposed on wages, salaries, commissions, and other compensation of individuals and on net profits of businesses and professions received within the City. Military pay or allowances, income of religious, charitable, or educational institutions (to the extent derived from tax-exempt property or activities), net profits of public utilities (except for long-distance telephone companies), and interest and dividends are exempt from municipal income tax.

The City levies a 2.5% income tax. Council approved the 1.0% rate, and in 1979, 1981 and 2006, the voters approved additional 0.5% rates. City residents are allowed a credit against their income tax liability to the City equal to the amount of income tax they paid to other Ohio municipalities, up to a maximum of 2.0%.

The City's income tax is levied upon the net income of corporations and other business entities and on the wages, salaries, and compensation of individuals. The income tax is collected and administered by the City.

The City's income tax is in effect for a continuing period of time. It could be reduced or terminated by action of the Council. The reduction or termination of the tax at any such initiative election must be approved by a majority vote.

Annual income tax receipts for the last five years and estimates for 2024 are as follows:

Income Tax Revenues

City of Parma
(Cash Basis)

Year	Income Tax Revenues	Percent Change
2019	\$41,199,332	
2020	39,310,294	(4.59)%
2021	42,053,410	6.98
2022	50,774,205	20.74
2023	52,962,310	4.31
2023 ¹	24,245,380	N/A
2024 ²	25,029,822	N/A

Source: City of Parma

University Hospitals Health and General Motors Company (via tax on business net profits and taxes withheld from employees) each contributed more than 4.0% of the total of the 2023 income tax collections received by the City.

CITY DEBT AND DEBT LIMITATIONS

Statutory Debt Limitations Generally

The City may issue voted general obligation bonds, and notes issued in anticipation thereof, pursuant to a vote of the electors of the City. Ad valorem taxes, without limitation as to amount or rate, assessed to pay debt service on voted bonds are authorized by the electors at the same time they authorize issuance of the bonds. Such voted debt is subject to the direct debt limitations but is not subject to the indirect debt limitation. (See “Direct Debt Limitations” below.) Voted obligations may also be issued by certain overlapping subdivisions.

General obligation bonds, and notes issued in anticipation thereof, may also be issued by the City (and certain overlapping political subdivisions, such as the Parma City School District and the County) without a vote of the electors. Unvoted debt is subject to both the direct and indirect debt limitations. (See “Direct Debt Limitations” and “Indirect Debt Limitation”)

Following are descriptions of the statutory and constitutional debt and ad valorem property tax limitations applying to the City’s presently outstanding and projected bond and note indebtedness, and certain other long-term financial obligations of the City.

Direct Debt Limitations

Revised Code Section 133.05 provides that, exclusive of certain “exempt debt” (discussed below), the net principal amount of unvoted general obligation debt of the City may not exceed 5.50% of the total value of all property in the City as listed and assessed for taxation. Revised Code Section 133.05 also provides that the net principal amount of both voted and unvoted general obligation debt of the City may not exceed

¹ Through May 31, 2023

² Through May 31, 2024

10.50% of the total value of all property in the City as listed and assessed for taxation. These two limitations, referred to as “the direct debt limitations,” may be amended from time to time by the Ohio General Assembly.

Ohio law provides that certain forms of municipal debt are exempt from the direct debt limitations (“exempt debt”). Exempt debt includes, among others, general obligation debt, to the extent that such debt is “self-supporting” (that is, revenues from the facilities financed are sufficient to pay applicable operating and maintenance expenses and related debt service and other requirements); bonds issued in anticipation of the collection of special assessments; revenue bonds; notes issued in anticipation of the collection of current revenues or in anticipation of the proceeds of a specific tax levy; notes issued for certain emergency purposes; and bonds issued to pay final judgments. Notes issued in anticipation of such bonds are also exempt from the direct debt limitations.

In calculating debt subject to the direct debt limitations, the amount of money in a City’s bond retirement fund allocable to the principal amount of non-exempt debt is deducted from gross non-exempt debt.

Without consideration of money in the City’s bond retirement fund, and based on the currently applicable assessed valuation of \$1,824,985,740:

(a) The total voted and unvoted non-exempt debt that the City could issue subject to the 10.50% limitation described above is \$191,623,502. The total City non-exempt debt which will be outstanding after delivery of the Bonds is \$7,530,000, leaving a borrowing capacity of \$184,093,502 within the limitation for combined voted and unvoted non-exempt debt; and

(b) The total unvoted non-exempt debt that the City could issue subject to the 5.50% limitation is \$100,374,215. The total City non-exempt debt subject to such limitation which will be outstanding after issuance of the Bonds is \$7,530,000, leaving a borrowing capacity of \$92,844,215 within the 5-1/2% limitation for unvoted non-exempt debt.

Indirect Debt Limitation

Unvoted general obligation bonds and bond anticipation notes cannot be issued by the City unless the tax required to be imposed on taxable property in the City for the payment of the debt service on (a) such bonds (or the bonds in anticipation of which notes are issued), and (b) all outstanding unvoted general obligation bonds (including bonds in anticipation of which notes are issued) of the combination of overlapping taxing subdivisions in the City resulting in the highest tax rate required for such debt service, in any one year, is ten mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of which is commonly referred to as the “ten-mill limitation”, is imposed by a combination of the provisions of Article XII, Sections 2 and 11 of the Ohio Constitution and Revised Code Section 5705.02.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. The ten mills which may be levied without a vote of the electors is in fact levied, collected and allocated among the City and its overlapping taxing subdivisions for general fund purposes pursuant to a statutory formula.

This “inside” millage allocated to each overlapping taxing subdivision is required by current Ohio law to be used first for the payment of debt service on unvoted general obligation debt of the subdivision, unless provision has been made for its payment from other sources. The balance of the millage is available for other purposes of the subdivision. Thus, to the extent this inside millage is required for debt service of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would

otherwise be available to that subdivision or to other such overlapping subdivisions for general fund purposes is reduced.

A political subdivision's allocation of inside millage can be exceeded only in the event that it is required for the payment of debt service on its unvoted general obligation debt and, in that case, the inside millage allocated to the other overlapping subdivisions would be reduced proportionally to bring the aggregate levies of inside millage down to ten mills.

In case of notes issued in anticipation of the issuance of unvoted general obligation bonds, the highest annual debt service estimated for the bonds anticipated by the notes is used to calculate the millage required.

Revenue bonds and notes and mortgage revenue bonds are not included in debt subject to the ten-mill limitation since they are not general obligations of the City, and neither the general revenue nor the full faith and credit of the City are pledged for their payment.

The ten-mill limitation applies to all unvoted general obligation debt even if debt service on some of such debt is expected to be paid in fact from special assessments, utility earnings or other sources.

In calculating whether or not unvoted debt to be issued by the City is within the ten-mill limitation, it is necessary to determine the total outstanding debt service requirements within the ten-mill limitation of all the taxing subdivisions overlapping the City.

The highest debt service requirement in any year for all City debt subject to the ten-mill limitation is estimated to be approximately \$1,778,050. The payment of that annual debt service would require a levy of approximately 0.97428 mills per \$1.00 of assessed valuation based on the current (tax collection year 2024) assessed valuation of \$1,824,985,740. Of this maximum annual debt service requirement, nearly all is expected by the City to be paid from sources other than ad valorem taxes, such as City income taxes and enterprise revenues.

As stated above, the maximum amount of millage theoretically required to pay debt service on the unvoted notes and bonds of the City is approximately 0.97428 mills. According to OMAC, as of June 27, 2024, (i) the amount theoretically required for Cuyahoga County's unvoted general obligation debt is 0.68884 mills, (ii) the amount theoretically required for the Parma City School District's unvoted general obligation debt is 0 mills. This leaves approximately 8.33688 mills free to be allocated to either the City or the other overlapping subdivision(s).

This millage would support, based upon the current assessed valuation of the City, the issuance of approximately \$206,651,059 of additional 20-year bonds of the City assuming an interest rate of 4.50%, subject to the 5.50% direct debt limit heretofore described.

Bond Anticipation Notes

Under Ohio law, general obligation notes, including renewal notes, issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes, except that the maximum maturity for notes issued in anticipation of general obligation bonds payable from special assessments is approximately five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, principal maturities that would have been required if bonds had been issued at the expiration of the initial five-year period. The last maturity of any bonds issued to refund bond anticipation notes may not be later than the year of last maturity permitted by

law for the bonds anticipated. None of the debt of the City is in the form of general obligation bond anticipation notes.

Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes, the proceeds of the sale of the bonds anticipated by such notes, from other available funds of the City, or from a combination of these sources. The ability of the City to retire its outstanding bond anticipation notes from the proceeds of the sale of either renewal notes or bonds will be dependent upon the marketability of such renewal notes or bonds under market conditions then prevailing. Under present Ohio law, there is no ceiling on the annual interest rate permitted on notes and bonds of municipalities.

City General Obligation Debt Currently Outstanding

As of July 11, 2024, the City will have the following issues of general obligation outstanding (including the Bonds):

Issue	Dated Date	Final Maturity	Balance Outstanding
Various Purpose General Obligation Bonds, Series 2006	07/13/2006	12/01/2026	\$120,000.00
Various Purpose and Refunding General Obligation Bonds, Series 2016	11/22/2016	12/01/2036	2,475,000.00
Various Purpose and Refunding General Obligation Bonds, Series 2021	07/21/2021	12/01/2041	5,055,000.00
The Bonds	07/11/2024	12/01/2054	14,000,000.00
Total General Obligation Debt			\$21,650,000.00

Analysis of Outstanding General Obligation Debt

A. Total Debt Outstanding:		\$21,650,000
B. Exempt Debt:		
Special Assessment Bonds	\$120,000	
Special Assessment Notes	0	
Income Tax Pledged Bonds	14,000,000	
Income Tax Pledged Notes	0	
Self-Supporting Enterprise Bonds	0	
Self-Supporting Enterprise Notes	0	
Total Exempt Debt		14,120,000
C. Total Non-Exempt Debt: (A minus B)		\$7,530,000

Analysis of Outstanding Non-Exempt Debt

	Unlimited Tax	Limited Tax	Total
Notes	\$0	\$ 0	\$ 0
Bonds	0	7,530,000	7,530,000
Total	0	\$7,530,000	\$7,530,000

Debt Service Requirements

The following schedule presents the City's actual debt service requirements for general obligation debt currently outstanding and the Bonds:

Debt Service Requirements

Calendar Year	<u>Prior Debt</u>		<u>The Bonds</u>		Total Debt Service
	Principal	Interest	Principal	Interest	
2024	\$1,400,000.00	\$268,150.00		\$251,805.56	\$1,919,955.56
2025	885,000.00	220,550.00	\$25,000.00	647,500.00	1,778,050.00
2026	410,000.00	184,750.00	230,000.00	646,250.00	1,471,000.00
2027	380,000.00	167,900.00	240,000.00	634,750.00	1,422,650.00
2028	395,000.00	152,700.00	250,000.00	622,750.00	1,420,450.00
2029	410,000.00	136,900.00	265,000.00	610,250.00	1,422,150.00
2030	425,000.00	123,350.00	280,000.00	597,000.00	1,425,350.00
2031	440,000.00	109,300.00	290,000.00	583,000.00	1,422,300.00
2032	450,000.00	94,750.00	305,000.00	568,500.00	1,418,250.00
2033	470,000.00	79,850.00	320,000.00	553,250.00	1,423,100.00
2034	480,000.00	64,300.00	340,000.00	537,250.00	1,421,550.00
2035	505,000.00	48,400.00	355,000.00	520,250.00	1,428,650.00
2036	515,000.00	31,650.00	370,000.00	502,500.00	1,419,150.00
2037	95,000.00	14,550.00	390,000.00	484,000.00	983,550.00
2038	95,000.00	11,700.00	410,000.00	464,500.00	981,200.00
2039	95,000.00	8,850.00	430,000.00	444,000.00	977,850.00
2040	100,000.00	6,000.00	450,000.00	422,500.00	978,500.00
2041	100,000.00	3,000.00	475,000.00	400,000.00	978,000.00
2042			500,000.00	376,250.00	876,250.00
2043			525,000.00	351,250.00	876,250.00
2044			550,000.00	325,000.00	875,000.00
2045			575,000.00	297,500.00	872,500.00
2046			600,000.00	273,062.50	873,062.50
2047			625,000.00	247,562.50	872,562.50
2048			655,000.00	221,000.00	876,000.00
2049			680,000.00	193,162.50	873,162.50
2050			710,000.00	164,262.50	874,262.50
2051			740,000.00	134,087.50	874,087.50
2052			770,000.00	102,637.50	872,637.50
2053			805,000.00	69,912.50	874,912.50
2054			840,000.00	35,700.00	875,700.00
Total	\$7,650,000.00	\$1,726,650.00	\$14,000,000.00	\$12,281,443.06	\$35,658,093.06

No bonds have been authorized by the electors that have not yet been issued.

The City is not and has not been in default in the payment of debt service on any of its general obligation bonds or notes.

Overlapping Subdivision Indebtedness

In addition to the City, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the City. The estimated outstanding bonded indebtedness of such political subdivisions (excluding debt that is payable primarily from special assessments, enterprise revenues, or is otherwise self-supporting) is as follows:

Overlapping Subdivision and Debt City of Parma

Overlapping Units	Estimated Outstanding Debt	Percent Applicable to City	Estimated Amount of Overlapping Debt
Cuyahoga County	\$228,740,000	5.16%	\$11,802,984
Cuyahoga Community College	183,840,000	5.16	9,486,144
Total			\$21,289,128

Source: OMAC, as of June 27, 2024

The following table shows the per capita debt of the residents in the City based upon the 2022 estimated Census 80,587 people residing in the City, the above overlapping indebtedness figures, and the City's general obligation debt shown above, including the Bonds:

City Debt, per capita	\$268.65
Overlapping Debt, per capita	264.18
Total Debt, per capita	\$532.83

Source: OMAC and City calculations

Leases and Other Long-Term Obligations

The City has the following short-term capital leases with an outstanding principal balance of \$1,538,288:

Purpose	Term	Annual Payment	Final Payment Date
Skid Steer/Compact Excavator	5 years	\$38,133.32	12/01/2027
2 Leaf Vacs	5 years	61,423.64	08/01/2027
Brush Chipper		42,885.72	05/01/2027
Murphy Tractor	5 years	57,493.38	10/15/2023
Two 2020 Sutphen Pumpers	10 years	95,297.84	10/12/2023
Six 2021 Tahoes	5 years	47,798.54	08/05/2026
Six 2020 Tahoes	5 years	46,416.54	12/01/2024
Ten 2023 Malibus and three 2023 Tahoes	5 years	74,819.24	12/09/2027
Six 2020 Tahoes	5 years	46,760.18	12/01/2024
	Total	\$511,028.40	

City Insurance

Coverage for the City's buildings, furniture, fixtures, and contents has a limit of \$130,412,556 with a \$25,000 deductible. Inland marine coverage for all City property that moves has coverage of \$16,776,580 with a \$1,000 deductible and electronic data processing equipment is covered at \$1,328,800 with a \$1,000 deductible. The City also carries insurance coverage for cyber risks.

The City's coverage for general liability, bodily injury and property damage to others, with is limited to \$1,000,000 per occurrence and has a \$3,000,000 aggregate limit per year. In addition, there is an excess umbrella coverage of \$10,000,000 per occurrence and has a \$10,000,000 aggregate limit per year.

Errors and omissions for public officials and police professional liability are covered at \$1,000,000 per occurrence, and has a \$1,000,000 annual aggregate. Vehicles are covered for \$1,000,000 combined single limit per each occurrence, no aggregate, with a \$10,000 deductible for comprehensive, \$10,000 deductible for collision. The boiler and machinery is covered at \$132,317,456 with a \$5,000 deductible for all property.

Ohio law provides immunity for political subdivisions such as the City from liability in damages. The immunity covers injury, death, or loss to persons or property allegedly caused by an act or omission of such political subdivisions or their employees in connection with governmental and proprietary functions, as defined in the Ohio statutes. The statutes have no effect on any liability imposed by federal law or other federal cause of action. Pursuant to Ohio law, there are, however, five areas in which a political subdivision may be held liable for such loss. These include the negligent operation of a motor vehicle by employees engaged within the scope of their employment and authority; negligent performance of proprietary functions; negligent failure to keep public roads in repair, and other negligent failure to remove obstructions from public roads; negligence of employees due to physical defects within or upon the grounds of buildings used in the performance of governmental functions, excluding jails, juvenile detention workhouses and other detention facilities; and liability specifically imposed by statute. Ohio law also imposes a two-year

statute of limitations and puts limits on the damages which may be recovered from such political subdivisions. No punitive or exemplary damages can be recovered, and any insurance benefits are deducted from any award against a political subdivision. Although there is no limitation with respect to compensatory damages representing a person's economic loss, there is a \$350,000 per person or \$500,000 per incident ceiling on the compensatory damage that represents a person's non-economic loss in cases other than wrongful death, in which case there is no maximum limitation.

Future Financings

The City plans to issue approximately \$1,650,000 of bond anticipation notes for roof improvement projects in 2024. The City also has an active and ongoing capital improvement program to address infrastructure needs associated with continuing growth. Future projects will be financed from a variety of sources, including funds on hand and the issuance of general obligation bonds.

FINANCES OF THE CITY

Financial Reports and Audits

The City's fiscal year is the calendar year. The City maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Auditor of the State of Ohio (the "Auditor"). The Auditor is charged by Ohio law with the responsibility of auditing the financial statements of each taxing subdivision and most agencies and public institutions.

A financial report for each fiscal year is required to be filed with the Auditor pursuant to Revised Code Section 117.38. Such reports are required to be submitted to the Auditor at the close of each fiscal year. At the time of filing of such report, the Auditor is required to publish a notice that the report is completed and available for review in the Auditor's office.

The most recent audit of the City's financial statements by the State Auditor was completed through the fiscal year ending December 31, 2022. The financial statements presented fairly the overall financial condition of the City. The audited General Purpose Financial Statements for the Year Ended December 31, 2022 are attached hereto as APPENDIX B.

Except for audits by, or by certified public accountants at the direction of, the Auditor pursuant to Ohio law and audits under federal program requirements, no independent audit of the City's financial records is made.

All Ohio municipalities and counties are required to prepare their annual financial reports on the basis of generally accepted accounting principles ("GAAP"). Governmental Accounting Standards Board ("GASB") pronouncements and Financial Accounting Standards Board pronouncements are the principal sources used to determine the accounting principles employed. These publications, among other things, provide for a modified accrual basis of accounting for governmental funds and for a full accrual basis of accounting for proprietary funds and for each major and aggregated non-major fiduciary funds. The publications also further provide for the preparation of balance sheets for each major and non-major fund, and statements of revenues and expenditures, and changes in fund balances (major and aggregated non-major governmental funds) or statements of revenues, expenses and changes in retained earnings/equity (major and aggregated non-major proprietary funds) and statement of cash flows. The principles further require preparation of a statement of net assets and a statement of activities for the entity's business type and government type activities on the full accrual basis of accounting, and management's discussion and analysis of major events and transactions during the year.

General Fund Revenue Sources

The General Fund is the main operating fund of the City. It is the fund from which most of the City's expenditures are paid and into which most of the City's revenues are deposited. The City derives most of its revenues from a tax on real and tangible personal property, a municipal income tax, the local government fund, and fees for services. The local government fund includes moneys derived from portions of state general revenue fund taxes that are earmarked for distribution to local governmental units and the rollback reimbursement (see "CITY TAX BASE – Ad Valorem Taxes and Assessed Valuation – Real Property" in this APPENDIX A). These programs are subject to repeal or modification by the State Legislature.

The table on the following page sets forth the historical revenues of the major revenue sources of the City's General Fund. Additional information can be found in the Audited Financial Statements of the City for the year ending December 31, 2022 found in APPENDIX B.

City of Parma
General Fund – Major Tax Revenue Sources
(Budget Basis)

	2019	2020	2021	2022	2023	Budgeted 2024
Receipts						
Municipal Income Taxes	\$32,445,124	\$30,956,853	\$33,046,211	\$39,984,684	\$41,707,816	\$41,707,574
Property and Other Taxes	3,741,053	3,739,637	3,772,291	4,585,410	4,615,995	4,360,655
Charges for Services	766,646	835,094	777,490	789,489	792,265	1,008,725
Fees, Licenses, and Permits	6,943,911	6,611,779	8,084,530	8,008,109	8,111,093	7,840,100
Fines and Forfeitures	4,031,775	2,655,587	4,035,429	3,742,833	4,395,291	4,323,000
Intergovernmental	3,491,444	3,447,457	3,613,332	4,099,182	4,335,630	3,238,345
Donations	-	-	-	-	-	-
Rentals and Leases	79,763	98,112	114,211	119,159	125,446	115,350
Interest	55,703	17,833	8,864	134,505	1,674,983	800,000
Royalties and Commissions	5,812	3,990	2,796	-	-	2,900
Other	-	-	-	2,565	3,124	50,000
Total Receipts	\$51,561,231	\$48,366,342	\$53,455,154	\$61,465,936	\$65,761,643	\$63,446,649
Expenditures						
Legislative and Executive	\$18,745,080	\$19,356,774	\$20,443,031	\$21,787,235	\$23,297,257	26,847,709
Security of Persons and Property	26,408,839	21,105,019	25,051,211	25,976,073	29,149,630	34,855,071
Public Health and Welfare	386,789	444,725	444,725	486,876	535,564	588,309
Community Environment	880,902	905,094	904,409	1,091,752	1,254,976	1,334,637
Leisure Time Activities	2,531,477	2,145,055	2,526,020	2,813,530	2,974,422	3,305,084
Capital Outlay	1,505	-	-	-	-	116,724
Total Expenditures	\$48,954,592	\$43,956,667	\$49,369,396	\$52,155,466	\$57,211,849	\$67,047,534
Total Receipts Over (Under) Expenditures	\$2,606,639	\$4,409,675	\$4,085,758	\$9,310,470	\$8,549,794	(\$3,600,885)
Other Financing Sources (Uses)						
Advances – In	\$477,037	\$609,828	\$184,346	\$287,127	\$287,444	\$399,000
Advances – Out	(609,389)	(185,446)	(287,127)	(287,444)	(399,128)	(350,000)
Transfers – In	109,246	361,774	-	-	-	358,000
Transfers – Out	(3,614,152)	(2,587,581)	(3,057,457)	(4,008,723)	(4,304,468)	(6,601,449)
Total Other Financing Sources (Uses)	\$(3,637,258)	\$(1,801,425)	\$(3,160,238)	\$(4,009,040)	\$(4,416,152)	(6,194,449)
Net Change in Fund Balance	\$(1,030,619)	\$2,608,250	\$925,520	\$5,301,430	\$4,133,642	(\$9,795,334)
Balance January 1	\$2,406,427¹	\$4,754,864¹	\$5,997,417¹	\$7,366,278¹	\$14,343,524	\$20,673,109
Prior Year Encumbrances Appropriated	\$869,730	\$750,132	\$443,341	\$1,675,816	\$2,195,943	\$2,659,075
Balance December 31	\$2,245,538	\$8,113,246	\$7,366,278	\$14,343,524	\$20,673,109	\$13,536,850

¹ Beginning fund balance in 2019 through 2022 have been adjusted from the prior year ending balance due to reporting adjustments.

CITY OF PARMA

ALL FUNDS CASH SUMMARY (2022)

Fund Number	Fund Name	reports dated: 12/31/2022 (rpts named 12/31/22 - final (3-14-23 adj))				Calculated	Calculated	B/S
		Cash 01/01/2022	Revenue	Disbursements	(2020) Encumbrances	Unencumbered Cash 12/31/2022	Cash 12/31/2022	Cash 12/31/2022
001	GENERAL FUND	9,042,094.26	61,753,063.72	54,255,691.00	2,195,942.63	14,343,524.35	16,539,466.98	16,539,466.98
101	SR-PENSION-POLICE	531,632.86	1,839,250.70	1,956,724.66	-	414,158.90	414,158.90	414,158.90
102	SR-PENSION-FIRE	566,660.22	2,057,149.10	2,063,928.13	-	559,881.19	559,881.19	559,881.19
103	SR-AMBULANCE BILLING	272,054.40	1,689,774.15	1,334,281.95	235,815.41	391,731.19	627,546.60	627,546.60
104	SR-POLICE LEVY	279,424.24	2,772,912.37	2,812,832.61	56,917.79	182,586.21	239,504.00	239,504.00
105	SR-FIRE LEVY	554,189.85	2,801,907.58	2,755,468.19	93,186.98	507,442.26	600,629.24	600,629.24
106	S.A.F.E.R. Grant - A.R.R.A.	-	731,088.00	731,088.00	-	-	-	-
111	PFD OPERATIONS & SAFETY PR	165.08	-	-	-	165.08	165.08	165.08
112	FY 2020 ASSISTANCE TO FIREFI	180,939.55	180,699.55	361,639.10	-	-	-	-
113	SR-ASSIST TO FIREFIGHTERS F'	-	-	-	-	-	-	-
114	DHS HURRICANE KATRINA	273.24	-	-	-	273.24	273.24	273.24
115	SR-LAW ENFORCEMENT DIVERSE	27,428.94	64,184.36	71,236.49	-	20,376.81	20,376.81	20,376.81
116	SR-BODY CAMERA GRANT	20,192.29	-	-	-	20,192.29	20,192.29	20,192.29
117	SR-PUBLIC HEALTH POD	16,887.32	-	-	-	16,887.32	16,887.32	16,887.32
118	NOPEC GRANT	-	195,525.00	-	195,525.00	-	195,525.00	195,525.00
119	CUYAHOGA COUNTY CD SUPPLI	50,000.00	97,337.00	147,337.00	-	-	-	-
120	SR-EMS GRANT 2003-2004	2,501.55	-	-	-	2,501.55	2,501.55	2,501.55
122	SR-EMS GRANT 2005-2006	1,000.00	-	-	-	1,000.00	1,000.00	1,000.00
123	CORONAVIRUS RELIEF FUND	-	-	-	-	-	-	-
124	COMMISSARY FUND	937.27	1,887.86	1,793.32	-	1,031.81	1,031.81	1,031.81
127	FEMA - 03 FIRE PREVENTION	-	-	-	-	-	-	-
128	FY'03 ASSISTANCE TO FIREFIGH	206.10	-	-	-	206.10	206.10	206.10
129	COMMUNITY EMERGENCY RESF	160.96	-	-	-	160.96	160.96	160.96
130	SR-DRUG ABUSE EDUCATIONAL	66,112.89	8,440.65	18,956.50	-	55,597.04	55,597.04	55,597.04
131	SR-LAW ENFORCEMENT TRUST	331,892.03	90,022.57	93,583.81	2,612.00	325,718.79	328,330.79	328,330.79
132	SR-P.O.P.A.S.	-	-	-	-	-	-	-
133	SR-HOUSING OF PRISONERS	8,221.74	21,818.49	30,000.00	-	40.23	40.23	40.23
134	RADIO SYSTEMS LEASE REV	21,558.68	65,590.39	63,642.78	23,506.29	-	23,506.29	23,506.29
135	SRPOLICE OFFICER - 2009 ARR	-	-	-	-	-	-	-
136	LAW ENFRMNT BLCK GRNT	77,033.17	73,964.41	39,848.30	-	111,149.28	111,149.28	111,149.28
137	SR-IDEIP - 2019	-	-	-	-	-	-	-
138	SR-STEP - 2019	-	-	-	-	-	-	-
139	SR-1999 LLEBG	357.00	-	-	-	357.00	357.00	357.00
140	SR-DDEP - 2019	644.65	-	-	-	644.65	644.65	644.65
141	VEST GRANT 2001	73,598.02	-	-	-	73,598.02	73,598.02	73,598.02
142	CORONAVIRUS EMERGENCY SL	-	-	-	-	-	-	-
143	DUI PREVENTION TASK FORCE I	-	19,545.28	19,545.28	-	-	-	-
144	Metro Health QRT	14,063.54	-	-	-	14,063.54	14,063.54	14,063.54
145	2003 LLEBG	50.00	-	-	-	50.00	50.00	50.00

Fund Number	reports dated: 12/31/2022 (rpts named 12/31/22 - final (3-14-23 adj)) Fund Name	Cash 01/01/2022	Revenue	Disbursements	(20200) Encumbrances	Calculated	Calculated	B/S
						Unencumbered Cash 12/31/2022	Cash 12/31/2022	Cash 12/31/2022
146	FY '04 UASI - DHS	44,114.98	-	-	-	44,114.98	44,114.98	44,114.98
147	CAPABILITY ENHANCEMENT VIA	250.00	-	-	-	250.00	250.00	250.00
148	FY 2005 BUFFER ZONE - DHS	-	98,689.98	98,689.98	-	-	-	-
149	COPS 2006 TECHNOLOGY GRAN	6.75	-	-	-	6.75	6.75	6.75
150	PARMATOWN TIF	-	1,387,374.81	1,387,374.81	-	-	-	-
151	CROSSROADS TIF	-	52,276.60	-	-	52,276.60	52,276.60	52,276.60
161	SR-INDGNT DRVRS ALCHL TRM	217,054.75	59,098.18	47,527.37	-	228,625.56	228,625.56	228,625.56
162	SR-ENFORCEMENT & EDUCATN	10,478.05	2,831.00	1,839.84	-	11,469.21	11,469.21	11,469.21
163	COURT SECURITY GRANT	-	-	-	-	-	-	-
164	PROBATION SUPERVISION FUNI	47,074.28	51,907.48	70,754.12	-	28,227.64	28,227.64	28,227.64
165	PMC CLERK COMPUTERIZATION	237,166.43	286,825.84	326,222.34	50,049.32	147,720.61	197,769.93	197,769.93
166	I.D.I.A.M.	22,605.61	33,506.51	46,545.85	-	9,566.27	9,566.27	9,566.27
167	COURT FACILITIES MGMT FEE	599,198.04	111,492.50	131,271.50	-	579,419.04	579,419.04	579,419.04
170	JUVENILE DIVERSION PRG	8,757.52	24,000.00	23,494.86	-	9,262.66	9,262.66	9,262.66
171	JUVENILE DIVERSION PRG	1,630.38	-	-	-	1,630.38	1,630.38	1,630.38
172	SR-FAIR HOUSING INITIATIV	-	-	-	-	-	-	-
173	COMM RELATIONS GRANT	-	-	-	-	-	-	-
174	VOCA GRANT	7,740.54	87,199.00	88,662.70	-	6,276.84	6,276.84	6,276.84
175	SVAA GRANT	6,437.03	2,857.40	2,854.00	-	6,440.43	6,440.43	6,440.43
176	TRAFFIC INTERVENTION PROG :	8,504.16	21,972.50	23,888.00	-	6,588.66	6,588.66	6,588.66
177	SR-DDEP-2020	1,211.55	-	-	-	1,211.55	1,211.55	1,211.55
178	SR-FAIR HOUSING 97-98 FED GF	3,975.41	-	-	-	3,975.41	3,975.41	3,975.41
179	SR-IDEP-2020	14,128.31	-	-	-	14,128.31	14,128.31	14,128.31
180	FIRST TIME OFFENDER DIVERSI	249,486.00	17,625.00	20,000.00	-	247,111.00	247,111.00	247,111.00
181	SR-STEP 2020	11,968.71	-	-	-	11,968.71	11,968.71	11,968.71
182	2022 SHEP PARMA	-	21,184.07	-	-	21,184.07	21,184.07	21,184.07
185	SR-PARMA COMMUNITY MEALS	72,820.23	204,973.00	263,092.31	-	14,700.92	14,700.92	14,700.92
186	SENIOR MEALS ON WHEELS	-	-	-	-	-	-	-
187	SENIORS OTHER DONATION	-	-	-	-	-	-	-
188	SENIOR MEALS	18,133.89	60,735.27	60,104.11	-	18,765.05	18,765.05	18,765.05
189	SEVEN HILLS TRANSPORTATION	118.85	-	-	-	118.85	118.85	118.85
190	OHIO ONE OPOID SETTLEMENT	-	13,336.30	-	-	13,336.30	13,336.30	13,336.30
191	2000 TITLE IIIC	-	-	-	-	-	-	-
192	AMERICAN RESCUE PLAN - CFD	7,534,566.73	11,867,460.50	4,842,558.55	2,027,853.51	12,531,615.17	14,559,468.68	14,559,468.68
193	2001 DSAS SENIOR VAN GRANT	-	-	-	-	-	-	-
195	2017 TITLE III	-	-	-	-	-	-	-
196	2018 TITLE III	-	8,067.00	-	-	8,067.00	8,067.00	8,067.00
197	2019 TITLE III	-	-	-	-	-	-	-
198	2020 TITLE III	-	-	-	-	-	-	-

reports dated: 12/31/2022								
Fund Number	(rpts named 12/31/22 - final (3-14-23 adj)) Fund Name	Cash 01/01/2022	Revenue	Disbursements	(20200) Encumbrances	Calculated Unencumbered Cash 12/31/2022	Calculated Cash 12/31/2022	B/S Cash 12/31/2022
199	2011 TITLE III	16,546.61	-	16,546.61	-	-	-	-
200	2022 TITLE III GRANT	-	110,841.16	127,387.77	-	(16,546.61)	(16,546.61)	(16,546.61)
201	2012 TITLE III GRANT	-	-	-	-	-	-	-
202	2013 TITLE III GRANT	-	-	-	-	-	-	-
203	2014 TITLE III GRANT	-	-	-	-	-	-	-
204	2015 TITLE III GRANT	-	-	-	-	-	-	-
205	2016 TITLE III GRANT	-	-	-	-	-	-	-
206	CDBG REVOLVING LOAN FUND	43,839.56	5,810.57	-	-	49,650.13	49,650.13	49,650.13
207	NSP	16,582.86	-	-	-	16,582.86	16,582.86	16,582.86
216	SR-HUD NON-CLSSFD PGM INC	6,636.98	-	-	-	6,636.98	6,636.98	6,636.98
217	SR-HOME PROGRAM	-	-	-	-	-	-	-
218	DPAP 96-97	114,324.38	-	-	-	114,324.38	114,324.38	114,324.38
219	SCHAAF COMMUNITY CENTER	10,458.10	-	-	-	10,458.10	10,458.10	10,458.10
220	STEARNS FARM	28,743.75	-	-	-	28,743.75	28,743.75	28,743.75
221	ODNR - WARRIOR RUN GRANT	-	-	-	-	-	-	-
222	WEST CREEK PRESERVE	-	-	-	-	-	-	-
223	CHEVY BLVD TRAFFIC SIGNAL	10,833.82	-	-	-	10,833.82	10,833.82	10,833.82
224	HOLLENBECK LAKE DAM	8,444.56	47,500.00	52,944.34	3,000.22	-	3,000.22	3,000.22
225	CDBG FY 2018	-	-	-	-	-	-	-
226	CDBG FY 2019	-	-	-	-	-	-	-
227	CDBG FY 2020	-	-	-	-	-	-	-
228	CDBG FY 2021	4,735.00	55,605.65	60,340.65	-	-	-	-
229	CDBG FY 2022	-	998,138.15	994,958.15	3,180.00	-	3,180.00	3,180.00
230	CDBG FY 2011	-	-	-	-	-	-	-
231	CDBG FY 2012	-	-	-	-	-	-	-
232	CDBG FY 2013	-	-	-	-	-	-	-
233	CDBG FY 2014	-	-	-	-	-	-	-
234	CDBG FY 2015	-	-	-	-	-	-	-
235	CDBG FY 2016	-	-	-	-	-	-	-
236	CDBG FY 2017	-	-	-	-	-	-	-
240	WEST CREEK - THE LOST VALLE	-	-	-	-	-	-	-
241	REIS PARK CUYA 002C	-	-	-	-	-	-	-
242	BIG CREEK - SNAKE HILL	1,890.35	-	-	-	1,890.35	1,890.35	1,890.35
244	ODD-ROADWAY INDUSTRIAL PK	-	-	-	-	-	-	-
245	ENTERPRISE ZONE	6,227.31	-	-	-	6,227.31	6,227.31	6,227.31
246	SR-OCJS-LICENSE PLATE READ	-	-	-	-	-	-	-
247	SR-LITTER PREV & RYCL 2007	-	-	-	-	-	-	-
248	COMMUNITY RECYCLING AWAR	-	3,000.00	3,000.00	-	-	-	-
249	COUNTY DEMOLITION PROGRA	39,608.28	-	-	-	39,608.28	39,608.28	39,608.28

Fund Number	reports dated: 12/31/2022 (rpts named 12/31/22 - final (3-14-23 adj)) Fund Name	Cash 01/01/2022	Revenue	Disbursements	(20200) Encumbrances	Calculated	Calculated	B/S
						Unencumbered Cash 12/31/2022	Cash 12/31/2022	Cash 12/31/2022
251	DRUG USE PREVENTION GRANT	7,791.18	-	-	-	7,791.18	7,791.18	7,791.18
252	QUARRY DISTRICT FUND	-	-	-	-	-	-	-
253	SR-CDBG-CV	227,000.00	7,777.50	234,777.50	-	-	-	-
254	LITTER CONTROL GRANT 2004	-	-	-	-	-	-	-
255	LITTER CONTROL GRANT 2005	876.33	-	-	-	876.33	876.33	876.33
263	STEARNS STREAM	780.79	-	-	-	780.79	780.79	780.79
264	2003 FEMA DISASTER 3187	-	-	-	-	-	-	-
265	HENNINGER HOUSE STUDY& ST	4,930.00	-	-	-	4,930.00	4,930.00	4,930.00
266	HOME PROGRAM - PINE TREE V	-	-	-	-	-	-	-
267	HENNINGER HOUSE SITE ACQU	1,185.49	-	-	-	1,185.49	1,185.49	1,185.49
268	RECREATIONAL TRAILS GRANT	7,950.43	-	-	-	7,950.43	7,950.43	7,950.43
270	SR-PBLC HOUS'G DV ADM HUD	13,340.01	598,448.29	600,572.93	-	11,215.37	11,215.37	11,215.37
271	PUBLIC HOUSING CAPITAL	500.00	-	-	-	500.00	500.00	500.00
275	SEWER MAINTENANCE	108,537.79	519,374.00	522,420.55	-	105,491.24	105,491.24	105,491.24
276	SR-STRT. CNST. M & R	1,075,110.55	5,257,523.57	5,084,348.41	148,423.75	1,099,861.96	1,248,285.71	1,248,285.71
277	SR-STATE HWY. 7 1/2%	32,918.45	407,642.38	398,643.55	5,361.00	36,556.28	41,917.28	41,917.28
278	MUN. MOTOR VEH. LIC. TAX	59,040.27	559,833.84	550,000.00	-	68,874.11	68,874.11	68,874.11
279	ANIMAL SHELTER	1,612.75	7,913.68	5,116.85	-	4,409.58	4,409.58	4,409.58
280	SCHOOL ZONE	-	2,665,187.00	2,570,597.49	-	94,589.51	94,589.51	94,589.51
282	BROWNFIELD REDEVELOPME	7,705.77	-	-	-	7,705.77	7,705.77	7,705.77
283	COUNTY HEALTH LOAN	-	-	-	-	-	-	-
284	CAPT LOVELL PARK RESTORATI	1,442.38	-	-	-	1,442.38	1,442.38	1,442.38
285	SR-LAND ACQUSTN.	150,428.82	-	-	-	150,428.82	150,428.82	150,428.82
286	SR-SPEC. PKS. & REC.	28,142.27	173,610.49	182,366.92	-	19,385.84	19,385.84	19,385.84
287	SR-COMMUNITY CENTER	5.00	-	-	-	5.00	5.00	5.00
288	VETERANS MEMORIAL	445.67	-	-	-	445.67	445.67	445.67
289	HOUSING MAINT CODE PROG	75,151.92	426,226.00	389,457.38	1,687.78	110,232.76	111,920.54	111,920.54
290	SR-CUSTOMER SERV CTR GRN	2,543.43	-	-	-	2,543.43	2,543.43	2,543.43
291	NATURE WORKS GRANT	3,199.90	-	-	-	3,199.90	3,199.90	3,199.90
292	AMER BEAUTIFUL GRANT	97.04	-	-	-	97.04	97.04	97.04
293	CITY-WIDE SIGNALIZATION PRO	-	-	-	-	-	-	-
294	JAMES DAY PARK FUND	-	-	-	-	-	-	-
295	ENERGY EFF & CONSERV BLK C	1,968.84	-	-	-	1,968.84	1,968.84	1,968.84
297	OHIO EMA SDRP	-	-	-	-	-	-	-
298	NOACA FY '06 DAY DR STUDY	10,000.00	-	-	-	10,000.00	10,000.00	10,000.00
299	FEMA - 1519 '04 FLOODING	17,155.37	-	-	-	17,155.37	17,155.37	17,155.37
305	DS-GEN. BOND RET. (VBI)	4,603.70	-	-	-	4,603.70	4,603.70	4,603.70
310	2021 VARIOUS PURPOSE BOND	6,498.62	658,900.00	658,900.00	-	6,498.62	6,498.62	6,498.62
315	JUSTICE CTR BOND RET	-	792,350.00	792,350.00	-	-	-	-

Fund Number	reports dated: 12/31/2022 (rpts named 12/31/22 - final (3-14-23 adj)) Fund Name	Cash 01/01/2022	Revenue	Disbursements	(2020) Encumbrances	Calculated	Calculated	B/S
						Unencumbered Cash 12/31/2022	Cash 12/31/2022	Cash 12/31/2022
323	BOND RETIRE - COMM CTR RIDC	-	173,150.00	173,150.00	-	-	-	-
325	COUNTY HEALTH DIST LOAN FU	12,603.25	-	-	-	12,603.25	12,603.25	12,603.25
336	PV SEWERS PHASE I	-	-	-	-	-	-	-
337	GANNETT LAND PURCH	145,063.28	-	-	-	145,063.28	145,063.28	145,063.28
342	PEARL RD IMPROVEMENTS	-	-	-	-	-	-	-
347	2010 IMPROVEMENTS NOTE	3,027.00	-	-	-	3,027.00	3,027.00	3,027.00
348	DS-2005 FIRE STATION CONSTR	-	-	-	-	-	-	-
349	DS-2005 STREET IMPROVEMENT	-	-	-	-	-	-	-
350	DS-GEN. BOND RET. (UVBI)*	-	-	-	-	-	-	-
360	OPWC-STATE-BRKDALE WAT M/	0.20	-	-	-	0.20	0.20	0.20
361	OPWC-BRDVIEW WAT MA REHA	0.17	-	-	-	0.17	0.17	0.17
362	OPWC-STATE RD WATER II	-	-	-	-	-	-	-
363	OPWC-W24/33 WATER REPL	-	-	-	-	-	-	-
364	OPWC-BKPK,W60,LU REL SAN	-	-	-	-	-	-	-
365	OPWC-STATE RD WATER III	-	-	-	-	-	-	-
366	OPWC-STATE RD REL SAN	-	-	-	-	-	-	-
367	OPWC-BKPK/ROSEDE REL SAN	-	-	-	-	-	-	-
368	OPWC-RIDGE RD WATERMAIN II	-	-	-	-	-	-	-
369	OPWC-GABRIELLA WATER I	-	-	-	-	-	-	-
370	OPWC-CHESTNUT HILLS WATEF	-	-	-	-	-	-	-
371	CHEVY BLVD IMPROVEMENTS	-	-	-	-	-	-	-
372	DAY DRIVE IMPROVEMENTS	-	42,118.60	42,118.60	-	-	-	-
373	CHEVY BLVD STORM/SANIT IMP	-	17,076.10	17,076.10	-	-	-	-
380	OWDA-W16 & BRKVW BLVD SAN	-	-	-	-	-	-	-
381	OWDA-BDVV RD REL SAN	-	-	-	-	-	-	-
382	OWDA-CHESTNT HILL REL SAN	-	-	-	-	-	-	-
383	OWDA-RIDGE RD REL SAN	-	-	-	-	-	-	-
384	OWDA-BKPK,W60,LU REL SAN	-	-	-	-	-	-	-
385	OWDA-BKPK/ROSEDE REL SAN	-	-	-	-	-	-	-
386	OWDA-STATE RD REL SAN	-	-	-	-	-	-	-
387	OWDA-ACKLEY RD SAN	-	-	-	-	-	-	-
401	2021 CWD BACKFILL PVMT REP/	387,793.62	557,750.00	727,604.50	217,939.12	-	217,939.12	217,939.12
403	FIRE DEPT BLDG FUND	128,652.54	979,473.70	854,724.79	19,607.43	233,794.02	253,401.45	253,401.45
405	CP-CTY INCM TX-CAP IMPROV	2,148,612.69	15,949,584.34	12,284,333.79	1,678,783.72	4,135,079.52	5,813,863.24	5,813,863.24
410	CAPITAL IMP.-CITY HALL	7,443.78	-	-	-	7,443.78	7,443.78	7,443.78
413	JUST CTR 1999 ISSUE	421.21	-	-	-	421.21	421.21	421.21
414	CP-JUSTICE CENTER NOTE FN	267.92	-	-	-	267.92	267.92	267.92
415	JUSTICE CENTER FUND	-	-	-	-	-	-	-
416	RIDGEWOOD CLUBHOUSE	-	4,000,000.00	-	-	4,000,000.00	4,000,000.00	4,000,000.00

Fund Number	reports dated: 12/31/2022 (rpts named 12/31/22 - final (3-14-23 adj)) Fund Name	Cash			(20200) Encumbrances	Calculated	Calculated	B/S
		01/01/2022	Revenue	Disbursements		Unencumbered Cash 12/31/2022	Cash 12/31/2022	Cash 12/31/2022
419	CORPORATE & VENTURE DR	35.79	-	-	-	35.79	35.79	35.79
420	SENIOR CITIZENS CNTR FUND	743.74	-	-	-	743.74	743.74	743.74
421	RIDGE RD RESURFACING	-	-	-	-	-	-	-
422	CAPITAL IMP. COURTS	3,403.52	163.00	-	-	3,566.52	3,566.52	3,566.52
423	COMM CENTER - RIDGE RD	78,380.33	56,527.80	56,527.80	-	78,380.33	78,380.33	78,380.33
430	BRADENTON ARRA GRANT - 200	2,288.10	-	-	-	2,288.10	2,288.10	2,288.10
431	BRADENTON OWDA LOAN 5475	-	-	-	-	-	-	-
432	BRADENTON - DEPT OF ARMY C	-	-	-	-	-	-	-
433	CP-PARMADALE DEMO	133,824.70	436,606.57	537,363.27	-	33,068.00	33,068.00	33,068.00
434	OLD ROCKSIDE/BROADROCK S/W	-	1,809,202.23	1,404,588.04	404,614.19	-	404,614.19	404,614.19
435	W. RIDGEWOOD DR WATER MN	-	612,133.65	4,865.80	607,267.85	-	607,267.85	607,267.85
436	PLEASANT VALLEY SEWER I	18,558.90	-	-	-	18,558.90	18,558.90	18,558.90
437	SPRAGUE RD WATER LINE	1,859,805.20	-	-	-	1,859,805.20	1,859,805.20	1,859,805.20
438	W PARKVIEW DRIVE - OPWC	6,190.37	-	-	-	6,190.37	6,190.37	6,190.37
439	THORNCLIFF SEWERS	-	-	-	-	-	-	-
440	BRADENTON OPWC - 30%	-	-	-	-	-	-	-
441	TUXEDO AVE WATER I	-	52,113.28	52,113.28	-	-	-	-
442	PEARL RD IMPROVEMENTS	0.48	-	-	-	0.48	0.48	0.48
443	SPRAGUE RD RECONSTRUCTIO	-	-	-	-	-	-	-
445	STREET IMPROVEMENTS - 2017	46,390.50	-	-	-	46,390.50	46,390.50	46,390.50
448	CP - 2005 FIRE STATION CONSTI	0.67	-	-	-	0.67	0.67	0.67
449	CP - 2005 STREET IMPROVEMEN	155.15	-	-	-	155.15	155.15	155.15
450	CP - 2010 IMPROVEMENTS NOTE	-	-	-	-	-	-	-
451	CP-ORCHARD PARK STORM SEL	47,030.73	-	5,382.68	-	41,648.05	41,648.05	41,648.05
452	CP-1990 SEWER IMPROV NOTE	11,550.26	-	-	-	11,550.26	11,550.26	11,550.26
453	CP-BROADROCK DRILL DROP	-	-	-	-	-	-	-
454	CP-LOURDES DR STORM SEWEI	450.00	-	-	-	450.00	450.00	450.00
455	2020 CATCH BASIN PROGRAM	-	225.00	-	-	225.00	225.00	225.00
456	MEADOW LANE HEADWALL & ST	46,417.10	58,946.00	79,692.00	25,671.10	-	25,671.10	25,671.10
457	BDVW RD REL SAN	7,544.85	-	-	-	7,544.85	7,544.85	7,544.85
458	CHESTNT HILL REL SAN	2,232.54	-	-	-	2,232.54	2,232.54	2,232.54
459	HICKORY HILL/S. CANTERBURY/	187,244.69	267,749.49	430,972.03	24,022.15	(0.00)	24,022.15	24,022.15
460	BROADVIEW RD/LAW DEPT COM	-	-	-	-	-	-	-
461	FENWAY DRIVE STORM SEWER	41,029.00	43,249.00	75,296.17	8,981.83	-	8,981.83	8,981.83
462	RIDGE RF RESURFACING	-	-	-	-	-	-	-
463	W. RIDGEWOOD CULVERT	257,889.50	274,619.00	461,091.32	71,417.18	-	71,417.18	71,417.18
464	2021 CATCH BASIN PROGRAM	32,461.73	499,700.00	532,161.72	0.01	0.00	0.01	0.01
465	CHEV-GABRIELA WATER	-	-	-	-	-	-	-
466	CHESTNUT-WESLEY WATER	8,762.25	-	-	-	8,762.25	8,762.25	8,762.25

Fund Number	reports dated: 12/31/2022 (rpts named 12/31/22 - final (3-14-23 adj)) Fund Name	Cash 01/01/2022	Revenue	Disbursements	(20200) Encumbrances	Calculated	Calculated	B/S
						Unencumbered Cash 12/31/2022	Cash 12/31/2022	Cash 12/31/2022
467	SPRAGUE SANITARY	-	519,681.64	519,681.64	-	-	-	-
470	RIDGE/P.V. STORM SEWER OUT	38,112.37	-	-	-	38,112.37	38,112.37	38,112.37
471	GREEN ACRES SEWER IMP	98,658.50	122,221.00	174,281.75	46,597.75	-	46,597.75	46,597.75
472	KRUGER AVE SEWER IMP	252,098.95	1,068,615.29	449,813.69	870,900.55	-	870,900.55	870,900.55
473	PARKHAVEN DR SEWERS	-	161,059.57	161,059.57	-	-	-	-
474	GETTYSBURG SEWERS	-	443,508.66	443,508.66	-	-	-	-
475	BROOKDALE AVE SEWERS	-	61,387.71	61,387.71	-	-	-	-
476	GRANTWOODW. RIDGEWOOD C	-	-	-	-	-	-	-
477	GREEN VALLEY SEWERS	-	198,635.04	198,635.04	-	-	-	-
478	MANHATTAN OPWC-35%	-	-	-	-	-	-	-
479	MANHATTAN ARRA - 2009	-	-	-	-	-	-	-
480	MANHATTAN OWDA LOAN 5476	-	-	-	-	-	-	-
481	GRANTWOOD/W.RIDGEWOOD -	-	-	-	-	-	-	-
482	GRANTWOOD/W.RIDGEWOOD -	19,126.13	-	7,009.41	-	12,116.72	12,116.72	12,116.72
483	GRANTWOOD/W.RIDGEWOOD -	-	-	-	-	-	-	-
484	RIDGEWOOD OPWC - 30%	-	-	-	-	-	-	-
485	ARMY C.O.E. PARKHAVEN	-	-	-	-	-	-	-
486	RIDGE RD WATER & SANITARY I	-	-	-	-	-	-	-
487	CHEVY BLVD STORM/SANITARY	-	-	-	-	-	-	-
488	DAY DRIVE STREET IMPROVEM	-	-	-	-	-	-	-
489	RIDGE RD WATER & SANITARY -	109,810.35	-	109,810.35	-	-	-	-
490	SPRAGUE RD SANITARY/WATEF	-	750.00	750.00	-	-	-	-
520	RIDGEWOOD GOLF COURSE	107,264.30	1,015,844.88	971,127.66	4,680.25	147,301.27	151,981.52	151,981.52
604	MISC. SELF INSURANCE FUND	15,041.42	-	-	-	15,041.42	15,041.42	15,041.42
605	LIABILITY INSURANCE	252,145.70	589,937.00	583,267.12	9,812.00	249,003.58	258,815.58	258,815.58
610	MEDICAL INSURANCE	1,932,080.46	10,686,696.24	10,736,805.64	1,377,650.00	504,321.06	1,881,971.06	1,881,971.06
612	STORE ROOM	98,244.96	93,364.09	104,746.99	47,691.00	39,171.06	86,862.06	86,862.06
615	WORKER'S COMP INS. FUND	2,321,394.80	26,423.56	695,405.02	10,000.00	1,642,413.34	1,652,413.34	1,652,413.34
701	ET-(15)ACCRUD. O/T PYMNTS	139,682.35	65,000.00	37,487.53	-	167,194.82	167,194.82	167,194.82
702	ET-(15)ACCRUD. S/L & DSB.	66,098.34	85,000.00	150,155.16	-	943.18	943.18	943.18
703	PAYROLL STABILIZATION FUND	238,870.24	150,000.00	52,185.81	-	336,684.43	336,684.43	336,684.43
705	ET-LOT GRADE	42,600.00	-	-	-	42,600.00	42,600.00	42,600.00
708	FIREMEN GARNISHMENT FUND	17,375.00	25,125.00	-	-	42,500.00	42,500.00	42,500.00
710	ET-SIDEWALKS	7,370.00	-	-	-	7,370.00	7,370.00	7,370.00
715	ET-MOVING BLDGS.	-	-	-	-	-	-	-
720	ET-SWIM PLS-IN GROUND	500.00	-	-	-	500.00	500.00	500.00
721	ET-BASEBALL SPONSORS DON.	31,656.40	14,005.00	14,984.96	-	30,676.44	30,676.44	30,676.44
722	ET-GOLF SPONSORS DONATION	-	-	-	-	-	-	-
723	ET-RECREATION DEPOSITS	14,256.28	8,452.00	4,576.38	-	18,131.90	18,131.90	18,131.90

Fund Number	Fund Name	Cash			(2020) Encumbrances	Calculated	Calculated	B/S
		01/01/2022	Revenue	Disbursements		Unencumbered Cash 12/31/2022	Cash 12/31/2022	Cash 12/31/2022
724	ET-WARD 1 REC & CULTURAL	1,756.89	-	-	-	1,756.89	1,756.89	1,756.89
725	ET-PUBLIC GATHERING*	-	-	-	-	-	-	-
727	ET-27TH PAY	-	-	-	-	-	-	-
728	WEBCHECK	-	3,204.00	3,062.25	-	141.75	141.75	141.75
730	ET-CHRISTMAS TREE	1,250.00	450.00	-	-	1,700.00	1,700.00	1,700.00
735	ET-CNTRCTRS. RETAINER	24,545.00	100.00	-	-	24,645.00	24,645.00	24,645.00
740	ET-CURB CUTTING	36,048.80	-	-	-	36,048.80	36,048.80	36,048.80
745	A- N. RYLTN. SEWER	7,571.56	-	-	-	7,571.56	7,571.56	7,571.56
750	ET-PAVEMENT OPENING	36,325.00	-	-	-	36,325.00	36,325.00	36,325.00
755	ET-FIRE HYDRANTS	8,240.00	250.00	50.00	-	8,440.00	8,440.00	8,440.00
760	ET-MEMORIAL HALL	18,938.64	7,200.00	5,200.00	-	20,938.64	20,938.64	20,938.64
765	ET-OCCUPANCY	1,950.00	-	-	-	1,950.00	1,950.00	1,950.00
770	ET-SP. TREE PLAN.	4,150.03	-	-	-	4,150.03	4,150.03	4,150.03
771	ET-BLACK FOREST SEEDING	-	-	-	-	-	-	-
772	ET-CONCRETE CASH BOND	35,122.40	-	-	-	35,122.40	35,122.40	35,122.40
773	ET-VSTA RIDGE SBD CNC REP	27,567.75	-	-	-	27,567.75	27,567.75	27,567.75
774	ET-CONTRACTOR CASH BOND	23,144.76	-	-	-	23,144.76	23,144.76	23,144.76
775	ET-CNTRCTR BLASTING DPST	-	-	-	-	-	-	-
776	ET-STREET BOND MNT DEPOSI	46,950.00	-	-	-	46,950.00	46,950.00	46,950.00
777	ET-STREET BOND MNT DEPOSI	1,000.00	-	-	-	1,000.00	1,000.00	1,000.00
778	ET-OBBS ASSESSMENT	22,145.54	15,537.91	26,708.46	-	10,974.99	10,974.99	10,974.99
779	ET-UNCLAIMED FUNDS	145,581.44	16,730.56	3,537.22	-	158,774.78	158,774.78	158,774.78
780	ET-WSTE WTR TRTNMNT*	-	-	-	-	-	-	-
781	FES FINANCIAL OBLIGATION FUI	-	-	-	-	-	-	-
785	ET-WRECKING	-	-	-	-	-	-	-
786	FIRE DAMAGED STRUCTURES	55,400.00	-	-	-	55,400.00	55,400.00	55,400.00
790	A-SALES TAX(STATE)	4,601.20	38,818.44	38,686.46	-	4,733.18	4,733.18	4,733.18
793	FAMILY VIOLENCE SHELTERS	21,410.33	21,948.65	22,962.20	-	20,396.78	20,396.78	20,396.78
794	MODERNIZATION OF VITAL REC	44,394.72	136,233.00	142,524.00	-	38,103.72	38,103.72	38,103.72
795	A-STATE HWY.PATROL	-	-	-	-	-	-	-
796	A-CHILD ABUSE & NEGLECT	19,494.41	44,048.67	46,082.76	-	17,460.32	17,460.32	17,460.32
797	ET-POLICE SECURITY DPST.	290.00	-	-	-	290.00	290.00	290.00
798	A-OHIO CEMETERY FUND	27.50	1,550.48	1,572.98	-	5.00	5.00	5.00
799	ET-COMPUTER FEES	43,716.05	67,138.50	48,278.35	2,400.00	60,176.20	62,576.20	62,576.20
805	SA-NOXIOUS WEEDS	32,620.39	14,546.95	34,885.03	-	12,282.31	12,282.31	12,282.31
807	CHRONIC NUISANCE PROBLEMS	36,395.02	2,264.13	22.48	-	38,636.67	38,636.67	38,636.67
810	SA-STREET LIGHTING	330,068.71	958,533.61	1,104,793.03	-	183,809.29	183,809.29	183,809.29
811	SA-W. SPRAGUE ROAD EXT	20,613.68	-	-	-	20,613.68	20,613.68	20,613.68
812	SA-COMMERCE PARKWAY	90,727.84	-	-	-	90,727.84	90,727.84	90,727.84

Fund Number	Fund Name	reports dated: 12/31/2022 (rpts named 12/31/22 - final (3-14-23 adj))				Calculated Unencumbered Cash 12/31/2022	Calculated Cash 12/31/2022	B/S Cash 12/31/2022
		Cash 01/01/2022	Revenue	Disbursements	(20200) Encumbrances			
813	SA-RIDGEWOOD WATER	-	-	-	-	-	-	
814	SA-HOLLENBECK LAKE	-	-	-	-	-	-	
815	SA-BURDEN DR SAN SEWER	-	-	-	-	-	-	
816	SA-BRUENING DR-SAN SEWER	-	-	-	-	-	-	
817	SA-PARMAVIEW LN-SAN SEWEF	3,571.44	-	-	-	3,571.44	3,571.44	
818	SA-SPRAGUE/KEYSTONE SEWE	176.64	-	-	-	176.64	176.64	
819	SA-CORPORATE & VENTURE DR	55,026.26	-	-	-	55,026.26	55,026.26	
820	MANHATTAN SEWER S.A.	-	7,502.51	7,502.51	-	-	-	
821	BRADENTON SEWER S.A.	32,462.30	3,778.35	17,532.08	-	18,708.57	18,708.57	
822	W. RIDGEWOOD S.A.	-	319,490.54	319,490.54	-	-	-	
825	SA-MISC ASSESSMENTS	1,973.44	-	-	-	1,973.44	1,973.44	
836	SA - PV SEWERS PHASE I	1,001.56	30,768.75	31,770.31	-	-	-	
839	THORNCLIFF/SAGAMORE	-	13,417.35	13,417.35	-	-	-	
840	SA-SIDEWALKS-1986	-	-	-	-	-	-	
850	SA-SIDEWALKS-1991	32,063.70	-	-	-	32,063.70	32,063.70	
875	SA-SP. ASSMT. BOND RET.	-	-	-	-	-	-	
889	SA-RIDGE RD WATER/SANITARY	85,392.25	10,385.69	5,129.54	-	90,648.40	90,648.40	
		36,199,919.94	145,053,248.93	122,526,156.09	10,471,097.81	48,255,914.97	58,727,012.78	

CITY OF PARMA

final email

ALL FUNDS CASH SUMMARY (2023)

Fund Number	Fund Name	Reports dated 12/31/2023 (after ARPA adjustments)				Calculated	Calculated	B/S
		Cash 01/01/2023	Revenue	Disbursements	(20200) Encumbrances	Unencumbered Cash 12/31/2023	Cash 12/31/2023	Cash 12/31/2023
001	GENERAL FUND	16,539,466.98	66,049,087.32	59,256,370.35	2,659,075.05	20,673,108.90	23,332,183.95	23,332,183.95
101	SR-PENSION-POLICE	414,158.90	2,100,559.79	1,792,700.78	-	722,017.91	722,017.91	722,017.91
102	SR-PENSION-FIRE	559,881.19	2,340,559.72	2,378,894.13	-	521,546.78	521,546.78	521,546.78
103	SR-AMBULANCE BILLING	627,546.60	1,713,386.66	1,743,854.20	152,451.51	444,627.55	597,079.06	597,079.06
104	SR-POLICE LEVY	239,504.00	2,771,250.75	2,775,418.72	103.14	235,232.89	235,336.03	235,336.03
105	SR-FIRE LEVY	600,629.24	2,771,761.98	2,783,956.22	122,086.97	466,348.03	588,435.00	588,435.00
106	S.A.F.E.R. Grant - A.R.R.A.	-	-	-	-	-	-	-
107	ARPA FIRST RESPONDERS GRA	-	310,239.60	310,239.60	-	-	-	-
111	PFD OPERATIONS & SAFETY PR	165.08	-	-	-	165.08	165.08	165.08
112	FY 2020 ASSISTANCE TO FIREFI	-	180,939.55	180,699.55	-	240.00	240.00	240.00
113	SR-ASSIST TO FIREFIGHTERS F'	-	-	-	-	-	-	-
114	DHS HURRICANE KATRINA	273.24	-	-	-	273.24	273.24	273.24
115	SR-LAW ENFORCEMENT DIVERSE	20,376.81	52,104.48	67,798.74	-	4,682.55	4,682.55	4,682.55
116	SR-BODY CAMERA GRANT	20,192.29	-	-	-	20,192.29	20,192.29	20,192.29
117	SR-PUBLIC HEALTH POD	16,887.32	-	-	-	16,887.32	16,887.32	16,887.32
118	NOPEC GRANT	195,525.00	108,675.00	254,200.00	-	50,000.00	50,000.00	50,000.00
119	CUYAHOGA COUNTY CD SUPPLI	-	97,337.00	97,337.00	-	-	-	-
120	SR-EMS GRANT 2003-2004	2,501.55	-	-	-	2,501.55	2,501.55	2,501.55
122	SR-EMS GRANT 2005-2006	1,000.00	-	-	-	1,000.00	1,000.00	1,000.00
123	CORONAVIRUS RELIEF FUND	-	-	-	-	-	-	-
124	COMMISSARY FUND	1,031.81	1,192.41	1,011.80	-	1,212.42	1,212.42	1,212.42
127	FEMA - '03 FIRE PREVENTION	-	-	-	-	-	-	-
128	FY'03 ASSISTANCE TO FIREFIGH	206.10	-	-	-	206.10	206.10	206.10
129	COMMUNITY EMERGENCY RESF	160.96	-	-	-	160.96	160.96	160.96
130	SR-DRUG ABUSE EDUCATIONAL	55,597.04	7,009.06	57,478.41	-	5,127.69	5,127.69	5,127.69
131	SR-LAW ENFORCEMENT TRUST	328,330.79	228,396.92	228,544.85	3,662.82	324,520.04	328,182.86	328,182.86
132	SR-P.O.P.A.S.	-	-	-	-	-	-	-
133	SR-HOUSING OF PRISONERS	40.23	21,448.80	20,000.00	-	1,489.03	1,489.03	1,489.03
134	RADIO SYSTEMS LEASE REV	23,506.29	82,171.88	66,417.72	39,260.45	-	39,260.45	39,260.45
135	OHIO EMA ARPA FIRST RESPON	-	400,000.00	400,000.00	-	-	-	-
136	LAW ENFRMNT BLCK GRNT	111,149.28	34,967.05	26,231.30	-	119,885.03	119,885.03	119,885.03
137	SR-IDEP - 2019	-	-	-	-	-	-	-
138	SR-STEP - 2019	-	-	-	-	-	-	-
139	SR-1999 LLEBG	357.00	-	-	-	357.00	357.00	357.00
140	SR-DDEP - 2019	644.65	-	-	-	644.65	644.65	644.65
141	VEST GRANT 2001	73,598.02	-	-	-	73,598.02	73,598.02	73,598.02
142	CORONAVIRUS EMERGENCY SL	-	2,579.39	2,579.39	-	-	-	-
143	DUI PREVENTION TASK FORCE I	-	18,154.43	18,154.43	-	-	-	-
144	Metro Health QRT	14,063.54	-	14,063.54	-	-	-	-

Fund Number	Reports dated 12/31/2023 (after ARPA adjustments) Fund Name					Calculated	Calculated	B/S
		Cash 01/01/2023	Revenue	Disbursements	(2020) Encumbrances	Unencumbered Cash 12/31/2023	Cash 12/31/2023	Cash 12/31/2023
145	2003 LLEBG	50.00	-	-	-	50.00	50.00	50.00
146	FY '04 UASI - DHS	44,114.98	-	-	-	44,114.98	44,114.98	44,114.98
147	CAPABILITY ENHANCEMENT VIA	250.00	-	-	-	250.00	250.00	250.00
148	FY 2005 BUFFER ZONE - DHS	-	-	-	-	-	-	-
149	COPS 2006 TECHNOLOGY GRAN	6.75	21,887.93	-	-	21,894.68	21,894.68	21,894.68
150	PARMATOWN TIF	-	1,355,294.00	1,355,294.00	-	-	-	-
151	CROSSROADS TIF	52,276.60	14,780.66	-	-	67,057.26	67,057.26	67,057.26
153	CORONAVIRUS EMERGENCY SL	-	21,619.98	21,619.98	-	-	-	-
154	MIDTOWN PLAZA TIF	-	292,155.20	-	-	292,155.20	292,155.20	292,155.20
161	SR-INDGNT DRVRS ALCHL TRM	228,625.56	56,151.79	51,366.86	-	233,410.49	233,410.49	233,410.49
162	SR-ENFORCEMENT & EDUCATN	11,469.21	3,184.00	931.65	-	13,721.56	13,721.56	13,721.56
163	COURT SECURITY GRANT	-	-	-	-	-	-	-
164	PROBATION SUPERVISION FUNI	28,227.64	49,429.90	69,060.07	-	8,597.47	8,597.47	8,597.47
165	PMC CLERK COMPUTERIZATION	197,769.93	259,390.87	325,832.79	5,676.94	125,651.07	131,328.01	131,328.01
166	I.D.I.A.M.	9,566.27	33,497.13	39,998.88	-	3,064.52	3,064.52	3,064.52
167	COURT FACILITIES MGMT FEE	579,419.04	120,773.60	18,082.50	158,307.02	523,803.12	682,110.14	682,110.14
170	JUVENILE DIVERSION PRG	9,262.66	27,500.00	23,188.38	-	13,574.28	13,574.28	13,574.28
171	JUVENILE DIVERSION PRG	1,630.38	-	-	-	1,630.38	1,630.38	1,630.38
172	SR-FAIR HOUSING INITIATIV	-	-	-	-	-	-	-
173	COMM RELATIONS GRANT	-	-	-	-	-	-	-
174	VOCA GRANT	6,276.84	97,907.42	94,688.76	-	9,495.50	9,495.50	9,495.50
175	SVAA GRANT	6,440.43	2,857.40	2,854.00	-	6,443.83	6,443.83	6,443.83
176	TRAFFIC INTERVENTION PROG :	6,588.66	25,400.00	24,580.40	-	7,408.26	7,408.26	7,408.26
177	SR-DDEP-2020	1,211.55	-	-	-	1,211.55	1,211.55	1,211.55
178	SR-FAIR HOUSING 97-98 FED GF	3,975.41	-	-	-	3,975.41	3,975.41	3,975.41
179	SR-IDEP-2020	14,128.31	-	-	-	14,128.31	14,128.31	14,128.31
180	FIRST TIME OFFENDER DIVERSI	247,111.00	19,200.00	20,000.00	-	246,311.00	246,311.00	246,311.00
181	SR-STEP 2020	11,968.71	-	-	-	11,968.71	11,968.71	11,968.71
182	2022 SHEP PARMA	21,184.07	-	21,184.07	-	-	-	-
185	SR-PARMA COMMUNITY MEALS	14,700.92	302,213.60	286,606.56	-	30,307.96	30,307.96	30,307.96
186	SENIOR MEALS ON WHEELS	-	-	-	-	-	-	-
187	SENIORS OTHER DONATION	-	-	-	-	-	-	-
188	SENIOR MEALS	18,765.05	47,786.99	49,669.72	-	16,882.32	16,882.32	16,882.32
189	SEVEN HILLS TRANSPORTATION	118.85	-	-	-	118.85	118.85	118.85
190	OHIO ONE OPOID SETTLEMENT	13,336.30	59,823.98	-	-	73,160.28	73,160.28	73,160.28
191	2000 TITLE IIIC	-	-	-	-	-	-	-
192	AMERICAN RESCUE PLAN - CFD	14,559,468.68	-	6,781,725.32	771,850.46	7,005,892.90	7,777,743.36	7,777,743.36
193	2001 DSAS SENIOR VAN GRANT	-	-	-	-	-	-	-
195	2017 TITLE III	-	-	-	-	-	-	-

Fund Number	Reports dated 12/31/2023 (after ARPA adjustments) Fund Name	Cash 01/01/2023	Revenue	Disbursements	(2020) Encumbrances	Calculated	Calculated	B/S
						Unencumbered Cash 12/31/2023	Cash 12/31/2023	Cash 12/31/2023
196	2018 TITLE III	8,067.00	-	-	-	8,067.00	8,067.00	8,067.00
197	2019 TITLE III	-	-	-	-	-	-	-
198	2020 TITLE III	-	-	-	-	-	-	-
199	2011 TITLE III	-	-	-	-	-	-	-
200	2022 TITLE III GRANT	(16,546.61)	16,546.61	-	-	-	-	-
201	2023 TITLE III GRANT	-	191,055.00	154,451.01	-	36,603.99	36,603.99	36,603.99
202	2013 TITLE III GRANT	-	-	-	-	-	-	-
203	2014 TITLE III GRANT	-	-	-	-	-	-	-
204	2015 TITLE III GRANT	-	-	-	-	-	-	-
205	2016 TITLE III GRANT	-	-	-	-	-	-	-
206	CDBG REVOLVING LOAN FUND	49,650.13	5,789.60	34,203.47	-	21,236.26	21,236.26	21,236.26
207	NSP	16,582.86	-	-	-	16,582.86	16,582.86	16,582.86
216	SR-HUD NON-CLSSFD PGM INC	6,636.98	-	-	-	6,636.98	6,636.98	6,636.98
217	SR-HOME PROGRAM	-	-	-	-	-	-	-
218	DPAP 96-97	114,324.38	-	-	-	114,324.38	114,324.38	114,324.38
219	SCHAAF COMMUNITY CENTER	10,458.10	-	-	-	10,458.10	10,458.10	10,458.10
220	STEARNS FARM	28,743.75	-	-	-	28,743.75	28,743.75	28,743.75
221	ODNR - WARRIOR RUN GRANT	-	-	-	-	-	-	-
222	CLEAN OHIO TRAILS FUND	-	108,000.00	21,375.00	86,625.00	-	86,625.00	86,625.00
223	CHEVY BLVD TRAFFIC SIGNAL	10,833.82	-	-	-	10,833.82	10,833.82	10,833.82
224	HOLLENBECK LAKE DAM	3,000.22	44,499.78	47,500.00	-	-	-	-
225	CDBG FY 2018	-	-	-	-	-	-	-
226	CDBG FY 2019	-	-	-	-	-	-	-
227	CDBG FY 2020	-	-	-	-	-	-	-
228	CDBG FY 2021	-	-	-	-	-	-	-
229	CDBG FY 2022	3,180.00	58,785.65	61,965.65	-	-	-	-
230	CDBG FY 2011	-	898,455.82	891,245.89	-	7,209.93	7,209.93	7,209.93
231	CDBG FY 2012	-	-	-	-	-	-	-
232	CDBG FY 2013	-	-	-	-	-	-	-
233	CDBG FY 2014	-	-	-	-	-	-	-
234	CDBG FY 2015	-	-	-	-	-	-	-
235	CDBG FY 2016	-	-	-	-	-	-	-
236	CDBG FY 2017	-	-	-	-	-	-	-
240	HAZARD MITIGATION GRANT PR	-	438,342.50	438,342.50	-	-	-	-
241	REIS PARK CUYA 002C	-	-	-	-	-	-	-
242	BIG CREEK - SNAKE HILL	1,890.35	-	-	-	1,890.35	1,890.35	1,890.35
244	ODD-ROADWAY INDUSTRIAL PK	-	-	-	-	-	-	-
245	ENTERPRISE ZONE	6,227.31	-	-	-	6,227.31	6,227.31	6,227.31
246	SR-OCJS-LICENSE PLATE READ	-	-	-	-	-	-	-

Fund Number	Fund Name	Reports dated 12/31/2023 (after ARPA adjustments)				Encumbrances	Calculated	Calculated	B/S
		Cash 01/01/2023	Revenue	Disbursements	(20200)		Unencumbered Cash 12/31/2023	Cash 12/31/2023	Cash 12/31/2023
247	SR-LITTER PREV & RCYCL 2007	-	-	-	-	-	-	-	
248	COMMUNITY RECYCLING AWAR	-	4,886.87	4,886.87	-	-	-	-	
249	COUNTY DEMOLITION PROGRAM	39,608.28	-	-	-	39,608.28	39,608.28	39,608.28	
251	DRUG USE PREVENTION GRANT	7,791.18	-	-	-	7,791.18	7,791.18	7,791.18	
252	QUARRY DISTRICT FUND	-	-	-	-	-	-	-	
253	SR-CDBG-CV	-	294,734.51	4,734.51	290,000.00	-	290,000.00	290,000.00	
254	LITTER CONTROL GRANT 2004	-	-	-	-	-	-	-	
255	LITTER CONTROL GRANT 2005	876.33	-	-	-	876.33	876.33	876.33	
263	STEARNS STREAM	780.79	-	-	-	780.79	780.79	780.79	
264	2003 FEMA DISASTER 3187	-	-	-	-	-	-	-	
265	HENNINGER HOUSE STUDY& ST	4,930.00	-	-	-	4,930.00	4,930.00	4,930.00	
266	HOME PROGRAM - PINE TREE V	-	-	-	-	-	-	-	
267	HENNINGER HOUSE SITE ACQU	1,185.49	-	-	-	1,185.49	1,185.49	1,185.49	
268	RECREATIONAL TRAILS GRANT	7,950.43	-	-	-	7,950.43	7,950.43	7,950.43	
270	SR-PBLC HOUS'G DV ADM HUD	11,215.37	603,761.29	598,165.05	-	16,811.61	16,811.61	16,811.61	
271	PUBLIC HOUSING CAPITAL	500.00	-	-	-	500.00	500.00	500.00	
275	SEWER MAINTENANCE	105,491.24	524,240.00	519,115.77	-	110,615.47	110,615.47	110,615.47	
276	SR-STRT. CNST. M & R	1,248,285.71	5,894,877.37	5,351,306.63	267,327.90	1,524,528.55	1,791,856.45	1,791,856.45	
277	SR-STATE HWY. 7 1/2%	41,917.28	417,403.07	415,235.68	-	44,084.67	44,084.67	44,084.67	
278	MUN. MOTOR VEH. LIC. TAX	68,874.11	558,612.50	575,000.00	-	52,486.61	52,486.61	52,486.61	
279	ANIMAL SHELTER	4,409.58	9,166.00	8,199.67	-	5,375.91	5,375.91	5,375.91	
280	SCHOOL ZONE	94,589.51	1,993,423.00	2,088,012.51	-	-	-	-	
282	BROWNFIELD REDEVELOPMEN	7,705.77	-	-	-	7,705.77	7,705.77	7,705.77	
283	COUNTY HEALTH LOAN	-	-	-	-	-	-	-	
284	CAPT LOVELL PARK RESTORATI	1,442.38	-	-	-	1,442.38	1,442.38	1,442.38	
285	SR-LAND ACQUSTN.	150,428.82	-	-	-	150,428.82	150,428.82	150,428.82	
286	SR-SPEC. PKS. & REC.	19,385.84	175,032.22	194,168.06	-	250.00	250.00	250.00	
287	SR-COMMUNITY CENTER	5.00	-	-	-	5.00	5.00	5.00	
288	VETERANS MEMORIAL	445.67	-	-	-	445.67	445.67	445.67	
289	HOUSING MAINT CODE PROG	111,920.54	389,415.00	373,662.68	1,687.78	125,985.08	127,672.86	127,672.86	
290	SR-CUSTOMER SERV CTR GRNT	2,543.43	-	-	-	2,543.43	2,543.43	2,543.43	
291	NATURE WORKS GRANT	3,199.90	-	-	-	3,199.90	3,199.90	3,199.90	
292	AMER BEAUTIFUL GRANT	97.04	-	-	-	97.04	97.04	97.04	
293	CITY-WIDE SIGNALIZATION PRO	-	-	-	-	-	-	-	
294	JAMES DAY PARK FUND	-	-	-	-	-	-	-	
295	ENERGY EFF & CONSERV BLK C	1,968.84	-	-	-	1,968.84	1,968.84	1,968.84	
297	OHIO EMA SDRP	-	-	-	-	-	-	-	
298	NOACA FY '06 DAY DR STUDY	10,000.00	-	-	-	10,000.00	10,000.00	10,000.00	
299	FEMA - 1519 '04 FLOODING	17,155.37	-	-	-	17,155.37	17,155.37	17,155.37	

Fund Number	Fund Name	Reports dated 12/31/2023 (after ARPA adjustments)				Calculated Unencumbered Cash 12/31/2023	Calculated Cash 12/31/2023	B/S Cash 12/31/2023
		Cash 01/01/2023	Revenue	Disbursements	(20200) Encumbrances			
305	DS-GEN. BOND RET. (VBI)	4,603.70	-	-	-	4,603.70	4,603.70	4,603.70
310	2021 VARIOUS PURPOSE BOND	6,498.62	665,900.00	665,900.00	-	6,498.62	6,498.62	6,498.62
315	JUSTICE CTR BOND RET	-	795,600.00	795,600.00	-	-	-	-
323	BOND RETIRE - COMM CTR RIDC	-	170,150.00	170,150.00	-	-	-	-
325	COUNTY HEALTH DIST LOAN FU	12,603.25	-	-	-	12,603.25	12,603.25	12,603.25
336	PV SEWERS PHASE I	-	-	-	-	-	-	-
337	GANNETT LAND PURCH	145,063.28	-	-	-	145,063.28	145,063.28	145,063.28
342	PEARL RD IMPROVEMENTS	-	-	-	-	-	-	-
347	2010 IMPROVEMENTS NOTE	3,027.00	-	-	-	3,027.00	3,027.00	3,027.00
348	DS-2005 FIRE STATION CONSTR	-	-	-	-	-	-	-
349	DS-2005 STREET IMPROVEMENT	-	-	-	-	-	-	-
350	DS-GEN. BOND RET. (UVBI)*	-	-	-	-	-	-	-
360	OPWC-STATE-BRKDALE WAT M/	0.20	-	-	-	0.20	0.20	0.20
361	OPWC-BRDVIEW WAT MA REHA	0.17	-	-	-	0.17	0.17	0.17
362	OPWC-STATE RD WATER II	-	-	-	-	-	-	-
363	OPWC-W24/33 WATER REPL	-	-	-	-	-	-	-
364	OPWC-BKPK,W60,LU REL SAN	-	-	-	-	-	-	-
365	OPWC-STATE RD WATER III	-	-	-	-	-	-	-
366	OPWC-STATE RD REL SAN	-	-	-	-	-	-	-
367	OPWC-BKPK/ROSEDE REL SAN	-	-	-	-	-	-	-
368	OPWC-RIDGE RD WATERMAIN II	-	-	-	-	-	-	-
369	OPWC-GABRIELLA WATER I	-	-	-	-	-	-	-
370	OPWC-CHESTNUT HILLS WATEF	-	-	-	-	-	-	-
371	CHEVY BLVD IMPROVEMENTS	-	-	-	-	-	-	-
372	DAY DRIVE IMPROVEMENTS	-	42,118.60	42,118.60	-	-	-	-
373	CHEVY BLVD STORM/SANIT IMP	-	17,076.10	17,076.10	-	-	-	-
380	OWDA-W16 & BRKVV BLVD SAN	-	-	-	-	-	-	-
381	OWDA-BDVW RD REL SAN	-	-	-	-	-	-	-
382	OWDA-CHESTNT HILL REL SAN	-	-	-	-	-	-	-
383	OWDA-RIDGE RD REL SAN	-	-	-	-	-	-	-
384	OWDA-BKPK,W60,LU REL SAN	-	-	-	-	-	-	-
385	OWDA-BKPK/ROSEDE REL SAN	-	-	-	-	-	-	-
386	OWDA-STATE RD REL SAN	-	-	-	-	-	-	-
387	OWDA-ACKLEY RD SAN	-	-	-	-	-	-	-
401	2021 CWD BACKFILL PVMT REP/	217,939.12	308,412.50	473,493.16	52,858.46	-	52,858.46	52,858.46
403	FIRE DEPT BLDG FUND	253,401.45	1,123,240.03	1,067,475.56	1,765.36	307,400.56	309,165.92	309,165.92
405	CP-CTY INCM TX-CAP IMPROV	5,813,863.24	16,450,880.00	13,862,366.40	3,678,177.42	4,724,199.42	8,402,376.84	8,402,376.84
410	CAPITAL IMP.-CITY HALL	7,443.78	-	-	-	7,443.78	7,443.78	7,443.78
413	JUST CTR 1999 ISSUE	421.21	-	-	-	421.21	421.21	421.21

Fund Number	Fund Name	Reports dated 12/31/2023 (after ARPA adjustments)			(2020) Encumbrances	Calculated	Calculated	B/S
		Cash 01/01/2023	Revenue	Disbursements		Unencumbered Cash 12/31/2023	Cash 12/31/2023	Cash 12/31/2023
414	CP-JUSTICE CENTER NOTE FN	267.92	-	-	-	267.92	267.92	267.92
415	JUSTICE CENTER FUND	-	-	-	-	-	-	-
416	RIDGEWOOD CLUBHOUSE	4,000,000.00	574.77	185,495.93	2,303,134.07	1,511,944.77	3,815,078.84	3,815,078.84
419	CORPORATE & VENTURE DR	35.79	-	-	-	35.79	35.79	35.79
420	SENIOR CITIZENS CNTR FUND	743.74	-	-	-	743.74	743.74	743.74
421	RIDGE RD RESURFACING	-	170,000.00	-	-	170,000.00	170,000.00	170,000.00
422	CAPITAL IMP. COURTS	3,566.52	-	-	-	3,566.52	3,566.52	3,566.52
423	COMM CENTER - RIDGE RD	78,380.33	-	-	-	78,380.33	78,380.33	78,380.33
430	BRADENTON ARRA GRANT - 200	2,288.10	-	-	-	2,288.10	2,288.10	2,288.10
431	BRADENTON OWDA LOAN 5475	-	-	-	-	-	-	-
432	BRADENTON - DEPT OF ARMY C	-	-	-	-	-	-	-
433	CP-PARMADALE DEMO	33,068.00	-	-	-	33,068.00	33,068.00	33,068.00
434	OLD ROCKSIDE/BROADROCK SA	404,614.19	353,477.70	469,993.81	288,098.08	-	288,098.08	288,098.08
435	W. RIDGEWOOD DR WATER MN	607,267.85	472,868.70	1,080,136.55	-	-	-	-
436	PLEASANT VALLEY SEWER I	18,558.90	-	-	-	18,558.90	18,558.90	18,558.90
437	SPRAGUE RD WATER LINE	1,859,805.20	-	-	-	1,859,805.20	1,859,805.20	1,859,805.20
438	W PARKVIEW DRIVE - OPWC	6,190.37	-	-	-	6,190.37	6,190.37	6,190.37
439	THORNCLIFF SEWERS	-	-	-	-	-	-	-
440	BRADENTON OPWC - 30%	-	-	-	-	-	-	-
441	TUXEDO AVE WATER I	-	52,113.28	52,113.28	-	-	-	-
442	PEARL RD IMPROVEMENTS	0.48	-	-	-	0.48	0.48	0.48
443	SPRAGUE RD RECONSTRUCTIO	-	-	-	-	-	-	-
445	STREET IMPROVEMENTS - 2017	46,390.50	-	-	-	46,390.50	46,390.50	46,390.50
448	CP - 2005 FIRE STATION CONSTI	0.67	-	-	-	0.67	0.67	0.67
449	CP - 2005 STREET IMPROVEMEN	155.15	-	-	-	155.15	155.15	155.15
450	CP - 2010 IMPROVEMENTS NOTE	-	-	-	-	-	-	-
451	CP-ORCHARD PARK STORM SEW	41,648.05	-	-	-	41,648.05	41,648.05	41,648.05
452	CP-1990 SEWER IMPROV NOTE	11,550.26	-	-	-	11,550.26	11,550.26	11,550.26
453	CP-BROADROCK DRILL DROP	-	-	-	-	-	-	-
454	CP-LOURDES DR STORM SEWEI	450.00	-	-	-	450.00	450.00	450.00
455	2020 CATCH BASIN PROGRAM	225.00	-	-	-	225.00	225.00	225.00
456	MEADOW LANE HEADWALL & ST	25,671.10	25,671.10	33,228.45	18,113.75	-	18,113.75	18,113.75
457	BDVW RD REL SAN	7,544.85	-	-	-	7,544.85	7,544.85	7,544.85
458	CHESTNT HILL REL SAN	2,232.54	-	-	-	2,232.54	2,232.54	2,232.54
459	HICKORY HILL/S. CANTERBURY/	24,022.15	-	19,851.14	-	4,171.01	4,171.01	4,171.01
460	BROADVIEW RD/LAW DEPT CON	-	-	-	-	-	-	-
461	FENWAY DRIVE STORM SEWER	8,981.83	9,079.74	14,493.20	3,568.37	-	3,568.37	3,568.37
462	RIDGE RF RESURFACING	-	-	-	-	-	-	-
463	W. RIDGEWOOD CULVERT	71,417.18	-	70,918.43	-	498.75	498.75	498.75

Fund Number	Reports dated 12/31/2023 (after ARPA adjustments) Fund Name	Cash 01/01/2023	Revenue	Disbursements	(2020) Encumbrances	Calculated	Calculated	B/S
						Unencumbered Cash 12/31/2023	Cash 12/31/2023	Cash 12/31/2023
464	2021 CATCH BASIN PROGRAM	0.01	20,213.47	20,213.48	-	-	-	-
465	SNOW RD - PHASE I (RIDGE TO	-	215,328.00	103,099.05	112,228.95	-	112,228.95	112,228.95
466	CHESTNUT-WESLEY WATER	8,762.25	-	-	-	8,762.25	8,762.25	8,762.25
467	SPRAGUE SANITARY	-	489,136.68	489,136.68	-	-	-	-
470	RIDGE/P.V. STORM SEWER OUT	38,112.37	-	-	-	38,112.37	38,112.37	38,112.37
471	GREEN ACRES SEWER IMP	46,597.75	122,221.00	124,386.00	44,432.75	-	44,432.75	44,432.75
472	KRUGER AVE SEWER IMP	870,900.55	915,937.68	1,715,651.25	71,186.98	-	71,186.98	71,186.98
473	PARKHAVEN DR SEWERS	-	148,905.52	148,905.52	-	-	-	-
474	GETTYSBURG SEWERS	-	431,985.14	431,985.14	-	-	-	-
475	BROOKDALE AVE SEWERS	-	-	-	-	-	-	-
476	GRANTWOODW. RIDGEWOOD C	-	-	-	-	-	-	-
477	GREEN VALLEY SEWERS	-	178,570.10	178,570.10	-	-	-	-
478	MANHATTAN OPWC-35%	-	-	-	-	-	-	-
479	MANHATTAN ARRA - 2009	-	-	-	-	-	-	-
480	MANHATTAN OWDA LOAN 5476	-	-	-	-	-	-	-
481	GRANTWOOD/W. RIDGEWOOD -	-	-	-	-	-	-	-
482	GRANTWOOD/W. RIDGEWOOD -	12,116.72	-	7,022.78	-	5,093.94	5,093.94	5,093.94
483	GRANTWOOD/W. RIDGEWOOD -	-	-	-	-	-	-	-
484	RIDGEWOOD OPWC - 30%	-	-	-	-	-	-	-
485	ARMY C.O.E. PARKHAVEN	-	-	-	-	-	-	-
486	RIDGE RD WATER & SANITARY I	-	-	-	-	-	-	-
487	CHEVY BLVD STORM/SANITARY	-	-	-	-	-	-	-
488	DAY DRIVE STREET IMPROVEM	-	-	-	-	-	-	-
489	RIDGE RD WATER & SANITARY	-	-	-	-	-	-	-
490	SPRAGUE RD SANITARY/WATEF	-	750.00	750.00	-	-	-	-
520	RIDGEWOOD GOLF COURSE	151,981.52	1,286,844.99	1,075,452.42	2,840.08	360,534.01	363,374.09	363,374.09
604	MISC. SELF INSURANCE FUND	15,041.42	-	-	-	15,041.42	15,041.42	15,041.42
605	LIABILITY INSURANCE	258,815.58	626,773.10	597,273.98	17,000.00	271,314.70	288,314.70	288,314.70
610	MEDICAL INSURANCE	1,881,971.06	12,723,124.25	11,851,726.91	1,265,900.00	1,487,468.40	2,753,368.40	2,753,368.40
612	STORE ROOM	86,862.06	142,800.00	102,723.64	46,619.40	80,319.02	126,938.42	126,938.42
615	WORKER'S COMP INS. FUND	1,652,413.34	18,217.44	568,092.72	11,250.00	1,091,288.06	1,102,538.06	1,102,538.06
701	ET-(15)ACCRUD. O/T PYMNTS	167,194.82	75,000.00	150,831.88	-	91,362.94	91,362.94	91,362.94
702	ET-(15)ACCRUD. S/L & DSB.	943.18	75,000.00	75,000.00	-	943.18	943.18	943.18
703	PAYROLL STABILIZATION FUND	336,684.43	150,000.00	-	-	486,684.43	486,684.43	486,684.43
705	ET-LOT GRADE	42,600.00	250.00	-	-	42,850.00	42,850.00	42,850.00
708	FIREMEN GARNISHMENT FUND	42,500.00	16,250.00	38,250.00	-	20,500.00	20,500.00	20,500.00
710	ET-SIDEWALKS	7,370.00	-	-	-	7,370.00	7,370.00	7,370.00
715	ET-MOVING BLDGS.	-	-	-	-	-	-	-
720	ET-SWIM PLS-IN GROUND	500.00	-	-	-	500.00	500.00	500.00

Fund Number	Fund Name	Reports dated 12/31/2023 (after ARPA adjustments)				Calculated Unencumbered Cash 12/31/2023	Calculated Cash 12/31/2023	B/S Cash 12/31/2023
		Cash 01/01/2023	Revenue	Disbursements	(20200) Encumbrances			
721	ET-BASEBALL SPONSORS DON.	30,676.44	11,635.00	14,078.83	-	28,232.61	28,232.61	28,232.61
722	ET-GOLF SPONSORS DONATION	-	-	-	-	-	-	-
723	ET-RECREATION DEPOSITS	18,131.90	8,879.00	6,540.27	-	20,470.63	20,470.63	20,470.63
724	ET-WARD 1 REC & CULTURAL	1,756.89	-	-	-	1,756.89	1,756.89	1,756.89
725	ET-PUBLIC GATHERING*	-	-	-	-	-	-	-
727	ET-27TH PAY	-	-	-	-	-	-	-
728	WEBCHECK	141.75	4,130.25	3,878.50	-	393.50	393.50	393.50
730	ET-CHRISTMAS TREE	1,700.00	450.00	-	-	2,150.00	2,150.00	2,150.00
735	ET-CNTRCTRS. RETAINER	24,645.00	250.00	50.00	-	24,845.00	24,845.00	24,845.00
740	ET-CURB CUTTING	36,048.80	-	-	-	36,048.80	36,048.80	36,048.80
745	A- N. RYLTN. SEWER	7,571.56	-	-	-	7,571.56	7,571.56	7,571.56
750	ET-PAVEMENT OPENING	36,325.00	-	-	-	36,325.00	36,325.00	36,325.00
755	ET-FIRE HYDRANTS	8,440.00	300.00	-	-	8,740.00	8,740.00	8,740.00
760	ET-MEMORIAL HALL	20,938.64	7,925.00	3,825.00	-	25,038.64	25,038.64	25,038.64
765	ET-OCCUPANCY	1,950.00	-	-	-	1,950.00	1,950.00	1,950.00
770	ET-SP. TREE PLAN.	4,150.03	-	-	-	4,150.03	4,150.03	4,150.03
771	ET-BLACK FOREST SEEDING	-	-	-	-	-	-	-
772	ET-CONCRETE CASH BOND	35,122.40	-	-	-	35,122.40	35,122.40	35,122.40
773	ET-VSTA RIDGE SBD CNC REP	27,567.75	-	-	-	27,567.75	27,567.75	27,567.75
774	ET-CONTRACTOR CASH BOND	23,144.76	-	-	-	23,144.76	23,144.76	23,144.76
775	ET-CNTRCTR BLASTING DPST	-	-	-	-	-	-	-
776	ET-STREET BOND MNT DEPOSI	46,950.00	-	-	-	46,950.00	46,950.00	46,950.00
777	ET-STREET BOND MNT DEPOSI	1,000.00	-	-	-	1,000.00	1,000.00	1,000.00
778	ET-OBBS ASSESSMENT	10,974.99	9,076.72	16,736.08	-	3,315.63	3,315.63	3,315.63
779	ET-UNCLAIMED FUNDS	158,774.78	18,222.11	696.00	-	176,300.89	176,300.89	176,300.89
780	ET-WSTE WTR TRTNMNT*	-	-	-	-	-	-	-
781	FES FINANCIAL OBLIGATION FUI	-	-	-	-	-	-	-
785	ET-WRECKING	-	-	-	-	-	-	-
786	FIRE DAMAGED STRUCTURES	55,400.00	-	34,000.00	-	21,400.00	21,400.00	21,400.00
790	A-SALES TAX(STATE)	4,733.18	46,816.17	46,112.64	-	5,436.71	5,436.71	5,436.71
793	FAMILY VIOLENCE SHELTERS	20,396.78	19,385.05	19,699.70	-	20,082.13	20,082.13	20,082.13
794	MODERNIZATION OF VITAL REC	38,103.72	120,321.00	122,274.00	-	36,150.72	36,150.72	36,150.72
795	A-STATE HWY.PATROL	-	-	-	-	-	-	-
796	A-CHILD ABUSE & NEGLECT	17,460.32	38,903.79	39,535.26	-	16,828.85	16,828.85	16,828.85
797	ET-POLICE SECURITY DPST.	290.00	-	-	-	290.00	290.00	290.00
798	A-OHIO CEMETERY FUND	5.00	1,160.48	1,155.48	-	10.00	10.00	10.00
799	ET-COMPUTER FEES	62,576.20	72,618.60	61,224.65	1,250.00	72,720.15	73,970.15	73,970.15
805	SA-NOXIOUS WEEDS	12,282.31	37,636.61	35,534.75	-	14,384.17	14,384.17	14,384.17
807	CHRONIC NUISANCE PROBLEMS	38,636.67	1,718.16	10.49	-	40,344.34	40,344.34	40,344.34

Fund Number	Reports dated 12/31/2023 (after ARPA adjustments) Fund Name	Cash				Calculated	Calculated	B/S
		01/01/2023	Revenue	Disbursements	(20200) Encumbrances	Unencumbered Cash 12/31/2023	Cash 12/31/2023	Cash 12/31/2023
810	SA-STREET LIGHTING	183,809.29	949,485.55	949,731.36	-	183,563.48	183,563.48	183,563.48
811	SA-W. SPRAGUE ROAD EXT	20,613.68	-	-	-	20,613.68	20,613.68	20,613.68
812	SA-COMMERCE PARKWAY	90,727.84	-	-	-	90,727.84	90,727.84	90,727.84
813	SA-RIDGEWOOD WATER	-	-	-	-	-	-	-
814	SA-HOLLENBECK LAKE	-	-	-	-	-	-	-
815	SA-BURDEN DR SAN SEWER	-	-	-	-	-	-	-
816	SA-BRUENING DR-SAN SEWER	-	-	-	-	-	-	-
817	SA-PARMAVIEW LN-SAN SEWER	3,571.44	-	-	-	3,571.44	3,571.44	3,571.44
818	SA-SPRAGUE/KEYSTONE SEWE	176.64	-	-	-	176.64	176.64	176.64
819	SA-CORPORATE & VENTURE DR	55,026.26	-	-	-	55,026.26	55,026.26	55,026.26
820	MANHATTAN SEWER S.A.	-	7,516.48	7,516.48	-	-	-	-
821	BRADENTON SEWER S.A.	18,708.57	3,789.03	17,565.47	-	4,932.13	4,932.13	4,932.13
822	W. RIDGEWOOD S.A.	-	237,172.53	237,172.53	-	-	-	-
825	SA-MISC ASSESSMENTS	1,973.44	-	-	-	1,973.44	1,973.44	1,973.44
834	BROADROCK COURT/OLD ROCK	-	71,511.50	-	-	71,511.50	71,511.50	71,511.50
836	SA - PV SEWERS PHASE I	-	30,524.53	30,524.53	-	-	-	-
839	THORNCLIFF/SAGAMORE	-	13,716.35	12,635.80	-	1,080.55	1,080.55	1,080.55
840	SA-SIDEWALKS-1986	-	-	-	-	-	-	-
850	SA-SIDEWALKS-1991	32,063.70	-	-	-	32,063.70	32,063.70	32,063.70
875	SA-SP. ASSMT. BOND RET.	-	-	-	-	-	-	-
889	SA-RIDGE RD WATER/SANITARY	90,648.40	24,292.45	114,940.85	-	(0.00)	-	-
		58,727,012.78	134,761,609.28	131,919,126.45	12,476,538.71	49,092,956.90	61,569,495.61	61,569,495.61

AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF PARMA, OHIO

FISCAL YEAR ENDED DECEMBER 31, 2022

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**CITY OF PARMA
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

**OHIO AUDITOR OF STATE
KEITH FABER**



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**CITY OF PARMA, OHIO
CUYAHOGA COUNTY**

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CITY OF PARMA, OHIO
CUYAHOGA COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

City of Parma
Cuyahoga County
6611 Ridge Road
Parma, Ohio 44129

To the Members of Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parma, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2022, 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, based on our audit and the report of other auditors, the accompanying 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, as of December 31, 2022, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and the American Rescue Plan Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Parma Public Housing Agency, which represent 1.07 percent, 3.72 percent, and 5.97 percent, respectively, of assets, net position, and revenues of the governmental activities as of December 31, 2022, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Parma Public Housing Agency, is based solely on the report of other auditors.

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*, 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.

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 other post-employment benefit liabilities and pension and other post-employment benefit contributions 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 as a whole. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.



Keith Faber
Auditor of State
Columbus, Ohio

April 3, 2024

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CITY OF PARMA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 UNAUDITED

The management's discussion and analysis of the City of Parma's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- The total net position of the City increased \$32,053,679. Net position of governmental activities increased \$31,819,521 from 2021's net position and net position of business-type activities increased \$234,158 from 2021's net position. This increase is primarily the result of the decrease in other postemployment benefits (OPEB) expense for the Ohio Public Employees Retirement System (OPERS).
- General revenues accounted for \$68,060,665 or 59.34% of total governmental activities revenue. Program specific revenues accounted for \$46,629,713 or 40.66% of total governmental activities revenue.
- The City had \$82,870,857 in expenses related to governmental activities; \$46,629,713 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$68,060,665 covered the remaining expenses of \$36,241,144.
- The General fund had revenues of \$61,697,452 in 2022. This represents an increase of \$7,811,252 or 14.50% from 2021 revenues. The expenditures and other financing uses of the general fund, which totaled \$54,404,460 in 2022, increased \$2,162,175 or 4.14% from 2021. The net increase in fund balance for the general fund was \$7,292,992 in 2022.
- The American Rescue Plan fund, a major governmental fund, had revenues and expenditures of \$4,856,115 in 2022. The fund balance at the end of the year was \$-0-.
- The City Income Tax Capital Acquisitions fund, a major governmental fund, had revenues of \$11,404,866 and other financing sources of \$446,453 during 2022. Expenditures and other financing uses in 2022 totaled \$8,491,165 and the fund balance at the end of the year was \$10,378,195.

Using this Annual Financial Report

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

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 finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2022?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting reflects all of the current year's revenues and expenses regardless of when cash is received or paid.

CITY OF PARMA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 UNAUDITED

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

In the statement of net position and the statement of activities, the City is divided into distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements, and general administration. These services are funded primarily by property taxes, income taxes, and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's golf course operations are reported here.

The City's statement of net position and statement of activities can be found on pages 20-23 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and nonmajor proprietary fund begins on page 14.

Governmental Funds

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

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

The City maintains several individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the General fund, American Rescue Plan fund, and City Income Tax Capital Acquisition fund. Information for the major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 24-33 of this report.

CITY OF PARMA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 UNAUDITED

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the municipal golf course. The golf course enterprise fund is considered a non-major fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 34-36 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Custodial funds are the City's only fiduciary fund type. The basic financial statements for the custodial funds can be found on page 37 and 38 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 39-94 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability. The required supplementary information can be found on pages 96-115 of this report.

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. Amounts in the governmental activities 2021 column in the table below have been restated to include leases receivable/deferred inflows of resources-leases and intangible right to use-leased assets/leases payable as a result of the implementation of GASB Statement No. 87 (see Note 3.A for details).

The table on the following page provides a summary of the City's net position for 2022 and 2021.

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CITY OF PARMA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED**

Net Position

	Governmental Activities		Business-Type Activities		Total	
	(Restated)				(Restated)	
	2022	2021	2022	2021	2022	2021
<u>Assets</u>						
Current and other assets	\$ 94,958,609	\$ 70,270,833	\$ 266,304	\$ 182,897	\$ 95,224,913	\$ 70,453,730
Capital assets, net	99,998,177	96,327,766	1,263,350	1,210,430	101,261,527	97,538,196
Total assets	<u>194,956,786</u>	<u>166,598,599</u>	<u>1,529,654</u>	<u>1,393,327</u>	<u>196,486,440</u>	<u>167,991,926</u>
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	8,960	11,946	-	-	8,960	11,946
Pension	20,222,241	9,829,412	88,765	49,204	20,311,006	9,878,616
OPEB	4,481,443	5,791,317	-	20,385	4,481,443	5,811,702
Total deferred outflows of resources	<u>24,712,644</u>	<u>15,632,675</u>	<u>88,765</u>	<u>69,589</u>	<u>24,801,409</u>	<u>15,702,264</u>
<u>Liabilities</u>						
Current liabilities	20,332,086	13,991,645	11,124	32,659	20,343,210	14,024,304
Long-term liabilities:						
Due within one year	2,872,767	3,054,892	46,925	2,743	2,919,692	3,057,635
Net pension liability	57,433,763	67,863,712	201,752	359,367	57,635,515	68,223,079
Net OPEB liability	8,205,390	7,782,857	-	-	8,205,390	7,782,857
Other amounts	19,380,718	20,483,841	65,908	16,175	19,446,626	20,500,016
Total liabilities	<u>108,224,724</u>	<u>113,176,947</u>	<u>325,709</u>	<u>410,944</u>	<u>108,550,433</u>	<u>113,587,891</u>
<u>Deferred inflows of resources</u>						
Property taxes	9,621,713	9,105,537	-	-	9,621,713	9,105,537
Leases	1,537,414	1,587,400	-	-	1,537,414	1,587,400
Pension	29,880,223	16,450,335	271,932	196,809	30,152,155	16,647,144
OPEB	7,332,917	10,658,137	83,051	151,594	7,415,968	10,809,731
Total deferred inflows of resources	<u>48,372,267</u>	<u>37,801,409</u>	<u>354,983</u>	<u>348,403</u>	<u>48,727,250</u>	<u>38,149,812</u>
<u>Net position</u>						
Net investment in capital assets	84,176,243	78,020,104	1,172,886	1,210,430	85,349,129	79,230,534
Restricted	19,015,904	14,384,098	-	-	19,015,904	14,384,098
Unrestricted (deficit)	<u>(40,119,708)</u>	<u>(61,151,284)</u>	<u>(235,159)</u>	<u>(506,861)</u>	<u>(40,354,867)</u>	<u>(61,658,145)</u>
Total net position	<u>\$ 63,072,439</u>	<u>\$ 31,252,918</u>	<u>\$ 937,727</u>	<u>\$ 703,569</u>	<u>\$ 64,010,166</u>	<u>\$ 31,956,487</u>

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

CITY OF PARMA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 UNAUDITED

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2022, the City's total assets and deferred outflows of resources were greater than liabilities and deferred inflows of resources by \$63,072,439, an increase of 101.81% from 2021.

CITY OF PARMA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED**

Current assets increased primarily from an increase in collection of income taxes and the receipt of the second \$11.8 million tranche from the American Rescue Plan Act of 2021 from the federal government during 2022. Grants and entitlements not restricted to specific programs were down slightly in 2022. The City's income tax withholdings collections in 2022 were up from individual and business current and prior returns from 2022 collections. Liabilities decreased for the governmental activities and business-type activities, mostly due to a decrease in the net pension liability.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 50.03% of total assets. Capital assets include land, construction in progress (CIP), land improvements, buildings, equipment, vehicles, software, infrastructure, and intangible right to use - leased building and equipment. The City's net investment in capital assets at December 31, 2022, was \$84,176,243 and \$1,172,886 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending.

A portion of the City's net position, \$19,015,904, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$40,119,708.

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CITY OF PARMA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED**

The following table shows the changes in net position for 2022 and 2021.

	Change in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program revenues:						
Charges for services	\$ 19,938,704	\$ 17,746,888	\$ 607,886	\$ 665,593	\$ 20,546,590	\$ 18,412,481
Operating grants and contributions	19,203,464	18,327,280	-	-	19,203,464	18,327,280
Capital grants and contributions	<u>7,487,545</u>	<u>10,636,174</u>	<u>-</u>	<u>-</u>	<u>7,487,545</u>	<u>10,636,174</u>
Total program revenues	<u>46,629,713</u>	<u>46,710,342</u>	<u>607,886</u>	<u>665,593</u>	<u>47,237,599</u>	<u>47,375,935</u>
General revenues:						
Income taxes	51,383,819	41,561,922	-	-	51,383,819	41,561,922
Property taxes	10,200,195	10,688,579	-	-	10,200,195	10,688,579
Payments in lieu of taxes	1,439,652	1,446,317	-	-	1,439,652	1,446,317
Unrestricted grants and entitlements	4,862,381	4,123,191	-	-	4,862,381	4,123,191
Investment earnings	171,630	8,864	-	-	171,630	8,864
Gain on sale of capital assets	-	2,573,130	-	-	-	2,573,130
Miscellaneous	<u>2,988</u>	<u>2,796</u>	<u>407,959</u>	<u>421,733</u>	<u>410,947</u>	<u>424,529</u>
Total general revenues	<u>68,060,665</u>	<u>60,404,799</u>	<u>407,959</u>	<u>421,733</u>	<u>68,468,624</u>	<u>60,826,532</u>
Total revenues	<u>114,690,378</u>	<u>107,115,141</u>	<u>1,015,845</u>	<u>1,087,326</u>	<u>115,706,223</u>	<u>108,202,467</u>
Expenses:						
Legislative and executive	19,329,505	17,861,924	-	-	19,329,505	17,861,924
Security of persons and property	39,536,931	37,029,753	-	-	39,536,931	37,029,753
Public health and welfare	636,876	444,725	-	-	636,876	444,725
Transportation	8,031,117	6,098,138	-	-	8,031,117	6,098,138
Community environment	9,293,069	8,436,354	-	-	9,293,069	8,436,354
Basic utility services	2,969,762	2,513,078	-	-	2,969,762	2,513,078
Leisure time activity	2,711,542	1,937,457	-	-	2,711,542	1,937,457
Interest and fiscal charges	362,055	554,243	-	-	362,055	554,243
Golf Course	<u>-</u>	<u>-</u>	<u>781,687</u>	<u>652,868</u>	<u>781,687</u>	<u>652,868</u>
Total expenses	<u>82,870,857</u>	<u>74,875,672</u>	<u>781,687</u>	<u>652,868</u>	<u>83,652,544</u>	<u>75,528,540</u>
Change in net position	31,819,521	32,239,469	234,158	434,458	32,053,679	32,673,927
Net position at beginning of year	<u>31,252,918</u>	<u>(986,551)</u>	<u>703,569</u>	<u>269,111</u>	<u>31,956,487</u>	<u>(717,440)</u>
Net position at end of year	<u>\$ 63,072,439</u>	<u>\$ 31,252,918</u>	<u>\$ 937,727</u>	<u>\$ 703,569</u>	<u>\$ 64,010,166</u>	<u>\$ 31,956,487</u>

Governmental Activities

Governmental activities net position increased \$31,819,521 in 2022, after increasing \$32,239,469 in 2021. Expenses and revenues increased from prior year.

Total revenues increased \$7,575,237 or 7.07%. Charges for services program revenue increased from fines and forfeitures related to the school zone safety grant. Operating grants increased from American Rescue Plan funds received and expended in 2022. Capital grants and contributions consist of grant revenue for road construction and repair projects. Miscellaneous revenues consist of refunds and reimbursements, which were received from various sources in 2022 and 2021. During 2022, the City's investment earnings increased from 2021 as a result of higher interest rates in the second half of 2022. Income tax collections increased from 2021. The City reported a gain on sale of assets from the sale of the property to Chevybrook Estates L.P. in 2021.

CITY OF PARMA, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED**

In total, 2022 expenses increased \$7,995,185 or 10.68%. In 2021 governmental activities expenses decreased 15.80% from 2020 as a result of a significant decrease in OPEB expense for OPERS. On an accrual basis, the City had OPERS OPEB expense of (\$3,886,778) in 2022 compared to (\$13,470,819) in 2021 and \$2,806,862 in 2020. Effective January 1, 2022, OPERS approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes were reflected in the net OPEB asset and deferred inflows/outflows of resources reported at December 31, 2021 and December 31, 2022.

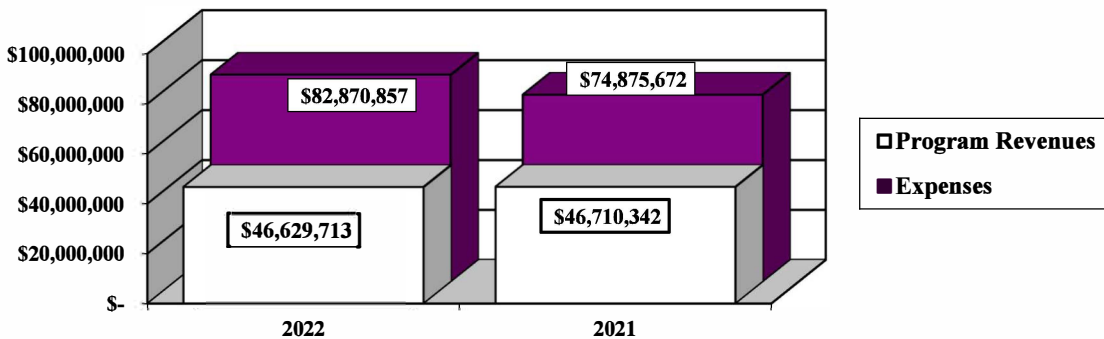
Security of persons and property, which primarily supports the operations of the police and fire departments, is the City’s largest category of governmental activity expenses accounting for \$39,536,931 and \$37,029,753 of the total expenses of the City during 2022 and 2021, respectively. These expenses were partially funded by \$9,840,567 in 2022 compared to \$7,376,758 in 2021 in direct charges to users of the services. Transportation expenses, which mainly consist of repair and upkeep of the City’s roads, totaled \$8,031,117 during 2022 and \$6,098,138 during 2021. In 2022, these expenses were funded by charges for services and operating and capital grants and contributions. Community environment expenses totaled \$9,293,069 in 2022 and primarily relate to Parma Public Housing programs.

In total, operating grants and contributions and capital grants and contributions were \$26,691,009 during 2022, compared to \$28,963,454 during 2021. These revenues are restricted to a particular program or purpose. Operating grants and contributions increased from 2021 from American Rescue Plan Act funding received and spent in 2022, to provide address the continued impact of the COVID-19 pandemic. \$10,857,400 or 40.68% of the total grants and contributions subsidized transportation programs in 2022. Capital grants and contributions are attributed to capital contributions for infrastructure from ODOT, OPWC, Cuyahoga County and the Cleveland Suburban Water Main Renewal Program.

General revenues totaled \$68,060,665 and amounted to 59.34% of total governmental revenues during 2022. These revenues primarily consist of property and income tax revenue of \$61,584,014. The other primary source of general revenues is grants and entitlements not restricted to specific programs, which includes local government and local government revenue assistance, making up \$4,862,381.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. As can be seen in the following graph, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

Governmental Activities - Program Revenues vs. Total Expenses



CITY OF PARMA, OHIO

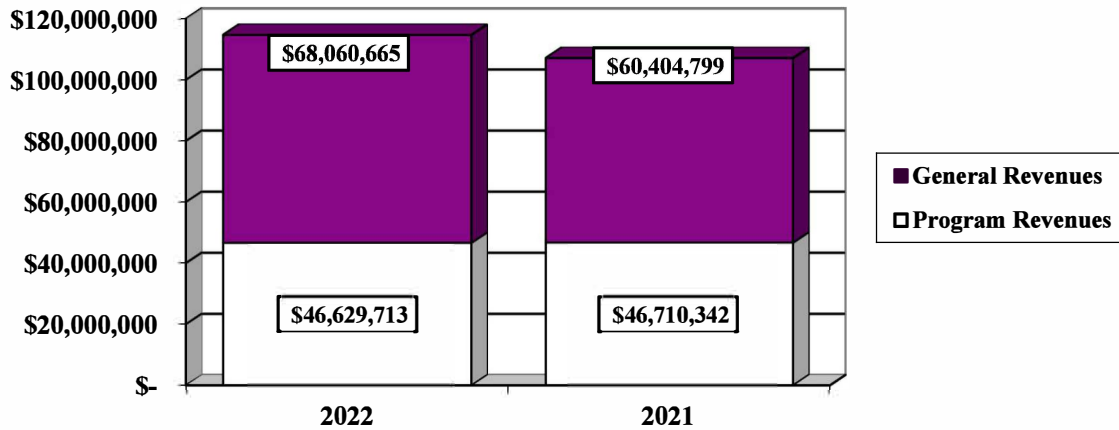
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED**

The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and other general revenues.

	Governmental Activities			
	2022		2021	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Program Expenses:				
Legislative and executive	\$ 19,329,505	\$ 11,146,344	\$ 17,861,924	\$ 8,922,480
Security of persons and property	39,536,931	23,948,522	37,029,753	24,424,278
Public health	636,876	636,876	444,725	444,725
Transportation	8,031,117	(2,877,457)	6,098,138	(3,201,864)
Community environment	9,293,069	47,467	8,436,354	(435,771)
Basic utility services	2,969,762	1,109,626	2,513,078	(3,639,380)
Leisure time activities	2,711,542	1,867,711	1,937,457	1,096,619
Interest and fiscal charges	362,055	362,055	554,243	554,243
Total Expenses	\$ 82,870,857	\$ 36,241,144	\$ 74,875,672	\$ 28,165,330

The dependence upon general revenues for governmental activities are apparent, with 43.73% and 37.62% of expenses supported through taxes and other general revenues in 2022 and 2021, respectively.

Governmental Activities - General and Program Revenues



Business-Type Activities

Business-type activities include the golf course fund. In 2022 and 2021, this program had program revenues of \$607,886 and \$665,593, respectively, and general revenues of \$407,959 and \$421,733, respectively. Total revenues for 2022 were \$1,015,845, which represents a decrease from 2021 revenues of \$71,481.

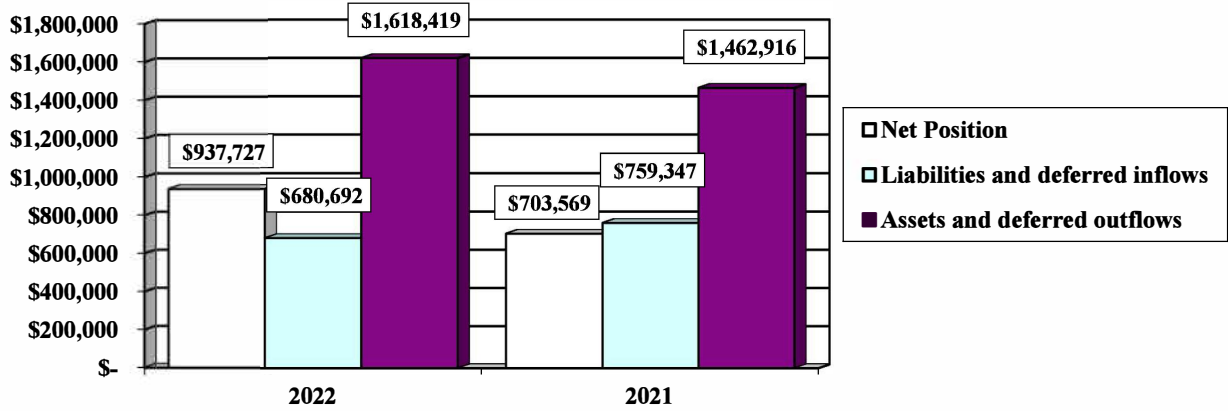
Total expenses for business-type activities were \$781,687 in 2022 compared to \$652,868 in 2021. This represents an increase of 19.73%, as a result of the increase in OPEB expense for OPERS.

Net position for business-type activities increased \$234,158 or 33.28% from 2021. The graph that follows shows the business-type activities assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at year-end.

CITY OF PARMA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED**

Net Position, Business -Business Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on pages 24-25) reported a combined fund balance of \$44,533,684 which is \$17,076,118 higher than last year's total of \$27,457,566. The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2022 for all major and nonmajor governmental funds.

	Fund Balances 12/31/22	Fund Balances 12/31/21	Change
Major funds:			
General	\$ 19,001,997	\$ 11,709,005	\$ 7,292,992
American rescue plan	-	-	-
City income tax capital acquisitions	10,378,195	7,018,041	3,360,154
Nonmajor governmental funds	<u>15,153,492</u>	<u>8,730,520</u>	<u>6,422,972</u>
Total	<u>\$ 44,533,684</u>	<u>\$ 27,457,566</u>	<u>\$ 17,076,118</u>

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CITY OF PARMA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED**

General Fund

The City's general fund balance increased \$7,292,992. The table that follows assists in illustrating the revenues of the general fund.

	<u>2022</u> Amount	<u>2021</u> Amount	<u>Percentage</u> Change
<u>Revenues</u>			
Taxes	\$ 45,019,005	\$ 36,906,882	21.98 %
Charges for services	806,245	793,458	1.61 %
Licenses and permits	8,008,109	8,084,530	(0.95) %
Fines and forfeitures	3,424,236	4,417,498	(22.48) %
Intergovernmental	4,146,503	3,557,961	16.54 %
Investment income	171,630	8,864	1,836.26 %
Rental income	119,159	114,211	4.33 %
Other	<u>2,565</u>	<u>2,796</u>	(8.26) %
Total	<u>\$ 61,697,452</u>	<u>\$ 53,886,200</u>	14.50 %

The most significant changes in general fund revenues are taxes, fines and forfeitures, intergovernmental and investment income. Income tax and property tax collections increased in 2022, 21.98% over 2021. Fines and forfeitures decreased 22.48% from fines and forfeitures received from the Municipal Court. Intergovernmental revenue increased from local government state income tax revenues. Investment income increased over the prior year as a result of higher interest rates in 2022.

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

	<u>2022</u> Amount	<u>2021</u> Amount	<u>Percentage</u> Change
<u>Expenditures</u>			
Legislative and executive	\$ 20,701,310	\$ 21,049,132	(1.65) %
Security of persons and property	25,737,953	24,640,747	4.45 %
Public health and welfare	486,876	444,725	9.48 %
Community environment	1,047,909	915,750	14.43 %
Leisure time activity	2,769,541	2,538,174	9.12 %
Debt service	<u>24,348</u>	<u>-</u>	100.00 %
Total	<u>\$ 50,767,937</u>	<u>\$ 49,588,528</u>	2.38 %

Overall, general fund expenditures were comparable to prior year, increasing 2.38% in 2022. Security of persons and property expenditures represent the largest expenditure category for the general fund. The cost of running the City's police and fire departments is reflected in security of persons and property expenditures. Security of persons and property expenditures increased during 2022 as a result of increased personal services and contract services. Leisure time activities expenditures increased from more parks and recreation activities during 2022. Debt service expenditures in 2022 were related to leases payable.

CITY OF PARMA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 UNAUDITED

American Rescue Plan Fund

The American Rescue Plan fund is reported as a major fund. The City received the second tranche of \$11,867,461 (on cash-basis) in federal funding from the American Rescue Plan Act of 2022 to provide additional relief to address the continued impact of the COVID-19 pandemic. The City used \$4,856,115 on salaries and benefits for safety forces during 2022. The unspent portion as of December 31, 2022, \$14,545,913, has been reported as unearned revenue.

City Income Tax Capital Acquisitions Fund

The City Income Tax Capital Acquisitions fund is reported as a major fund, and is used to accumulate resources, primarily income taxes for capital related improvements throughout the City. Revenues were \$11,404,866, other financing sources (direct financing notes) were \$446,453, and expenditures and other financing uses were \$8,491,165. Fund balance at December 31, 2022 was \$10,378,195, all of which is committed for capital improvements.

Proprietary Fund

The City's proprietary fund provides the same type of information found on the government-wide financial statements for business-type activities, but in more detail. The City's non-major proprietary fund includes the golf course enterprise fund.

The golf course fund, which accounts for the financial activity of the Ridgewood Municipal Golf Course, reported operating revenue of \$1,015,845 for 2022 as a result of increased service fees received during the year. The golf course fund had operating expenses of \$745,629. The golf course fund had non-operating expenses of \$36,058.

Budgeting Highlights

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

The City amended its general fund budget several times throughout the year. Original and final budgeted revenues and other financing sources were \$57,017,937 and \$57,017,214, respectively. Actual revenues and other financing sources for the year were \$61,753,063 or \$4,735,849 more than the final budget. Actual income tax collections from withholdings, as well as higher than anticipated payments from individuals and businesses, came in \$5,758,434 higher than expected. Fines and forfeitures came in \$1,771,160 under the budgeted amount.

For the general fund, original budgeted expenditures and other financing uses were \$64,876,085. The budget amendments throughout the year increased this amount to \$64,976,085 in the final budget. Actual expenditures and other financing uses were \$56,451,633 or \$8,424,452 below final budget. Security of persons and property expenditures were \$5,945,743 less than the final appropriations, due to certain safety forces salary and benefit expenditures being paid from the American Rescue Plan fund during 2022.

Capital Assets and Debt Administration

Capital Assets

At the end of 2022, the City had \$101,261,527 (net of accumulated depreciation/amortization) invested in land, construction in progress (CIP), land improvements, buildings, equipment, vehicles, software, infrastructure, and intangible right to use - leased buildings, equipment and vehicles. Of this total, \$99,998,177 was reported in governmental activities and \$1,263,350 was reported in business-type activities at December 31, 2022.

CITY OF PARMA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED**

Governmental activities capital assets have been restated in the table below for 2021 to include the intangible right to use assets, in accordance with GASB Statement No. 87 (see Notes 3.A and 10 for details). The following table shows 2022 balances compared to 2021 (restated) balances:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>(Restated)</u>				<u>(Restated)</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 7,662,882	\$ 7,716,851	\$ 1,078,077	\$ 1,078,077	\$ 8,740,959	\$ 8,794,928
CIP	9,290,447	3,901,909	-	-	9,290,447	3,901,909
Land improvements	500,078	561,617	-	-	500,078	561,617
Buildings	17,024,886	17,855,941	41,657	76,359	17,066,543	17,932,300
Equipment	3,015,232	3,041,796	43,676	55,994	3,058,908	3,097,790
Vehicles	3,495,166	3,664,856	-	-	3,495,166	3,664,856
Computer software	6	7,288	-	-	6	7,288
Infrastructure	58,904,104	59,427,070	-	-	58,904,104	59,427,070
Intangible right to use:						
Buildings	78,293	100,142	-	-	78,293	100,142
Equipment	27,083	50,296	-	-	27,083	50,296
Vehicles	-	-	99,940	-	99,940	-
Totals	\$ 99,998,177	\$ 96,327,766	\$ 1,263,350	\$ 1,210,430	\$ 101,261,527	\$ 97,538,196

The City's largest capital asset category is infrastructure which includes roads, traffic signals, sidewalks, culverts, storm sewers, water mains, and bridges. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 58.91% of the City's total governmental capital assets. Most of the capital asset acquisitions in 2022 were infrastructure improvements or construction projects related to infrastructure.

One of the largest business-type capital asset categories is land, which includes the golf course. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's land represents approximately 85.33% of the City's total business-type capital assets.

See Note 10 in the notes to the basic financial statements for detail on the City's capital assets.

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CITY OF PARMA, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED**

Debt Administration

Governmental activities long-term debt obligations have been restated in the table below for 2021 to include the leases payable, in accordance with GASB Statement No. 87 (see Notes 3.A and 12 for details). In addition, compensated absences payable has been removed from the table below. The following table summarizes the City’s long-term debt obligations outstanding at December 31, 2022 and 2021.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	2022	(Restated) 2021	2022	2021
General obligation bonds	\$ 9,010,000	\$ 10,320,000	\$ -	\$ -
OPWC loans	938,578	997,772	-	-
OWDA loans	3,613,997	3,873,269	-	-
Direct financing notes	1,583,288	1,718,015	-	-
Leases payable	<u>107,010</u>	<u>150,438</u>	<u>90,464</u>	<u>-</u>
Total long-term obligations	<u>\$ 15,252,873</u>	<u>\$ 17,059,494</u>	<u>\$ 90,464</u>	<u>\$ -</u>

Additional detail can be found in Note 12 in the notes to the basic financial statements.

Current Financial Related Activities

The City’s Administration considers the impact of various economic factors when establishing the fiscal year 2023 budget. The continued challenges resulting from regional loss of employment, stagnant economic development, and the general national recession, have yielded significant influence on the objectives established in the 2023 budget. The primary objectives include continued improvement to constituent service delivery as well as long-term fiscal stability.

The City continues to monitor the budget due to concerns with long-term effects of COVID-19 and its effect on local businesses and revenue.

In order to meet these challenges, further cost containment and/or revenue enhancement actions will be essential. With the continuation of conservative budgeting practices, the City’s financial position is anticipated to remain stable in future years.

Contacting the City’s Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information contact Brian D. Day, Parma City Auditor, 6611 Ridge Road, Parma, Ohio 44129.

**BASIC
FINANCIAL STATEMENTS**

CITY OF PARMA, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 58,612,155	\$ 151,982	\$ 58,764,137
Cash and cash equivalents in segregated accounts	1,790,241	5,617	1,795,858
Receivables:			
Municipal income taxes	6,226,665	-	6,226,665
Property taxes	10,854,463	-	10,854,463
Special assessments	2,585,858	-	2,585,858
Accrued interest	13,099	-	13,099
Due from other governments	5,072,852	-	5,072,852
Leases	1,550,543	-	1,550,543
Notes	3,850,000	-	3,850,000
Materials and supplies inventory	638,860	37,504	676,364
Net pension asset	104,581	1,978	106,559
Net OPEB asset	3,659,292	69,223	3,728,515
Capital assets:			
Nondepreciable/amortized capital assets	16,953,329	1,078,077	18,031,406
Depreciable/amortized capital assets, net	83,044,848	185,273	83,230,121
Total capital assets, net	<u>99,998,177</u>	<u>1,263,350</u>	<u>101,261,527</u>
Total assets	<u>194,956,786</u>	<u>1,529,654</u>	<u>196,486,440</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	8,960	-	8,960
Pension	20,222,241	88,765	20,311,006
OPEB	4,481,443	-	4,481,443
Total deferred outflows of resources	<u>24,712,644</u>	<u>88,765</u>	<u>24,801,409</u>
Liabilities:			
Accounts payable	654,447	3,923	658,370
Contracts payable	1,442,397	-	1,442,397
Accrued wages and benefits payable	977,777	6,237	984,014
Due to other governments	189,723	964	190,687
Accrued interest payable	26,538	-	26,538
Claims payable	1,516,892	-	1,516,892
Deposits held and due to others	473,482	-	473,482
Payroll withholding payable	504,917	-	504,917
Unearned revenue	14,545,913	-	14,545,913
Long-term liabilities:			
Due within one year	2,872,767	46,925	2,919,692
Due greater than one year:			
Net pension liability	57,433,763	201,752	57,635,515
Net OPEB liability	8,205,390	-	8,205,390
Other amounts due in more than one year	19,380,718	65,908	19,446,626
Total liabilities	<u>108,224,724</u>	<u>325,709</u>	<u>108,550,433</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	9,621,713	-	9,621,713
Leases	1,537,414	-	1,537,414
Pension	29,880,223	271,932	30,152,155
OPEB	7,332,917	83,051	7,415,968
Total deferred inflows of resources	<u>48,372,267</u>	<u>354,983</u>	<u>48,727,250</u>

- (Continued)

CITY OF PARMA, OHIO

STATEMENT OF NET POSITION - (Continued)
DECEMBER 31, 2022

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Net position:			
Net investment in capital assets	\$ 84,176,243	\$ 1,172,886	\$ 85,349,129
Restricted for:			
Security of persons and property programs:			
Police operations and pension	2,202,106	-	2,202,106
Fire operations and pension	1,628,464	-	1,628,464
Emergency medical services	564,808	-	564,808
Transportation programs	351,559	-	351,559
Community environment programs	5,174,963	-	5,174,963
Basic utility services	22,428	-	22,428
Leisure time activities	32,822	-	32,822
Unclaimed monies	156,919	-	156,919
Other purposes	1,224,505	-	1,224,505
Debt service	2,453,370	-	2,453,370
Capital projects	5,203,960	-	5,203,960
Unrestricted (deficit)	<u>(40,119,708)</u>	<u>(235,159)</u>	<u>(40,354,867)</u>
Total net position	<u>\$ 63,072,439</u>	<u>\$ 937,727</u>	<u>\$ 64,010,166</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PARMA, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Legislative and executive	\$ 19,329,505	\$ 7,490,782	\$ -	\$ 692,379
Security of persons and property	39,536,931	9,840,567	5,691,314	56,528
Public health	636,876	-	-	-
Transportation	8,031,117	51,174	5,117,290	5,740,110
Community environment	9,293,069	1,037,038	8,208,564	-
Basic utility services	2,969,762	861,608	-	998,528
Leisure time activities	2,711,542	657,535	186,296	-
Interest and fiscal charges	362,055	-	-	-
Total governmental activities	<u>82,870,857</u>	<u>19,938,704</u>	<u>19,203,464</u>	<u>7,487,545</u>
Business-type activities:				
Golf course	<u>781,687</u>	<u>607,886</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 83,652,544</u>	<u>\$ 20,546,590</u>	<u>\$ 19,203,464</u>	<u>\$ 7,487,545</u>

General revenues:

Property taxes levied for:

General purposes

Police pension

Fire pension

Police levy

Fire levy

Municipal income taxes levied for:

General purposes

Capital outlay

Payments in lieu of taxes

Grants and entitlements not restricted to specific programs

Interest earnings

Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (11,146,344)	\$ -	\$ (11,146,344)
(23,948,522)	-	(23,948,522)
(636,876)	-	(636,876)
2,877,457	-	2,877,457
(47,467)	-	(47,467)
(1,109,626)	-	(1,109,626)
(1,867,711)	-	(1,867,711)
(362,055)	-	(362,055)
<u>(36,241,144)</u>	<u>-</u>	<u>(36,241,144)</u>
-	(173,801)	(173,801)
<u>(36,241,144)</u>	<u>(173,801)</u>	<u>(36,414,945)</u>
4,372,787	-	4,372,787
457,127	-	457,127
457,127	-	457,127
2,331,174	-	2,331,174
2,581,980	-	2,581,980
40,464,753	-	40,464,753
10,919,066	-	10,919,066
1,439,652	-	1,439,652
4,862,381	-	4,862,381
171,630	-	171,630
2,988	407,959	410,947
<u>68,060,665</u>	<u>407,959</u>	<u>68,468,624</u>
31,819,521	234,158	32,053,679
31,252,918	703,569	31,956,487
<u>\$ 63,072,439</u>	<u>\$ 937,727</u>	<u>\$ 64,010,166</u>

CITY OF PARMA, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	American Rescue Plan	City Income Tax Capital Acquisitions
Assets:			
Equity in pooled cash and cash equivalents	\$ 17,795,391	\$ 14,559,469	\$ 5,813,863
Cash and cash equivalents in segregated accounts	985	-	-
Receivables:			
Municipal income taxes	4,903,498	-	1,323,167
Property and other taxes	4,610,726	-	-
Special assessments	-	-	-
Interfund loans	286,822	-	3,853,915
Accrued interest	-	-	-
Due from other governments	1,949,845	-	-
Leases	-	-	-
Notes	-	-	-
Materials and supplies inventory	174,898	-	-
Total assets	\$ 29,722,165	\$ 14,559,469	\$ 10,990,945
Liabilities:			
Accounts payable	\$ 213,245	\$ -	\$ 188,632
Contracts payable	1,073,463	13,556	33,657
Accrued wages and benefits payable	825,891	-	-
Compensated absences payable	150,473	-	-
Interfund loans payable	-	-	-
Due to other governments	166,256	-	-
Unearned revenue	-	14,545,913	-
Deposits held and due to others	473,482	-	-
Payroll withholding payable	504,917	-	-
Total liabilities	3,407,727	14,559,469	222,289
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	4,144,400	-	-
Leases	-	-	-
Unavailable revenue	3,168,041	-	390,461
Total deferred inflows of resources	7,312,441	-	390,461
Fund balances:			
Nonspendable	331,817	-	-
Restricted	-	-	-
Committed	-	-	10,378,195
Assigned	3,414,340	-	-
Unassigned (deficit)	15,255,840	-	-
Total fund balances	19,001,997	-	10,378,195
Total liabilities, deferred inflows of resources and fund balances	\$ 29,722,165	\$ 14,559,469	\$ 10,990,945

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 16,592,691	\$ 54,761,414
1,789,256	1,790,241
-	6,226,665
6,243,737	10,854,463
2,585,858	2,585,858
-	4,140,737
13,099	13,099
3,123,007	5,072,852
1,550,543	1,550,543
3,850,000	3,850,000
463,962	638,860
<u>\$ 36,212,153</u>	<u>\$ 91,484,732</u>
\$ 252,180	\$ 654,057
321,721	1,442,397
147,442	973,333
1,830	152,303
4,140,737	4,140,737
22,780	189,036
-	14,545,913
-	473,482
-	504,917
<u>4,886,690</u>	<u>23,076,175</u>
5,477,313	9,621,713
1,537,414	1,537,414
9,157,244	12,715,746
<u>16,171,971</u>	<u>23,874,873</u>
463,962	795,779
13,036,687	13,036,687
1,963,971	12,342,166
-	3,414,340
(311,128)	14,944,712
<u>15,153,492</u>	<u>44,533,684</u>
<u>\$ 36,212,153</u>	<u>\$ 91,484,732</u>

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CITY OF PARMA, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

Total governmental fund balances		\$ 44,533,684
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		99,998,177
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 1,837,461	
Delinquent property taxes receivable	633,750	
Special assessments receivable	2,585,858	
Intergovernmental receivable	3,808,677	
Note receivable	3,850,000	
Total	12,715,746	12,715,746
Internal service funds are used by management to charge the costs of certain activity, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		2,294,148
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(26,538)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		8,960
Unamortized premiums on bond issuances are not recognized in the funds.		(578,021)
The net pension asset/liability is not due and receivable/payable in the current period; therefore, the asset, liability and related deferred inflows/outflows of resources are not reported in the governmental funds:		
Deferred outflows of resources - pension	20,222,241	
Deferred inflows of resources - pension	(29,880,223)	
Net pension asset	104,581	
Net pension liability	(57,433,763)	
Total	(66,987,164)	(66,987,164)
The net OPEB asset/liability is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - OPEB	4,481,443	
Deferred inflows of resources - OPEB	(7,332,917)	
Net OPEB asset	3,659,292	
Net OPEB liability	(8,205,390)	
Total	(7,397,572)	(7,397,572)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(9,010,000)	
OPWC loans	(938,578)	
OWDA loans	(3,613,997)	
Direct financing notes	(1,583,288)	
Leases payable	(107,010)	
Compensated absences payable	(6,236,108)	
Total	(21,488,981)	(21,488,981)
Net position of governmental activities		\$ 63,072,439

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PARMA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>General</u>	<u>American Rescue Plan</u>	<u>City Income Tax Capital Acquisitions</u>
Revenues:			
Municipal income taxes	\$ 40,616,595	\$ -	\$ 10,960,039
Property and other taxes	4,402,410	-	-
Payment in lieu of taxes	-	-	-
Charges for services	806,245	-	1,271
Fees, licenses and permits	8,008,109	-	-
Fines and forfeitures	3,424,236	-	-
Intergovernmental	4,146,503	4,856,115	443,042
Rental income	119,159	-	-
Special assessments	-	-	514
Interest income	171,630	-	-
Contributions and donations	-	-	-
Other	2,565	-	-
Total revenues	<u>61,697,452</u>	<u>4,856,115</u>	<u>11,404,866</u>
Expenditures:			
Current:			
Legislative and executive	20,701,310	-	-
Security of persons and property	25,737,953	3,104,596	-
Public health	486,876	150,000	-
Transportation	-	1,551,519	-
Community environment	1,047,909	50,000	-
Basic utility services	-	-	-
Leisure time activities	2,769,541	-	-
Capital outlay	-	-	5,873,320
Debt service:			
Principal retirement	22,695	-	340,377
Interest and fiscal charges	1,653	-	7,789
Total expenditures	<u>50,767,937</u>	<u>4,856,115</u>	<u>6,221,486</u>
Excess of revenues over expenditures	<u>10,929,515</u>	<u>-</u>	<u>5,183,380</u>
Other financing sources (uses):			
Direct financing notes transaction	-	-	446,453
Transfers in	-	-	-
Transfers (out)	(3,636,523)	-	(2,269,679)
Total other financing sources (uses)	<u>(3,636,523)</u>	<u>-</u>	<u>(1,823,226)</u>
Net change in fund balances	7,292,992	-	3,360,154
Fund balances at beginning of year	<u>11,709,005</u>	<u>-</u>	<u>7,018,041</u>
Fund balances at end of year	<u>\$ 19,001,997</u>	<u>\$ -</u>	<u>\$ 10,378,195</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 51,576,634
5,865,456	10,267,866
1,439,652	1,439,652
2,977,165	3,784,681
42,685	8,050,794
3,586,901	7,011,137
21,712,267	31,157,927
195,360	314,519
1,034,411	1,034,925
57,124	228,754
124,832	124,832
1,083	3,648
<u>37,036,936</u>	<u>114,995,369</u>
1,423,421	22,124,731
13,224,358	42,066,907
-	636,876
5,937,562	7,489,081
9,093,481	10,191,390
1,677,504	1,677,504
658,198	3,427,739
1,610,550	7,483,870
1,890,002	2,253,074
425,090	434,532
<u>35,940,166</u>	<u>97,785,704</u>
<u>1,096,770</u>	<u>17,209,665</u>
-	446,453
8,126,575	8,126,575
(2,800,373)	(8,706,575)
<u>5,326,202</u>	<u>(133,547)</u>
6,422,972	17,076,118
8,730,520	27,457,566
<u>\$ 15,153,492</u>	<u>\$ 44,533,684</u>

CITY OF PARMA, 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	\$	17,076,118
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.		
Capital asset additions	\$ 11,458,802	
Current year depreciation	<u>(6,160,370)</u>	
Total		5,298,432
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(1,628,021)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Municipal income taxes	(192,815)	
Property taxes	(67,671)	
Special assessments revenue	(243,449)	
Intergovernmental revenue	<u>198,944</u>	
Total		(304,991)
The issuance of direct financing notes are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
		(446,453)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		2,253,074
In the statement of activities, accrued interest on outstanding bonds, bond premiums, and deferred charges on refundings are amortized over the term of the bonds; whereas in governmental funds, other financing sources (uses) are reported when bonds are issued:		
Decrease in accrued interest payable	3,370	
Amortization of bond premiums	72,093	
Amortization of deferred amounts on refunding	<u>(2,986)</u>	
Total		72,477
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	7,136,737	
OPEB	<u>102,870</u>	
Total		7,239,607
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	220,925	
OPEB	<u>3,096,758</u>	
Total		3,317,683

- (Continued)

CITY OF PARMA, 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, 2022**

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	\$ (458,386)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities on the government-wide statement of net position.	<u>(600,019)</u>
Change in net position of governmental activities	<u><u>\$ 31,819,521</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PARMA, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				(Negative)
Revenues:				
Municipal income taxes	\$ 34,226,250	\$ 34,226,250	\$ 39,984,684	\$ 5,758,434
Property and other taxes	4,390,755	4,390,036	4,585,410	195,374
Charges for services	689,455	689,455	789,489	100,034
Fees, licenses and permits	8,175,850	8,175,850	8,008,109	(167,741)
Fines and forfeitures	5,513,993	5,513,993	3,742,833	(1,771,160)
Intergovernmental	3,630,107	3,630,103	4,099,182	469,079
Rental income	102,900	102,900	119,159	16,259
Interest income	-	-	134,505	134,505
Other	1,500	1,500	2,565	1,065
Total revenues	<u>56,730,810</u>	<u>56,730,087</u>	<u>61,465,936</u>	<u>4,735,849</u>
Expenditures:				
Current:				
Legislative and executive	22,742,540	23,072,540	21,787,235	1,285,305
Security of persons and property	32,021,816	31,921,816	25,976,073	5,945,743
Public health	486,876	486,876	486,876	-
Community environment	1,273,984	1,273,984	1,091,752	182,232
Leisure time activities	3,038,641	3,038,641	2,813,530	225,111
Total expenditures	<u>59,563,857</u>	<u>59,793,857</u>	<u>52,155,466</u>	<u>7,638,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,833,047)</u>	<u>(3,063,770)</u>	<u>9,310,470</u>	<u>12,374,240</u>
Other financing sources (uses):				
Transfers (out)	(4,962,228)	(4,832,228)	(4,008,723)	823,505
Advances in	287,127	287,127	287,127	-
Advances (out)	(350,000)	(350,000)	(287,444)	62,556
Total other financing sources (uses)	<u>(5,025,101)</u>	<u>(4,895,101)</u>	<u>(4,009,040)</u>	<u>886,061</u>
Net change in fund balance	(7,858,148)	(7,958,871)	5,301,430	13,260,301
Fund balance at beginning of year (restated)	7,366,278	7,366,278	7,366,278	-
Prior year encumbrances appropriated	1,675,816	1,675,816	1,675,816	-
Fund balance at end of year	<u>\$ 1,183,946</u>	<u>\$ 1,083,223</u>	<u>\$ 14,343,524</u>	<u>\$ 13,260,301</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PARMA, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 11,867,461	\$ 11,867,461	\$ 11,867,461	\$ -
Total revenues	<u>11,867,461</u>	<u>11,867,461</u>	<u>11,867,461</u>	<u>-</u>
Expenditures:				
Current:				
Legislative and executive	-	9,929,160	-	9,929,160
Security of persons and property	969,500	944,500	3,091,040	(2,146,540)
Public health	-	150,000	150,000	-
Transportation	7,242,634	8,569,368	3,579,373	4,989,995
Community environment	-	50,000	50,000	-
Total expenditures	<u>8,212,134</u>	<u>19,643,028</u>	<u>6,870,413</u>	<u>12,772,615</u>
Net change in fund balance	3,655,327	(7,775,567)	4,997,048	12,772,615
Fund balance at beginning of year	<u>7,534,567</u>	<u>7,534,567</u>	<u>7,534,567</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 11,189,894</u>	<u>\$ (241,000)</u>	<u>\$ 12,531,615</u>	<u>\$ 12,772,615</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PARMA, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2022

	Business-Type Activity	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Funds
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 151,982	\$ 3,850,741
Cash and cash equivalents in segregated accounts	5,617	-
Receivables:		
Materials and supplies inventory	37,504	-
Total current assets	195,103	3,850,741
Non-current assets:		
Net pension asset	1,978	-
Net OPEB asset	69,223	-
Capital assets:		
Nondepreciable capital assets	1,078,077	-
Depreciable capital assets, net	185,273	-
Total capital assets, net	1,263,350	-
Total non-current assets	1,334,551	-
Total assets	1,529,654	3,850,741
Deferred outflows of resources:		
Pension	88,765	-
Liabilities:		
Current liabilities:		
Accounts payable	3,923	390
Contracts payable	-	-
Accrued wages and benefits payable	6,237	4,444
Due to other governments	964	687
Compensated absences payable - current	2,738	4,183
Claims payable	-	1,516,892
Lease payable	44,187	-
Total current liabilities	58,049	1,526,596
Non-current liabilities:		
Compensated absences payable	19,631	29,997
Lease payable	46,277	-
Net pension liability	201,752	-
Total non-current liabilities	267,660	29,997
Total liabilities	325,709	1,556,593
Deferred inflows of resources:		
Pension	271,932	-
OPEB	83,051	-
Total deferred inflows of resources	354,983	-
Net position:		
Net investment in capital assets	1,172,886	-
Unrestricted (deficit)	(235,159)	2,294,148
Total net position	\$ 937,727	\$ 2,294,148

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PARMA, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activity	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Funds
Operating revenues:		
Charges for services	\$ 607,886	\$ 10,730,648
Other operating revenues	407,959	38,639
Total operating revenues	1,015,845	10,769,287
Operating expenses:		
Personal services	305,901	290,773
Contractual services	203,900	289,635
Materials and supplies	186,342	498
Claims	-	11,355,356
Depreciation	49,486	-
Other	-	13,044
Total operating expenses	745,629	11,949,306
Operating income (loss)	270,216	(1,180,019)
Nonoperating (expenses):		
Interest and fiscal charges	(2,184)	-
(Loss) on sale of capital assets	(33,874)	-
Total nonoperating revenues (expenses)	(36,058)	-
Income (loss) before transfers	234,158	(1,180,019)
Transfer in	-	580,000
Change in net position	234,158	(600,019)
Net position at beginning of year	703,569	2,894,167
Net position at end of year	\$ 937,727	\$ 2,294,148

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PARMA, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Business-Type Activity</u>	<u>Governmental Activities</u>
	<u>Nonmajor Enterprise Fund</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:		
Cash received from customers	\$ 607,886	\$ -
Cash received from quasi-external operating transactions with other funds	-	10,730,648
Cash received from other operations	407,959	17,533
Cash payments for personal services	(503,091)	(293,492)
Cash payments for contractual services	(218,337)	(289,635)
Cash payments for materials and supplies	(203,854)	(498)
Cash payments for claims	-	(11,416,813)
Cash payments for other expenses	-	(15,038)
Net cash provided by (used in) operating activities	<u>90,563</u>	<u>(1,267,295)</u>
Cash flows from noncapital financing activities:		
Cash received from transfers in	<u>-</u>	<u>580,000</u>
Cash flows from capital and related financing activities:		
Principal paid on lease	(37,816)	-
Interest paid on lease	(10,184)	-
Net cash used in capital and related financing activities	<u>(48,000)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	42,563	(687,295)
Cash and cash equivalents at beginning of year	115,036	4,538,036
Cash and cash equivalents at end of year	<u>\$ 157,599</u>	<u>\$ 3,850,741</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 270,216	\$ (1,180,019)
Adjustments:		
Depreciation	49,486	-
Changes in assets and liabilities:		
(Increase) in materials and supplies inventory	(13,935)	-
Decrease in net pension asset	847	-
(Increase) in net OPEB asset	(27,756)	-
(Increase) in deferred outflows of resources - pension	(39,561)	-
Decrease in deferred outflows of resources - OPEB	20,385	-
(Decrease) in accounts payable	(16,989)	(1,994)
(Decrease) in contracts payable	(1,025)	-
(Decrease) in accrued wages and benefits	(3,050)	(3,599)
(Decrease) in due to other governments	(471)	(556)
Increase in compensated absences payable	3,451	1,436
(Decrease) in claims payable	-	(82,563)
(Decrease) in net OPEB liability	(157,615)	-
Increase in deferred inflows of resources - pension	75,123	-
(Decrease) in deferred inflows of resources - OPEB	(68,543)	-
Net cash provided by (used in) operating activities	<u>\$ 90,563</u>	<u>\$ (1,267,295)</u>

Non-Cash Transactions:

During 2022, the nonmajor Golf Course fund entered into a \$136,280 lease agreement for golf carts.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PARMA, OHIO

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2022**

	<u>Custodial</u>
Assets:	
Cash and cash equivalents in segregated accounts	<u>\$ 578,780</u>
Net position:	
Restricted for other governments, organizations and individuals	<u><u>\$ 578,780</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PARMA, OHIO

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Custodial</u>
Additions:	
Fines and forfeitures collections for other governments, organizations and individuals	<u>\$ 6,831,594</u>
Deductions:	
Fines and forfeitures distributions for other governments, organizations and individuals	<u>6,783,176</u>
Net change in fiduciary net position	48,418
Net position beginning of year	<u>530,362</u>
Net position end of year	<u><u>\$ 578,780</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 - DESCRIPTION OF THE CITY

The City of Parma, Cuyahoga County, Ohio (the “City”) is a political subdivision of the State of Ohio operated pursuant to state statute. The City was originally established as a township in 1826, incorporated as a village in 1924, and organized as a city in 1931. The City is organized as a Mayor/Council form of government. The Mayor, Council, Auditor, Treasurer, and Law Director are elected, as are three Municipal Court Judges and a Clerk of Courts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

For financial reporting purposes, the City’s BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization’s Governing Board, and is either: (1) able to impose its will on that organization; or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s BFS to be misleading or incomplete.

The primary government consists of all funds and departments which provide various services including police and fire protection, street maintenance and repair, parks and recreation, certain social services, and general administrative services. In addition, the City owns and operates one enterprise activity, a municipal golf course. The City has no component units.

Included as part of the City’s primary government in the determination of the City’s reporting entity is the Parma Municipal Court (the “Court”). Although the Court’s territorial jurisdiction extends beyond the boundaries of the City and the judges of the Court are separately elected, the Court’s operations are not legally separate from the City. In addition, the City is responsible for budgeting and appropriating funds for the operation of the Court, establishing the compensation of certain Court employees, and is ultimately responsible for any operating deficits sustained by the Court. The City’s share of the fines collected by the Court, along with its share of the Court’s administration and operating costs are recorded in the City’s General fund. Monies held by the Court in a fiduciary capacity are included in a custodial fund in the accompanying financial statements.

The City is associated with the Parma Community Improvement Corporation (PCIC). The PCIC is a not-for-profit corporation that was founded in 1966. The five-member board, which consists of two members appointed by the City and three local residents, promotes industrial, commercial, distribution and research activities within the City. The PCIC has been excluded from the reporting entity.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

The following organizations are described due to their relationship with the City:

JOINTLY GOVERNED ORGANIZATIONS

Parma Community General Hospital Association - The Parma Community General Hospital Association, also known as University Hospitals Parma Medical Center (the "Hospital Association"), is a not-for-profit adult care hospital that became part of the University Hospitals Health System in January 2014. University Hospitals Health Systems, Inc. ("UH") is the sole member of the Hospital Association. Day-to-day management of the operations of the Hospital Association is overseen by a Board of Directors comprised of (i) 16 directors appointed from the cities of Parma, North Royalton, Brooklyn, Parma Heights, Seven Hills and Brooklyn Heights, such appointments by the cities being subject to UH approval, (ii) up to 3 directors appointed by UH, and (iii) 2 physician directors appointed by the Board. UH, as the sole member of the Hospital Association, possesses approval rights on strategic and operational decisions. The City appoints 6 members to the Hospital Association's Board of Directors. The City's degree of influence is limited to its appointments to the Board of Directors.

Because there is no ongoing equity interest, there is no requirement to disclose the investment in the jointly governed organization in the government-wide financial statements. There does exist, however, a residual equity interest upon the dissolution or sale of the Hospital, according to the terms of the original agreement among the Cities. The City of Parma has made no contributions to the Hospital during the year. The Hospital's financial statements may be obtained by contacting the Parma Community General Hospital, Parma, Ohio.

Southwest Council of Governments - The Southwest Council of Governments (the "Council") helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Council board is comprised of one member from each of the sixteen participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board.

The Council has established two subsidiary organizations, the Hazardous Material Response Team ("Haz Mat") which provides hazardous material protection and assistance and the Southwest Enforcement Bureau that provides extra assistance to cities in the form of a Special Weapons and Tactics Team ("SWAT Team"). The Council's financial statements may be obtained by contacting the Southwest Council of Governments, Parma Heights, Ohio.

B. Basis of Presentation - Fund Accounting

The City's BFS 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 activities of the internal service funds, with the exception of services provided and used during the fiscal year, are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

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 business segment or governmental functions are self-financing or draw from the general revenues of the City.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for services. Operating expenses for the enterprise fund includes personnel and other expenses related to the City-owned golf course operations and operating expenses for the internal service funds include personnel, claims, administrative and other expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

C. Fund Accounting

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

Governmental Funds - Governmental funds are those through which most governmental functions are typically financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the 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 plus deferred outflows of resources and liabilities plus deferred inflow of resources is reported as fund balance.

The following are the City's major governmental funds:

General Fund - The General fund is used to account for and report all financial resources not accounted for and reported in another fund. The General fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

American Rescue Plan Fund - This fund is used to account for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

City Income Tax Capital Acquisitions Fund - This fund is used to account for the portion of the City's income tax to be used for the acquisition and maintenance of capital assets.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

Other governmental funds of the City are used to account for: (a) financial resources that are restricted or committed to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets; (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects; and (c) financial resources that are restricted to expenditure for principal and interest.

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

Enterprise Fund - The enterprise fund is used to account used for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's nonmajor enterprise fund is the Municipal Golf Course Fund which is used to account for the financial activities of the Ridgewood Municipal Golf Course.

Internal Service Funds - The internal service funds are used to account for the financing of goods or services provided by one department to other departments or to other governments on a cost-reimbursement basis. The City's internal service funds report on the operations of liability insurance, medical insurance and workers' compensation.

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 custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary fund is a custodial fund which accounts for Parma Municipal Court fines and forfeitures collected and distributed to other governments, organizations, and individuals.

D. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position.

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, deferred outflows of resources, 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 financial statements for governmental funds.

Like the government-wide statements, all proprietary funds and fiduciary funds are accounted for on 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 these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

The fiduciary fund presents a statement of changes in fiduciary net position which reports additions and deductions from the custodial fund.

E. Basis of Accounting

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

Revenues: Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal 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 thirty-one days of year end.

Nonexchange 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 tax is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange 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-levied locally shared taxes (including gasoline tax, local government funds and permissive tax); fines and forfeitures; fees; earnings on investments; and special assessments.

Unearned Revenues - The City defers revenue recognition in connection with resources that have been received, but not earned. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue consists primarily of deposits held for various programs.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 14 and 15 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. 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.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the leases receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the leases.

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, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 14 and 15 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position. In addition, deferred outflows of resources include a deferred gain on debt refunding. A deferred gain 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 debt or refunding debt.

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

F. Budgetary Procedures

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment through the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated.

The legal level of budgetary control is at the fund/department level (personal services and other expenditures). Any budgetary modifications at this level may only be made by resolution of the City Council.

During the first Council meeting in July, the Mayor presents the annual operating budget for the following fiscal year to the City Council for consideration and passage. The adopted budget is submitted to the County Fiscal Officer, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenues. As part of this determination, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance.

On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances at December 31 of the preceding year. Upon a determination by the City Auditor that the revenue to be collected by the City will be greater or less than the amount included in the official certificate, the City Auditor shall certify the amount of the excess or deficiency to the County Budget Commission, and if it is deemed reasonable by the Commission, the County Budget Commission shall certify an amended official certificate reflecting the deficiency or excess. The amounts reported on the budgetary statement reflects the amounts in the final amended official certificate of estimated resources issued during 2022.

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund/department level (personal services and other expenditures). The appropriation ordinance may be amended during the year as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified.

Funds appropriated may not be expended for purposes other than those designated in the appropriation measure. The allocation of appropriations among departments and major objects within a fund may be modified during the year only by an ordinance of Council. During the year, several supplemental appropriation measures were passed. None of these supplemental appropriations had any significant effect on the original appropriations. The "original budget" designation that appears in the statements of budgetary comparisons represents the original budget amounts adopted in the annual appropriation ordinance; the "final budget" designation represents the budget amount including all amendments and modifications passed by Council during the year.

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation, and to determine and maintain legal compliance.

The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the fund financial level, encumbrances outstanding at year-end are reported as restricted, committed or assigned fund balance for subsequent year expenditures for governmental funds and reported in the notes to the basic financial statements for proprietary funds.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not reappropriated.

Encumbrance accounting is employed in all City funds with the exception of Parma Public Housing. As part of the City's formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances outstanding at year-end are reported as restricted, committed or assigned fund balances in the fund financial statements since they do not constitute expenditures or liabilities and are carried forward to the next fiscal year.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

G. Cash and Investments

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

During 2022, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2022, 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 \$250 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.

Interest income is distributed to the funds according to statutory requirements and City policy. Interest revenue earned and credited to the General fund during 2022 amounted to \$171,630, which included \$125,310 assigned from other funds of the City.

For purposes of the statement of cash flows and for presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments, to the extent they are purchased from a specific fund.

The City has segregated bank accounts for monies held separate from the City's central bank account for Law Department petty cash, Ridgewood golf course petty cash, Parma Public Housing, and Parma Municipal Court. These depository accounts are presented on the financial statements as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

An analysis of the City's investment account at year end is provided in Note 4.

H. Inventories of Materials and Supplies

On the government-wide and fund financial statements, inventories are stated at cost. For all funds, cost is determined on a first-in, first-out (FIFO) basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds when consumed. Inventories of the proprietary funds are expensed when used.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance which indicates that it does not constitute available spendable resources even though it is a component of fund balance.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets 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.

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements to the extent the City's capitalization threshold is met. The City defines capital assets as assets with an estimated useful life in excess of 5 years and an individual cost of more than \$5,000. Infrastructure assets and computer software assets are capitalized when the acquisition cost is greater than \$100,000.

Assets are recorded at historical cost or estimated historical cost, if historical cost is not available. Contributed capital assets are recorded at their acquisition value as of the date contributed.

As permitted under the implementation provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34), the historical cost of infrastructure assets acquired, significantly reconstructed or that received significant improvements prior to January 1, 1980 have not been included as part of governmental capital assets in the government-wide financial statements. As permitted under the implementation provisions of GASB No. 34, the historical cost of infrastructure assets acquired, significantly reconstructed or that received significant improvements after January 1, 1980 have been included as part of governmental capital assets in the government-wide financial statements.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation threshold for proprietary fund capital assets are the same as those used for the general capital assets.

Costs for maintenance and repairs are expensed when incurred. However, costs for repairs and upgrades that materially add to the value or life of an asset and meet the above criteria are capitalized.

The City depreciates/amortizes capital assets on a straight-line basis using the following estimated useful lives:

<u>Asset</u>	<u>Estimated Useful Life</u>
Land and construction in progress	Not depreciated
Land improvements	10-20 years
Buildings	70 years
Equipment and vehicles:	
Governmental activities	10 years
Business-type activities	15 years
Computer software	15 years
Infrastructure	5-50 years
Intangible right to use:	
Leased building	10 years
Leased equipment	5 years
Leased vehicles	4 years

The City is reporting intangible right to use assets related to leased buildings, equipment and vehicles. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

J. Compensated Absences

Compensated absences of the City consist of vacation leave, comp time leave, and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In accordance with the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*", a liability for vacation and comp time leave is accrued if: (a) employees' rights to payment are attributable to services already rendered; and (b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement.

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. In proprietary funds, the entire amount of compensated absences is reported as a fund liability. The entire compensated absence liability is reported on the government-wide financial statements.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

L. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2022, governmental activities did not receive any contributions of capital from outside sources for infrastructure capital assets.

M. Accrued Liabilities and Long-Term Obligations

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

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner in full from current financial resources, are reported as obligations of the funds. However, compensated absences and claims and judgements 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, loans, notes and leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

N. Unamortized Bond Premiums and Accounting Gain or Loss

Bond premiums are amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

On the governmental fund financial statements, bond premiums and deferred charges from refunding are recognized in the current period.

O. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable" and "interfund loans payable". These amounts are eliminated in the governmental activities column of the statement of net position, with the exception of the net residual amounts due between governmental and business-type activities which are presented as internal balances.

P. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental funds are eliminated for reporting of governmental activities on the government-wide financial statements.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures or 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 and uses in governmental funds, and after non-operating revenues and expenses in proprietary funds. Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the BFS.

Interfund services provided and used are not eliminated on the government-wide financial statements.

Q. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts.

Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended uses established by policies (resolution) of City Council, which includes giving the City Auditor the authority to constrain monies for intended purposes.

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

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

R. Estimates

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

S. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also are included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

T. 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 golf course. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

U. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provision or enabling legislation.

Restricted assets represent certain resources which are segregated from other resources of the City. These assets are generally held in separate accounts of the City or by a trustee. Restricted assets represent permissive tax monies held by Cuyahoga County and retainage payable related to construction.

V. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2022.

W. Pensions/Other Postemployment Benefits (OPEB)

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

X. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, like quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which significant inputs are observable; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2022, the City has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", 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" and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

These changes were incorporated in the City's 2022 financial statements. The City recognized \$1,587,400 in governmental activities in leases receivable at January 1, 2022, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases. The City also recognized \$150,438 in governmental activities in leases payable at January 1, 2022; however, this entire amount was offset by the intangible asset, right to use lease - equipment.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the City.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the City.

GASB Statement No. 92 enhances 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 implementation of GASB Statement No. 92 did not have an effect on the financial statements of the City.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the City.

GASB Statement No. 97 is 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 GASB Statement No. 97 did not have an effect on the financial statements of the City.

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

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at December 31, 2022 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
<i>Nonmajor Special Revenue Funds:</i>	
Community Development Block Grant	\$ 6,944
Emergency Medical Services Grant	11,684
West Creek Preservation	36,550
<i>Nonmajor Capital Projects Funds:</i>	
Library	220,128
Street Improvement	35,822

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

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NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of 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 (1) 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

1. Bonds of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and,
3. Obligations of the City.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash in Segregated Accounts

At year end, the City had \$2,374,638 deposited with financial institutions for monies related to the Law Department, Parma Public Housing, Ridgewood Golf Course, and Parma Municipal Court. As of December 31, 2022, the bank balance held in segregated accounts was \$3,189,080, of which \$500,000 was covered by the FDIC and \$2,689,080 was exposed to custodial risk. These amounts are not included in the City's depository balance below.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At December 31, 2022, the carrying amount of all City deposits was \$58,631,137 and the bank balance of all City deposits was \$59,824,910. Of the bank balance, \$1,500,000 was covered by the FDIC and \$58,324,910 was covered by the Ohio Pooled Collateral System or had the potential to be exposed to custodial credit risk as described below.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

C. Investments

Investments are reported at fair value. As of December 31, 2022, the City had the following investment:

<u>Measurement/ investment type</u>	<u>Measurement Amount</u>	<u>6 months or less</u>
<i>Amortized cost:</i>		
STAR Ohio	<u>\$ 133,000</u>	<u>\$ 133,000</u>

Interest Rate Risk: In accordance with its investment policy, the City does not invest in securities that mature more than five (5) years from the date of purchase if such securities bear interest at a fixed rate or securities that mature more than (2) years from the date of settlement if such securities bear interest at a variable rate. Other than these two requirements, the City has no written policy regarding interest rate risk.

Credit Risk: State law limits investments in corporate debt to the top two ratings issued by nationally recognized statistical rating organizations. The City does not have a written policy limiting its corporate debt investments to the top ratings. However, U.S. agencies are rated AAA, which is the top rating available for those investment types. The City invests in STAR Ohio, which is rated AAA by Standard & Poor's.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no written policy limiting the dollar amount of holdings by any single counterparty.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2022:

<u>Cash and Investments per Note</u>	
Carrying amount of deposits	\$ 58,631,137
Cash in segregated accounts	2,374,638
Investments	<u>133,000</u>
Total	<u>\$ 61,138,775</u>
 <u>Cash and Investments per Statement of Net Position:</u>	
Governmental activities	\$ 60,402,396
Business-type activities	157,599
Custodial funds	<u>578,780</u>
Total	<u>\$ 61,138,775</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Transfers made during the year ended December 31, 2022 were as follows:

<i>Transfers To</i>	<i>Transfers From</i>			
	General	City Income Tax Capital Acquisitions	Nonmajor Governmental	Totals
Nonmajor Governmental	\$ 3,056,523	\$ 2,269,679	\$ 2,800,373	\$ 8,126,575
Internal Service - Liability Insurance	<u>580,000</u>	<u>-</u>	<u>-</u>	<u>580,000</u>
<i>Totals</i>	<u>\$ 3,636,523</u>	<u>\$ 2,269,679</u>	<u>\$ 2,800,373</u>	<u>\$ 8,706,575</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated on the government-wide financial statements.

Transfers between governmental funds are eliminated on the government-wide financial statements.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. Interfund balances at December 31, 2022, consist of the following individual fund receivables and payables:

<i>Payable</i>	<i>Receivable</i>		
	General	City Income Tax Capital Acquisitions	Totals
<i>Nonmajor Governmental:</i>			
EMS Grant	\$ 228,036	\$ -	\$ 228,036
Community Development	58,786	-	58,786
West Creek Preservation	-	47,500	47,500
Debt Service	-	82,802	82,802
Street Improvements	-	1,968,779	1,968,779
Sewer Construction	-	1,446,421	1,446,421
Library Capital Projects	-	308,413	308,413
<i>Totals</i>	\$ 286,822	\$ 3,853,915	\$ 4,140,737

Interfund loans between governmental funds are eliminated on the government-wide financial statements. All loans are expected to be repaid within one year.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at thirty-five percent (35%) of appraised market value. All property is required to be revalued every six (6) years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Cuyahoga County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Parma. The Cuyahoga County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2022 and for which there is an enforceable legal claim.

In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2022 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the 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 a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2022 was \$7.40 per \$1,000 of assessed value.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

Real Property	\$1,760,745,130
Public Utility	<u>56,824,810</u>
Total Assessed Value	<u>\$1,817,569,940</u>

NOTE 7 - INCOME TAXES

The City levies a municipal income tax of 2.5% on all salaries, wages, commissions and other compensation earned within the City. A portion of the City income tax is restricted to use for capital expenditures and debt service and is included in the City Income Tax Capital Acquisitions Fund. All other income tax revenue is included in the General Fund. Employers are required to withhold income tax from all employees working within the City, without regard to the employees' city of residence. The income tax withheld by employers must be remitted to the City on a monthly basis if the amount exceeds \$100 per month, otherwise quarterly. Persons under 18 years of age are not subject to the City income tax.

Corporations and area businesses are also subject to the 2.5% City income tax. All net profits earned by resident business are subject to City income tax, less the amount credited for taxes paid to another municipality. All non-resident businesses' net profits earned within the City are subject to the City income tax.

City residents are also subject to a 2.5% income tax on all income earned outside the City. A credit of 100%, up to a maximum of 2%, is allowed on all municipal income taxes paid to another community.

All taxpayers incurring a liability that exceeds \$100 are required to pay estimated taxes on a quarterly basis.

In 2022, income tax proceeds were credited, on a cash basis, 78.75% to the General fund and 21.25% to the City Income Tax Capital Acquisitions fund.

NOTE 8 - RECEIVABLES

A. Intergovernmental Receivables

Receivables at December 31, 2022, consisted of income taxes, property taxes, accounts (billings for user charged services), special assessments, intergovernmental receivables arising from grants, entitlements and shared revenue, and notes. All intergovernmental receivables have been classified as "due from other governments" on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2022.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 - RECEIVABLES - (Continued)

A summary of the principal items of intergovernmental receivables follows:

	<i>Amounts</i>
Local Government	\$ 1,336,054
Municipal Court	623,987
Liquor Permits	34,958
Homestead and Rollbacks	576,432
Gasoline Tax - Cents Per Gallon and Excise	1,934,158
Motor Vehicle License Tax	567,263
<i>Total Intergovernmental Receivable</i>	\$ 5,072,852

B. Note Receivable

The City has reported a \$3,850,000 notes receivable for promissory notes assigned to the City by the PCIC from the sale of property to Chevybrook Estates L.P. The PCIC acted as fiscal agent on the sale, which closed on June 30, 2021. Chevybrook Estates L.P. acquired a leasehold interest in the property in the amount of \$4,950,000. Chevybrook Estates L.P. paid \$1,100,000 upon closing with the remaining portion of the purchase price being paid through promissory notes in the amount of \$3,850,000. The notes mature on June 29, 2063, and interest will be accrued on the principal balance at 2.08%, compounding annually. A payment schedule is not currently available. No payments were made during 2022.

Receivables have been disaggregated on the face of the BFS. All receivables, with the exception of the notes receivable and special assessments receivable, are expected to be collected within the subsequent year.

C. Lease Receivable

The City is reporting leases receivable of \$1,550,543 in the Parks and Recreation nonmajor special revenue fund. For 2022, the City recognized lease revenue of \$49,986, which is reported in rental income, and interest revenue of \$54,866.

The City has entered into the following lease agreements as the lessor at the time of as follows:

Lease Type	Lease Commencement Date	Years	Lease End Date	Payment Method
Land - Telecommunications Tower	2012	30	2042	Monthly
Land - Telecommunications Tower	1985	75	2060	Annual
Regulator Station	2015	10	2025	Annual
Land - Broadcast Tower	1990	75	2065	Monthly

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 - RECEIVABLES - (Continued)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 25,465	\$ 54,230	\$ 79,695
2024	26,371	53,324	79,695
2025	27,309	52,386	79,695
2026	25,280	51,415	76,695
2027	26,761	50,513	77,274
2028 - 2032	155,751	237,027	392,778
2033 - 2037	197,776	206,424	404,200
2038 - 2042	265,472	165,065	430,537
2043 - 2047	145,493	129,509	275,002
2048 - 2052	173,272	101,728	275,000
2053 - 2057	206,357	68,643	275,000
2058 - 2062	183,600	31,400	215,000
2063 - 2065	<u>91,636</u>	<u>4,614</u>	<u>96,250</u>
 Total	 <u>\$ 1,550,543</u>	 <u>\$ 1,206,278</u>	 <u>\$ 2,756,821</u>

NOTE 9 - TAX ABATEMENT DISCLOSURES

In accordance with GASB Statement No. 77, *Tax Abatement Disclosures*, the City is required to disclose certain information about tax abatements as defined in the Statement. For purposes of the Statement, a tax abatement is a reduction in tax revenue that results from an agreement between one of more governments and an individual or entity in which (a) one or more governments promise to forgo to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the City or its citizens. The City has entered into such agreements. A description of the City's abatement programs where the City has promised to forgo taxes follows:

Community Reinvestment Area (CRA) programs are an economic development tool administered by municipal and county governments that provide property tax exemptions for property owners who renovate existing or construct new buildings. CRAs are areas in which property owners can receive tax incentives for investing in real property improvements. These programs permit municipalities or counties to designate areas where investment has been discouraged as a CRA to encourage revitalization of the existing housing stock and the development of new structures.

Enterprise Zone programs are an economic development tool administered by municipal and county governments that provide real property tax exemptions to businesses making investments in local communities. Enterprise Zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone program can provide tax exemptions for a portion of the value of new real property investment when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values are not eligible (except as noted in rare circumstances). Local communities may offer tax incentives for non-retail projects that are established or expanding operations in the community. Real property investments are eligible for tax incentives.

The total amount of taxes abated through these programs during 2022 was \$0.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 10 - CAPITAL ASSETS

The implementation of GASB Statement No. 87 has resulted in the City reporting capital assets for intangible right to use - leased buildings and equipment as of January 1, 2022, in governmental activities. Capital assets have been restated to include these intangible assets in the balance at the beginning of year. Governmental activities capital asset activity for the year ended December 31, 2022, was as follows:

<u>Governmental Activities:</u>	(Restated) Balance 1/01/22	Additions	Disposals	Balance 12/31/22
<i>Capital assets, not being depreciated/ amortized:</i>				
Land	\$ 7,716,851	\$ 1,193,441	\$ (1,247,410)	\$ 7,662,882
Construction in progress	<u>3,901,909</u>	<u>7,732,652</u>	<u>(2,344,114)</u>	<u>9,290,447</u>
Total capital assets, not being depreciated/amortized	<u>11,618,760</u>	<u>8,926,093</u>	<u>(3,591,524)</u>	<u>16,953,329</u>
<i>Capital assets, being depreciated/ amortized:</i>				
Land improvements	1,173,926	-	-	1,173,926
Buildings	31,043,946	-	(498,901)	30,545,045
Equipment	16,540,715	653,013	(1,146,286)	16,047,442
Vehicles	15,914,874	1,879,696	(1,916,168)	15,878,402
Software	490,476	-	(12,080)	478,396
Infrastructure	109,861,275	2,344,114	-	112,205,389
Intangible right to use:				
Buildings	100,142	-	-	100,142
Equipment	<u>50,296</u>	<u>-</u>	<u>-</u>	<u>50,296</u>
Total capital assets, being depreciated/amortized	<u>175,175,650</u>	<u>4,876,823</u>	<u>(3,573,435)</u>	<u>176,479,038</u>
<i>Less: accumulated depreciation/ amortization:</i>				
Land improvements	(612,309)	(61,539)	-	(673,848)
Buildings	(13,188,005)	(603,684)	271,530	(13,520,159)
Equipment	(13,498,919)	(679,577)	1,146,286	(13,032,210)
Vehicles	(12,250,018)	(1,896,146)	1,762,928	(12,383,236)
Software	(483,188)	(7,282)	12,080	(478,390)
Infrastructure	(50,434,205)	(2,867,080)	-	(53,301,285)
Intangible right to use:				
Buildings	-	(21,849)	-	(21,849)
Equipment	<u>-</u>	<u>(23,213)</u>	<u>-</u>	<u>(23,213)</u>
Total accumulated depreciation/ amortization	<u>(90,466,644)</u>	<u>(6,160,370)</u>	<u>3,192,824</u>	<u>(93,434,190)</u>
Total capital assets, being depreciated/amortized, net	<u>84,709,006</u>	<u>(1,283,547)</u>	<u>(380,611)</u>	<u>83,044,848</u>
Governmental activities capital assets, net	<u>\$ 96,327,766</u>	<u>\$ 7,642,546</u>	<u>\$ (3,972,135)</u>	<u>\$ 99,998,177</u>

CITY OF PARMA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental Activities:

Legislative and executive	\$ 534,228
Security of persons and property	1,367,664
Transportation	2,367,183
Community environment	117,991
Basic utility services	1,520,292
Leisure time activity	<u>253,012</u>
Total depreciation expense - governmental activities	<u>\$ 6,160,370</u>

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CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 10 - CAPITAL ASSETS - (Continued)

Business-type activities capital asset activity for the year ended December 31, 2022, was as follows:

<u>Business-Type Activities:</u>	Balance 1/01/22	Additions	Disposals	Balance 12/31/22
<i>Capital assets, not being depreciated/ amortized:</i>				
Land	\$ 1,078,077	\$ -	\$ -	\$ 1,078,077
<i>Capital assets, being depreciated/ amortized:</i>				
Land improvements	263,700	-	-	263,700
Buildings	209,531	-	(148,088)	61,443
Equipment	846,564	-	(40,974)	805,590
Vehicles	25,732	-	-	25,732
Intangible right to use: Vehicles	-	136,280	-	136,280
Total capital assets, being depreciated/amortized	<u>1,345,527</u>	<u>136,280</u>	<u>(189,062)</u>	<u>1,292,745</u>
<i>Less: accumulated depreciation/ amortization:</i>				
Land improvements	(263,700)	-	-	(263,700)
Buildings	(133,172)	(878)	114,264	(19,786)
Equipment	(790,570)	(12,268)	40,924	(761,914)
Vehicles	(25,732)	-	-	(25,732)
Intangible right to use: Vehicles	-	(36,340)	-	(36,340)
Total accumulated depreciation/ amortization	<u>(1,213,174)</u>	<u>(49,486)</u>	<u>155,188</u>	<u>(1,107,472)</u>
Total capital assets, being depreciated/amortized, net	<u>132,353</u>	<u>86,794</u>	<u>(33,874)</u>	<u>185,273</u>
Business-type activities capital assets, net	<u>\$ 1,210,430</u>	<u>\$ 86,794</u>	<u>\$ (33,874)</u>	<u>\$ 1,263,350</u>

Depreciation/amortization expense of \$49,486 was charged to the golf course fund.

CITY OF PARMA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 11 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Vacation - City employees earn vacation leave at varying rates based upon length of service. Vacation leave is earned in one year and must be used in the next year. Any unused vacation leave is eliminated from the employee's vacation leave balance. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave to a maximum of the amount of vacation leave earned in the prior year but not yet used and, on a pro rata basis, vacation leave earned during the current year. At December 31, 2022, the total vacation obligation for the City as a whole amounted to \$1,555,108.

Accumulated Unpaid Sick Leave - City employees earn sick leave at the rate of four and six-tenths hours per eighty hours of service. Sick leave is cumulative without limit. In the case of death or retirement, an employee (or his estate) with ten or more years of service (except five or more years of service for American Federation of State, County, and Municipal Employees union members) is paid for one-third of his accumulated sick leave not to exceed various ceilings depending on the department for which the employee worked. The total obligation for sick leave accrual for the City as a whole as of December 31, 2022, was \$2,662,582.

Accumulated Overtime - All City employees earn overtime for work performed in excess of regular hours. Limitations of maximum accumulation of overtime hours are specified in the union agreements. During 2022, overtime was accumulated at a rate of one and one-half hours of overtime for each excess hour worked. All unpaid, accumulated overtime is paid to employees upon separation or death. Overtime is paid at the current wage rate in effect when the overtime is paid. At December 31, 2022, accumulated, unpaid overtime for the City as a whole was \$2,227,270.

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CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 87, the County has reported an obligation for leases payable in governmental activities, which is reflected in the schedule below. During 2022, the following activity occurred in the City's long-term obligations.

Governmental Activities:	Original	Interest	(Restated)	<u>Additions</u>	<u>Reductions</u>	Balance	Amounts
	<u>Issue</u>	<u>Rate</u>	Balance				
			1/01/22				One Year
<u>General Obligation Bonds - Unvoted</u>							
Various Purpose (2006)	\$ 560,000	4.878%	\$ 190,000	\$ -	\$ (35,000)	\$ 155,000	\$ 35,000
Dispatch Center							
Improvement (2016)	2,360,000	3.861%	1,905,000	-	(100,000)	1,805,000	100,000
Facility Refunding (2016)	5,580,000	2.924%	2,245,000	-	(725,000)	1,520,000	750,000
Various Purpose/Refunding (2021)	6,435,000	4.000%	5,980,000	-	(450,000)	5,530,000	475,000
Total general obligations bonds			<u>10,320,000</u>	<u>-</u>	<u>(1,310,000)</u>	<u>9,010,000</u>	<u>1,360,000</u>
<u>Ohio Public Works Commission</u>							
(OPWC) Loans - Direct Borrowing							
Chevrolet Blvd. Storm Sewer (2018)	341,522	-	281,756	-	(17,076)	264,680	17,076
Day Drive Repair/Resurface (2019)	842,372	-	716,016	-	(42,118)	673,898	42,118
Total OPWC Loans			<u>997,772</u>	<u>-</u>	<u>(59,194)</u>	<u>938,578</u>	<u>59,194</u>
<u>Ohio Water Development Authority</u>							
(OWDA) Loans - Direct Borrowing							
Grantwood/Ridgewood Sewer (2011)	104,566	3.250%	58,049	-	(5,307)	52,742	5,481
Bradenton Blvd. Sewer (2011)	260,984	3.250%	144,881	-	(13,247)	131,634	13,681
Manhattan Ave. Sewer (2011)	111,548	3.250%	61,924	-	(5,662)	56,262	5,847
West Ridgewood Sewer (2014)	3,071,714	0.000%	1,919,820	-	(153,586)	1,766,234	153,586
Ridge Road Sewer Phase II (2014)	1,885,315	2.000%	1,688,595	-	(81,470)	1,607,125	83,108
Total OWDA Loans			<u>3,873,269</u>	<u>-</u>	<u>(259,272)</u>	<u>3,613,997</u>	<u>261,703</u>
<u>Other Long-Term Obligations</u>							
Direct Financing Notes			1,718,015	446,453	(581,180)	1,583,288	361,126
Leases Payable			150,438	-	(43,428)	107,010	44,736
Compensated Absences			5,829,125	1,306,676	(713,210)	6,422,591	786,008
Net Pension Liability			67,863,712	-	(10,429,949)	57,433,763	-
Net OPEB Liability			7,782,857	422,533	-	8,205,390	-
Total Other Long-Term Obligations			<u>83,344,147</u>	<u>2,175,662</u>	<u>(11,767,767)</u>	<u>73,752,042</u>	<u>1,191,870</u>
Total Governmental Activities							
Long-Term Obligations			<u>98,535,188</u>	<u>2,175,662</u>	<u>(13,396,233)</u>	<u>87,314,617</u>	<u>\$ 2,872,767</u>
Add: Unamortized Premium on Bond Issues			<u>650,114</u>	<u>-</u>	<u>(72,093)</u>	<u>578,021</u>	
Total Reported on the Statement of Net Position			<u>\$ 99,185,302</u>	<u>\$ 2,175,662</u>	<u>\$ (13,468,326)</u>	<u>\$ 87,892,638</u>	
<u>Business-Type Activities:</u>							
Compensated Absences			\$ 18,918	\$ 5,935	\$ (2,484)	\$ 22,369	\$ 2,738
Net Pension Liability			359,367	-	(157,615)	201,752	-
Leases Payable			-	128,280	(37,816)	90,464	44,187
Total Business-Type Activities							
Long-Term Obligations			<u>\$ 378,285</u>	<u>\$ 134,215</u>	<u>\$ (197,915)</u>	<u>\$ 314,585</u>	<u>\$ 46,925</u>

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation Bonds Payable

The Series 2021 Bonds were issued in the amount of \$6,435,000 to refund the Series 2013 Bonds (\$2,320,000), Roads Program Bonds (\$2,715,000), Day Drive Improvement Bonds (\$210,000), and Broadview Rd. Improvement (\$1,190,000). The Series 2021 Bonds were sold at a premium of \$686,160. Proceeds of \$2,463,439 were used to refund remaining \$2,450,000 balance of the 2013 Facility Refunding Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$13,439. This amount is presented as a deferred charge on refunding and amortized over the remaining life of the new debt. The City also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$66,611.

All bonds are secured by the full faith and credit of the City. Such bonds are payable from ad valorem property taxes levied within the limitations provided by law, irrespective of whether such bonds or notes are secured by other receipts of the City in addition to such ad valorem property taxes. General Obligation bonds will be paid from the Debt Service Fund, a nonmajor fund.

OPWC and OWDA Loans

OPWC loans are direct borrowings that have terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

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

The OPWC and OWDA loans will also be repaid from the Debt Service Fund.

Direct Financing Notes

In prior years and during 2022, the City entered into direct financing notes for the purchase of fire trucks and vehicles. Vehicles and equipment have been reported in governmental activities capital assets. Note payments are reflected as debt service expenditures in the financial statements for the governmental funds and as functional expenditures in the budgetary statements.

Principal and interest payments are being made from the Police Levy, Fire Levy, Paramedic levy, Law Enforcement Trust nonmajor special revenue funds; and the City Income Tax Capital Acquisition fund.

Leases Payable

The City has entered into lease agreements for the use for the right to use buildings and copier equipment in governmental activities and vehicles in business-type activities. The City has reported intangible - right to use capital assets and corresponding liability for the future scheduled payments under the leases. Principal and interest payments are being made from the General Fund, Parma Public Housing nonmajor special revenue fund), and Golf Course nonmajor enterprise fund.

Compensated Absences and Net Pension/Net OPEB Liability

Compensated absences, net pension liability and net OPEB liability will be paid from the fund from which the employees' salaries are paid.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

A summary of the City's future debt service requirements for long-term obligations outstanding as of December 31, 2022, are as follows:

Year	Governmental Activities			Governmental Activities (Direct Borrowing)		
	General Obligation Bonds Payable			OPWC Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,360,000	\$ 314,400	\$ 1,674,400	\$ 59,194	\$ -	\$ 59,194
2024	1,400,000	268,150	1,668,150	59,195	-	59,195
2025	885,000	220,550	1,105,550	59,195	-	59,195
2026	410,000	184,750	594,750	59,195	-	59,195
2027	380,000	167,900	547,900	59,195	-	59,195
2028 - 2032	2,120,000	617,000	2,737,000	295,974	-	295,974
2033 - 2037	2,065,000	238,750	2,303,750	295,974	-	295,974
2038 - 2041	390,000	29,550	419,550	50,656	-	50,656
Total	\$ 9,010,000	\$ 2,041,050	\$ 11,051,050	\$ 938,578	\$ -	\$ 938,578

Year	Governmental Activities (Direct Borrowing)			Governmental Activities		
	OWDA Loans Payable			Direct Financing Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 261,703	\$ 38,762	\$ 300,465	\$ 361,126	\$ 36,998	\$ 398,124
2024	264,193	36,335	300,528	312,193	28,439	340,632
2025	266,743	33,850	300,593	227,049	20,406	247,455
2026	269,355	31,305	300,660	233,488	13,967	247,455
2027	272,031	28,699	300,730	170,704	7,510	178,214
2028 - 2032	1,352,893	102,875	1,455,768	278,728	7,166	285,894
2033 - 2037	758,212	46,351	804,563	-	-	-
2038 - 2039	168,867	3,388	172,255	-	-	-
Total	\$ 3,613,997	\$ 321,565	\$ 3,935,562	\$ 1,583,288	\$ 114,486	\$ 1,697,774

Year	Governmental Activities			Business-type Activities		
	Leases Payable			Leases Payable		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 44,736	\$ 3,225	\$ 47,961	\$ 44,187	\$ 3,813	\$ 48,000
2024	25,957	1,712	27,669	46,277	1,723	48,000
2025	22,702	909	23,611	-	-	-
2026	13,615	159	13,774	-	-	-
Total	\$ 107,010	\$ 6,005	\$ 113,015	\$ 90,464	\$ 5,536	\$ 96,000

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Legal Debt Margin - The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City’s legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2022, the City’s total debt margin was \$182,205,284 and the unvoted debt margin was \$90,956,347.

NOTE 13 - RISK MANAGEMENT

Liability Self Insurance - The City is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City carries various insurance coverages for such risks. An excess coverage insurance (stop loss) policy covers claims in excess of \$250,000 per occurrence and an aggregate of \$10,000,000 per occurrence. Settled claims have not exceeded coverage in any of the last three years and there has been no significant reduction in coverage from the prior year.

In accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims that meet this criteria are reported as liabilities of either governmental or business-type activities in the government-wide statement of net position. In the fund financial statements, claims liabilities that relate to internal service funds are reported; however, the long-term portion of claims liabilities is not reported for governmental funds.

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses, regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

A liability of \$25,000 provided by the City’s Law Director has been recorded.

Changes in the Liability Insurance Self-Insurance Fund claims liability amount for 2021 through 2022 were:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2022	\$ 50,000	\$ -	\$ (25,000)	\$ 25,000
2021	80,000	-	(30,000)	50,000

Medical Self Insurance - In October 1988, the City replaced its major health insurance with a Medical Insurance Self Insurance fund. A third-party administrator, Medical Mutual of Ohio, reviews all claims that are then paid by the Medical Insurance Self Insurance fund. The City pays a premium for reinsurance specific stop-loss coverage for the claim period October 1 through September 30, which carries a deductible of \$100,000 per person.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 13 - RISK MANAGEMENT - (Continued)

The Medical Insurance Self Insurance fund generates revenues by charging an actuarially determined premium to each fund based on the number of employees enrolled in the self-insured plan and their type of coverage. The Medical Insurance Self Insurance fund subsequently pays for all costs of providing claims servicing and claims payment.

A liability, estimated by the third-party administrator, in the amount of \$1,291,607 has been recorded to reflect unpaid claims cost including incurred but not reported claims as of December 31, 2022. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expense.

Changes in the Medical Insurance Self-Insurance Fund claims liability amount for 2021 through 2022 were:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2022	\$ 1,227,058	\$ 10,801,353	\$(10,736,804)	\$ 1,291,607
2021	1,242,917	11,256,136	(11,271,995)	1,227,058

Workers Compensation Insurance Fund (WCIF) - Effective January 1, 2006, the City commenced participation in the Ohio Bureau of Workers' Compensation retrospective rating and payment plan under which the City assumes a portion of the risk in return for a possible reduction in premiums. Under this plan, the City pays a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for any injured employees, with a claim limit of \$250,000. The City previously participated in the retroactive rating plan through December 31, 1996. A liability in the amount of \$200,285 based on information provided by the Ohio Bureau of Workers' Compensation, has been recorded to reflect unpaid claims cost, including incurred but not reported claims, as of December 31, 2022. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expense.

All costs of workers claims, premiums, administrative costs and other additional assessments are paid out of the WCIF. Changes in the Workers' Compensation Insurance Fund claims liability amount for 2021 through 2022 were:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2022	\$ 322,397	\$ 554,003	\$ (676,115)	\$ 200,285
2021	133,434	601,905	(412,942)	322,397

NOTE 14 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability/Asset

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

Pensions and OPEB are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions and 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 is a present obligation because it was created as a result of employment exchanges that already have occurred.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The remainder of this note includes the pension disclosures. See Note 15 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14- DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14- DEFINED BENEFIT PENSION PLANS - (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. 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 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$2,862,222 for 2022. Of this amount, \$67,411 is reported as due to other governments.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14- DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report 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 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

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

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

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

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14- DEFINED BENEFIT PENSION PLANS - (Continued)

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

	Police	Firefighters
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$4,327,655 for 2022. Of this amount, \$106,476 is reported as due to other governments.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2021, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (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	0.122550%	0.049412%	0.734567%	
Proportion of the net pension liability/asset current measurement date	<u>0.124900%</u>	<u>0.027045%</u>	<u>0.748608%</u>	
Change in proportionate share	<u>0.002350%</u>	<u>-0.022367%</u>	<u>0.014041%</u>	
Proportionate share of the net pension liability	\$ 10,866,805	\$ -	\$ 46,768,710	\$ 57,635,515
Proportionate share of the net pension asset	-	(106,559)	-	(106,559)
Pension expense	(2,892,405)	(3,845)	2,607,259	(288,991)

At December 31, 2022, 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				
Differences between expected and actual experience	\$ 553,974	\$ 661	\$ 1,348,536	\$ 1,903,171
Changes of assumptions	1,358,882	5,358	8,547,310	9,911,550
Changes in employer's proportionate percentage/difference between employer contributions	280,065	-	1,026,343	1,306,408
Contributions subsequent to the measurement date	<u>2,854,229</u>	<u>7,993</u>	<u>4,327,655</u>	<u>7,189,877</u>
Total deferred outflows of resources	<u>\$ 5,047,150</u>	<u>\$ 14,012</u>	<u>\$ 15,249,844</u>	<u>\$ 20,311,006</u>

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

	OPERS - Traditional	OPERS - Combined	OP&F	Total
Deferred inflows of resources				
Differences between expected and actual experience	\$ 238,336	\$ 11,919	\$ 2,431,331	\$ 2,681,586
Net difference between projected and actual earnings on pension plan investments	12,925,670	22,846	12,262,036	25,210,552
Changes in employer's proportionate percentage/ difference between employer contributions	<u>615,911</u>	<u>-</u>	<u>1,644,106</u>	<u>2,260,017</u>
Total deferred inflows of resources	<u>\$ 13,779,917</u>	<u>\$ 34,765</u>	<u>\$ 16,337,473</u>	<u>\$ 30,152,155</u>

\$7,189,877 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2023.

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

	OPERS - Traditional	OPERS - Combined	OP&F	Total
Year Ending December 31:				
2023	\$ (2,121,819)	\$ (7,003)	\$ (257,665)	\$ (2,386,487)
2024	(4,369,656)	(9,678)	(3,491,999)	(7,871,333)
2025	(3,039,347)	(6,352)	(1,591,403)	(4,637,102)
2026	(2,056,174)	(4,690)	(1,084,815)	(3,145,679)
2027	-	(628)	1,010,598	1,009,970
Thereafter	-	(395)	-	(395)
Total	<u>\$ (11,586,996)</u>	<u>\$ (28,746)</u>	<u>\$ (5,415,284)</u>	<u>\$ (17,031,026)</u>

Actuarial Assumptions - OPERS

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

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (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. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2021, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	3.25%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

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

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

During 2021, 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 Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3% for 2021.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	24.00 %	1.03 %
Domestic equities	21.00	3.78
Real estate	11.00	3.66
Private equity	12.00	7.43
International equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	<u>100.00 %</u>	<u>4.21 %</u>

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2021 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 28,650,811	\$ 10,866,805	\$ (3,931,852)
Combined Plan	(79,512)	(106,559)	(127,652)

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OP&F

OP&F's total pension 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 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 were: 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.

Valuation date	1/1/21 with actuarial liabilities rolled forward to 12/31/21
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

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

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

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

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

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

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. 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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

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

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. A discount rate of 8.00% was used in the previous measurement date. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 69,357,346	\$ 46,768,710	\$ 27,957,955

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 14 for a description of the net OPEB liability/asset.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

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

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

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2022.

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

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

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The 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 \$102,870 for 2022. Of this amount, \$2,531 is reported as due to other governments.

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

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.117533%	0.734567%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.119040%</u>	<u>0.748608%</u>	
Change in proportionate share	<u>0.001507%</u>	<u>0.014041%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 8,205,390	\$ 8,205,390
Proportionate share of the net OPEB asset	(3,728,515)	-	(3,728,515)
OPEB expense	(3,886,778)	714,107	(3,172,671)

At December 31, 2022, 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			
Differences between expected and actual experience	\$ -	\$ 373,272	\$ 373,272
Changes of assumptions	-	3,631,961	3,631,961
Changes in employer's proportionate percentage/difference between employer contributions	9,237	364,103	373,340
Contributions subsequent to the measurement date	-	<u>102,870</u>	<u>102,870</u>
Total deferred outflows of resources	<u>\$ 9,237</u>	<u>\$ 4,472,206</u>	<u>\$ 4,481,443</u>

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 565,559	\$ 1,084,460	\$ 1,650,019
Net difference between projected and actual earnings on OPEB plan investments	1,777,494	741,219	2,518,713
Changes of assumptions	1,509,261	953,007	2,462,268
Changes in employer's proportionate percentage/difference between employer contributions	<u>428,711</u>	<u>356,257</u>	<u>784,968</u>
Total deferred inflows of resources	<u>\$ 4,281,025</u>	<u>\$ 3,134,943</u>	<u>\$ 7,415,968</u>

\$102,870 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability/asset in the year ending December 31, 2023.

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>
Year Ending December 31:			
2023	\$ (2,804,307)	\$ 346,874	\$ (2,457,433)
2024	(823,832)	236,835	(586,997)
2025	(388,373)	263,044	(125,329)
2026	(255,276)	58,446	(196,830)
2027	-	161,738	161,738
Thereafter	-	167,455	167,455
Total	<u>\$ (4,271,788)</u>	<u>\$ 1,234,392</u>	<u>\$ (3,037,396)</u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	3.25%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	3.25 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	1.84%
Prior Measurement date	2.00%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2034
Prior Measurement date	8.50% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

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

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

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.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

During 2021, 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 gain of 14.3% for 2021.

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.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic equities	25.00	3.78
Real Estate Investment Trusts (REITs)	7.00	3.71
International equities	25.00	4.88
Risk parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. 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 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB asset	\$ 2,192,717	\$ 3,728,515	\$ 5,003,251

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of healthcare; the trend starting in 2022 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 3,768,806	\$ 3,728,515	\$ 3,680,717

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.

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

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

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.84%
Prior measurement date	2.96%
Cost of Living Adjustments	2.20% simple per year

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

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

Discount Rate - For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. 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 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.05% at December 31, 2021 and 2.12% at December 31, 2020 was blended with the long-term rate of 7.50%, which resulted in a blended discount rate of 2.84%.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84%), or one percentage point higher (3.84%) than the current rate.

	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 10,314,358	\$ 8,205,390	\$ 6,471,814

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 PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the General fund and the American Rescue Plan fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

	Net Change in Fund Balance	
	<u>General Fund</u>	<u>ARPA Fund</u>
Budget basis	\$ 5,301,430	\$ 4,997,048
Net adjustment for revenue accruals	231,516	(7,011,346)
Net adjustment for expenditure accruals	(808,414)	2,014,298
Net adjustment for other sources/uses	372,517	-
Adjustment for encumbrances	<u>2,195,943</u>	<u>-</u>
GAAP basis	<u>\$ 7,292,992</u>	<u>\$ -</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis. This includes the store room fund, unclaimed monies fund, payroll liability funds, performance deposit funds, and other miscellaneous funds.

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 - FUND BALANCE

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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balance</u>	<u>General</u>	<u>American Rescue Plan</u>	<u>City Income Tax Capital Acquisitions</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Materials and supplies					
inventory	\$ 174,898	\$ -	\$ -	\$ 463,962	\$ 638,860
Unclaimed monies	<u>156,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,919</u>
Total nonspendable	<u>331,817</u>	<u>-</u>	<u>-</u>	<u>463,962</u>	<u>795,779</u>
Restricted:					
Police operations	-	-	-	1,391,548	1,391,548
Police pension	-	-	-	438,159	438,159
Fire operations	-	-	-	797,587	797,587
Fire pension	-	-	-	583,881	583,881
EMS services	-	-	-	621,501	621,501
Court	-	-	-	798,003	798,003
Public housing	-	-	-	1,788,316	1,788,316
Street improvement	-	-	-	1,565,653	1,565,653
Recreation	-	-	-	57,680	57,680
Utility services	-	-	-	22,428	22,428
Debt service	-	-	-	370,440	370,440
Capital improvements	-	-	-	4,079,069	4,079,069
Other purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>522,422</u>	<u>522,422</u>
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,036,687</u>	<u>13,036,687</u>
Committed:					
Recreation	-	-	-	275,703	275,703
Utility services	-	-	-	93,325	93,325
Capital improvements	-	-	10,378,195	962,982	11,341,177
Other purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>631,961</u>	<u>631,961</u>
Total committed	<u>-</u>	<u>-</u>	<u>10,378,195</u>	<u>1,963,971</u>	<u>12,342,166</u>
Assigned:					
Unpaid obligations	917,535	-	-	-	917,535
Subsequent year					
appropriations	<u>2,496,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,496,805</u>
Total assigned	<u>3,414,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,414,340</u>
Unassigned	<u>15,255,840</u>	<u>-</u>	<u>-</u>	<u>(311,128)</u>	<u>14,944,712</u>
Total fund balances	<u>\$ 19,001,997</u>	<u>\$ -</u>	<u>\$ 10,378,195</u>	<u>\$ 15,153,492</u>	<u>\$ 44,533,684</u>

CITY OF PARMA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 18 - CONTRACTUAL COMMITMENTS

As a result of various projects that were in progress at December 31, 2022, the City had the following outstanding contractual commitments at year end:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
Allied Corporation	\$ 1,240,054	\$ 1,040,063	\$ 199,991
Village of Brooklyn Heights	803,973	201,839	602,134
Crossroads Asphalt Recycling	1,459,111	1,410,417	48,694
Fabrizi Truck & Paving Co. Inc.	1,755,946	1,308	1,754,638
Great Lakes Petroleum Co.	926,628	786,924	139,704
QCI Inspections	537,659	349,159	188,500
Rumpke Waste and Recycling	6,787,315	5,252,561	1,534,754
Sensys Gatsco USA, Inc.	1,081,000	-	1,081,000
Specialized Construction	612,134	4,866	607,268
Terrace Construction	1,426,378	884,664	541,714
Total	<u>\$ 16,630,198</u>	<u>\$ 9,931,801</u>	<u>\$ 6,698,397</u>

NOTE 19 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 959,326
City Income Tax Capital Acquisitions	2,624,830
Nonmajor governmental funds	<u>1,729,769</u>
Total	<u>\$ 5,313,925</u>

NOTE 20 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous 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 are 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 effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2022.

CITY OF PARMA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 20 - CONTINGENCIES - (Continued)

B. General Contingencies

Various claims and lawsuits are pending against the City. In accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, those claims which are considered “probable” are accrued (see Note 14 for detail), while those claims that are considered “reasonably possible” are disclosed but not accrued. As of December 31, 2022, the amount of claims against the City for which an unfavorable outcome is deemed to be reasonably possible was \$25,000 for governmental funds. These estimates were based on a case-by-case review of outstanding claims by the City’s Law Director.

NOTE 21 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. The impact on the City’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PARMA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>					
City's proportion of the net pension liability	0.124900%	0.122550%	0.135696%	0.137473%	0.138994%
City's proportionate share of the net pension liability	\$ 10,866,805	\$ 18,146,987	\$ 26,821,234	\$37,651,068	\$21,805,463
City's covered payroll	\$ 17,528,321	\$ 17,260,450	\$ 18,959,993	\$18,601,129	\$18,365,808
City's proportionate share of the net pension liability as a percentage of its covered payroll	62.00%	105.14%	141.46%	202.41%	118.73%
Plan fiduciary net position as a percentage of the total pension liability	92.62%	86.88%	82.17%	74.70%	84.66%
<i>Combined Plan:</i>					
City's proportion of the net pension asset	0.027045%	0.049412%	0.067452%	0.079250%	0.074928%
City's proportionate share of the net pension asset	\$ 106,559	\$ 142,634	\$ 140,654	\$ 88,619	\$ 102,002
City's covered payroll	\$ 124,693	\$ 217,757	\$ 300,107	\$ 339,100	\$ 306,869
City's proportionate share of the net pension asset as a percentage of its covered payroll	85.46%	65.50%	46.87%	26.13%	33.24%
Plan fiduciary net position as a percentage of the total pension asset	169.88%	157.67%	145.28%	126.64%	137.28%

Notes:

Information prior to 2014 for the traditional plan 2018 for the combined plan was unavailable.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014
0.134980%	0.139378%	0.144057%	0.144057%
\$30,651,662	\$24,142,027	\$17,374,884	\$16,982,443
\$20,362,442	\$20,461,200	\$17,965,640	\$18,265,754
150.53%	117.99%	96.71%	92.97%
77.25%	81.08%	86.45%	86.36%

CITY OF PARMA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability	0.748608%	0.734567%	0.768294%	0.760106%	0.767390%
City's proportionate share of the net pension liability	\$ 46,768,710	\$ 50,076,092	\$51,756,367	\$62,044,733	\$47,098,190
City's covered payroll	\$ 17,794,805	\$ 17,978,609	\$ 18,212,242	\$17,212,187	\$ 17,154,332
City's proportionate share of the net pension liability as a percentage of its covered payroll	262.82%	278.53%	284.18%	360.47%	274.56%
Plan fiduciary net position as a percentage of the total pension liability	75.03%	70.65%	69.89%	63.07%	70.91%

Notes:

Information prior to 2014 is not available.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014
0.750952%	0.778725%	0.841404%	0.841404%
\$47,564,546	\$50,095,926	\$43,588,215	\$40,978,995
\$ 16,150,209	\$ 15,394,444	\$ 15,709,736	\$ 16,446,592
294.51%	325.42%	277.46%	249.16%
68.36%	66.77%	71.71%	73.00%

CITY OF PARMA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>					
Contractually required contribution	\$ 2,854,229	\$ 2,453,965	\$2,416,463	\$2,654,399	\$2,604,158
Contributions in relation to the contractually required contribution	<u>(2,854,229)</u>	<u>(2,453,965)</u>	<u>(2,416,463)</u>	<u>(2,654,399)</u>	<u>(2,604,158)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 20,387,350	\$ 17,528,321	\$ 17,260,450	\$ 18,959,993	\$ 18,601,129
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>					
Contractually required contribution	\$ 7,993	\$ 17,457	\$ 30,486	\$ 42,015	\$ 47,474
Contributions in relation to the contractually required contribution	<u>(7,993)</u>	<u>(17,457)</u>	<u>(30,486)</u>	<u>(42,015)</u>	<u>(47,474)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 57,093	\$ 124,693	\$ 217,757	\$ 300,107	\$ 339,100
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

Notes:

Information prior to 2014 is not available for the combined plan.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$2,387,555	\$2,443,493	\$ 2,455,344	\$ 2,155,877	\$ 2,374,548
<u>(2,387,555)</u>	<u>(2,443,493)</u>	<u>(2,455,344)</u>	<u>(2,155,877)</u>	<u>(2,374,548)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 18,365,808	\$ 20,362,442	\$ 20,461,200	\$ 17,965,642	\$ 18,265,754
13.00%	12.00%	12.00%	12.00%	13.00%
\$ 39,893	\$ 38,685	\$ 38,927	\$ 38,073	
<u>(39,893)</u>	<u>(38,685)</u>	<u>(38,927)</u>	<u>(38,073)</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 306,869	\$ 322,375	\$ 324,392	\$ 317,275	
13.00%	12.00%	12.00%	12.00%	

CITY OF PARMA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police and Fire:</i>					
Contractually required contribution	\$ 4,327,655	\$ 3,781,396	\$3,807,695	\$3,837,292	\$3,637,954
Contributions in relation to the contractually required contribution	<u>(4,327,655)</u>	<u>(3,781,396)</u>	<u>(3,807,695)</u>	<u>(3,837,292)</u>	<u>(3,637,954)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 20,365,435	\$ 17,794,805	\$ 17,978,609	\$ 18,212,242	\$ 17,212,187
Contributions as a percentage of covered payroll	21.25%	21.25%	21.18%	21.07%	21.14%

Notes:

Information prior to 2013 is not available.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013
\$3,639,349	\$3,488,592	\$3,340,520	\$2,766,485	\$3,438,982
(3,639,349)	(3,488,592)	(3,340,520)	(2,766,485)	(3,438,982)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,154,332	\$ 16,150,209	\$ 15,394,444	\$ 15,709,736	\$ 16,446,592
21.22%	21.60%	21.70%	17.61%	20.91%

CITY OF PARMA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability/asset	0.119040%	0.117533%	0.130434%	0.132230%	0.133780%
City's proportionate share of the net OPEB liability/(asset)	\$ (3,728,515)	\$ (2,093,944)	\$ 18,016,236	\$ 17,239,671	\$ 14,527,523
City's covered payroll	\$ 17,653,014	\$ 17,775,121	\$ 19,567,871	\$ 19,212,729	\$ 18,947,527
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	21.12%	11.78%	92.07%	89.73%	76.67%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	128.23%	115.57%	47.80%	46.33%	54.14%

Notes:

Information prior to 2017 is not available.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017

0.130580%

\$ 13,189,024

\$ 20,959,092

62.93%

54.05%

CITY OF PARMA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability	0.74860820%	0.73456700%	0.76829370%	0.76010600%	0.76739000%
City's proportionate share of the net OPEB liability	\$ 8,205,390	\$ 7,782,857	\$ 7,588,998	\$ 6,921,931	\$ 43,479,242
City's covered payroll	\$ 17,794,805	\$ 17,978,609	\$ 18,212,242	\$ 17,212,187	\$ 17,154,332
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	46.11%	43.29%	41.67%	40.22%	253.46%
Plan fiduciary net position as a percentage of the total OPEB liability	46.86%	45.42%	47.08%	46.57%	14.13%

Notes:

Information prior to 2017 is not available.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017

0.75095200%

\$ 35,646,003

\$ 16,150,209

220.72%

15.96%

CITY OF PARMA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SEVEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ -	\$ -	\$ 11,877	\$ 12,311	\$ 10,900
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>(11,877)</u>	<u>(12,311)</u>	<u>(10,900)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 20,444,443	\$ 17,653,014	\$ 17,775,121	\$ 19,567,871	\$ 19,212,729
Contributions as a percentage of covered payroll	0.00%	0.00%	0.07%	0.06%	0.06%

Notes:

Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>
\$197,721	\$424,667
<u>(197,721)</u>	<u>(424,667)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 18,947,527	\$ 20,959,092
1.04%	2.03%

CITY OF PARMA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police and Fire:</i>					
Contractually required contribution	\$ 102,870	\$ 88,940	\$ 89,893	\$ 91,061	\$ 86,061
Contributions in relation to the contractually required contribution	<u>(102,870)</u>	<u>(88,940)</u>	<u>(89,893)</u>	<u>(91,061)</u>	<u>(86,061)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 20,365,435	\$ 17,794,805	\$ 17,978,609	\$ 18,212,242	\$ 17,212,187
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 85,772	\$ 80,751	\$ 76,972	\$ 78,549	\$ 594,818
<u>(85,772)</u>	<u>(80,751)</u>	<u>(76,972)</u>	<u>(78,549)</u>	<u>(594,818)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,154,332	\$ 16,150,209	\$ 15,394,444	\$ 15,709,736	\$ 16,446,592
0.50%	0.50%	0.50%	0.50%	3.62%

CITY OF PARMA, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.

- (Continued)

CITY OF PARMA, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

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

- (Continued)

CITY OF PARMA, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

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

Changes in assumptions :

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

- (Continued)

CITY OF PARMA, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

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

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.

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CITY OF PARMA
CUYAHOGA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Western Reserve Area Agency on Aging:</i>				
Aging Cluster:				
Special Programs for the Aging - Title III-C1	93.045	N/A	\$ 0	\$ 12,602
Special Programs for the Aging - Title III-C2	93.045	N/A	8,198	42,644
Total Special Programs for the Aging - Title III-C			<u>8,198</u>	<u>55,246</u>
Nutrition Services Incentive Program	93.053	N/A	0	14,232
Total Aging Cluster			<u>8,198</u>	<u>69,478</u>
Total U.S. Department of Health and Human Services			<u>8,198</u>	<u>69,478</u>
U.S. DEPARTMENT OF JUSTICE				
<i>Direct Programs:</i>				
Equitable Sharing Program	16.922	N/A	39,848	0
Bulletproof Vest Partnership Program	16.607	N/A	27,262	0
<i>Passed Through the State of Ohio, Office of the Attorney General:</i>				
Victims of Crime Act Grant 2022	16.575	2022-VOCA-134713416	26,059	0
Victims of Crime Act Grant 2023	16.575	2023-VOCA-135103795	5,498	0
Total Victims of Crime Act Grant			<u>31,557</u>	<u>0</u>
Total U.S. Department of Justice			<u>98,667</u>	<u>0</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct Programs:</i>				
Community Development Block Grant 2021	14.218	N/A	4,735	0
Community Development Block Grant 2022	14.218	N/A	994,958	0
COVID-19 Community Development Block Grant Program (CDBG-CV)	14.218	N/A	234,778	0
Total Community Development Block Grants/Entitlement Grants			<u>1,234,471</u>	<u>0</u>
Total U.S. Department of Housing and Urban Development			<u>1,234,471</u>	<u>0</u>
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed through Ohio Department of Public Safety:</i>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated - Cuyahoga County OVI Task Force Grant	20.608	OVI-2022-University Hospitals Clev-00001	19,545	0
State and Community Highway Safety 2022	20.600	SHEP-2022-Parma Police Department-00003	21,184	0
Total U.S. Department of Transportation			<u>40,729</u>	<u>0</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Direct Program:</i>				
Fiscal Year 2018 Staffing for Adequate Fire And Emergency Response (SAFER)	97.083	N/A	254,070	0
COVID-19 Fiscal Year 2020 Assistance to Firefighters - COVID-19 Supplemental Grant (AFG-S)	97.044	N/A	180,700	0
Total U.S. Department of Homeland Security			<u>434,770</u>	<u>0</u>
U.S. DEPARTMENT OF THE TREASURY				
<i>Direct Program:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027	N/A	4,842,559	0
Total U.S. Department of the Treasury			<u>4,842,559</u>	<u>0</u>
Total Expenditures of Federal Awards			<u>\$ 6,659,394</u>	<u>\$ 69,478</u>

The accompanying notes are an integral part of this schedule.

**CITY OF PARMA
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Parma (the City) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – FOOD DONATION PROGRAM

The City reports commodities consumed on the Schedule at the entitlement value. The City allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

NOTE E - MATCHING REQUIREMENTS

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

OHIO AUDITOR OF STATE KEITH FABER



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

City of Parma
Cuyahoga County
6611 Ridge Road
Parma, Ohio 44129

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parma, Cuyahoga County, (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 3, 2024. Our report includes a reference to other auditors who audited the financial statements of the Parma Public Housing Agency, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

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

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.



Keith Faber
Auditor of State
Columbus, Ohio

April 3, 2024

OHIO AUDITOR OF STATE KEITH FABER



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

City of Parma
Cuyahoga County
6611 Ridge Road
Parma, Ohio 44129

To the Members of Council:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Parma's, Cuyahoga County, (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City of Parma's major federal programs for the year ended December 31, 2022. The City of Parma's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Parma complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Efficient • Effective • Transparent

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of the Parma Public Housing Agency, which expended \$6,720,982 in federal awards which is not included in the City's Schedule of Expenditures of Federal Awards during the year ended December 31, 2022. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of the Parma Public Housing Agency because the Parma Public Housing Agency engaged another auditor to perform an audit of compliance in accordance with the Uniform Guidance.

Responsibilities of Management for Compliance

The City's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Keith Faber
Auditor of State
Columbus, Ohio

April 3, 2024

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**CITY OF PARMA
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (ARPA) – AL #21.027 COVID-19 - Community Development Block Grant – AL #14.218
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

**CITY OF PARMA
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

FINDING NUMBER 2022-001

SIGNIFICANT DEFICIENCY – IT - Logical Access Controls

Sound accounting practices require public officials to design and operate a system of internal control that is adequate to provide reasonable assurance over the reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and regulations, and safeguarding of assets against unauthorized acquisition, use or disposition.

The City uses cloud based financial and payroll software to process and report financial data such as budgeting, general ledger (revenue and expenditures), procurement, requisitions, asset management and payroll processing. The software is completely hosted and uses a delivery model in which the provider develops, maintains, and provides automatic software updates to the City, which makes the provider a service organization of the City. When using a service organization, it is critical the appropriate controls are designed and implemented to help ensure the service organization has adequate controls to achieve management's goals and objectives. Additionally, when using a software as a service, built-in application controls may not be readily accessible to be changed to meet the security needs of the City.

Attestation standard (AT-C 320) Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting, prescribes standards for reporting on service organizations. Service Organization Controls reports, known as SOC reports, help user organizations monitor their outsourced relationships and manage the associated risks. SOC-1, Type 2 examinations, conducted in accordance with the American Institute of Certified Public Accountants' Attestation Standards, are performed to provide management, and auditors who rely on the SOC-1, Type 2 report, with critical information over the service organization's internal control environment. Type 2 reports include a description of the service organization's internal controls and conclusions about whether controls are suitably designed to achieve the control objectives and are operating effectively. An unmodified Type 2 Report on Management's Description of a Service Organization's System and a Service Auditor's Report on that Description and on the Suitability of the Design and Operating Effectiveness of Controls in accordance with AT-C 320 should provide the City with assurances that certain general IT controls have been placed in operation and are operating effectively over the cloud based software, such as security management, system level access, and data backup controls.

For the audit period, a SOC-1 Type 2 report over the financial and payroll software provider's IT environment was not obtained by the service organization. As a result, the City did not have sufficient information to evaluate whether controls were designed properly, in place, and operating effectively to help ensure the integrity of the IT infrastructure and services used to run the financial and payroll applications.

Control weaknesses were also identified during security testing of the software, increasing the risk that unauthorized individuals could gain access to systems and accidentally or intentionally make unwanted changes that could impact the financial statements.

Failing to ensure adequate controls are in place and operating effectively could result in errors occurring without detection.

**CITY OF PARMA
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

FINDING NUMBER 2022-001 (Continued)

SIGNIFICANT DEFICIENCY – IT - Logical Access Controls (Continued)

The City should take steps to ensure an annual SOC-1, Type 2 examination of the financial and payroll software provider's IT environment is completed for future audit periods to provide the City with a description of the system, results of the internal control testing of operating effectiveness, and an opinion of the overall processing environment. The report should follow the American Institute of Certified Public Accountants' Attestation Standards and be performed by a firm registered and in good standing with the Accountancy Board of the respective state. If the provider refuses to furnish the City with a SOC-1 Type 2 report, the City should contract with a provider that will provide this report. The City should also work with the provider to define any monitoring or complementary user entity controls that the City should implement. Additionally, the City should work with the provider to strengthen the software's logical access security controls.

Official's Response: The City continues to work with our provider to obtain a SOC-1 Type 2 report and internally we work to strengthen our IT Controls. The City is still in the process of migrating to the providers updated software which will assist in strengthening IT Controls.

FINDING NUMBER 2022-002

SIGNIFICANT DEFICIENCY - Financial Reporting - Construction In Progress

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

The City overstated Construction In Progress additions and deletions by \$7,216,546 and \$12,117,816, respectively, at December 31, 2022. These errors led to the understatement of the ending Construction In Progress and Net Investment in Capital Assets line items of \$4,901,270 in the Statement of Net Position. These errors were conveyed to management and subsequently corrected on their audited financial statements.

These weaknesses increase the risk the financial statements and/or notes could become materially misstated and not be detected and corrected in a timely manner.

**CITY OF PARMA
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

FINDING NUMBER 2022-002 (Continued)

SIGNIFICANT DEFICIENCY - Financial Reporting - Construction In Progress (Continued)

We recommend the City establish controls over the calculation of Construction In Progress and the review of financial statements and footnotes to ensure the amounts reported are accurate.

Official's Response: The City will provide additional training to, and supervision of, the staff responsible for the calculation of Construction in Progress as well as additional review of staff work.

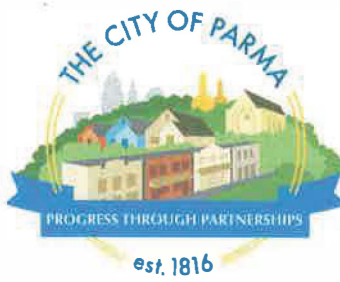
3. FINDINGS FOR FEDERAL AWARDS



**CITY OF PARMA
CUYAHOGA COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	A SOC-1, Type 2 report over the financial and payroll software provider's IT environment was not obtained by the service organization. Control weaknesses were also identified during security testing of software, increasing the risk that unauthorized individuals could gain access to systems and accidentally or intentionally make unwanted changes that could impact the financial statements.	Not Corrected	The city continues to work with our provider to obtain a SOC-1 Type 2 report and internally we work to strengthen our IT Controls. The city is still in the process of migrating to the providers updated software which will assist in strengthening IT Controls.



CITY OF PARMA
CUYAHOGA COUNTY
CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number	Planned Corrective Action	Anticipated Completion	Responsible Contact Person
2022-001	The city continues to work with our provider to obtain a SOC-1 Type 2 report and internally we work to strengthen our IT Controls. The city is still in the process of migrating to the provider's updated software which will assist in strengthening IT Controls.	June 1, 2024	Brian Day, City Auditor
2022-002	Corrections have been made to the 2022 financial statements and the notes to those financial statements and additional controls have been put in place over the calculation and review of Construction in Progress for 2023 and subsequent years' financial statements.	January 1, 2024	Brian Day, City Auditor

OHIO AUDITOR OF STATE KEITH FABER



**CITY OF PARMA
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 4/25/2024

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

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

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**FORM OF APPROVING LEGAL OPINION
OF BRICKER GRAYDON LLP**

July 11, 2024

Raymond James & Associates, Inc.
Cleveland, Ohio

Build America Mutual Assurance Company
New York, New York

We have acted as bond counsel to the City of Parma, Ohio (the “City”) in connection with the issuance by the City of \$14,000,000 Capital Improvement Bonds, Series 2024, dated July 11, 2024 (the “Bonds”), dated July 11, 2024. In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds are valid and binding general obligations of the City, and the principal of and interest on the Bonds, unless paid from other sources, are to be paid from the proceeds from the levy of ad valorem taxes, within the limitations imposed by law, in an amount sufficient to pay, when due, the principal of and interest on the Bonds.
2. The interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax under the Code; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.
3. Interest on the Bonds, the transfer thereof, and any profit made on their sale, exchange or other disposition, are exempt from the Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district, and joint economic development district income taxes in Ohio.

Although we have participated in the preparation of portions of the Official Statement dated June 27, 2024 relating to the Bonds, we have not been engaged or undertaken to review the accuracy,

completeness or sufficiency of the Official Statement (except to the extent, if any, stated in the Official Statement) or other offering material relating to the Bonds and we express no opinion and make no representation relating thereto (excepting only the matters set forth as our opinion in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

Please be advised that the rights of the holders of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. We bring to your attention the fact that our legal opinions are an expression of our professional judgment and are not a guarantee of a result.

SAMPLE CLOSING CERTIFICATE

**\$14,000,000
CITY OF PARMA, OHIO
CAPITAL IMPROVEMENT BONDS, SERIES 2024
(GENERAL OBLIGATION – LIMITED TAX)**

To Raymond James & Associates, Inc.:

It is my understanding that, in considering whether to purchase the above-captioned obligations, you have relied on the Official Statement for such issue dated June 27, 2024 (the “Official Statement”), which Official Statement was prepared and executed by and for the City of Parma, Ohio (the “City”) under the direction of its City Council.

In connection with your reliance as stated above, I hereby certify that:

1. I have reviewed the Official Statement and have made such investigation and inquiries as I deemed necessary in the circumstances;
2. The statements and information contained in the Official Statement are correct and complete in all material respects, and they do not omit any statement or information necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading or incomplete in any material respect; and
3. To the best of my knowledge, since the date of the Official Statement, nothing has occurred which has caused, or which might reasonably be expected to cause, a material adverse change in the condition or prospects of the City.

Date: July 11, 2024

Auditor
City of Parma, Ohio

SAMPLE CLOSING CERTIFICATE

\$14,000,000
CITY OF PARMA, OHIO
CAPITAL IMPROVEMENT BONDS, SERIES 2024
(GENERAL OBLIGATION – LIMITED TAX)

To Raymond James & Associates, Inc.:

It is my understanding that, in considering whether to purchase the above-captioned issue, you have relied on the Official Statement for such issue dated June 27, 2024 (the “Official Statement”), which Official Statement was prepared and executed by and for the City of Parma, Ohio (the “City”) under the direction of its City Council.

In connection with your reliance as stated above, I hereby certify that:

1. I have reviewed the section of the Official Statement captioned “LITIGATION” and have made such investigation and inquiries as I deemed necessary in the circumstances;
2. The statements and information contained in the section of the Official Statement captioned “LITIGATION” are correct and complete in all material respects, and they do not omit any statement or information necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading or incomplete in any material respect; and
3. To the best of my knowledge, since the date of the Official Statement, nothing has occurred which has caused, or which might reasonably be expected to cause, a material adverse change in the condition or prospects of the City.

Date: July 11, 2024

Director of Law
City of Parma, Ohio

\$14,000,000
CITY OF PARMA, OHIO
CAPITAL IMPROVEMENT BONDS, SERIES 2024
(GENERAL OBLIGATION – LIMITED TAX)

SAMPLE CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Auditor of the City of Parma, Ohio (the “City”) pursuant to the Bond Ordinance of the City Council of the City authorizing the issuance and sale of \$14,000,000 Capital Improvement Bonds, Series 2024, dated July 11, 2024 (the “Bonds”). The City covenants and agrees as follows:

Section 1. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” means any annual financial information report provided by the City pursuant to Sections 3 and 4 of this Disclosure Certificate.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB for use in the collection and dissemination of information pursuant to the Rule. The current website address for EMMA is <http://emma.msrb.org>.

“Filing Date” means the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning September 30, 2025.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the 12-month period beginning on January 1 that ends on December 31 of the same calendar year or such other 12-month period as the City shall subsequently adopt as its fiscal year.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement prepared in connection with the sale of the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12, and particularly Section (b)(5) therein, adopted by the United States Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

- (a) The City shall provide to the MSRB, not later than the Filing Date, an Annual Report for the immediately preceding Fiscal Year, which Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate.
- (b) If the City fails to provide an Annual Report to the MSRB by the date set forth in subsection (a) of this Section 3, the City shall send in a timely manner to the MSRB notice of such failure, which shall include a statement as to the date by which the City anticipates that the Annual Report will be provided to the MSRB.

Section 4. Contents of the Annual Report.

- (a) The Annual Report shall contain or incorporate by reference the following:
 - (1) Audited financial statements of the City.
 - (2) Fiscal year-end data for the table entitled “Largest Taxpayers” contained in the Official Statement under the caption “CITY TAX BASE – Largest Taxpayers.”
 - (3) Fiscal year-end data for the table entitled “Property Tax Collections” contained in the Official Statement under the caption “CITY TAX BASE – Property Tax Revenues.”
 - (4) Fiscal year-end data for the table entitled “Income Tax Revenues” contained in the Official Statement under the caption “CITY TAX BASE – Income Tax Revenues.”
 - (5) Fiscal year-end data for the table entitled “General Fund – Major Tax Revenue Sources” contained in the Official Statement under the caption “FINANCES OF THE CITY.”
 - (6) Fiscal year-end data for the table entitled “All Funds Cash Summary” contained in the Official Statement under the caption “FINANCES OF THE CITY.”

All or any of the items listed above may be incorporated by specific reference from other documents which have previously been provided to the MSRB or to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. If this City prepares an Annual Comprehensive Financial Report (“ACFR”) that includes each of the items listed above, the City may designate the ACFR as the Annual Report.

- (b) The audited financial statements of the City to be included in the Annual Report shall be initially prepared in accordance with generally accepted accounting principles (provided, however, that if the City shall subsequently change its accounting method, the audited financial statements shall indicate the accounting method then in use) and shall be

accompanied by a report of the Auditor of the State of Ohio, or, if applicable, the independent certified public accountants who audited the financial statements; provided, however, if such audited financial statements are not available to the City at the time of providing the Annual Report to the MSRB as provided in Section 3 of this Disclosure Certificate, the City will provide such audited financial statements to the MSRB as provided in Section 3 of this Disclosure Certificate as soon as they are available.

Section 5. Reporting of Significant Events. The City shall provide to the MSRB in a timely manner not in excess of ten business days after the occurrence of the event notice of any of the following events with respect to the Bonds:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) Modifications to rights of holders of the Bonds, if material;
- (h) (1) Calls for redemption of the Bonds, if material, other than calls pursuant to the mandatory sinking fund provisions of the Bonds, if any, and (2) tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the City;
- (m) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (o) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect holders of the Bonds, if material; and

- (p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For the purposes of subsection (l), above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Means of Reporting Information. The City shall provide information to the MSRB's according to the MSRB's prescribed reporting requirements, as the same may be amended from time to time. The MSRB currently requires that all filings made pursuant to the Rule be submitted through the MSRB's EMMA system. As of the date hereof, submissions must be by electronic submission in an electronic portable document format ("PDF") that shall have a word-search function permitting a user to search the document.

The City is authorized to transmit information to the MSRB by whatever means are mutually acceptable to the City and the MSRB.

Section 7. Provision of Information to the Insurer. The City will provide the Insurer with copies of the Annual Reports provided to the MSRB under Sections 3 and 4 of this Disclosure Certificate and of the event notices provided to the MSRB under Section 5 of this Disclosure Certificate. Such copies shall be sent to the Insurer at Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2024B0528; telephone: (212) 962-1710; fax: (212) 235-1542, or via email at: notices@buildamerica.com. In each case in which a notice or other communication refers to an event of default or a claim on the municipal bond insurance policy issued by the Insurer with respect to the Series 2024 Bonds, then a copy of such notice or other communication shall also be sent to the attention of the Insurer's General Counsel at the same physical or email address and at claims@buildamerica.com or at fax: (212) 962-1524, and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 8. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the defeasance, redemption or payment in full of all of the Bonds.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the City has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information (using the means of dissemination set forth in this Disclosure Certificate or any other means of communication) or including any other information in any Annual Report or providing notice of occurrence of events, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in an Annual Report or provide notice

of occurrence of events which are not Listed Events in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default; Remedies. Failure of the City to perform any of its undertakings contained in this Disclosure Certificate shall not constitute an event of default with respect to the Bonds. The exclusive remedy for any such failure shall be enforcement of the City's obligations to so perform by actions or proceedings taken in accordance with Revised Code Section 133.25(B)(4)(b) or Section 133.25(C)(1).

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Participating Underwriter and the holders of the Bonds, and shall create no rights in any other person or entity.

Date: July 11, 2024

CITY OF PARMA, OHIO

By: _____
Auditor

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SPECIMEN MUNICIPAL BOND INSURANCE POLICY



**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

Effective Date: _____

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or teletype as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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