

**Auditor of State
Betty Montgomery**



Mary Taylor, CPA
Auditor of State

February 21, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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CITY OF PARMA
CUYAHOGA COUNTY

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City of Parma
Cuyahoga County
Federal Awards Expenditures Schedule
December 31, 2005

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Entity Number	Federal CFDA Number	Federal Expenditures	Non-Cash Expenditures
<u>U.S. Department of Health and Human Services</u>				
<i>Passed Through Western Reserve Area Agency on Aging:</i>				
Aging Cluster:				
Special Programs for the Aging - Title III-B	N/A	93.044	\$101,728	\$0
Total Special Programs for the Aging - Title III-B			<u>101,728</u>	<u>0</u>
Special Programs for the Aging - Title III-C1	N/A	93.045	8,447	38,370
Special Programs for the Aging - Title III-C2	N/A	93.045	23,786	12,852
Total Special Programs for the Aging - Title III-C			<u>32,233</u>	<u>51,222</u>
Total Aging Cluster			<u>133,961</u>	<u>51,222</u>
<i>Passed through Western Reserve Area Agency on Aging</i>				
Nutrition Services Incentive Program	N/A	93.053	0	17,807
Total U.S. Department of Health and Human Services			<u>133,961</u>	<u>69,029</u>
<u>U.S. Department of Justice</u>				
Direct Programs:				
Bulletproof Vest Partnership Program 2004	N/A	16.607	2,050	0
Total Bulletproof Vest Partnership Program 2004			<u>2,050</u>	<u>0</u>
<i>Passed Through the State of Ohio, Office of the Attorney General:</i>				
Victims of Crime Act Grant 2004-2005	2005VAGENE573	16.575	21,563	0
Victims of Crime Act Grant 2005-2006	2006VAGENE573	16.575	7,404	0
Total Victims of Crime Act Grants			<u>28,967</u>	<u>0</u>
Total U.S. Department of Justice			<u>31,017</u>	<u>0</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Community Development Block Grant 2003	N/A	14.218	4,203	0
Community Development Block Grant 2004	N/A	14.218	753,932	0
Community Development Block Grant 2005	N/A	14.218	502,979	0
Total Community Development Block Grants			<u>1,261,114</u>	<u>0</u>
<i>Passed Through Cuyahoga County Department of Development</i>				
Home Investment Partnerships Program 2004	CE0400509-01	14.239	104,976	0
Home Investment Partnerships Program 2005	CE0500155-01	14.239	48,523	0
Total Home Investment Partnerships Programs			<u>153,499</u>	<u>0</u>
Fair Housing Assistance Program	N/A	14.401	19,900	0
Total Fair Housing Assistance Program			<u>19,900</u>	<u>0</u>
Total U.S. Department of Housing and Urban Development			<u>1,434,513</u>	<u>0</u>

The accompanying notes to this schedule are an integral part of the schedule.

City of Parma
Cuyahoga County
Federal Awards Expenditures Schedule
December 31, 2005
(Continued)

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Entity Number	Federal CFDA Number	Federal Expenditures	Non-Cash Expenditures
<u>U.S. Department of Homeland Security</u>				
Direct Programs:				
Assistance to Firefighters Grant 2004	N/A	97.044	100,847	0
<i>Passed Through Cuyahoga County</i>				
Citizen Corps 2004	EMW-2004-FP-0193:	97.067	5,566	0
Total U.S. Department of Homeland Security			106,413	0
<u>U.S. Department of the Interior/National Park Service</u>				
<i>Passed Through Ohio Historic Preservation Society</i>				
Certified Local Government Grant-Henninger House	N/A	15.904	19,830	0
Total U.S. Department of the Interior			19,830	0
<u>U.S. Department of Transportation</u>				
<i>Passed Through Ohio Department of Public Safety:</i>				
Safety Incentive Grant for Use of Seat Belts - Cuyahoga County Safe Community Grant	N/A	20.600	13,760	0
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons - Cuyahoga County DUI Prevention Task Force	N/A	20.608	10,425	0
Total U.S. Department of Transportation			24,185	0
TOTAL FEDERAL AWARDS EXPENDITURES			\$1,749,919	\$69,029

The accompanying notes to this schedule are an integral part of the schedule.

**CITY OF PARMA
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
DECEMBER 31, 2005**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the City of Parma's (the City's) federal award programs. The schedule has been prepared on the cash basis of accounting for all programs and the City has excluded federal financial assistance reported for the Annual Contribution Contract C – Housing Assistance Payment Program.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – FOOD DISTRIBUTION

Nonmonetary assistance, meals received from the Western Reserve Area Agency on Aging, is reported on the Schedule at the value of \$2.41 per meal served.

For congregate meals, the U.S. Department of Health and Human Services allocates \$2.35 per meal. For home delivered meals, the U.S. Department of Health and Human Services allocates \$2.41 per meal.

For the year ended December 31, 2005, the City served 22,052 congregate meals and 7,140 home delivered meals through the City's Senior Citizens Center meal programs. Therefore, \$69,029 was allocated to the U.S. Department of Health and Human Services.

NOTE D – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has established a revolving loan program to provide low-interest loans to persons from low-moderate income households to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans directly to the City. The initial loan of this money is recorded as a disbursement on the accompanying Federal Awards Expenditures Schedule (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. These loans are collateralized by mortgages on the property. At December 31, 2005, the gross amount of loans outstanding under this program was \$12,605.

CFDA – Catalog of Federal Domestic Assistance.

N/A – Not applicable for direct programs; not available for pass-through programs.

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' 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 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, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2005-004.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the City's management dated December 15, 2006, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2005-001 through 2005-003. In a separate letter to the City's management dated December 15, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 15, 2006



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO IT'S MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Members of Council:

Compliance

We have audited the compliance of the City of Parma, Cuyahoga County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended December 31, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

Federal programs of the Annual Contribution Contract C – Housing Assistance Payment Program are subjected to audit procedures under the OMB Circular A-133 and are reported on separately by other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Parma, Cuyahoga County, Ohio, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2005.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Federal Awards Expenditures Schedule

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, as of and for the year ended December 31, 2005, and have issued our report thereon dated December 15, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 15, 2006

CITY OF PARMA
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2005

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grant – CFDA #14.218
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**CITY OF PARMA
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2005
(CONTINUED)**

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

FINDING NUMBER 2005-001

Appropriations Exceeding Estimated Resources

Ohio Rev. Code Section 5705.39 prohibits a political subdivision from making a fund appropriation in excess of estimated resources available for expenditure from the fund. In addition, Ohio Rev. Code Section 5705.40 requires that any appropriation measure may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. The following funds, which were corrected at year end, had appropriations which were in excess of estimated resources as reported on the Official Certificate of Estimated Resources.

September 30, 2005:

Fund	Estimated Resources	Appropriations	Variance
CDBG	\$1,678,513	\$1,807,213	\$(128,700)
Police Levy	361,270	441,902	(80,632)
Brownfield Redevelopment	348,817	396,017	(47,200)
City Income Tax Capital Acquisitions	8,231,672	8,775,135	(543,463)
Courts Capital Improvements	33,915	39,041	(5,126)

We recommend the City review appropriations and estimated resources, on a monthly basis, and make the necessary revisions to the budget and the County Auditor in order to comply with legal budgetary requirements.

Officials' Response

We will conduct a closer monitoring of budgetary activity to ensure appropriations do not exceed estimated resources in accordance with Ohio Revised Code Section 5705.39.

FINDING NUMBER 2005-002

Negative Cash Fund Balances

Ohio Rev. Code Section 5705.10 requires, in part, that money paid into any fund shall be used only for the purposes for which that fund is established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. At September 30, 2005, the City carried negative cash fund balances in the following funds, which were corrected by year-end:

FEMA Assistance to Firefighters Fund	(\$28,192)
Community Emergency Response Team Fund	(\$4,506)
Victims of Crime Assistance Grant Fund	(\$6,016)
Fair Housing Grant Fund	(\$115,332)
West Creek Preservation Fund	(\$228,343)
Parma Public Housing Fund	(\$97,164)
Street Construction Maintenance & Repair Fund	(\$883,065)
Brownfield Redevelopment Fund	(\$3,400)
Community Center Fund	(\$72,433)
Debt Service Fund	(\$99,354)
Sewer Construction Fund	(\$198,881)

**CITY OF PARMA
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2005
(Continued)**

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

FINDING NUMBER 2005-002 (Continued)

Negative Cash Fund Balances – Noncompliance Finding (Continued)

Noxious Weeds Fund	(\$21,114)
Street Lighting Fund	(\$134,368)
Sewer Maintenance Fund	(\$4,248)

The deficit fund balances were the result of a breakdown in monitoring the fund budgets, which precluded the City from transferring or advancing funds.

We recommend the City review the activities of these funds periodically to ensure that an adequate fund balance is maintained and to ensure that monies paid into a fund are used for the purposes for which the fund is established.

Officials’ Response

We will conduct a closer monitoring of budgetary activity and make timely transfers or advances to ensure funds do not carry a negative cash balance in accordance with Ohio Revised Code Section 5705.10.

FINDING NUMBER 2005-003

Parma Municipal’s Court Distributions – Noncompliance Finding

Ohio Rev. Code Section 4513.263(E) provides that all fines collected for violation of Ohio Rev. Code Section 4513.263(B) (Ohio’s Seat Belt Law), or for violations of any ordinance that is substantively comparable to that division, shall be forwarded to the Treasurer of State for deposit into various funds in the state treasury. Parma Codified Ordinance Section 337.295 is substantively comparable to Ohio Rev. Code Section 4513.263(B), and requires all fines collected for seat belt violations be forwarded to the Treasurer of State in the manner set forth in Ohio Rev. Code Section 4513.263(E).

The City violated the aforementioned section of the code, and its local ordinance, for an undetermined time period. As a result of changes to the Parma Municipal Court’s computer system, the amount of pre-2005 fines collected by the Court cannot be accurately recreated. During 2005, the Parma Municipal Court processed 1,164 seat belt violations cited under the Parma Codified Ordinance. The court assessed and collected fines between \$1.00 and \$35.00 on these violations for a total of \$34,338. The Parma Municipal Court, however, did not distribute any of these fine moneys to the State (Treasurer), as required. Instead, these fines were remitted to the City’s General Fund.

Ninety-eight (98) percent of the seatbelt fine money turned into, and disbursed by, the Treasurer of State goes to the Department of Public Safety. The remaining two (2) percent is addressed by Ohio Rev. Code 4513.263(E)(3) as follows, “[t]wo percent shall be deposited into the Ohio medical transportation trust fund created by section 4766.05 of the Revised Code.”

**CITY OF PARMA
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2005
(Continued)**

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

FINDING NUMBER 2005-003 (Continued)

Parma Municipal's Court Distributions – Noncompliance Finding (Continued)

On December 5, 2006 a letter from the Ohio Department of Public Safety's Chief Fiscal Officer indicates, "the Department of Public Safety is willing to forego the restitution of seat belt fine revenue from the City of Parma Pre-2005." Similarly, on February 2, 2007, the Executive Director of the Ohio Medical Transportation Board submitted a letter to the Law Director of the City Parma stating, "the Board does not have the statutory authority to permit the City of Parma to not comply with its statutory duty to deposit seatbelt fine money with the state treasurer, (however) I can represent at its January 16, 2007 meeting, the Board reviewed the matter, which included discussion that the fine money at issue (two percent of the seatbelt fine money collected by the City of Parma that was not deposited with the state treasurer during the time period at issue) would likely be a miniscule amount and that it would not be an efficient use of resources to try and seek collection of the fine money due." The Executive Director further represented, "the Board does not intend to pursue collection of the fine money at issue."

On December 14, 2006 the City paid \$34,338 from the General Fund to the State of Ohio, representing 2005 seat belt fines.

Officials' Response

On December 14, 2006 the City paid \$34,338 from the General Fund to the State of Ohio. In the future we will comply with Ohio Revised Code Section 4513.263(E).

FINDING NUMBER 2005-004

Reconciliation and Accountability over Parma Public Housing Agency – Reportable Condition

Parma Public Housing Agency (the Agency) prepares and submits a monthly financial reporting package (including bank statements, a void check list, and a check register) to the City Treasurer's Office. The Treasurer monitors and reconciles the Agency's bank accounts. However, the Treasurer's reconciliation did not include all of the Agency's bank accounts, such as the Family Self Sufficiency Account. The Agency closed bank accounts without notifying the Treasurer's office in a timely manner. The Agency's accountant prepared the Agency's annual financial statements which were audited by an independent public auditing firm.

Our review of the Agency's financial records reflects financial activity which did not agree with the activity the City reported in their accounting ledgers. The City reported financial activity for the Agency which did not account for accrual adjustments at year-end.

We recommend the Treasurer's reconciliation include all bank accounts for the Agency, and the cash activity reported by the Agency reconcile to the City's account ledgers. Year-end accrual adjustments reported by the Agency should be included in the City's financial reporting.

Officials' Response

We will coordinate our efforts to ensure the Parma Public Housing Agency financial activity is reported monthly in the City's account ledgers, opening and closing of bank accounts are formally approved by the Treasurer and year end accrual adjustments are included in the City's financial reporting for the Agency.

**CITY OF PARMA
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2005
(CONTINUED)**

3. FINDINGS FOR FEDERAL AWARDS

None.

**CITY OF PARMA
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	Ohio Rev. Code Section 5705.39, appropriations exceeding estimated resources.	No	Not corrected. <i>Re-issued as 2005-001.</i>
2004-002	Ohio Rev. Code Section 5705.10, negative cash fund balances.	No	Not corrected. <i>Re-issued as 2005-002.</i>
2004-003	Schaaf Recreation Center, Fee Schedules-Hourly Rates identified in Parma Codified Ordinance Section 961.21, is inconsistent in hourly rental rates.	Yes	Finding no longer valid. <i>Council passed Ordinance 157-05 on July 18, 2005, to establish rental fees.</i>
2004-004	Schaaf Recreation Center, receipt books.	Yes	Finding no longer valid. <i>The Recreation Department maintains separate receipt books for each course of action (i.e., Schaaf rentals, Parks & Recreation collections, and P.A.A.F. collections).</i>
2004-005	Schaaf Recreation Center, rental agreements.	Yes	Finding no longer valid. <i>The Law Department approved a new Rental Agreement/Invoice on June 13, 2005, for the Schaaf Community Center. All renters must initial the damage clause and cancellation policy and pay prior to securing their rent.</i>
2004-006	Schaaf Recreation Center, timely collection of rental fees.	Yes	Finding no longer valid. <i>Fees must be paid by the 8th day of each month. If payment is not received by the designated date, the renter will be notified of their lack of payment and it will be documented and collected immediately.</i>

CITY OF PARMA, OHIO

Comprehensive Annual Financial Report

For the year ended December 31, 2005

Issued by the
Office of the Auditor

Dennis M. Kish
Auditor

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City of Parma, Ohio
Comprehensive Annual Financial Report
For the year ended December 31, 2005
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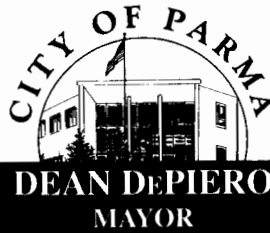
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Parma, OH 44129

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Fax: 440-885-8172

December 15, 2006

A message from Mayor Dean DePiero:

The end of this month will mark the end of my third year as Mayor of the City of Parma and January 2007 will begin the fourth year of my first term of office.

My Administration is proud of the many accomplishments and successes that we have achieved on behalf of the City, its residents and businesses and we will continue with the same fervor in 2007 as we began in 2004.

Next year will see two new fire stations to better serve our residents. This year seven individuals were appointed to Parma's police and fire departments. We took this action in an effort to bolster the numbers of our safety forces while helping to cut down on overtime.

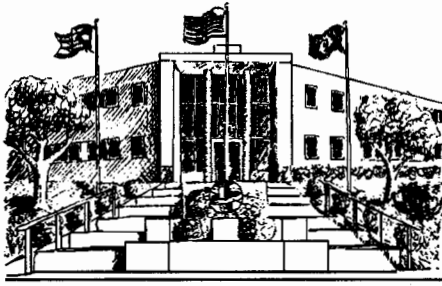
During my first three years in office Parma's streets and major thoroughfares have undergone significant repairs. Our department of parks and recreation has continued doing a magnificent job to provide our youth and the young at heart with enjoyable and affordable recreational outlets.

The Parma Senior Center remains as a hallmark of excellence in providing services and programs to our senior citizens – the backbone of this community.

Across the board, every department is doing a yeoman job on your behalf.

I look forward to serving the great City of Parma.

Dean DePiero
Mayor



City of Parma, Ohio

6611 Ridge Road • Parma, Ohio 44129

Phone: 440-885-8024

DENNIS M. KISH
AUDITOR

December 15, 2006

Honorable Mayor Dean DePiero
City of Parma Council and
Citizens of the City of Parma, Ohio

Introduction

We are pleased to submit this Comprehensive Annual Financial Report (CAFR) of the City of Parma, Ohio, (the "City") for the year ended December 31, 2005. This report, prepared by the Office of the Auditor, includes the basic financial statements that summarize the various operations and cash flows related to the City's 2005 activities. Our intention is to provide a clear, comprehensive, and materially accurate overview of the City's financial position at the close of last year. The enclosed information has been designed to allow the reader to gain an understanding of the City's finances, including financial trends, financial instruments, and fund performances. The City has complete responsibility for all information contained in this report.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Because the cost of internal controls should not outweigh their benefits, this comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the Auditor of the State of Ohio. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Auditor of State concluded, based upon its audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2005, are fairly presented in conformity with GAAP. The Auditor of State's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City’s separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the Auditor of State’s Independent Accountants’ Report.

Structure of this Comprehensive Annual Financial Report

This CAFR is designed to assist the reader in understanding the City’s finances. This CAFR consists of the following sections:

The Introductory Section, which includes this letter of transmittal and contains information pertinent to the City’s management and organization;

The Financial Section contains the Independent Accountants’ Report, Management’s Discussion and Analysis (MD&A), Basic Financial Statements, and various other statements and schedules pertaining to the City’s funds and activities;

The Statistical Section contains numerous tables of financial and demographic information. Much of this information is shown with comparative data for the ten-year period from 1996 through 2005.

References throughout this report to Note 1, Note 2, etc., are to the notes to the financial statements included in the Financial Section of this CAFR.

Profile of the Government

The City

The City is a municipal corporation and political subdivision of the State of Ohio. It is located in Cuyahoga County in northeastern Ohio, approximately eight miles south of the downtown center of the City of Cleveland.

The City is part of the Cleveland-Akron Ohio Consolidated Metropolitan Statistical Area (“CMSA”), which is comprised of Ashtabula, Cuyahoga, Lake, Lorain, Geauga, Medina, Portage, and Summit counties. This CMSA is the 16th largest of 280 Metropolitan Areas in the United States, and the largest Metropolitan Area in the State of Ohio. Parma is the seventh largest city in the State of Ohio.

City Government

The City is a political subdivision of the State of Ohio and is operated according 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 operates under, and is governed by, the Mayor/Council form of government in accordance with general laws. Under the Ohio Constitution, the City may exercise all powers of local self-government to the extent not in conflict with applicable general laws.

The City's chief executive and administrative officer is the Mayor, elected by the voters for a four-year term. Dean DePiero was elected as Mayor of the City in November 2003, and began his first term on January 1, 2004. Prior to assuming office as Mayor, Mr. DePiero served as a member of the Ohio House of Representatives and as a member of the City of Parma Council. The Mayor is the chief conservator of peace within the City. He may appoint and remove the director of public service, the director of public safety and the heads of the sub departments of public service and public safety. The Mayor approves every ordinance or resolution of the City before it goes into effect. If he approves the ordinance or resolution, he will sign and return it to Council. If he does not approve it, he will return it with his objections, which may be overridden by a two-thirds vote of all members of Council. The Mayor sees that all ordinances, bylaws, and resolutions of Council are faithfully obeyed and enforced. He signs all commissions, licenses, and permits.

Legislative authority is vested in a nine-member Council. Nine members are elected from wards for two-year terms. 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. The powers of Council are legislative. The presiding officer is the President of Council. Other elected officials include the Law Director, Auditor, Treasurer, Judges, and Clerk of the Municipal Court.

The Law Director defends and acts as legal counsel for all complaints, lawsuits, and other controversies naming as a party the City, any board or agency of the City or the Parma Municipal Court. The Law Director confers with and renders legal opinions to elected officials and department heads pertaining to City matters, and prepares all legislation requested by Council, the Administration, and department heads. When requested by the Parma City School District, the Law Director renders legal opinions, defends lawsuits, and reviews contracts and leases for the school district.

The City Auditor is the City's chief fiscal and accounting officer. The Auditor's duties include maintaining the accounting records, preparing monthly and year-end reports, and ensuring that expenditures do not exceed appropriations. The Auditor has charge of the financial affairs of the City, including the keeping and supervision of all City accounts.

The City Treasurer has custody of all City monies, is responsible for investing City funds, and oversees the operation of the income tax department. He is also involved in the financing of City operations and capital construction through the issuance of short-term notes and long-term bonded debt.

The Mayor, Law Director, Auditor, and Treasurer are all elected to four-year terms.

Financial Reporting Entity

The City has applied guidelines established by Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*. Provisions outlined in this statement define the operational, functional and organizational units for which the City "acting as Primary Government" is required to include as part of its reporting entity. The inclusion of a component unit as part of the City's reporting entity requires the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City. Currently, the City does not have any component units.

Under these provisions, the City's financial reporting entity acts as a single rather than multi-component unit. The provisions permit the entity to include all funds, agencies, and boards and commissions that, by definition, comprise components within the primary government itself. For the City, these components include police and fire protection services, parks and recreation, health, select social services, and general administrative services. The City's only enterprise activity is a municipal golf course.

In accordance with GASB Statement No. 14, the Parma Community General Hospital Association and the Southwest Council of Governments are jointly governed organizations for which the City has no ongoing financial interest or responsibility. Neither of these organizations are included within the City's reporting entity.

Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure ensures that accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable assurances that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Consistent with the aforementioned safeguarding of assets, all employees of the City are covered by a blanket bond while certain individuals in policy-making roles are covered by a separate, higher limit bond coverage.

As a recipient of federal, state and county financial assistance, the City is also responsible for maintaining a rigorous internal control structure that ensures full compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the City's external auditors. The City is required to undergo an annual audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget circular A-133, *Audits of State and Local Governments and Non-profit Organizations*. The information related to the Single Audit, including the federal awards expenditures schedule, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, is included in a separate report.

Accounting and Financial Reporting

The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are determined by GAAP and the number of individual funds established is determined by sound financial administration. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities, and fund balance. The City's governmental funds include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The City's Proprietary Funds are its Enterprise Funds that provide services to the general public, and Internal Service Funds that provide services to City departments, and divisions. The City also maintains Fiduciary Funds to account for assets held by the City as an agent or in a trust capacity for individuals, private organizations and other governments.

Except for budgetary purposes, the basis of accounting used by the City conforms to GAAP as applicable to governmental units. All governmental funds are accounted for using a current financial resources-current assets and current liabilities-measurement focus. The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized when they are susceptible to accrual (both measurable and available). Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The measurement focus of the City's enterprise and internal service funds is on the flow of total economic resources (all assets and liabilities). The accrual basis of accounting (revenues are recognized when earned and expenses when incurred) is utilized for the enterprise and internal service funds.

The City's basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available), and encumbrances are included as expenditures rather than included in fund balances.

For the year ended December 31, 2004, the City changed its financial reporting to comply with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Accordingly, government-wide financial statements, which include all governmental and proprietary funds, are presented on the full accrual basis of accounting. As permitted under the implementation provisions of GASB Statement 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. The City will include infrastructure assets placed in service after January 1, 1980 but prior to January 1, 2003 in the government-wide financial statements as permitted under the implementation provisions of GASB Statement No. 34. In conjunction with the implementation of GASB 34, the City has also adopted GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, which rescinds some and modifies other financial statement disclosure requirements.

For the year ended December 31, 2005, the City adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, which updates GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*. GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risks, including credit risk, interest rate risk, and foreign currency risk.

Budgeting Procedures

Detailed provisions for City budgeting, tax levies and appropriations are made in the Ohio Revised Code. The procedures involve review by Cuyahoga County officials at several steps.

City budgeting for a fiscal year formally begins with the preparation, and then the adoption after a public hearing in July, of a tax budget for the following fiscal year. For debt service, the tax budget must show the amounts required, the estimated receipts for payment from sources other than ad valorem property taxes, the net amount for which a property tax levy must be made, and the portions of that levy to be inside and outside the ten-mill limitation. The tax budget is then presented for review by the County Budget Commission comprised of the County Auditor, County Treasurer and Prosecuting Attorney.

As part of that review, the County Budget Commission determines and approves levies for debt service outside and inside the ten-mill limitation. The Ohio Revised Code provides that "if any debt charge is omitted from the budget, the commission shall include it therein."

Upon its approval of the tax budget, the County Budget Commission certifies its action to the City together with the estimate by the County Auditor of the tax rates outside and inside the ten-mill limitation. Thereafter, and before the end of the current calendar year, the Council approves the tax levies and certifies them to the proper County officials. The approved and certified tax rates are then reflected in the tax bills sent to property owners. Real property taxes are payable in two installments, the first usually in January and the second in July.

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. Annual appropriations may not exceed the County Budget Commission's official certificate of estimated resources, and the County Auditor must certify that the City's appropriation measures do not appropriate monies in excess of the amounts set forth in those estimates.

Appropriations are adopted and control is maintained at the fund/department level. Estimated expenditure amounts must be encumbered prior to the release of purchase orders to vendors or finalization of other contracts.

Factors Affecting Financial Condition

The City provides the full range of municipal services. These services include a municipal court, police, fire, emergency medical, recreation (including parks, skating, swimming and golf), street construction, maintenance and repair, contracting refuse collection, sewer services and repair, community development, public health and welfare and general administrative services. The primary government includes all departments that provide these services.

Major industries, Economic Conditions, and Employment

The Parma Metal Fabrication Division of General Motors Corporation continues to be the largest contributor to the City in the area of income and property tax. In a move to reduce future pension obligations and retiree health care costs, General Motors offered an employee buyout program this year. The Parma plant currently employs 2,250 workers. The Metal Fabrication Division serves a variety of General Motors product lines and is not heavily dependent on one vehicle type.

GrafTech International Ltd. moved its global headquarters from Wilmington, Delaware to Parma earlier this year. GrafTech has been operating a world class research development facility in Parma and manufactures high-tech thermal management products used in consumer electronics. The move to Parma created 25 very high paying jobs, with the possibility of an additional 30 to 40 jobs depending on state approval of incentives.

Parma voters approved a one half percent income tax increase in May 2006 raising the city's rate from two percent to two and one half percent. The vote was accompanied by a restoration of the income tax credit granted to residents working outside of the city. The credit is 100% of the first 2% paid as income tax to another city.

Current Year Projects

Construction has begun on two new fire stations that will replace the existing stations that serve the north end of the City. The new stations are expected to be completed in May, 2007.

Numerous vehicles and pieces of equipment have been received or are awaiting delivery to the City's Service, Police, and Fire departments. These purchases replace aging equipment and vehicles in those departments. Most acquisitions were financed as capital leases funded by the City's Income Tax Capital Acquisitions fund.

The City has been successful in receiving federal assistance of approximately \$280,000 to address neighborhood sanitary sewer projects. In addition, the City continues to receive assistance from the State of Ohio for these very costly projects. These funding sources will reduce the amount of project costs borne by benefitting property owners as special assessments.

Future Economic Outlook

Parma Community General Hospital (PCGH) continues to serve as an important resource for the community, not only as a health care provider but also as an employer and a philanthropic partner. The Hospital is the second largest employer behind General Motors. As a not-for-profit hospital, any earnings in excess of expenditures stay in the community and are fed back to improve residents' health status and enhance available services. Parma Hospital receives no taxpayer support.

Cash Management

The City strictly adhered to the regulations set forth in the Ohio Revised Code to ensure the safety of its investments. All deposits are made under contracts with local banking institutions.

A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least one hundred five percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees, of the financial institutions.

The City's investment policies ensure efficient and profitable use of the City's cash resources and reduce the credit and market risks associated with the deposit and investment of City funds. Significant elements of the City's current cash management program include the following objectives:

- A more streamlined bank account structure;

- On-line connection to banks that advise the City of funds available each day for disbursement and investment;

- Improved control over the timing of disbursements;

- More sophisticated management of the City's investment portfolio;

- Reconciliation of investments to the market value of the collateral pledged;

- Investments transacted on a delivery versus payment basis;

Risk Management

During 2005, the City of Parma's Liability Self Insurance Program continued under the authority of Section 2744.08 of the Ohio Revised Code. The program's goal is to minimize loss potential in all areas of City operations. In order to reduce the City's loss potential, the City has instituted procedural changes in both its self insurance program and day-to-day operations, while initiating additional loss control policies.

The City's Self Insurance Risk Management Program has accepted the following types of potential loss exposures through its Self Insurance Risk Management program: general liability, automobile liability, law enforcement liability, fire department liability, fire department errors and/or omissions, public officials and employees legal liability, and property loss including contents and boilers.

The City is in the 18th year of a medical insurance self insurance program. The level of risk assumed is limited by the City's purchase of specific stop-loss coverage on a per-person basis.

The City continued to participate in the retrospective rating plan in accordance with the State of Ohio Bureau of Workers' Compensation. Under this plan, the City agrees to pay a fraction of the premium it would normally pay, while accepting the responsibility of reimbursing workers' claims as they become due. The City may benefit from this plan not only from lower initial minimum payments, but also from the cashflow accumulation the City realizes. The level of risk assumed by the City is limited to a maximum of two times the experience-rated annual premium with a \$250,000 per claim limit. The various safety and loss control programs initiated under the self insurance program have, as expected, impacted favorably on the workers' compensation costs to date and are expected to save the City additional amounts throughout the future. The City is comfortable with the degree of risk it has assumed under this plan.

Awards and Acknowledgements

The Independent Audit: The City of Parma is not legally required to prepare a CAFR. However, we believe that in these times of economic uncertainty, the City is best served by producing a CAFR that aspires to the highest level of national standards. Furthermore, we believe an independent audit is an essential element in financial control. We are pleased that Betty Montgomery, Auditor of State, has chosen to audit the City of Parma. The Independent Accountants' Report on the basic financial statements is included in this report.

Acknowledgments: The preparation of this report could not have been accomplished without the efficient and dedicated service of the Office of the Auditor. We would also like to thank the Mayor, his cabinet, and members of City Council. Without their continued support, the Office of the Auditor could not have maintained the financial management practices required to ensure the financial integrity of the City. We would like to thank the representatives of the Auditor of the State of Ohio for their efforts and professional conduct throughout the audit engagement.

Sincerely,

Dennis M. Kish

Dennis M. Kish
Auditor

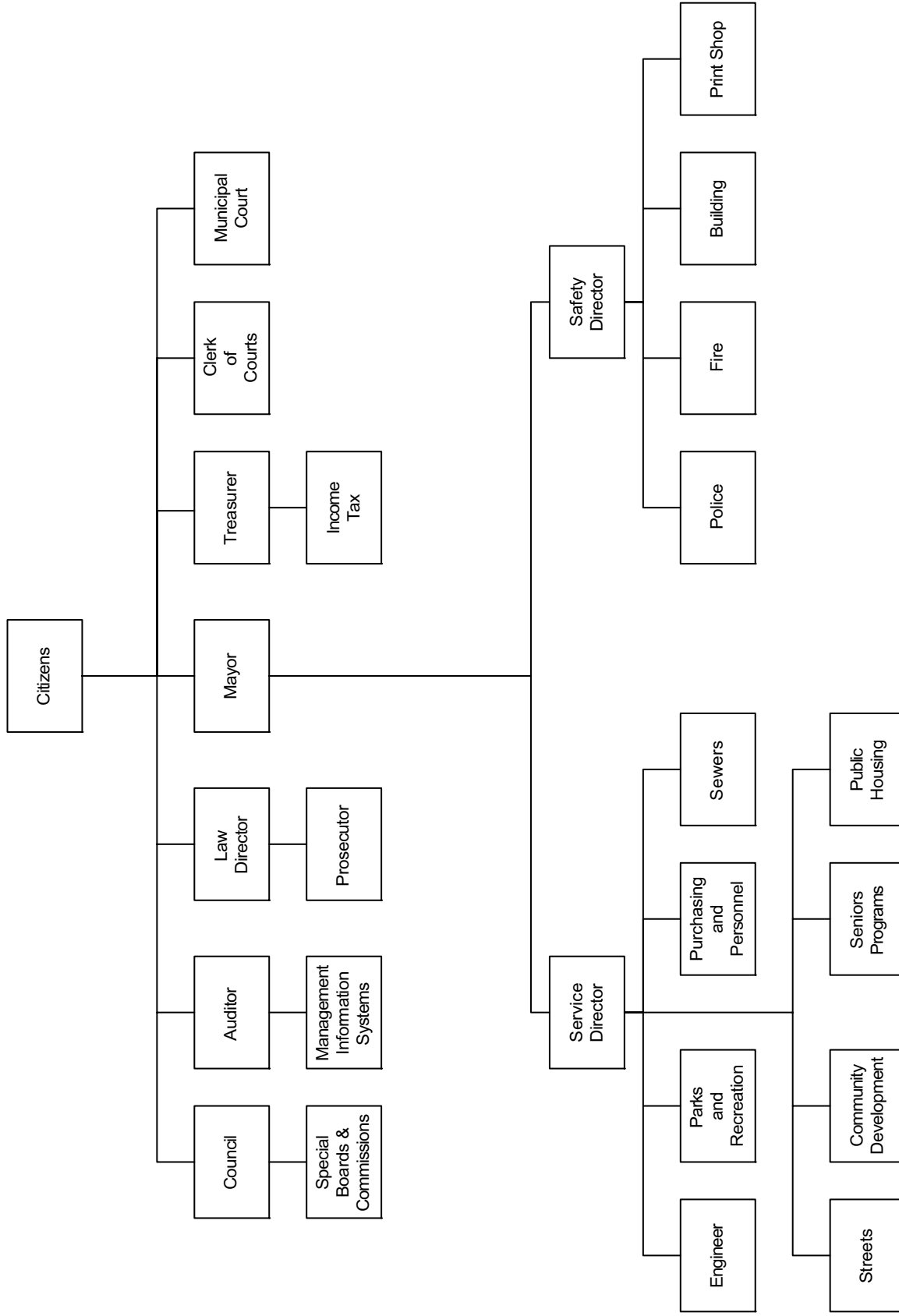
PRINCIPAL CITY OFFICIALS

Mayor	Dean E. DePiero	Law Director	Timothy G. Dobeck
Auditor	Dennis M. Kish	Treasurer	Anthony Zielinski
Clerk of Courts	Martin E. Vittardi	Judge	Mary Dunning
Judge	Kenneth Spanagel	Judge	Timothy P. Gilligan

CITY COUNCIL

President of Council	Charles M. Germana	Clerk of Council	Tom Mastroianni
Ward 1	Mary Galinas	Ward 2	Sean Brennan
Ward 3	Nicholas Celebrezze	Ward 4	Brian Day
Ward 5	Thomas Regas	Ward 6	Larry Napoli
Ward 7	Kenneth Ramser	Ward 8	Scott Tuma
Ward 9	Roy J. Jech		

ORGANIZATION CHART



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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parma, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parma, Cuyahoga County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2006, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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www.auditor.state.oh.us

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 15, 2006

City of Parma, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

The 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, 2005. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2005 are as follows:

- The assets of the City exceeded its liabilities at December 31, 2005 by \$23,458,045 (net assets). Of this amount, \$2.1 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Of the \$23,458,045 of net assets, business-type activities account for \$1,676,420 of net assets, while governmental activities net assets were \$21,781,625.
- The City's net assets increased by \$536,516 during 2005 due to close monitoring of expenses.
- Business-type net assets decreased by \$23,418. The decrease in business-type net assets was primarily attributed to an increase in operating expenses.
- Governmental activities net assets increased by \$559,934. The primary component of the net increase was close monitoring of expenses.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,399,494 and is available for spending at the City's discretion. The unreserved fund balance equals 11.70 percent of total current year general fund expenditures.
- The City's total governmental activities debt increased by \$8,787,861 (24.3 percent) during the current fiscal year. The increase was primarily attributable to issuance of general obligation bonds and the purchase of additional vehicles and equipment financed by capital leases.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net assets and the statement of activities provide information about the activities of the whole city, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

City of Parma, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City principally include: general government, public service, public safety, human resources, community development, public health, parks and recreation, and economic development. The business-type activities of the City consist of a municipal golf course. The City also has liability self-insurance, medical insurance, and worker's compensation internal service funds.

The government-wide financial statements can be found starting on page 27 of this report.

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.

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 the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Because the focus of 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, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 65 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and City Income Tax Capital Acquisitions Fund; all of which are considered to be major funds. Data from the other 62 nonmajor governmental funds are combined into a single fund, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison schedule (non-GAAP basis) has been provided for each major and nonmajor fund to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found starting on page 30 of this report.

Proprietary funds. The City maintains four 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 an

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enterprise fund to account for its golf course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally throughout the City's various functions. The City uses internal service funds to account for its liability self-insurance, medical insurance, and workers' compensation insurance operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Golf Course Fund, which is considered to be a major fund of the City. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found starting on page 44 of this report

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements 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. The City only has agency funds.

The basic fiduciary fund financial statements can be found on page 48 of this report.

Notes to the 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. The notes to the financial statements can be found on pages 49 - 79 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental and proprietary funds are presented, as well as individual detailed budgetary comparisons for nonmajor funds. This information can be found on pages 81 – 194 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private-sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net assets and the changes in those assets. The change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City's capital assets will also need to be evaluated. The Statement of Net Assets and the Statement of Activities are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Revenues and Expenses
- General Revenues
- Net Assets Beginning of Year and Year End

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The City of Parma as a Whole

Information regarding the government-wide net assets of the City is presented in the following table.

Table 1 Net Assets
Summary Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 40,840,842	\$ 32,005,727	\$ 305,883	\$ 249,607	\$ 41,146,725	\$ 32,255,334
Capital assets	36,143,800	36,783,818	1,490,490	1,552,488	37,634,290	38,336,306
<i>Total assets</i>	<u>76,984,642</u>	<u>68,789,545</u>	<u>1,796,373</u>	<u>1,802,095</u>	<u>78,781,015</u>	<u>70,591,640</u>
Long-term liabilities outstanding	43,523,272	34,831,411	50,899	82,817	43,574,171	34,914,228
Other liabilities	11,679,745	12,736,443	69,054	19,440	11,748,799	12,755,883
<i>Total liabilities</i>	<u>55,203,017</u>	<u>47,567,854</u>	<u>119,953</u>	<u>102,257</u>	<u>55,322,970</u>	<u>47,670,111</u>
Invested in capital assets, net of related debt	1,039,333	8,191,998	1,439,591	1,469,671	2,478,924	9,661,669
Restricted for:						
Debt service	376,783	6,788	0	0	376,783	6,788
Security of persons and property	1,858,825	2,139,449	0	0	1,858,825	2,139,449
Transportation	1,158,788	1,591,886	0	0	1,158,788	1,591,886
Community environment	601,606	0	0	0	601,606	0
Basic utility services	28,438	56,333	0	0	28,438	56,333
Leisure time activities	398,793	344,477	0	0	398,793	344,477
Capital projects	13,128,871	2,283,710	0	0	13,128,871	2,283,710
Unrestricted	3,190,188	6,607,050	236,829	230,167	3,427,017	6,837,217
<i>Total net assets</i>	<u>\$ 21,781,625</u>	<u>\$ 21,221,691</u>	<u>\$ 1,676,420</u>	<u>\$ 1,699,838</u>	<u>\$ 23,458,045</u>	<u>\$ 22,921,529</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$23,458,045 at the close of the most recent fiscal year.

The largest portion of the City's net assets (60 percent) is restricted for capital projects such as the construction and renovation of City buildings and the acquisition of new equipment. The second largest portion of the City's net assets (15 percent) is the unrestricted portion of net assets.

The portion of the City's net assets (4.75 percent) reflected its investments in capital assets (e.g., land, land improvements, buildings, and equipment), is less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total net assets increased \$536,516 with governmental net assets comprising \$559,934 and business-type activities compromising \$(23,418) of that amount.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year.

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Table 2
Changes in Net Assets
For the Fiscal Year Ended December 31, 2005

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program revenues						
Charges for services	\$ 8,104,262	\$ 7,557,113	\$ 1,109,855	\$ 1,101,086	\$ 9,214,117	\$ 8,658,199
Operating grants, contributions, and interest	11,170,879	1,453,558	0	0	11,170,879	1,453,558
Capital grants and contributions	1,284,645	5,434,707	0	0	1,284,645	5,434,707
General revenues						
Property taxes	9,567,256	8,877,827	0	0	9,567,256	8,877,827
Income taxes	32,379,903	32,559,830	0	0	32,379,903	32,559,830
Grants and entitlements not restricted to specific programs	7,274,856	16,594,576	0	0	7,274,856	16,594,576
Investment earnings	178,282	135,034	3,883	3,560	182,165	138,594
Other	219,401	46,210	0	0	219,401	46,210
Total revenues	<u>70,179,484</u>	<u>72,658,855</u>	<u>1,113,738</u>	<u>1,104,646</u>	<u>71,293,222</u>	<u>73,763,501</u>
Program expenses						
General government						
Legislative and executive	20,139,708	20,671,643	0	0	20,139,708	20,671,643
Security of persons and property	25,812,065	26,487,182	0	0	25,812,065	26,487,182
Public health and welfare	252,385	265,531	0	0	252,385	265,531
Transportation	5,787,684	5,814,598	0	0	5,787,684	5,814,598
Community environment	7,891,365	7,269,251	0	0	7,891,365	7,269,251
Basic utility services	4,118,042	1,845,246	0	0	4,118,042	1,845,246
Leisure time activities	3,868,265	3,135,720	0	0	3,868,265	3,135,720
Interest and fiscal charges	1,750,036	1,598,443	0	0	1,750,036	1,598,443
Golf course	0	0	1,137,156	1,040,655	1,137,156	1,040,655
Total expenses	<u>69,619,550</u>	<u>67,087,614</u>	<u>1,137,156</u>	<u>1,040,655</u>	<u>70,756,706</u>	<u>68,128,269</u>
Change in net assets	<u>\$ 559,934</u>	<u>\$ 5,571,241</u>	<u>\$ (23,418)</u>	<u>\$ 63,991</u>	<u>\$ 536,516</u>	<u>\$ 5,635,232</u>

Governmental Activities. Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 2 percent for 2005. Both residents and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has municipal income tax, the City provides 0.50 percent credit to those who pay income tax to another city. The income tax revenue for 2005 was \$32,379,903. Of the \$70,179,484 in total revenues, income tax accounts for 46.1 percent of that total. Property taxes of \$9,567,256 account for 13.6 percent of total revenues. Operating grants, contributions, and interest, capital grants and contributions, and general revenues from grants and entitlements account for 28.4 percent of total revenues, and charges for services and other revenue make up the remaining 11.9 percent.

General revenues from grants and entitlements, such as local government funds, are also a large revenue generator. The City monitors its sources of revenues very closely for fluctuations, especially income tax.

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Total expenses of governmental activities for 2005 were \$69,619,550. The largest program function for the City relates to security of persons and property, which includes the police and fire departments. Security of persons and property accounted for program expenses of \$25,812,065, which is 37.1 percent of the program expenses for governmental activities. General government is the next largest program expense at 28.9 percent, followed by community environment expenses of 11.33 percent. Public health and welfare, transportation, basic utility services, leisure time activities, and interest and fiscal charges comprised 22.67 percent.

Business-Type Activities. Business-type activities decreased the City's net assets by \$23,418. Charges for services increased by \$8,769 and operating expenses increased by \$96,501. Total expenses of business-type activities were \$1,137,156 for the golf course operations.

FINANCIAL ANALYSIS OF THE CITY'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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 30. These funds are accounted for by using the modified accrual basis of accounting.

As of December 31, 2005, the City's governmental funds reported combined ending fund balances of \$20,341,559. Of that amount \$19,746,979 constitutes unreserved fund balances, which is available for spending at the government's discretion. The remainder of the fund balance, \$594,580, is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period or is reserved for inventory and loans.

The General Fund had total revenues of \$41,088,190 and expenditures of \$37,617,407, thereby decreasing the General Fund's fund balance by \$385,554 to \$4,754,968.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$4,399,494, while the total fund balance was \$4,754,968. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11.70 percent of total general fund expenditures, while total fund balance represents 12.64 percent of that same amount.

Proprietary funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Ridgewood Municipal Golf Course at the end of the year amounted to \$236,829. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY ANALYSIS

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

During the course of 2005, the City amended its General Fund budget numerous times. All recommendations for a budget change come from the City Auditor to the Finance Committee of Council for review before going to the whole council for ordinance enactment on the change. With the general fund supporting many of our major activities

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such as our police and fire departments, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

For the General Fund, original and revised budgeted revenues were \$39,052,202 and \$40,640,424, respectively. Very conservative revenue projections at the beginning of the year played out as actual revenues were very close to projections. Actual revenues were \$40,724,589.

The City's ending unencumbered cash balance in the general fund was \$2,862,891.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets: The City's investment in capital assets for its governmental and business-type activities as of December 31, 2005, amounts to \$ 37,634,290 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, equipment; vehicles, software, and infrastructure. As permitted under the implementation provisions of GASB Statement 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. Infrastructure assets placed in service after December 31, 2002 have been included as part of governmental capital assets in the government-wide financial statements. The total decrease in the City's investment in capital assets for the current fiscal year was 1.83 percent (a 1.74 percent decrease for governmental activities and a 4.0 percent decrease for business-type activities). A summary of the City's capital assets at December 31, 2005 is as follows:

Table 3
Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Capital assets - non depreciable						
Land	\$6,169,266	5,582,867	1,078,077	1,078,077	7,247,343	6,660,944
Construction in progress	\$4,503,092	4,503,092	0	0	4,503,092	4,503,092
Total capital assets - non depreciable	10,672,358	10,085,959	1,078,077	1,078,077	11,750,435	11,164,036
Capital assets - depreciable						
Land improvements	188,115	154,403	263,700	263,700	451,815	418,103
Buildings	24,486,117	24,990,447	157,051	157,051	24,643,168	25,147,498
Equipment	4,008,887	3,830,335	623,693	623,693	4,632,580	4,454,028
Vehicles	10,134,057	9,949,512	25,732	25,732	10,159,789	9,975,244
Software	922,165	922,165	0	0	922,165	922,165
Infrastructure						
Roads	415,235	415,235	0	0	415,235	415,235
Total capital assets - depreciable	40,154,576	40,262,097	1,070,176	1,070,176	41,224,752	41,332,273
Accumulated depreciation	14,683,134	13,564,238	657,763	595,765	15,340,897	14,160,003
Total capital assets	\$36,143,800	36,783,818	1,490,490	1,552,488	37,634,290	38,336,306

See Note 9 of the Basic Financial Statements for additional information on the City's capital assets.

Debts At the end of the current fiscal year, the City had \$45,090,302 in bonds, loans, police and firemen's pension liability, notes, capital leases and compensated absences outstanding with \$4,416,377 due within one year. A summary of outstanding debt at December 31, 2005 follows:

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Table 4
Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Special assessment bonds	\$1,930,708	2,102,697	0	0	1,930,708	2,102,697
General obligation bonds	29,570,000	22,105,000	0	0	29,570,000	22,105,000
Ohio Public Works Commission loans	2,145,443	2,320,665	0	0	2,145,443	2,320,665
Ohio Water Development Authority loans	3,389,024	3,613,945	0	0	3,389,024	3,613,945
Police and Firemen's Pension liability	74,559	100,754	0	0	74,559	100,754
Notes payable	1,466,000	1,370,000	0	0	1,466,000	1,370,000
Capital leases	4,034,513	2,512,994	50,899	82,817	4,085,412	2,595,811
Compensated absences	2,379,025	2,075,356	50,131	0	2,429,156	2,075,356
Total	\$44,989,272	36,201,411	101,030	82,817	45,090,302	36,284,228

General Obligation Notes represent unvoted general obligation bond anticipation notes payable from ad valorem property taxes.

The General Obligation Bonds outstanding are comprised of unvoted general obligation bonds of the City payable from ad valorem property taxes and special obligation bonds.

The principal and interest for the Special Assessment Bonds outstanding will be retired with assessments levied against property owners and/or general levies of the City based on the improvements/benefit to the respective parties. Assessments are collected by the Cuyahoga County Auditor and will be received over periods ranging from five to ten years, with interest equal to the interest on the bonds and notes issued to finance the improvements.

The Ohio Public Works Commission Loans are paid semi-annually from the Debt Service Fund and will be paid in full in the year 2021.

The Ohio Water Development Authority Loans are paid semi-annually from the Debt Service Fund and will be paid in full in the year 2019.

The City's overall legal debt margin was \$145,025,412 at December 31, 2005.

See Note 14 and Note 15 of the Basic Financial Statements for additional information on the City's debt.

CURRENT FINANCIAL RELATED ACTIVITIES

The City of Parma, like all municipalities both locally and nationally, continues to face the challenges of economic recession. Basic operating costs continue to rise due to negotiated salary increases, higher benefit costs, and federal and state mandates placed upon municipalities while federal and state funding is being reduced.

CONTACTING THE CITY'S OFFICE OF THE AUDITOR

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

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City of Parma, Ohio
Statement of Net Assets
December 31, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 20,283,469	272,532	20,556,001
Cash and cash equivalents in segregated accounts	392,686	9,944	402,630
Taxes receivable	13,088,199	0	13,088,199
Special assessments receivable	1,711,802	0	1,711,802
Accrued interest receivable	14,295	0	14,295
Due from others	4,986,316	0	4,986,316
Materials and supplies inventory	351,470	23,407	374,877
Loans receivable	12,605	0	12,605
Capital assets, nondepreciable	10,672,358	1,078,077	11,750,435
Capital assets, depreciable, net	<u>25,471,442</u>	<u>412,413</u>	<u>25,883,855</u>
Total assets	<u>76,984,642</u>	<u>1,796,373</u>	<u>78,781,015</u>
Liabilities			
Accounts payable	1,136,216	7,832	1,144,048
Contracts payable	281,427	0	281,427
Claims and judgements payable	763,930	0	763,930
Accrued wages and benefits	672,339	4,553	676,892
Compensated absences payable	164,066	53,885	217,951
Retainage payable	35,752	0	35,752
Due to other governments	177,824	1,536	179,360
Deferred revenue	6,873,827	0	6,873,827
Notes payable	1,466,000	0	1,466,000
Accrued interest payable	108,364	1,248	109,612
Long-term liabilities			
Due within one year	2,916,861	33,516	2,950,377
Due in more than one year	<u>40,606,411</u>	<u>17,383</u>	<u>40,623,794</u>
Total liabilities	<u>55,203,017</u>	<u>119,953</u>	<u>55,322,970</u>
Net assets			
Invested in capital assets, net of related debt	1,039,333	1,439,591	2,478,924
Restricted for:			
Debt service	376,783	0	376,783
Security of persons and property	1,858,825	0	1,858,825
Transportation	1,158,788	0	1,158,788
Community environment	601,606	0	601,606
Basic utility services	28,438	0	28,438
Leisure time activities	398,793	0	398,793
Capital projects	13,128,871	0	13,128,871
Unrestricted	<u>3,190,188</u>	<u>236,829</u>	<u>3,427,017</u>
Total net assets	<u>\$ 21,781,625</u>	<u>1,676,420</u>	<u>23,458,045</u>

See accompanying notes to the basic financial statements

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City of Parma, Ohio
Statement of Activities
For the Year Ended December 31, 2005

	Program Revenues			
	Expenses	Charges for Services	Operating Grants Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General government				
Legislative and executive	\$20,139,708	2,419,889	0	973,939
Security of persons and property	25,812,065	2,314,938	575,314	0
Public health and welfare	252,385	0	0	0
Transportation	5,787,684	3,204	3,320,929	0
Community environment	7,891,365	999,020	7,171,813	0
Basic utility services	4,118,042	973,841	0	290,661
Leisure time activities	3,868,265	1,393,370	102,823	20,045
Interest and fiscal charges	1,750,036	0	0	0
Total governmental activities	69,619,550	8,104,262	11,170,879	1,284,645
Business-Type Activity				
Golf course	1,137,156	1,109,855	0	0
Total primary government	\$70,756,706	9,214,117	11,170,879	1,284,645

General Revenues
Property taxes levied for:
 General purposes
 Special revenue
 Debt service
Income taxes levied for:
 General purposes
 Capital outlay
Grants and entitlements not restricted to specific programs
Investment earnings
Gain on disposal of capital assets
Other

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Primary Government

Governmental Activities	Business-Type Activities	Total
(16,745,880)	0	(16,745,880)
(22,921,813)	0	(22,921,813)
(252,385)	0	(252,385)
(2,463,551)	0	(2,463,551)
279,468	0	279,468
(2,853,540)	0	(2,853,540)
(2,352,027)	0	(2,352,027)
<u>(1,750,036)</u>	<u>0</u>	<u>(1,750,036)</u>
(49,059,764)	0	(49,059,764)
<u>0</u>	<u>(27,301)</u>	<u>(27,301)</u>
<u>(49,059,764)</u>	<u>(27,301)</u>	<u>(49,087,065)</u>
6,580,673	0	6,580,673
2,689,120	0	2,689,120
297,463	0	297,463
24,991,751	0	24,991,751
7,388,152	0	7,388,152
7,274,856	0	7,274,856
178,282	3,883	182,165
196,705	0	196,705
22,696	0	22,696
<u>49,619,698</u>	<u>3,883</u>	<u>49,623,581</u>
559,934	(23,418)	536,516
<u>21,221,691</u>	<u>1,699,838</u>	<u>22,921,529</u>
<u>21,781,625</u>	<u>1,676,420</u>	<u>23,458,045</u>

City of Parma, Ohio
Balance Sheet
Governmental Funds
December 31, 2005

	General	Debt Service	City Income Tax Capital Acquisitions	Fire Department Building Fund
Assets				
Equity in pooled cash and cash equivalents	\$ 3,072,270	493,719	1,797,579	8,970,756
Cash and cash equivalents in segregated accounts	4	0	0	0
Taxes receivable	9,149,251	138,377	1,294,270	0
Interfund receivable	78,442	0	489,625	0
Special assessments receivable	0	1,662,614	0	0
Accrued interest receivable	0	1,071	0	0
Due from other funds	354,045	0	0	0
Due from other governments	2,755,191	9,934	0	0
Materials and supplies inventory	145,915	0	0	0
Loans receivable	0	0	0	0
Total assets	<u>\$ 15,555,118</u>	<u>2,305,715</u>	<u>3,581,474</u>	<u>8,970,756</u>
Liabilities				
Accounts payable	\$ 358,329	0	285,407	128,573
Contracts payable	260,384	0	915	0
Interfund payable	0	0	0	0
Accrued wages and benefits	513,887	0	0	0
Compensated absences payable	140,173	0	0	0
Retainage payable	0	0	0	0
Due to other funds	1,354,265	0	0	0
Due to other governments	95,679	0	1,609	0
Deferred revenue	8,076,290	1,757,102	649,438	0
Accrued interest payable	1,143	0	0	0
Notes payable	0	0	0	0
Total liabilities	<u>10,800,150</u>	<u>1,757,102</u>	<u>937,369</u>	<u>128,573</u>
Fund balance				
Reserved for encumbrances	209,559	0	0	0
Reserved for inventory	145,915	0	0	0
Reserved for loans	0	0	0	0
Unreserved, undesignated (deficit)	4,399,494	548,613	2,644,105	8,842,183
Total fund balance	<u>4,754,968</u>	<u>548,613</u>	<u>2,644,105</u>	<u>8,842,183</u>
Total liabilities and fund balances	<u>\$ 15,555,118</u>	<u>2,305,715</u>	<u>3,581,474</u>	<u>8,970,756</u>

Nonmajor Governmental Funds	Total Governmental Funds
4,935,767	19,270,091
392,682	392,686
2,506,301	13,088,199
0	568,067
49,188	1,711,802
2,959	4,030
20,985	375,030
1,846,161	4,611,286
205,555	351,470
12,605	12,605
<u>9,972,203</u>	<u>40,385,266</u>

357,851	1,130,160
20,128	281,427
568,067	568,067
155,451	669,338
22,255	162,428
35,752	35,752
0	1,354,265
80,085	177,373
3,714,924	14,197,754
0	1,143
1,466,000	1,466,000
<u>6,420,513</u>	<u>20,043,707</u>

20,946	230,505
205,555	351,470
12,605	12,605
3,312,584	19,746,979
<u>3,551,690</u>	<u>20,341,559</u>
<u>9,972,203</u>	<u>40,385,266</u>

City of Parma, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2005

Total Governmental Fund Balances \$20,341,559

Amounts reported for governmental activities in the
 statement of net assets are different because:

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds 36,143,800

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

Property and other taxes	338,800	
Municipal income taxes	3,056,178	
Special assessments	1,711,502	
Intergovernmental	<u>2,217,447</u>	
		7,323,927

In the Statement of Activities, interest is accrued on outstanding
 bonds whereas, in governmental funds, an interest expenditure is
 reported when due (100,984)

Internal Service Funds are used by management to charge the
 costs of certain activities, such as insurance, to individual funds.
 The assets and liabilities of the internal service funds are
 included in the governmental activities in the statement of net
 assets 242,330

Long-term liabilities, including bonds payable and accrued
 interest payable, are not due and payable in the current period
 and therefore are not reported in the funds:

General obligation bonds	(28,215,735)	
Special assessment bonds	(1,930,708)	
OPWC loans	(2,145,443)	
OWDA loans	(3,389,024)	
Police and firemen's pension liability	(74,559)	
Compensated absences	(2,379,025)	
Capital lease payable	<u>(4,034,513)</u>	
		<u>(42,169,007)</u>

Net Assets of Governmental Activities \$21,781,625

See accompanying notes to the basic financial statements

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City of Parma, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General	Debt Service	City Income Tax Capital Acquisitions	Fire Department Building Fund
Revenues				
Municipal income tax	\$24,548,306	0	7,268,492	0
Property and other taxes	6,665,314	301,143	0	0
Charges for services	603,142	0	0	784,934
Fees, licenses and permits	1,353,862	0	0	0
Fines and forfeitures	1,744,151	0	0	0
Intergovernmental	5,841,162	0	973,939	0
Donations	0	0	0	0
Rents	231,383	0	0	0
Special assessments	0	275,908	0	0
Interest	85,283	1,974	0	48,351
Other	15,587	0	0	0
Total revenues	<u>41,088,190</u>	<u>579,025</u>	<u>8,242,431</u>	<u>833,285</u>
Expenditures				
Current				
Legislative and executive	13,632,784	73,931	3,246,008	853,498
Security of persons and property	20,822,285	0	0	0
Public health and welfare	286,944	0	0	0
Transportation	0	0	0	0
Community environment	687,558	0	0	0
Basic utility services	2,179,682	0	0	0
Leisure time activities	8,154	0	0	0
Capital outlay	0	0	2,769,994	29,591
Debt service				
Principal retirement	0	1,807,161	798,704	0
Interest and fiscal charges	0	1,453,824	78,254	0
Total expenditures	<u>37,617,407</u>	<u>3,334,916</u>	<u>6,892,960</u>	<u>883,089</u>
Excess of revenues over (under) expenditures	<u>3,470,783</u>	<u>(2,755,891)</u>	<u>1,349,471</u>	<u>(49,804)</u>
Other financing sources (uses)				
Proceeds of bonds	0	0	0	7,000,000
Sale of fixed assets	423,653	0	0	0
Bond premium	0	271,752	0	0
Operating transfers - in	101,889	3,025,964	0	0
Operating transfers - out	(4,381,879)	0	(2,257,654)	(138,389)
Inception of capital leases	0	0	2,473,797	0
Total other financing sources (uses)	<u>(3,856,337)</u>	<u>3,297,716</u>	<u>216,143</u>	<u>6,861,611</u>
Net change in fund balances	(385,554)	541,825	1,565,614	6,811,807
Fund balances at beginning of year	<u>5,140,522</u>	<u>6,788</u>	<u>1,078,491</u>	<u>2,030,376</u>
Fund balances at end of year	<u><u>4,754,968</u></u>	<u><u>548,613</u></u>	<u><u>2,644,105</u></u>	<u><u>8,842,183</u></u>

Other Governmental Funds	Total Governmental Funds
0	31,816,798
2,723,467	9,689,924
1,436,295	2,824,371
35,695	1,389,557
247,534	1,991,685
11,646,384	18,461,485
333,198	333,198
234,743	466,126
839,508	1,115,416
41,325	176,933
7,109	22,696
<u>17,545,258</u>	<u>68,288,189</u>

1,163,397	18,969,618
4,787,033	25,609,318
0	286,944
5,790,689	5,790,689
7,142,520	7,830,078
1,889,630	4,069,312
915,566	923,720
219,262	3,018,847
103,831	2,709,696
37,120	1,569,198
<u>22,049,048</u>	<u>70,777,420</u>
<u>(4,503,790)</u>	<u>(2,489,231)</u>

1,700,000	8,700,000
0	423,653
0	271,752
6,034,871	9,162,724
(2,903,220)	(9,681,142)
0	2,473,797
<u>4,831,651</u>	<u>11,350,784</u>

327,861	8,861,553
<u>3,223,829</u>	<u>11,480,006</u>
<u><u>3,551,690</u></u>	<u><u>20,341,559</u></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
 December 31, 2005

Net Change in Fund Balances - Total Governmental Funds \$8,861,553

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period

Capital outlay	1,144,885	
Depreciation	<u>(1,557,955)</u>	
Total		(413,070)

Governmental funds only report the gain from the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal (226,948)

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

Property and other taxes	440,437	
Special assessments	(461,258)	
Intergovernmental	<u>1,336,761</u>	
Total		1,315,940

Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets. These sources were attributed to the inception of capital leases and debt issuance (11,173,797)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets 2,676,389

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 are reported with governmental activities (75,480)

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

Compensated Absences	(303,669)	
Accrued Interest on Bonds	<u>(100,984)</u>	
Total		<u>(404,653)</u>

Change in Net Assets of Governmental Activities \$559,934

See accompanying notes to the basic financial statements

City of Parma, Ohio
Statement of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Municipal income tax				
Individual	28,776,144	25,592,886	25,228,722	(364,164)
Businesses	1,100,000	1,150,000	1,373,245	223,245
Total municipal income tax	<u>29,876,144</u>	<u>26,742,886</u>	<u>26,601,967</u>	<u>(140,919)</u>
Property and other taxes				
Real estate and public utility	330,000	3,898,880	3,876,343	(22,537)
Tangible personal property	360,000	360,000	362,384	2,384
Other local	50,200	50,200	60,646	10,446
Total property and other taxes	<u>740,200</u>	<u>4,309,080</u>	<u>4,299,373</u>	<u>(9,707)</u>
Charges for services				
General government	68,600	198,550	217,763	19,213
Parks and recreation	221,400	271,900	281,054	9,154
Health and vital statistics	96,500	96,500	103,823	7,323
Miscellaneous services	500	500	440	(60)
Total charges for services	<u>387,000</u>	<u>567,450</u>	<u>603,080</u>	<u>35,630</u>
Fees, licenses, and permits				
Licenses	263,268	263,268	288,299	25,031
Fees and permits	1,003,140	1,043,690	1,033,398	(10,292)
Penalties	47,000	24,500	32,165	7,665
Total fees, licenses, and permits	<u>1,313,408</u>	<u>1,331,458</u>	<u>1,353,862</u>	<u>22,404</u>
Fines and forfeitures				
Fines and forfeitures	1,544,500	1,645,500	1,730,991	85,491
Total fines and forfeitures	<u>1,544,500</u>	<u>1,645,500</u>	<u>1,730,991</u>	<u>85,491</u>
Intergovernmental				
Homestead	45,000	45,000	46,539	1,539
10% reimbursement	430,000	430,000	433,126	3,126
2.5% property tax rollback	80,000	80,000	79,082	(918)
Local government fund - sales tax	3,300,000	3,300,000	3,340,246	40,246
Local government fund - state	400,000	400,000	404,207	4,207
Inheritance tax	0	950,000	987,998	37,998
Local government revenue assistance fund	350,000	350,000	355,227	5,227
Grants	11,000	67,700	64,870	(2,830)
Other	81,000	81,000	91,768	10,768
Total intergovernmental	<u>4,697,000</u>	<u>5,703,700</u>	<u>5,803,063</u>	<u>99,363</u>

City of Parma, Ohio
 Statement of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 General Fund - continued
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Rentals and leases				
Rentals and leases	402,000	241,500	231,383	(10,117)
Total rentals and leases	<u>402,000</u>	<u>241,500</u>	<u>231,383</u>	<u>(10,117)</u>
Interest				
Interest	90,000	90,000	85,283	(4,717)
Total interest	<u>90,000</u>	<u>90,000</u>	<u>85,283</u>	<u>(4,717)</u>
Royalties and commissions				
Royalties and commissions	1,950	8,850	15,587	6,737
Total royalties and commissions	<u>1,950</u>	<u>8,850</u>	<u>15,587</u>	<u>6,737</u>
Total revenues	<u>39,052,202</u>	<u>40,640,424</u>	<u>40,724,589</u>	<u>84,165</u>

City of Parma, Ohio
Statement of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund - continued
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Expenditures				
Current				
General government				
Mayor				
Personal services	347,696	359,129	358,363	766
All other expenditures	5,350	5,350	3,494	1,856
Total mayor	<u>353,046</u>	<u>364,479</u>	<u>361,857</u>	<u>2,622</u>
Auditor				
Personal services	409,966	411,474	403,098	8,376
All other expenditures	14,325	16,835	14,965	1,870
Total auditor	<u>424,291</u>	<u>428,309</u>	<u>418,063</u>	<u>10,246</u>
Treasurer				
Personal services	324,197	321,826	304,229	17,597
All other expenditures	40,325	43,786	32,255	11,531
Total treasurer	<u>364,522</u>	<u>365,612</u>	<u>336,484</u>	<u>29,128</u>
City income tax				
Personal services	784,478	785,191	740,224	44,967
All other expenditures	939,170	944,878	812,349	132,529
Total city income tax	<u>1,723,648</u>	<u>1,730,069</u>	<u>1,552,573</u>	<u>177,496</u>
Management information systems				
Personal services	263,388	267,609	261,600	6,009
All other expenditures	13,475	14,725	12,264	2,461
Total management information systems	<u>276,863</u>	<u>282,334</u>	<u>273,864</u>	<u>8,470</u>
Law director				
Personal services	707,669	710,588	700,931	9,657
All other expenditures	148,050	128,678	73,521	55,157
Total law director	<u>855,719</u>	<u>839,266</u>	<u>774,452</u>	<u>64,814</u>
Civil service				
Personal services	124,338	138,538	130,863	7,675
All other expenditures	72,535	45,335	30,104	15,231
Total civil service	<u>196,873</u>	<u>183,873</u>	<u>160,967</u>	<u>22,906</u>
Service director				
Personal services	860,865	829,624	815,103	14,521
All other expenditures	2,983,300	3,009,300	2,988,319	20,981
Total service director	<u>3,844,165</u>	<u>3,838,924</u>	<u>3,803,422</u>	<u>35,502</u>

City of Parma, Ohio
Statement of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund - continued
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
City engineer				
Personal services	457,572	456,205	448,092	8,113
All other expenditures	10,175	15,425	11,828	3,597
Total city engineer	<u>467,747</u>	<u>471,630</u>	<u>459,920</u>	<u>11,710</u>
Public lands and buildings				
Personal services	211,807	248,726	248,726	0
All other expenditures	509,450	540,689	540,688	1
Total public lands and buildings	<u>721,257</u>	<u>789,415</u>	<u>789,414</u>	<u>1</u>
Purchasing and personnel				
Personal services	316,458	323,914	297,787	26,127
All other expenditures	238,800	229,304	181,562	47,742
Total purchasing and personnel	<u>555,258</u>	<u>553,218</u>	<u>479,349</u>	<u>73,869</u>
City council				
Personal services	612,662	622,326	617,544	4,782
All other expenditures	32,350	47,018	45,812	1,206
Total city council	<u>645,012</u>	<u>669,344</u>	<u>663,356</u>	<u>5,988</u>
Municipal court				
Personal services	1,375,575	1,366,139	1,364,729	1,410
All other expenditures	110,500	119,790	114,618	5,172
Total municipal court	<u>1,486,075</u>	<u>1,485,929</u>	<u>1,479,347</u>	<u>6,582</u>
Clerk of courts				
Personal services	1,139,947	1,153,641	1,144,219	9,422
All other expenditures	108,500	115,720	114,103	1,617
Total clerk of courts	<u>1,248,447</u>	<u>1,269,361</u>	<u>1,258,322</u>	<u>11,039</u>
Print shop				
All other expenditures	42,000	43,816	40,241	3,575
Total print shop	<u>42,000</u>	<u>43,816</u>	<u>40,241</u>	<u>3,575</u>
Miscellaneous executive				
All other expenditures	587,800	797,001	655,931	141,070
Total miscellaneous executive	<u>587,800</u>	<u>797,001</u>	<u>655,931</u>	<u>141,070</u>
Charter commission				
All other expenditures	100	100	85	15
Total charter commission	<u>100</u>	<u>100</u>	<u>85</u>	<u>15</u>
Total general government	<u>13,792,823</u>	<u>14,112,680</u>	<u>13,507,647</u>	<u>605,033</u>

City of Parma, Ohio
Statement of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund - continued
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Security of persons and property				
Police				
Personal services	9,531,171	9,569,704	9,400,254	169,450
All other expenditures	671,055	701,944	652,777	49,167
Total police	<u>10,202,226</u>	<u>10,271,648</u>	<u>10,053,031</u>	<u>218,617</u>
Fire				
Personal services	7,731,931	7,714,353	7,699,420	14,933
All other expenditures	300,900	396,479	340,894	55,585
Total fire	<u>8,032,831</u>	<u>8,110,832</u>	<u>8,040,314</u>	<u>70,518</u>
Safety				
Personal services	383,902	395,718	391,434	4,284
All other expenditures	4,910	6,700	5,305	1,395
Total safety	<u>388,812</u>	<u>402,418</u>	<u>396,739</u>	<u>5,679</u>
Traffic lighting				
Personal services	148,599	144,105	131,919	12,186
All other expenditures	105,858	107,130	101,315	5,815
Total traffic lighting	<u>254,457</u>	<u>251,235</u>	<u>233,234</u>	<u>18,001</u>
Communications center				
Personal services	896,294	932,578	932,578	0
All other expenditures	17,025	16,579	13,770	2,809
Total communications center	<u>913,319</u>	<u>949,157</u>	<u>946,348</u>	<u>2,809</u>
Detention center				
Personal services	1,158,389	1,158,962	1,146,504	12,458
All other expenditures	89,700	89,514	82,346	7,168
Total detention center	<u>1,248,089</u>	<u>1,248,476</u>	<u>1,228,850</u>	<u>19,626</u>
Total security of persons and property	<u>21,039,734</u>	<u>21,233,766</u>	<u>20,898,516</u>	<u>335,250</u>

City of Parma, Ohio
Statement of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund - continued
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Public health and welfare				
Health district				
All other expenditures	265,531	286,944	286,944	0
Total health district	<u>265,531</u>	<u>286,944</u>	<u>286,944</u>	<u>0</u>
Total public health and welfare	<u>265,531</u>	<u>286,944</u>	<u>286,944</u>	<u>0</u>
Community environment				
Building department				
Personal services	638,549	656,420	647,220	9,200
All other expenditures	39,700	51,700	45,953	5,747
Total building department	<u>678,249</u>	<u>708,120</u>	<u>693,173</u>	<u>14,947</u>
Total community environment	<u>678,249</u>	<u>708,120</u>	<u>693,173</u>	<u>14,947</u>
Leisure time activities				
Recreation				
Personal services	1,244,574	1,145,737	1,095,157	50,580
All other expenditures	109,375	129,593	125,925	3,668
Total recreation	<u>1,353,949</u>	<u>1,275,330</u>	<u>1,221,082</u>	<u>54,248</u>
Concessions				
Personal services	80,212	80,772	67,550	13,222
All other expenditures	50,000	50,000	40,521	9,479
Total concessions	<u>130,212</u>	<u>130,772</u>	<u>108,071</u>	<u>22,701</u>
Skating rink				
Personal services	149,925	169,075	167,001	2,074
All other expenditures	133,700	144,412	139,325	5,087
Total skating rink	<u>283,625</u>	<u>313,487</u>	<u>306,326</u>	<u>7,161</u>
Swimming pools				
Personal services	177,517	160,218	160,217	1
All other expenditures	43,000	45,547	45,547	0
Total swimming pools	<u>220,517</u>	<u>205,765</u>	<u>205,764</u>	<u>1</u>
Sixty plus				
Personal services	273,421	276,642	261,914	14,728
All other expenditures	21,943	21,943	20,499	1,444
Total sixty plus	<u>295,364</u>	<u>298,585</u>	<u>282,413</u>	<u>16,172</u>
Total leisure time activities	<u>2,283,667</u>	<u>2,223,939</u>	<u>2,123,656</u>	<u>100,283</u>

City of Parma, Ohio
Statement of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund - continued
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Capital outlay	0	31,334	28,796	2,538
Total expenditures	38,060,004	38,596,783	37,538,732	1,058,051
Excess of revenues over (under) expenditures	992,198	2,043,641	3,185,857	1,142,216
Other financing sources (uses)				
Advances - in	550,000	550,000	552,416	2,416
Advances - out	(96,400)	(96,400)	(78,442)	17,958
Operating transfers - in	0	135,852	101,889	(33,963)
Operating transfers - out	(4,228,895)	(4,778,786)	(4,381,879)	396,907
Sale of land	125,000	125,000	423,653	298,653
Total other financing sources (uses)	(3,650,295)	(4,064,334)	(3,382,363)	681,971
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,658,097)	(2,020,693)	(196,506)	1,824,187
Fund balance at beginning of year	2,894,896	2,894,896	2,894,896	0
Prior year encumbrances appropriated	164,501	164,501	164,501	0
Fund balance (deficit) at end of year	401,300	1,038,704	2,862,891	1,824,187

City of Parma, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2005

	Business - Type Activity - Golf Course	Governmental Activities - Internal Service Funds
	<u> </u>	<u> </u>
Assets		
Current assets		
Cash and cash equivalents	\$ 272,532	1,013,378
Cash and cash equivalents in segregated accounts	9,944	0
Accrued interest receivable	0	10,265
Due from other funds	0	1,354,265
Materials and supplies inventory	23,407	0
Total current assets	<u>305,883</u>	<u>2,377,908</u>
Non-current assets		
Capital assets, nondepreciable	1,078,077	0
Capital assets, depreciable, net	412,413	0
Total non-current assets	<u>1,490,490</u>	<u>0</u>
Total assets	<u>1,796,373</u>	<u>2,377,908</u>
Liabilities		
Current liabilities		
Accounts payable	7,832	6,056
Claims and judgements payable	0	763,930
Accrued wages and benefits	4,553	3,001
Compensated absences payable	53,885	1,638
Interfund payable	0	0
Due to other governments	1,536	451
Accrued interest payable	1,248	6,237
Notes payable	0	0
Capital lease - current portion	33,516	0
Bonds payable - current portion	0	105,575
Total current liabilities	<u>102,570</u>	<u>886,888</u>
Long-term liabilities		
Capital leases	17,383	0
Bonds payable	0	1,248,690
Total long-term liabilities	<u>17,383</u>	<u>1,248,690</u>
Total liabilities	<u>119,953</u>	<u>2,135,578</u>
Net assets		
Invested in capital assets, net of related debt	1,439,591	0
Unrestricted	236,829	242,330
Total net assets	<u>\$1,676,420</u>	<u>242,330</u>

See accompanying notes to the basic financial statements

City of Parma, Ohio
Statement of Revenues,
Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2005

	<u>Business Type Activity - Golf Course</u>	<u>Governmental Activities - Internal Service Funds</u>
Operating revenues		
Charges for services	\$ 671,159	5,687,327
Other	<u>438,696</u>	<u>0</u>
Total operating revenues	<u>1,109,855</u>	<u>5,687,327</u>
Operating expenses		
Personal services	587,127	148,119
Contractual services	476,877	21,805
Claims	0	5,644,924
Materials and supplies	431	243,834
Depreciation	61,998	0
Capital outlay	<u>7,017</u>	<u>0</u>
Total operating expenses	<u>1,133,450</u>	<u>6,058,682</u>
Operating income	<u>(23,595)</u>	<u>(371,355)</u>
Other non-operating revenues (expenses)		
Interest income	3,883	1,349
Interest and fiscal charges	<u>(3,706)</u>	<u>(79,854)</u>
Total non-operating revenues (expenses)	<u>177</u>	<u>(78,505)</u>
Income (Loss) before transfers	(23,418)	(449,860)
Transfers - in	<u>0</u>	<u>374,380</u>
Change in net assets	(23,418)	(75,480)
Net assets at beginning of year	<u>1,699,838</u>	<u>317,810</u>
Net assets at end of year	<u>\$ 1,676,420</u>	<u>242,330</u>

See accompanying notes to the basic financial statements

City of Parma, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2005

	Business Type Activity - Golf Course	Governmental Activities - Internal Service Funds	Totals (Memorandum Only)
Cash Flows from Operating Activities:			
Cash received from customers	\$671,159	0	671,159
Cash received from quasi-external operating transactions with other funds	0	5,694,608	5,694,608
Other operating revenues	438,696	0	438,696
Cash payments for other operating expenses	0	0	0
Cash payments to suppliers for goods and services	(476,934)	(247,075)	(724,009)
Cash payments for claims	0	(5,450,761)	(5,450,761)
Cash payments for employee services and benefits	(536,989)	(146,078)	(683,067)
Cash payments for contractual services	0	(30,584)	(30,584)
Cash payments for capital outlay	(7,017)	0	(7,017)
Net cash provided by (used in) operating activities	<u>88,915</u>	<u>(179,890)</u>	<u>(90,975)</u>
Cash Flows from Noncapital Financing Activities:			
Transfer - in	0	374,380	374,380
Transfer - out	<u>0</u>	<u>(189,524)</u>	<u>(189,524)</u>
Net cash provided by noncapital financing activities	<u>0</u>	<u>184,856</u>	<u>184,856</u>
Cash Flows from Capital and Related Financing Activities:			
Principal lease payment	(31,918)	0	(31,918)
Interest paid on lease	<u>(3,706)</u>	<u>0</u>	<u>(3,706)</u>
Net cash used in capital and related financing activities	<u>(35,624)</u>	<u>0</u>	<u>(35,624)</u>
Cash Flows from Investing Activities:			
Interest	<u>3,883</u>	<u>1,349</u>	<u>5,232</u>
Cash provided by investing activities	<u>3,883</u>	<u>1,349</u>	<u>5,232</u>
Net increase in cash and cash equivalents	57,174	6,315	63,489
Cash and cash equivalents beginning of year	<u>225,302</u>	<u>1,007,063</u>	<u>1,232,365</u>
Cash and cash equivalents end of year	<u>282,476</u>	<u>1,013,378</u>	<u>1,295,854</u>

(continued)

See accompanying notes to the basic financial statements

City of Parma, Ohio
Statement of Cash Flows - continued
Proprietary Funds
For the Year Ended December 31, 2005

	Business Type Activity - Golf Course	Governmental Activities - Internal Service Funds	Totals (Memorandum Only)
Reconciliation of operating income to net cash used in operating activities			
Operating income (loss)	(23,595)	(371,355)	(394,950)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	61,998	0	61,998
Change in assets and liabilities:			
Decrease in due from others	0	109,215	109,215
Decrease in inventory	898	0	898
Increase/(Decrease) in accounts payable	(684)	(12,020)	(12,704)
Increase in accrued wages and benefits	133	935	1,068
Increase/(Decrease) in compensated absences payable	49,987	965	50,952
Increase/(Decrease) in due to other governments	178	141	319
Increase in claims payable	0	92,229	92,229
Net cash provided by (used in) operating activities	<u>\$88,915</u>	<u>(179,890)</u>	<u>(90,975)</u>

See accompanying notes to the basic financial statements.

City of Parma, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2005

	<u>Total Agency Funds</u>
Assets	
Equity in pooled cash and cash equivalents	\$ 1,275,701
Cash and cash equivalents in segregated accounts	19,297
Cash and cash equivalents with fiscal and escrow agents	423,089
Due from other governments	<u>375,030</u>
 Total assets	 <u><u>\$ 2,093,117</u></u>
Liabilities	
Due to other funds	\$ 375,030
Due to other governments	59,133
Deposits held and due to others	<u>1,658,954</u>
 Total liabilities	 <u><u>\$ 2,093,117</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, 2005

NOTE 1 - DESCRIPTION OF CITY OPERATIONS AND REPORTING ENTITY

The City: The City of Parma, 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. The mayoral election was held in November 2003 and the new mayor took office in January of 2004.

Reporting Entity:

In evaluating how to define the governmental reporting entity, the City complies with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, under which the financial statements include all the organizations, activities, functions, and component units for which the City (“primary government”) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and either (1) the City’s ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

On this basis, the City’s financial reporting entity has no component units but includes in its financial statements the financial activities of all departments, agencies, boards and commissions that are part of the primary government, including police and fire protection, parks and recreation, health, certain social services and general administrative services. In addition, the City owns and operates one enterprise activity, a municipal golf course.

The Parma Municipal Court has been included in the City's financial statements as an agency fund. The Clerk of Courts is an elected City official who has a fiduciary responsibility for the collection and distribution of the court fees and fines.

The City is associated with certain organizations that are identified as jointly governed organizations; however, the City has no ongoing financial interest or responsibility. These organizations are presented in Note 16 to the basic financial statements. These organizations are:

Parma Community General Hospital Association
Southwest Council of Governments

The City is also associated with the Parma Community Improvement Corporation (PCIC). The PCIC is a not-for-profit corporation that was founded in 1996. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements as of December 31, 2005 and for the year then ended have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) applicable to local governments. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB’s Codification of Governmental Accounting and Financial Reporting Standards (“GASB Codification”). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the City complies with GASB guidance applicable to its governmental and business-type activities. The City also complies with Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued after November 30, 1989 to its governmental and business type activities and to its proprietary funds that do not conflict with or

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial position.

Government-wide financial statements consist of a statement of net assets and a statement of activities. These statements report all of the assets, liabilities, revenues, expenses, and gains and losses of the City. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges for services and are usually intended by management to be financially self-sustaining. Fiduciary funds of the City are not included in these government-wide financial statements.

Interfund receivables and payables and bonds and notes issued by the City and held by the City as investments within governmental and business-type activities have been eliminated in the government-wide statement of net assets. Related interest amounts are eliminated in the government-wide statement of activities. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column.

Internal service fund balances, whether positive or negative, have been eliminated against the expenses and program revenues shown in the governmental activities statement of activities.

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 program or function and, therefore, are clearly identifiable to a particular function. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. General revenues identify the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund financial statements During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid 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 proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

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

Governmental Funds – Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balances. The following are the City's major governmental funds:

General Fund – The General Fund is the primary operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in other funds. Its revenues consist primarily of income and property taxes, investment earnings, shared revenues, charges for services, and licenses, fees, and fines.

General Fund expenditures represent the costs of legislative and executive (general government); security of persons and property (including police and fire); public health and welfare; transportation, community environment, basic utility services, and leisure time activities. General Fund resources are also transferred annually to support other services that are accounted for in other separate funds.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

City Income Tax Capital Acquisitions Fund – The City Income Tax Capital Acquisitions 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.

Fire Department Building Fund – The Fire Department Building Fund is used to account for activity associated with the acquisition and renovation of fire department buildings.

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

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

Enterprise Funds - The Enterprise Funds are used to account 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 has one major enterprise fund.

Municipal Golf Course – The Municipal Golf Course fund 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 liability insurance, medical insurance and worker's compensation.

Fiduciary Funds – Fiduciary funds reporting focuses on net assets and changes in net assets. Private-purpose trust funds are used to account for trust arrangements that benefit individuals, private organizations, or other governments. For accounting measurement purposes, the private-purpose trust funds are accounted for in essentially the same manner as proprietary funds. During 2005, the City did not utilize any private-purpose trust funds. Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. For accounting measurement purposes, the agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Other fiduciary funds include pension trust funds and investment

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

trust funds. During 2005, the City did not utilize any such trust funds. Fiduciary funds are not included in the government-wide statements.

C. *Measurement Focus*

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities 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 statements for government funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. *Basis of Accounting*

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

Revenues – Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned.

Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 5).

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fees, fines and forfeitures, licenses and permits, interest, and grants and entitlements.

Deferred Revenue

Deferred revenue arises when assets are recognized before recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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.

E. ***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 agency funds, are legally required to be budgeted and appropriated. For the Parma Public Housing Agency, the City maintained a budget only for salary and fringe benefit costs. However, all activity has been included as part of the reporting entity in the combined schedules prepared in accordance with GAAP.

The legal level of budgetary control is at the fund/department level. 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 passages. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

December 31 of the following year.

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 Auditor that the revenue to be collected by the City will be greater or less than the amount included in the official certificate, the 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 statements reflect the amounts in the final amended official certificate of estimated resources issued during 2005.

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, other expenditures, and capital outlay). 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 reservations of fund balances 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.

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenue, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General 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 identified as follows:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures/Expenses 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, encumbrances are recorded as the equivalent of an expenditure (budget basis) as opposed to a reservation of fund balance for Governmental Funds.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	General
GAAP Basis	\$ (385,554)
Increase (decrease) due to:	
Revenue accruals	188,815
Expenditure accruals	233
Outstanding encumbrances	0
Budget basis	\$ (196,506)

F. ***Other Significant Accounting Policies***

Cash and Cash Equivalents: Cash resources of certain individual funds are combined to form a pool of cash and investments that is managed by the City Treasurer. Investments in the Pooled Cash Account, consisting of certificates of deposit, repurchase agreements, U.S. government securities, StarOhio and time deposits, are carried at fair value (see Note 4) based on quoted market values. Interest earned on pooled cash and investments is distributed to the appropriate funds utilizing a formula based on the month-end balance of cash and investments of each fund.

Cash equivalents are defined as highly liquid investments with a maturity of three months or less at the time they are purchased by the City.

Investments: The City reports its investments at fair value based on quoted market values and recognizes the corresponding change in the fair value of the investments recorded in investment earnings in the year in which the change occurs. The City reports its investment in StarOhio at fair market value as of the date of the StarOhio statement.

Prepaid Items: Payments made to vendors for services that will benefit periods beyond December 31, 2005, 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.

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Materials and Supplies Inventory: Inventory generally consists of construction materials and parts inventory not yet placed into service. Inventories of governmental funds are stated at cost while inventory of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds that indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Capital Assets: 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. Assets are recorded at historical cost or estimated historical cost, if historical cost is not available. Contributed fixed assets are recorded at their estimated fair market value on the date contributed.

As permitted under the implementation provisions of GASB Statement 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. The City will include infrastructure assets placed in service after January 1, 1980 but prior to January 1, 2003 in the government-wide financial statements as permitted under the implementation provisions of GASB Statement No. 34.

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 capital assets on a straight-line basis using the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	Not depreciated
Land Improvements	10 - 20 years
Buildings	70 years
Equipment and vehicles	10 years for governmental activities 15 years for business-type activities
Computer software	15 years
Infrastructure	5 - 50 years

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Compensated Absences: The liability for compensated absences is based on GASB Statement No. 16, "Accounting for Compensated Absences."

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Normally, all vacation time is to be taken in the year available.

Sick days not taken may be accumulated until retirement. An employee is paid one-third of accumulated sick leave upon retirement, calculated at current wage rates, with the balance being forfeited. The City uses the vesting method to calculate its sick leave liability. Under this method, a liability for severance is based on sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments according to City union agreements.

In the government-wide and proprietary funds financial statements, the entire amount of unpaid compensated absences is reported as a liability. A liability for compensated absences is accrued in the governmental funds only if the amount is currently due and payable at year-end. These amounts are recorded as accrued wages and benefits in the fund from which the employees who have accumulated leave are paid.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid.

Long-Term Obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Losses on advance refundings are deferred and amortized over the life of the new debt, or the life of the advance refunded debt, whichever is shorter. Bonds payable are reported net of the applicable unamortized bond premium, discount or advance refunding losses. Bond issuance costs are reported as other assets and amortized over the term of the related debt.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized as revenues or expenditures during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as other financing uses.

Fund Balances/Reserves: In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Reservations include amounts for open encumbrances, inventory and loans receivable. Designations of fund balances represent tentative management plans that are subject to change.

Grants and Other Intergovernmental Revenues: Grants and assistance awards made on the basis of entitlement programs are recorded as intergovernmental receivables and revenues when entitlement occurs. Reimbursement type grants are recorded as intergovernmental receivables and revenues when the related expenditures (expenses) are incurred. The City accounts for loans receivable related to the Community Development Block Grants as a reservation of fund balance in the fund financial statements to the extent that these loans do not have to be repaid to the Federal government. The loan proceeds are earmarked for future reprogramming under federal guidelines and are not available to fund current operating expenditures of the City.

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Encumbrances: 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 a reservation of fund balances in the fund financial statements since they do not constitute expenditures or liabilities and are carried forward to the next fiscal year.

Interfund Transactions: During the course of normal operations, the City has numerous transactions between funds, including the allocation of centralized expenses and transfers of resources to provide services, construct assets and service debt. Such transactions are generally reflected as operating transfers or direct expenses of the fund that is ultimately charged for such costs. Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Operating Revenues and Expenses: Operating revenues are those that are generated directly from the primary activity of the proprietary funds. For the City, those revenues are charges for services for the golf course. Operating expenses are necessary costs incurred to provide the service for the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as non-operating.

Net Assets: Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consisted of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Extraordinary and Special Items: Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2005.

Statement of Cash Flows: The City utilizes the direct method of reporting cash flows from operating activities in the Statement of Cash Flows as defined by the GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting". In the statement of cash flows, cash receipts and cash payments are classified according to operating, noncapital financing, capital and related financing, and investing activities.

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

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Legal Compliance

The following funds, which were corrected at year-end, had appropriations in excess of the amount certified as available by the budget commission as of September 30, 2005, contrary to Ohio Revised Code Section 5705.39:

Fund	Estimated Resources	Appropriations	Variance
Community Development Block Grant	\$ 1,678,513	\$ 1,807,213	\$ (128,700)
Police Levy	\$ 361,270	\$ 441,902	\$ (80,632)
Brownfield Redevelopment	\$ 348,817	\$ 396,017	\$ (47,200)
City Income Tax Capital Acquisitions	\$ 8,231,672	\$ 8,775,135	\$ (543,463)
Courts Capital Improvements	\$ 33,915	\$ 39,041	\$ (5,126)

In order to address the budgetary violations of Ohio Revised Code Section 5705.39, the City intends to closely monitor the budgetary accounts to eliminate this weakness in future periods.

Deficit Fund Balances

At September 30, 2005 the following funds had deficit fund cash balances contrary to Ohio Revised Code Section 5705.10:

Non-Major Funds

FEMA Assistance to Firefighters	\$28,192
Community Emergency Response Team	4,506
Victims of Crime Assistance Grant	6,016
Fair Housing Grant	115,332
West Creek Preservation	228,343
Parma Public Housing	97,164
Street Construction, Maintenance and Repair	883,065
Brownfield Redevelopment	3,400
Community Center	72,433
Debt Service	99,354
Sewer Construction	198,881
Noxious Weeds	21,114
Street Lighting	134,368
Sewer Maintenance	4,248

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

In addition, the following individual funds had GAAP deficit fund balances at year-end:

Non-Major Funds	
Noxious Weeds	\$13,442
Street Lighting	208,290
Community Center	11,216
Victims of Crime Assistance	1,168
West Creek Preservation	228,344
Sewer Construction	1,693,375
Senior Citizens Center	34,526
Liability Insurance	43,653

Management is aware of these deficits and is analyzing the fund operations to determine the appropriate action to alleviate each fund's deficit. The general fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 4 - POOLED AND SEGREGATED CASH AND INVESTMENTS

Except for monies of the Parma Public Housing Agency and the Parma Municipal Court, whose depository accounts are presented as "Cash and cash equivalents in segregated accounts" or as "Cash and cash equivalents with fiscal and escrow agents", monies of all other funds of the City are maintained or invested in a common group of bank accounts. Collectively these common bank accounts and investments are presented as "Equity in pooled cash and cash equivalents" on the statement of net assets. Individual fund integrity is maintained through the City's accounting records.

Certain funds have made cash disbursements in excess of their individual equities in the pooled cash accounts. Such amounts have been classified as due to other funds and due from other funds between the General Fund and the respective funds that have made disbursements in excess of their individual equities in the pooled cash accounts.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation or may pledge a pool of government securities the face value of which is at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of, or guaranteed by, the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require security for public deposits and investments to be maintained in the City's name.

The City is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a "derivative"). The City is also prohibited from investing in reverse purchase agreements.

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

During 2005, the City complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made, as well as the provisions of the statutes concerning security deposits. The City will continue to monitor compliance with applicable statutes in the future pertaining to its deposits and investments. At December 31, 2005, all of the City's deposits and investments (excluding Star Ohio) were held by local banks or financial institutions that qualify under Section 135.14 (M)(I) of the Ohio Revised Code.

Deposits: Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio.

At year-end, the carrying amount of the City's deposits including certificates of deposit was \$16,569,522 and the actual bank balance totaled \$17,838,386. The difference represents outstanding warrants payable and normal reconciling items. Based on the criteria described in GASB Statement No. 3, \$644,914 of the bank balance was insured or collateralized with securities held by the City or by its agent in the City's name. The remaining balance of \$17,193,472 was uninsured and uncollateralized, as defined by the GASB, (which includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department but not in the City's name).

Investments: The City's investment policies are governed by state statutes and City ordinances which authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities; bonds and other State of Ohio obligations; certificates of deposit; U.S. Government Money Market Mutual Funds; State Treasurer Asset Reserve Fund (STAROhio); guaranteed investment contracts and repurchase transactions. Such repurchase transactions must be purchased from financial institutions as discussed in "Deposits" above or registered broker/dealers. Repurchase transactions are not to exceed a period of one year and confirmation of securities pledged must be obtained. Under City policy, investments are limited to repurchase agreements, U.S. government securities, certificates of deposit, investments in certain money market mutual funds and State Treasurer Asset Reserve Fund (StarOhio). Generally, investments are recorded in segregated accounts by way of book entry through the bank's commercial or trust department and are kept at the Federal Reserve Bank in the depository institution's separate custodial account for the City, apart from the assets of the depository institution. Ohio statute prohibits the use of reverse repurchase agreements as of September 1996.

It is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum security, safety and preservation of principal while meeting the daily cash flow demands of the City. To the extent possible, the City attempts to match its investments with anticipated cash flow requirements.

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

At December 31, 2005, the fair value of the City's investments were as follows:

Investment	Fair Value / Carrying Value
STAR Ohio	\$ 383,000
FHLB	3,249,857
FHLMC	1,722,320
FNMA	752,019
	\$ 6,107,196

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 two (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.

At December 31, 2005, the City's investments had maturities as follows:

	Portfolio Weighted Average Maturity
Less than 1 year	87.35%
1 to 5 years	12.65%

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. In addition, the underlying securities supporting the repurchase agreements in which the City invests are obligations of the U.S. government. The City also invests in StarOhio, which is not rated.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, 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. As noted earlier, at December 31, 2005, the carrying amount of the City's deposits was \$16,569,522 and the bank balance was \$17,838,386. Of the bank balance \$644,914 was covered by federal depository insurance and \$17,193,472 was covered by pooled and /or pledged collateral, as allowed by the Ohio Revised Code, but not necessarily held in the City's name (uncollateralized). 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, 2005

Reconciliation to Combined Balance Sheet Classification:

A summary of the deposits and investments as of December 31, 2005 follows:

Deposits	\$ 16,569,522
Investments	<u>6,107,196</u>
 Total	 <u><u>\$ 22,676,718</u></u>

Reconciliation to Financial Statements: Total cash and investments are reported as follows:

Government-wide financial statements	
Unrestricted:	
Equity in pooled cash and cash equivalents	\$ 20,556,001
Cash with fiscal agents	402,630
Investments	<u>-</u>
	<u><u>\$ 20,958,631</u></u>
Fund financial statements	
Balance sheet - governmental funds:	
Equity in pooled cash and cash equivalents	\$ 19,270,091
Cash with fiscal agents	392,686
Investments	-
Statement of net assets - proprietary funds:	
Cash and cash equivalents	1,285,910
Cash and cash equivalents - segregated accounts	9,944
Investments	<u>-</u>
Total governmental and proprietary funds	20,958,631
Statement of fiduciary net assets:	
Equity in pooled cash and cash equivalents	1,275,701
Cash and cash equivalents - segregated accounts	19,297
Cash with fiscal agents	423,089
Investments	<u>-</u>
	<u><u>\$ 22,676,718</u></u>

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible property (used in business) located in the City. The 2005 levy was based upon an assessed valuation of approximately \$1,689,864,982. Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Under current procedures, the City's share is 5.10 mills, of which 0.20 mills is dedicated to debt service and 0.60 mills is dedicated to the payment of police and fire pension obligations. A revaluation of all property is required to be completed no less than every six years, with a statistical update every third year. Assessed values are established by the Cuyahoga County Auditor. The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City.

Real property taxes, excluding public utility property, are all assessed at 35% of appraised market value. Pertinent real property tax dates are:

Collection Dates	January 20 and June 20 of the current year
Lien Date	January 1 of the year preceding the collection year
Levy Date	October 1 of the year preceding the collection year

Tangible personal property taxes are based on assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. For the collection year 2005, the percentage used to determine taxable value of personal property and inventory was 25% of true value for capital assets and 23% of true value for inventory. Pertinent tangible personal property tax dates are:

Collection Dates	April 30 and September 30 of the current year
Listing Date	December 31 of the preceding year
Levy Date	October 1 of the year preceding the collection year

An electric company's taxable transmission and distribution property is assessed at 88% of true value, while all of its other taxable property is assessed at 25% of true value. Pertinent public utility tangible personal property tax dates are:

Collection Dates	January 20 and June 20 of the current year
Lien Date	December 31 of the second year preceding the collection year
Levy Date	October 1 of the year preceding the collection year

The full tax rate for all City operations for the year ended December 31, 2005, was \$5.10 per \$1,000 of assessed value. The assessed values of real and tangible personal property certified for tax year 2005 are as follows:

Real Property	\$1,565,352,450
Tangible Personal Property	94,000,682
Public Utility Property	<u>30,511,850</u>
Total Valuation	<u><u>\$1,689,864,982</u></u>

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 6 - INCOME TAXES

The City levies a municipal income tax of 2% on all salaries, wages, commissions and other compensation earned within the City. A portion of the City income tax is restricted in its use to capital expenditures and debt service and is included in the City Income Tax Capital Acquisitions Fund. All other income tax proceeds are included in the General Fund. Employers are required to withhold this income tax from all their employees working within the City's limits, without regard to where the employees reside. 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% 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% income tax on all income earned outside the City's limits. A credit of 50% is recognized on all municipal income taxes paid to another community. This credit cannot exceed the City's income tax rate of 2% or the tax rate of the municipality in which the income was generated, whichever is less.

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

In 2005, 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 capital projects fund.

NOTE 7 - INTERGOVERNMENTAL RECEIVABLES

A summary of the governmental activities principal items of the intergovernmental receivables follows:

	<u>Amount</u>
Local government	\$ 2,049,841
Gasoline tax	1,129,315
Permissive motor vehicle license tax	269,733
Motor vehicle license registration	264,356
Homestead and rollback	461,062
Liquor permits	45,039
Estate tax	380,937
Miscellaneous	<u>11,003</u>
Total	<u>\$ 4,611,286</u>

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 8 – 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, 2005, the total vacation obligation for the City as a whole amounted to \$128.

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, 2005, was \$1,256,728.

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 2005, 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, 2005, accumulated, unpaid overtime for the City as a whole was \$1,340,393.

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 9 – CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended December 31, 2005 was as follows:

	Balances 12/31/2004	Additions	Disposals	Balances 12/31/2005
Governmental activities				
Nondepreciable assets				
Land	\$5,582,867	598,840	(12,441)	6,169,266
Construction in progress	4,503,092	0	0	4,503,092
Total nondepreciable assets	<u>10,085,959</u>	<u>598,840</u>	<u>(12,441)</u>	<u>10,672,358</u>
Depreciable assets:				
Land improvements	154,403	33,712	0	188,115
Buildings	24,990,447	0	(504,330)	24,486,117
Equipment	3,830,335	178,552	0	4,008,887
Vehicles	9,949,512	333,781	(149,236)	10,134,057
Software	922,165	0	0	922,165
Infrastructure				
Roads	415,235	0	0	415,235
Total depreciable assets	<u>40,262,097</u>	<u>546,045</u>	<u>(653,566)</u>	<u>40,154,576</u>
Less accumulated depreciation:				
Land improvements	17,843	12,541	0	30,384
Buildings	4,828,545	349,236	(301,607)	4,876,174
Equipment	2,037,862	299,803	0	2,337,665
Vehicles	6,407,934	834,897	(137,452)	7,105,379
Software	258,213	61,478	0	319,691
Infrastructure				
Roads	13,841	0	0	13,841
Total accumulated depreciation	<u>13,564,238</u>	<u>1,557,955</u>	<u>(439,059)</u>	<u>14,683,134</u>
Total depreciable assets, net	<u>26,697,859</u>	<u>(1,011,910)</u>	<u>(214,507)</u>	<u>25,471,442</u>
Governmental activities capital assets, net	<u>\$36,783,818</u>	<u>(413,070)</u>	<u>(226,948)</u>	<u>36,143,800</u>
Business-Type Activities				
Nondepreciable assets				
Land	\$1,078,077	0	0	1,078,077
Total nondepreciable assets	<u>1,078,077</u>	<u>0</u>	<u>0</u>	<u>1,078,077</u>
Depreciable assets:				
Land improvements	263,700	0	0	263,700
Buildings	157,051	0	0	157,051
Equipment	623,693	0	0	623,693
Vehicles	25,732	0	0	25,732
Total depreciable assets	<u>1,070,176</u>	<u>0</u>	<u>0</u>	<u>1,070,176</u>
Less accumulated depreciation:				
Land improvements	111,060	17,580	0	128,640
Buildings	83,028	2,240	0	85,268
Equipment	384,078	41,161	0	425,239
Vehicles	17,599	1,017	0	18,616
Total accumulated depreciation	<u>595,765</u>	<u>61,998</u>	<u>0</u>	<u>657,763</u>
Total depreciable assets, net	<u>474,411</u>	<u>61,998</u>	<u>0</u>	<u>412,413</u>
Business-type activities capital assets, net of accumulated depreciation	<u>\$1,552,488</u>	<u>61,998</u>	<u>0</u>	<u>1,490,490</u>

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Depreciation expense was charged to governmental activities as follows:

General government	\$775,176
Security of persons and property	538,123
Transportation	0
Community environment	69,503
Basic utility services	40,665
Leisure time activities	<u>134,488</u>
 Total	 <u><u>\$1,557,955</u></u>

Depreciation expense was charged to business-type activities as follows:

Golf course	<u>\$61,998</u>
 Total:	 <u>\$61,998</u>

NOTE 10 - RISK MANAGEMENT

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 does not carry commercial insurance 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, 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 ("IBNRs"). Claims that meet this criteria are reported as liabilities of either governmental or business-type activities in the government-wide statement of net assets. 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 \$86,500 provided by the City's Law Director has been recorded. Changes in the Liability Insurance Self-Insurance Fund claims liability amount for 2003 through 2005 were:

	Balance at January 1	Current Year Claims	Claim Payments	Balance at December 31
2003	\$293,000	\$128,348	(\$191,348)	\$230,000
2004	230,000	116,311	(297,811)	48,500
2005	48,500	119,330	(81,330)	86,500

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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.

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 \$446,718 has been recorded to reflect unpaid claims cost including incurred but not reported claims as of December 31, 2005. 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 2003 through 2005 were:

	Balance at <u>January 1</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>December 31</u>
2003	\$395,150	\$3,904,181	(\$3,924,611)	\$374,720
2004	374,720	4,676,761	(4,530,707)	520,774
2005	520,774	4,908,428	(4,982,484)	446,718

Workers Compensation Insurance Fund (WCIF): Effective January 1, 1997, the City commenced participation in the State of Ohio workers' compensation program to provide workers' compensation benefits to its employees. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries.

The City participated in a retroactive rating plan, under which the City assumed a portion of the risk in return for a possible reduction in premiums, through December 31, 1996. A liability in the amount of \$49,212, 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, 2005. 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 2003 through 2005 were:

	Balance at <u>January 1</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>December 31</u>
2003	\$356,178	\$319,281	(\$561,590)	\$113,869
2004	113,869	447,500	(458,942)	102,427
2005	102,427	525,757	(578,972)	49,212

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 11– INTERFUND TRANSACTIONS AND BALANCES

Interfund Transactions: During the course of normal operations, the City records numerous transactions between funds including expenditures and transfers of resources to provide services, subsidize operations, and service debt. The City has the following types of transactions among funds:

Reciprocal interfund services provided and used – Purchases and sales of goods and services between funds for a price approximating their external exchange value. These activities include liability, medical, and workers’ compensation insurance and storeroom operations.

Nonreciprocal interfund transfers – Flows of assets between funds without equivalent flows of assets in return and without a requirement for repayment. This includes operating transfers to subsidize various funds.

Nonreciprocal interfund reimbursements – Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

Interfund balances: Interfund balances at December 31, 2005 represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records, and (3) payments between funds are made. All are expected to be paid within one year.

Detailed listings of interfund receivables and payables as of December 31, 2005 are as follows:

<u>Governmental Activities</u>	<u>Receivables</u>	<u>Payables</u>
General fund	\$ 78,442	0
Debt service fund	0	0
City income tax capital acquisitions fund	489,625	0
Other governmental funds	<u>0</u>	<u>568,067</u>
Total	<u>\$568,067</u>	<u>568,067</u>

Detailed listings of due to/due from other funds as of December 31, 2005 are as follows:

<u>Governmental Activities</u>	<u>Due from</u>	<u>Due to</u>
General fund	\$ 354,045	1,354,265
Internal service funds	1,354,265	-
Other governmental funds	20,985	
Agency funds	<u>-</u>	<u>375,030</u>
Total	<u>\$ 1,729,295</u>	<u>1,729,295</u>

City of Parma, Ohio
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Detailed listings of transfers as of December 31, 2005 are as follows:

<u>Governmental Activities</u>	<u>Transfers - in</u>	<u>Transfers - out</u>
General fund	\$ 101,889	4,381,879
Debt service fund	3,025,964	0
City income tax capital acquisition fund	0	2,257,654
Other governmental funds	6,034,871	3,041,609
Internal service funds	<u>374,380</u>	<u>0</u>
Total	<u>\$ 9,537,104</u>	<u>9,681,142</u>

The Transfers-in and Transfers-out do not balance due to transfers in the amount of \$144,038 that were made to agency funds during 2005.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System: The City participates in the Ohio Public Employees System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan (TP) is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan (MD) is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan (CO) is a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor, and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614.222.6705 or 800.222.7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety, participating in the Traditional Pension Plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the Traditional Pension Plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the year ended December 31, 2005, 2004, and 2003 were \$1,579,314, \$1,576,338, and \$1,220,483, respectively; 100 percent has been contributed for 2005, 2004, and 2003.

City of Parma, Ohio
Notes to the Basic Financial Statements
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Ohio Police and Fire Pension Fund: The City contributes to the Ohio Police and Fire Pension Fund (“OP&F”), a cost sharing multiple employer defined benefit pension plan. OP&F provides retirement and disability 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 for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary, while the City is required to contribute 11.75 percent for police and 16.25 percent for firefighters. The City’s contributions to the Fund for police and firefighters were \$754,255 and \$1,119,368 for the year ended December 31, 2005, \$797,246 and \$1,198,755 for the year ended December 31, 2004, and \$710,335 and \$1,004,466 for the year ended December 31, 2003, respectively. The full amount has been contributed for 2004 and 2003. 78 percent for police and 76 percent for firefighters has been contributed for 2005, with the remainder being reported as a liability.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 2005, the unfunded liability of the City was \$74,559, payable in semi-annual payments through the year 2008. This is an accounting liability of the City that will not vary. The liability is reported as “long-term liabilities” in the governmental activities column on the statement of net assets.

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System: The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or the combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer’s contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 of covered payroll (16.7 percent for public safety and law enforcement); 4 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS’s latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the Traditional and Combined plans was 376,109. The City’s actual contributions for 2005 that were used to fund postemployment benefits were \$661,493. The actual contribution and the actuarially required contribution amounts are the same. OPERS’s net assets available for payment of benefits at December 31, 2004 were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increase as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund: The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund post employment benefits were \$497,488 for police and \$533,853 for firefighters. The OP&F's total health care expenses for the year ended December 31, 2004 were \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004 was 13,812 for police and 10,528 for firefighters.

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 14 – LONG-TERM OBLIGATIONS

Changes in long-term obligations during 2005 are as follows:

	Original Issue	Principal Balance 12/31/2004	Increase	Decrease	Principal Balance 12/31/2005	Amount Due Within One Year
Governmental Activities:						
Special Assessment Bonds						
8.500% - (1985) Commerce Parkway West	\$ 335,000	16,000	0	16,000	0	0
7.040% - (1991) Ridgewood Water Line	310,000	40,000	0	20,000	20,000	20,000
3.790% - (1999 OWDA) Bruening Drive	185,005	160,043	0	7,755	152,288	3,988
5.250% - (2000) Street Improvements	2,255,000	1,835,000	0	125,000	1,710,000	130,000
4.120% - (1997 OWDA) Burden Drive	65,984	51,654	0	3,234	48,420	1,667
Total Special Assessment Bonds	3,150,989	2,102,697	0	171,989	1,930,708	155,655
General Obligation Bonds						
Unvoted:						
5.561% - (1995) Various Purpose General Obligation Bonds	2,535,700	789,585	0	245,000	544,585	265,000
5.561% (1995) Various Purpose Bonds	2,184,300	1,463,481	0	109,215	1,354,266	105,575
5.533% - (1995) Refunding Bonds	3,900,000	2,006,934	0	265,785	1,741,149	39,426
5.173% - (1998) Justice Center Bonds	12,000,000	11,015,000	0	340,000	10,675,000	355,000
5.402% - (1999) Justice Center Bonds	1,610,000	1,340,000	0	60,000	1,280,000	65,000
2.000% - (2003) Health District Bonds	2,700,000	2,600,000	0	100,000	2,500,000	105,000
2.000% - (2003) Park Acquisition Bonds	3,000,000	2,890,000	0	115,000	2,775,000	115,000
4.280% - (2005) Fire Station Improvement Bonds	7,000,000	0	7,000,000	0	7,000,000	240,000
4.280% - (2005) Road Improvement Bonds	1,700,000	0	1,700,000	0	1,700,000	145,000
Total Unvoted General Obligation Bonds	36,630,000	22,105,000	8,700,000	1,235,000	29,570,000	1,435,001
Total General Obligation Bonds		22,105,000	8,700,000	1,235,000	29,570,000	1,435,001
Ohio Public Works Commission Loans						
0% - (1993) Brookdale Watermain	287,007	121,977	0	14,350	107,627	7,175
0% - (1994) Broadview Road Watermain	116,419	52,388	0	5,820	46,568	2,910
0% - (1995) State Road Watermain	139,367	76,653	0	6,968	69,685	3,484
0% - (1995) West 24th Street Watermain	70,711	41,702	0	3,626	38,076	1,813
0% - (1996) Brookpark Road Watermain	385,263	250,421	0	19,264	231,157	9,632
0% - (1997) State Road Watermain III	250,242	162,658	0	12,512	150,146	6,256
0% - (1999) State Road Sewer Rejuvenation	1,197,683	808,436	0	59,884	748,552	29,942
0% - (1999) Ridge Road Watermain II	383,897	287,922	0	19,194	268,728	9,597
0% - (1999) Gabriella Drive Watermain	383,825	287,870	0	19,190	268,680	9,596
0% - (1999) Chestnut Hills Sanitary Sewer	288,298	230,638	0	14,414	216,224	7,207
Total Ohio Public Works	3,502,712	2,320,665	0	175,222	2,145,443	87,612

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

	Original Issue	Principal Balance 12/31/2004	Increase	Decrease	Principal Balance 12/31/2005	Amount Due Within One Year
Ohio Water Development Authority Loans						
4.350% - (1996) West 16th Sanitary Sewer	157,250	121,824	0	8,849	112,975	4,569
4.350% - (1996) Ackley Road Sanitary Sewer	51,304	39,747	0	2,887	36,860	1,491
4.040% - (1999) Chestnut Hills Sewer	1,901,141	1,533,175	0	101,564	1,431,611	52,326
4.120% - (1999) Brookpark/W60th Sewer	306,381	244,681	0	15,318	229,363	7,896
4.120% - (1999) Ridge Road Watermain	737,688	595,010	0	35,422	559,588	18,260
4.120% - (1999) State Road Watermain	1,095,912	883,949	0	52,623	831,326	27,127
4.120% - (1999) Broadview Road Sewer	178,917	145,654	0	8,258	137,396	4,257
3.910% - (1999) Brookpark/Roseseide Sewer	110,112	49,905	0	0	49,905	0
Total Ohio Water Development Authority	<u>4,538,705</u>	<u>3,613,945</u>	<u>0</u>	<u>224,921</u>	<u>3,389,024</u>	<u>115,926</u>
Other General Long-Term Obligations						
Police and Firemen's Pension Liability		100,754	0	26,195	74,559	27,320
Capital Leases		2,512,994	2,473,797	952,278	4,034,513	857,444
Compensated Absences		<u>2,075,356</u>	<u>479,354</u>	<u>175,685</u>	<u>2,379,025</u>	<u>237,903</u>
Total Other Long-Term Obligations		<u>4,689,104</u>	<u>2,953,151</u>	<u>1,154,158</u>	<u>6,488,097</u>	<u>1,122,667</u>
Total General Long-Term Obligations		<u>34,831,411</u>	<u>11,653,151</u>	<u>2,961,290</u>	<u>43,523,272</u>	<u>2,916,861</u>
Business-Type Activities:						
Capital Leases		82,817	0	31,918	50,899	33,516
Compensated Absences		<u>0</u>	<u>51,137</u>	<u>1,006</u>	<u>50,131</u>	<u>0</u>
Total Other Long-Term Obligations		<u>82,817</u>	<u>51,137</u>	<u>32,924</u>	<u>101,030</u>	<u>33,516</u>
Total General Long-Term Obligations		<u>82,817</u>	<u>51,137</u>	<u>32,924</u>	<u>101,030</u>	<u>33,516</u>
Totals All Obligations		<u>\$ 82,817</u>	<u>51,137</u>	<u>32,924</u>	<u>101,030</u>	<u>33,516</u>

All bonds are secured by the full faith and credit of the City. Such bonds and notes 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.

Special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner fails to pay the assessment, payment would be made by the City. General obligations bonds, with the exception of the internal service fund various purpose bonds, will be paid from the general bond retirement debt service fund. The OPWC and OWDA loans will be repaid from the debt service fund. The police and firemen's pension liability will be paid from levied taxes in the police and fire special revenue fund, and the law enforcement special revenue fund. Compensated absences will be paid from the fund from which the employees' salaries are paid. The capital leases will be paid from the city income tax capital acquisitions fund, municipal golf course enterprise fund and other governmental funds.

The City's overall legal debt margin was \$145,025,412 at December 31, 2005.

City of Parma, Ohio
Notes to the Basic Financial Statements
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Principal and interest requirements to retire the City's, general obligation bonds, special assessment bonds, police and firemen's pension liability, OWDA loans and OPWC loans payable at December 31, 2005 are as follows:

Governmental Activities

	General Obligation Bonds		Special Assessment Bonds		Police and Firemen's Pension	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 1,435,000	1,351,846	\$ 155,655	91,831	\$ 27,320	2,882
2007	1,490,000	1,295,896	146,642	87,937	28,493	1,708
2008	1,540,000	1,236,494	152,099	81,068	18,744	484
2009	1,615,000	1,173,349	162,574	73,873	0	0
2010	1,675,000	1,106,026	168,068	66,104	0	0
2011-2015	8,060,000	4,412,621	1,073,451	284,435	0	0
2016-2020	7,110,000	2,608,339	72,219	7,181	0	0
2021-2025	6,645,000	810,074	0	0	0	0
	<u>\$ 29,570,000</u>	<u>\$ 13,994,645</u>	<u>\$ 1,930,708</u>	<u>\$ 692,429</u>	<u>\$ 74,557</u>	<u>\$ 5,074</u>

	Ohio Water Development Authority Loans		Ohio Public Works Commission Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 115,926	68,386	\$ 87,613	0	\$ 1,821,514	\$ 1,514,945
2007	239,023	129,600	175,226	0	2,079,384	1,515,141
2008	248,914	119,710	175,226	0	2,134,983	1,437,756
2009	259,214	109,410	175,226	0	2,212,014	1,356,632
2010	269,940	98,683	175,226	0	2,288,234	1,270,813
2011-2015	1,555,319	323,739	838,699	0	11,527,469	5,020,795
2016-2020	700,688	39,011	511,013	0	8,393,920	2,654,531
2021-2025	0	0	7,204	0	6,652,204	810,074
	<u>\$ 3,389,024</u>	<u>\$ 888,539</u>	<u>\$ 2,145,433</u>	<u>\$ -</u>	<u>\$ 37,109,722</u>	<u>\$ 15,580,687</u>

Other Governmental Obligations

Capital Lease Arrangements: The City has entered into leases for the acquisition of vehicles and equipment. These lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards Number 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. For governmental funds, capital lease payments are reflected as debt service expenditures in the basic financial statements. In the enterprise fund, capital lease principal payments have been reclassified to reduce the liability and the interest payments have been reclassified as interest and fiscal charges expense.

City of Parma, Ohio
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The assets recorded by the City under capital leases were as follows as of December 31, 2005:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Equipment	\$744,680	\$149,267
Vehicles	3,270,433	0
Software	922,165	0
Less: accumulated depreciation	<u>1,490,492</u>	<u>(29,583)</u>
Carrying value	<u><u>\$3,446,786</u></u>	<u><u>\$119,684</u></u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2005:

<u>Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2006	\$ 978,416	35,624
2007	788,946	17,812
2008	703,118	0
2009	536,510	0
2010	359,450	0
2011-2015	1,178,645	0
2016-2020	<u>85,944</u>	<u>0</u>
Total minimum lease payments	4,631,029	53,436
Less: amount representing interest	<u>596,516</u>	<u>2,537</u>
Present value of minimum lease payments	<u><u>\$ 4,034,513</u></u>	<u><u>50,899</u></u>

Defeasance of Debt: On August 15, 1995, the City of Parma issued \$3.9 million in General Obligation Bonds. Proceeds were used to defease \$3,500,000 of its 1990 various-purpose general obligation bonds scheduled to mature in 2011 by placing the proceeds of the new bond issue in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1990 series bonds. On December 31, 2005, \$1,720,000 of bonds outstanding are considered defeased.

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 15 – NOTES PAYABLE

Note debt activity for governmental activities for the year ended December 31, 2005 consisted of the following:

	Balance at <u>12/31/2004</u>	Issued	Retired	Balance at <u>12/31/2005</u>
2.20% Pleasant Valley Road Sewer Improvement notes	\$ 1,200,000	0	(1,200,000)	0
2.00% Contract Claim Settlement notes	170,000	0	(170,000)	0
2.80% Broadview Road Sanitary Sewer Improvement notes	0	400,000	0	400,000
3.15% West Pleasant Valley Road Sanitary Sewer Improvement notes	<u>0</u>	<u>1,066,000</u>	<u>0</u>	<u>1,066,000</u>
Total	<u>\$ 1,370,000</u>	<u>1,466,000</u>	<u>(1,370,000)</u>	<u>1,466,000</u>

All notes are backed by the full faith and credit of the City and mature within one year. The liability for the \$400,000 Broadview Road Sanitary Sewer Improvement notes and \$1,066,000 West Pleasant Valley Road Sanitary Sewer Improvement notes outstanding at year-end are reflected in the Sewer Improvement fund. The \$1,466,000 Notes Payable are reflected on the Governmental Funds Balance Sheet and on the Statement of Net Assets.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

Parma Community General Hospital Association The Parma Community General Hospital Association is a not-for-profit adult care hospital controlled by a Board of Trustees that is composed of mayoral appointees from the cities of Parma, North Royalton, Brooklyn, Parma Heights, Seven Hills, and Brooklyn Heights. Each city has two representatives on the Board, other than Parma, which has six. The operations, maintenance, and management of the Hospital are the exclusive charge of the Parma Community General Hospital Association. The City's degree of control is limited to its appointments to the Board of Trustees.

Additions to the Hospital have been financed by the issuance of hospital revenue bonds. The bonds are backed solely by the revenues of the Hospital. The Cities have no responsibility for the payment of the bonds, nor is there any ongoing financial interest or responsibility by the City to the Hospital.

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.

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Southwest Council of Governments: The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The 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.

NOTE 17 - CONTINGENCIES

General Contingencies: Various claims and lawsuits are pending against the City. In accordance with GASB Statement No. 10, those claims which are considered "probable" are accrued (see Note 10), while those claims that are considered "reasonably possible" are disclosed but not accrued.

As of December 31, 2005, the amount of claims against the City for which an unfavorable outcome is deemed to be reasonably possible, aggregated \$86,500 for governmental funds.

These estimates were based on a case-by-case review of outstanding claims by the City's Law Director.

Contingencies Under Grant Programs: The City participates in a number of federally assisted Investment Act grant programs, principal of which are Community Development Block Grants. These programs are subject to financial and compliance audits by the grantors or their representatives. Audits have been completed by granting agencies for the Parma Public Housing Agency grants. The City believes that disallowed costs on other grants, if any, would not be material.

NOTE 18 – NEW ACCOUNTING STANDARDS

In 2003, the Governmental Accounting Standards Board (GASB) issued Statement No. 40, *Deposits and Investment Risk Disclosures* (an amendment of GASB Statement No. 3). This Statement addresses disclosures related to common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified in this Statement should also be disclosed. Statement No. 40 is effective for the City in 2005.

In 2003, the GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement establishes accounting and financial reporting standards for the impairment of capital assets. This Statement also clarifies and establishes accounting requirements for insurance recoveries. Statement No. 42 is effective for City in 2005. This Statement has no impact on the City.

In 2004, the GASB issued Statement No.45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which addresses how state and local governments should account for and report their costs and obligations related to postemployment health care and other non-pension benefits. Collectively, these benefits are commonly referred to as "other postemployment benefits", or OPEB. Statement No. 45 will not be effective for the City until 2008 and, therefore, the City has not determined the impact, if any, that this statement will have on its financial statements.

City of Parma, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

In 2004, the GASB issued Statement No. 46, *Net Assets Restricted by Legislation* (an amendment of GASB Statement No. 34, which requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets), which clarifies that a legally enforceable enabling legislation restriction is one that a party external to the government—such as citizens, public interest groups, or the judiciary—can compel a government to honor. This Statement also specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. Statement No. 46 will not be effective for the City until 2006 and, therefore, the City has not determined the impact, if any, that this statement will have on its financial statements.

In 2005, the GASB issued Statement No. 47, *Accounting for Termination Benefits*, which requires employers to disclose a description of the termination benefit arrangement, the cost of the termination benefits (required in the period in which the employer becomes obligated if that information is not otherwise identifiable from information displayed on the face of the financial statements), and significant methods and assumptions used to determine termination benefit liabilities. Statement No. 46 will not be effective for the City until 2006 and, therefore, the City has not determined the impact, if any, that this statement will have on its financial statements.

NOTE 19 – SUBSEQUENT EVENTS

On March 16, 2006, the City issued \$419,000 Broadview Road Sanitary Sewer Improvement Bond Anticipation Notes with an interest rate of 4.00 percent maturing July 19th 2007.

On March 23, 2006, the City issued \$10,200,000 Municipal Facility Improvement Refunding Bonds with an average interest rate of 4.07 percent, with a final maturity date of December 1, 2024.

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CITY OF PARMA, OHIO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The City's special revenue funds are described below.

Paramedic Levy - To account for tax revenues restricted to providing emergency medical services within the City.

Land Acquisitions - To account for revenues designated for the purchase of land for park purposes.

Parks and Recreation - To account for revenues received from insurance fees, gifts, donations, rents, and contributions designated for recreation programs.

Parma Public Housing - To account for revenues received from the federal government to operate the Parma Public Housing department.

Community Development Block Grant - To account for revenues received from the federal government and expenditures for the Community Development Block Grant Program.

Street Construction, Maintenance and Repair - To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

State Highway - To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

Municipal Motor Vehicle License Tax - To account for that portion of both city and county license tax designated for maintenance of streets within the City.

Noxious Weeds - To account for the cost of providing care to property not maintained by the property owner.

Street Lighting - To account for revenues and expenditures related to lighting the City's streets.

Police Pension - To accumulate property taxes for the partial payment of the current and accrued liability for police disability and pension benefits.

Fire Pension - To accumulate property taxes for the partial payment of the current and accrued liability for fire disability and pension benefits.

(continued)

SPECIAL REVENUE FUNDS (continued)

Law Enforcement - To account for certain law enforcement revenue to be expended for incarceration costs.

Police Levy - To account for revenue from the police operating levy.

Fire Levy - To account for revenue from the fire operating levy.

Sewer Maintenance - To account for the revenues and expenditures of the sewer department.

Fair Housing - To account for grant revenue to assure fair housing within the City.

Community Center - To account for the revenues and expenditures of the community center.

Title III Grant - To account for grant revenues for senior citizens programs.

Senior Donations - To account for donations to senior citizens programs.

Housing Maintenance Code - To account for activity associated with the enforcement of City property maintenance standards.

Roadway Industrial Parkway - To account for activity associated with the Roadway Industrial Parkway.

Enterprise Zone Monitoring - To account for activity associated with the City's enterprise zone.

Local Law Enforcement Block Grant - To account for grant revenues and expenditures as prescribed by the Local Law Enforcement Block Grant program.

EMS Grant - To account for activity associated with the emergency medical services grant.

Court Security Grant - To account for activity associated with the court security grant.

Juvenile Diversion Program - To account for activity associated with Juvenile Diversion Program.

Victims of Crime Compensation Program - To account for activity associated with the Victims of Crime Compensation Program.

Traffic Intervention Program - To account for activity associated with Traffic Intervention Program.

Senior Facility Grant - To account for activity associated with the senior facility grant.

Schaff Community Center - To account for activity associated with the Schaff Community Center grant.

Stearns Farm - To account for activity associated with the Stearns Farm grant.

Litter Prevention and Recycling - To account for activity associated with the Litter Prevention and Recycling grant.

(continued)

SPECIAL REVENUE FUNDS (continued)

Customer Service Center - To account for activity associated with the Customer Service Center grant.

Nature Works - To account for activity associated with the Nature Works grant.

America Beautiful - To account for activity associated with the America Beautiful grant.

West Creek Preservation – To account for activity associated with the West Creek Preservation recreational preserve.

Ohio and Erie Canal – To account for activity associated with the Ohio and Erie Canal recreational area.

Disaster Preparedness – To account for activity associated with the Disaster Preparedness fund.

County Health Loan – To account for activity associated with the County Health Loan fund.

James A. Lovell Park – To account for activity associated with the park named in honor of U.S. Navy captain (retired) and Apollo astronaut James A. Lovell.

Animal Shelter – To account for activity associated with the City’s animal shelter.

DUI Prevention Task Force – To account for activity associated with the DUI Prevention Task Force fund.

Recreation Trust – To account for activity associated with the Recreation Trust fund.

Curb Cutting – To account for activity associated with the Curb Cutting fund.

Tree Planting – To account for activity associated with the City’s Tree Planting fund.

Vista Ridge – To account for activity associated with the Vista Ridge subdivision fund.

FEMA Assistance to Firefighters – To account for activity associated with the FEMA Assistance to Firefighters grant.

Community Emergency Response Team – To account for activity associated with the Community Emergency Response Team grant.

PMC Clerk Computerization – To account for activity associated with the Parma Municipal Court Clerk Computerization program.

Henninger Homestead – To account for activity associated with the acquisition and improvement of the Henninger Homestead.

Brownfield Redevelopment – To account for activity associated with brownfield redevelopment activity within the City.

(continued)

SPECIAL REVENUE FUNDS (continued)

Urban Area Security Grant - To account for activity associated with the Urban Area Security Grant.

Transportation for Livable Communities Initiative - To account for activity associated with the Transportation for Livable Communities Initiative.

Capability Enhancement via Technology - To account for activity associated with the Capability Enhancement via Technology Grant.

CAPITAL PROJECTS FUNDS

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The City's capital project funds are described below.

Library - To account for activity associated with the conversion of the Royal Ridge Elementary School into a branch of the Cuyahoga County Public Library.

Sewer Construction - To account for activity associated with the financing and construction of City sanitary sewers.

Street Improvement - To account for activity associated with the financing and improvement of City streets.

Sidewalks - To account for special assessments for sidewalk installation and maintenance.

Senior Citizens Center - To account for activity associated with the financing and construction of the Senior Citizens Center.

Courts Capital Improvement - To account for activity associated with capital improvements at the Parma Municipal Court District.

City Hall Capital Improvements - To account for activity associated with improvements to city hall.

Justice Center - To account for activity associated with the construction of the court and jail facility.

Gannett Land Purchase – To account for activity associated with the Gannet Land Purchase fund.

City of Parma, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

	<u>Paramedic Levy</u>	<u>Land Acquisitions</u>	<u>Parks and Recreation</u>	<u>Parma Public Housing</u>	<u>Community Development Block Grant</u>
Assets					
Equity in pooled cash and cash equivalents	\$ 174,821	3,866	174,837	36,378	184,973
Cash and cash equivalents in segregated accounts	0	0	0	320,194	72,488
Taxes receivable	0	0	0	0	0
Special assessments receivable	0	0	0	0	0
Accrued interest receivable	0	65	0	0	0
Due from other funds	0	0	0	0	0
Due from other governments	0	0	0	0	0
Materials and supplies inventory	0	0	0	0	0
Loans receivable	0	0	0	0	12,605
Total assets	<u><u>\$ 174,821</u></u>	<u><u>3,931</u></u>	<u><u>174,837</u></u>	<u><u>356,572</u></u>	<u><u>270,066</u></u>
Liabilities					
Accounts payable	\$ 39,255	0	1,117	0	230
Contracts payable	0	0	0	0	0
Interfund payable	0	0	0	50,000	15,000
Accrued wages and benefits	1,455	0	0	6,627	3,969
Compensated absences payable	758	0	0	631	1,023
Retainage payable	0	0	0	0	0
Due to other governments	218	0	0	994	596
Deferred revenue	0	0	0	0	0
Notes payable	0	0	0	0	0
Total liabilities	<u><u>41,686</u></u>	<u><u>0</u></u>	<u><u>1,117</u></u>	<u><u>58,252</u></u>	<u><u>20,818</u></u>
Fund balances					
Reserved for encumbrances	0	0	20,946	0	0
Reserved for inventory	0	0	0	0	0
Reserved for loans	0	0	0	0	12,605
Unreserved, undesignated (deficit)	133,135	3,931	152,774	298,320	236,643
Total fund balance (deficit)	<u><u>133,135</u></u>	<u><u>3,931</u></u>	<u><u>173,720</u></u>	<u><u>298,320</u></u>	<u><u>249,248</u></u>
Total liabilities and fund balances	<u><u>\$174,821</u></u>	<u><u>3,931</u></u>	<u><u>174,837</u></u>	<u><u>356,572</u></u>	<u><u>270,066</u></u>

<u>Street Construction, Maintenance and Repair</u>	<u>State Highway</u>	<u>Municipal Motor Vehicle License Tax</u>	<u>Noxious Weeds</u>	<u>Street Lighting</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Law Enforcement</u>
258,355	44,169	15,912	0	0	51,939	67,128	1,125,207
0	0	0	0	0	0	0	0
0	0	0	0	0	383,117	466,393	0
0	0	0	36,631	0	0	0	0
22	168	395	0	0	0	0	671
0	0	0	0	0	0	0	7,574
1,294,119	104,929	264,356	0	0	29,933	29,933	0
205,555	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>1,758,051</u>	<u>149,266</u>	<u>280,663</u>	<u>36,631</u>	<u>0</u>	<u>464,989</u>	<u>563,454</u>	<u>1,133,452</u>

7,436	4,424	0	0	208,290	0	0	8,329
20,095	0	0	0	0	0	0	0
0	0	0	13,442	0	0	0	0
107,137	5,017	0	0	0	0	0	0
15,740	749	0	0	0	0	0	0
0	0	0	0	0	0	0	0
15,587	706	0	0	0	21,859	25,100	0
1,081,554	73,820	181,692	36,631	0	415,592	415,592	0
0	0	0	0	0	0	0	0
<u>1,247,549</u>	<u>84,716</u>	<u>181,692</u>	<u>50,073</u>	<u>208,290</u>	<u>437,451</u>	<u>440,692</u>	<u>8,329</u>

0	0	0	0	0	0	0	0
205,555	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
304,947	64,550	98,971	(13,442)	(208,290)	27,538	122,762	1,125,123
<u>510,502</u>	<u>64,550</u>	<u>98,971</u>	<u>(13,442)</u>	<u>(208,290)</u>	<u>27,538</u>	<u>122,762</u>	<u>1,125,123</u>
<u>1,758,051</u>	<u>149,266</u>	<u>280,663</u>	<u>36,631</u>	<u>0</u>	<u>464,989</u>	<u>563,454</u>	<u>1,133,452</u>

(continued)

City of Parma, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds - continued
December 31, 2005

	<u>Police Levy</u>	<u>Fire Levy</u>	<u>Sewer Maintenance</u>	<u>Fair Housing</u>	<u>Community Center</u>
Assets					
Equity in pooled cash and cash equivalents	\$ 1,318	35,233	50,477	19,835	7,883
Cash and cash equivalents in segregated accounts	0	0	0	0	0
Taxes receivable	0	1,656,791	0	0	0
Special assessments receivable	0	0	0	0	0
Accrued interest receivable	0	0	0	0	0
Due from other funds	0	0	0	0	0
Due from other governments	0	101,864	0	0	0
Materials and supplies inventory	0	0	0	0	0
Loans receivable	0	0	0	0	0
Total assets	<u>1,318</u>	<u>1,793,888</u>	<u>50,477</u>	<u>19,835</u>	<u>7,883</u>
Liabilities					
Accounts payable	\$ 0	10,407	1,613	0	16,098
Contracts payable	0	0	0	0	0
Interfund payable	0	0	0	0	0
Accrued wages and benefits	0	0	17,075	1,392	1,868
Compensated absences payable	0	0	980	0	329
Retainage payable	0	0	0	0	0
Due to other governments	0	0	2,371	209	804
Deferred revenue	0	1,487,462	0	0	0
Notes payable	0	0	0	0	0
Total liabilities	<u>0</u>	<u>1,497,869</u>	<u>22,039</u>	<u>1,601</u>	<u>19,099</u>
Fund balance					
Reserved for encumbrances	0	0	0	0	0
Reserved for inventory	0	0	0	0	0
Reserved for loans	0	0	0	0	0
Unreserved, undesignated (deficit)	1,318	296,019	28,438	18,234	(11,216)
Total fund balance (deficit)	<u>1,318</u>	<u>296,019</u>	<u>28,438</u>	<u>18,234</u>	<u>(11,216)</u>
Total liabilities and fund balances	<u>\$ 1,318</u>	<u>1,793,888</u>	<u>50,477</u>	<u>19,835</u>	<u>7,883</u>

<u>Title III</u>	<u>Senior Donations</u>	<u>Housing Maintenance Code</u>	<u>Roadway Industrial Parkway</u>	<u>Enterprise Zone Monitoring</u>	<u>Local Law Enforcement Block Grant</u>	<u>EMS Grant</u>	<u>Court Security Grant</u>
47,539	122,221	24,416	479,765	7,327	2,402	79,978	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	5	0	0
0	0	492	0	0	0	0	0
0	0	0	0	0	11,003	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>47,539</u>	<u>122,221</u>	<u>24,908</u>	<u>479,765</u>	<u>7,327</u>	<u>13,410</u>	<u>79,978</u>	<u>0</u>

0	6,705	1,384	0	0	0	39,750	0
0	0	33	0	0	0	0	0
0	0	0	0	0	0	0	0
3,517	2,052	4,634	0	0	0	0	0
1,175	400	116	0	0	0	0	0
0	0	0	0	0	0	0	0
10,474	308	695	0	0	58	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>15,166</u>	<u>9,465</u>	<u>6,862</u>	<u>0</u>	<u>0</u>	<u>58</u>	<u>39,750</u>	<u>0</u>

0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
32,373	112,756	18,046	479,765	7,327	13,352	40,228	0
<u>32,373</u>	<u>112,756</u>	<u>18,046</u>	<u>479,765</u>	<u>7,327</u>	<u>13,352</u>	<u>40,228</u>	<u>0</u>
<u>47,539</u>	<u>122,221</u>	<u>24,908</u>	<u>479,765</u>	<u>7,327</u>	<u>13,410</u>	<u>79,978</u>	<u>0</u>

(continued)

City of Parma, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds - continued
December 31, 2005

	<u>Juvenile Diversion Program</u>	<u>Victims of Crime Compensation</u>	<u>Traffic Intervention Program</u>	<u>Senior Facility Grant</u>	<u>Schaff Community Center</u>
Assets					
Equity in pooled cash and cash equivalents	\$ 3,130	0	13,556	0	10,458
Cash and cash equivalents in segregated accounts	0	0	0	0	0
Taxes receivable	0	0	0	0	0
Special assessments receivable	0	0	0	0	0
Accrued interest receivable	0	0	0	0	0
Due from other funds	0	0	2,729	0	0
Due from other governments	0	0	0	0	0
Materials and supplies inventory	0	0	0	0	0
Loans receivable	0	0	0	0	0
Total assets	<u>3,130</u>	<u>0</u>	<u>16,285</u>	<u>0</u>	<u>10,458</u>
Liabilities					
Accounts payable	\$ 0	0	0	0	0
Contracts payable	0	0	0	0	0
Interfund payable	0	0	0	0	0
Accrued wages and benefits	0	708	0	0	0
Compensated absences payable	0	354	0	0	0
Retainage payable	0	0	0	0	0
Due to other governments	0	106	0	0	0
Deferred revenue	0	0	0	0	0
Notes payable	0	0	0	0	0
Total liabilities	<u>0</u>	<u>1,168</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance					
Reserved for encumbrances	0	0	0	0	0
Reserved for inventory	0	0	0	0	0
Reserved for loans	0	0	0	0	0
Unreserved, undesignated (deficit)	3,130	(1,168)	16,285	0	10,458
Total fund balance (deficit)	<u>3,130</u>	<u>(1,168)</u>	<u>16,285</u>	<u>0</u>	<u>10,458</u>
Total liabilities and fund balances	<u>\$ 3,130</u>	<u>0</u>	<u>16,285</u>	<u>0</u>	<u>10,458</u>

<u>Stearns Farm</u>	<u>Litter Prevention and Recycling</u>	<u>Customer Service Center</u>	<u>Nature Works</u>	<u>America Beautiful</u>	<u>West Creek Preservation</u>	<u>Ohio and Erie Canal</u>
29,525	2,163	2,543	3,200	97	0	5,848
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>29,525</u>	<u>2,163</u>	<u>2,543</u>	<u>3,200</u>	<u>97</u>	<u>0</u>	<u>5,848</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	228,344	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>228,344</u>	<u>0</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
29,525	2,163	2,543	3,200	97	(228,344)	5,848
<u>29,525</u>	<u>2,163</u>	<u>2,543</u>	<u>3,200</u>	<u>97</u>	<u>(228,344)</u>	<u>5,848</u>
<u>29,525</u>	<u>2,163</u>	<u>2,543</u>	<u>3,200</u>	<u>97</u>	<u>0</u>	<u>5,848</u>

(continued)

City of Parma, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds - continued
December 31, 2005

	<u>Disaster Preparedness</u>	<u>County Health Loan</u>	<u>James A. Lovell Park</u>	<u>Animal Shelter</u>
Assets				
Equity in pooled cash and cash equivalents	\$ 18,426	0	1,442	13,717
Cash and cash equivalents in segregated accounts	0	0	0	0
Taxes receivable	0	0	0	0
Special assessments receivable	0	0	0	0
Accrued interest receivable	0	0	0	0
Due from other funds	0	0	0	0
Due from other governments	0	0	0	0
Materials and supplies inventory	0	0	0	0
Loans receivable	0	0	0	0
Total assets	<u><u>\$ 18,426</u></u>	<u><u>0</u></u>	<u><u>1,442</u></u>	<u><u>13,717</u></u>
Liabilities				
Accounts payable	\$ 440	0	0	665
Contracts payable	0	0	0	0
Interfund payable	0	0	0	0
Accrued wages and benefits	0	0	0	0
Compensated absences payable	0	0	0	0
Retainage payable	0	0	0	0
Due to other governments	0	0	0	0
Deferred revenue	0	0	0	0
Notes payable	0	0	0	0
Total liabilities	<u><u>440</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>665</u></u>
Fund balance				
Reserved for encumbrances	0	0	0	0
Reserved for inventory	0	0	0	0
Reserved for loans	0	0	0	0
Unreserved, undesignated (deficit)	17,986	0	1,442	13,052
Total fund balance (deficit)	<u><u>17,986</u></u>	<u><u>0</u></u>	<u><u>1,442</u></u>	<u><u>13,052</u></u>
Total liabilities and fund balances	<u><u>\$ 18,426</u></u>	<u><u>0</u></u>	<u><u>1,442</u></u>	<u><u>13,717</u></u>

DUI Prevention Task Force	Recreation	Curb Cutting	Tree Planting	Vista Ridge
3,996	19,728	15,723	2,100	27,568
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>3,996</u>	<u>19,728</u>	<u>15,723</u>	<u>2,100</u>	<u>27,568</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
3,996	19,728	15,723	2,100	27,568
<u>3,996</u>	<u>19,728</u>	<u>15,723</u>	<u>2,100</u>	<u>27,568</u>
<u>3,996</u>	<u>19,728</u>	<u>15,723</u>	<u>2,100</u>	<u>27,568</u>

(continued)

City of Parma, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds - continued
December 31, 2005

	FEMA Assistance to Firefighters	Community Emergency Response Team	PMC Clerk Computerization	Henninger Homestead
Assets				
Equity in pooled cash and cash equivalents	\$ 206	1,060	24,776	6,015
Cash and cash equivalents in segregated accounts	0	0	0	0
Taxes receivable	0	0	0	0
Special assessments receivable	0	0	0	0
Accrued interest receivable	0	0	0	0
Due from other funds	0	0	10,155	0
Due from other governments	0	0	0	0
Materials and supplies inventory	0	0	0	0
Loans receivable	0	0	0	0
Total assets	<u>\$ 206</u>	<u>1,060</u>	<u>34,931</u>	<u>6,015</u>
Liabilities				
Accounts payable	\$ 0	0	8,244	0
Contracts payable	0	0	0	0
Interfund payable	0	0	0	0
Accrued wages and benefits	0	0	0	0
Compensated absences payable	0	0	0	0
Retainage payable	0	0	0	0
Due to other governments	0	0	0	0
Deferred revenue	0	0	0	0
Notes payable	0	0	0	0
Total liabilities	<u>0</u>	<u>0</u>	<u>8,244</u>	<u>0</u>
Fund balance				
Reserved for encumbrances	0	0	0	0
Reserved for inventory	0	0	0	0
Reserved for loans	0	0	0	0
Unreserved, undesignated (deficit)	206	1,060	26,687	6,015
Total fund balance (deficit)	<u>206</u>	<u>1,060</u>	<u>26,687</u>	<u>6,015</u>
Total liabilities and fund balances	<u>\$ 206</u>	<u>1,060</u>	<u>34,931</u>	<u>6,015</u>

<u>Brownfield Redevelopment</u>	<u>Transportation for Livable Communities</u>	<u>Capability Enhancement via Technology</u>	<u>All Nonmajor Special Revenue</u>
0	5,000	30,000	3,256,256
0	0	0	392,682
0	0	0	2,506,301
0	0	0	36,631
0	0	0	1,326
0	0	0	20,950
0	0	0	1,836,137
0	0	0	205,555
0	0	0	12,605
<u>0</u>	<u>5,000</u>	<u>30,000</u>	<u>8,268,443</u>
0	0	0	354,387
0	0	0	20,128
0	0	0	306,786
0	0	0	155,451
0	0	0	22,255
0	0	0	0
0	0	0	80,085
0	0	0	3,692,343
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,631,435</u>
0	0	0	20,946
0	0	0	205,555
0	0	0	12,605
0	5,000	30,000	3,397,902
<u>0</u>	<u>5,000</u>	<u>30,000</u>	<u>3,637,008</u>
<u>0</u>	<u>5,000</u>	<u>30,000</u>	<u>8,268,443</u>

(continued)

City of Parma, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds - continued
December 31, 2005

	<u>Library</u>	<u>Sewer Construction</u>	<u>Street Improvement</u>	<u>Sidewalks</u>
Assets				
Equity in pooled cash and cash equivalents	\$ 0	36,310	1,538,783	16,328
Cash and cash equivalents in segregated accounts	0	0	0	0
Taxes receivable	0	0	0	0
Special assessments receivable	0	0	0	12,557
Accrued interest receivable	125	0	0	0
Due from other funds	0	0	0	0
Due from other governments	0	0	0	0
Materials and supplies inventory	0	0	0	0
Loans receivable	0	0	0	0
Total assets	<u><u>\$ 125</u></u>	<u><u>36,310</u></u>	<u><u>1,538,783</u></u>	<u><u>28,885</u></u>
Liabilities				
Accounts payable	\$ 0	2,404	1,060	0
Contracts payable	0	0	0	0
Interfund payable	0	261,281	0	0
Accrued wages and benefits	0	0	0	0
Compensated absences payable	0	0	0	0
Retainage payable	0	0	0	0
Due to other governments	0	0	0	0
Deferred revenue	0	0	0	12,557
Notes payable	0	1,466,000	0	0
Total liabilities	<u><u>0</u></u>	<u><u>1,729,685</u></u>	<u><u>1,060</u></u>	<u><u>12,557</u></u>
Fund balance				
Reserved for encumbrances	0	0	0	0
Reserved for inventory	0	0	0	0
Reserved for loans	0	0	0	0
Unreserved, undesignated (deficit)	125	(1,693,375)	1,537,723	16,328
Total fund balance (deficit)	<u><u>125</u></u>	<u><u>(1,693,375)</u></u>	<u><u>1,537,723</u></u>	<u><u>16,328</u></u>
Total liabilities and fund balances	<u><u>\$ 125</u></u>	<u><u>36,310</u></u>	<u><u>1,538,783</u></u>	<u><u>28,885</u></u>

Senior Citizens Center	Courts Capital Improvement	City Hall Capital Improvements	Justice Center	Gannett Land Purchase
576	16,254	16,259	55,001	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
650	0	0	858	0
0	35	0	0	0
0	0	0	0	10,024
0	0	0	0	0
0	0	0	0	0
<u>1,226</u>	<u>16,289</u>	<u>16,259</u>	<u>55,859</u>	<u>10,024</u>

0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
35,752	0	0	0	0
0	0	0	0	0
0	0	0	0	10,024
0	0	0	0	0
<u>35,752</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,024</u>

0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
(34,526)	16,289	16,259	55,859	0
<u>(34,526)</u>	<u>16,289</u>	<u>16,259</u>	<u>55,859</u>	<u>0</u>
<u>1,226</u>	<u>16,289</u>	<u>16,259</u>	<u>55,859</u>	<u>10,024</u>

(continued)

City of Parma, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds - continued
December 31, 2005

	All Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
Assets		
Equity in pooled cash and cash equivalents	\$ 1,679,511	4,935,767
Cash and cash equivalents in segregated accounts	0	392,682
Taxes receivable	0	2,506,301
Special assessments receivable	12,557	49,188
Accrued interest receivable	1,633	2,959
Due from other funds	35	20,985
Due from other governments	10,024	1,846,161
Materials and supplies inventory	0	205,555
Loans receivable	0	12,605
	<u> </u>	<u> </u>
Total assets	<u>\$ 1,703,760</u>	<u>9,972,203</u>
Liabilities		
Accounts payable	\$ 3,464	357,851
Contracts payable	0	20,128
Interfund payable	261,281	568,067
Accrued wages and benefits	0	155,451
Compensated absences payable	0	22,255
Retainage payable	35,752	35,752
Due to other governments	0	80,085
Deferred revenue	22,581	3,714,924
Notes payable	1,466,000	1,466,000
	<u> </u>	<u> </u>
Total liabilities	<u>1,789,078</u>	<u>6,420,513</u>
Fund balance		
Reserved for encumbrances	0	20,946
Reserved for inventory	0	205,555
Reserved for loans	0	12,605
Unreserved, undesignated (deficit)	(85,318)	3,312,584
	<u> </u>	<u> </u>
Total fund balance (deficit)	<u>(85,318)</u>	<u>3,551,690</u>
Total liabilities and fund balances	<u>\$ 1,703,760</u>	<u>9,972,203</u>

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City of Parma, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2005

	<u>Paramedic Levy</u>	<u>Land Acquisitions</u>	<u>Parks and Recreation</u>	<u>Parma Public Housing</u>	<u>Community Development Block Grant</u>
Revenues					
Property and other taxes	\$ 0	0	0	0	0
Charges for services	784,935	0	51,978	84,026	4,403
Fees, licenses and permits	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0
Intergovernmental	5,925	0	1,469	5,517,431	1,518,007
Donations	0	0	86,253	0	0
Rents	0	0	160,404	0	0
Special assessments	0	0	0	0	0
Interest	7,081	80	4,193	2,254	180
Other	0	0	7,109	0	0
Total revenues	<u>797,941</u>	<u>80</u>	<u>311,406</u>	<u>5,603,711</u>	<u>1,522,590</u>
Expenditures					
Current					
Legislative and executive	0	0	0	0	0
Security of persons and property	762,105	0	0	0	0
Transportation	0	0	0	0	0
Community environment	0	0	0	5,487,415	980,173
Basic utility services	0	0	0	0	0
Leisure time activities	0	0	134,675	0	0
Capital outlay	0	0	61,152	0	1,367
Debt service					
Principal retirement	0	0	41,944	0	0
Interest and fiscal charges	0	0	5,844	0	0
Total expenditures	<u>762,105</u>	<u>0</u>	<u>243,615</u>	<u>5,487,415</u>	<u>981,540</u>
Excess of revenues over (under) expenditures	<u>35,836</u>	<u>80</u>	<u>67,791</u>	<u>116,296</u>	<u>541,050</u>
Other financing sources (uses)					
Proceeds of notes	0	0	0	0	0
Operating transfers - in	0	0	0	0	13,581
Operating transfers - out	0	0	(52,000)	0	(155,581)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(52,000)</u>	<u>0</u>	<u>(142,000)</u>
Net change in fund balances	35,836	80	15,791	116,296	399,050
Fund balances (deficit) at beginning of year	<u>97,299</u>	<u>3,851</u>	<u>157,929</u>	<u>182,024</u>	<u>(149,802)</u>
Fund balances (deficit) at end of year	<u>\$ 133,135</u>	<u>3,931</u>	<u>173,720</u>	<u>298,320</u>	<u>249,248</u>

(continued)

<u>Street Construction, Maintenance and Repair</u>	<u>State Highway</u>	<u>Municipal Motor Vehicle License Tax</u>	<u>Noxious Weeds</u>	<u>Street Lighting</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Law Enforcement</u>
0	0	0	0	0	441,708	441,708	0
2,056	0	0	0	0	0	0	324,709
1,148	0	0	0	0	0	0	0
0	0	0	0	0	0	0	126,373
2,599,254	225,864	495,811	0	0	59,863	59,865	23,527
0	0	0	0	0	0	0	955
0	0	0	0	0	0	0	12,754
0	0	0	11,474	821,692	0	0	0
0	152	6,888	0	0	0	0	8,750
0	0	0	0	0	0	0	0
<u>2,602,458</u>	<u>226,016</u>	<u>502,699</u>	<u>11,474</u>	<u>821,692</u>	<u>501,571</u>	<u>501,573</u>	<u>497,068</u>
0	0	0	17,450	0	0	0	0
0	0	0	0	0	1,252,915	1,653,807	143,517
5,425,719	273,301	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	987,247	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	26,636
0	0	0	0	0	26,195	0	5,747
0	0	0	0	0	4,007	0	0
<u>5,425,719</u>	<u>273,301</u>	<u>0</u>	<u>17,450</u>	<u>987,247</u>	<u>1,283,117</u>	<u>1,653,807</u>	<u>175,900</u>
<u>(2,823,261)</u>	<u>(47,285)</u>	<u>502,699</u>	<u>(5,976)</u>	<u>(165,555)</u>	<u>(781,546)</u>	<u>(1,152,234)</u>	<u>321,168</u>
0	0	0	0	0	0	0	0
2,591,178	69,474	0	0	35,884	467,424	1,293,750	1,271
0	0	(650,000)	0	0	0	0	(26,250)
<u>2,591,178</u>	<u>69,474</u>	<u>(650,000)</u>	<u>0</u>	<u>35,884</u>	<u>467,424</u>	<u>1,293,750</u>	<u>(24,979)</u>
(232,083)	22,189	(147,301)	(5,976)	(129,671)	(314,122)	141,516	296,189
<u>742,585</u>	<u>42,361</u>	<u>246,272</u>	<u>(7,466)</u>	<u>(78,619)</u>	<u>341,660</u>	<u>(18,754)</u>	<u>828,934</u>
<u>510,502</u>	<u>64,550</u>	<u>98,971</u>	<u>(13,442)</u>	<u>(208,290)</u>	<u>27,538</u>	<u>122,762</u>	<u>1,125,123</u>

(continued)

City of Parma, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds - continued
For the Year Ended December 31, 2005

	<u>Police Levy</u>	<u>Fire Levy</u>	<u>Sewer Maintenance</u>	<u>Fair Housing</u>	<u>Community Center</u>
Revenues					
Property and other taxes	\$ 0	1,571,304	0	0	0
Charges for services	0	0	118,158	32	9,145
Fees, licenses and permits	0	0	33,991	0	0
Fines and forfeitures	0	0	0	0	0
Intergovernmental	0	203,725	0	248,002	0
Donations	0	0	0	0	700
Rents	0	0	0	0	61,585
Special assessments	0	0	0	0	0
Interest	0	0	0	0	0
Other	0	0	0	0	0
Total revenues	<u>0</u>	<u>1,775,029</u>	<u>152,149</u>	<u>248,034</u>	<u>71,430</u>
Expenditures					
Current					
Legislative and executive	0	0	0	0	0
Security of persons and property	118,045	575,106	0	0	0
Transportation	0	0	0	0	0
Community environment	0	0	0	239,610	0
Basic utility services	0	0	902,383	0	0
Leisure time activities	0	0	0	0	248,611
Capital outlay	0	18,200	0	0	0
Debt service					
Principal retirement	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0
Total expenditures	<u>118,045</u>	<u>593,306</u>	<u>902,383</u>	<u>239,610</u>	<u>248,611</u>
Excess of revenues over (under) expenditures	<u>(118,045)</u>	<u>1,181,723</u>	<u>(750,234)</u>	<u>8,424</u>	<u>(177,181)</u>
Other financing sources (uses)					
Proceeds of notes	0	0	0	0	0
Operating transfers - in	0	0	722,339	83,102	100,000
Operating transfers - out	(322,424)	(1,205,000)	0	0	0
Total other financing sources (uses)	<u>(322,424)</u>	<u>(1,205,000)</u>	<u>722,339</u>	<u>83,102</u>	<u>100,000</u>
Net change in fund balances	(440,469)	(23,277)	(27,895)	91,526	(77,181)
Fund balances (deficit) at beginning of year	<u>441,787</u>	<u>319,296</u>	<u>56,333</u>	<u>(73,292)</u>	<u>65,965</u>
Fund balances (deficit) at end of year	<u>\$ 1,318</u>	<u>296,019</u>	<u>28,438</u>	<u>18,234</u>	<u>(11,216)</u>

<u>Title III</u>	<u>Senior Donations</u>	<u>Housing Maintenance Code</u>	<u>Roadway Industrial Parkway</u>	<u>Enterprise Zone Monitoring</u>	<u>Local Law Enforcement Block Grant</u>	<u>EMS Grant</u>	<u>Court Security Grant</u>
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	32	0	0	0	0	0
0	0	9,267	0	0	0	0	0
72,400	9,124	0	0	2,500	0	133,323	0
107,129	117,276	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	10,766	0	0	0	0
0	0	0	0	0	0	0	0
<u>179,529</u>	<u>126,400</u>	<u>9,299</u>	<u>10,766</u>	<u>2,500</u>	<u>0</u>	<u>133,323</u>	<u>0</u>
0	0	0	0	0	0	0	0
0	0	0	0	0	0	85,570	0
0	0	0	91,669	0	0	0	0
0	0	138,540	0	0	0	0	0
0	0	0	0	0	0	0	0
270,108	128,973	0	0	0	0	0	0
1,172	0	610	0	0	0	55,027	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>271,280</u>	<u>128,973</u>	<u>139,150</u>	<u>91,669</u>	<u>0</u>	<u>0</u>	<u>140,597</u>	<u>0</u>
<u>(91,751)</u>	<u>(2,573)</u>	<u>(129,851)</u>	<u>(80,903)</u>	<u>2,500</u>	<u>0</u>	<u>(7,274)</u>	<u>0</u>
0	0	0	0	0	0	0	0
139,911	2,000	124,852	0	0	0	45,000	0
(54,935)	0	0	0	0	0	0	(27,619)
<u>84,976</u>	<u>2,000</u>	<u>124,852</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,000</u>	<u>(27,619)</u>
(6,775)	(573)	(4,999)	(80,903)	2,500	0	37,726	(27,619)
<u>39,148</u>	<u>113,329</u>	<u>23,045</u>	<u>560,668</u>	<u>4,827</u>	<u>13,352</u>	<u>2,502</u>	<u>27,619</u>
<u>32,373</u>	<u>112,756</u>	<u>18,046</u>	<u>479,765</u>	<u>7,327</u>	<u>13,352</u>	<u>40,228</u>	<u>0</u>

(continued)

City of Parma, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds - continued
For the Year Ended December 31, 2005

	Juvenile Diversion Program	Victims of Crime Assistance	Traffic Intervention Program	Senior Facility Grant	Schaff Community Center
Revenues					
Property and other taxes	\$ 0	0	0	0	0
Charges for services	0	0	39,483	0	0
Fees, licenses and permits	0	0	0	0	0
Fines and forfeitures	0	0	672	0	0
Intergovernmental	20,557	28,967	0	0	0
Donations	0	0	0	0	0
Rents	0	0	0	0	0
Special assessments	0	0	0	0	0
Interest	0	0	0	0	0
Other	0	0	0	0	0
Total revenues	<u>20,557</u>	<u>28,967</u>	<u>40,155</u>	<u>0</u>	<u>0</u>
Expenditures					
Current					
Legislative and executive	0	0	0	0	0
Security of persons and property	33,846	49,236	23,623	0	0
Transportation	0	0	0	0	0
Community environment	0	0	0	0	0
Basic utility services	0	0	0	0	0
Leisure time activities	0	0	0	0	0
Capital outlay	0	0	0	0	0
Debt service					
Principal retirement	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0
Total expenditures	<u>33,846</u>	<u>49,236</u>	<u>23,623</u>	<u>0</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(13,289)</u>	<u>(20,269)</u>	<u>16,532</u>	<u>0</u>	<u>0</u>
Other financing sources (uses)					
Proceeds of notes	0	0	0	0	0
Operating transfers - in	17,528	11,297	0	0	0
Operating transfers - out	0	0	0	0	0
Total other financing sources (uses)	<u>17,528</u>	<u>11,297</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	4,239	(8,972)	16,532	0	0
Fund balances (deficit) at beginning of year	<u>(1,109)</u>	<u>7,804</u>	<u>(247)</u>	<u>0</u>	<u>10,458</u>
Fund balances (deficit) at end of year	<u>\$ 3,130</u>	<u>(1,168)</u>	<u>16,285</u>	<u>0</u>	<u>10,458</u>

<u>Stearns Farm</u>	<u>Litter Prevention and Recycling</u>	<u>Customer Service Center</u>	<u>Nature Works</u>	<u>America Beautiful</u>	<u>West Creek Preservation</u>	<u>Ohio and Erie Canal</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	50,672	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>50,672</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	46,513	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	113,477	0
0	7,221	0	0	0	26,173	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>53,734</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>139,650</u>	<u>0</u>
<u>0</u>	<u>(3,062)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(139,650)</u>	<u>0</u>
0	0	0	0	0	0	0
0	4,017	0	0	0	0	0
0	(4,016)	0	0	0	0	0
<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	(3,061)	0	0	0	(139,650)	0
<u>29,525</u>	<u>5,224</u>	<u>2,543</u>	<u>3,200</u>	<u>97</u>	<u>(88,694)</u>	<u>5,848</u>
<u>29,525</u>	<u>2,163</u>	<u>2,543</u>	<u>3,200</u>	<u>97</u>	<u>(228,344)</u>	<u>5,848</u>

(continued)

City of Parma, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds - continued
For the Year Ended December 31, 2005

	Disaster Preparedness	County Health Loan	James A. Lovell Park	Animal Shelter
Revenues				
Property and other taxes	\$ 0	0	0	0
Charges for services	0	0	0	2,691
Fees, licenses and permits	0	0	0	524
Fines and forfeitures	0	0	0	0
Intergovernmental	0	0	0	0
Donations	0	0	0	85
Rents	0	0	0	0
Special assessments	0	0	0	0
Interest	0	0	0	0
Other	0	0	0	0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,300</u>
Expenditures				
Current				
Legislative and executive	0	0	0	0
Security of persons and property	14,904	0	0	0
Transportation	0	0	0	0
Community environment	0	0	0	9,043
Basic utility services	0	0	0	0
Leisure time activities	0	0	0	0
Capital outlay	0	0	0	0
Debt service				
Principal retirement	0	0	0	0
Interest and fiscal charges	0	0	0	0
Total expenditures	<u>14,904</u>	<u>0</u>	<u>0</u>	<u>9,043</u>
Excess of revenues over (under) expenditures	<u>(14,904)</u>	<u>0</u>	<u>0</u>	<u>(5,743)</u>
Other financing sources (uses)				
Proceeds of notes	0	0	0	0
Operating transfers - in	0	0	0	17,168
Operating transfers - out	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,168</u>
Net change in fund balances	(14,904)	0	0	11,425
Fund balances (deficit) at beginning of year	<u>32,890</u>	<u>0</u>	<u>1,442</u>	<u>1,627</u>
Fund balances (deficit) at end of year	<u>\$ 17,986</u>	<u>0</u>	<u>1,442</u>	<u>13,052</u>

DUI Prevention Task Force	Recreation	Curb Cutting	Tree Planting	Vista Ridge
0	0	0	0	0
0	8,359	4,200	800	0
0	0	0	0	0
0	0	0	0	0
3,996	0	0	0	0
0	14,800	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>3,996</u>	<u>23,159</u>	<u>4,200</u>	<u>800</u>	<u>0</u>
0	0	4,700	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	19,722	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>19,722</u>	<u>4,700</u>	<u>0</u>	<u>0</u>
<u>3,996</u>	<u>3,437</u>	<u>(500)</u>	<u>800</u>	<u>0</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,996	3,437	(500)	800	0
<u>0</u>	<u>16,291</u>	<u>16,223</u>	<u>1,300</u>	<u>27,568</u>
<u>3,996</u>	<u>19,728</u>	<u>15,723</u>	<u>2,100</u>	<u>27,568</u>

(continued)

City of Parma, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds - continued
For the Year Ended December 31, 2005

	FEMA Assistance to Firefighters	Community Emergency Response Team	PMC Clerk Computerization	Henninger Homestead
Revenues				
Property and other taxes	\$ 0	0	0	0
Charges for services	0	0	0	0
Fees, licenses and permits	0	0	0	0
Fines and forfeitures	0	0	111,222	0
Intergovernmental	0	5,566	0	19,830
Donations	0	0	0	0
Rents	0	0	0	0
Special assessments	0	0	0	0
Interest	0	0	961	0
Other	0	0	0	0
Total revenues	<u>0</u>	<u>5,566</u>	<u>112,183</u>	<u>19,830</u>
Expenditures				
Current				
Legislative and executive	0	0	0	0
Security of persons and property	4,876	5,724	63,759	0
Transportation	0	0	0	0
Community environment	0	0	0	0
Basic utility services	0	0	0	0
Leisure time activities	0	0	0	0
Capital outlay	0	0	18,831	0
Debt service				
Principal retirement	0	0	29,945	0
Interest and fiscal charges	0	0	869	0
Total expenditures	<u>4,876</u>	<u>5,724</u>	<u>113,404</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(4,876)</u>	<u>(158)</u>	<u>(1,221)</u>	<u>19,830</u>
Other financing sources (uses)				
Proceeds of notes	0	0	0	0
Operating transfers - in	26,250	0	0	0
Operating transfers - out	0	0	0	0
Total other financing sources (uses)	<u>26,250</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	21,374	(158)	(1,221)	19,830
Fund balances (deficit) at beginning of year	<u>(21,168)</u>	<u>1,218</u>	<u>27,908</u>	<u>(13,815)</u>
Fund balances (deficit) at end of year	<u>\$ 206</u>	<u>1,060</u>	<u>26,687</u>	<u>6,015</u>

<u>Brownfield Redevelopment</u>	<u>Transportation for Livable Communities</u>	<u>Capability Enhancement via Technology</u>	<u>All Nonmajor Special Revenue</u>
0	0	0	2,454,720
0	0	0	1,434,975
0	0	0	35,695
0	0	0	247,534
0	0	30,000	11,335,678
0	5,000	0	332,198
0	0	0	234,743
0	0	0	833,166
0	0	0	41,305
0	0	0	7,109
<u>0</u>	<u>5,000</u>	<u>30,000</u>	<u>16,957,123</u>
0	0	0	22,150
0	0	0	4,787,033
0	0	0	5,790,689
241,226	0	0	7,142,520
0	0	0	1,889,630
0	0	0	915,566
0	0	0	216,389
0	0	0	103,831
0	0	0	10,720
<u>241,226</u>	<u>0</u>	<u>0</u>	<u>20,878,528</u>
<u>(241,226)</u>	<u>5,000</u>	<u>30,000</u>	<u>(3,921,405)</u>
0	0	0	0
241,226	0	0	6,007,252
0	0	0	(2,497,825)
<u>241,226</u>	<u>0</u>	<u>0</u>	<u>3,509,427</u>
0	5,000	30,000	(411,978)
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,048,986</u>
<u>0</u>	<u>5,000</u>	<u>30,000</u>	<u>3,637,008</u>

(continued)

City of Parma, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds - continued
For the Year Ended December 31, 2005

	<u>Library</u>	<u>Sewer Construction</u>	<u>Street Improvements</u>	<u>Sidewalks</u>
Revenues				
Property and other taxes	\$ 0	0	0	0
Charges for services	0	0	0	0
Fees, licenses and permits	0	0	0	0
Fines and forfeitures	0	0	0	0
Intergovernmental	0	290,661	0	0
Donations	0	0	0	0
Rents	0	0	0	0
Special assessments	0	0	0	6,342
Interest	0	0	0	0
Other	0	0	0	0
Total revenues	<u>0</u>	<u>290,661</u>	<u>0</u>	<u>6,342</u>
Expenditures				
Current				
Legislative and executive	0	961,018	162,313	63
Security of persons and property	0	0	0	0
Transportation	0	0	0	0
Community environment	0	0	0	0
Basic utility services	0	0	0	0
Leisure time activities	0	0	0	0
Capital outlay	0	0	0	0
Debt service				
Principal retirement	0	0	0	0
Interest and fiscal charges	0	26,400	0	0
Total expenditures	<u>0</u>	<u>987,418</u>	<u>162,313</u>	<u>63</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>(696,757)</u>	<u>(162,313)</u>	<u>6,279</u>
Other financing sources (uses)				
Proceeds of bonds	0	0	1,700,000	0
Operating transfers - in	0	0	0	0
Operating transfers - out	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>1,700,000</u>	<u>0</u>
Net change in fund balances	0	(696,757)	1,537,687	6,279
Fund balances (deficit) at beginning of year	<u>125</u>	<u>(996,618)</u>	<u>36</u>	<u>10,049</u>
Fund balances (deficit) at end of year	<u>\$ 125</u>	<u>(1,693,375)</u>	<u>1,537,723</u>	<u>16,328</u>

Senior Citizens Center	Courts Capital Improvements	City Hall Capital Improvement	Justice Center	Gannett Land Purchase
0	0	0	0	268,747
0	1,320	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	20,045
0	0	1,000	0	0
0	0	0	0	0
0	0	0	0	0
12	0	0	8	0
0	0	0	0	0
<u>12</u>	<u>1,320</u>	<u>1,000</u>	<u>8</u>	<u>288,792</u>
0	17,853	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	2,873	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>17,853</u>	<u>0</u>	<u>2,873</u>	<u>0</u>
<u>12</u>	<u>(16,533)</u>	<u>1,000</u>	<u>(2,865)</u>	<u>288,792</u>
0	0	0	0	0
0	27,619	0	0	0
0	0	0	0	(405,395)
<u>0</u>	<u>27,619</u>	<u>0</u>	<u>0</u>	<u>(405,395)</u>
12	11,086	1,000	(2,865)	(116,603)
<u>(34,538)</u>	<u>5,203</u>	<u>15,259</u>	<u>58,724</u>	<u>116,603</u>
<u><u>(34,526)</u></u>	<u><u>16,289</u></u>	<u><u>16,259</u></u>	<u><u>55,859</u></u>	<u><u>0</u></u>

(continued)

City of Parma, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds - continued
For the Year Ended December 31, 2005

	All Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
Revenues		
Property and other taxes	\$ 268,747	2,723,467
Charges for services	1,320	1,436,295
Fees, licenses and permits	0	35,695
Fines and forfeitures	0	247,534
Intergovernmental	310,706	11,646,384
Donations	1,000	333,198
Rents	0	234,743
Special assessments	6,342	839,508
Interest	20	41,325
Other	0	7,109
Total revenues	<u>588,135</u>	<u>17,545,258</u>
Expenditures		
Current		
Legislative and executive	1,141,247	1,163,397
Security of persons and property	0	4,787,033
Transportation	0	5,790,689
Community environment	0	7,142,520
Basic utility services	0	1,889,630
Leisure time activities	0	915,566
Capital outlay	2,873	219,262
Debt service		
Principal retirement	0	103,831
Interest and fiscal charges	26,400	37,120
Total expenditures	<u>1,170,520</u>	<u>22,049,048</u>
Excess of revenues over (under) expenditures	<u>(582,385)</u>	<u>(4,503,790)</u>
Other financing sources (uses)		
Proceeds of bonds	1,700,000	1,700,000
Operating transfers - in	27,619	6,034,871
Operating transfers - out	(405,395)	(2,903,220)
Total other financing sources (uses)	<u>1,322,224</u>	<u>4,831,651</u>
Net change in fund balances	739,839	327,861
Fund balances (deficit) at beginning of year	<u>(825,157)</u>	<u>3,223,829</u>
Fund balances (deficit) at end of year	<u>(\$ 85,318)</u>	<u>3,551,690</u>

CITY OF PARMA, OHIO
INTERNAL SERVICE FUNDS

Internal service funds are established to account for the financing of goods or services provided by one department of the City to other departments of the City on a cost-reimbursement basis. The City's internal service funds are described below.

Liability Insurance - To account for activity associated with the City liability claims.

Medical Insurance - To account for activity associated with the City medical claims.

Workers' Compensation Insurance - To account for activity associated with the City workers' compensation insurance.

City of Parma, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2005

	<u>Liability Insurance</u>	<u>Medical Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Totals</u>
Assets				
Equity in pooled cash and cash equivalents	\$225,228	662,110	126,040	1,013,378
Accrued interest receivable	10,265	0	0	10,265
Due from other funds	0	1,354,265	0	1,354,265
Total assets	<u>235,493</u>	<u>2,016,375</u>	<u>126,040</u>	<u>2,377,908</u>
Liabilities				
Current liabilities				
Current portion of general obligation bonds payable	0	105,575	0	105,575
Accounts payable	6,056	0	0	6,056
Accrued wages and benefits	3,001	0	0	3,001
Compensated absences payable	1,638	0	0	1,638
Due to other governments	451	0	0	451
Accrued interest payable	0	6,237	0	6,237
Claims and judgements payable	268,000	446,718	49,212	763,930
General obligation bonds payable	0	1,248,690	0	1,248,690
Total liabilities	<u>279,146</u>	<u>1,807,220</u>	<u>49,212</u>	<u>2,135,578</u>
Net assets				
Unreserved	(43,653)	209,155	76,828	242,330
Total net assets	<u>(\$ 43,653)</u>	<u>209,155</u>	<u>76,828</u>	<u>242,330</u>

City of Parma, Ohio
Combining Statement of Revenues,
Expenses, and Changes in Retained Earnings
Internal Service Funds
For the Year Ended December 31, 2005

	<u>Liability Insurance</u>	<u>Medical Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Totals</u>
Operating revenues				
Charges for services	\$ 0	5,100,254	587,073	5,687,327
Total operating revenues	<u>0</u>	<u>5,100,254</u>	<u>587,073</u>	<u>5,687,327</u>
Operating expenses				
Personal services	148,119	0	0	148,119
Contractual services	0	0	21,805	21,805
Claims	300,830	4,856,267	487,827	5,644,924
Materials and supplies	243,791	43	0	243,834
Total operating expenses	<u>692,740</u>	<u>4,856,310</u>	<u>509,632</u>	<u>6,058,682</u>
Operating income (loss)	<u>(692,740)</u>	<u>243,944</u>	<u>77,441</u>	<u>(371,355)</u>
Non-operating revenues (expenses)				
Interest income	1,349	0	0	1,349
Interest and fiscal charges	0	(79,854)	0	(79,854)
Total non-operating revenues (expenses)	<u>1,349</u>	<u>(79,854)</u>	<u>0</u>	<u>(78,505)</u>
Income (loss) before operating transfers	(691,391)	164,090	77,441	(449,860)
Operating transfers - in	<u>374,380</u>	<u>0</u>	<u>0</u>	<u>374,380</u>
Net income (loss)	(317,011)	164,090	77,441	(75,480)
Retained earnings at beginning of year	<u>273,358</u>	<u>45,065</u>	<u>(613)</u>	<u>317,810</u>
Retained earnings at end of year	<u>\$ (43,653)</u>	<u>209,155</u>	<u>76,828</u>	<u>242,330</u>

City of Parma, Ohio
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended December 31, 2005

	<u>Liability Insurance</u>	<u>Medical Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Totals</u>
Cash flows from operating activities:				
Cash received from quasi-external operating transactions with other funds	\$ 0	5,107,535	587,073	5,694,608
Cash payments to suppliers for goods and services	(247,032)	(43)	0	(247,075)
Cash payments for claims	(81,330)	(4,828,389)	(541,042)	(5,450,761)
Cash payments for employee services and benefits	(146,078)	0	0	(146,078)
Cash payments for contractual services	0	(654)	(29,930)	(30,584)
Cash payments for other operating expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net cash used in operating activities	<u>(474,440)</u>	<u>278,449</u>	<u>16,101</u>	<u>(179,890)</u>
Cash flows from noncapital financing activities:				
Transfer in	374,380	0	0	374,380
Transfer out	<u>0</u>	<u>(189,524)</u>	<u>0</u>	<u>(189,524)</u>
Net cash provided by (used in) noncapital financing activities	<u>374,380</u>	<u>(189,524)</u>	<u>0</u>	<u>184,856</u>
Cash flows from investing activities:				
Interest	<u>1,349</u>	<u>0</u>	<u>0</u>	<u>1,349</u>
Cash provided by investing activities	<u>1,349</u>	<u>0</u>	<u>0</u>	<u>1,349</u>
Net increase/(decrease) in cash and cash equivalents	(98,711)	88,925	16,101	6,315
Cash and cash equivalents beginning of year	<u>323,939</u>	<u>573,185</u>	<u>109,939</u>	<u>1,007,063</u>
Cash and cash equivalents end of year	<u>\$ 225,228</u>	<u>662,110</u>	<u>126,040</u>	<u>1,013,378</u> (continued)

City of Parma, Ohio
Combining Statement of Cash Flows
All Internal Service Funds - continued
For the Year Ended December 31, 2005

	<u>Liability Insurance</u>	<u>Medical Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash used in operating activities				
Operating income (loss)	\$ (692,740)	243,944	77,441	(371,355)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Change in assets and liabilities:				
Decrease in due from other funds	0	109,215	0	109,215
Increase in accounts payable	(3,241)	(654)	(8,125)	(12,020)
Increase in accrued wages and benefits	935	0	0	935
(Decrease) in compensated absences payable	965	0	0	965
(Decrease) in due to other governments	141	0	0	141
(Decrease) in claims payable	<u>219,500</u>	<u>(74,056)</u>	<u>(53,215)</u>	<u>92,229</u>
Net cash used in operating activities	<u>\$ (474,440)</u>	<u>278,449</u>	<u>16,101</u>	<u>(179,890)</u>

CITY OF PARMA, OHIO

AGENCY FUNDS

Agency funds are established to account for assets received and held by the City when acting in the capacity of an agent or custodian. The City's agency funds are described below.

Municipal Court - To account for activity associated with the Parma Municipal Court.

North Royalton Sewer - To account for activity associated with North Royalton Sewer System.

Sales Tax - To account for activity associated with the City's collection and remission of state sales tax.

Child Abuse - To account for activity associated with the City's issuance of birth and death certificates.

Other Agencies - To account for activity associated with all other assets held by the City for other funds, governmental units, and individuals.

City of Parma, Ohio
 Combining Statement of Changes in Assets and Liabilities
 All Agency Funds
 For the Year Ended December 31, 2005

	<u>Balance 01/01/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
Municipal Court				
Assets				
Cash and cash equivalents with fiscal and escrow agents	\$ 565,396	5,320,323	5,462,630	423,089
Due from other governments	<u>353,514</u>	<u>375,030</u>	<u>353,514</u>	<u>375,030</u>
Total assets	<u>\$ 918,910</u>	<u>5,695,353</u>	<u>5,816,144</u>	<u>798,119</u>
Liabilities				
Due to other funds	\$ 353,514	375,030	353,514	375,030
Deposits held and due to others	<u>565,396</u>	<u>5,320,323</u>	<u>5,462,630</u>	<u>423,089</u>
Total liabilities	<u>\$ 918,910</u>	<u>5,695,353</u>	<u>5,816,144</u>	<u>798,119</u>
North Royalton Sewer				
Assets				
Equity in pooled cash and cash equivalents	\$ 7,572	-	-	<u>7,572</u>
Total assets	<u>7,572</u>	<u>-</u>	<u>-</u>	<u>7,572</u>
Liabilities				
Due to other governments	\$ 7,572	-	-	<u>7,572</u>
Total liabilities	<u>7,572</u>	<u>-</u>	<u>-</u>	<u>7,572</u> (continued)

City of Parma, Ohio
 Combining Statement of Changes in Assets and Liabilities
 All Agency Funds - continued
 For the Year Ended December 31, 2005

	<u>Balance</u> <u>01/01/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/05</u>
Sales Tax				
Assets				
Equity in pooled cash and cash equivalents	\$ 1,542	44,403	44,544	1,401
Total assets	<u>\$ 1,542</u>	<u>44,403</u>	<u>44,544</u>	<u>1,401</u>
Liabilities				
Due to other governments	\$ 1,542	44,403	44,544	1,401
Total liabilities	<u>\$ 1,542</u>	<u>44,403</u>	<u>44,544</u>	<u>1,401</u>
Child Abuse				
Assets				
Equity in pooled cash and cash equivalents	\$ 1,813	71,124	22,777	50,160
Total assets	<u>\$ 1,813</u>	<u>71,124</u>	<u>22,777</u>	<u>50,160</u>
Liabilities				
Due to other governments	\$ 1,813	71,124	22,777	50,160
Total liabilities	<u>\$ 1,813</u>	<u>71,124</u>	<u>22,777</u>	<u>50,160</u> (continued)

City of Parma, Ohio
 Combining Statement of Changes in Assets and Liabilities
 All Agency Funds
 For the Year Ended December 31, 2005

	Balance 01/01/05	Additions	Reductions	Balance 12/31/05
Other Agencies				
Assets				
Equity in pooled cash and cash equivalents	\$ 946,450	431,462	161,344	1,216,568
Cash and cash equivalents in segregated accounts	<u>16,691</u>	<u>4,034</u>	<u>1,428</u>	<u>19,297</u>
Total assets	<u>\$ 963,141</u>	<u>435,496</u>	<u>162,772</u>	<u>1,235,865</u>
Liabilities				
Deposits held and due to others	<u>\$ 963,141</u>	<u>435,496</u>	<u>162,772</u>	<u>1,235,865</u>
Total liabilities	<u>\$ 963,141</u>	<u>435,496</u>	<u>162,772</u>	<u>1,235,865</u>
Total - All Agency Funds				
Assets				
Equity in pooled cash and cash equivalents	\$ 957,377	546,989	228,665	1,275,701
Cash and cash equivalents in segregated accounts	16,691	4,034	1,428	19,297
Cash and cash equivalents with fiscal and escrow agents	565,396	5,320,323	5,462,630	423,089
Due from other governments	<u>353,514</u>	<u>375,030</u>	<u>353,514</u>	<u>375,030</u>
Total assets	<u>\$1,892,978</u>	<u>6,246,376</u>	<u>6,046,237</u>	<u>2,093,117</u>
Liabilities				
Due to other funds	\$ 353,514	375,030	353,514	375,030
Due to other governments	10,927	115,527	67,321	59,133
Deposits held and due to others	<u>1,528,537</u>	<u>5,755,819</u>	<u>5,625,402</u>	<u>1,658,954</u>
Total liabilities	<u>\$1,892,978</u>	<u>6,246,376</u>	<u>6,046,237</u>	<u>2,093,117</u>

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BASIS) AND ACTUAL**

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Debt Service Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Property and other taxes				
Real estate and public utility	0	0	13,932	13,932
Tangible personal property	0	0	16,244	16,244
Total property and other taxes	0	0	30,176	30,176
Intergovernmental				
Homestead	0	0	1,678	1,678
10% reimbursement	0	0	15,363	15,363
2.5% property tax rollback	0	0	2,825	2,825
Grants	0	197,278	197,278	0
Total intergovernmental	0	197,278	217,144	19,866
Special assessments				
Special assessments	0	345,090	275,908	(69,182)
Total special assessments	0	345,090	275,908	(69,182)
Interest				
Interest	0	0	1,974	1,974
Total interest	0	0	1,974	1,974
Total revenues	0	542,368	525,202	(17,166)
Expenditures				
Current				
General government				
All other expenditures	2,050	73,957	73,931	26
Total general government	2,050	73,957	73,931	26
Debt service				
Debt service				
Principal retirement	1,807,144	1,807,144	1,807,135	9
Interest and fiscal charges	1,298,065	1,453,830	1,453,824	6
Total debt service	3,105,209	3,260,974	3,260,959	15
Total expenditures	3,107,259	3,334,931	3,334,890	41
Excess of revenues over (under) expenditures	(3,107,259)	(2,792,563)	(2,809,688)	(17,125)

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Debt Service Fund - continued
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Other financing sources (uses)				
Advances - out	(46,552)	(46,552)	(46,551)	1
Operating transfers - in	3,510,549	3,013,656	3,025,964	12,308
Bond premium	0	271,752	271,752	0
	<u>3,463,997</u>	<u>3,238,856</u>	<u>3,251,165</u>	<u>12,309</u>
Total other financing sources (uses)	<u>3,463,997</u>	<u>3,238,856</u>	<u>3,251,165</u>	<u>12,309</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>356,738</u>	<u>446,293</u>	<u>441,477</u>	<u>(4,816)</u>
Fund balance at beginning of year	144,912	144,912	144,912	0
Fund balance (deficit) at end of year	<u><u>501,650</u></u>	<u><u>591,205</u></u>	<u><u>586,389</u></u>	<u><u>(4,816)</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 City Income Tax Capital Acquisitions Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Municipal income tax				
Individual	6,571,103	7,029,959	6,810,801	(219,158)
Businesses	314,624	314,624	367,022	52,398
Total municipal income tax	<u>6,885,727</u>	<u>7,344,583</u>	<u>7,177,823</u>	<u>(166,760)</u>
Intergovernmental				
Grants	432,000	680,000	973,939	293,939
Total intergovernmental	<u>432,000</u>	<u>680,000</u>	<u>973,939</u>	<u>293,939</u>
Total revenues	<u>7,317,727</u>	<u>8,024,583</u>	<u>8,151,762</u>	<u>127,179</u>
Expenditures				
Current				
General government				
All other expenditures	2,789,518	4,309,923	3,726,509	583,414
Total general government	<u>2,789,518</u>	<u>4,309,923</u>	<u>3,726,509</u>	<u>583,414</u>
Capital outlay	<u>0</u>	<u>1,484,539</u>	<u>1,384,166</u>	<u>100,373</u>
Debt service				
General government				
Principal retirement	0	170,000	170,000	0
Interest and fiscal charges	0	3,400	3,400	0
Total debt service	<u>0</u>	<u>173,400</u>	<u>173,400</u>	<u>0</u>
Total expenditures	<u>2,789,518</u>	<u>5,967,862</u>	<u>5,284,075</u>	<u>683,787</u>
Excess of revenues over (under) expenditures	4,528,209	2,056,721	2,867,687	810,966

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 City Income Tax Capital Acquisitions Fund - continued
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Other financing sources (uses)				
Advances - in	0	152,000	152,363	363
Advances - out	(150,000)	(520,503)	(489,626)	30,877
Operating transfers - out	(2,783,095)	(2,286,770)	(2,257,654)	29,116
Total other financing sources (uses)	<u>(2,933,095)</u>	<u>(2,655,273)</u>	<u>(2,594,917)</u>	<u>60,356</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,595,114	(598,552)	272,770	871,322
Fund balance at beginning of year	913,945	913,945	913,945	0
Prior year encumbrances appropriated	244,446	244,446	244,446	0
Fund balance (deficit) at end of year	<u><u>2,753,505</u></u>	<u><u>559,839</u></u>	<u><u>1,431,161</u></u>	<u><u>871,322</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Fire Department Building Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
Emergency medical services	755,000	765,000	784,931	19,931
Total charges for services	<u>755,000</u>	<u>765,000</u>	<u>784,931</u>	<u>19,931</u>
Interest				
Interest	0	0	48,351	48,351
Total interest	<u>0</u>	<u>0</u>	<u>48,351</u>	<u>48,351</u>
Total revenues	<u>755,000</u>	<u>765,000</u>	<u>833,282</u>	<u>68,282</u>
Expenditures				
Current				
General government				
All other expenditures	193,000	7,294,574	784,195	6,510,379
Total general government	<u>193,000</u>	<u>7,294,574</u>	<u>784,195</u>	<u>6,510,379</u>
Capital outlay	<u>0</u>	<u>52,572</u>	<u>29,591</u>	<u>22,981</u>
Total expenditures	<u>193,000</u>	<u>7,347,146</u>	<u>813,786</u>	<u>6,533,360</u>
Excess of revenues over (under) expenditures	562,000	(6,582,146)	19,496	6,601,642
Other financing sources (uses)				
Proceeds of bonds	0	6,900,000	7,000,000	100,000
Operating transfers - out	0	(138,389)	(138,389)	0
Total other financing sources (uses)	<u>0</u>	<u>6,761,611</u>	<u>6,861,611</u>	<u>100,000</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	562,000	179,465	6,881,107	6,701,642
Fund balance at beginning of year	2,057,448	2,057,448	2,057,448	0
Fund balance (deficit) at end of year	<u>2,619,448</u>	<u>2,236,913</u>	<u>8,938,555</u>	<u>6,701,642</u>

City of Parma, Ohio
Schedule of Revenues,
Expenses, and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Ridgewood Golf Course
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	0	1,000	955	(45)
Greens fees	568,000	568,000	577,445	9,445
Snack bar operations	57,000	57,000	55,193	(1,807)
Pro shop	65,809	40,000	37,535	(2,465)
Total charges for services	<u>690,809</u>	<u>666,000</u>	<u>671,128</u>	<u>5,128</u>
Intergovernmental				
Grants	0	0	31	31
Total intergovernmental	<u>0</u>	<u>0</u>	<u>31</u>	<u>31</u>
Interest				
Interest	0	5,000	3,883	(1,117)
Total interest	<u>0</u>	<u>5,000</u>	<u>3,883</u>	<u>(1,117)</u>
Other operating revenues				
Cart rental	238,000	240,255	238,342	(1,913)
Bar operations	178,000	183,900	193,038	9,138
Other operating revenues	0	5,400	6,860	1,460
Total other operating revenues	<u>416,000</u>	<u>429,555</u>	<u>438,240</u>	<u>8,685</u>
Royalties and commissions				
Royalties and commissions	0	0	456	456
Total royalties and commissions	<u>0</u>	<u>0</u>	<u>456</u>	<u>456</u>
Total revenues	<u>1,106,809</u>	<u>1,100,555</u>	<u>1,113,738</u>	<u>13,183</u>
Expenses				
Personal services				
Personal services	571,972	562,450	536,989	25,461
All other expenditures				
All other expenditures	608,235	518,373	478,414	39,959
Total current expenses	<u>1,180,207</u>	<u>1,080,823</u>	<u>1,015,403</u>	<u>65,420</u>
Capital outlay	<u>0</u>	<u>100,224</u>	<u>42,641</u>	<u>57,583</u>
Total expenses	<u>1,180,207</u>	<u>1,181,047</u>	<u>1,058,044</u>	<u>123,003</u>
Excess of revenues over (under) expenses	(73,398)	(80,492)	55,694	136,186
Fund equity at beginning of year	214,494	214,494	214,494	0
Prior year encumbrances appropriated	840	840	840	0
Fund equity (deficit) at end of year	<u>141,936</u>	<u>134,842</u>	<u>271,028</u>	<u>136,186</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Paramedic Levy Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
Emergency medical services	765,000	775,000	784,931	9,931
Total charges for services	<u>765,000</u>	<u>775,000</u>	<u>784,931</u>	<u>9,931</u>
Intergovernmental				
Grants	0	0	5,925	5,925
Total intergovernmental	<u>0</u>	<u>0</u>	<u>5,925</u>	<u>5,925</u>
Interest				
Interest	0	0	7,081	7,081
Total interest	<u>0</u>	<u>0</u>	<u>7,081</u>	<u>7,081</u>
Total revenues	<u>765,000</u>	<u>775,000</u>	<u>797,937</u>	<u>22,937</u>
Expenditures				
Current				
Security of persons and property				
Personal services	734,586	693,586	646,910	46,676
All other expenditures	119,500	171,766	105,305	66,461
Total security of persons and property	<u>854,086</u>	<u>865,352</u>	<u>752,215</u>	<u>113,137</u>
Total expenditures	<u>854,086</u>	<u>865,352</u>	<u>752,215</u>	<u>113,137</u>
Excess of revenues over (under) expenditures	(89,086)	(90,352)	45,722	136,074
Fund balance at beginning of year	90,381	90,381	90,381	0
Prior year encumbrances appropriated	11,266	11,266	11,266	0
Fund balance (deficit) at end of year	<u><u>12,561</u></u>	<u><u>11,295</u></u>	<u><u>147,369</u></u>	<u><u>136,074</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Land Acquisitions Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Interest				
Interest	0	5	79	74
Total interest	<u>0</u>	<u>5</u>	<u>79</u>	<u>74</u>
Total revenues	<u>0</u>	<u>5</u>	<u>79</u>	<u>74</u>
Excess of revenues over (under) expenditures	0	5	79	74
Fund balance at beginning of year	3,787	3,787	3,787	0
Fund balance (deficit) at end of year	<u><u>3,787</u></u>	<u><u>3,792</u></u>	<u><u>3,866</u></u>	<u><u>74</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Parks and Recreation Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	4,900	4,900	2,717	(2,183)
Parks and recreation	46,475	46,475	49,258	2,783
Total charges for services	<u>51,375</u>	<u>51,375</u>	<u>51,975</u>	<u>600</u>
Intergovernmental				
Grants	0	0	1,469	1,469
Total intergovernmental	<u>0</u>	<u>0</u>	<u>1,469</u>	<u>1,469</u>
Donations				
Donations	26,000	26,000	86,253	60,253
Total donations	<u>26,000</u>	<u>26,000</u>	<u>86,253</u>	<u>60,253</u>
Rentals and leases				
Rentals and leases	161,000	161,000	160,404	(596)
Total rentals and leases	<u>161,000</u>	<u>161,000</u>	<u>160,404</u>	<u>(596)</u>
Interest				
Interest	1,000	1,000	4,193	3,193
Total interest	<u>1,000</u>	<u>1,000</u>	<u>4,193</u>	<u>3,193</u>
Royalties and commissions				
Royalties and commissions	0	0	7,109	7,109
Total royalties and commissions	<u>0</u>	<u>0</u>	<u>7,109</u>	<u>7,109</u>
Total revenues	<u>239,375</u>	<u>239,375</u>	<u>311,403</u>	<u>72,028</u>
Expenditures				
Current				
Leisure time activities				
All other expenditures	153,400	137,249	134,933	2,316
Total leisure time activities	<u>153,400</u>	<u>137,249</u>	<u>134,933</u>	<u>2,316</u>
Capital outlay	<u>92,789</u>	<u>108,940</u>	<u>108,940</u>	<u>0</u>
Total expenditures	<u>246,189</u>	<u>246,189</u>	<u>243,873</u>	<u>2,316</u>
Excess of revenues over (under) expenditures	(6,814)	(6,814)	67,530	74,344

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Parks and Recreation Fund - continued
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Other financing sources (uses)				
Operating transfers - out	(50,000)	(54,000)	(52,000)	2,000
Total other financing sources (uses)	<u>(50,000)</u>	<u>(54,000)</u>	<u>(52,000)</u>	<u>2,000</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(56,814)</u>	<u>(60,814)</u>	15,530	76,344
Fund balance at beginning of year	158,308	158,308	158,308	0
Fund balance (deficit) at end of year	<u><u>101,494</u></u>	<u><u>97,494</u></u>	<u><u>173,838</u></u>	<u><u>76,344</u></u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Parma Public Housing Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
Program income	4,741,748	4,741,748	0	(4,741,748)
Miscellaneous services	0	0	8,000	8,000
Total charges for services	4,741,748	4,741,748	8,000	(4,733,748)
Intergovernmental				
Grants	0	0	472,825	472,825
Total intergovernmental	0	0	472,825	472,825
Total revenues	4,741,748	4,741,748	480,825	(4,260,923)
Expenditures				
Current				
Community environment				
Personal services	436,552	438,026	439,865	(1,839)
All other expenditures	4,166,124	4,164,650	316,165	3,848,485
Total community environment	4,602,676	4,602,676	756,030	3,846,646
Total expenditures	4,602,676	4,602,676	756,030	3,846,646
Excess of revenues over (under) expenditures	139,072	139,072	(275,205)	(414,277)
Other financing sources (uses)				
Advances - in	0	0	50,000	50,000
Advances - out	(42,000)	(42,000)	(42,000)	0
Total other financing sources (uses)	(42,000)	(42,000)	8,000	50,000
Excess of revenues and other financing sources over (under) expenditures and other financing uses	97,072	97,072	(267,205)	(364,277)
Fund balance at beginning of year	303,584	303,584	303,584	0
Fund balance (deficit) at end of year	400,656	400,656	36,379	(364,277)

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	0	0	4,208	4,208
Total charges for services	<u>0</u>	<u>0</u>	<u>4,208</u>	<u>4,208</u>
Intergovernmental				
Grants	1,344,393	1,916,472	1,587,085	(329,387)
Total intergovernmental	<u>1,344,393</u>	<u>1,916,472</u>	<u>1,587,085</u>	<u>(329,387)</u>
Interest				
Interest	0	0	64	64
Total interest	<u>0</u>	<u>0</u>	<u>64</u>	<u>64</u>
Total revenues	<u>1,344,393</u>	<u>1,916,472</u>	<u>1,591,357</u>	<u>(325,115)</u>
Expenditures				
Current				
Community environment				
Personal services	343,220	350,516	324,687	25,829
All other expenditures	497,984	1,016,959	808,320	208,639
Total community environment	<u>841,204</u>	<u>1,367,475</u>	<u>1,133,007</u>	<u>234,468</u>
Capital outlay	<u>0</u>	<u>4,660</u>	<u>1,367</u>	<u>3,293</u>
Total expenditures	<u>841,204</u>	<u>1,372,135</u>	<u>1,134,374</u>	<u>237,761</u>
Excess of revenues over (under) expenditures	503,189	544,337	456,983	(87,354)
Other financing sources (uses)				
Advances - in	0	0	15,000	15,000
Operating transfers - in	0	0	13,581	13,581
Advances - out	(283,875)	(283,875)	(283,875)	0
Operating transfers - out	(147,000)	(160,581)	(155,581)	5,000
Total other financing sources (uses)	<u>(430,875)</u>	<u>(444,456)</u>	<u>(410,875)</u>	<u>33,581</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	72,314	99,881	46,108	(53,773)
Fund balance at beginning of year	102,946	102,946	102,946	0
Prior year encumbrances appropriated	20,495	20,495	20,495	0
Fund balance (deficit) at end of year	<u>195,755</u>	<u>223,322</u>	<u>169,549</u>	<u>(53,773)</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance, and Repair Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	0	200	2,043	1,843
Total charges for services	0	200	2,043	1,843
Fees, licenses, and permits				
Fees and permits	0	1,000	1,148	148
Total fees, licenses, and permits	0	1,000	1,148	148
Intergovernmental				
State motor vehicle license tax	0	490,000	499,005	9,005
State gasoline tax	4,766,604	2,060,000	2,089,230	29,230
Grants	0	500	97	(403)
Total intergovernmental	4,766,604	2,550,500	2,588,332	37,832
Total revenues	4,766,604	2,551,700	2,591,523	39,823
Expenditures				
Current				
Transportation				
Personal services	4,699,153	4,833,561	4,786,172	47,389
All other expenditures	325,850	486,838	409,401	77,437
Total transportation	5,025,003	5,320,399	5,195,573	124,826
Total expenditures	5,025,003	5,320,399	5,195,573	124,826
Excess of revenues over (under) expenditures	(258,399)	(2,768,699)	(2,604,050)	164,649
Other financing sources (uses)				
Operating transfers - in	0	2,513,904	2,591,178	77,274
Total other financing sources (uses)	0	2,513,904	2,591,178	77,274
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(258,399)	(254,795)	(12,872)	241,923
Fund balance at beginning of year	258,413	258,413	258,413	0
Prior year encumbrances appropriated	4,488	4,488	4,488	0
Fund balance (deficit) at end of year	4,502	8,106	250,029	241,923

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
State motor vehicle license tax	0	39,000	40,460	1,460
State gasoline tax	247,965	175,734	169,397	(6,337)
Grants	0	0	1,248	1,248
Total intergovernmental	<u>247,965</u>	<u>214,734</u>	<u>211,105</u>	<u>(3,629)</u>
Interest				
Interest	0	0	145	145
Total interest	<u>0</u>	<u>0</u>	<u>145</u>	<u>145</u>
Total revenues	<u>247,965</u>	<u>214,734</u>	<u>211,250</u>	<u>(3,484)</u>
Expenditures				
Current				
Transportation				
Personal services	243,568	240,568	234,522	6,046
All other expenditures	23,000	36,180	30,823	5,357
Total transportation	<u>266,568</u>	<u>276,748</u>	<u>265,345</u>	<u>11,403</u>
Total expenditures	<u>266,568</u>	<u>276,748</u>	<u>265,345</u>	<u>11,403</u>
Excess of revenues over (under) expenditures	(18,603)	(62,014)	(54,095)	7,919
Other financing sources (uses)				
Operating transfers - in	0	65,965	69,474	3,509
Total other financing sources (uses)	<u>0</u>	<u>65,965</u>	<u>69,474</u>	<u>3,509</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(18,603)	3,951	15,379	11,428
Fund balance at beginning of year	18,609	18,609	18,609	0
Prior year encumbrances appropriated	10,180	10,180	10,180	0
Fund balance (deficit) at end of year	<u>10,186</u>	<u>32,740</u>	<u>44,168</u>	<u>11,428</u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Municipal Motor Vehicle License Tax Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
State motor vehicle license tax	528,000	525,500	532,188	6,688
Total intergovernmental	<u>528,000</u>	<u>525,500</u>	<u>532,188</u>	<u>6,688</u>
Interest				
Interest	0	2,500	6,886	4,386
Total interest	<u>0</u>	<u>2,500</u>	<u>6,886</u>	<u>4,386</u>
Total revenues	<u>528,000</u>	<u>528,000</u>	<u>539,074</u>	<u>11,074</u>
Excess of revenues over (under) expenditures	528,000	528,000	539,074	11,074
Other financing sources (uses)				
Operating transfers - out	(650,000)	(650,000)	(650,000)	0
Total other financing sources (uses)	<u>(650,000)</u>	<u>(650,000)</u>	<u>(650,000)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(122,000)</u>	<u>(122,000)</u>	<u>(110,926)</u>	<u>11,074</u>
Fund balance at beginning of year	126,838	126,838	126,838	0
Fund balance (deficit) at end of year	<u><u>4,838</u></u>	<u><u>4,838</u></u>	<u><u>15,912</u></u>	<u><u>11,074</u></u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Noxious Weeds Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Property and other taxes				
Real estate and public utility	0	0	113	113
Total property and other taxes	<u>0</u>	<u>0</u>	<u>113</u>	<u>113</u>
Special assessments				
Special assessments	27,467	27,467	11,361	(16,106)
Total special assessments	<u>27,467</u>	<u>27,467</u>	<u>11,361</u>	<u>(16,106)</u>
Total revenues	<u>27,467</u>	<u>27,467</u>	<u>11,474</u>	<u>(15,993)</u>
Expenditures				
Current				
General government				
All other expenditures	20,000	20,000	17,452	2,548
Total general government	<u>20,000</u>	<u>20,000</u>	<u>17,452</u>	<u>2,548</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>17,452</u>	<u>2,548</u>
Excess of revenues over (under) expenditures	7,467	7,467	(5,978)	(13,445)
Other financing sources (uses)				
Advances - in	0	0	13,442	13,442
Advances - out	(7,467)	(7,467)	(7,466)	1
Total other financing sources (uses)	<u>(7,467)</u>	<u>(7,467)</u>	<u>5,976</u>	<u>13,443</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	0	(2)	(2)
Fund balance at beginning of year	2	2	2	0
Fund balance (deficit) at end of year	<u><u>2</u></u>	<u><u>2</u></u>	<u><u>0</u></u>	<u><u>(2)</u></u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Property and other taxes				
Real estate and public utility	0	0	8,127	8,127
Total property and other taxes	<u>0</u>	<u>0</u>	<u>8,127</u>	<u>8,127</u>
Special assessments				
Special assessments	852,056	852,056	813,565	(38,491)
Total special assessments	<u>852,056</u>	<u>852,056</u>	<u>813,565</u>	<u>(38,491)</u>
Total revenues	<u>852,056</u>	<u>852,056</u>	<u>821,692</u>	<u>(30,364)</u>
Expenditures				
Current				
Basic utility services				
All other expenditures	844,500	850,399	848,021	2,378
Total basic utility services	<u>844,500</u>	<u>850,399</u>	<u>848,021</u>	<u>2,378</u>
Total expenditures	<u>844,500</u>	<u>850,399</u>	<u>848,021</u>	<u>2,378</u>
Excess of revenues over (under) expenditures	7,556	1,657	(26,329)	(27,986)
Other financing sources (uses)				
Operating transfers - in	0	7,900	35,884	27,984
Advances - out	(7,556)	(9,556)	(9,556)	0
Total other financing sources (uses)	<u>(7,556)</u>	<u>(1,656)</u>	<u>26,328</u>	<u>27,984</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	1	(1)	(2)
Fund balance at beginning of year	1	1	1	0
Fund balance (deficit) at end of year	<u>1</u>	<u>2</u>	<u>0</u>	<u>(2)</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Property and other taxes				
Real estate and public utility	1,023,076	414,766	415,322	556
Tangible personal property	0	30,000	28,928	(1,072)
Total property and other taxes	<u>1,023,076</u>	<u>444,766</u>	<u>444,250</u>	<u>(516)</u>
Intergovernmental				
Homestead	0	4,900	4,986	86
10% reimbursement	0	47,000	46,406	(594)
2.5% property tax rollback	0	8,500	8,471	(29)
Total intergovernmental	<u>0</u>	<u>60,400</u>	<u>59,863</u>	<u>(537)</u>
Total revenues	<u>1,023,076</u>	<u>505,166</u>	<u>504,113</u>	<u>(1,053)</u>
Expenditures				
Current				
Security of persons and property				
Personal services	1,360,000	1,360,000	1,278,817	81,183
Total security of persons and property	<u>1,360,000</u>	<u>1,360,000</u>	<u>1,278,817</u>	<u>81,183</u>
Total expenditures	<u>1,360,000</u>	<u>1,360,000</u>	<u>1,278,817</u>	<u>81,183</u>
Excess of revenues over (under) expenditures	(336,924)	(854,834)	(774,704)	80,130
Other financing sources (uses)				
Operating transfers - in	0	518,570	467,424	(51,146)
Total other financing sources (uses)	<u>0</u>	<u>518,570</u>	<u>467,424</u>	<u>(51,146)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(336,924)	(336,264)	(307,280)	28,984
Fund balance at beginning of year	359,217	359,217	359,217	0
Fund balance (deficit) at end of year	<u>22,293</u>	<u>22,953</u>	<u>51,937</u>	<u>28,984</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Property and other taxes				
Real estate and public utility	0	415,000	415,322	322
Tangible personal property	0	30,000	28,928	(1,072)
Total property and other taxes	<u>0</u>	<u>445,000</u>	<u>444,250</u>	<u>(750)</u>
Intergovernmental				
Homestead	0	4,666	4,986	320
10% reimbursement	0	47,000	46,406	(594)
2.5% property tax rollback	0	8,500	8,473	(27)
Total intergovernmental	<u>0</u>	<u>60,166</u>	<u>59,865</u>	<u>(301)</u>
Total revenues	<u>0</u>	<u>505,166</u>	<u>504,115</u>	<u>(1,051)</u>
Expenditures				
Current				
Security of persons and property				
Personal services	1,740,000	1,740,000	1,648,624	91,376
Total security of persons and property	<u>1,740,000</u>	<u>1,740,000</u>	<u>1,648,624</u>	<u>91,376</u>
Total expenditures	<u>1,740,000</u>	<u>1,740,000</u>	<u>1,648,624</u>	<u>91,376</u>
Excess of revenues over (under) expenditures	(1,740,000)	(1,234,834)	(1,144,509)	90,325
Other financing sources (uses)				
Operating transfers - in	1,880,166	1,375,000	1,293,750	(81,250)
Total other financing sources (uses)	<u>1,880,166</u>	<u>1,375,000</u>	<u>1,293,750</u>	<u>(81,250)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	140,166	140,166	149,241	9,075
Fund balance at beginning of year	(82,115)	(82,115)	(82,115)	0
Fund balance (deficit) at end of year	<u>58,051</u>	<u>58,051</u>	<u>67,126</u>	<u>9,075</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	0	365,153	324,709	(40,444)
Total charges for services	0	365,153	324,709	(40,444)
Fines and forfeitures				
Fines and forfeitures	0	93,800	126,707	32,907
Total fines and forfeitures	0	93,800	126,707	32,907
Intergovernmental				
Grants	0	21,594	23,527	1,933
Total intergovernmental	0	21,594	23,527	1,933
Donations				
Donations	127,660	0	955	955
Total donations	127,660	0	955	955
Rentals and leases				
Rentals and leases	0	17,000	12,754	(4,246)
Total rentals and leases	0	17,000	12,754	(4,246)
Interest				
Interest	0	0	8,750	8,750
Total interest	0	0	8,750	8,750
Total revenues	127,660	497,547	497,402	(145)
Expenditures				
Current				
Security of persons and property				
Personal services	0	21,972	21,972	0
All other expenditures	117,927	178,934	130,667	48,267
Total security of persons and property	117,927	200,906	152,639	48,267
Capital outlay	0	70,553	45,445	25,108
Total expenditures	117,927	271,459	198,084	73,375
Excess of revenues over (under) expenditures	9,733	226,088	299,318	73,230

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Law Enforcement Trust Fund - continued
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Other financing sources (uses)				
Operating transfers - in	0	2,800	1,271	(1,529)
Operating transfers - out	0	(26,250)	(26,250)	0
Total other financing sources (uses)	<u>0</u>	<u>(23,450)</u>	<u>(24,979)</u>	<u>(1,529)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>9,733</u>	<u>202,638</u>	<u>274,339</u>	<u>71,701</u>
Fund balance at beginning of year	806,411	806,411	806,411	0
Prior year encumbrances appropriated	21,334	21,334	21,334	0
Fund balance (deficit) at end of year	<u><u>837,478</u></u>	<u><u>1,030,383</u></u>	<u><u>1,102,084</u></u>	<u><u>71,701</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Police Levy Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	0	80,632	0	(80,632)
Total charges for services	<u>0</u>	<u>80,632</u>	<u>0</u>	<u>(80,632)</u>
Total revenues	<u>0</u>	<u>80,632</u>	<u>0</u>	<u>(80,632)</u>
Expenditures				
Current				
Security of persons and property				
Personal services	0	7,314	7,206	108
All other expenditures	0	112,164	111,954	210
Total security of persons and property	<u>0</u>	<u>119,478</u>	<u>119,160</u>	<u>318</u>
Total expenditures	<u>0</u>	<u>119,478</u>	<u>119,160</u>	<u>318</u>
Excess of revenues over (under) expenditures	0	(38,846)	(119,160)	(80,314)
Other financing sources (uses)				
Operating transfers - out	(360,270)	(322,424)	(322,424)	0
Total other financing sources (uses)	<u>(360,270)</u>	<u>(322,424)</u>	<u>(322,424)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(360,270)</u>	<u>(361,270)</u>	<u>(441,584)</u>	<u>(80,314)</u>
Fund balance at beginning of year	361,270	361,270	361,270	0
Prior year encumbrances appropriated	81,632	81,632	81,632	0
Fund balance (deficit) at end of year	<u><u>82,632</u></u>	<u><u>81,632</u></u>	<u><u>1,318</u></u>	<u><u>(80,314)</u></u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Fire Levy Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Property and other taxes				
Real estate and public utility	1,787,860	1,439,412	1,435,153	(4,259)
Tangible personal property	0	148,000	144,641	(3,359)
Total property and other taxes	<u>1,787,860</u>	<u>1,587,412</u>	<u>1,579,794</u>	<u>(7,618)</u>
Intergovernmental				
Homestead	0	16,000	16,747	747
10% reimbursement	0	160,000	158,521	(1,479)
2.5% property tax rollback	0	29,000	28,457	(543)
Total intergovernmental	<u>0</u>	<u>205,000</u>	<u>203,725</u>	<u>(1,275)</u>
Total revenues	<u>1,787,860</u>	<u>1,792,412</u>	<u>1,783,519</u>	<u>(8,893)</u>
Expenditures				
Current				
Security of persons and property				
Personal services	524,304	507,656	486,866	20,790
All other expenditures	110,400	101,753	85,746	16,007
Total security of persons and property	<u>634,704</u>	<u>609,409</u>	<u>572,612</u>	<u>36,797</u>
Capital outlay	<u>0</u>	<u>18,200</u>	<u>18,200</u>	<u>0</u>
Total expenditures	<u>634,704</u>	<u>627,609</u>	<u>590,812</u>	<u>36,797</u>
Excess of revenues over (under) expenditures	1,153,156	1,164,803	1,192,707	27,904
Other financing sources (uses)				
Operating transfers - out	(1,200,000)	(1,205,000)	(1,205,000)	0
Total other financing sources (uses)	<u>(1,200,000)</u>	<u>(1,205,000)</u>	<u>(1,205,000)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(46,844)	(40,197)	(12,293)	27,904
Fund balance at beginning of year	40,193	40,193	40,193	0
Prior year encumbrances appropriated	4,553	4,553	4,553	0
Fund balance (deficit) at end of year	<u>(2,098)</u>	<u>4,549</u>	<u>32,453</u>	<u>27,904</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Sewer Maintenance Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	0	152,908	118,151	(34,757)
Total charges for services	<u>0</u>	<u>152,908</u>	<u>118,151</u>	<u>(34,757)</u>
Fees, licenses, and permits				
Fees and permits	0	35,000	33,991	(1,009)
Total fees, licenses, and permits	<u>0</u>	<u>35,000</u>	<u>33,991</u>	<u>(1,009)</u>
Total revenues	<u>0</u>	<u>187,908</u>	<u>152,142</u>	<u>(35,766)</u>
Expenditures				
Current				
Basic utility services				
Personal services	838,370	831,870	822,997	8,873
All other expenditures	49,200	74,738	64,921	9,817
Total basic utility services	<u>887,570</u>	<u>906,608</u>	<u>887,918</u>	<u>18,690</u>
Total expenditures	<u>887,570</u>	<u>906,608</u>	<u>887,918</u>	<u>18,690</u>
Excess of revenues over (under) expenditures	(887,570)	(718,700)	(735,776)	(17,076)
Other financing sources (uses)				
Operating transfers - in	829,782	685,782	722,339	36,557
Total other financing sources (uses)	<u>829,782</u>	<u>685,782</u>	<u>722,339</u>	<u>36,557</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(57,788)	(32,918)	(13,437)	19,481
Fund balance at beginning of year	57,794	57,794	57,794	0
Prior year encumbrances appropriated	4,038	4,038	4,038	0
Fund balance (deficit) at end of year	<u>4,044</u>	<u>28,914</u>	<u>48,395</u>	<u>19,481</u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Fair Housing Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	0	0	25	25
Total charges for services	<u>0</u>	<u>0</u>	<u>25</u>	<u>25</u>
Intergovernmental				
Grants	507,290	432,100	248,002	(184,098)
Total intergovernmental	<u>507,290</u>	<u>432,100</u>	<u>248,002</u>	<u>(184,098)</u>
Total revenues	<u>507,290</u>	<u>432,100</u>	<u>248,027</u>	<u>(184,073)</u>
Expenditures				
Current				
Community environment				
Personal services	90,643	90,643	90,297	346
All other expenditures	229,657	229,657	155,388	74,269
Total community environment	<u>320,300</u>	<u>320,300</u>	<u>245,685</u>	<u>74,615</u>
Total expenditures	<u>320,300</u>	<u>320,300</u>	<u>245,685</u>	<u>74,615</u>
Excess of revenues over (under) expenditures	186,990	111,800	2,342	(109,458)
Other financing sources (uses)				
Operating transfers - in	0	75,190	83,102	7,912
Advances - out	(168,643)	(168,643)	(168,642)	1
Total other financing sources (uses)	<u>(168,643)</u>	<u>(93,453)</u>	<u>(85,540)</u>	<u>7,913</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	18,347	18,347	(83,198)	(101,545)
Fund balance at beginning of year	96,783	96,783	96,783	0
Fund balance (deficit) at end of year	<u>115,130</u>	<u>115,130</u>	<u>13,585</u>	<u>(101,545)</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
Parks and recreation	0	8,000	9,140	1,140
Total charges for services	0	8,000	9,140	1,140
Donations				
Donations	0	0	700	700
Total donations	0	0	700	700
Rentals and leases				
Rentals and leases	221,000	163,000	61,585	(101,415)
Total rentals and leases	221,000	163,000	61,585	(101,415)
Total revenues	221,000	171,000	71,425	(99,575)
Expenditures				
Current				
Leisure time activities				
Personal services	122,159	117,537	101,410	16,127
All other expenditures	135,800	140,422	136,087	4,335
Total leisure time activities	257,959	257,959	237,497	20,462
Total expenditures	257,959	257,959	237,497	20,462
Excess of revenues over (under) expenditures	(36,959)	(86,959)	(166,072)	(79,113)
Other financing sources (uses)				
Operating transfers - in	0	50,000	100,000	50,000
Total other financing sources (uses)	0	50,000	100,000	50,000
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(36,959)	(36,959)	(66,072)	(29,113)
Fund balance at beginning of year	72,554	72,554	72,554	0
Fund balance (deficit) at end of year	<u>35,595</u>	<u>35,595</u>	<u>6,482</u>	<u>(29,113)</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title III Grant Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	0	67,737	72,400	4,663
Total intergovernmental	<u>0</u>	<u>67,737</u>	<u>72,400</u>	<u>4,663</u>
Donations				
Donations	328,915	112,300	107,121	(5,179)
Total donations	<u>328,915</u>	<u>112,300</u>	<u>107,121</u>	<u>(5,179)</u>
Total revenues	<u>328,915</u>	<u>180,037</u>	<u>179,521</u>	<u>(516)</u>
Expenditures				
Current				
Leisure time activities				
Personal services	264,685	269,960	239,629	30,331
All other expenditures	62,175	55,729	43,373	12,356
Total leisure time activities	<u>326,860</u>	<u>325,689</u>	<u>283,002</u>	<u>42,687</u>
Capital outlay	<u>0</u>	<u>1,172</u>	<u>1,172</u>	<u>0</u>
Total expenditures	<u>326,860</u>	<u>326,861</u>	<u>284,174</u>	<u>42,687</u>
Excess of revenues over (under) expenditures	2,055	(146,824)	(104,653)	42,171
Other financing sources (uses)				
Operating transfers - in	0	166,540	139,911	(26,629)
Operating transfers - out	0	(54,935)	(54,935)	0
Total other financing sources (uses)	<u>0</u>	<u>111,605</u>	<u>84,976</u>	<u>(26,629)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,055	(35,219)	(19,677)	15,542
Fund balance at beginning of year	67,217	67,217	67,217	0
Fund balance (deficit) at end of year	<u>69,272</u>	<u>31,998</u>	<u>47,540</u>	<u>15,542</u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Senior Donations Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	0	9,052	9,124	72
Total intergovernmental	<u>0</u>	<u>9,052</u>	<u>9,124</u>	<u>72</u>
Donations				
Donations	143,914	120,552	117,266	(3,286)
Total donations	<u>143,914</u>	<u>120,552</u>	<u>117,266</u>	<u>(3,286)</u>
Total revenues	<u>143,914</u>	<u>129,604</u>	<u>126,390</u>	<u>(3,214)</u>
Expenditures				
Current				
Leisure time activities				
Personal services	89,008	89,608	68,160	21,448
All other expenditures	66,805	87,913	60,500	27,413
Total leisure time activities	<u>155,813</u>	<u>177,521</u>	<u>128,660</u>	<u>48,861</u>
Total expenditures	<u>155,813</u>	<u>177,521</u>	<u>128,660</u>	<u>48,861</u>
Excess of revenues over (under) expenditures	(11,899)	(47,917)	(2,270)	45,647
Other financing sources (uses)				
Operating transfers - in	0	16,810	2,000	(14,810)
Total other financing sources (uses)	<u>0</u>	<u>16,810</u>	<u>2,000</u>	<u>(14,810)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(11,899)	(31,107)	(270)	30,837
Fund balance at beginning of year	122,489	122,489	122,489	0
Fund balance (deficit) at end of year	<u>110,590</u>	<u>91,382</u>	<u>122,219</u>	<u>30,837</u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Housing Maintenance Code Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Fees, licenses, and permits				
Fees and permits	0	0	30	30
Total fees, licenses, and permits	<u>0</u>	<u>0</u>	<u>30</u>	<u>30</u>
Fines and forfeitures				
Fines and forfeitures	0	5,000	9,075	4,075
Total fines and forfeitures	<u>0</u>	<u>5,000</u>	<u>9,075</u>	<u>4,075</u>
Total revenues	<u>0</u>	<u>5,000</u>	<u>9,105</u>	<u>4,105</u>
Expenditures				
Current				
Community environment				
Personal services	146,146	146,146	124,358	21,788
All other expenditures	11,925	20,029	13,710	6,319
Total community environment	<u>158,071</u>	<u>166,175</u>	<u>138,068</u>	<u>28,107</u>
Capital outlay	<u>21,200</u>	<u>3,096</u>	<u>1,210</u>	<u>1,886</u>
Total expenditures	<u>179,271</u>	<u>169,271</u>	<u>139,278</u>	<u>29,993</u>
Excess of revenues over (under) expenditures	(179,271)	(164,271)	(130,173)	34,098
Other financing sources (uses)				
Operating transfers - in	166,795	161,795	124,852	(36,943)
Total other financing sources (uses)	<u>166,795</u>	<u>161,795</u>	<u>124,852</u>	<u>(36,943)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(12,476)</u>	<u>(2,476)</u>	<u>(5,321)</u>	<u>(2,845)</u>
Fund balance at beginning of year	24,472	24,472	24,472	0
Fund balance (deficit) at end of year	<u><u>11,996</u></u>	<u><u>21,996</u></u>	<u><u>19,151</u></u>	<u><u>(2,845)</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Roadway Industrial Parkway Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues				
Interest				
Interest	0	700	10,766	10,066
Total interest	<u>0</u>	<u>700</u>	<u>10,766</u>	<u>10,066</u>
Total revenues	<u>0</u>	<u>700</u>	<u>10,766</u>	<u>10,066</u>
Expenditures				
Current				
Transportation				
All other expenditures	0	94,000	91,669	2,331
Total transportation	<u>0</u>	<u>94,000</u>	<u>91,669</u>	<u>2,331</u>
Total expenditures	<u>0</u>	<u>94,000</u>	<u>91,669</u>	<u>2,331</u>
Excess of revenues over (under) expenditures	0	(93,300)	(80,903)	12,397
Fund balance at beginning of year	560,668	560,668	560,668	0
Fund balance (deficit) at end of year	<u><u>560,668</u></u>	<u><u>467,368</u></u>	<u><u>479,765</u></u>	<u><u>12,397</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Enterprise Zone Monitoring Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	0	0	2,500	2,500
Total intergovernmental	<u>0</u>	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Total revenues	<u>0</u>	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Excess of revenues over (under) expenditures	0	0	2,500	2,500
Fund balance at beginning of year	4,827	4,827	4,827	0
Fund balance (deficit) at end of year	<u><u>4,827</u></u>	<u><u>4,827</u></u>	<u><u>7,327</u></u>	<u><u>2,500</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Law Enforcement Block Grant Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Expenditures				
Current				
Security of persons and property				
Personal services	50	50	0	50
Total security of persons and property	<u>50</u>	<u>50</u>	<u>0</u>	<u>50</u>
Total expenditures	<u>50</u>	<u>50</u>	<u>0</u>	<u>50</u>
Excess of revenues over (under) expenditures	(50)	(50)	0	50
Other financing sources (uses)				
Operating transfers - out	(1,995)	(1,995)	0	1,995
Total other financing sources (uses)	<u>(1,995)</u>	<u>(1,995)</u>	<u>0</u>	<u>1,995</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,045)</u>	<u>(2,045)</u>	<u>0</u>	<u>2,045</u>
Fund balance at beginning of year	2,402	2,402	2,402	0
Fund balance (deficit) at end of year	<u><u>357</u></u>	<u><u>357</u></u>	<u><u>2,402</u></u>	<u><u>2,045</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Emergency Medical Services Grant Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	6,700	140,258	133,323	(6,935)
Total intergovernmental	<u>6,700</u>	<u>140,258</u>	<u>133,323</u>	<u>(6,935)</u>
Total revenues	<u>6,700</u>	<u>140,258</u>	<u>133,323</u>	<u>(6,935)</u>
Expenditures				
Current				
Security of persons and property				
All other expenditures	9,186	105,881	52,269	53,612
Total security of persons and property	<u>9,186</u>	<u>105,881</u>	<u>52,269</u>	<u>53,612</u>
Capital outlay	<u>0</u>	<u>55,090</u>	<u>55,027</u>	<u>63</u>
Total expenditures	<u>9,186</u>	<u>160,971</u>	<u>107,296</u>	<u>53,675</u>
Excess of revenues over (under) expenditures	(2,486)	(20,713)	26,027	46,740
Other financing sources (uses)				
Operating transfers - in	0	45,000	45,000	0
Total other financing sources (uses)	<u>0</u>	<u>45,000</u>	<u>45,000</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,486)</u>	<u>24,287</u>	<u>71,027</u>	<u>46,740</u>
Fund balance at beginning of year	2,504	2,504	2,504	0
Fund balance (deficit) at end of year	<u><u>18</u></u>	<u><u>26,791</u></u>	<u><u>73,531</u></u>	<u><u>46,740</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Court Security Grant Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Other financing sources (uses)				
Operating transfers - out	(27,619)	(27,619)	(27,619)	0
Total other financing sources (uses)	<u>(27,619)</u>	<u>(27,619)</u>	<u>(27,619)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(27,619)</u>	<u>(27,619)</u>	<u>(27,619)</u>	<u>0</u>
Fund balance at beginning of year	27,619	27,619	27,619	0
Fund balance (deficit) at end of year	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Juvenile Diversion Program Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	0	20,556	20,557	1
Total intergovernmental	<u>0</u>	<u>20,556</u>	<u>20,557</u>	<u>1</u>
Total revenues	<u>0</u>	<u>20,556</u>	<u>20,557</u>	<u>1</u>
Expenditures				
Current				
Security of persons and property				
Personal services	39,599	39,599	33,663	5,936
All other expenditures	800	800	189	611
Total security of persons and property	<u>40,399</u>	<u>40,399</u>	<u>33,852</u>	<u>6,547</u>
Total expenditures	<u>40,399</u>	<u>40,399</u>	<u>33,852</u>	<u>6,547</u>
Excess of revenues over (under) expenditures	(40,399)	(19,843)	(13,295)	6,548
Other financing sources (uses)				
Operating transfers - in	41,527	22,600	17,528	(5,072)
Total other financing sources (uses)	<u>41,527</u>	<u>22,600</u>	<u>17,528</u>	<u>(5,072)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,128	2,757	4,233	1,476
Fund balance at beginning of year	(1,103)	(1,103)	(1,103)	0
Fund balance (deficit) at end of year	<u>25</u>	<u>1,654</u>	<u>3,130</u>	<u>1,476</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Victims of Crime Assistance Grant Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	48,321	28,751	28,967	216
Total intergovernmental	<u>48,321</u>	<u>28,751</u>	<u>28,967</u>	<u>216</u>
Total revenues	<u>48,321</u>	<u>28,751</u>	<u>28,967</u>	<u>216</u>
Expenditures				
Current				
Security of persons and property				
Personal services	47,199	48,858	48,858	0
Total security of persons and property	<u>47,199</u>	<u>48,858</u>	<u>48,858</u>	<u>0</u>
Total expenditures	<u>47,199</u>	<u>48,858</u>	<u>48,858</u>	<u>0</u>
Excess of revenues over (under) expenditures	1,122	(20,107)	(19,891)	216
Other financing sources (uses)				
Operating transfers - in	0	19,570	11,297	(8,273)
Total other financing sources (uses)	<u>0</u>	<u>19,570</u>	<u>11,297</u>	<u>(8,273)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,122	(537)	(8,594)	(8,057)
Fund balance at beginning of year	8,598	8,598	8,598	0
Fund balance (deficit) at end of year	<u>9,720</u>	<u>8,061</u>	<u>4</u>	<u>(8,057)</u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Traffic Intervention Program Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
Miscellaneous services	29,643	37,987	39,487	1,500
Total charges for services	<u>29,643</u>	<u>37,987</u>	<u>39,487</u>	<u>1,500</u>
Total revenues	<u>29,643</u>	<u>37,987</u>	<u>39,487</u>	<u>1,500</u>
Expenditures				
Current				
Security of persons and property				
Personal services	27,335	27,335	23,623	3,712
Total security of persons and property	<u>27,335</u>	<u>27,335</u>	<u>23,623</u>	<u>3,712</u>
Total expenditures	<u>27,335</u>	<u>27,335</u>	<u>23,623</u>	<u>3,712</u>
Excess of revenues over (under) expenditures	2,308	10,652	15,864	5,212
Other financing sources (uses)				
Operating transfers - in	0	1,500	0	(1,500)
Total other financing sources (uses)	<u>0</u>	<u>1,500</u>	<u>0</u>	<u>(1,500)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,308	12,152	15,864	3,712
Fund balance at beginning of year	(2,305)	(2,305)	(2,305)	0
Fund balance (deficit) at end of year	<u><u>3</u></u>	<u><u>9,847</u></u>	<u><u>13,559</u></u>	<u><u>3,712</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Schaff Community Center Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Expenditures				
Capital outlay	10,000	10,000	0	10,000
Total expenditures	10,000	10,000	0	10,000
Excess of revenues over (under) expenditures	(10,000)	(10,000)	0	10,000
Fund balance at beginning of year	10,458	10,458	10,458	0
Fund balance (deficit) at end of year	458	458	10,458	10,000

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Stearns Farm Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Expenditures				
Current				
Leisure time activities				
All other expenditures	781	781	0	781
Total leisure time activities	<u>781</u>	<u>781</u>	<u>0</u>	<u>781</u>
Total expenditures	<u>781</u>	<u>781</u>	<u>0</u>	<u>781</u>
Excess of revenues over (under) expenditures	(781)	(781)	0	781
Fund balance at beginning of year	29,525	29,525	29,525	0
Fund balance (deficit) at end of year	<u><u>28,744</u></u>	<u><u>28,744</u></u>	<u><u>29,525</u></u>	<u><u>781</u></u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Recycling and Litter Prevention Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	64,900	75,745	50,672	(25,073)
Total intergovernmental	<u>64,900</u>	<u>75,745</u>	<u>50,672</u>	<u>(25,073)</u>
Total revenues	<u>64,900</u>	<u>75,745</u>	<u>50,672</u>	<u>(25,073)</u>
Expenditures				
Current				
Community environment				
Personal services	16,798	16,798	15,889	909
All other expenditures	38,658	42,134	30,629	11,505
Total community environment	<u>55,456</u>	<u>58,932</u>	<u>46,518</u>	<u>12,414</u>
Capital outlay	<u>0</u>	<u>7,369</u>	<u>7,221</u>	<u>148</u>
Total expenditures	<u>55,456</u>	<u>66,301</u>	<u>53,739</u>	<u>12,562</u>
Excess of revenues over (under) expenditures	9,444	9,444	(3,067)	(12,511)
Other financing sources (uses)				
Operating transfers - in	0	0	4,017	4,017
Advances - out	(9,899)	(9,899)	(9,899)	0
Operating transfers - out	0	(4,016)	(4,016)	0
Total other financing sources (uses)	<u>(9,899)</u>	<u>(13,915)</u>	<u>(9,898)</u>	<u>4,017</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(455)	(4,471)	(12,965)	(8,494)
Fund balance at beginning of year	4,474	4,474	4,474	0
Prior year encumbrances appropriated	10,652	10,652	10,652	0
Fund balance (deficit) at end of year	<u><u>14,671</u></u>	<u><u>10,655</u></u>	<u><u>2,161</u></u>	<u><u>(8,494)</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Customer Service Center Grant Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance at beginning of year	2,543	2,543	2,543	0
Fund balance (deficit) at end of year	<u>2,543</u>	<u>2,543</u>	<u>2,543</u>	<u>0</u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Nature Works Grant Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance at beginning of year	3,200	3,200	3,200	0
Fund balance (deficit) at end of year	<u> </u> <u> </u> 3,200	<u> </u> <u> </u> 3,200	<u> </u> <u> </u> 3,200	<u> </u> <u> </u> 0

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 America Beautiful Grant Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance at beginning of year	97	97	97	0
Fund balance (deficit) at end of year	<u>97</u>	<u>97</u>	<u>97</u>	<u>0</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
West Creek Preservation Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	160,002	240,002	0	(240,002)
Total intergovernmental	<u>160,002</u>	<u>240,002</u>	<u>0</u>	<u>(240,002)</u>
Total revenues	<u>160,002</u>	<u>240,002</u>	<u>0</u>	<u>(240,002)</u>
Expenditures				
Current				
Leisure time activities				
All other expenditures	44,449	125,491	113,841	11,650
Total leisure time activities	<u>44,449</u>	<u>125,491</u>	<u>113,841</u>	<u>11,650</u>
Capital outlay	<u>27,216</u>	<u>26,174</u>	<u>26,173</u>	<u>1</u>
Total expenditures	<u>71,665</u>	<u>151,665</u>	<u>140,014</u>	<u>11,651</u>
Excess of revenues over (under) expenditures	88,337	88,337	(140,014)	(228,351)
Other financing sources (uses)				
Advances - in	0	0	228,344	228,344
Advances - out	(88,792)	(88,792)	(88,791)	1
Total other financing sources (uses)	<u>(88,792)</u>	<u>(88,792)</u>	<u>139,553</u>	<u>228,345</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(455)	(455)	(461)	(6)
Fund balance at beginning of year	461	461	461	0
Fund balance (deficit) at end of year	<u>6</u>	<u>6</u>	<u>0</u>	<u>(6)</u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Ohio and Erie Canal Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	17,930	17,930	0	(17,930)
Total intergovernmental	<u>17,930</u>	<u>17,930</u>	<u>0</u>	<u>(17,930)</u>
Total revenues	<u>17,930</u>	<u>17,930</u>	<u>0</u>	<u>(17,930)</u>
Expenditures				
Current				
Leisure time activities				
All other expenditures	23,770	23,770	0	23,770
Total leisure time activities	<u>23,770</u>	<u>23,770</u>	<u>0</u>	<u>23,770</u>
Total expenditures	<u>23,770</u>	<u>23,770</u>	<u>0</u>	<u>23,770</u>
Excess of revenues over (under) expenditures	(5,840)	(5,840)	0	5,840
Fund balance at beginning of year	5,848	5,848	5,848	0
Fund balance (deficit) at end of year	<u><u>8</u></u>	<u><u>8</u></u>	<u><u>5,848</u></u>	<u><u>5,840</u></u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Animal Shelter Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	0	1,000	2,690	1,690
Total charges for services	0	1,000	2,690	1,690
Fees, licenses, and permits				
Fees and permits	0	0	524	524
Total fees, licenses, and permits	0	0	524	524
Donations				
Donations	0	0	85	85
Total donations	0	0	85	85
Total revenues	0	1,000	3,299	2,299
Expenditures				
Current				
Community environment				
All other expenditures	25,800	25,799	13,686	12,113
Total community environment	25,800	25,799	13,686	12,113
Total expenditures	25,800	25,799	13,686	12,113
Excess of revenues over (under) expenditures	(25,800)	(24,799)	(10,387)	14,412
Other financing sources (uses)				
Operating transfers - in	23,890	22,890	17,168	(5,722)
Total other financing sources (uses)	23,890	22,890	17,168	(5,722)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,910)	(1,909)	6,781	8,690
Fund balance at beginning of year	1,912	1,912	1,912	0
Fund balance (deficit) at end of year	2	3	8,693	8,690

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 DUI Prevention Task Force Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	0	3,995	3,996	1
Total intergovernmental	<u>0</u>	<u>3,995</u>	<u>3,996</u>	<u>1</u>
Total revenues	<u>0</u>	<u>3,995</u>	<u>3,996</u>	<u>1</u>
Excess of revenues over (under) expenditures	0	3,995	3,996	1
Fund balance at beginning of year	0	0	0	0
Fund balance (deficit) at end of year	<u><u>0</u></u>	<u><u>3,995</u></u>	<u><u>3,996</u></u>	<u><u>1</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Disaster Preparedness Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Expenditures				
Current				
Security of persons and property				
All other expenditures	2,536	14,536	14,464	72
Total security of persons and property	<u>2,536</u>	<u>14,536</u>	<u>14,464</u>	<u>72</u>
Total expenditures	<u>2,536</u>	<u>14,536</u>	<u>14,464</u>	<u>72</u>
Excess of revenues over (under) expenditures	(2,536)	(14,536)	(14,464)	72
Fund balance at beginning of year	32,890	32,890	32,890	0
Fund balance (deficit) at end of year	<u><u>30,354</u></u>	<u><u>18,354</u></u>	<u><u>18,426</u></u>	<u><u>72</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 James A. Lovell Park Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance at beginning of year	1,443	1,443	1,443	0
Fund balance (deficit) at end of year	<u>1,443</u>	<u>1,443</u>	<u>1,443</u>	<u>0</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Recreation Trust Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	0	7,000	0	(7,000)
Parks and recreation	0	0	8,359	8,359
Total charges for services	<u>0</u>	<u>7,000</u>	<u>8,359</u>	<u>1,359</u>
Donations				
Donations	0	1,250	14,800	13,550
Total donations	<u>0</u>	<u>1,250</u>	<u>14,800</u>	<u>13,550</u>
Total revenues	<u>0</u>	<u>8,250</u>	<u>23,159</u>	<u>14,909</u>
Expenditures				
Current				
Leisure time activities				
All other expenditures	27,500	27,600	19,722	7,878
Total leisure time activities	<u>27,500</u>	<u>27,600</u>	<u>19,722</u>	<u>7,878</u>
Total expenditures	<u>27,500</u>	<u>27,600</u>	<u>19,722</u>	<u>7,878</u>
Excess of revenues over (under) expenditures	(27,500)	(19,350)	3,437	22,787
Other financing sources (uses)				
Operating transfers - in	27,000	20,000	0	(20,000)
Total other financing sources (uses)	<u>27,000</u>	<u>20,000</u>	<u>0</u>	<u>(20,000)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(500)	650	3,437	2,787
Fund balance at beginning of year	16,291	16,291	16,291	0
Fund balance (deficit) at end of year	<u><u>15,791</u></u>	<u><u>16,941</u></u>	<u><u>19,728</u></u>	<u><u>2,787</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Curb Cutting Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	4,000	4,000	4,200	200
Total charges for services	<u>4,000</u>	<u>4,000</u>	<u>4,200</u>	<u>200</u>
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>4,200</u>	<u>200</u>
Expenditures				
Current				
General government				
All other expenditures	3,000	5,000	4,700	300
Total general government	<u>3,000</u>	<u>5,000</u>	<u>4,700</u>	<u>300</u>
Total expenditures	<u>3,000</u>	<u>5,000</u>	<u>4,700</u>	<u>300</u>
Excess of revenues over (under) expenditures	1,000	(1,000)	(500)	500
Fund balance at beginning of year	16,223	16,223	16,223	0
Fund balance (deficit) at end of year	<u><u>17,223</u></u>	<u><u>15,223</u></u>	<u><u>15,723</u></u>	<u><u>500</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Tree Planting Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues				
Charges for services				
General government	0	800	800	0
Total charges for services	<u>0</u>	<u>800</u>	<u>800</u>	<u>0</u>
Total revenues	<u>0</u>	<u>800</u>	<u>800</u>	<u>0</u>
Excess of revenues over (under) expenditures	0	800	800	0
Fund balance at beginning of year	1,300	1,300	1,300	0
Fund balance (deficit) at end of year	<u><u>1,300</u></u>	<u><u>2,100</u></u>	<u><u>2,100</u></u>	<u><u>0</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Vista Ridge Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance at beginning of year	27,568	27,568	27,568	0
Fund balance (deficit) at end of year	<u>27,568</u>	<u>27,568</u>	<u>27,568</u>	<u>0</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
FEMA Assistance to Firefighters Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	48,128	48,128	0	(48,128)
Total intergovernmental	<u>48,128</u>	<u>48,128</u>	<u>0</u>	<u>(48,128)</u>
Total revenues	<u>48,128</u>	<u>48,128</u>	<u>0</u>	<u>(48,128)</u>
Expenditures				
Current				
Security of persons and property				
All other expenditures	35,714	43,546	43,334	212
Total security of persons and property	<u>35,714</u>	<u>43,546</u>	<u>43,334</u>	<u>212</u>
Capital outlay	<u>0</u>	<u>1,927</u>	<u>0</u>	<u>1,927</u>
Total expenditures	<u>35,714</u>	<u>45,473</u>	<u>43,334</u>	<u>2,139</u>
Excess of revenues over (under) expenditures	12,414	2,655	(43,334)	(45,989)
Other financing sources (uses)				
Operating transfers - in	0	0	26,250	26,250
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>26,250</u>	<u>26,250</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	12,414	2,655	(17,084)	(19,739)
Fund balance at beginning of year	12,414	12,414	12,414	0
Prior year encumbrances appropriated	4,876	4,876	4,876	0
Fund balance (deficit) at end of year	<u><u>29,704</u></u>	<u><u>19,945</u></u>	<u><u>206</u></u>	<u><u>(19,739)</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Community Emergency Response Team Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	9,750	9,750	5,566	(4,184)
Total intergovernmental	<u>9,750</u>	<u>9,750</u>	<u>5,566</u>	<u>(4,184)</u>
Total revenues	<u>9,750</u>	<u>9,750</u>	<u>5,566</u>	<u>(4,184)</u>
Expenditures				
Current				
Security of persons and property				
All other expenditures	10,967	10,967	5,724	5,243
Total security of persons and property	<u>10,967</u>	<u>10,967</u>	<u>5,724</u>	<u>5,243</u>
Total expenditures	<u>10,967</u>	<u>10,967</u>	<u>5,724</u>	<u>5,243</u>
Excess of revenues over (under) expenditures	(1,217)	(1,217)	(158)	1,059
Fund balance at beginning of year	1,217	1,217	1,217	0
Fund balance (deficit) at end of year	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>1,059</u></u>	<u><u>1,059</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 PMC Clerk Computerization Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Fines and forfeitures				
Fines and forfeitures	105,000	110,000	108,493	(1,507)
Total fines and forfeitures	<u>105,000</u>	<u>110,000</u>	<u>108,493</u>	<u>(1,507)</u>
Interest				
Interest	0	0	961	961
Total interest	<u>0</u>	<u>0</u>	<u>961</u>	<u>961</u>
Total revenues	<u>105,000</u>	<u>110,000</u>	<u>109,454</u>	<u>(546)</u>
Expenditures				
Current				
Security of persons and property				
All other expenditures	125,000	55,639	55,515	124
Total security of persons and property	<u>125,000</u>	<u>55,639</u>	<u>55,515</u>	<u>124</u>
Capital outlay	<u>0</u>	<u>70,861</u>	<u>49,645</u>	<u>21,216</u>
Total expenditures	<u>125,000</u>	<u>126,500</u>	<u>105,160</u>	<u>21,340</u>
Excess of revenues over (under) expenditures	(20,000)	(16,500)	4,294	20,794
Fund balance at beginning of year	20,481	20,481	20,481	0
Fund balance (deficit) at end of year	<u>481</u>	<u>3,981</u>	<u>24,775</u>	<u>20,794</u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Henninger Homestead Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	22,130	41,960	19,830	(22,130)
Total intergovernmental	<u>22,130</u>	<u>41,960</u>	<u>19,830</u>	<u>(22,130)</u>
Total revenues	<u>22,130</u>	<u>41,960</u>	<u>19,830</u>	<u>(22,130)</u>
Expenditures				
Current				
Leisure time activities				
All other expenditures	23,315	48,315	25,000	23,315
Total leisure time activities	<u>23,315</u>	<u>48,315</u>	<u>25,000</u>	<u>23,315</u>
Total expenditures	<u>23,315</u>	<u>48,315</u>	<u>25,000</u>	<u>23,315</u>
Excess of revenues over (under) expenditures	(1,185)	(6,355)	(5,170)	1,185
Fund balance at beginning of year	11,186	11,186	11,186	0
Fund balance (deficit) at end of year	<u>10,001</u>	<u>4,831</u>	<u>6,016</u>	<u>1,185</u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Brownfield Redevelopment Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Expenditures				
Current				
Community environment				
All other expenditures	300,817	241,226	241,226	0
Total community environment	<u>300,817</u>	<u>241,226</u>	<u>241,226</u>	<u>0</u>
Total expenditures	<u>300,817</u>	<u>241,226</u>	<u>241,226</u>	<u>0</u>
Excess of revenues over (under) expenditures	(300,817)	(241,226)	(241,226)	0
Other financing sources (uses)				
Operating transfers - in	348,017	289,226	241,226	(48,000)
Advances - out	(48,000)	(48,000)	(48,000)	0
Total other financing sources (uses)	<u>300,017</u>	<u>241,226</u>	<u>193,226</u>	<u>(48,000)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(800)</u>	<u>0</u>	<u>(48,000)</u>	<u>(48,000)</u>
Fund balance at beginning of year	800	800	800	0
Prior year encumbrances appropriated	47,200	47,200	47,200	0
Fund balance (deficit) at end of year	<u><u>47,200</u></u>	<u><u>48,000</u></u>	<u><u>0</u></u>	<u><u>(48,000)</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Urban Area Security Initiative Grant Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	0	47,320	0	(47,320)
Total intergovernmental	<u>0</u>	<u>47,320</u>	<u>0</u>	<u>(47,320)</u>
Total revenues	<u>0</u>	<u>47,320</u>	<u>0</u>	<u>(47,320)</u>
Expenditures				
Current				
Security of persons and property				
Personal services	0	47,320	0	47,320
Total security of persons and property	<u>0</u>	<u>47,320</u>	<u>0</u>	<u>47,320</u>
Total expenditures	<u>0</u>	<u>47,320</u>	<u>0</u>	<u>47,320</u>
Excess of revenues over (under) expenditures	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance (deficit) at end of year	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Transportation for Livable Communities Initiative Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Donations				
Donations	0	90,000	5,000	(85,000)
Total donations	<u>0</u>	<u>90,000</u>	<u>5,000</u>	<u>(85,000)</u>
Total revenues	<u>0</u>	<u>90,000</u>	<u>5,000</u>	<u>(85,000)</u>
Expenditures				
Current				
Community environment				
All other expenditures	0	90,000	0	90,000
Total community environment	<u>0</u>	<u>90,000</u>	<u>0</u>	<u>90,000</u>
Total expenditures	<u>0</u>	<u>90,000</u>	<u>0</u>	<u>90,000</u>
Excess of revenues over (under) expenditures	0	0	5,000	5,000
Fund balance at beginning of year	0	0	0	0
Fund balance (deficit) at end of year	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>5,000</u></u>	<u><u>5,000</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Capability Enhancement via Technology
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues				
Intergovernmental				
Grants	0	30,000	30,000	0
Total intergovernmental	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Total revenues	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Excess of revenues over (under) expenditures	0	30,000	30,000	0
Fund balance at beginning of year	0	0	0	0
Fund balance (deficit) at end of year	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>

City of Parma, Ohio
Schedule of Revenues,
Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Sewer Construction Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Intergovernmental				
Grants	0	329,711	290,661	(39,050)
Total intergovernmental	<u>0</u>	<u>329,711</u>	<u>290,661</u>	<u>(39,050)</u>
Total revenues	<u>0</u>	<u>329,711</u>	<u>290,661</u>	<u>(39,050)</u>
Expenditures				
Current				
General government				
All other expenditures	57,444	1,116,379	1,013,298	103,081
Total general government	<u>57,444</u>	<u>1,116,379</u>	<u>1,013,298</u>	<u>103,081</u>
Debt service				
General government				
Principal retirement	0	1,200,000	1,200,000	0
Interest and fiscal charges	0	26,400	26,400	0
Total general government	<u>0</u>	<u>1,226,400</u>	<u>1,226,400</u>	<u>0</u>
Total expenditures	<u>57,444</u>	<u>2,342,779</u>	<u>2,239,698</u>	<u>103,081</u>
Excess of revenues over (under) expenditures	(57,444)	(2,013,068)	(1,949,037)	64,031
Other financing sources (uses)				
Proceeds of notes	302,444	1,466,000	1,466,000	0
Advances - in	0	328,945	261,281	(67,664)
Total other financing sources (uses)	<u>302,444</u>	<u>1,794,945</u>	<u>1,727,281</u>	<u>(67,664)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	245,000	(218,123)	(221,756)	(3,633)
Fund balance at beginning of year	258,064	258,064	258,064	0
Fund balance (deficit) at end of year	<u>503,064</u>	<u>39,941</u>	<u>36,308</u>	<u>(3,633)</u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Street Improvements Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Expenditures				
Current				
General government				
All other expenditures	0	1,600,000	161,253	1,438,747
Total general government	<u>0</u>	<u>1,600,000</u>	<u>161,253</u>	<u>1,438,747</u>
Total expenditures	<u>0</u>	<u>1,600,000</u>	<u>161,253</u>	<u>1,438,747</u>
Excess of revenues over (under) expenditures	0	(1,600,000)	(161,253)	1,438,747
Other financing sources (uses)				
Proceeds of bonds	0	1,600,000	1,700,000	100,000
Total other financing sources (uses)	<u>0</u>	<u>1,600,000</u>	<u>1,700,000</u>	<u>100,000</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>0</u>	<u>1,538,747</u>	<u>1,538,747</u>
Fund balance at beginning of year	36	36	36	0
Fund balance (deficit) at end of year	<u><u>36</u></u>	<u><u>36</u></u>	<u><u>1,538,783</u></u>	<u><u>1,538,747</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Sidewalks Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Property and other taxes				
Real estate and public utility	0	0	63	63
Total property and other taxes	<u>0</u>	<u>0</u>	<u>63</u>	<u>63</u>
Special assessments				
Special assessments	0	0	6,279	6,279
Total special assessments	<u>0</u>	<u>0</u>	<u>6,279</u>	<u>6,279</u>
Total revenues	<u>0</u>	<u>0</u>	<u>6,342</u>	<u>6,342</u>
Expenditures				
Current				
General government				
All other expenditures	50	63	63	0
Total general government	<u>50</u>	<u>63</u>	<u>63</u>	<u>0</u>
Total expenditures	<u>50</u>	<u>63</u>	<u>63</u>	<u>0</u>
Excess of revenues over (under) expenditures	(50)	(63)	6,279	6,342
Fund balance at beginning of year	10,049	10,049	10,049	0
Fund balance (deficit) at end of year	<u>9,999</u>	<u>9,986</u>	<u>16,328</u>	<u>6,342</u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Senior Citizens Center Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Interest				
Interest	0	0	12	12
Total interest	<u>0</u>	<u>0</u>	<u>12</u>	<u>12</u>
Total revenues	<u>0</u>	<u>0</u>	<u>12</u>	<u>12</u>
Excess of revenues over (under) expenditures	0	0	12	12
Fund balance at beginning of year	563	563	563	0
Fund balance (deficit) at end of year	<u><u>563</u></u>	<u><u>563</u></u>	<u><u>575</u></u>	<u><u>12</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Courts Capital Improvement Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	53,000	53,000	1,495	(51,505)
Total charges for services	<u>53,000</u>	<u>53,000</u>	<u>1,495</u>	<u>(51,505)</u>
Total revenues	<u>53,000</u>	<u>53,000</u>	<u>1,495</u>	<u>(51,505)</u>
Expenditures				
Current				
General government				
All other expenditures	58,000	27,227	19,115	8,112
Total general government	<u>58,000</u>	<u>27,227</u>	<u>19,115</u>	<u>8,112</u>
Capital outlay	<u>0</u>	<u>8,081</u>	<u>0</u>	<u>8,081</u>
Total expenditures	<u>58,000</u>	<u>35,308</u>	<u>19,115</u>	<u>16,193</u>
Excess of revenues over (under) expenditures	(5,000)	17,692	(17,620)	(35,312)
Other financing sources (uses)				
Operating transfers - in	0	27,619	27,619	0
Total other financing sources (uses)	<u>0</u>	<u>27,619</u>	<u>27,619</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(5,000)</u>	<u>45,311</u>	<u>9,999</u>	<u>(35,312)</u>
Fund balance at beginning of year	5,296	5,296	5,296	0
Prior year encumbrances appropriated	960	960	960	0
Fund balance (deficit) at end of year	<u><u>1,256</u></u>	<u><u>51,567</u></u>	<u><u>16,255</u></u>	<u><u>(35,312)</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 City Hall Capital Improvements Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Donations				
Donations	0	1,000	1,000	0
Total donations	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total revenues	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Expenditures				
Capital outlay	0	10,000	8,815	1,185
Total expenditures	<u>0</u>	<u>10,000</u>	<u>8,815</u>	<u>1,185</u>
Excess of revenues over (under) expenditures	0	(9,000)	(7,815)	1,185
Fund balance at beginning of year	15,260	15,260	15,260	0
Fund balance (deficit) at end of year	<u><u>15,260</u></u>	<u><u>6,260</u></u>	<u><u>7,445</u></u>	<u><u>1,185</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Justice Center Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Interest				
Interest	0	0	8	8
Total interest	<u>0</u>	<u>0</u>	<u>8</u>	<u>8</u>
Total revenues	<u>0</u>	<u>0</u>	<u>8</u>	<u>8</u>
Expenditures				
Capital outlay	0	3,000	2,873	127
Total expenditures	<u>0</u>	<u>3,000</u>	<u>2,873</u>	<u>127</u>
Excess of revenues over (under) expenditures	0	(3,000)	(2,865)	135
Fund balance at beginning of year	7,516	7,516	7,516	0
Fund balance (deficit) at end of year	<u><u>7,516</u></u>	<u><u>4,516</u></u>	<u><u>4,651</u></u>	<u><u>135</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Gannett Land Purchase Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Property and other taxes				
Real estate and public utility	336,777	278,077	265,705	(12,372)
Tangible personal property	0	18,400	3,042	(15,358)
Total property and other taxes	<u>336,777</u>	<u>296,477</u>	<u>268,747</u>	<u>(27,730)</u>
Intergovernmental				
Homestead	0	3,300	1,647	(1,653)
10% reimbursement	0	31,000	15,575	(15,425)
2.5% property tax rollback	0	6,000	2,823	(3,177)
Total intergovernmental	<u>0</u>	<u>40,300</u>	<u>20,045</u>	<u>(20,255)</u>
Total revenues	<u>336,777</u>	<u>336,777</u>	<u>288,792</u>	<u>(47,985)</u>
Excess of revenues over (under) expenditures	336,777	336,777	288,792	(47,985)
Other financing sources (uses)				
Operating transfers - out	(228,288)	(405,395)	(405,395)	0
Total other financing sources (uses)	<u>(228,288)</u>	<u>(405,395)</u>	<u>(405,395)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>108,489</u>	<u>(68,618)</u>	<u>(116,603)</u>	<u>(47,985)</u>
Fund balance at beginning of year	116,603	116,603	116,603	0
Fund balance (deficit) at end of year	<u><u>225,092</u></u>	<u><u>47,985</u></u>	<u><u>0</u></u>	<u><u>(47,985)</u></u>

City of Parma, Ohio
 Schedule of Revenues,
 Expenses, and Changes in Fund Equity
 Budget (Non-GAAP Basis) and Actual
 Liability Insurance Fund
 For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Interest				
Interest	0	0	1,342	1,342
Total interest	<u>0</u>	<u>0</u>	<u>1,342</u>	<u>1,342</u>
Total revenues	<u>0</u>	<u>0</u>	<u>1,342</u>	<u>1,342</u>
Expenses				
Personal services	206,195	206,195	146,078	60,117
Claims	200,000	200,000	81,330	118,670
All other expenditures	287,520	287,905	247,032	40,873
Total current expenses	<u>693,715</u>	<u>694,100</u>	<u>474,440</u>	<u>219,660</u>
Total expenses	<u>693,715</u>	<u>694,100</u>	<u>474,440</u>	<u>219,660</u>
Excess of revenues over (under) expenses	(693,715)	(694,100)	(473,098)	221,002
Operating transfers - in	380,000	380,000	374,380	(5,620)
Total operating transfers and advances	<u>380,000</u>	<u>380,000</u>	<u>374,380</u>	<u>(5,620)</u>
Excess of revenues over (under) expenses, operating transfers and advances	(313,715)	(314,100)	(98,718)	215,382
Fund equity at beginning of year	323,560	323,560	323,560	0
Prior year encumbrances appropriated	385	385	385	0
Fund equity (deficit) at end of year	<u><u>10,230</u></u>	<u><u>9,845</u></u>	<u><u>225,227</u></u>	<u><u>215,382</u></u>

City of Parma, Ohio
Schedule of Revenues,
Expenses, and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Medical Insurance Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	0	100	0	(100)
Miscellaneous services	4,801,100	5,090,000	5,083,366	(6,634)
Total charges for services	<u>4,801,100</u>	<u>5,090,100</u>	<u>5,083,366</u>	<u>(6,734)</u>
Intergovernmental				
Grants	0	1,000	24,169	23,169
Total intergovernmental	<u>0</u>	<u>1,000</u>	<u>24,169</u>	<u>23,169</u>
Total revenues	<u>4,801,100</u>	<u>5,091,100</u>	<u>5,107,535</u>	<u>16,435</u>
Expenses				
Personal services	4,617,000	5,047,000	4,982,441	64,559
All other expenditures	20,100	20,100	43	20,057
Total current expenses	<u>4,637,100</u>	<u>5,067,100</u>	<u>4,982,484</u>	<u>84,616</u>
Total expenses	<u>4,637,100</u>	<u>5,067,100</u>	<u>4,982,484</u>	<u>84,616</u>
Excess of revenues over (under) expenses	164,000	24,000	125,051	101,051
Operating transfers - out	(189,525)	(189,525)	(189,525)	0
Total operating transfers and advances	<u>(189,525)</u>	<u>(189,525)</u>	<u>(189,525)</u>	<u>0</u>
Excess of revenues over (under) expenses, operating transfers and advances	(25,525)	(165,525)	(64,474)	101,051
Fund equity at beginning of year	400,885	400,885	400,885	0
Prior year encumbrances appropriated	130,000	130,000	130,000	0
Fund equity (deficit) at end of year	<u>505,360</u>	<u>365,360</u>	<u>466,411</u>	<u>101,051</u>

City of Parma, Ohio
Schedule of Revenues,
Expenses, and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Workers' Compensation Fund
For the Year Ended December 31, 2005

	Original Budget \$	Final Budget \$	Actual \$	Variance Positive (Negative)
Revenues				
Charges for services				
General government	0	3,000	13,030	10,030
Miscellaneous services	703,000	0	574,042	574,042
Total charges for services	<u>703,000</u>	<u>3,000</u>	<u>587,072</u>	<u>584,072</u>
Total revenues	<u>703,000</u>	<u>3,000</u>	<u>587,072</u>	<u>584,072</u>
Expenses				
Personal services	537,000	549,042	549,042	0
All other expenditures	36,000	53,993	29,930	24,063
Total current expenses	<u>573,000</u>	<u>603,035</u>	<u>578,972</u>	<u>24,063</u>
Capital outlay	<u>0</u>	<u>11,165</u>	<u>11,000</u>	<u>165</u>
Total expenses	<u>573,000</u>	<u>614,200</u>	<u>589,972</u>	<u>24,228</u>
Excess of revenues over (under) expenses	130,000	(611,200)	(2,900)	608,300
Operating transfers - in	0	624,000	0	(624,000)
Total operating transfers	<u>0</u>	<u>624,000</u>	<u>0</u>	<u>(624,000)</u>
Excess of revenues over (under) expenses and operating transfers	<u>130,000</u>	<u>12,800</u>	<u>(2,900)</u>	<u>(15,700)</u>
Fund equity at beginning of year	108,140	108,140	108,140	0
Prior year encumbrances appropriated	1,800	1,800	1,800	0
Fund equity (deficit) at end of year	<u><u>239,940</u></u>	<u><u>122,740</u></u>	<u><u>107,040</u></u>	<u><u>(15,700)</u></u>

STATISTICAL SECTION

CITY OF PARMA, OHIO
GOVERNMENTAL FUNDS - REVENUES BY SOURCE
AND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 1

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Revenues										
Municipal income tax	\$ 20,620,964	21,573,446	21,279,922	22,051,813	23,183,837	23,207,696	26,310,992	27,402,067	32,559,830	31,816,798
Property and other taxes	8,073,906	7,933,014	8,495,686	8,309,024	8,316,012	8,986,292	10,245,970	14,533,478	8,597,706	9,689,924
Charges for services	894,040	860,725	1,063,691	1,042,692	858,609	2,474,730	3,427,793	2,891,113	3,013,156	2,824,371
Fines, forfeitures, licenses and permits	3,405,391	3,974,877	4,165,173	4,458,906	4,385,362	3,846,496	2,937,378	3,110,082	3,481,812	3,381,242
Intergovernmental	11,754,407	11,215,610	13,923,613	13,562,921	14,913,806	13,919,420	14,907,242	15,261,418	16,850,092	18,461,485
Donations	67,728	142,156	177,246	184,906	178,022	209,325	209,141	400,302	379,615	333,198
Rents	95,171	151,122	523,339	790,300	499,236	277,034	551,030	566,681	657,194	466,126
Special assessments	785,270	824,970	823,555	1,037,092	814,933	1,018,133	1,023,184	1,092,363	1,122,269	1,115,416
Interest	421,593	579,962	1,240,104	845,349	671,924	442,064	111,681	182,413	130,599	176,933
Other	532,748	676,482	707,717	691,220	505,055	445,792	159,347	13,853	9,989	22,696
Total revenues	\$ 46,651,218	47,932,364	52,400,046	52,974,223	54,326,796	54,826,982	59,883,758	65,453,770	66,802,262	68,288,189
Expenditures										
Current:										
General government-legislative and executive	10,056,067	9,959,544	10,297,285	11,022,736	16,567,938	15,417,842	15,499,187	19,108,223	18,599,115	18,969,618
Security of persons and property	16,529,852	16,909,239	18,461,366	20,037,119	21,935,156	22,203,758	23,825,545	23,288,263	26,327,339	25,609,318
Public health and welfare	214,417	226,720	226,720	241,659	241,659	259,234	252,682	2,965,919	265,531	286,944
Transportation	3,765,828	4,055,267	4,224,565	4,878,718	5,014,943	3,848,342	4,981,089	5,004,527	5,827,023	5,790,689
Community environment	3,183,735	2,750,376	3,686,966	3,768,077	4,339,340	4,671,110	5,578,264	6,359,743	7,171,962	7,830,078
Basic utility services	1,681,640	1,635,750	1,638,030	1,634,870	1,480,182	1,513,699	1,645,907	1,600,046	1,790,510	4,069,312
Leisure time activities	2,088,257	2,272,456	2,679,439	2,779,139	2,966,713	2,672,908	2,408,480	2,689,698	3,101,708	923,720
Total current expenditures	37,519,796	37,809,352	41,214,371	44,362,318	52,545,931	50,586,893	54,191,154	61,016,419	63,083,188	63,479,679
Capital outlay:										
Capital outlay	6,807,047	9,273,982	12,944,156	16,823,542	4,618,700	238,703	1,284,412	1,492,778	1,887,376	3,018,847
Total capital outlay expenditures	6,807,047	9,273,982	12,944,156	16,823,542	4,618,700	238,703	1,284,412	1,492,778	1,887,376	3,018,847
Debt service										
Principal retirement	2,478,561	1,732,117	1,797,003	1,741,396	1,905,418	1,971,685	2,025,699	2,632,512	2,623,080	2,709,696
Interest and fiscal charges	636,653	797,293	1,361,419	1,631,433	1,327,207	1,571,490	1,643,602	1,540,411	1,409,316	1,569,198
Total debt service expenditures	3,115,214	2,529,410	3,158,422	3,372,829	3,232,625	3,543,175	3,669,301	4,172,923	4,032,396	4,278,894
Total expenditures	\$ 47,442,057	49,612,744	57,316,949	64,558,689	60,397,256	54,368,771	59,144,867	66,682,120	69,002,960	70,777,420

City of Parma, Ohio
Property Tax Levies and Collections
Real and Public Utility Property Only
Last Ten years

TABLE 2

Collection Year	Current (1) Levy		Delinquent Levy		Total Levy		Current Tax Collections		Percent of Current Taxes Collected		Delinquent Tax Collections		Total Tax Collections		Ratio of Total Tax Collections to Total Tax Levy		Outstanding Delinquent Taxes		Ratio of Delinquent Taxes to Total Tax Levy	
	\$		\$		\$		\$		%		\$		%		\$		%	\$		%
1996	8,119,751		415,394		8,535,145		7,983,887		98.33%		63,922		8,047,809		94.29%		453,530		5.31%	
1997	8,182,168		433,883		8,616,051		8,001,051		97.79		84,606		8,085,657		93.84		230,885		2.68	
1998	8,465,814		263,271		8,729,085		8,276,450		97.76		159,270		8,435,720		96.64		230,793		2.64	
1999	8,493,277		244,651		8,737,928		8,332,005		98.10		141,293		8,473,298		96.97		221,740		2.54	
2000	8,748,807		247,327		8,996,134		8,370,833		95.68		182,844		8,553,677		95.08		217,248		2.41	
2001	8,903,797		240,841		9,144,638		8,636,969		97.00		147,064		8,784,033		96.06		322,231		3.52	
2002	8,719,958		352,689		9,072,647		8,478,687		97.23		229,649		8,708,336		95.98		301,301		3.32	
2003	8,354,612		287,439		8,642,051		8,051,648		96.37		158,516		8,210,164		95.00		412,801		4.78	
2004	9,015,664		397,600		9,413,264		8,739,240		96.93		219,506		8,958,746		95.17		461,468		4.90	
2005	7,470,824		361,563		7,832,387		7,139,639		95.57		201,498		7,341,137		93.73		338,880		4.33	

(1) Includes state reimbursements of homestead and rollback exemptions which have been reclassified as intergovernmental revenue on the financial statements.

Source: Cuyahoga County Auditor's Office

City of Parma, Ohio
Property Tax Levies and Collections
Tangible Personal Property Only
Last Ten Years

TABLE 3

Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1996	\$ 706,680	\$ 220,151	\$ 926,831	\$ 690,305	97.68%	\$ 10,226	\$ 700,531	75.58%	\$ 234,047	25.25%
1997	763,601	219,070	982,671	758,327	99.31	5,274	763,601	77.71	171,718	17.47
1998	764,415	150,019	914,434	758,510	99.23	92,891	851,401	93.11	66,864	7.31
1999	751,053	47,987	799,040	745,885	99.31	28,804	774,689	96.95	36,939	4.62
2000	732,866	69,594	802,460	717,049	97.84	25,719	742,768	92.56	100,850	12.57
2001	736,951	81,973	818,924	723,065	98.12	34,399	757,464	92.50	13,189	1.61
2002	707,997	30,935	738,932	700,203	98.90	1,069	701,272	94.90	20,507	2.78
2003	625,084	40,389	665,473	613,260	98.11	8,445	621,705	93.42	41,419	6.22
2004	637,310	248,406	885,716	627,170	98.41	15,426	642,596	72.55	234,460	26.47
2005	491,056	299,858	790,914	485,864	98.94	5,934	491,798	62.18	301,562	38.13

Source: Cuyahoga County Auditor's Office

City of Parma, Ohio
Assessed and Estimated Actual Value
of Taxable Property
Last Ten years

TABLE 4

Collection Year	Real (1) Property Assessed Value	Tangible(2) Personal Property Assessed Value	Public (3) Utility Property Assessed Value	Total Assessed Value	Total Estimated Actual Value
1996	\$ 1,178,867,320	\$ 97,706,074	\$ 58,724,570	\$ 1,335,297,964	\$ 3,825,749,105
1997	1,190,583,720	99,532,467	56,239,790	1,346,355,977	3,863,706,491
1998	1,294,832,320	107,549,471	54,508,290	1,456,890,081	4,191,660,037
1999	1,293,615,940	105,782,201	51,009,030	1,450,407,171	4,177,139,154
2000	1,443,750,410	103,368,494	45,730,120	1,592,849,024	4,590,441,192
2001	1,452,889,370	105,245,444	34,715,190	1,592,850,004	4,611,543,342
2002	1,453,330,610	102,510,192	33,020,560	1,588,861,362	4,599,937,303
2003	1,556,516,000	97,727,720	33,880,160	1,688,123,880	4,876,599,633
2004	1,573,099,850	94,630,746	33,679,740	1,701,410,336	4,911,366,416
2005	1,565,352,450	94,000,682	30,511,850	1,689,864,982	4,883,110,856

(1) The assessed valuation level for real property in Cuyahoga County is 35% of market value, except for certain agricultural land.

(2) The percentage used to determine taxable value of personal property and inventory was 23%.

(3) In the case of public utilities, real property is assessed at 35% of true (market) value and personal property is assessed at 88% of true value.

Source: Cuyahoga County Auditor

City of Parma, Ohio
Property Tax Rates
Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

TABLE 5

Tax Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
CITY OF PARMA										
General Fund	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80
Fire Levy	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Police Levy	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	-	-
Police Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Paramedic Levy	0.50	0.50	0.50	0.50	0.50	0.50	-	-	-	-
Bond Retirement	0.20	0.20	0.20	0.20	0.10	-	-	0.20	0.20	0.20
	<u>7.10</u>	<u>7.10</u>	<u>7.10</u>	<u>7.10</u>	<u>7.00</u>	<u>6.90</u>	<u>6.40</u>	<u>6.60</u>	<u>5.10</u>	<u>5.10</u>
PARMA CITY SCHOOL DISTRICT	<u>54.20</u>	<u>54.20</u>	<u>53.40</u>	<u>53.30</u>	<u>60.20</u>	<u>60.20</u>	<u>60.20</u>	<u>59.50</u>	<u>59.40</u>	<u>65.20</u>
CUYAHOGA COUNTY										
General Operating	0.82	0.82	1.00	0.87	0.93	0.86	0.81	0.81	0.84	0.74
Health and Welfare	4.40	4.40	3.10	3.10	3.10	3.10	3.10	4.90	4.90	4.90
Health and Human Services	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Mental Retardation	3.00	3.00	3.00	3.00	3.90	3.90	3.90	3.90	3.90	3.90
Bond Retirement	0.90	0.90	0.72	0.85	0.79	0.86	0.91	0.91	0.88	0.98
Metroparks	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.85	1.85
County Library	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	2.00	2.00
Cuyahoga County Community College	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Port Authority	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
	<u>18.00</u>	<u>18.00</u>	<u>16.70</u>	<u>16.70</u>	<u>17.60</u>	<u>17.60</u>	<u>17.60</u>	<u>19.40</u>	<u>20.30</u>	<u>20.30</u>
TOTAL LEVY	<u>\$ 79.30</u>	<u>\$ 79.30</u>	<u>\$ 77.20</u>	<u>\$ 77.10</u>	<u>\$ 84.80</u>	<u>\$ 84.70</u>	<u>\$ 84.20</u>	<u>\$ 85.50</u>	<u>\$ 84.80</u>	<u>\$ 90.60</u>

Source: Cuyahoga County Auditor

City of Parma, Ohio
Special Assessment Collections
Last Ten Years

TABLE 6

Collection Year	Street Lighting Assessments	Street Lighting Collections	Noxious Weeds Assessments	Noxious Weeds Collections	Other Assessments	Other Collections	Total Assessments	Total Collections	Ratio of Total Collections to Total Assessments
1996	\$ 718,896	\$ 725,735	\$ 9,445	\$ 9,688	\$ 52,069	\$ 49,847	\$ 780,410	\$ 785,270	100.62%
1997	719,825	756,506	-	1,260	58,038	50,921	777,863	808,687	103.96
1998	784,266	762,552	-	4,056	65,812	56,947	850,078	823,555	96.88
1999	784,266	782,656	-	1,572	65,812	61,840	850,078	846,068	99.53
2000	738,150	748,618	3,026	3,203	73,035	65,695	814,211	817,516	100.41
2001	738,150	733,431	-	77	290,224	284,625	1,028,374	1,018,133	99.00
2002	738,150	748,798	-	-	285,261	274,386	1,023,410	1,023,184	99.98
2003	864,220	811,525	-	4,068	253,687	276,770	1,117,907	1,092,363	97.72
2004	864,220	825,006	-	10,800	253,687	286,463	1,117,907	1,122,269	100.39
2005	864,220	821,692	36,631	11,474	290,601	282,250	1,191,452	1,115,416	93.62

Collections include only those amounts collected by the County.

Collections include both current year and delinquent amounts.

Source: Cuyahoga County Auditor's Office

City of Parma, Ohio
 Ratio of Net General Bonded Debt
 To Assessed Value and Net Bonded Debt Per Capita
 Last Ten Years

TABLE 7

Year	Population (1)	Assessed Value (2)	Gross General Bonded Debt (3)	Balance in Debt Service Fund	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1996	87,876	\$ 1,335,298,144	\$ 6,617,589	\$ 154,147	\$ 6,463,442	0.48%	\$ 73.55
1997	87,876	1,346,355,977	6,173,118	214,000	5,959,118	0.44	67.81
1998	87,876	1,456,890,081	17,712,182	698,065	17,014,117	1.17	193.62
1999	83,347	1,450,407,171	18,844,992	785,939	18,059,053	1.25	216.67
2000	85,655	1,592,849,024	17,970,083	778,071	17,192,012	1.08	200.71
2001	85,655	1,592,850,004	17,232,358	306,819	16,925,539	1.06	197.60
2002	85,655	1,588,861,362	16,632,343	95,354	16,536,989	1.04	193.07
2003	85,655	1,688,123,880	21,729,585	119,418	21,610,167	1.28	252.29
2004	85,655	1,701,410,366	20,641,519	6,788	20,634,731	1.21	240.91
2005	85,655	1,689,864,982	28,215,734	548,613	27,667,121	1.64	323.01

Sources:

- (1) U.S. Census Bureau
- (2) Cuyahoga County Auditor
- (3) Does not include Internal Service Funds.

City of Parma, Ohio
 Computation of Legal Debt Margin
 December 31, 2005

TABLE 8

City Debt Outstanding		
Unvoted Bonds	\$28,215,734	
Special Assessment Bonds	1,930,708	
Internal Service Fund Bonds	1,354,266	
Notes Issued in Anticipation of Long Term Bond Financing	0	
OPWC Loans	2,145,443	
OWDA Loans	3,389,024	
Total of all City Debt Outstanding		\$37,035,175
Debt Exempt from Calculation		
OPWC Loans	2,145,443	
Special Assessments Bonds		
Commerce Parkway West	0	
Ridgewood Waterline	20,000	
Breuning Drive	152,288	
2000 Street Improvement Bonds	1,710,000	
Burden Drive Sanitary Sewer	48,420	
Total Exempt Debt		4,076,151
Total Debt (Voted and Unvoted) Subject to 10.5% Debt Limitation		32,959,024
Less Applicable Debt Service Fund Balance		548,613
Net Indebtedness Subject to 10.5% Limitation		\$32,410,411
Total Debt (Unvoted) Subject to 5.5% Debt Limitation		\$28,215,734
Less Applicable Debt Service Fund Balance		548,613
Net Indebtedness Subject to 5.5% Limitation		\$27,667,121
Assessed Valuation of City		\$1,689,864,982
10.5% of Valuation (Maximum Voted and Unvoted General Obligation Debt Allowed)		177,435,823
Total Debt Outstanding Subject to 10.5% Debt Limitation		32,410,411
Overall 10.5% Margin		\$145,025,412
5.5% of Valuation (Maximum Unvoted General Obligation Debt Allowed)		92,942,574
Total Debt Outstanding Subject to 5.5% Debt Limitation		27,667,121
Unvoted 5.5% Margin		\$65,275,453

Statement of Direct Debt based on Chapter 133, the Uniform Public Securities Law of the Ohio Revised Code.

City of Parma, Ohio
 Computation of Direct and Overlapping Debt
 December 31, 2005

TABLE 9

	Assessed (1) Valuation	General (1) Tax Supported Bonds	Percent (2) Applicable to City	City's Share
City of Parma	\$ 1,689,864,982	\$ 32,766,000	100.00%	\$ 32,766,000
Parma School District	2,382,357,365	26,920,000	70.93%	19,094,356
Cuyahoga County	30,646,005,274	231,365,971	5.51%	12,748,265
Greater Cleveland RTA	30,646,005,274	139,790,000	5.51%	7,702,429
				\$ 72,311,050

(1) Cuyahoga County Auditor - Does not include balances in debt service funds

(2) Determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the subdivision.

City of Parma, Ohio
Ratio of Annual Debt Service for General Bonded
Debt to Total General Governmental Expenditures
Last Ten Years

TABLE 10

Year	Principal Debt Service	Interest Debt Service	Gross Total Debt Service	General Governmental Expenditures (1)	Ratio of General Bonded Debt Service to General Governmental Expenditures
1996	\$ 1,263,111	\$ 613,080	\$ 1,876,191	\$ 47,442,057	3.95%
1997	444,471	401,733	846,204	49,612,744	1.71
1998	460,831	369,168	829,999	57,316,949	1.45
1999	477,190	304,729	781,919	64,558,689	1.21
2000	874,909	957,151	1,832,060	60,397,256	3.03
2001	737,725	1,083,719	1,821,444	54,368,771	3.35
2002	600,014	1,074,897	1,674,911	59,144,867	2.83
2003	697,412	1,068,588	1,766,000	66,682,120	2.65
2004	1,190,000	1,099,850	2,289,850	69,002,960	3.32
2005	1,235,000	1,049,820	2,284,820	70,777,420	3.23

(1) Includes General, Special Revenue, Debt Service,
and Capital Projects Funds

Source: Parma City Auditor

City of Parma, Ohio
Property Values, Bank Deposits, and Building Permits
December 31, 2005

TABLE 11

Year	Real Property (1) Estimated Actual Value	Bank (2) Deposits at December 31	Building (3) Permits Issued
1996	\$ 3,398,783,514	\$ 22,458,573,000	\$ 50,019,535
1997	3,401,667,771	53,941,971,000 (4)	49,426,622
1998	3,699,520,914	58,904,596,000	53,243,702
1999	3,696,045,543	57,816,942,000	58,874,544
2000	4,125,001,171	61,942,764,000	47,994,074
2001	4,151,112,486	63,893,769,000	41,265,776
2002	4,152,373,171	95,761,917,000	56,911,798
2003	4,447,188,571	97,238,973,000	28,721,135
2004	4,494,571,000	101,838,959,000	42,851,767
2005	4,472,435,571	109,071,512,000	43,362,693

Sources:

- (1) Cuyahoga County Auditor
- (2) Federal Reserve Bank of Cleveland
- (3) City of Parma Building Department
- (4) Large increase in deposits due to Key Bank becoming a single Charter in 1997

City of Parma, Ohio
Principal Taxpayers
December 31, 2005

TABLE 12

<u>Taxpayer</u>	<u>Personal Property Taxable Valuation</u>	<u>Percent of Total Personal Property Taxable Valuation</u>
General Motors Corporation	\$ 30,118,730	32.04%
Shiloh Industries	2,580,830	2.75
Riser Foods	2,361,800	2.51
Cox Cable Cleveland	2,255,840	2.40
Tops Markets LLC	2,037,880	2.17
Provident Financial Group	1,955,310	2.08
Bob Gillingham Ford	1,879,320	2.00
Dick Bigelow Chevrolet	1,626,450	1.73
Marc Glassman	1,503,670	1.60
Triad Metal Products	1,274,890	1.36
Spitzer Motor City	1,200,340	1.28
Melin Tool Company	1,067,880	1.14
May Department Stores	1,034,740	1.10
Prince & Izant	985,740	1.05
J.C.Penney	930,020	0.99
Total	\$ 52,813,440	56.20%
Total Assessed Valuation		
Personal Property	\$ 94,000,682	100.00%

Source: Cuyahoga County Auditor's Office

City of Parma, Ohio
Largest Employers, by Wage Tax Collected
Last Four Years

Table 13

Employer	2005		2004		2003		2002	
	Collections	Percentage	Collections	Percentage	Collections	Percentage	Collections	Percentage
General Motors	\$ 3,984,535	11.80%	\$ 4,291,286	13.24%	\$ 4,336,574	13.41%	\$ 4,260,522	15.47%
Parma Hospital	1,569,710	4.65	1,521,822	4.70	1,378,098	4.26	1,221,341	4.43
Parma Board of Education	1,262,598	3.74	1,244,352	3.84	1,216,479	3.76	1,143,651	4.15
City of Parma	610,979	1.81	631,076	1.95	550,196	1.70	571,865	2.08
Cuyahoga Community College	510,969	1.51	498,903	1.54	511,166	1.58	490,177	1.78
Kaiser Foundation	494,623	1.46	462,208	1.43	435,973	1.35	419,342	1.52
Cuyahoga County	385,009	1.14	375,410	1.16	270,141	0.84	240,859	0.87
Ohio Permanente	347,530	1.03	350,725	1.08	314,837	0.97	300,352	1.09
Marc's	255,210	0.76	250,935	0.77	246,755	0.76	238,378	0.87
Cuyahoga County Library	201,702	0.60	200,910	0.62	208,529	0.64	193,121	0.70
Shiloh Industries	185,963	0.55	247,807	0.76	336,664	1.04	489,136	1.78
Con-Way Transport	180,594	0.53	166,086	0.51	145,288	0.45	142,936	0.52
Union Carbide	173,347	0.51	181,926	0.56	153,342	0.47	169,297	0.61
Pleasant Lake Villa	163,783	0.48	160,334	0.49	152,137	0.47	145,079	0.53
Riser Foods	156,176	0.46	144,608	0.45	89,655	0.28	77,712	0.28
Monarch Electric	147,951	0.44	123,871	0.38	102,964	0.32	135,080	0.49
Broadview Nursing Home	147,848	0.44	134,344	0.41	144,646	0.45	149,528	0.54
Tops Markets	146,282	0.43	174,412	0.54	175,014	0.54	174,614	0.63
Pleasantview Nursing Home	143,358	0.42	141,954	0.44	154,132	0.48	139,690	0.51
Catholic Charities	137,744	0.41	135,452	0.42	150,090	0.46	155,294	0.56
	<u>\$ 11,205,911</u>	<u>33.18%</u>	<u>11,438,421</u>	<u>35.30%</u>	<u>11,072,680</u>	<u>34.24%</u>	<u>10,857,974</u>	<u>39.42%</u>
Total	<u>\$ 33,777,991</u>	<u>100.00%</u>	<u>\$ 32,405,426</u>	<u>100.00%</u>	<u>\$32,341,786</u>	<u>100.00%</u>	<u>\$ 27,543,018</u>	<u>100.00%</u>

City of Parma Income Tax Department, cash basis

City of Parma, Ohio
 Building Permits at Market Value
 December 31, 2005

TABLE 14

<u>Year</u>	<u>Residence</u>	<u>Commercial</u>	<u>Industrial Building</u>	<u>Apartments and Townhouses</u>	<u>Public Buildings</u>	<u>Total</u>
1996	\$ 11,752,401	\$ 34,598,919	\$ -	\$ -	\$ -	\$ 46,351,320
1997	18,329,556	31,097,066	-	-	-	49,426,622
1998	23,982,627	29,261,075	-	-	-	53,243,702
1999	27,722,826	31,151,718	-	-	-	58,874,544
2000	21,302,840	26,691,234	-	-	-	47,994,074
2001	20,604,428	20,661,348	-	-	-	41,265,776
2002	17,123,070	39,788,728	-	-	-	56,911,798
2003	14,902,838	13,818,297	-	-	-	28,721,135
2004	20,324,464	22,527,303	-	-	-	42,851,767
2005	17,487,025	25,875,668	-	-	-	43,362,693

Source: City of Parma Building Department

City of Parma, Ohio
Demographic Statistics
December 31, 2005

TABLE 15

<u>Year</u>	<u>Population (1)</u>	<u>Cuyahoga County (2) Unemployment Rate</u>
1996	87,876	5.00%
1997	87,876	4.50
1998	87,876	4.50
1999	83,347	4.50
2000	85,655	4.10
2001	85,655	5.30
2002	85,655	5.50
2003	85,655	6.20
2004	85,655	5.70
2005	85,655	5.50

Source:

(1) U.S. Census Bureau

(2) Ohio Bureau of Employment Services

City of Parma, Ohio
Miscellaneous Statistics
December 31, 2005

TABLE 16

Date of Incorporation	1931
Form of Government	Mayor-Council
Area	20.8 Square Miles
Miles of Streets	255
Fire Protection:	
Number of Stations	5
Number of Firemen and Officers (Exclusive of Volunteer Firemen)	101
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	103
Sewers:	
Sanitary Sewers*	209 Miles
Storm Sewers	510 Miles
*(Exclusive of Northeast Ohio Regional Sewer District)	
Recreation and Culture:	
Number of Parks	21 with 420 Acres
Swimming Pools	4
Cuyahoga County Library	2 Branches
Regional Library	1 Main Office
Traffic Signal Installations	108

Source: City of Parma Auditor



Mary Taylor, CPA
Auditor of State

CITY OF PARMA
CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 13, 2007