PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 9, 2026

THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED IN IT ARE SUBJECT TO COMPLETION AND AMENDMENT IN A FINAL OFFICIAL STATEMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds offered hereby, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

NEW ISSUE; BOOK-ENTRY ONLY

Rating: Moody's: Aaa
See **Rating**

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see **Tax Matters**.*

$9,000,000*
CITY OF STRONGSVILLE, OHIO
GENERAL OBLIGATION (Limited Tax)
FIRE STATION CONSTRUCTION BONDS, SERIES 2026

Dated: Date of Issuance

The Bonds. The Bonds are unvoted general obligations of the City, issued to finance certain permanent improvements as described under **Authorization and Purpose**. Principal and interest, unless paid from other sources, are to be paid from the proceeds of the City's levy of ad valorem property taxes, which taxes are within the ten-mill limitation imposed by Ohio law.

Book-Entry Only. The Bonds will be initially issued only as fully-registered bonds, one for each maturity, issuable under a book-entry system, registered initially in the name of The Depository Trust Company or its nominee (DTC). There will be no distribution of Bonds to the ultimate purchasers. The Bonds in certificated form as such will not be transferable or exchangeable, except for transfer to another nominee of DTC or as otherwise described in this Official Statement. See **Appendix E**.

Payment. (*See Maturity Schedule on inside cover.*) Principal of and interest on the Bonds will be payable to the registered owner (DTC), principal upon presentation and surrender (except as otherwise may be provided)at the designated corporate trust office of Argent Institutional Trust Company (the Bond Registrar), and interest transmitted by the Bond Registrar on each interest payment date (June 1 and December 1 of each year, beginning June 1, 2027) to the registered owner (DTC) as of the 15th day preceding that interest payment date.

Prior Redemption*. Bonds maturing on and after December 1, 2035, are subject to optional redemption by the City prior to maturity, beginning December 1, 2034, and Term Bonds (if any) are subject to mandatory prior redemption, as described in this Official Statement. See **Prior Redemption**.

The Bonds are offered when, as and if issued and accepted by Raymond James & Associates, Inc., and Fifth Third Securities, Inc. (together, the Underwriters), subject to the opinion on certain legal matters relating to their issuance of Squire Patton Boggs (US) LLP, Bond Counsel to the City. Squire Patton Boggs (US) LLP will also pass upon certain legal matters for the City as its disclosure counsel. Municipal advisory services are being provided to the City by MAS Financial Advisory Services LLC. The Bonds are expected to be available for delivery to DTC or its agent on December 8, 2026.

RAYMOND JAMES®

Fifth Third Securities

This Official Statement has been prepared by the City in connection with its original offering for sale of the Bonds. The Cover includes certain information for quick reference only. It is not a summary of the Bond issue. Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

The date of this Official Statement is November ___, 2026, and the information herein speaks only as of that date.

* Preliminary, subject to change.

**PRINCIPAL MATURITY SCHEDULE*
ON DECEMBER 1**

$9,000,000 SERIAL BONDS

Year	Amount	Interest Rate	Price	CUSIP©(a) No. 863370
2027	$190,000			
2028	200,000			
2029	210,000			
2030	220,000			
2031	230,000			
2032	240,000			
2033	250,000			
2034	265,000			
2035	280,000			
2036	290,000			
2037	305,000			
2038	320,000			
2039	340,000			
2040	355,000			
2041	375,000			
2042	390,000			
2043	410,000			
2044	430,000			
2045	455,000			
2046	475,000			
2047	500,000			
2048	525,000			
2049	550,000			
2050	580,000			
2051	615,000			

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* Preliminary, subject to change.

CITY OF STRONGSVILLE, OHIO

CITY OFFICIALS

Mayor: Thomas P. Perciak

Director of Finance: Eric Dean

Director of Law: Neal M. Jamison, Esq.

City Council:

James E. Carbone
Thomas M. Clark, President Pro Tem
James A. Kaminski
Kelly A. Kosek
Annmarie P. Roff
Gordon C. Short, President
Anthony Zacharyasz Jr.

PROFESSIONAL SERVICES

Bond and Disclosure Counsel:	Squire Patton Boggs (US) LLP
Bond Registrar:	Argent Institutional Trust Company
Municipal Advisor:	MAS Financial Advisory Services LLC
Underwriters	Raymond James & Associates, Inc. Fifth Third Securities, Inc.

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REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds identified on the Cover (as defined herein). No dealer, broker, sales person or other person has been authorized by the City to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make that offer, solicitation or sale.

The information in this Official Statement is provided by the City in connection with the offering of the Bonds. Reliance should not be placed on any other information publicly provided, in any format including electronic, by the City for other purposes, including general information provided to the public or to portions of the public. The information in this Official Statement is subject to change without notice. Neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since its date.

This Official Statement contains statements that the City believes may be "forward-looking statements." Words such as "plan," "estimate," "project," "budget," "anticipate," "expect," "intend," "believe" and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involve known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the City's control and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The City undertakes no obligation, and does not plan, to issue any updates or revisions to such forward-looking statements.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE CITY UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE AT THE REQUEST OF THE CITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR DISAPPROVED THE BONDS FOR SALE.

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The Ohio Municipal Advisory Council (OMAC) has requested that this paragraph be included in this Official Statement. Certain information contained in the Official Statement is attributed to OMAC. OMAC compiles information from official and other sources. OMAC believes

the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

In connection with this offering, the Underwriters may overallot or effect transactions that stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering prices state on the Cover, which public offering prices may be changed from time to time by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.

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INTRODUCTORY STATEMENT

This Official Statement has been prepared by the City of Strongsville, Ohio (the City), in connection with its original issuance and sale of the Bonds identified on the Cover (the Bonds). Certain information concerning the Bonds, including their authorization, purpose, terms and security and sources of payment, and the City is provided in this Official Statement.

This Introductory Statement briefly describes certain information relating to the Bonds and supplements certain information on the Cover. It is not intended as a substitute for the more detailed discussions in this Official Statement. Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

All financial and other information in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources and except for certain information on the Cover and all information under **Underwriting** and in **Appendices D** and **E**. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or otherwise be predictive of future experience. See also **Regarding This Official Statement**.

This Official Statement should be considered in its entirety and no one subject should be considered less important than another by reason of location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents. References to provisions of Ohio law, including the Revised Code and the Ohio Constitution, and of the City's Charter (the Charter), are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement:

- **"Beneficial Owner"** means the owner of a book-entry interest in the Bonds, as defined in **Appendix E**.
- **"Council"** means the Council of the City.
- **"County"** means the County of Cuyahoga, Ohio.
- **"County Fiscal Officer"** means the Fiscal Officer of the County.
- **"Cover"** means the cover page and the inside cover of this Official Statement.
- **"Debt charges"** means principal (including any mandatory redemption payments) of and interest and any redemption premium on the obligations referred to; debt charges may also be referred to as "debt service."
- **"Fiscal Year"** means the 12-month period ending December 31, and reference to a particular Fiscal Year (such as "Fiscal Year 2025") means the Fiscal Year ending on December 31 in that year.
- **"Fiscal Year 2025 Financial Statements"** means the City's audited financial statements for Fiscal Year 2025 attached as **Appendix C**.
- **"Revised Code"** means the Ohio Revised Code.

- **"State"** or **"Ohio"** means the State of Ohio.

The Bonds are issued by the City of Strongsville, Ohio. They are authorized by Chapter 133 of the Revised Code, the Charter and legislation passed by the Council. The Bonds are issued to finance certain permanent improvements as described herein under **Authorization and Purpose**.

The Bonds are general obligations of the City, the full faith and credit and general property taxing power of which are pledged to the payment of debt charges. Unless paid from other sources, debt charges are to be paid from the proceeds of the City's levy of ad valorem property taxes, which taxes are within the ten-mill limitation imposed by Ohio law. See **Security and Sources of Payment**.

The Authorizing Legislation (see **Authorization and Purpose**) provides that the Bonds will be issued in the denomination of $5,000 or in whole multiples of $5,000. The Bonds will be initially issued only as fully-registered bonds, one for each maturity, issuable under a book-entry system and registered initially in the name of The Depository Trust Company, New York, New York, or its nominee (DTC). See **General; Book-Entry System** and **Appendix E**.

Principal and interest will be payable to the registered owner (DTC). Principal will be payable on presentation and surrender at the designated corporate trust office of the Bond Registrar. See **Bond Registrar**. Interest will be transmitted by the Bond Registrar on each interest payment date (June 1 and December 1, beginning June 1, 2027) to the registered owner as of the 15th day preceding that interest payment date.

The Bonds maturing on or after December 1, 2035* are subject to prior redemption, by and at the sole option of the City, in whole or in part as selected by the City (in whole multiples of $5,000), on any date on or after December 1, 2034*, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date. Certain of the Bonds may be offered and sold as term bonds subject to mandatory prior redemption. See **Prior Redemption**.

The opinion as to the validity of the Bonds and on certain tax matters will be rendered by Squire Patton Boggs (US) LLP (Bond Counsel). See **Legal Matters**, **Tax Matters** and **Appendix D**.

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* Preliminary, subject to change.

THE BONDS – AUTHORIZATION AND PURPOSE

The Bonds are to be issued pursuant to Chapter 133 of the Revised Code, the Charter, an ordinance passed by the Council and a Final Terms Certificate provided for by that ordinance (collectively, the Authorizing Legislation).

The Bonds are being issued for the purpose of paying costs of constructing, furnishing, equipping and otherwise improving a new municipal fire and emergency medical services station and clearing, improving, preparing and equipping its site.

The proceeds of the Bonds will be used, together with other funds available to the City, to retire the City's outstanding $10,000,000 Fire Station Construction Notes, Series 2025, maturing on December 9, 2026 (the Outstanding Notes).

Sources and Uses

The estimated sources and uses of funds in connection with the issuance of the Bonds are as follows:

Sources of Funds	**Amount**
Principal Amount of the Bonds	
[Net] Original Issue Premium	
Total Sources	
Uses of Funds	
Deposit to the Bond Retirement Fund(a)	
Costs of Issuance(b)	
Total Uses	

(a) Includes amount to retire, together with other funds available to the City, the Outstanding Notes.
(b) Includes costs of the issuance of the Bonds and Underwriters' discount.

Any premium received by the City from the sale of the Bonds, and not used to pay costs of issuance, or refunding the Outstanding Notes, will be deposited in the Bond Retirement Fund. Money in that Fund is used to pay debt charges on City debt obligations.

CERTAIN TERMS OF THE BONDS

General; Book-Entry System

The Bonds will be dated their date of original issuance, will be payable in the principal amounts and on the dates and will bear interest (computed on the basis of a 360-day year and 12 30-day months) at the rates and be payable on the dates, at the place and in the manner, all as described on the Cover.

The Bond Registrar will act as the paying agent for the Bonds and will keep all books and records necessary for registration, exchange and transfer of the Bonds. See **Bond Registrar**.

The Bonds will be delivered in book-entry-only form and, when issued, registered in the name of The Depository Trust Company (DTC), New York, New York, or its nominee Cede & Co., which will act as securities depository for the Bonds. For discussion of the book-entry system and

DTC and the replacement of Bonds in the event that the book-entry system is discontinued, see **Appendix E**.

Prior Redemption*

The Bonds are subject to mandatory and optional redemption as follows.

Mandatory Redemption

Some or all of the Bonds may be offered and sold as term bonds, with mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date, on December 1 in the year or years as may be specified by the Underwriters at the time such Bonds are offered. Any term bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement for the corresponding term bonds.

Optional Redemption

The Bonds maturing on and after December 1, 2035, are subject to prior redemption, by and at the sole option of the City, in whole or in part as selected by the City (in whole multiples of $5,000), on any date on or after December 1, 2034, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

Selection of Bonds and Book-Entry Interests to be Redeemed

If fewer than all outstanding Bonds are called for optional redemption at one time, the Bonds to be called will be called as selected by, and selected in a manner as determined by, the City.

If less than all of an outstanding Bond of a single maturity under a book-entry system is to be called for redemption (in the amount of $5,000 or any whole multiple), the Bond Registrar will give notice of redemption only to DTC as registered owner. The selection of the book-entry interests in that Bond to be redeemed is discussed below under **Notice of Call for Redemption; Effect**.

If bond certificates are issued to the ultimate owners, and if fewer than all of the Bonds of a single maturity are to be redeemed, the selection of Bonds (or portions of Bonds in the amount of $5,000 or any whole multiple) to be redeemed will be made by lot in a manner determined by the Bond Registrar.

In the case of a partial redemption by lot when Bonds of denominations greater than $5,000 are then outstanding, each $5,000 unit of principal will be treated as if it were a separate Bond of the denomination of $5,000.

Notice of Call for Redemption; Effect

The Bond Registrar is to cause notice of the call for redemption, identifying the Bonds or portions of Bonds to be redeemed, to be sent by first-class mail, at least 30 days prior to the redemption date, to the registered owner (initially, DTC) of each Bond to be redeemed at the address shown on the Register at the close of business on the 15th day preceding that mailing. Any defect in the notice or any failure to receive notice by mailing will not affect the validity of any proceedings for the redemption of any Bonds.

* Preliminary, subject to change.

On the date designated for redemption, Bonds or portions of Bonds called for redemption shall become due and payable. If the Bond Registrar then holds sufficient money for payment of debt charges payable on that redemption date, interest on each Bond (or portion of a Bond) so called for redemption will cease to accrue on that date.

So long as all Bonds are held under a book-entry system by a securities depository (such as DTC), a call notice is to be sent by the Bond Registrar only to the depository or its nominee. Selection of book-entry interests in the Bonds called, and giving notice of the call to the owners of those interests called, is the sole responsibility of the depository and of its Direct Participants and Indirect Participants, as such terms are defined in **Appendix E**. Any failure of the depository to advise any Direct Participant, or of any Direct Participant or any Indirect Participant to notify the Beneficial Owners, of any such notice and in its content or effect will not affect the validity of any proceedings for the redemption of any Bonds or portions of Bonds. See **Appendix E**.

SECURITY AND SOURCES OF PAYMENT

The Bonds will be unvoted general obligation debt of the City payable from the sources described, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

Basic Security

The basic security for payment of the Bonds is the requirement that the City levy ad valorem property taxes within the ten-mill limitation imposed by Ohio law to pay debt charges on the Bonds. The State Constitution specifically prohibits a subdivision such as the City from incurring general obligation indebtedness unless the authorizing legislation makes provision "for levying and collecting annually by taxation an amount sufficient to pay" the debt charges on the bonds. (Ohio Constitution Article XII, Section 11.)

The Ohio Supreme Court has stated:

> "Section 11 of Article XII of the Constitution of Ohio imposes a mandatory duty upon the State and its political subdivisions to pay the interest and principal of their indebtedness before provisions are to be made for current operating expenses." *State ex rel. Nat'l City Bank v. Bd. of Ed. of the Cleveland City School District*, 52 Ohio St. 2d 81, 85 (1977).

Under State law, the levy for debt charges on unvoted general obligations of the City is to be placed before and in preference to all other levies and for the full amount of those debt charges. See the further discussions under **Ad Valorem Property Taxes and Special Assessments** and **City Debt and Other Long-Term Obligations**.

Ohio law requires the City to levy and collect that property tax to pay debt charges on the Bonds as they come due, unless and to the extent those debt charges are paid from other sources.

The Authorizing Legislation provides further security by making a pledge of the full faith and credit and the general property taxing power of the City for the payment of debt charges on the Bonds as they come due. All funds of the City are included in that pledge, except those specifically limited to another use or prohibited from that use by the Ohio Constitution, or Ohio or federal law, or revenue bond trust agreements. Those exceptions as to portions of the Bonds include tax levies voted for specific purposes or expressly pledged to certain obligations, special assessments pledged to

particular bonds or notes, and certain utility revenues and highway use receipts (limited by the Ohio Constitution to highway-related purposes). A similar pledge is made in each ordinance authorizing voted or unvoted general obligation debt.

Additional Sources of Payment

As contemplated in the Authorizing Legislation, the City expects that the debt charges on the Bonds will in fact be paid, to the extent available, from revenue of the City's income tax. See **Municipal Income Tax**.

Enforcement of Rights and Remedies

In addition to the right of individual bondholders to sue upon their particular Bonds, Ohio law authorizes the holders of not less than 10% in principal amount of the outstanding Bonds, whether or not then due and payable or reduced to judgment, to bring mandamus or other actions to enforce all contractual or other rights of the bondholders, including the right to require the City to assess, levy, charge, collect and apply the unvoted property taxes and other pledged receipts to pay debt charges and to perform its duties under law. Those bondholders may, in the case of any default in payment of debt charges, bring action to require the City to account as if it were the trustee of an express trust for the bondholders or to enjoin any acts that may be unlawful or in violation of bondholder rights. See also **Appendix E**.

The State has pledged to and agreed with holders of securities such as the Bonds that

> "…the State will not, by enacting any law or adopting any rule, repeal, revoke, repudiate, limit, alter, stay, suspend, or otherwise reduce, rescind, or impair the power or duty of a subdivision to exercise, perform, carry out, and fulfill its responsibilities or covenants under this chapter [Chapter 133, the State's Uniform Public Securities Law] or legislation or agreements as to its Chapter 133. securities, including a credit enhancement facility, passed or entered into pursuant to this chapter, or repeal, revoke, repudiate, limit, alter, stay, suspend, or otherwise reduce, rescind, or impair the rights and remedies of any such holders fully to enforce such responsibilities, covenants, and agreements or to enforce the pledge and agreement of the State contained in this division, or otherwise exercise any sovereign power materially impairing or materially inconsistent with the provisions of such legislation, covenants, and agreements." (Section 133.25(D) of the Revised Code.)

Bankruptcy

Federal and State laws provide procedures for the adjustment of indebtedness of political subdivisions, such as the City. Chapter 9 of the U.S. Bankruptcy Code would permit the City to make such an adjustment if (i) it were "insolvent" (i.e., the City was not paying its debt charges as they came due or it was unable to pay those debt charges as they became due), (ii) it met certain other criteria (e.g., having negotiated in good faith with its creditors and failed to reach agreement or such negotiation was impractical because of time restrictions, the number of creditors or other reasons) and (iii) it were authorized under State law (by legislation or by a governmental officer) to seek relief under Chapter 9. The State's Uniform Public Securities Law provides that the City or any other subdivision must obtain the approval of the State Tax Commissioner in order to file a bankruptcy petition stating that it is insolvent and "that it desires to effect a plan for the composition or adjustment of its debts and to take such further proceedings" under the Bankruptcy Code. That law also states:

> "No taxing subdivision shall be permitted, in availing itself of such acts of congress [the Bankruptcy Code], to scale down, cut down, or reduce the principal sum of its securities, except that interest thereon may be reduced in whole or in part." (Section 133.36 of the Revised Code.)

The County may also initiate proceedings under the Bankruptcy Code. Because it collects, distributes or otherwise provides revenues to the City, the City's financial condition could be affected by such an action.

Refunding

State law authorizes the refunding and advance refunding of all or a portion of the Bonds. If the City places in escrow either money or direct obligations of, or obligations guaranteed as to payment by, the United States, or a combination of both, that with investment income thereon will be sufficient for the payment of debt charges on the refunded Bonds, those Bonds will no longer be considered to be outstanding. They will also not be considered in determining any direct or indirect limitation on City indebtedness, and the levy of taxes to pay debt charges on them will not be required. For this purpose, direct obligations of or obligations guaranteed by the United States include rights to receive payments or portions of payments of the principal of or interest or other investment income on (i) those U.S. obligations and (ii) other obligations fully secured as to payment by those U.S. obligations and the interest or other investment income on those obligations.

INVESTMENT CONSIDERATIONS

General

The following discussion on investment considerations is not exclusive, and various investment considerations are specified throughout this Official Statement. This Official Statement should be considered in its entirety and no one investment consideration should be considered less important than another by reason of location in the text.

Cybersecurity

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, Systems Technology). As a recipient and provider of personal, private, or sensitive information, the City may be the target of cybersecurity incidents that could result in adverse consequences to the City and its Systems Technology, requiring action to mitigate the consequences. Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

To mitigate the risk of operations impact and/or damage from cybersecurity incidents or cyberattacks, the City invests in multiple forms of cybersecurity and operational safeguards. Although City cybersecurity and operational safeguards are periodically tested, no assurances can be given by the City that such measures will ensure against cybersecurity threats and attacks, and any breach could damage the City's Systems Technology and cause material disruption to the City's finances or operations. The costs of remedying any such damage or protecting against future attacks could be substantial and may exceed applicable insurance coverages. See **The City – General Information – City Facilities; Insurance**. Furthermore, cybersecurity breaches could expose the City to material litigation and other legal risks, which could cause the City to incur material costs.

The City has not experienced a material cybersecurity incident within the past five years.

The 2025 State Budget Act requires municipalities to adopt a cybersecurity program by July 1, 2026. The cybersecurity program, at a minimum, should include annual cybersecurity training for employees, a cyber incident response plan and practices to assess and remediate cyber risks. In addition, beginning September 30, 2025, in the event of a cybersecurity or ransomware incident, a municipality must notify the Ohio Homeland Security's Cyber Integration Center within seven days, and the Auditor of State within 30 days, of discovery of the incident. In addition, payment or compliance with ransomware demands is prohibited unless the council first adopts a resolution approving the action and stating why payment or compliance is in the municipality's best interest. The City has adopted a cybersecurity program consistent with these requirements.

Climate and Population Change

There are a number of factors, both known and unknown, that could potentially impact the City's future financial position directly or impact the City's economy generally in a manner that affects the City's financial position. Such factors include but are not limited to population migration away from areas, like the City, as a result of changes in technology or otherwise and/or the impact of climate change, such as rising temperatures, drought and water availability, and severe weather events, which could have a negative impact on the City's population and economy as well as the operating expenses of, and availability of resources for, the City. To date, such factors have not had a material adverse impact on the City or the ability of the City to pay debt service on its debt obligations when due; however the future fiscal and operational impacts of any such factor, or a combination of one or more of these factors, on the City and its finances are difficult to predict.

Federal Funding and Regulatory Risks

Historically, the City has received federal funding to support certain programming and activities, ultimately benefiting City residents. The transition to the current Presidential administration has had, and may continue to have, unpredictable impacts on federal acts, legislation, regulations, and executive actions taken by the prior administrations, which affect municipal governments. The current Presidential administration may rescind previously issued executive orders or issue conflicting executive orders or other changes may occur whether or not by executive or congressional action. The City cannot predict the extent of future federal funding changes, but any reduction or termination in federal funding may negatively impact the City's programming and activities that are, or would be, funded with those resources.

Property Tax Legislation and Possible Constitutional Amendment

From time to time, (i) legislative proposals may be introduced in the General Assembly, (ii) ballot initiatives may be proposed by electors and (iii) court proceedings may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to in this Official Statement and which may have a materially adverse effect on the security for and market value of the Bonds. There can be no assurance that legislation enacted, ballot initiatives approved, or actions by a court, after the date of issuance of the Bonds, will not have a materially adverse effect on the security for or market value or marketability of or source of payment for the Bonds. Prospective purchasers of the Bonds should consult their own counsel regarding pending or proposed State property tax legislation, related ballot initiatives and court proceedings, as to all of which the City and Bond Counsel express no opinion. See **Ad Valorem Property Taxes and Special Assessments – Considerations Regarding Real Property Tax Reform**.

COVID-19 Pandemic and Pandemic Risks Generally

The spread of the strain of coronavirus commonly known as COVID-19 (COVID-19 or the Pandemic) began altering the behavior of businesses and people in the second half of Fiscal Year 2020 in a manner that had negative effects on global, state and local economies and, in turn, on state and local governments and their revenues and expenses. The U.S. government ended the COVID-19 national emergency and public health emergency and associated declarations on May 11, 2023.

See **COVID-19 Pandemic**. Should the City and the region face another pandemic level event, there can be no assurance as to future federal or state governmental financial assistance.

LITIGATION

To the knowledge of the appropriate City officials, no litigation or administrative action or proceeding is pending restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or the levy and collection of taxes to pay the debt charges on the Bonds, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, signed or delivered, or the validity of the Bonds. No petitions for referendum with respect to the Authorizing Legislation or any other measure authorizing the payment of or security for the Bonds, or the carrying out of the government purposes to which the Bond proceeds are to be applied, and no petitions seeking to initiate any measure affecting the same or the proceedings therefor, have been filed. The City will deliver to the Underwriters a certificate to that effect at the time of original delivery of the Bonds to the Underwriters.

The City is a party to various legal proceedings seeking damages or injunctive or other relief and generally incidental to its operations. These proceedings are unrelated to the Bonds or the security for the Bonds, or the permanent improvements being financed. The ultimate disposition of these proceedings is not now determinable, but will not, in the opinion of the Director of Law, have a material adverse effect on the Bonds, the security for the Bonds, or those improvements or the City's operating revenues.

Under current Ohio law, City money, accounts and investments are not subject to attachment to satisfy tort judgments in State courts against the City.

See also **City Facilities; Insurance**.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Bonds and with regard to certain tax matters (see **Tax Matters**) are subject to the opinion of Squire Patton Boggs (US) LLP, Bond Counsel to the City. The signed legal opinion of Bond Counsel, substantially in the form attached hereto as **Appendix D**, dated and premised on law in effect on the date of issuance of the Bonds, will be delivered on the date of issuance of the Bonds. The text of the opinion to be delivered may vary from the text as set forth in **Appendix D** if necessary to reflect facts and law on the date of issuance. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date.

Squire Patton Boggs (US) LLP, in its capacity as Bond Counsel, has drafted those portions of this Official Statement under the captions **Certain Terms of the Bonds** (excluding certain information concerning the book-entry system there and in **Appendix E**), **Security and Sources of Payment** and **Tax Matters**.

Squire Patton Boggs (US) LLP, both in its capacity as Bond Counsel and Disclosure Counsel to the City, and others, including the Underwriters and the Municipal Advisor, have assisted the City with its preparation of certain other portions of this Official Statement and participated with responsible City officials and staff in telephone conferences where other statements and information contained in this Official Statement were reviewed for accuracy and completeness. Bond Counsel and Disclosure Counsel and those other parties, however, have not been engaged to, and will not, independently confirm or verify such statements or information or any other statements or information provided by the City or others, and will not be responsible for the accuracy, completeness or fairness of any such statements or information or any other reports, financial information, offering or disclosure documents or other information pertaining to the Bonds that may be prepared or made available by the City or others to potential or actual purchasers of the Bonds, to owners of the Bonds, including Beneficial Owners, or to others.

The legal opinions and other letters of counsel to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinions or advice are rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion or letter guarantee the outcome of any legal dispute that may arise out of the transaction.

The City has also retained the legal services of that law firm from time to time as special counsel in connection with matters that do not relate to City financings. Squire Patton Boggs (US) LLP also serves and has served as bond counsel for one or more of the political subdivisions that the City territorially overlaps and has served as counsel to the Underwriters in connection with matters that do not relate to the City.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the Code), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code; and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds.

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

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (IRS) or any court. Bond

Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the City may cause loss of such status and result in the interest on the Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The City has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market value of the Bonds.

Interest on the Bonds may be subject: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) to the alternative minimum tax imposed under Section 55(b) of the Code on "applicable corporations" (within the meaning of Section 59(k) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Prospective purchasers of the Bonds upon their original issuance at prices other than the respective prices indicated on the Cover, and prospective purchasers of the Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Bonds (Discount Bonds) may be offered and sold to the public at an original issue discount (OID). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the issue price (described above) for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds (Premium Bonds) may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during

the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

ELIGIBILITY FOR INVESTMENT AND AS PUBLIC MONEY SECURITY

To the extent that the matter as to the particular investor is governed by Ohio law, and subject to any applicable limitations under other provisions of Ohio law, the Bonds are lawful investments for banks, savings and loan associations, credit union share guaranty corporations, trust companies, trustees, fiduciaries, insurance companies (including domestic for life and domestic not for life), trustees or other officers having charge of sinking and bond retirement or other funds of the State and State subdivisions and taxing districts, the Commissioners of the Sinking Fund, the Administrator of Workers' Compensation, and State retirement systems (Teachers, Public Employees, Public School Employees, and Police and Fire), notwithstanding any other provisions of the Revised Code or rules adopted pursuant to those provisions by any State agency with respect to investments by them.

The Bonds are acceptable under Ohio law as security for the repayment of the deposit of public money.

Beneficial Owners of the Bonds should make their own determination as to such matters as legality of investment in or pledgability of book-entry interests.

UNDERWRITING

The Bonds are being purchased by Raymond James & Associates, Inc., and Fifth Third Securities, Inc. (together, the Underwriters), at a price of $_____. The initial offering price of the Bonds is $_____; therefore, the gross underwriting spread is $_____ from the public offering price of the Bonds set forth on the Cover (the Offering Prices). In the Bond Purchase Agreement between the City and the Underwriters, the Underwriters have agreed to wire funds to the Bond Registrar at closing for further distribution by the Bond Registrar at closing to pay certain costs of issuance of the Bonds ($_____).

The Underwriters have provided the information in this Official Statement pertaining to the Offering Prices and to the offering of the Bonds in the seventh paragraph of **Regarding This Official Statement**. As noted in that paragraph, the Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing into investment trusts) and others at prices lower than the Offering Prices. The Offering Prices may be changed after the initial offering by the Underwriters. The purchase of the Bonds by the Underwriters is subject to certain conditions and requires that the Underwriters will purchase all of the Bonds, if any are purchased.

RATING

The Bonds have been rated "Aaa" by Moody's Ratings. The rating assigned is shown on the Cover. No application for a rating has been made by the City to any other rating service.

The rating reflects only the views of the rating service, and any explanation of the meaning or significance of the rating may only be obtained from the rating service. The City furnished to the rating service certain information and materials, some of which may not have been included in this Official Statement, relating to the Bonds and the City. Generally, rating services base their ratings on such information and materials and on their own investigation, studies and assumptions.

There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating service if in its judgment circumstances so warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market value of the Bonds.

The City expects to furnish the rating service with information and materials that may be requested. The City, however, assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on the Bonds.

TRANSCRIPT AND CLOSING CERTIFICATES

A complete transcript of proceedings and a certificate (described under **Litigation**) relating to litigation will be delivered by the City when the Bonds are delivered by the City to the Underwriters. The City at that time will also provide to the Underwriters a certificate, signed by the City officials who sign this Official Statement and addressed to the Underwriters, relating to the accuracy and completeness of this Official Statement and to its being a "final official statement" in the judgment of the City for purposes of SEC Rule 15c2 12(b)(3).

CONTINUING DISCLOSURE AGREEMENT

The City has agreed, for the benefit of the holders and Beneficial Owners from time to time of the Bonds, in accordance with SEC Rule 15c2-12 (the Rule), to provide or cause to be provided to the Municipal Securities Rulemaking Board such annual financial information and operating data, audited financial statements and notices of the occurrence of certain events in such manner as may be required for purposes of paragraph (b)(5)(i) of the Rule (the Continuing Disclosure Agreement). See **Appendix F** for the proposed form of the Continuing Disclosure Agreement. The foregoing information, data and notices can be obtained from:

Eric Dean
Director of Finance
City of Strongsville, Ohio
16099 Foltz Parkway,
Strongsville, Ohio 44149
Telephone: (440) 580-3127
E-mail: eric.dean@strongsville.org

The performance by the City of the Continuing Disclosure Agreement will be subject to the annual appropriation by the City of any funds that may be necessary to perform it. The Continuing Disclosure Agreement will remain in effect only for such period that the Bonds are outstanding in

accordance with their terms and the City remains an obligated person with respect to the Bonds within the meaning of the Rule.

The Director of Finance is the designated person within the City charged with ensuring the City's compliance with its continuing disclosure agreements. The City engages Disclosure Counsel on an annual basis to assist it in meeting the requirements of its continuing disclosure agreements.

The City has previously made continuing disclosure agreements for purposes of the Rule with respect to certain of its general obligation securities issued since July 1995. Within the last five years, the City believes it has complied in all material respects with its prior continuing disclosure agreements.

Although the City believes it has complied in all material respects with its prior continuing disclosure agreements under the Rule during the past five years, during that period there were instances in which City Annual Information Filings and/or audited financial statements filed on the MSRB's Electronic Municipal Market Access System (EMMA) web site in accordance with those continuing disclosure agreements were not properly matched with all required CUSIP numbers. Corrective matching on the EMMA web site has since been made. Additionally, the City's most recent continuing disclosure agreements require that notice of certain events, including the incurrence of certain financial obligations, be filed on the EMMA web site within 10 business days of such occurrence. On April 17, 2025, the City issued its $7,550,000 Energy Conservation Notes, Series 2025 (the Series 2025 Energy Conservation Notes). Notice of the issuance of the Series 2025 Energy Conservation Notes as a financial obligation was not filed on EMMA until November 10, 2025.

MUNICIPAL ADVISOR

The City has retained MAS Financial Advisory Services LLC (the Municipal Advisor) to provide financial advice in connection with the City's issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

BOND REGISTRAR

Argent Institutional Trust Company will act as bond registrar, paying agent, transfer agent and authenticating agent for the Bonds (the Bond Registrar). The Bond Registrar will keep all books and records necessary for registration, exchange and transfer of the Bonds, in accordance with the terms of agreements between it and the City. The Bond Registrar is a trust company organized under the laws of the State of Florida and authorized to exercise corporate trust powers under the laws of the State of Ohio. It has designated its Columbus, Ohio corporate trust office in connection with the Bonds.

The Bond Registrar acts in a similar capacity in connection with other bonds of the City and as a depository of City funds.

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THE CITY

GENERAL INFORMATION

The City is located in Cuyahoga County in northeastern Ohio, approximately 14 miles southwest of the City of Cleveland. It was a township in 1818, incorporated as a village in 1927, and became a city in 1961.

In the 2020 Census classifications, the City was in the Cleveland-Elyria-Mentor Metropolitan Statistical Area (MSA), comprised of the five counties of Cuyahoga, Geauga, Lake, Lorain and Medina. It was also in the Cleveland-Akron Consolidated Statistical Area (CSA). Only limited statistics are now available for the new MSA and CSA.

The City's 2024 population of 45,983 placed it as the sixth largest city in the County. See **Economic and Demographic Information – Population**.

The City's area is approximately 25 square miles. Land use, as measured by the tax value of real property, is presented in the following table.

	Percent of Tax Value of Real Property
Residential	83.38%
Commercial	13.62
Industrial	2.96
Public Utility	0.01
Agricultural	0.03
Undeveloped	(a)

(a) Included in above categories.

Source: County Fiscal Officer.

The City is served by diversified transportation facilities, including two State highways, U.S. Highway 42, Route 82 and I-71 and I-80 (the Ohio Turnpike). The City is adjacent to areas served by CSW, Norfolk Southern and Amtrak, and is served by passenger air services at Cleveland Hopkins International Airport Cleveland Hopkins International Airport, located within five miles of the City, and Burke Lakefront Airport, located in downtown Cleveland. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

Banking and financial services are provided to the area by offices of local commercial banks and savings and loan associations, all of which have their principal offices elsewhere.

The City is served by one daily newspaper, the *Cleveland Plain Dealer*, and two weekly newspapers, *West Life News* and the *Sun Post-Herald*. The City is within the broadcast area of numerous television stations and AM and FM radio stations. Multi-channel cable TV service, including educational, governmental and public access channels, is provided by AT&T, Time Warner and Wide Open West.

All of the City's territory is located within Strongsville City School District which provides education to students in grades K through 12. Within commuting distance are several public and private two-year and four-year colleges and universities, including among others, the University of Akron, Baldwin Wallace University, Case Western Reserve University, Cleveland State University,

Cuyahoga Community College, John Carroll University, Kent State University, Lakeland Community College, Lorain County Community College, Oberlin College, Ursuline College, the Cleveland Institute of Art and the Cleveland Institute of Music.

Hospitals serving the City's area include Southwest General Hospital (a non-profit hospital partnering with University Hospitals Health Systems, located in the City of Middleburg Heights, with 350 beds). In addition, outpatient facilities of the Cleveland Clinic, MetroHealth and Southwest General Hospital health systems are located in the City.

The City owns four parks offering residents a variety of activities to improve health and fitness. The 57-acre Strongsville Recreation Park has three baseball diamonds, four tennis courts, a covered pavilion and a 15,000 square foot wooden play structure. Surrarrer Park, on the City's east side, has a baseball diamond, two tennis courts and a covered pavilion. Volunteer Park, on the City's west side, has six baseball diamonds, a covered picnic area, bocce ball court, horseshoe pits and a playground. Across the street from Volunteer Park is Youth Sports Park which consists of three little league sized baseball fields, a full size football field, two flag football fields, a playground and a covered pavilion. The Strongsville Business & Technology Park, home of the Strongsville Soccer Organization, offers residents many opportunities for fitness related activities. City residents can also take advantage of the Cleveland Metroparks within minutes of home. Located in the City section of the park system are the popular toboggan chutes, Mill Stream Run, and a facility for year-round recreational activities, the Chalet. Gardenview Horticultural Park is a botanical park located on 16 acres near the south end of the City where visitors can view more than 500 species of trees and plants.

The City also maintains a "state-of-the-art" $18 million, 157,000 square foot recreation and senior multi-purpose complex (the Multi-Purpose Complex). The recreation center portion of the Multi-Purpose Complex includes a main gymnasium with two high-school sized basketball courts, a smaller multi-use gymnasium, an aquatic center with three pools, including an eight lane competition sized pool, and a fully equipped exercise and strength training room featuring free weights and Cybex equipment. There is also a shared area between the recreation center and the senior center portions of the Multi-Purpose Complex consisting of a walking/running track and a cardio-conditioning area. The senior center includes meeting rooms, a game room, woodshop, arts and crafts room, an art studio and a wellness clinic. At present, membership is approximately 13,800, most of whom are City residents.

The City of Cleveland is noted for its many cultural institutions, including the internationally acclaimed Cleveland Orchestra and Cleveland Museum of Art. Theaters and entertainment centers include Playhouse Square (the country's largest performing arts center outside of New York that includes a complex of nine theaters and performance spaces with seating for over 9,000), Karamu House and Severance Hall. Other cultural institutions include the Cleveland Opera Theater, Cleveland Public Theater and the Great Lakes Theater.

Professional sports are available at various facilities located in the City of Cleveland. The Gateway Sports Complex, located in the central business district of the City of Cleveland, includes Progressive Field, home of the Cleveland Guardians professional baseball franchise of the American League of Major League Baseball, and the Rocket Arena, home of the Cleveland Cavaliers professional basketball franchise of the National Basketball Association. Huntington Bank Field, located on the lakefront in downtown Cleveland, is the home of the Cleveland Browns professional football franchise of the National Football League.

In 2012, a $600 million casino, now known as Jack Casino Cleveland, opened in a renovated facility in downtown Cleveland and in 2013, a newly renovated Hard Rock Rocksino Northfield Park, now known as MGM Northfield Park, opened in the Village of Northfield, approximately 15 miles southeast of downtown Cleveland.

Cuyahoga Valley National Park (CVNP) protects approximately 33,000 acres along the banks of 22 miles of the Cuyahoga River between the Cities of Cleveland and Akron, within the Counties of Summit and Cuyahoga. CVNP combines cultural, historical, and natural resources and visitor activities (including on 140 miles of hiking, bicycling, and horseback riding trails) in one setting and is located within an approximately 25-minute drive from the City.

Other recreational and community assets in the MSA include four professional sports teams offering year-round entertainment, the Cuyahoga Valley National Park, a 33,000-acre national park in both the County and adjacent Summit County, and the Metroparks, which consists of nearly 19,000 acres of natural beauty with many scenic, historic and geologic features in Cuyahoga, Lake, Lorain and Medina counties. Over 100 miles of parkways provide easy access to the Metroparks facilities designed in accordance with the park's conservation goals: wildlife management areas and waterfowl sanctuaries; picnic areas and playfields; hiking, bridle, all-purpose and physical fitness trails; six golf courses; swimming, boating and fishing areas; stables; tobogganing, sledding, skating and cross-country skiing areas; and four nature centers offering nature exhibits and programs. A principal asset of the Metroparks is the Cleveland Zoo, containing over 3,000 animals occupying 165 rolling, wooded acres, and which is accredited by the American Association of Zoological Parks and Aquariums.

The University Circle cultural district, located within a 25-minute drive of the City, provides both cultural and employment opportunities for City residents. Within University Circle's boundaries are housed the Cleveland Orchestra, the Cleveland Institute of Art, the Cleveland Museum of Art, the Cleveland Museum of Natural History, the Western Reserve Historical Society, including the Crawford Auto Museum, the Cleveland Institute of Music, Case Western Reserve University, University Hospitals of Cleveland, the Cleveland Clinic Foundation and the Stokes Veterans Administration Hospital. Also within a 30-minute drive of the City are Karamu House, a multiracial performing arts group, Playhouse Square, the NASA Space Technology Museum, the Great Lakes Science Museum, and the Rock and Roll Hall of Fame and Museum.

City Government

The City operates under and is governed by its Charter, first adopted by the voters in 1958 and which has been and may be amended by the voters from time to time. The Charter provides for a mayor-council form of government. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws.

Legislative authority is vested in a seven-member Council, of whom three are elected at-large and four are elected from wards, for four-year staggered terms. The Council fixes the 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 presiding officer is the President of Council, who is elected by fellow Council members for a one-year term. The Charter establishes certain administrative departments; the Council may establish divisions of those departments, and additional departments.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term; the Mayor also acts as the Director of Public Safety when there is a vacancy in that position.

The Mayor appoints, subject to the approval of Council, all of the directors of City departments. The major appointed officials include the Directors of Finance, Law, Economic Development, Recreation, Parks and Senior Services, Public Safety, Service, Human Resources, Communication and Technology, the City Engineer, and the City Building Commissioner. The Mayor also appoints members to a number of boards and commissions. The Mayor appoints and

removes all appointed officers and employees, except Council officers and employees, and, with respect to those in the Police and Fire Departments who are in the classified service, in accordance with civil service requirements.

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

All elected officials, except the Mayor, serve part time. The current elected officials, and some of the major appointed officials, are:

ELECTED

	Name	Years in Office	Term Expires	Vocation In Private Life
Mayor:	Thomas P. Perciak	22	12/31/2027	Full-time position
Council:				
	James E. Carbone	14	12/31/2029	Police Officer
	Thomas M. Clark(a)	4	12/31/2029	Logistics Recruiter
	James A. Kaminski	6	12/31/2027	Retired
	Kelly A. Kosek	8	12/31/2027	Attorney
	Annmarie P. Roff	8	12/31/2027	Unemployed
	Gordon C. Short(b)	10	12/31/2027	Attorney/CPA
	Anthony Zacharyasz, Jr.	1	12/31/2029	Director of Operations

(a) President Pro Tem of Council.
(b) President of Council.

APPOINTED

Office	Name	Years in Position	Years Service with the City
Director of Finance	Eric Dean	5	5
Director of Law	Neal M. Jamison, Esq.	10	10
Clerk of Council	Aimee Pientka, MMC	11	28
Building Commissioner	Ted Hurst	4	4
Director of Service	Joseph M. Walker	26	31
City Engineer	Kenneth P. Mikula	25	25
Director of Economic Development	Brent T. Painter	16	20
Public Safety Director	Charles W. Goss	13	47
Human Resources Director	Stephen F. Kilo	14	28
Communications & Technology Director	David E. Sems	9	9
Recreation, Parks & Senior Services Director	Bryan V. Bogre	14	25

All appointed officials, except the Clerk of Council, serve at the pleasure of the Mayor.

Employees

As of December 31, 2025, the City had 303 full time and 214 part time employees, and the number of full time employees has increased by one since December 31, 2022; these figures include 33 full time and two part time Dispatchers, who have since become employees of Chagrin

Valley Dispatch as of February 1, 2026. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

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

Bargaining Unit	Agreement Expiration Date(a)(b)	Number of Employees FT	PT
International Brotherhood of Teamsters Local #52			
Service Workers	12/31/2027	44	0
Building Inspectors	12/31/2027	4	0
Strongsville Firefighters Association			
International Association of Firefighters Local #2882	12/31/2027	67	0
Fraternal Order of Police (FOP) – Parma Lodge #15			
Sergeants and Lieutenants	12/31/2027	17	0
Patrol Officers	12/31/2027	56	0
Corrections Officers	12/31/2027	5	0

The remaining full-time City employees have elected not to join a bargaining unit.

The Council by ordinance establishes salaries, wages and other economic benefits for City employees, the terms of which generally are the products of negotiations with representatives of the employees or bargaining unit.

The contracts with the Teamsters, Firefighters and Sergeants/Lieutenants each call for a 10.5% increase in wages over the three-year term of the contracts. Firefighters and Sergeant/Lieutenants will also receive an increase in professional pay of $650 per year. Health care remains the same as under the prior contracts.

In the City's judgment, its employee relations are good.

Health Insurance

The City manages employee prescriptions and health benefits on a self-insured basis. The employee health benefit plan provides basic health coverage through Medical Mutual, the third-party administrator of the program, which reviews and pays the claims. A specific excess loss coverage insurance (stop-loss) policy with Medical Mutual covers claims in excess of $125,000 per person per year.

Retirement Expenses

Present and retired employees of the City are covered under two statewide public employee retirement (including disability retirement) systems. The Ohio Police and Fire Pension Fund (OP&F) covers uniformed members of the police and fire departments. All other City employees are covered by the Ohio Public Employees Retirement System (OPERS).

OPERS and OP&F are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, both of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. On September 12, 2012, the General Assembly passed five separate pension reform bills intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. The bills passed with respect to OPERS and OP&F provided for (i) no change in the City contribution rates with respect to its employees' earnable salaries, (ii) no change in OPERS employee contribution rate, and (iii) an increase in the OP&F employee contribution rate from 10% to 12.25% in annual increments of 0.75% that began in July of 2013 and ended in July of 2015. With certain transition provisions applicable to certain current employees, the bills increased minimum age and service requirements for retirement and disability benefits, revised the calculation of an employee's final average salary on which pension benefits are based to include the five highest years (rather than the three highest years), provided for OPERS pension benefits to be calculated on a lower, fixed formula, changed provisions with respect to future cost–of-living adjustments to limit those adjustments to the lesser of any increase in the Consumer Price Index or three percent, and made other changes. The OP&F bill also authorizes the OP&F board to further adjust member contribution rates or further adjust age and service requirements after November 1, 2017, if, after an actuarial investigation, the board determines that an adjustment is appropriate.

For further information on these pension plans and Other Post-Employment Benefits (OPEB) plans and for Fiscal Year 2025 reporting with respect to employer pensions, see the Notes the Fiscal Year 2025 Financial Statements attached as **Appendix C**. Financial and other information for OPERS and OP&F can also be found on the respective website for each retirement system including its Annual Comprehensive Financial Report.

As of December 31, 2025, the City had the net pension and OPEB liabilities reported and explained in the Notes to the Fiscal Year 2025 Financial Statements.

In Fiscal Year 2025, City employees covered by OPERS contributed at a statutory rate of 10.0% of earnable salary. As the employer, the City's statutory contribution rate for those employees is 14.0% of the same base. City employees covered by OP&F contributed at a statutory rate of 12.25% of earnable salary. As the employer, the City's statutory contribution rates, applied to the same base, are 19.5% for police personnel and 24.0% for fire personnel. These employee and employer contribution rates have been and are now the maximums permitted under current State law.

The City's current employer contributions to OPERS and OP&F, and the payments toward the accrued OP&F liability, have been treated as current expenses and included in the City's operating expenditures, except to the extent paid from the proceeds of the "Police Pension" and "Fire Levy" referred to under **Tax Rates**.

Federal law requires City employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, City employees who are covered by a State retirement system are not currently covered under the federal Social Security Act. OPERS and OP&F are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

City Facilities; Insurance

The estimated insurable value of the City's facilities (including contents) is:

Facility	Estimated Insurable Value
Administration Buildings	$ 83,391,217
Recreation Center	43,915,660
Recreation Facilities (Parks & Pavilions)	6,572,045
Wastewater Collection Systems (Pumping and Lift Stations)	5,589,236
Wastewater Treatment Plants	47,760,916
Total	$187,229,074

City property is exempt from ad valorem taxation. Those insurable values do not include depreciation and the cost of excavations, foundations, underground facilities, pavings and walks. The City maintains blanket building and personal property insurance for 100% of the insurable value of each facility. For further information on insurance coverages and related matters, see the Notes to the Fiscal Year 2025 Financial Statements included in **Appendix C**.

The City maintains cybersecurity coverage through Travelers Insurance in the amount of $1,000,000 (Aggregate) for first- and third-party coverage with a $10,000 retention/deductible. Within that coverage is a ransomware sublimit of $100,000 (Aggregate) and cyber extortion limit of $10,000.

Economic and Demographic Information

Population

Recent Census population has been:

Year	City(a)	County	MSA
1970	15,180	1,720,835	2,418,809(b)
1980	28,575	1,498,400	2,277,949(b)
1990	35,308	1,412,140	2,202,069(b)
2000	43,858	1,393,978	2,250,871(b)
2010	44,750	1,280,122	2,077,240(c)
2020	44,675	1,264,817	2,088,251(c)
2024(est.)	45,983	1,240,594	2,171,877(c)

(a) Sources: OMAC and U.S. Census Bureau.
(b) Numbers are for the prior Cleveland-Lorain-Elyria Primary Metropolitan Statistical Area (PMSA), which included the Counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina. In 2003, the PMSA was reclassified as an MSA excluding Ashtabula County. Comparable historical Census numbers for the new MSA are not available.
(c) Population figures represent the current MSA.

2024 Census figures show the following breakdown by age groups of the population of the City:

Under 5	5-19	20-34	35-44	45-54	55-64	65+	Total
2,307	7,464	6,724	5,655	5,650	7,067	11,116	45,983

Educational attainment for the City's, County's and the MSA's population (25 years or older) is set forth in the following table.

	City		County		MSA	
Less than 9th Grade	899	2.7%	22,353	2.5%	39,036	2.5%
9th to 12th Grade (no diploma)	732	2.2	53,106	6.0	85,445	5.5
High School graduate (includes GED)	7,427	21.9	242,547	27.3	449,221	29.1
Some college, no degree	5,445	16.1	174,424	19.6	310,729	20.1
Associate degree	3,003	8.9	71,210	8.0	134,533	8.7
Bachelor degree	9,955	29.4	184,906	20.8	314,014	20.3
Graduate or professional degree	6,392	18.9	139,767	15.7	213,321	13.8

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2020-2024.

Employment and Income

The 2024 median family and household incomes, as reported by the Census Bureau in its "2020-2024 American Community Survey 5-Year Estimates," are set forth in the following table.

	2024 Median Income	
	Family	Household
City	$132,314	$103,253
County	89,252	64,468
MSA	95,803	70,678
State	92,749	71,389
United States	99,999	80,734

According to the Ohio Department of Taxation, the average federal adjusted gross income for residents within the Strongsville City School District (which overlaps the City) filing Ohio personal income tax returns for calendar year 2023 (the most recent year for which such data is available) was $104,093, compared to the averages of $110,922 for all Ohio school districts (for all tax returns filed, the 2023 State average for tax returns that indicated school districts was $81,829) and $87,402 for all school districts in the County.

The income per household in the City, County and MSA is estimated to be distributed as set forth in the following table.

Income and Benefits(a)	City		County		MSA	
Less than $10,000	491	2.6%	39,657	7.2%	54,509	5.9%
$10,000 to $14,999	322	1.7	27,824	5.0	39,325	4.2
$15,000 to $24,999	937	4.9	43,591	7.9	65,738	7.1
$25,000 to $34,999	674	3.5	45,183	8.1	71,864	7.7
$35,000 to $49,999	1,190	6.2	63,727	11.5	104,976	11.3
$50,000 to $74,999	2,974	15.6	93,260	16.8	154,755	16.6
$75,000 to $99,999	2,709	14.2	67,473	12.2	116,990	12.6
$100,000 to $149,999	4,072	21.3	80,101	14.4	151,636	16.3
$150,000 to $199,999	2,533	13.2	41,678	7.5	78,261	8.4
$200,000 or more	3,216	16.8	52,057	9.4	93,323	10.0

(a) In 2024 inflation-adjusted dollars.

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2020-2024.

The U.S. Census Bureau also estimates that 5.3% of people in the City, 16.1% of people in the County, and 13.4% of the people in the MSA have incomes that fall below the poverty level.

The following table shows comparative employment and unemployment statistics for the indicated periods.

	Employed in			Unemployment Rate				
Year(a)	**City**	**County**	**MSA**	**City**	**County**	**MSA**	**State**	**U.S.**
2021	21,900	571,900	1,002,700	4.9%	6.2%	5.8%	5.3%	5.3%
2022	22,300	584,300	1,027,800	4.0	4.6	4.5	4.0	3.6
2023	22,700	595,000	1,048,600	3.3	3.8	3.7	3.7	3.6
2024	23,000	601,900	1,061,700	3.5	3.9	3.8	4.4	4.0
2025	23,200	607,700	1,071,500	3.6	4.1	4.0	4.6	4.3
2026								
Jan.	22,900	601,700	1,061,200	3.3	3.8	3.8	4.6	4.7
Feb.	22,600	591,400	1,042,800	4.0	4.6	4.7	4.7	4.7
Mar.	23,000	603,900	1,065,000	3.5	4.1	4.0	4.0	4.3
Apr.	22,800	598,000	1,054,100	2.5	3.0	2.9	3.1	4.0
May	22,900	599,400	1,057,200	2.7	3.2	3.1	3.0	4.1
June	23,200	608,400	1,072,400	3.1	3.7	3.5	3.7	4.4
July	23,500	615,000	1,084,100	2.8	3.3	3.1	3.4	4.4
Aug.	23,500	616,500	1,088,700	1.6	1.9	1.8	3.3	4.3
Sept.	23,500	616,300	1,087,600	1.8	2.0	1.9	3.3	4.0

(a) Not seasonally adjusted.
Source: Ohio Department of Job and Family Services – Bureau of Labor Market Information.

Most City residents work outside of Strongsville. The following are the principal withholders of municipal income tax in the City (as of December 31, 2025):

Employer or Business	**Nature of Activity**	**% of Total Income Tax(a)(b)**
The Cleveland Clinic Foundation	Outpatient Medical Facility	2.54%
Strongsville City School District	Education	2.21
PNC Bank	Banking Technology Center	2.10
The City	Municipal Government	1.31
Foundation Software	Construction Software Developer	1.20
Momentive Performance Materials	Producer of Advanced Ceramics	1.07
Union Home Mortgage	Mortgage Lender	0.90
Swagelok Manufacturing Co LLC	Precision Machine Parts	0.82
Cintas Corporation No 2	Employee Uniform Services	0.80
CCL Label Inc.	Design and Manufacturing Services	0.74
Total		13.69%

(a) Source: The City's Annual Comprehensive Financial Report for Fiscal Year 2025.
(b) See also **Municipal Income Tax**.

The following employers (private and public) had the largest (full-time equivalent) work forces within the County as of December 31, 2025.

Employer	Nature of Activity or Business	Approximate Number of Employees
Cleveland Clinic Health System	Health care provider	51,880
Group Management Services Inc.	Staffing and employment services firm	39,442
Minute Men Human Resource System	Staffing and employment services firm	30,706
University Hospitals Health System	Health care provider	27,474
Amazon	Retail	20,000
U.S. Federal Government	Federal government	16,500
Progressive Corporation	Insurance and financial company	11,969
Walmart	Grocery and retail	11,200
Giant Eagle Inc.	Grocery and retail	8,811
State of Ohio	State government	7,887

Source: The County's Annual Comprehensive Financial Report for Fiscal Year 2025.

Economic Development

The City is home to a diverse, growing local economy that maintains a solid tax base through established business parks and a thriving commercial sector. Development in the City has closely followed the City's Comprehensive Master Plan, which was first developed in the early 1960s and has been modified regularly to accommodate changes in the economic climate. As part of that plan, four industrial development areas, totaling over 2,362 acres, have been established within the City featuring large setbacks and ample green space, resulting in a "park-like" atmosphere. A summary of each of the four business parks is listed below:

Strongsville Business & Technology Park

- 1,693 acres; 70% developed
- 4,486,781 square feet (SF) of build-out with a 1.4% vacancy rate
- Home to over 70 companies that employ over 3,000 employees
- Ranked as the #1 industrial park in Northeast Ohio by Crain's Cleveland Business (September 2020)
- Hundreds of acres of undeveloped, greenfield land available for future industrial development
- Major employers in the park: Momentive Technologies' World Headquarters, Vitamix, Infinium Walls Corporate Headquarters, Clark Reliance's Corporate Headquarters, Spartronics, CCL Industries' North American Headquarters and Eberhard Manufacturing

Dow Circle Research & Development Park

- 258 acres; 95% developed
- 774,636 SF of build-out with a 6.3% vacancy rate
- Home to over 30 companies that employ over 2,600 employees
- Major employers in the park: World Headquarters of Union Home Mortgage, Regional Headquarters for Enterprise Rental Car, Akzo Nobel Coatings RD&I Center and PNC Bank's Technology Center

Progress Drive Business Park

- 325 acres; 96% developed
- 1,514,232 SF of build-out with a 0.5% vacancy rate

- Home to over 40 companies that employ over 2,000 employees
- Major employers in the park: Corporate Headquarters of Atlantic Tool & Die, PPG Industries and the Corporate Headquarters for the Pipeline Repair Company

Park 82

- 86 acres; 100% developed
- 1,349,280 SF of build-out with 2.9% vacancy rate
- Home to over 15 companies that employ over 1,000 employees
- Major employers in the park: Corporate Headquarters for Ark Transportation, Schaeffler, Great Lakes Brewery, Intralot and Dealer Tire

Overall, the City's business parks are home to 8,124,890 SF of industrial/high tech build-out with an occupancy rate at 98% as of May 2026.

Job growth and business retention continued to be robust within the business parks in 2025. Highlights of several projects within the business parks include:

Woodpeckers Campus Consolidation

- Company Description: Manufacturer of woodworking equipment
- Purchased 55,975 SF manufacturing facility contiguous to existing headquarters
- New manufacturing facility will allow the company to expand its operations on new headquarters campus with over 300 employees

Indimade Brands

- Company Description: Supplier of wholesale candles, fragrances, and organic materials
- Business Park: Strongsville Business & Technology Park
- Leased 79,203 SF of office/distribution space
- Relocated over 70 employees to new Strongsville facility from Georgia

Clark Reliance

- Company Description: German Manufacturer's US Office
- Business Park: Strongsville Business & Technology Park
- Consolidated out-of-state acquisition into Strongsville Headquarters
- Project expected to create 50 new jobs

Transition Studios

- Company Description: Full service production company that produces content for independent film/television studios
- Business Park: Dow Circle Research & Development Park
- Purchased 19,060 SF facility, reinvesting in the space to create a state-of-the-art production facility

To facilitate the expansion and attraction of economic development projects, the City utilizes multiple tax incentive programs, including:

Community Reinvestment Area (CRA) Program

- The City has established 19 pre-1994 CRAs within and surrounding the City's business parks. Improvements within these CRAs are granted an exemption from real estate property taxes for 100% of the incremental increase in tax value for a period of up to 15 years.

Strongsville Job/Payroll Creation Incentive Grant Program

- The City utilizes an incentive program designed to attract large end-users with significant payroll to the community. Under the City's Job/Payroll Creation Incentive Grant Program, a company that creates and maintains over $6 million in new annual payroll within the City is eligible for an annual grant payment based on a percentage of the annual payroll withholding taxes generated by the project.

The City also has a Community Improvement Corporation, to facilitate future economic development. This non-profit corporation is registered with the State and it is separate from the City, with its own code of regulations and directors. This corporation can be used to facilitate private entity borrowing or to hold properties, as approved by the City, for use in enhancing business opportunities.

In addition to the local tax incentive programs, the City utilizes Federal, State (through JobsOhio), and regional job creation and workforce development programs.

Housing and Building Permits

The following is U.S. Census Bureau information concerning housing in the City, with comparative County and State statistics.

	2023 Median Value of Owner-Occupied Homes(a)	% Constructed Prior to 1940(a)	Number of Housing Units		% Change
			2010(b)	2024(a)	
City	$298,300	3.4%	17,524	19,645	+12.1%
County	195,400	27.8	621,763	615,331	-1.0
State	214,800	19.0	5,127,508	5,292,391	+3.2

(a) Source: U.S. Census Bureau Selected Source Characteristics in the United States 2020-2024.
(b) Source: U.S. Census Bureau 2010: Decennial Census Summary File.

County Fiscal Officer figures for sales of residential property and average sales price of residential property in the County and the City are shown in the following table.

	County		City	
Year	Sales	Average	Sales	Average
2021	28,563	$199,500	878	$290,800
2022	24,402	207,900	712	315,000
2023	20,712	209,400	621	323,700
2024	20,537	228,800	522	341,800
2025	19,471	281,600	585	373,700

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The City has experienced significant residential construction activity and the table below provides information relative to the number of single family (including cluster) housing units.

Year	Number of Single Family Housing Units Constructed
2021	107
2022	99
2023	221
2024	300
2025	431

Sources: City's Building Department, Engineering Department and Planning Department.

The number and estimated value of all building permits (commercial, industrial, residential and public, and both remodeling and new construction) issued by the City are shown in the following table.

Year	Number	Estimated Value
2021	4,148	54,781,761
2022	3,554	40,441,607
2023	3,301	53,953,427
2024	4,189	189,863,699
2025	3,504	107,237,747
2026(a)	3,086	91,006,825

(a) Through October 31.
Sources: City's Building Department and Planning Department.

Utilities; Public Safety and Services

Water service within the City is provided by the City of Cleveland and is purchased directly by the consumers. The City is a member of the Northeast Ohio Public Energy Council, a large public energy aggregator in the U.S. The distribution of electricity is through facilities owned and maintained by The Cleveland Electric Illuminating Company and the distribution of natural gas is through facilities owned and maintained by Columbia Gas of Ohio, Inc. The City contracts with Browning-Ferris Industries of Ohio, Inc. to provide refuse collection for residents; commercial, industrial and apartment complexes separately contract for such service with private haulers.

Sewage collection and disposal is handled in part by the City through its "B" and "C" Plants and in part by the Northeast Ohio Regional Sewer District (NEORSD) through its Southwest Interceptor; sewage collection and disposal for small portions of the City is also handled by the City of North Royalton and Medina County through their own systems. The rates charged to all users within the City, regardless of the entity actually providing the service, are substantially uniform. The City also collects the City's Local Rate (discussed below) from those customers. Since May 2007, the Cleveland Division of Water has billed and collected all sewer bills for the City.

In 1997, the City, based on a rate study prepared by Burgess & Niple, Ltd., as consulting engineers to the City, revised its rate structure by providing for a Treatment Rate (which is designed to match the NEORSD rate and any increase thereof in the future) and a Local Rate. Council also established that the moneys collected from the City's rates are to be used to pay the cost and expense

of the operation, maintenance, repair and management of that system, including improvements, enlargements or replacements to that system and debt service on debt issued for such purposes.

The City, expects that the system, through those rates, will generate sufficient revenues to meet its operating expenses and through those rates and connection charges will generate sufficient revenues to pay debt service on all of its outstanding obligations issued for improvements to that system.

FINANCIAL MATTERS

Introduction

The City's Fiscal Year corresponds with the calendar year.

The main sources of City revenue other than utility charges and other charges for services have been and are income taxes, property taxes and State distributions, as described below.

The responsibilities for the major financial functions of the City are divided among the Mayor, the Director of Finance and the Council.

Other important financial functions include general financial recommendations and planning by the Mayor; budget preparation by the Mayor with the assistance of the Director of Finance; and express approval of appropriations by the Council.

The Director of Finance is the City's fiscal and chief accounting officer. Among that officer's duties are to keep the books and accurate statements of all money received and expended and of all taxes and assessments; at the end of each Fiscal Year, or more often if requested by the Council, to examine all accounts of City officers and departments; and not to allow the amount set aside for any appropriation to be overdrawn, at the legal level of control that has been established by Council, through enactment of appropriations measures, at the personal service and all other expenditure level for all funds, or a voucher to be paid unless sufficient funds are in the City treasury or in the process of being collected to the credit of the fund on which the voucher is drawn. The Director of Finance is responsible for receiving, maintaining custody of and disbursing all City funds.

The Director of Finance has charge of the financial affairs of the City, including the keeping and supervision of all City accounts and the custody and disbursements of all City funds and money. The Director of Finance is appointed by the Mayor.

For property taxation purposes, assessment of real property is by the County Fiscal Officer subject to supervision by the State Tax Commissioner, and assessment of public utility and tangible personal property is by the State Tax Commissioner. Property taxes and assessments are billed and collected by County officials.

Budgeting, Property Tax Levy and Appropriations Procedures

Detailed provisions for budgeting, property tax levies and appropriations are made in the Revised Code, including a requirement that the City levy a property tax in a sufficient amount, with any other money available for the purpose, to pay the debt charges on securities payable from property taxes.

The law requires generally that a subdivision prepare, and then adopt after a public hearing, a tax budget approximately six months before the start of the next Fiscal Year. The tax budget then is presented for review by a county budget commission, which is comprised of the county auditor,

treasurer and prosecuting attorney in non-Charter counties. Under provisions of the Cuyahoga County Charter that took effect in January 2011, the Cuyahoga County Budget Commission is comprised of the County Executive, the County Fiscal Officer and the County Prosecuting Attorney.

A county budget commission may, however, waive the requirement for a tax budget and require more limited information. In October 2002, the Cuyahoga County Budget Commission voted to waive the requirement for future Fiscal Years and prescribed an alternative form of a tax budget information document to be used by the City and other subdivisions in the County.

Under the current requirements, City budgeting for each Fiscal Year formally begins in the prior July with the preparation and submission to the Cuyahoga County Budget Commission of tax budget information for that Fiscal Year and the following calendar year. For debt charges, the information is to include the net amounts of debt charges for which property tax levies must be made (after application of estimated receipts from other sources) and the portions of those levies to be inside and outside the ten-mill limitation. That tax budget information will then be reviewed by the County Budget Commission.

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

The County Budget Commission is to then certify to the City its action together with the estimate by the County Fiscal Officer of the tax rates outside and inside the ten-mill limitation. Thereafter, and before the end of the then Fiscal Year, the City is to approve the tax levies and certify them to the proper County officials. The approved and certified tax rates are then to be reflected in the tax bills sent to property owners in the following calendar year. Real property taxes are payable in two equal installments, the first usually in January and the second in July.

Under State law, the Council has until April 1 of a given Fiscal Year to adopt a permanent appropriation measure for that Fiscal Year and until then may adopt a temporary appropriation measure for that Fiscal Year. Annual appropriations may not exceed the Cuyahoga County Budget Commission's official estimates of resources, and the County Fiscal Officer must certify that the City's appropriation measures do not exceed the amounts set forth in those estimates.

Financial Reports and Audits

The City maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Ohio Auditor of State (the State Auditor). The State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.

City receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the State Auditor that are generally applicable to all Ohio political subdivisions. The records of these cash receipts and expenditures are converted annually for reporting purposes to a modified accrual basis of accounting for governmental funds and an accrual basis for proprietary funds. These accounting procedures conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Those principles, among other things, provide for a modified accrual basis of accounting for the general fund, all special revenue funds and the debt service (bond retirement) fund and for a full accrual basis of accounting for all other funds, and for the preparation for each fund of balance sheets, statements of revenues and expenditures and statements showing changes in fund balances.

Audits are made by the State Auditor, or by private auditing firms (CPAs) at the direction of that officer, pursuant to Ohio law and under certain federal program requirements. No other independent examination or audit of the City's financial records is made.

The most recent audit (including compliance audit) of the City's accounts was completed through Fiscal Year 2025. The City's audited financial statements for Fiscal Year 2025, set forth as **Appendix C**, have been audited by the Zupka & Associates, independent auditors as stated in their report appearing in those statements. No material findings, citations or items for adjustment, or material weaknesses in internal controls, were noted as part of the audit.

Annual financial reports are prepared by the City and are filed as required by law with the State Auditor after the close of each Fiscal Year.

See **Appendix A** for an unaudited comparative cash-basis summary, prepared by the City, of General Fund receipts and expenditures for the last five Fiscal Years and estimated for Fiscal Year 2026. All funds receipts and expenditures for the two prior Fiscal Years are set forth in **Appendices B-1** and **B-2**. See **Appendix C** for the City's audited financial statements for Fiscal Year 2025, including the audit letter.

The audited financial statements are public records, no consent to their inclusion is required, and no bring-down procedures have been undertaken by the private audit firm since their date.

Investments

Investments and deposits of City funds are governed by the Uniform Depository Law (Chapter 135 of the Revised Code) applicable to all subdivisions, and by the City's Charter and the City's own Investment ordinances.

The Director of Finance is responsible for the City's investments and deposits and is charged with the day-to-day responsibility of carrying out investment objectives and practices of the City. Under recent and current practices, in addition to deposits evidenced by interest bearing certificates of deposit, investments are made in commercial paper, repurchase agreements and direct obligations of the United States and certain agencies and instrumentalities thereof with a term less than five years.

The City also invests in STAR Ohio and STAR Plus (State Treasury Asset Reserve), which is an investment pool managed by the Ohio Treasurer of State. STAR Ohio is similar in concept to a registered investment company issuing redeemable securities, commonly called a "money market mutual fund." A treasurer, governing board or investment authority of a subdivision may deposit public money of the subdivision with the Treasurer of State. Subdivision is defined in Section 135.5(E)(2) of the Revised Code as any county, municipal corporation, school district, township, municipal or school district sinking fund, special taxing or assessment district and other district or local authority electing or appointing a treasurer. The Treasurer of State can invest the public money deposited in STAR Ohio in the same types of instruments as are provided for the investment of interim money of the State.

The City does not invest in any securities that would be characterized as derivatives or in reverse repurchase agreements and purchases all investments with the intent to hold to maturity.

Financial Outlook

The City's General Fund cash balance as of December 31 for each of the years 2021 through 2025 and estimated for 2026 are shown in **Appendix A**.

GENERAL FUND

The General Fund is the City's main operating fund, from which most expenditures are paid and into which most revenues are deposited. The General Fund receives money from many sources, but primarily from ad valorem property taxes and income taxes levied by the City and State local government assistance distributions. **Appendices A, B-1** and **B-2** provide further information regarding other revenue sources for the General Fund and other City funds.

AD VALOREM PROPERTY TAXES AND SPECIAL ASSESSMENTS

*The discussion of ad valorem property taxes under **Ad Valorem Property Taxes and Special Assessments** reflects significant legislation enacted by the General Assembly and signed into law by the Governor on December 19, 2025, and, further, should be read in the context of (i) other legislation currently pending or which may be introduced in the General Assembly, (ii) ballot initiatives which may be proposed by electors and (iii) court proceedings which may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein and which may have a materially adverse effect on the market value of City securities. See also **Considerations Regarding Real Property Tax Reform**.*

All references under **Ad Valorem Property Taxes** to "mills" refer to mills for each $1 of taxable value, to a "Tax Year" refer to a year in which a tax is placed on the tax duplicate, and to a "Collection Year" refer to a year in which a tax is collected.

Tax Valuation

The following table shows the recent tax valuations of property subject to ad valorem taxes levied by the City.

Collection Year	Real(a)	Public Utility(b)	Total Tax Valuation
2022(c)	$1,803,948,890	$50,022,520	$1,853,971,410
2023	1,814,513,310	53,215,310	1,867,728,620
2024	1,820,051,930	53,817,000	1,873,868,930
2025(d)	2,252,709,860	59,859,730	2,312,569,590
2026	2,233,175,480	62,792,780	2,295,968,260

(a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Fiscal Officer. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.
(b) Tangible personal property of all public utilities and real property of railroads.
(c) Reflects triennial adjustment.
(d) Reflects sexennial reappraisal.

Source: County Fiscal Officer.

Taxes collected on "Real" in one calendar year (i.e., a Collection Year) are levied in the preceding calendar year (i.e., a Tax Year) on tax values as of January 1 of that preceding year. "Public Utility" (real and tangible personal) taxes collected in one calendar year are levied in the preceding calendar year on tax values determined as of December 31 of the second year preceding the Collection Year.

Based on County Fiscal Officer records of tax values for Collection Year 2026, the largest City ad valorem property taxpayers are:

Name of Taxpayer	Nature of Business	Total Tax Value	% of Total Tax Value
Cleveland Electric Illuminating Co.	Electric Utility	$36,501,230	1.59%
SPM Acquisition LLC	Shopping Mall	30,951,560	1.35
American Transmission System	Electric Utility	15,128,330	0.66
Ctv Villa 1 LLC & Ctv Villa 2 LLC & Ctv Villa 3 LLC	Property Management	12,615,090	0.55
Greens Of Strongsville Ltd.	Property Management	12,496,270	0.54
Claiborne Cla Holdings LLC & CLA Holdings LLC	Property Management	10,756,340	0.47
Columbia Gas of Ohio	Natural Gas Utility	10,443,100	0.45
AIC Income Fund	Real Estate	10,519,890	0.46
Polo Club Apartments LLC	Apartment Complex	10,367,770	0.45
VAM, Ltd.	Shopping Center	10,188,070	0.44

Pursuant to statutory requirements for sexennial reappraisals, in 2024 the County Fiscal Officer adjusted the true value of taxable real property to reflect current fair market values. These adjustments were first reflected in Tax Year 2024 (Collection Year 2025) and in the ad valorem taxes distributed to the City in Collection Year 2025 and thereafter. The County Fiscal Officer is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values. The County Fiscal Officer completed such a triennial adjustment in Tax Year 2021 (Collection Year 2022).

The "tax valuation" of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value (CAUV). Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its tax value.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of tax valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class.

These tax credits apply only to certain voted levies on real property, and they do not apply to unvoted levies or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt. None of the City's tax levies are affected by these credits. These credits are discussed further following **Tax Table A**.

Overlapping Governmental Entities

The major political subdivisions or other governmental entities that overlap all or a portion of the territory of the City are listed below. The "(__%)" figure is that approximate percentage of a recent tax valuation of the overlapping entity that is located within the City.

- The County (functions allocated to counties by Ohio law, such as elections, health and human services and judicial). (5.18%)
- A portion of the Strongsville City School District which includes 100% of the territory within the City (K-12 educational responsibilities). (over 99%)
- Polaris Joint Vocational School District (JVSD) (vocational education programs). (30.64%)
- Greater Cleveland Regional Transit Authority (RTA) (public mass transit). (5.18%)
- Cleveland-Cuyahoga County Port Authority (port facilities). (5.18%)
- Cuyahoga Community College District (two-year public higher education institution located on four campuses). (5.18%)
- Cleveland Metropolitan Park District (park and recreation areas). (5.11%)
- Cuyahoga County Library District (public library). (8.53%)

Source: OMAC.

Each of these entities operates independently, with its own separate budget, taxing power and sources of revenue. Only the County, school district and the RTA may, as may the City, levy ad valorem property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills) described under **Indirect Debt and Unvoted Property Tax Limitations**.

Tax Rates

The following are the rates at which the City and overlapping taxing subdivisions have in recent years levied ad valorem property taxes.

TAX TABLE A
Overlapping Tax Rates

Collection Year	City	County(a)	Strongsville City School District	JVSD	Total
2022	9.30	26.13	86.98	3.09	125.50
2023	9.30	26.13	86.68	3.09	125.20
2024	9.30	26.53	86.68	3.09	125.60
2025	7.80	26.53	80.38	3.09	117.80
2026	7.80	26.53	80.38	3.09	117.80

(a) Includes levies for the Cleveland-Cuyahoga County Port Authority, the Cuyahoga Community College District, the Cleveland Metropolitan Park District, and the Cuyahoga County Public Library.

Source: County Fiscal Officer.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year; and

- amounts realized from new and existing taxes on the tax valuation of real property added to the tax duplicate since the preceding year.

The tax credit provisions do not apply to amounts realized from taxes levied at whatever rate is required to produce a specified amount or an amount to pay debt charges on voted obligations, or from taxes levied inside the ten mill limitation or any applicable charter tax rate limitation. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting "effective tax rate" reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for Collection Year 2026 of 117.80 mills within the City is reduced by reduction factors of 0.554048 for residential/agricultural property and 0.384822 for all other real property, which results in "effective tax rates" of 52.533247 mills for residential and agricultural property and 72.468037 mills for all other real property. See **Tax Table A**.

Residential and agricultural real property tax amounts paid by taxpayers generally have been further reduced by an additional 10% (12.5% in the case of owner-occupied residential property). Those reductions have been eliminated for additional and replacement levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for Tax Year 2013. Further, the 10% credit is being phased out, and the 2.5% credit increased, each beginning in Tax Year 2026. See **Non-Business and Owner-Occupancy Credits**.

The following are the rates at which the City levied property taxes for the general categories of purposes for the years shown, both inside and outside the ten-mill limitation.

TAX TABLE B
City Tax Rates

Inside the Limitation

Collection Year	Police Pension	Fire Pension	Debt Retirement	Total
2022	0.30	0.30	2.30	2.90
2023	0.30	0.30	2.30	2.90
2024	0.30	0.30	2.30	2.90
2025	0.30	0.30	2.30	2.90
2026	0.30	0.30	2.30	2.90

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Voted

Collection Year	General Fund	Fire(a)	Storm Sewer	Hospital(b)	Total
2022	1.50	3.50	0.40	1.00	6.40
2023	1.50	3.50	0.40	1.00	6.40
2024	1.50	3.50	0.40	1.00	6.40
2025	0.00(c)	3.50	0.40	1.00	4.90
2026	0.00(c)	3.50	0.40	1.00	4.90

(a) At the election held on November 3, 2026, the City's voters approved the question of an additional 1.0-mill tax levy for the purpose of providing and maintaining fire apparatus, mechanical resuscitators, or other fire equipment and appliances, buildings and sites therefor, or sources of water supply and materials therefor, for the establishment and maintenance of lines of fire-alarm communications, for the payment of firefighting companies or permanent firefighting, emergency medical service, or administrative personnel to operate the same, including the payment of any employer contributions required for such personnel under Section 145.48 or 724.34 of the Revised Code, for the purchase of ambulance equipment, for the provision of ambulance, paramedic, or other emergency medical services operated by a fire department or firefighting company, or for the payment of other related costs, for a continuing period of time, beginning in collection in 2027. Final election results have not been certified as of the date of this Official Statement.
(b) Levy for the benefit and support of Southwest General Hospital.
(c) Reflects expiration of the 1.50-mill tax levy for the purpose of current expenses.

Any voted levies for Debt Retirement continue for the life of the bonds authorized by the voters, in annual amounts sufficient to pay debt charges on those obligations as they come due.

Beginning in Tax Year 2026, county budget commissions are required, in September of the year of a county's sexennial reappraisal or triennial update, to adjust the rate of each inside millage levy so as to generally limit any increase in the levy's revenue to the cumulative inflation rate calculated over the three preceding years, i.e., since the last reappraisal or update. To measure inflation, increases in the levy's collections are to be measured against increases in the Gross Domestic Product (GDP) deflator, a national measurement of inflation in the prices of all goods and services published by the Bureau of Economic Analysis of the US Department of Commerce, as calculated by the Ohio Department of Taxation. The calculation will exclude revenue increases attributable to new improvements or expiration of existing tax reductions. This change will first be applicable to the City in Tax Year 2027 (Collection Year 2028).

See the discussion of the ten-mill limitation, and the priority of claim on that millage for debt charges on unvoted general obligation debt, under **Indirect Debt and Unvoted Property Tax Limitations**.

The following table presents certain information concerning the City's voted property tax levies (except levies for voted bond issues):

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Millage Rate					
Voter Authorized	Levied for Collection Year 2026 Res./Agr.	All Other	Purpose	First Collection Year	Last Collection Year
0.40	0.240308	0.356845	Storm Sewer	2019	2028
1.00	0.116105	0.299514	Hospital	2021	2030
2.00	1.201542	1.670150	Fire Operating	2010	Continuing
1.50	0.901156	1.338169	Fire Operating	2019	2028

Collections

The following are the amounts billed and collected for City ad valorem property taxes on real and public utility property (including payments in lieu of taxes) for recent Collection Years.

Collection Year	Current Billed(a)	Current Collected(a)	Current % Collected	Delinquent Current	Delinquent Accumulated
2021	$13,881,228	$13,428,145	96.7%	$425,076	$655,836
2022	13,677,738	13,087,477	95.7	316,743	405,533
2023	14,177,317	13,711,488	96.7	437,817	522,198
2024	14,255,061	13,925,256	97.7	485,044	601,176
2025	15,149,679	14,658,426	96.8	543,825	688,257

(a) Includes payments in lieu of taxes under tax increment financing program.

Source: County Fiscal Officer.

Real property taxes are payable in two installments, the first usually by February and the second in July.

Included in the "Current Billed", "Current Collected" and "Current % Collected" figures above are payments made from State revenue sources under three Statewide real property tax relief programs – the Homestead Exemption, the Non-Business Credit, and the Owner-Occupancy Credit.

Homestead Exemption

A Homestead Exemption provides a property tax credit for the residence, or "homestead," of certain qualifying individuals, e.g., a homeowner who is either (i) 65 years of age or older, (ii) permanently and totally disabled or (iii) certain surviving spouses of an individual who previously received the exemption, who meet certain income guidelines. In addition, there is an enhanced credit for military veterans who are totally disabled or spouses of first responders killed in the line of duty, without regard to income guidelines. For Collection Year 2026, the Homestead Exemption exempts $28,000 of the homestead's market value from taxation ($56,000 for the enhanced exemption), thereby reducing the property owner's ad valorem property tax liability. Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead Exemption granted. The State assistance reflected in the City's tax collections for Collection Year 2025 related to the Homestead Exemption was $163,351. Counties are authorized to offer a property tax exemption that would "piggyback" on the existing Homestead Exemption. The exemption would be available to the same homeowners who meet the means test for the existing exemption, and offer the same benefit amount, as the State Homestead Exemption described above, but with no reimbursements to local governments. The County has not implemented this "piggyback" exemption.

Non-Business and Owner-Occupancy Credits

The Non-Business Credit (formerly the "10% Rollback") and the Owner-Occupancy Credit (formerly the "2.5% Rollback") apply to all non-business properties, and reduces each property owner's ad valorem property tax liability as to "qualifying levies" by 10% and, if the property is owner-occupied and the owner does not claim any other property as a primary residence, an additional 2.5%, respectively. Payments to taxing subdivisions have been made in amounts approximately equal to the Non-Business Credit and Owner-Occupancy Credit granted. The State assistance reflected in the City's tax collections for Collection Year 2025 related to the Non-Business Credit and Owner-Occupancy Credit was $1,224,091. Counties are authorized to offer a credit for owner-occupied homes that would "piggyback" on the existing Owner-Occupancy Credit. The locally authorized credit can equal up to 2.5% of the amount of taxes to be levied by qualifying levies on the property or home, but with no reimbursements to local governments. The County has not implemented this "piggyback" exemption.

The Non-Business Credit and Owner-Occupancy Credit and related reimbursements have been eliminated with respect to new or replacement tax levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for Tax Year 2013 (all other levies being "qualifying levies"). See **Tax Rates**.

Further, The Non-Business Credit is being phased out, beginning with Tax Year 2026, in accordance with the following schedule: reduced to (i) 7.5% in Tax Year 2026, (ii) 5.0% in Tax Year 2027, (iii) 2.5% in Tax Year 2028 and (iv) 0% in Tax Year 2029 and thereafter. The Owner-Occupancy Credit is being increased, beginning with Tax Year 2026, in accordance with the following schedule: increased to (i) 5.70% in Tax Year 2026, (ii) 8.92% in Tax Year 2027, (iii) 12.15% in Tax Year 2028 and (iv) 15.38% in Tax Year 2029 and thereafter.

Special Assessments

The City on occasion constructs residential and other street improvements, which can include paving, resurfacing, draining, planting shade trees and constructing curbs, sidewalks, storm sewers, sanitary sewers and water lines. The cost of these improvements is paid in part from special assessments levied against the property benefiting from those improvements; the remaining cost is paid by the City. Unless all of the benefiting property owners petition to pay all costs, State law requires the City to pay at least 2% (plus the cost associated with intersections) of the total cost of the improvements.

Owners of benefiting properties may commence an improvement project by filing a petition with City Council requesting the improvement. Alternatively, Council, with a three-quarter majority, may, by resolution, declare the necessity for such an improvement. The special assessment proceedings provide for notice to property owners and an opportunity for property owners to object to the special assessments. At the commencement of construction of the improvement, bond anticipation notes may be issued to pay the project cost. Following completion of the work and determination of final costs, the special assessments are levied by Council against the benefiting property. Special assessments not paid within 30 days are certified to the County Fiscal Officer for collection over a period of time (usually 20 years for most projects). Special assessments are billed and collected by the County Treasurer along with and at the same time as real property taxes.

Bonds may be issued in anticipation of the collection of the special assessments to refund (together with any cash payments of special assessments) those notes. The special assessments certified for collection bear the same interest as the bonds. Under State law, those bonds are to be paid from the anticipated special assessments, but they are also general obligations of the City, payable from ad valorem property taxes to the extent not paid from those special assessments. See **City Debt and Other Long-Term Obligations – Statutory Direct Debt Limitations, Indirect**

Debt and Unvoted Property Tax Limitations and **Debt Tables A, B** and **C**. The City has not been required to levy an ad valorem property tax for debt charges on bonds issued in anticipation of the collection of special assessments because special assessments have been collected as required and sufficient balances have been available in the Bond Retirement Fund to cover any temporary shortfall.

The following are the amounts billed and collected for City special assessments for the Collection Years shown.

Special Assessments

Collection Year	Current Billed	Current Collected	Current % Collected	Delinquent	
				Current	Accumulated
2021	$137,769	$132,010	95.8%	$ 6,309	$54,620(a)
2022	138,725	129,907	93.6	9,412	51,846(b)
2023	183,162	145,948	79.7	20,419	53,672(c)
2024	141,907	137,910	97.2	4,280	49,755(d)
2025	199,535	193,485	97.0	6,518	28,971(e)

(a) Includes $44,169 related to special assessments related to City services.
(b) Includes $34,922 related to special assessments related to City services.
(c) Includes $11,218 related to special assessments related to City services.
(d) Includes $37,463 related to special assessments related to City services.
(e) Includes $2,180 related to special assessments related to City services.

Source: County Fiscal Officer.

Delinquencies

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties. Under the Revised Code, taxes become a lien of the State on the first day of January, annually, and continue until the taxes, including any penalties, interest or other charges, are paid. Real estate taxes and special assessments that are not paid in the year they are due are to be certified by the county auditor's office as delinquent. Any amount of a previous tax bill not paid before new tax bills are mailed for the next half of the year is considered delinquent and becomes subject to a 10% penalty. A list of delinquent properties is compiled by the county auditor (the "delinquent land duplicate"). If delinquent taxes (and special assessments) are not paid within 60 days after a copy of the county auditor's delinquent land duplicate is delivered to the county treasurer, then the county treasurer is to enforce the lien of the State that attached on January 1 of the year the taxes first became payable. Under State law (Section 323.25 of the Revised Code), the county treasurer is to enforce the lien "in the same way mortgage liens are enforced," that is, by an action in the court of common pleas for foreclosure and sale of the property in satisfaction of the delinquency. If the county treasurer fails to bring an action to enforce the lien, then the State Tax Commissioner is to do so. In addition, one year after certification of a delinquent land list, the county prosecuting attorney is authorized to institute foreclosure proceedings in the name of the county treasurer to foreclose the lien.

The property owner may arrange a payment plan with the county treasurer providing for payments over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years' delinquency. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

In recent years, the State legislature has enacted several programs with respect to forestalling the foreclosure process or the forfeiture of property due to tax delinquency that may have the effect of delaying or eliminating the collection of certain property taxes. Notwithstanding the delay or loss of the tax revenues from those properties, an issuer of general obligation notes or bonds, such as the City, remains obligated to pay the debt charges on those notes or bonds from the available revenues. See **Security and Sources of Payment**.

From the County records, of the 18,083 nonexempt parcels in the City for Collection Year 2025, the total number of delinquent parcels was 178, against four of which foreclosure proceedings have been commenced by the County for delinquent taxes. A program authorized by State legislation permits certain of the larger counties to "sell" the right to collect delinquent real estate taxes. That program has been implemented by the County.

Considerations Regarding Real Property Tax Reform

From time to time, (i) legislative proposals may be introduced in the General Assembly, (ii) ballot initiatives may be proposed by electors and (iii) court proceedings may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein and which may have a materially adverse effect on the market value of City securities. There can be no assurance that legislation enacted, ballot initiatives approved, or actions by a court, after the date of issuance of any such securities, will not have a materially adverse effect on the market value or marketability of or security for those securities. Prospective purchasers of City securities should consult their own counsel regarding pending or proposed State property tax legislation, related ballot initiatives and court proceedings, as to all of which the City expresses no opinion.

Specifically, on May 9, 2025, the Ohio Attorney General's Office certified, and on May 14, 2025, the Ohio Ballot Board voted to certify a petition title and summary of a proposed amendment to the Ohio Constitution from Citizens for Property Tax Reform, "Abolishment of Taxes on Real Property", proposing to add a new Section 14 to Article XII of the Ohio Constitution abolishing taxes on real property, including "land, all growing crops, all buildings, all structures, and all improvements permanently attached to land." The proposed amendment is limited to the abolishment of real property taxes and does not address any implications of that. In order to appear on the ballot, the petitioners must collect signatures from registered voters equal to at least 10% of the vote cast in the most recent gubernatorial election (approximately 413,000). Those signatures must come from voters in at least 44 of Ohio's 88 counties, and for each of those counties the number must equal at least 5% of the vote cast in the most recent gubernatorial election. All petitions must be filed with the Ohio Secretary of State no later than 125 days prior to the general election at which the proposed amendment is to appear (for the November 3, 2026 election, that would be July 1, 2026). If sufficient signatures are verified by the Ohio Secretary of State's Office at least 105 days before the election (there is a brief opportunity to collect additional signatures if those originally filed are determined to be insufficient), the full text of the proposed amendment would be placed on the ballot at the next regular or general election that occurs subsequent to 125 days after the filing of such petition. At soonest, the proposed amendment could appear on the ballot at the November 2, 2027 election; however, there can be no assurance when or if the proposed amendment would be on the ballot.

Amended Substitute House Bill No. 96, passed by the Ohio General Assembly and signed by the Governor on June 30, 2025 (the 2025 State Budget Act) included a number of other property tax related measures which were also vetoed by the Governor. It is unclear if the General Assembly intends to vote to override any of those vetoes. Many of the provisions and concepts that were the subject of the Governor's vetoes are now contained in other enacted legislation, described below.

On December 19, 2025, the Governor signed into law (effective March 20, 2026) the following bills relating to various aspects of ad valorem property tax reform:

- House Bill 186, which among provisions related to school district levies, also phases out the Non-Business Credit and increases the Owner-Occupancy Credit. See **Ad Valorem Property Taxes and Special Assessments – Non-Business and Owner-Occupancy Credits**.

- House Bill 309, which, generally, enhances the authority of county budget commissions to reduce voter-approved levies if deemed unnecessary or excessive, after a public hearing.

- House Bill 335, which, generally, caps property tax growth related to inside millage to inflation. See **Ad Valorem Property Taxes and Special Assessments – Tax Rates**.

MUNICIPAL INCOME TAX

Ohio law authorizes a city or village to levy a municipal income tax on both corporate income and employee wages and salaries at a rate of up to 1% without voter authorization. An income tax rate in excess of 1% requires approval by the voters. In 1967, the Council enacted an income tax at the rate of 1%. In 1981, the electors authorized an increase in the rate of income tax of 0.5%, to a total of 1.5%, which tax was renewed in 1991 for a continuing period of time. In 1993, the electors authorized an additional 0.5% increase in that rate, for a continuing period of time, to a total of 2%. The City, pursuant to Council action and that voter authorization, currently levies the tax at the rate of 2%. Each year not less than one-sixth of the net proceeds realized from the 1.5% portion of that income tax are to be deposited in the Street Construction, Maintenance and Repair Fund. This tax on business income and individuals' salaries and wages is collected and administered by the Regional Income Tax Agency (RITA) on behalf of the City. For taxable years beginning on or after January 1, 2018, taxpayers subject to a municipal net profit tax may elect to file one municipal net profit tax return that covers its total municipal net profit tax liability to all municipal corporations through the Ohio Business Gateway for processing by the Ohio Department of Taxation. The Ohio Department of Taxation will provide all administrative functions for those centrally-filed returns and will distribute payments to the appropriate municipalities, as well as address audits and appeals.

The tax is in effect for a continuing period of time. It could be reduced or terminated by action of the Council (unless restricted by a Charter provision), or by vote of the electors initiated by petition of 10% of the number of electors of the City who voted for governor at the last preceding election, following initiated ordinance procedures, or 10% of the electors of the City who voted at the last preceding City general election, following charter amendment procedures. Under current law, the Council could (unless restricted by a Charter provision) reimpose a 1% tax without authorization by the electors. No such Charter provision is now in effect.

Income tax proceeds have been allocated for Fiscal Year 2025 as follows: approximately 11.31% to the Street Construction, Maintenance and Repair Fund and 88.69% to the General Fund.

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Annual income tax receipts (all at 2%) in recent years and for 2026 are estimated to be:

Year	Total Receipts
2021	$40,887,442
2022	45,670,930
2023	46,656,616
2024	48,784,497
2025	48,959,619
2026(est.)	48,532,500

Residents are currently permitted, as a credit against their City income tax liability, up to a maximum of 75% of 2.0% paid as municipal income tax on the same income in another municipal corporation

No single employer contributed, via corporate and withheld income taxes, more than 5% of the total of the income tax collections in Fiscal Year 2025.

Certain of the income subject to the City income tax is also subject to the State income tax.

Effective January 1, 2022, Ohio's 20-day rule – requiring employers to withhold municipal income taxes for the municipality in which an employee has worked for more than 20 days during the calendar year – was reinstated to the form in which it existed prior to COVID-19 era modifications (see **COVID-19 Pandemic**). If an employee has worked in a municipality 20 days or less during a calendar year, an employer is not required to withhold municipal income taxes for that municipality for that calendar year. An employee can only be considered working in one municipality per calendar day.

NONTAX REVENUES

The City's General Fund also receives significant revenues from nontax sources (Nontax Revenues). The City's Nontax Revenues include: (a) certain grants from the United States of America and the State; (b) fines and forfeitures that are deposited in the General Fund; (c) fees deposited in the General Fund from properly imposed licenses and permits; (d) investment earnings that are credited or transferred to the General Fund; (e) proceeds from the sale of assets that are deposited in the General Fund; (f) rental income that is deposited in the General Fund; (g) gifts and donations; and (h) charges for services and payments received in reimbursement for services.

The following table summarizes historical collections for the past five years of the revenues identified by the City from its General Fund as Nontax Revenues. No assurance can be given that the collection of such Nontax Revenues will remain at the levels historically collected by the City.

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Historical Collections – General Fund Nontax Revenues

Year	Fees, Licenses & Permits	Charges for Services	Fines & Forfeitures	Interest Income	Intergovernmental and Other	Total
2021	$1,154,972	$2,701,469	$512,156	$ 409,966	$4,619,755	$ 9,398,318
2022	1,363,127	3,115,247	553,614	796,480	2,336,310	8,164,778
2023	1,349,206	3,445,496	629,592	2,964,247	2,609,837	10,998,378
2024	1,988,331	420,445	564,685	3,326,535	2,642,233	8,942,229
2025	1,538,050	489,160	505,950	2,586,800	2,761,440	7,881,400
2026(a)	1,368,600	520,741	533,750	2,614,500	2,848,516	7,886,107

(a) Estimated.

Fees, Licenses and Permits. Revenue in this category is derived from the issuance of building permits and a variety of inspection permits. Fees charged to contractors for examinations, building plan reviews and various zoning fees are included in this category. Revenue is also generated from the issuance of operating licenses, including tattoo and massage therapy. The City issues many different types of licenses or permits. Fees vary with the type of license or permit and are set by City ordinance.

Charges for Services. This category of revenue includes a variety of fees and charges collected by the City for the provision of services. The major services provided are for Prisoners, Dispatch and Cemetery.

Fines and Forfeitures. These revenues are derived from City fines, parking violations, court costs, and civil filing fees.

Interest Income. The Director of Finance invests City funds pursuant to the Revised Code and the City's Investment Policy. See **Financial Matters – Investments**. The City uses the General Fund to record all investment earnings and then distributes the earnings almost entirely to the General Fund.

Intergovernmental and Other. Revenue in this category is derived primarily from federal, state and local grants. This category includes a wide variety of types of revenue collected by City divisions. Due to the nature of these revenues, which frequently includes one-time receipt of revenues, the total may fluctuate from year to year. Included in these totals are refunds, gifts, cell tower leases, donations and proceeds from the sale of assets.

STATE LOCAL GOVERNMENT ASSISTANCE FUNDS

Statutory state level local government assistance funds, comprised of designated State revenues, are another source of revenue to the General Fund. Most are distributed to each county and then allocated on a formula basis, or in some cases on an agreement basis, among the county and cities, villages and townships, and in some cases park districts, in the county. City receipts in recent years and for 2026 are estimated to be:

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Year	Receipts
2021	$770,458
2022	848,642
2023	953,042
2024	789,033
2025	935,373
2026(est.)	960,557

The amounts of and formula for distribution of these funds have been and may be revised from time to time.

CITY DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt such as the Bonds, and applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the City.

As used in the discussions that follow, the term "BANs" refers to notes issued in anticipation of the issuance of general obligation bonds.

As further described below, the Bonds are:

- unvoted general obligations of the City, subject to the indirect debt and related property tax limitation (the ten-mill limitation tax limitation)
- exempt from both the 5½% and 10½% direct debt limitations (discussed below).

The City is not, and to the knowledge of current City officials has not in at least the last 25 years been in default in the payment of debt service on any of the bonds or notes on which the City is obligor. However, the City makes no representation as to the existence of a condition of default resulting from a default by any private entity under any financing documents relating to industrial development bonds of which the City was the issuer (none of which, to the knowledge of the Director of Finance, are still outstanding).

Security for General Obligation Debt; Bonds and BANs

The following describes the security for City general obligation debt, bonds (such as the Bonds) and bond anticipation notes (BANs).

Voted Bonds. The basic security for voted City general obligation bonds is the authorization by the electors for the City to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the City. These taxes are outside of the ten-mill limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities).

The City has no voted general obligation bonds or notes outstanding.

Unvoted Bonds. The basic security for unvoted City general obligation bonds is the City's ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the City, within the ten-mill limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion, and to limitations on legal remedies against public entities. See the discussion under **Indirect Debt and Unvoted Property Tax Limitations** of the ten-mill limitation, and the priority of claim on it for debt charges on unvoted general obligation debt of the City and all overlapping taxing subdivisions.

After issuance of the Bonds, the City has $34,350,000 of unvoted general obligation bonds outstanding.

BANs. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the City, or a combination of these sources. While BANs are outstanding, Ohio law requires the levy of ad valorem property taxes in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

After issuance of the Bonds and retirement of the Outstanding Notes, the City will have no outstanding BANs.

Statutory Direct Debt Limitations

The Revised Code provides two debt limitations on general obligation debt that are directly based on tax valuation, applicable to all municipal corporations, including the City.

- The net principal amount of both voted and unvoted debt of the City, excluding "exempt debt" (discussed below), may not exceed 10½% of the total tax valuation of all property in the City as listed and assessed for taxation.
- The net principal amount of unvoted debt of the City, excluding exempt debt, may not exceed 5½% of that valuation, as discussed below.

These two limitations, which are referred to as the "direct debt limitations," may be amended from time to time by the General Assembly.

The City's ability to incur unvoted debt (whether or not exempt from the direct debt limitations) is also restricted by the indirect debt limitation discussed under **Indirect Debt and Unvoted Property Tax Limitations**.

Certain debt (including the Bonds) that the City may issue is exempt from the direct debt limitations (exempt debt). Exempt debt includes, among others, the following categories.

- General obligation debt:
    - That is "self supporting" (*i.e.*, nontax revenues from the facility or category of facilities are sufficient to pay operating and maintenance expenses and related debt charges and other requirements) issued for facilities for city utility systems, airports, railroads, mass transit systems, parking, health care, solid waste, urban development, recreation, sports, convention, museum and other public attractions, natural resource exploration, development, recovery, use or sale, correctional and other related rehabilitation.
    - To the extent debt charges are expected to be paid from tax increment financing payments in lieu of taxes pledged to the payment of those debt charges (subject to certain limitations).
    - For highway improvements if the municipality has covenanted to pay debt charges and financing costs from distributions of motor vehicle license and fuel taxes.
    - In anticipation of the levy or collection of special assessments.
    - To pay final judgments or court-approved settlements.
- Securities issued to improve water or sanitary or storm water sewerage facilities to the extent that another subdivision has agreed to pay to the City amounts equal to debt charges on those securities.
- Unvoted general obligation bonds to the extent that debt charges will be met from payments in lieu of taxes or from lawfully available municipal income taxes, to be applied to that debt charges pursuant to ordinance covenants.
- Revenue debt and mortgage revenue bonds to finance municipal utilities.
- Notes issued in anticipation of (i) the collection of current revenues (which have a latest maturity of the last day of the Fiscal Year in which issued) or (ii) the proceeds of a specific tax levy.
- Notes issued for certain energy conservation improvements or certain emergency purposes.
- Debt issued in anticipation of the receipt of federal or State grants for permanent improvements, or to evidence loans from the State capital improvements fund or State infrastructure bank.
- Voted debt for urban redevelopment purposes not in excess of 2% of the City's tax valuation.
- Debt issued to make a single payment on certain accrued liability to the statewide Police and Fire Pension Fund.
- Debt issued for municipal educational and cultural facilities and sports facilities.

BANs issued in anticipation of exempt bonds also are exempt debt.

The City may incur debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority. The City does not have any such debt outstanding.

In the calculation of debt subject to the direct debt limitations, the amount in a city's bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of amounts in the Bond Retirement Fund, and based on outstanding debt and the Bonds and the current tax valuation, the City's voted and unvoted nonexempt debt capacities are:

	Limitation	Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitation
10½% =	$241,076,667	$0	$241,076,667
5½% =	$126,278,254	$0	$126,278,254

This is further detailed in **Debt Table A**.

Indirect Debt and Unvoted Property Tax Limitations

Voted general obligation debt may be issued by the City if authorized by vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt charges on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt such as the Bonds also may be issued by the City without a vote of the electors. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt charges on those bonds (or the bonds in anticipation of which BANs are issued) and all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax required for such debt charges in any year is 10 mills or less per $1.00 of tax valuation. This indirect debt limitation, the product of what is commonly referred to as the "ten mill limitation," is imposed by a combination of provisions of the Ohio Constitution and the Revised Code.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. This 10 mills is allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the City. For Collection Year 2026, the entire 10 mills was levied by the combination of the City and taxing subdivisions overlapping the City. For Collection Year 2026, the current allocation of the 10 mills (sometimes referred to as the "inside millage") was as follows: 2.90 City, 1.45 mills for the County, 5.60 Strongsville City School District, and 0.05 mill for the Cleveland Metropolitan Park District. That allocation has remained constant for at least the last five years.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt charges on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. To the extent this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Because the inside millage that may actually be required to pay debt charges on a subdivision's unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. In the case of the City, however, a law applicable to all Ohio cities and villages requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt charges on City unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be invaded for that purpose.

In the case of BANs issued in anticipation of unvoted general obligation bonds, the highest estimate of annual debt charges for the anticipated bonds is used to calculate the millage required.

Revenue bonds and notes and mortgage revenue bonds are not included in debt subject to the indirect limitation since they are not general obligations of the City, and the full faith and credit and property taxing power of the City is not pledged for their payment.

The indirect limitation applies to all outstanding unvoted general obligation debt even if debt charges on some of it is expected to be paid in fact from municipal income taxes, special assessments, utility revenues or other sources.

The estimated highest requirement for debt charges in any year for all City debt subject to the ten-mill limitation is estimated to be $4,425,978. That debt includes the Bonds, unvoted general obligation bonds outstanding and bonds anticipated by BANs outstanding. The payment of those annual debt charges would require a levy of an estimated 1.9277 mills based on current tax valuation. Of this maximum annual requirement, all of the debt is expected by the City to be paid from sources other than ad valorem taxes such as municipal income taxes (see **Debt Table C**). If those other sources for any reason were not available, the debt charges could not be met from the amounts produced by the millage currently levied for all purposes by the City within the ten-mill limitation, and therefore inside millage allocated to the overlapping subdivisions might have to be preempted for those debt charges (see the discussion of this preemption, and of limitations on it, above under this caption).

The total millage theoretically required by the City, the County and the Strongsville City School District (the highest overlapping taxing subdivisions that have issued unvoted debt) for debt charges on their outstanding unvoted general obligation debt (including the Bonds) is estimated to be 3.7422 mills for the year of the highest potential debt charges. There thus remains 6.2578 mills within the ten-mill limitation that has yet to be allocated to debt charges and that is available to the City and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

Debt Outstanding

The Debt Tables attached provide information concerning the City's outstanding debt represented by bonds and notes, City and overlapping subdivisions general obligation debt allocations and projected debt charges on the City's general obligation debt, including the Bonds. See **Debt Tables**.

The following table shows the principal amount of City general obligation debt (bonds and notes) outstanding as of December 31 in the years shown.

Year	Exempt	Total, all Unvoted
2021	$16,285,000	$42,530,000
2022	15,060,000	39,165,000
2023	14,430,000	35,580,000
2024	16,060,000	34,205,000
2025	36,430,000	38,940,000

Bond Retirement Fund

The Bond Retirement Fund is the fund from which the City pays debt charges on its general obligation debt, and into which money required to be applied to those payments is deposited. The following table is an unaudited cash basis summary of Bond Retirement Fund receipts and disbursements for recent years and estimated for the current year.

Year	Receipts[a][b]	Disbursements[a][b]	December 31 Balance
2021	$6,001,611	$6,163,649	$4,940,555
2022	5,666,342	3,203,937	7,402,960
2023	5,926,138	8,096,103	5,232,995
2024	6,081,803	5,861,160	5,453,638
2025	7,258,620	9,111,650	3,600,608
2026[c]	5,322,129	4,607,545	4,315,192

(a) Includes proceeds of bonds and BANs issued to retire BANs as a receipt and retirement of BANs as a disbursement.
(b) Includes payments in lieu of taxes (PILOTs) and special assessments dedicated to pay debt service.
(c) Estimated

Future Financings

The City has no plans to undertake or participate in any new major capital improvement projects for which it plans to borrow additional money or enter into long-term financial undertakings, or to issue any current revenue or tax anticipation notes.

Long-Term Financial Obligations Other Than Bonds and Notes

The City in 2010 entered into a loan agreement with the Ohio Water Development Authority (OWDA) to finance the installation of sanitary sewers in the Webster Road/Blazey Trail area of the City; the aggregate outstanding principal amount of that loan at December 31, 2025, was $171,959 requiring combined principal and interest payments of not more than $37,679 annually, with the final payment due on July 1, 2030 of $18,839.

In May 2012, the City entered into a loan agreement with the OWDA to finance the installation of sanitary sewers in the Drake Road/Greenbrier Drive area of the City; the aggregate outstanding principal amount of that loan at December 31, 2025, was $272,935, requiring combined principal and interest payments of not more than $43,317 annually, with the final payment due on July 1, 2032 of $21,658.

The City in 2024 entered into a loan agreement with OWDA to finance the rehabilitation of the City's Wastewater Treatment Plant; the aggregate outstanding principal amount of that loan at December 31, 2025, was $18,708,889 requiring combined principal and interest payments of not more than $602,229.99 annually, with the final payment due on July 1, 2047 of $602,229.99.

In July 2017, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC) to finance the installation of sanitary sewers in the Bowman and Fetzer Drives and Drake Road area of the City. The agreement provides for a grant of $617,165 and an interest-free loan of $987,465 for a total of $1,604,630. In 2018 the City received the balance of the grant amount as well as the proceeds of the loan. The aggregate outstanding principal amount of the loan at December 31, 2025, was $592,479. The 20-year loan requires 40 semiannual payments of $24,687 through July 1, 2038.

The payments on all of the above OWDA and OPWC loans are to be made from City sewage system revenues after payment of operation and maintenance expenses of the system, and from any special assessments which are levied. The loan agreements grant no security or property interest to OWDA or OPWC in any property of the City, and do not pledge the general credit of the City, or create a debt subject to the direct or indirect debt limitations, or require the application of the general resources of the City for repayment.

The City has also entered into a project loan agreement with the OPWC under which the City obtained an interest-free loan for phase II of the Pearl Road widening project. The City's aggregate principal amount due to the OPWC under that loan agreement at December 31, 2025, was $1,195,001. The loan requires semiannual payments of $54,318.24 which began on July 1, 2016, with the final payment due on January 1, 2036. This loan will be repaid with General Fund transfers to the Bond Retirement Fund.

The City's current accrued liability for compensated absences as of December 31, 2025, is estimated to be $13,911,453. Of that amount, the City expects to pay $2,330,849 in 2025 as part of normal operating expenses for compensated absences. In addition, the City has set aside $5,799,359 as of December 31, 2025, to provide funds for employee termination benefits in year 2026 and future years.

See Notes to the Fiscal Year 2025 Financial Statements attached as **Appendix C** for a discussion of "compensated absences" and for a discussion of the City's participation with the Ohio Bureau of Workers' Compensation Retrospective Rating Plan.

The City has no other material long term financial obligations, other than those discussed above, and the net pension and net OPEB liabilities described under **Retirement Expenses**.

COVID-19 PANDEMIC

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

As the initial effects of the Pandemic became known, the City actively monitored its revenue collections and implemented certain mitigation and expense reduction measures. As a part of its response to the Pandemic, the federal government provided assistance under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other legislation to assist states in addressing the adverse impacts of COVID-19.

The amounts of the reductions (and any offsets) in any local tax sources, additional grant assistance received as well as both Pandemic-related expenses and any operational cost savings experienced by the City in Fiscal Years 2020 and 2021, are all taken into account in the information provided in this Official Statement. See, e.g., **Municipal Income Tax, State Local Government Assistance Funds** and **Appendix A**.

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CONCLUDING STATEMENT

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

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

This Official Statement has been prepared and delivered by the City and signed for and on behalf of the City by its officials identified below.

CITY OF STRONGSVILLE, OHIO

By _____
Mayor

By _____
Director of Finance

DEBT TABLE A

Principal Amounts of Outstanding General Obligation (GO) and Exempt Debt; Leeway for Additional Debt Within Direct Debt Limitations

A.	Total debt including the Bonds:		$ 34,350,000
B.	Exempt debt:		
	Category	Outstanding Principal Amount	
	Municipal Income Taxes (including the Bonds):	$ 34,350,000	
	Total exempt debt:		$ 34,350,000
C.	Total nonexempt debt **[**A minus B**]**		$ 0
D.	5½% of tax valuation (unvoted nonexempt debt limitation):		$126,278,254
E.	Total nonexempt limited tax bonds and notes outstanding:		
	Bonds	$ 0	
	Notes	$ 0	$ 0
F.	Debt leeway within 5½% unvoted debt limitation **[**D minus E**]**		$126,278,254*
G.	10½% of tax valuation (voted and unvoted debt limitation):		$241,076,667
H.	Total nonexempt bonds and notes outstanding:		
	Bonds	$ 0	
	Notes	$ 0	$ 0
I.	Debt leeway within 10½% debt limitation **[**G minus H**]**		$241,076,667*

* Debt leeway in this table determined without considering money in the Bond Retirement Fund.

DEBT TABLE B

Various City and Overlapping
GO Debt Allocations (Principal Amounts)

	Amount	Per Capita(a)	% of City's Current Tax Valuation(b)
Total City GO Debt (exempt and nonexempt)	$ 34,350,000	$ 747.02	1.50%
Highest Total Overlapping GO Debt(c)	151,887,907	3,303.13	6.62

(a) Based on 2024 (estimated for City) population of 45,983.

(b) The City's current tax valuation is $2,295,968,260.

(c) Includes, in addition to "Total City GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of December 8, 2026) resulting in the calculation of highest total overlapping debt based on percent of tax valuation of territory of the subdivisions located within the City (% figures are resulting percent of total debt of subdivisions allocated to the City in this manner), as follows:

$ 59,702,030 County (5.18%);
$ 51,420,447 Strongsville City School District (99.71%); and
$ 6,415,430 Cuyahoga Community College (5.18%).

Source of tax valuation and confirmation of GO debt figures for overlapping subdivisions: OMAC.

DEBT TABLE C

Projected Debt Charges Requirements on City GO Debt

Year	Debt Charges on The Bonds*	Debt Charges on Outstanding Bonds	Total, to be Paid From Municipal Income Taxes
2027	$640,000	$3,785,978	$4,425,978
2028	640,500	3,771,028	4,411,528
2029	640,500	3,755,378	4,395,878
2030	640,000	2,556,728	3,196,728
2031	639,000	2,561,393	3,200,393
2032	637,500	2,561,730	3,199,230
2033	635,500	2,562,730	3,198,230
2034	638,000	2,569,315	3,207,315
2035	639,750	1,345,788	1,985,538
2036	635,750	1,353,388	1,989,138
2037	636,250	1,353,523	1,989,773
2038	636,000	1,361,418	1,997,418
2039	640,000	1,361,730	2,001,730
2040	638,000	1,359,540	1,997,540
2041	640,250	0	640,250
2042	636,500	0	636,500
2043	637,000	0	637,000
2044	636,500	0	636,500
2045	640,000	0	640,000
2046	637,250	0	637,250
2047	638,500	0	638,500
2048	638,500	0	638,500
2049	637,250	0	637,250
2050	639,750	0	639,750
2051	645,750	0	645,750

* Assumes the Bonds have an estimated interest rate of 5.00% per year; subject to change, based on actual sale.

DEBT TABLE D

Outstanding GO Bonds(a)

The following debt is reflected in **Debt Tables A**, **B** and **C**.

Bonds				
Issue	**Date of Issuance**	**Final Maturity**	**Original Principal Amount**	**Outstanding Principal Amount**
Traffic Signalization Bonds, Series 2020	11/19/2020	2040	$ 5,500,000	$ 4,110,000
Various Purpose Improvement and Refunding Bonds, Series 2025	12/09/2025	2040	22,075,000	21,240,000
The Bonds*	12/08/2026	2051	9,000,000	9,000,000
			TOTAL	**$34,350,000**

* Preliminary, subject to change.

APPENDIX A

Comparative Cash Basis Summary of General Fund Receipts and Expenditures for Fiscal Years 2021 through 2025 and Estimated Fiscal Year 2026 (Unaudited)(a)

	2021	2022	2023	2024	2025	Estimated 2026
BEGINNING BALANCE	$10,204,296	$12,822,300	$15,704,539	$19,288,899	$22,764,961	$27,093,558
REVENUES:						
Taxes						
Income Tax	$36,411,751	$40,573,326	$41,416,528	$43,266,609	$43,415,402	$43,065,000
Real Estate Tax	496,179	491,130	518,038	529,825	0	0
Hotel/Motel Tax	110,882	128,361	115,112	134,920	131,434	125,000
Intergovernmental	3,121,013	1,093,958	1,289,214	1,033,458	1,308,095	1,418,207
Charges For Services	2,701,469	3,115,247	3,445,496	420,445	642,412	502,250
Fines Licenses and Permits	1,667,127	1,916,741	1,977,104	2,553,017	2,144,560	1,902,350
Investment Earnings	409,966	796,480	2,964,247	3,326,535	3,406,535	2,614,500
Miscellaneous(b)	1,387,860	1,113,992	1,205,512	1,473,855	1,693,836	1,324,100
Transfers & Advances In	1,000,000	2,339,092	502,820	6,062,500	359,500	0
TOTAL RECEIPTS	$47,306,247	$51,568,327	$53,434,071	$58,801,164	$53,101,774	$50,951,407
TOTAL RECEIPTS & BALANCE	$57,510,543	$64,390,627	$69,138,610	$78,090,063	$75,866,735	$78,044,965
PROGRAM:						
Security of Persons & Property	$15,614,263	$17,104,083	$17,868,647	$14,370,474	$16,246,042	$18,063,535
Public Health and Welfare	371,533	420,011	468,586	491,911	545,112	617,943
Leisure Time Activities	285,387	349,647	368,024	382,656	441,741	466,645
Community Environment	1,464,952	1,566,207	1,747,625	1,628,641	1,753,237	1,755,480
Basic Utility Services	2,812,220	2,872,088	2,885,449	2,958,143	3,106,500	3,365,500
General Government	4,918,796	5,207,391	5,498,680	5,929,673	6,099,256	6,923,499
Capital Outlay	0	43,841	0	0	0	0
Transfers & Advances Out(c)	19,221,092	21,122,820	21,012,700	29,563,607	20,581,289	19,810,000
TOTAL EXPENDITURES	$44,688,243	$48,686,088	$49,849,711	$55,325,105	$48,773,177	$51,002,602
ENDING CASH BALANCE	$12,822,300	$15,704,539	$19,288,899	$22,764,961	$27,093,558	$27,042,363

	2021	2022	2023	2024	2025	Estimated 2026
TO:						
S.C.M. & R.	$ 3,500,000	$ 4,700,000	$ 4,000,000	$ 3,000,000	$ 4,000,000	$ 4,400,000
FIRE LEVY	1,500,000	4,900,000	5,300,000	5,850,000	5,000,000	6,300,000
MULTI PURPOSE CENTER	1,950,000	2,500,000	2,950,000	2,700,000	3,500,000	3,600,000
POLICE & FIRE PENSION	1,932,000	2,220,000	2,300,000	2,700,000	2,350,000	2,225,000
DRAINAGE LEVY	1,000,000	0	0	0	0	0
FEMA	2,339,092	0	400,000	0	0	0
EARNED BENEFITS	0	0	0	400,000	300,000	400,000
GENERAL CAPITAL IMPROVEMENT	6,000,000	4,300,000	0	12,500,000	2,500,000	2,500,000
PEARL ROAD CAPITAL IMPR.	0	0	0	0	800,000	0
RECREATION CAPITAL IMPR.	1,000,000	500,000	0	500,000	500,000	0
DEBT SERVICE	0	0	0	0	0	0
PEARL ROAD TIF #2	0	0	0	0	0	0
CAMDEN WOODS TIF	0	0	9,000	9,500	0	0
SOUTHWEST DISPATCH	0	0	0	1,454,107	1,531,289	235,000
TIF CAPITAL IMPROVEMENTS	0	0	0	100,000	100,000	150,000
TOWN CENTER CAPITAL IMPR.	0	1,000,000	5,753,700	0	0	0
LOCAL FISCAL RECOVERY	0	500,000	300,000	350,000	0	0
ONE OHIO SETTLEMENT	0	2,820	0	0	0	0
TOTAL	$19,221,092	$20,622,820	$21,012,700	$29,563,607	$20,581,289	$19,810,000

(a) See **COVID-19 Pandemic**
(b) Includes other financing sources, such as sale of fixed assets.
(c) Details of those transfers and advances are listed above.

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APPENDIX B-1
All-Funds Cash Basis Summary for Fiscal Year 2024 (Unaudited)

Fund	Fund Name	Cash Balance at 01/01/2024	YTD Revenue	YTD Expense	Ending Cash Balance
101	General	$19,288,899.10	$58,801,163.79	$55,325,105.10	$22,764,957.79
203	Police Pension	500,395.77	2,062,629.07	1,550,063.01	1,012,961.83
204	Street Construction, Maintenance & Repair	8,895,837.18	12,060,376.10	11,431,982.97	9,524,230.31
205	State Highway	1,266,738.81	285,213.02	270,563.35	1,281,388.48
206	Motor Vehicle License Tax	1,045,253.35	413,510.95	449,952.97	1,008,811.33
207	Emergency Vehicle	3,586,508.62	1,643,933.59	3,082,030.16	2,148,412.05
208	Fire	2,254,490.09	11,137,011.87	10,167,023.59	3,224,478.37
209	Fire Pension	554,143.40	1,762,629.13	1,766,017.21	550,755.32
210	Southwest Emergency Dispatch	0.00	4,407,417.33	3,993,802.05	413,615.28
211	Clerk of Court Computerization	71,691.47	11,190.00	31,855.99	51,025.48
212	Drainage Levy	2,553,230.83	610,002.49	58,178.44	3,105,054.88
213	Coronavirus Relief Fund	166,147.12	1,246,375.92	1,407,200.25	5,322.79
214	MPC Ehrnfelt Center	2,542,653.66	5,895,067.93	5,474,181.73	2,963,539.86
215	Southwest General Hospital	0.00	382,979.00	382,979.00	0.00
216	Law Enforcement Federal Seizure	123,070.69	187,521.03	17,813.00	292,778.72
217	Law Enforcement State Seizure	27,192.60	0.00	0.00	27,192.60
218	Law Enforcement Mandatory Drug Fine	17,300.87	6,614.53	550.00	23,365.40
219	Law Enforcement DWI/DUI	25,910.24	2,345.00	5,700.00	22,555.24
220	Tree Maintenance	63,170.28	211,439.59	170,379.71	104,230.16
222	Community Diversion	4,778.17	1,800.00	0.00	6,578.17
223	Bond Escrow	493,498.52	486,738.07	430,394.21	549,842.38
224	Earned Benefits	5,296,143.89	400,000.00	170,160.23	5,525,983.66
225	OneOhio Settlement	25,845.35	59,227.36	0.00	85,072.71
331	General Bond Retirement	3,071,156.72	4,434,037.91	4,189,811.23	3,315,383.40
333	Pearl Road TIF	932,192.31	702,708.48	580,288.00	1,054,612.79
334	Route 82 TIF	202,712.93	190,471.65	172,223.50	220,961.08
335	Pearl Road TIF #2	47,879.38	76,603.67	86,317.00	38,166.05
336	Pearl Road TIF #3	109,701.24	40,728.20	45,562.00	104,867.44
337	Westwood TIF	0.00	35,486.00	35,486.00	0.00
338	Giant Eagle TIF	167,398.83	117,948.75	132,610.50	152,737.08
339	Get Go TIF	46,708.84	36,028.47	19,959.50	62,777.81
340	Clover Senior TIF	184,849.67	140,687.50	157,063.50	168,473.67
341	Pear Road TIF #4	304,449.02	214,803.47	265,116.50	254,135.99
342	Cane's/Chase	60,743.11	24,855.22	55,803.00	29,795.33
343	Brighton Best	4,108.19	3,576.50	3,971.00	3,713.69
344	Pearl Road North TIF	100,879.78	54,367.62	107,948.50	47,298.90
346	Camden Woods TIF	215.00	9,500.00	9,000.00	715.00
441	Recreation Capital Improvement	503,492.94	2,865,000.00	162,374.97	3,206,117.97
442	General Capital Improvement	14,618,299.63	19,875,607.95	18,770,298.42	15,723,609.16
447	TIF Capital Improvement	468,553.26	464,365.03	334,252.50	598,665.79
448	Town Center Improvement	8,844,305.25	6,028,072.50	14,083,419.21	788,958.42
551	Sanitary Sewer	21,069,608.94	9,691,192.41	8,697,155.39	22,063,645.96
661	Health Insurance Reserve Fund	5,897,490.18	7,391,126.00	8,432,603.05	4,856,013.13
664	Worker's Compensation Reserve	301,617.14	454,252.80	343,330.00	412,539.94
	Totals	**$105,739,262.37**	**$154,926,605.90**	**$152,870,526.74**	**$107,795,341.41**

APPENDIX B-2
All-Funds Cash Basis Summary for Fiscal Year 2025 (Unaudited)

Fund	Fund Name	Cash Balance At 1/1/25	YTD Revenue	YTD Expense	Ending Cash Balance
101	General	$22,764,957.79	$53,101,774.74	$48,773,177.30	$27,093,555.23
203	Police Pension	1,012,961.83	1,825,485.55	1,630,309.11	1,208,138.27
204	Street Construction, Maintenance & Repair	9,524,230.31	13,016,313.82	12,477,511.56	10,063,032.57
205	State Highway	1,281,388.48	280,482.22	235,208.71	1,326,661.99
206	Motor Vehicle License Tax	1,008,811.33	406,040.77	0.00	1,414,852.10
207	Emergency Vehicle	2,148,412.05	2,572,758.70	1,955,934.52	2,765,236.23
208	Fire	3,224,478.37	10,153,886.03	10,390,429.90	2,987,934.50
209	Fire Pension	550,755.32	1,875,485.13	1,851,894.74	574,345.71
210	Southwest Emergency Dispatch	413,615.28	3,995,875.65	4,141,824.04	267,666.89
211	Clerk of Court Computerization	51,025.48	13,505.00	32,242.37	32,288.11
212	Drainage Levy	3,105,054.88	1,013,072.38	994,193.92	3,123,933.34
213	Coronavirus Relief Fund	5,322.79	431,349.25	436,672.04	0.00
214	MPC Ehrnfelt Center	2,963,539.86	6,914,176.82	5,634,660.51	4,243,056.17
215	Southwest General Hospital	0.00	375,155.00	375,155.00	0.00
216	Law Enforcement Federal Seizure	292,778.72	169,703.43	0.00	462,482.15
217	Law Enforcement State Seizure	27,192.60	3,513.64	0.00	30,706.24
218	Law Enforcement Mandatory Drug Fine	23,365.40	800.14	0.00	24,165.54
219	Law Enforcement DWI/DUI	22,555.24	1,659.30	0.00	24,214.54
220	Tree Maintenance	104,230.16	152,884.05	142,102.30	115,011.91
222	Community Diversion	6,578.17	0.00	0.00	6,578.17
223	Bond Escrow	549,842.38	496,784.60	505,157.05	541,469.93
224	Earned Benefits	5,525,983.66	300,000.00	26,625.06	5,799,358.60
225	OneOhio Settlement	85,072.71	46,977.12	7,600.00	124,449.83
331	General Bond Retirement	3,315,383.40	5,575,419.46	7,443,595.44	1,447,207.42
333	Pearl Road TIF	1,054,612.79	670,699.20	581,288.00	1,144,023.99
334	Route 82 TIF	220,961.08	184,939.95	182,205.00	223,696.03
335	Pearl Road TIF #2	38,166.05	89,194.94	65,000.00	62,360.99
336	Pearl Road TIF #3	104,867.44	44,237.14	42,000.00	107,104.58
337	Westwood TIF	0.00	72,149.53	72,149.53	0.00
338	Giant Eagle TIF	152,737.08	115,558.97	125,000.00	143,296.05
339	Get Go TIF	62,777.81	17,534.94	36,000.00	44,312.75
340	Clover Senior TIF	168,473.67	124,903.99	162,000.00	131,377.66
341	Pear Road TIF #4	254,135.99	260,886.04	278,000.00	237,022.03
342	Cane's/Chase	29,795.33	21,530.02	22,000.00	29,325.35
343	Brighton Best	3,713.69	3,563.28	3,700.00	3,576.97
344	Pearl Road North TIF	47,298.90	26,005.88	46,000.00	27,304.78
346	Camden Woods TIF	715.00	51,997.10	52,712.10	0.00
441	Recreation Capital Improvement	3,206,117.97	558,350.00	901,335.63	2,863132.34
442	General Capital Improvement	15,723,609.16	28,587,380.16	21,307,345.96	23,003,643.36
447	TIF Capital Improvement	598,665.79	588,972.87	333,377.50	854,261.16
448	Town Center Improvement	788,958.42	4,804,000.00	5,545,404.70	47,553.72
551	Sanitary Sewer	22,063,645.96	9,628,166.60	13,416,316.39	18,275,496.17
661	Health Insurance Reserve Fund	4,856,013.13	7,660,816.58	8,136,410.86	4,380,418.85
664	Worker's Compensation Reserve	412,539.94	378,182.84	364,273.00	426,449.78
	Totals	**$107,795,341.41**	**$156,612,172.83**	**$148,726,812.24**	**$115,680,702.00**

APPENDIX C

Audited Financial Statements for Fiscal Year 2025

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OHIO AUDITOR OF STATE
KEITH FABER

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

City Council
City of Strongsville
16099 Foltz Industrial Parkway
Strongsville, Ohio 44149

We have reviewed the *Independent Auditor's Report* of the City of Strongsville, Cuyahoga County, prepared by Zupka & Associates, for the audit period January 1, 2025 through December 31, 2025. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

September 16, 2026

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INDEPENDENT AUDITOR'S REPORT

City of Strongsville
Cuyahoga County
16099 Foltz Industrial Parkway
Strongsville, Ohio 44149

To the Members of City Council:

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund, the Street Construction, Maintenance and Repair Fund, and the Fire Levy Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Zupka & Associates
Certified Public Accountants

June 29, 2026

Basic Financial Statements

City of Strongsville, Ohio

Statement of Net Position

December 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	$ 98,700,520	$ 18,275,497	$ 116,976,017
Materials and Supplies Inventory	581,460	-	581,460
Accounts Receivable	1,955,643	2,020,625	3,976,268
Accrued Interest Receivable	1,526,959	-	1,526,959
Intergovernmental Receivable	6,606,946	37,289	6,644,235
Hotel Taxes Receivable	8,941	-	8,941
Franchise Taxes Receivable	143,925	-	143,925
Permissive Motor Vehicle Taxes Receivable	29,074	-	29,074
Prepaid Items	790,267	160,841	951,108
Municipal Income Taxes Receivable	11,936,348	-	11,936,348
Property Taxes Receivable	11,128,831	-	11,128,831
Special Assessments Receivable	-	1,331,988	1,331,988
Leases Receivable	2,849,028	-	2,849,028
Net OPEB Asset	1,719,738	155,720	1,875,458
Nondepreciable Capital Assets	23,772,518	15,096,933	38,869,451
Depreciable Capital Assets	204,426,122	40,842,629	245,268,751
Total Assets	366,176,320	77,921,522	444,097,842
DEFERRED OUTFLOWS OF RESOURCES			
Deferral of Loss on Refunding	673,249	-	673,249
Pension	15,079,835	406,277	15,486,112
OPEB	1,271,616	5,666	1,277,282
Total Deferred Outflows of Resources	17,024,700	411,943	17,436,643
LIABILITIES			
Accounts Payable	820,681	20,907	841,588
Contracts Payable	471,537	1,981,355	2,452,892
Accrued Wages and Benefits	1,389,799	51,243	1,441,042
Intergovernmental Payable	281,788	66,921	348,709
Matured Compensated Absences Payable	5,349	-	5,349
Accrued Interest Payable	209,948	-	209,948
Retainage Payable	500,387	983,243	1,483,630
Unearned Revenue	515,303	-	515,303
Notes Payable	10,128,319	-	10,128,319
Long-term Liabilities:			
Due within one year	7,082,555	277,089	7,359,644
Due in more than one year:			
Net Pension Liability	67,162,023	1,676,161	68,838,184
Net OPEB Liability	3,146,815	-	3,146,815
Other Amounts Due in more than one year	41,853,053	2,114,847	43,967,900
Total Liabilities	133,567,557	7,171,766	140,739,323
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	10,693,772	-	10,693,772
Payments in Lieu of Taxes	2,600,454	-	2,600,454
Leases	2,624,939	-	2,624,939
Deferral on Gain of Refunding	567,142	-	567,142
Pension	4,328,491	109,182	4,437,673
OPEB	3,674,952	30,048	3,705,000
Total Deferred Inflows of Resources	24,489,750	139,230	24,628,980
NET POSITION			
Net Investment in Capital Assets	194,097,585	51,507,695	245,605,280
Restricted for:			
Debt Service	3,746,572	-	3,746,572
Capital Projects	14,784,375	-	14,784,375
Police and Fire	2,287,724	-	2,287,724
Streets and Highways	14,171,968	-	14,171,968
Drainage Levy	3,174,350	-	3,174,350
OPEB	1,719,738	155,720	1,875,458
Other Purposes	398,112	-	398,112
Unrestricted	(9,236,711)	19,359,054	10,122,343
Total Net Position	$ 225,143,713	$ 71,022,469	$ 296,166,182

See accompanying notes to the basic financial statements

City of Strongsville, Ohio

Statement of Activities

For the Year Ended December 31, 2025

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Security of Persons and Property	$ 39,083,394	$ 5,535,118	$ 194,313	$ -
Public Health Services	941,949	77,770	-	-
Leisure Time Activities	7,625,517	3,223,098	207,742	387,350
Community Environment	2,093,035	1,613,152	-	-
Basic Utility Services	3,135,584	59,791	416,477	1,031,397
Transportation	19,802,883	550	3,451,831	1,429,158
General Government	5,389,435	356,973	108,177	-
Interest	1,806,399	-	-	-
Total Governmental activities	79,878,196	10,866,452	4,378,540	2,847,905
Business-type activities:				
Sanitary Sewer	8,398,652	9,080,550	-	1,947,561
Total Business-type activities	8,398,652	9,080,550	-	1,947,561
Total Primary Government	$ 88,276,848	$ 19,947,002	$ 4,378,540	$ 4,795,466
General Revenues:				
Property Taxes levied for:				
Debt Service Purpose				
Other Purposes				
Municipal Income Taxes levied for:				
General Purposes				
Other Purposes				
Hotel Taxes				
Permissive Motor Vehicle Taxes				
Franchise Taxes				
Payments in Lieu of Taxes				
Grants and Entitlements not Restricted to Specific Programs				
Investment Income				
All Other Revenues				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of the Year				
Net Position - End of Year				

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (33,353,963)	$ -	$ (33,353,963)
(864,179)	-	(864,179)
(3,807,327)	-	(3,807,327)
(479,883)	-	(479,883)
(1,627,919)	-	(1,627,919)
(14,921,344)	-	(14,921,344)
(4,924,285)	-	(4,924,285)
(1,806,399)	-	(1,806,399)
(61,785,299)	-	(61,785,299)
-	2,629,459	2,629,459
-	2,629,459	2,629,459
(61,785,299)	2,629,459	(59,155,840)
4,623,554	-	4,623,554
6,710,196	-	6,710,196
43,097,531	-	43,097,531
5,505,089	-	5,505,089
132,436	-	132,436
368,853	-	368,853
513,161	-	513,161
2,272,093	-	2,272,093
2,419,780	-	2,419,780
5,899,913	1,404	5,901,317
192,196	-	192,196
71,734,802	1,404	71,736,206
9,949,503	2,630,863	12,580,366
215,194,210	68,391,606	283,585,816
$ 225,143,713	$ 71,022,469	$ 296,166,182

City of Strongsville, Ohio

Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement
ASSETS					
Equity in Pooled Cash and Cash Equivalents	$ 33,991,709	$ 10,184,081	$ 2,987,934	$ 1,447,208	$ 23,003,645
Materials and Supplies Inventory	41,047	510,256	-	-	-
Accrued Interest Receivable	1,295,295	142,695	-	-	-
Accounts Receivable	1,016,521	-	-	-	-
Due from Other Funds	-	-	-	-	-
Interfund Receivable	200	-	-	-	-
Intergovernmental Receivable	583,679	1,670,628	282,288	283,888	778,380
Prepaid Items	100,999	90,753	61,265	-	-
Municipal Income Taxes Receivable	10,584,669	1,351,679	-	-	-
Property Taxes Receivable	-	-	4,528,522	4,554,189	-
Hotel Taxes Receivable	8,941	-	-	-	-
Franchise Taxes Receivable	-	-	-	-	143,925
Permissive Motor Vehicle Taxes Receivable	-	-	-	-	-
Leases Receivable	2,849,028	-	-	-	-
Total Assets	$ 50,472,088	$ 13,950,092	$ 7,860,009	$ 6,285,285	$ 23,925,950
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 348,795	$ 106,987	$ 27,044	$ -	$ -
Accrued Wages and Benefits	728,361	161,936	310,639	-	-
Contracts Payable	-	-	-	-	452,537
Intergovernmental Payable	39,614	25,689	4,475	-	-
Matured Compensated Absences Payable	-	-	-	-	-
Accrued Interest Payable	22,308	-	-	33,333	-
Retainage Payable	-	-	-	-	398,641
Due to Other Funds	1,095	-	-	-	-
Interfund Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Notes Payable	-	-	-	128,319	10,000,000
Total Liabilities	1,140,173	294,612	342,158	161,652	10,851,178
Deferred Inflows of Resources:					
Property Taxes, Payments in Lieu of Taxes and Leases	2,624,939	-	4,351,488	4,376,152	-
Unavailable Revenue - Delinquent Property Taxes	-	-	177,034	178,037	-
Unavailable Revenue - Income Taxes	3,951,190	504,573	-	-	-
Unavailable Revenue - Other	308,973	1,190,070	275,616	283,888	21,415
Total Deferred Inflows of Resources	6,885,102	1,694,643	4,804,138	4,838,077	21,415
Fund Balances:					
Nonspendable	142,046	601,009	61,265	-	-
Restricted	-	11,359,828	2,652,448	1,285,556	13,053,357
Committed	5,799,359	-	-	-	-
Assigned	380,836	-	-	-	-
Unassigned (Deficit)	36,124,572	-	-	-	-
Total Fund Balances	42,446,813	11,960,837	2,713,713	1,285,556	13,053,357
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 50,472,088	$ 13,950,092	$ 7,860,009	$ 6,285,285	$ 23,925,950

See accompanying notes to the basic financial statements

Other Governmental Funds	Total Governmental Funds
$ 22,279,075	$ 93,893,652
30,157	581,460
88,969	1,526,959
939,122	1,955,643
1,095	1,095
-	200
2,967,967	6,566,830
197,772	450,789
-	11,936,348
2,046,120	11,128,831
-	8,941
-	143,925
29,074	29,074
-	2,849,028
$ 28,579,351	$ 131,072,775
$ 337,855	$ 820,681
188,863	1,389,799
19,000	471,537
212,010	281,788
5,349	5,349
-	55,641
101,746	500,387
-	1,095
200	200
515,303	515,303
-	10,128,319
1,380,326	14,170,099
4,566,586	15,919,165
79,988	435,059
-	4,455,763
1,009,189	3,089,151
5,655,763	23,899,138
227,929	1,032,249
11,417,066	39,768,255
10,196,067	15,995,426
-	380,836
(297,800)	35,826,772
21,543,262	93,003,538
$ 28,579,351	$ 131,072,775

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities
December 31, 2025

Total Governmental Funds Balance		$ 93,003,538
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		228,198,640
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:		
Delinquent property taxes	$ 435,059	
Municipal income taxes	4,455,763	
Intergovernmental	2,256,872	
Hotel and Franchise Taxes	21,415	
Charges for services/Other	810,864	
Total		7,979,973
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.		(154,307)
Internal Service funds are used by management to charge costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service funds are included in Governmental Activities in the Statement of Net Position.		3,440,735
The net pension liability and net OPEB liability are not due and payable in the current period, and the net OPEB asset are not available for spending in the current period; therefore the asset, liability, and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	15,079,835	
Deferred Inflows - Pension	(4,328,491)	
Net Pension Asset	-	
Net Pension Liability	(67,162,023)	
Deferred Outflows - OPEB	1,271,616	
Deferred Inflows - OPEB	(3,674,952)	
Net OPEB Asset	1,719,738	
Net OPEB Liability	(3,146,815)	
Total		(60,241,092)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	(28,940,000)	
OPWC loan	(1,086,369)	
Unamortized premiums	(2,753,114)	
Subscription Payable	(498,945)	
Deferral of Gain/Loss on refunding	106,107	
Compensated absences	(13,911,453)	
Total		$ (47,083,774)
Net Position of Governmental Activities		$ 225,143,713

City of Strongsville, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement
REVENUES					
Property Taxes	$ -	$ -	$ 4,582,976	$ 4,583,378	$ -
Municipal Income Taxes	43,570,916	5,571,410	-	-	-
Hotel Taxes	132,814	-	-	-	-
Permissive Motor Vehicle Taxes	-	-	-	-	-
Franchise Taxes	-	-	-	-	636,655
Payments in Lieu of Taxes	-	-	-	-	-
Intergovernmental	1,327,472	3,118,675	550,909	595,347	778,380
Interest	5,125,238	508,765	-	-	-
Fees, Licenses, and Permits	1,498,876	-	3,680	-	-
Fines and Forfeitures	637,826	-	-	-	-
Leases	238,684	-	-	-	-
Charges for Services	363,519	50	15,321	-	500
Contributions and Donations	-	-	-	-	-
All Other Revenues	523,152	26,683	1,000	-	-
Total Revenues	53,418,497	9,225,583	5,153,886	5,178,725	1,415,535
EXPENDITURES					
Security of Persons and Property	14,631,248	-	10,280,658	-	12,168
Public Health Services	544,457	-	-	-	-
Leisure Time Activities	405,152	-	-	-	144,558
Community Environment	1,552,451	-	-	-	-
Basic Utility Services	3,111,217	-	-	-	-
Transportation	-	12,079,386	-	-	-
General Government	4,988,265	-	-	-	28,119
Capital Outlay	1,017,077	541,219	-	-	10,918,697
Debt Service:				-	
Principal Retirement	107,867	-	-	2,738,637	-
Interest and Fiscal Charges	28,590	-	-	778,742	255,530
Debt Issuance Costs	-	-	-	492,132	-
Total Expenditures	26,386,324	12,620,605	10,280,658	4,009,511	11,359,072
Excess of Revenues Over (Under) Expenditures	27,032,173	(3,395,022)	(5,126,772)	1,169,214	(9,943,537)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	57,845	25,500	-	-	-
Refunding Bonds Issued	-	-	-	11,535,000	6,830,000
Premium on Debt Issuance	-	-	-	1,405,287	720,000
Payment to Refunded Bond Escrow Account	-	-	-	(12,553,822)	-
Transfers In	-	4,000,000	5,000,000	-	4,500,000
Transfers Out	(20,281,289)	-	-	(3,460,308)	-
Total Other Financing Sources (Uses)	(20,223,444)	4,025,500	5,000,000	(3,073,843)	12,050,000
Net Change in Fund Balances	6,808,729	630,478	(126,772)	(1,904,629)	2,106,463
Fund Balances - Beginning of Year, as previously presented	35,638,084	11,330,359	2,840,485	3,190,185	10,946,894
Change within financial reporting entity	-	-	-	-	-
Fund Balances - Beginning of Year, as adjusted	35,638,084	11,330,359	2,840,485	3,190,185	10,946,894
Fund Balances - End of Year	$ 42,446,813	$ 11,960,837	$ 2,713,713	$ 1,285,556	$ 13,053,357

See accompanying notes to the basic financial statements

(Formerly Major) Town Center Improvement	Other Governmental Funds	Total Governmental Funds
	$ 2,069,320	$ 11,235,674
	-	49,142,326
	-	132,814
	368,853	368,853
	-	636,655
	2,272,093	2,272,093
	4,092,712	10,463,495
	265,910	5,899,913
	60,633	1,563,189
	236,099	873,925
	-	238,684
	4,829,312	5,208,702
	317,330	317,330
	6,316	557,151
-	14,518,578	88,910,804
	7,723,242	32,647,316
	375,155	919,612
	5,679,896	6,229,606
	409,243	1,961,694
	59,946	3,171,163
	235,208	12,314,594
	32,242	5,048,626
	3,239,986	15,716,979
	700,000	3,546,504
	228,404	1,291,266
	-	492,132
-	18,683,322	83,339,492
-	(4,164,744)	5,571,312
	18,604	101,949
	3,710,000	22,075,000
	390,000	2,515,287
	-	(12,553,822)
	11,165,097	24,665,097
	(923,500)	(24,665,097)
-	14,360,201	12,138,414
-	10,195,457	17,709,726
(4,197,475)	15,545,280	75,293,812
4,197,475	(4,197,475)	-
-	11,347,805	75,293,812
$ -	$ 21,543,262	$ 93,003,538

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
December 31, 2025

Net Change in Fund Balances-Total Governmental Funds		$ 17,709,726
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay and contributions exceeded depreciation in the current period.		
Capital outlay and contributions	$ 17,709,217	
Depreciation	(10,732,260)	
Total		6,976,957
In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets.		(136,651)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	98,076	
Municipal income taxes	(539,706)	
Intergovernmental	(342,159)	
Hotel and Franchise Taxes	(123,872)	
Charges for services	142,674	
Total		(764,987)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		4,969,516
OPEB		87,391
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability and net OPEB asset are reported as pension/ OPEB expense in the statement of activities.		
Pension		(7,823,720)
OPEB		511,717
Repayment of bond principal, loans, notes, and leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		16,091,504
Other financing sources in the Governmental funds increases long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of bonds and the related premium.		(24,590,287)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.		
Compensated absences	(2,417,903)	
Accrued interest on bonds	(28,675)	
Amortization of premiums	785,748	
Deferral on refunding	(771,252)	
Total		(2,432,082)
Internal Service Funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities.		(649,581)
Change in Net Position of Governmental Activities		$ 9,949,503

City of Strongsville, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal Income Taxes	$ 42,885,000	$ 43,260,890	$ 43,415,402	$ 154,512
Property Taxes	-	-	-	-
Hotel Taxes	105,000	130,000	131,434	1,434
Intergovernmental Revenues	1,160,388	1,279,838	1,308,096	28,258
Charges for Services	347,300	608,200	642,412	34,212
Fees, Licenses, and Permits	1,534,500	1,477,700	1,500,565	22,865
Fines and Forfeitures	503,500	515,950	643,995	128,045
Interest Income	2,586,800	3,186,800	3,406,535	219,735
Miscellaneous	1,290,802	1,618,502	1,635,991	17,489
Total Revenues	50,413,290	52,077,880	52,684,430	606,550
Expenditures:				
Current:				
Security of Persons and Property	16,960,891	17,219,775	16,392,904	826,871
Public Health Services	551,028	556,028	545,899	10,129
Leisure Time Activities	682,570	682,570	553,318	129,252
Community Environment	1,913,530	2,025,030	1,769,990	255,040
Basic Utility Services	3,320,500	3,320,500	3,118,867	201,633
General Government	7,026,092	7,036,092	6,223,439	812,653
Total Expenditures	30,454,611	30,839,995	28,604,417	2,235,578
Excess of Revenues Over (Under) Expenditures	19,958,679	21,237,885	24,080,013	2,842,128
Other Financing Sources (Uses)				
Sale of Capital Assets	59,000	57,000	57,845	845
Advances In	-	359,000	359,500	500
Transfers Out	(20,981,289)	(20,581,289)	(20,581,289)	-
Total Other Financing Sources (Uses)	(20,922,289)	(20,165,289)	(20,163,944)	1,345
Net Change in Fund Balance	(963,610)	1,072,596	3,916,069	2,843,473
Fund Balance - Beginning of Year	21,719,858	21,719,858	21,719,858	-
Prior Year Encumbrances Appropriated	1,045,099	1,045,099	1,045,099	-
Fund Balance - End of Year	$ 21,801,347	$ 23,837,553	$ 26,681,026	$ 2,843,473

See accompanying notes to the basic financial statements

City of Strongsville, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal Income Taxes	$ 5,268,500	$ 5,475,521	$ 5,544,217	$ 68,696
Intergovernmental Revenues	2,980,000	3,050,000	3,093,062	43,062
Charges for Services	100	50	50	-
Interest Income	256,250	316,250	324,123	7,873
Miscellaneous	1,500	28,600	29,362	762
Total Revenues	8,506,350	8,870,421	8,990,814	120,393
Expenditures:				
Current:				
Transportation	14,718,883	14,225,383	12,990,761	1,234,622
Total Expenditures	14,718,883	14,225,383	12,990,761	1,234,622
Excess of Revenues Over (Under) Expenditures	(6,212,533)	(5,354,962)	(3,999,947)	1,355,015
Other Financing Sources				
Sale of Capital Assets	10,000	25,500	25,500	-
Transfers In	4,000,000	4,000,000	4,000,000	-
Total Other Financing Sources	4,010,000	4,025,500	4,025,500	-
Net Change in Fund Balance	(2,202,533)	(1,329,462)	25,553	1,355,015
Fund Balance - Beginning of Year	9,117,417	9,117,417	9,117,417	-
Prior Year Encumbrances Appropriated	406,813	406,813	406,813	-
Fund Balance - End of Year	$ 7,321,697	$ 8,194,768	$ 9,549,783	$ 1,355,015

See accompanying notes to the basic financial statements

City of Strongsville, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Fire Levy Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property Taxes	$ 5,000,000	$ 4,582,795	$ 4,582,976	$ 181
Intergovernmental Revenues	580,000	544,000	550,909	6,909
Charges for Services	3,000	14,300	15,321	1,021
Fees, Licenses, and Permits	2,900	2,400	3,680	1,280
Miscellaneous	2,770	1,000	1,000	-
Total Revenues	5,588,670	5,144,495	5,153,886	9,391
Expenditures:				
Current:				
Security of Persons and Property	10,822,828	10,896,331	10,422,586	473,745
Excess of Revenues Over (Under) Expenditures	(5,234,158)	(5,751,836)	(5,268,700)	483,136
Other Financing Sources				
Transfers In	5,000,000	5,000,000	5,000,000	-
Total Other Financing Sources	5,000,000	5,000,000	5,000,000	-
Net Change in Fund Balance	(234,158)	(751,836)	(268,700)	483,136
Fund Balance - Beginning of Year	3,156,451	3,156,451	3,156,451	-
Prior Year Encumbrances Appropriated	68,028	68,028	68,028	
Fund Balance - End of Year	$ 2,990,321	$ 2,472,643	$ 2,955,779	$ 483,136

See accompanying notes to the basic financial statements

City of Strongsville, Ohio

Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Funds
ASSETS		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	$ 18,275,497	$ 4,806,868
Accounts Receivable	2,020,625	-
Intergovernmental Receivable	37,289	40,116
Prepaid Items	160,841	339,478
Special Assessments Receivable	1,331,988	-
Total Current Assets	21,826,240	5,186,462
Noncurrent Assets:		
Net OPEB Asset	155,720	-
Capital Assets:		
Land	1,508,079	-
Construction in Progress	13,588,854	-
Depreciable Assets, Net of Depreciation	40,842,629	-
Total Noncurrent Assets	56,095,282	-
Total Assets	77,921,522	5,186,462
DEFERRED OUTFLOWS OF RESOURCES		
Pension	406,277	-
OPEB	5,666	-
Total Deferred Outflows of Resources	411,943	-
LIABILITIES		
Current Liabilities:		
Accounts Payable	20,907	-
Accrued Wages and Benefits	51,243	-
Contracts Payable	1,981,355	-
Retainage Payable	983,243	-
Intergovernmental Payable	66,921	-
Compensated Absences Payable	121,231	-
Claims Payable	-	939,683
OWDA Loans Payable	68,915	-
OPWC Loans Payable	86,943	-
Total Current Liabilities	3,380,758	939,683
Noncurrent Liabilities:		
Compensated Absences Payable	566,058	-
Claims Payable	-	806,044
OWDA Loans Payable	342,313	-
OPWC Loans Payable	1,206,476	-
Net Pension Liability	1,676,161	-
Total Noncurrent Liabilities	3,791,008	806,044
Total Liabilities	7,171,766	1,745,727
DEFERRED INFLOWS OF RESOURCES		
Pension	109,182	-
OPEB	30,048	-
Total Deferred Inflows of Resources	139,230	-
NET POSITION		
Net Investment in Capital Assets	51,507,695	-
Restricted for:		
Pension/OPEB	155,720	-
Unrestricted	19,359,054	3,440,735
Total Net Position	$ 71,022,469	$ 3,440,735

See accompanying notes to the basic financial statements

City of Strongsville, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Funds
OPERATING REVENUES		
Charges for Services	$ 9,039,807	$ 7,855,817
Miscellaneous	-	53,850
Other Services	40,743	-
Total Operating Revenues	9,080,550	7,909,667
OPERATING EXPENSES		
Salaries	1,390,229	-
Fringe Benefits	523,825	-
Materials and Supplies	117,407	-
Contractual Services	3,813,812	2,317,730
Depreciation	2,309,523	-
Claims	-	6,241,518
Other	164,196	-
Total Operating Expense	8,318,992	8,559,248
Operating Income (Loss)	761,558	(649,581)
NONOPERATING REVENUES (EXPENSES)		
Interest	1,404	-
Interest and Fiscal Charges	(79,660)	-
Total Nonoperating Revenues (Expenses)	(78,256)	-
Income before Capital Contributions	683,302	(649,581)
Capital Contributions from Special Assessments	500,495	-
Capital Contributions from Grants	489,976	-
Capital Contributions from Developers	955,140	-
Capital Contributions from Tap In Fees	1,950	-
Change in Net Position	2,630,863	(649,581)
Net Position - Beginning of the Year	68,391,606	4,090,316
Net Position - End of Year	$ 71,022,469	$ 3,440,735

See accompanying notes to the basic financial statements

City of Strongsville, Ohio

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Charges for Services	$ 8,998,984	$ 1,025,155
Cash Received from Interfund Services Provided	-	6,830,662
Other Cash Receipts	1,675	183,183
Cash Payments to Employees for Services	(1,299,178)	-
Cash Payments for Employee Benefits	(530,561)	-
Cash Payments for Goods and Services	(3,878,844)	(2,317,730)
Cash Payments for Claims	-	(6,182,954)
Other Cash Payments	(134,718)	-
Net Cash Provided by (Used For) Operating Activities	3,157,358	(461,684)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants Received	452,687	-
Capital Contributions from Tap In Fees	1,950	-
Capital Contributions from Special Assessments	172,870	-
Principal Paid on Debt	(153,759)	-
Interest Paid on Debt	(79,660)	-
Payments for Capital Acquisitions	(7,339,596)	-
Net Cash Used for Capital and Related Financing Activities	(6,945,508)	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,788,150)	(461,684)
Cash and Cash Equivalents - Beginning of Year	22,063,647	5,268,552
Cash and Cash Equivalents - End of Year	$ 18,275,497	$ 4,806,868

(Continued)

See accompanying notes to the basic financial statements

City of Strongsville, Ohio

Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2025

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY/(USED FOR) OPERATING ACTIVITIES		
Operating Income (Loss)	$ 761,558	$ (649,581)
Adjustments:		
Depreciation	2,309,523	-
(Increase) Decrease in Assets:		
Accounts Receivable	(79,891)	-
Intergovernmental Receivable	-	129,333
Prepaid Items	(2,952)	(10,148)
Net Pension Asset	20,330	-
Net OPEB Asset	(90,591)	-
(Increase) in Deferred Outflows of Resources - Pension	212,106	-
(Increase) in Deferred Outflows of Resources - OPEB	52,426	-
Increase (Decrease) in Liabilities:		
Accounts Payable	(199,236)	-
Contracts Payable	224,964	-
Accrued Wages	1,560	-
Intergovernmental Payable	59,323	-
Claims Payable	-	68,712
Compensated Absences Payable	89,491	-
Net Pension Liability	(266,414)	-
Increase in Deferred Inflow of Resources - Pension	72,624	-
Increase in Deferred Inflow of Resources - OPEB	(7,463)	-
Net Cash Provided by/(Used For) Operating Activities	$ 3,157,358	$ (461,684)

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

During 2025, the Sanitary Sewer Fund received infrastructure donations from a developer in the amount of $955,140. The net impact of accruals in the Sanitary Sewer fund related to capital assets are in the amount of ($2,542,192).

See accompanying notes to the basic financial statements

Note 1 – Description of the City and Reporting Entity

The City of Strongsville, Cuyahoga County, Ohio (City) was incorporated under the laws of the State of Ohio in 1958. The City operates under and is governed by a Mayor/Council form of government in accordance with the general laws of the State of Ohio. In addition, the City may exercise all powers of local self-government under the Ohio Constitution, to the extent not in conflict with the applicable general laws of Ohio.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. This definition of reporting entity is found in GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and 34*.

The City's primary government consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City provides the following services as authorized by its Charter: police and fire protection, road maintenance and repair, snow removal, traffic signalization, street lighting, storm and sanitary sewers, waste collection and general administrative services. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does not include any component units.

The City's financial statements include all organizations, activities, and functions for which the City is financially accountable.

Also, the City is associated with five jointly governed organizations, one related organization, and one insurance pool that are further described in Notes 19, 20 and 21.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the activities of the internal service fund are eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid 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. Nonmajor funds are aggregated and presented in a single column. 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 typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources compared to liabilities and deferred inflows of resources is reported as fund balance.

The following are the City's major governmental funds:

General Fund – This fund is used to account for all financial resources, except for those required to be accounted for in another fund. Major revenue sources of this fund include: municipal income taxes, charges for services, local government assistance funds; and to a lesser degree, various fees, licenses and permits, property taxes, and fines and forfeitures. This fund is the primary operating fund of the City.

Street Construction, Maintenance and Repair (SCMR) Fund - This fund is required by the Ohio Revised Code to account for revenue from the state gasoline tax and motor vehicle registration fees. The Ohio Revised Code requires that 92.50 percent of these revenues be used for the maintenance and repair of streets within the City. As provided in the Codified Ordinance Section 881.01, this fund is credited with one-sixth of the proceeds realized from the first 1.50 percent (referred to as the Base Tax) of the 2.00 percent municipal income tax. Operating deficiencies are subsidized by an operating transfer from the General Fund.

Fire Levy Fund - This fund is used to account for the proceeds of two voted property tax levies (gross and effective millage are 3.50 and 2.68, respectively, for tax year 2021/collection year 2022) approved for the purpose of providing and maintaining a full-time Fire Department. Transfers from the General Fund are necessary to cover the operating costs in excess of operating revenues.

General Bond Retirement Fund – This fund accounts for the proceeds of a 2.30 mill inside property tax levy used to accumulate resources for the payment of principal, interest and fiscal charges on general obligation debt.

General Capital Improvement Fund – This fund accounts for the Cable TV Franchise fees and other resources that are used to construct, equip, and furnish the capital assets used by the various departments of the city, as well as for various infrastructure projects.

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

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

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's only enterprise fund is the Sanitary Sewer Fund which accounts for sewer construction projects and sanitary sewer services provided to the residential and commercial users in the City.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds are the Workers' Compensation Reserve Fund and the Health Insurance Reserve Fund. Both funds account for the accumulation of resources, primarily interfund chargebacks, to pay workers' compensation claims, health care claims, administrative fees and stop loss insurance premiums.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City has no fiduciary funds.

C. Measurement Focus

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

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources along with all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary 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 outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income 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 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for a deferral on refunding and for pension and OPEB plans. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, leases, deferral on refunding, OPEB and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2025, but which were levied to finance year 2026 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, hotel and cable TV franchise fees, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13).

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. Cash and Cash Equivalents

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

Investments are reported at fair value which is based on quoted market prices. Non-participating contracts such as non-negotiable certificates of deposits are reported at cost.

During 2025, the City's investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposits, United States Agency debt securities, United States Treasury Notes, United States Treasury Bonds, and money market mutual funds. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measurers their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice should be given 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the daily transactions to $250 million. All accounts of the participant will be combined for these purposes.

The City's policy is to hold investments until maturity or until market values equal or exceed cost.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. Receivables

Receivables at December 31, 2025, consist of municipal income taxes, property taxes, other local taxes, amounts due from other governments, accounts (billings for user charged services), and special assessments. All are deemed collectible in full.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. On fund financial statements, inventories of governmental funds are stated at cost while inventories 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 cost of inventory items is recorded as an expenditure in the governmental funds when consumed. Inventories of the proprietary funds are expensed when used. Inventory consists of expendable supplies held for consumption.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2025, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of $5,000. The City's infrastructure consists of roads, bridges, sanitary sewers, storm sewers, sidewalks, and traffic signals. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	15-20 years	15-20 years
Buildings	50 years	50 years
Furniture and Fixtures	7-10 years	7-10 years
Machinery and Equipment	5-20 years	5-20 years
Vehicles	3-6 years	3-6 years
Infrastructure	25-50 years	50 years

The City is reporting intangible right to use assets related to subscription-based information technology arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the SBITA term or the useful life of the underlying asset.

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund receivables/payables." Interfund balance amounts are eliminated in the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

The City recognizes a liability for compensated absences for leave that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability is incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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

Sick - The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employment of the City and, upon separation from service, no monetary obligation exists. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

L. Pensions/Other Postemployment Benefits (OPEB)

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

M. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

N. Fund Balance

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

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

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City's Council. Those committed amounts cannot be used for any other purpose unless the City's Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2025 appropriated budget.

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

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

O. Net Position

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The government-wide statement of net position reports restricted componenst of net position, none of which is restricted by enabling legislation. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

P. Grants and Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Q. Operating Revenues and Expenses

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

R. Contributions of Capital

Contributions of capital in governmental and proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

S. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

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

T. 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 2025.

U. 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.

V. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2025.

Lapsing of Appropriations - At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

Note 3 – Changes in Accounting Principles and Changes within the Financial Reporting Entity

A. Changes in Accounting Principles

During the fiscal year, the City implemented the following Governmental Accounting Standards Board (GASB) Statements and Guides:

GASB Statement No. 102, Certain Risk Disclosures This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The implementation of the GASB pronouncement did not have any impact on beginning net position or fund balance.

B. Changes within the Financial Reporting Entity

For 2025, the Town Center Improvements capital projects fund presentation was adjusted from major to nonmajor due to no longer meeting the quantitative threshold for a major fund. These changes are separately displayed in the financial statements.

Note 4 – Accountability

Fund balances at December 31, 2025 included the following individual fund deficit:

	Deficit
Nonmajor Governmental Funds:	
Westwood Commons TIF	$ 88,000
Camden Woods TIF	209,800
Total Nonmajor Governmental Funds	$ 297,800

The General Fund is liable for any deficits in this fund and provides transfers when cash is required not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities in accordance with generally accepted accounting principles (GAAP).

Note 5 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the General Fund and the major special revenue funds 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:

- Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- Encumbrances are treated as expenditures (budget basis) rather than as a part of restricted, committed, and assigned fund balances (GAAP basis); and
- Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the major special revenue funds.

	General	Street, Construction Maintenance and Repair	Fire Levy
Net Change in Fund Balance - GAAP Basis	$ 6,808,729	$ 630,478	(126,772)
Net Adjustment			
Revenue Accruals	(374,567)	(234,769)	-
Expenditure Accruals	(1,832,189)	143,094	(109,772)
Funds with Separate Legally Adopted Budgets	(273,375)	-	-
Encumbrances	(412,529)	(513,250)	(32,156)
Net Change in Fund Balance - Budgetary Basis	$ 3,916,069	$ 25,553	(268,700)

Note 6 – Fund Balance

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

Fund Balances	General	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable							
Prepaid Items	$ 100,999	$ 90,753	$ 61,265	$ -	$ -	$ 197,772	$ 450,789
Inventories	41,047	510,256	-	-	-	30,157	581,460
Total Nonspendable	142,046	601,009	61,265	-	-	227,929	1,032,249
Restricted for							
Police Pension	-	-	-	-	-	1,106,557	1,106,557
Fire Pension	-	-	-	-	-	499,792	499,792
Fire Services	-	-	2,652,448	-	-	-	2,652,448
Other Law Enforcement	-	-	-	-	-	826,702	826,702
Streets and Highways	-	11,359,828	-	-	-	2,878,885	14,238,713
Clerk of Court Computerization	-	-	-	-	-	30,429	30,429
Drainage Levy	-	-	-	-	-	3,019,688	3,019,688
General Bond Retirement	-	-	-	1,285,556	-	-	1,285,556
Pearl Road TIF #1	-	-	-	-	-	1,144,024	1,144,024
Royalton Road TIF	-	-	-	-	-	223,696	223,696
Pearl Road TIF #2	-	-	-	-	-	62,361	62,361
Pearl Road TIF #3	-	-	-	-	-	107,104	107,104
Pearl Road TIF #4	-	-	-	-	-	237,021	237,021
Giant Eagle TIF	-	-	-	-	-	143,296	143,296
Get Go TIF	-	-	-	-	-	44,312	44,312
Clover Senior Apartments TIF	-	-	-	-	-	131,378	131,378
Cane's and Case TIF	-	-	-	-	-	29,325	29,325
North Pearl Road TIF	-	-	-	-	-	27,305	27,305
Brighton Best TIF	-	-	-	-	-	3,576	3,576
TIF Capital Improvements	-	-	-	-	-	854,261	854,261
Capital Improvements	-	-	-	-	13,053,357	-	13,053,357
Town Center Improvements	-	-	-	-	-	47,354	47,354
Total Restricted	-	11,359,828	2,652,448	1,285,556	13,053,357	11,417,066	39,768,255
Committed to							
Termination Benefits	5,799,359	-	-	-	-	-	5,799,359
Emergency Vehicles	-	-	-	-	-	2,988,514	2,988,514
Multi-Purpose Complex	-	-	-	-	-	4,110,465	4,110,465
Tree Maintenance	-	-	-	-	-	113,036	113,036
Bond Escrow	-	-	-	-	-	24,919	24,919
Recreation Capital Improvement	-	-	-	-	-	2,959,133	2,959,133
Total Committed	5,799,359	-	-	-	-	10,196,067	15,995,426
Assigned to							
Other Purposes	380,836	-	-	-	-	-	380,836
Total Assigned	380,836	-	-	-	-	-	380,836
Unassigned (Deficit)	36,124,572	-	-	-	-	(297,800)	35,826,772
Total Fund Balances	$ 42,446,813	$ 11,960,837	$ 2,713,713	$ 1,285,556	$ 13,053,357	$ 21,543,262	$ 93,003,538

Note 7 - Deposits and Investments

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts. Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any Federal government agency or instrumentality including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All Federal agency securities shall be direct issuances of Federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;

4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) and (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,

6. The State Treasury Asset Reserve of Ohio (STAR Ohio).

The City may also invest any monies not required to be used for a period of 6 months or more in the following:

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

2. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within 5 years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Cash on Hand

At December 31, 2025, the City had $4,544 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

At December 31, 2025, the carrying amount of the City's deposits was $1,663,874. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2025, $902,483 of the City's bank balance of $2,747,675 was covered by Federal Depository Insurance and the remaining amount was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits either be insured or protected by:

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institutions. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. All of the City's financial institutions had enrolled in OPCS as of December 31, 2025.

Investments

The City has a formal investment policy and utilizes a pooled investment concept for all its funds to maximize its investment program. STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and other acceptable pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs). The table on the next page identifies the City's recurring fair value measurement and level inputs as of December 31, 2025. As previously discussed, Star Ohio is reported at its net asset value. All other investments of the City are valued using quoted market prices. As of December 31, 2025, fair value was $1,295,309 above the City's net cost for investments.

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase, and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt obligations. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk

The City has no investment policy that would further limit its investment choices other than the limitations imposed by the Ohio Revised Code. See the table below for the credit ratings of the City's investments provided by Standard and Poor's/Moody's.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The City's investment in negotiable certificates of deposit were fully insured by Federal depository insurance.

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer.

As of December 31, 2025, the City had the following investments and investment maturities:

	Measurement Value	Credit Rating (*)	Level Input	Investment Maturities (in Years) <1	1-3	3-5
Investment Type						
Star Ohio	$ 21,355,593	AAAm	N/A	$ 21,355,593	$ -	$ -
U.S. Treasury Securities	3,181,924	AA+/Aaa	2	2,124,483	1,057,441	-
U.S. Treasury Notes	51,935,345	AA+/Aaa	2	20,219,214	24,570,688	7,145,443
U.S. Agencies Debt Securities	33,798,545	AA+/Aaa	2	10,177,969	12,307,517	11,313,059
Money Market Mutual Fund	2,966,400	AAAm	N/A	2,966,400	-	-
Negotiable Certificate of Deposits	2,069,792	N/A	2	491,841	1,577,951	-
Total Investments	$ 115,307,599			$ 57,335,500	$ 39,513,597	$ 18,458,502

Reconciliation of Cash and Investments per the Note to the Statements

The following is a reconciliation of cash and investments as reported in the note above to cash and investments reported on the statement of net position and statement of fiduciary assets and liabilities as of December 31, 2025.

Cash and Investments per Note	
Investments	$115,307,599
Carrying Amount of Deposits	1,663,874
Cash on Hand	4,544
Total Cash and Investments per Note	$116,976,017
Cash and Investments per Statements	
Governmental Activities	$98,700,520
Business-Type Activities	18,275,497
Total Cash and Investments per Statements	$116,976,017

Note 8 - Receivables

Receivables at December 31, 2025, consisted primarily of municipal income taxes, property and other local taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billing for utility services). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real and public utility property property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date.

Assessed values for real property are established by State law at 35 percent of appraised market value. All property is required to be reevaluated every six years. The latest update was completed in 2024 with the next triennial update being scheduled in 2030. Public utility real and tangible personal property tax collected in one calendar year is levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date.

Public utility tangible personal property currently is assessed by varying percentages of true value; public utility real property taxes are assessed at 35 percent of true value. 2025 public utility property taxes which became a lien at December 31, 2024, are levied after October 1, 2025, and are collected in 2026 with real property taxes.

The assessed value upon which the 2025 tax receipts were based on was $2,312,569,590. The full tax rate for all City operations applied to taxable property for the year ended December 31, 2025, was $7.8 per $1,000 of assessed valuation.

Real and public utility property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is due December 31, with the remainder payable by June 30. Under certain circumstances, State Statute permits earlier or later payment dates to be established.

Public Utility tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Fiscal Officer periodically remits to the taxing districts their portions of the taxes collected.

Municipal Income Taxes

The City's municipal income tax of 2.0 percent is levied on gross salaries, wages and other personal service compensation earned by residents both in and out of the City and on the earnings of nonresidents (except certain transients) earned in the City. This tax also applies to net income of business organizations within the City. Residents of the City are granted a 75 percent credit up to 2.0 percent of the income taxes paid to another municipality.

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

Municipal income taxes are allocated by City ordinance as follows: 16.67 percent of the first 1.50 percent of the total of 2.00 percent of the City income tax is credited to the Street Construction, Maintenance and Repair Fund with the remainder credited to the General Fund.

Special Assessments

Special assessments include assessments for debt obligations, which are levied against specific property owners who primarily benefitted from the project.

Special assessments are payable by the timetable and in the manner stipulated in the assessing ordinance and are a lien from the date of the passage of the ordinance.

The City's assessments are for the construction of sanitary sewers which are billed and collected by the County Fiscal Officer.

The County Fiscal Officer periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. Since all assessment collections are remitted to the City outside of the available period, the entire amount has been deferred on the fund financial statements.

At December 31, 2025, business-type activities reported special assessments receivable in the amounts of $1,331,988. Of these amounts reported, delinquent special assessments for business-type activities are $10,511.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Payments in Lieu of Taxes	$ 2,600,454
Gasoline Tax and Auto Registration	1,589,869
Local Government	474,443
Homestead/Rollback	693,722
Berea Muni Court	6,229
BWC Rebates	40,116
County Grant - Seniors	5,726
CDBG Grant - Recreation Center	115,000
Grants - Police Department	103,007
Cuyahoga County - Roads	200,000
ODOD Grant - Roadwork	778,380
Total Governmental Activities Intergovernmental Receivables	6,606,946
Business-Type Activities:	
OPWC Grants	37,289
Total Government-wide Intergovernmental Receivables	$ 6,644,235

Payments in Lieu of Taxes

In accordance with State law, the City has established twenty-two tax incremental financing districts (TIF's) within the City. For twenty-one of these TIF's, the City has granted property tax exemptions and agreed to construct certain infrastructure improvements, as described in the authorizing ordinances. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments would generally reflect all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the cost of the improvement has been paid or the agreement expires, whichever comes first. The remaining TIF agreement stipulates that the City will reimburse the Developer for the public infrastructure improvements that directly benefit the City, its residents, and the property.

Lease

In previous years, City of Strongsville entered into various cell phone tower lease agreements as the lessor. As of December 31, 2025, the value of the leases receivable is $2,849,028. The leases have an implied interest rate of 3.78 percent. The value of the deferred inflow of resources as of December 31, 2025 was $2,624,939 and the City recognized lease revenue of $280,897 during the fiscal year.

Principal and interest payments expected to be made to maturity at December 31, 2025 are as follows:

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 184,104	$ 101,814	$ 285,918
2027	198,330	94,616	292,946
2028	147,916	87,613	235,529
2029	112,917	93,979	206,896
2030	109,469	85,061	194,530
2031-2035	448,583	355,394	803,977
2036 - 2040	477,778	263,385	741,163
2041 - 2045	396,633	180,628	577,261
2046 - 2050	255,837	123,398	379,235
2051 - 2055	328,415	68,535	396,950
2056 - 2060	189,046	9,093	198,139
	$ 2,849,028	$ 1,463,516	$ 4,312,544

Note 9 –Transfers

Transfers made during the year ended December 31, 2025 were as follows:

	TRANSFERS OUT			
	Governmental Activities			
	Major Funds			
TRANSFERS IN	General	General Bond Retirement	Nonmajor Funds	Total
Governmental Activities				
Major Funds:				
Street Construction, Maintenance and Repair	$ 4,000,000	$ -	$ -	$ 4,000,000
Fire Levy	5,000,000	-	-	5,000,000
General Capital Improvement	2,500,000	1,088,829	911,171	4,500,000
Nonmajor Funds:				
Police Pension	1,150,000	-	-	1,150,000
Fire Pension	1,200,000	-	-	1,200,000
Emergency Vehicles	800,000	-	-	800,000
MPC Ehrnfelt Center	3,500,000	-	-	3,500,000
Tree Maintenance	100,000	-	-	100,000
Southwest Emergency Dispatch	1,531,289		-	1,531,289
Recreation Capital Improvement	500,000	2,371,479	-	2,871,479
Town Center Improvement	-		12,329	12,329
Total Governmental Activities	$ 20,281,289	$ 3,460,308	$ 923,500	$ 24,665,097

Transfers made from the General Fund to the various funds were to provide additional resources for current operations. Transfers out of non-major funds (TIF debt service funds) to both capital projects funds. These were GAAP transfers made to reduce the liability for the payoff of notes in the original fund. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers between governmental funds are eliminated on the governmental activities' statement of activities.

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Note 10 - Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 12,963,896	$ -	$ -	$ 12,963,896
Construction in Progress	18,564,639	10,431,927	(18,187,944)	10,808,622
Total Capital Assets Not Being Depreciated	31,528,535	10,431,927	(18,187,944)	23,772,518
Capital Assets Being Depreciated				
Buildings	59,180,975	6,295,862	-	65,476,837
Land Improvements	4,194,455	3,414,580	-	7,609,035
Machinery and Equipment	7,367,433	1,870,833	-	9,238,266
Furniture and Fixtures	1,005,946	-	(22,724)	983,222
Vehicles	22,662,274	1,572,715	(657,609)	23,577,380
Right-to-use - Subscription	807,715	-	-	807,715
Infrastructure:				
Streets	217,950,458	4,225,626	-	222,176,084
Bridges	528,500	3,040,765	(203,000)	3,366,265
Storm Sewers	115,325,086	4,123,036	-	119,448,122
Sidewalks	9,258,024	921,817	-	10,179,841
Traffic Signalization	7,438,186	-	-	7,438,186
Total Capital Assets Being Depreciated	445,719,052	25,465,234	(883,333)	470,300,953
Total Capital Assets at Cost	477,247,587	35,897,161	(19,071,277)	494,073,471
Less: Accumulated Depreciation/Amortization:				
Buildings	(22,140,364)	(1,446,880)	-	(23,587,244)
Land Improvements	(2,859,074)	(270,194)	-	(3,129,268)
Machinery and Equipment	(5,503,797)	(664,748)	-	(6,168,545)
Furniture and Fixtures	(936,501)	(5,109)	21,588	(920,022)
Vehicles	(15,276,756)	(1,469,416)	624,727	(16,121,445)
Right-to-use - Subscription	(126,495)	(120,919)	-	(247,414)
Infrastructure:				
Streets	(142,015,666)	(4,170,760)	-	(146,186,426)
Bridges	(124,088)	(111,773)	100,367	(135,494)
Storm Sewers	(58,417,478)	(2,040,867)	-	(60,458,345)
Sidewalks	(7,426,599)	(148,943)	-	(7,575,542)
Traffic Signalization	(1,062,435)	(282,651)	-	(1,345,086)
Total Accumulated Depreciation/Amortization	(255,889,253)	(10,732,260) *	746,682	(265,874,831)
Total Capital Assets Being Depreciated, Net	189,829,799	14,732,974	(136,651)	204,426,122
Total Governmental Activities Capital Asset, Net	$ 221,358,334	$ 25,164,901	$ (18,324,595)	$ 228,198,640

* Depreciation/Amortization expense was charged to governmental functions as follows:

Security of Persons and Property	$ 2,173,336
Leisure Time Activities	1,224,461
Transportation	7,216,111
General Government	113,355
Community Environment	4,997
Total Depreciation Expense	$ 10,732,260

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	$ 1,508,079	$ -	$ -	$ 1,508,079
Construction in Progress	3,791,261	9,797,593	-	13,588,854
Total Capital Assets Not Being Depreciated	5,299,340	9,797,593	-	15,096,933
Capital Assets Being Depreciated				
Buildings	13,256,524	-	-	13,256,524
Land Improvements	3,909,917	-	-	3,909,917
Machinery and Equipment	12,508,464	84,195	-	12,592,659
Furniture and Fixtures	19,748	-	-	19,748
Vehicles	3,499,530	-	-	3,499,530
Infrastructure:				
Sanitary Sewer	110,366,591	955,140	-	111,321,731
Total Capital Assets Being Depreciated	143,560,774	1,039,335	-	144,600,109
Total Capital Assets at Cost	148,860,114	10,836,928	-	159,697,042
Less: Accumulated Depreciation:				
Buildings	(7,762,961)	(243,149)	-	(8,006,110)
Land Improvements	(3,677,639)	(5,682)	-	(3,683,321)
Machinery and Equipment	(10,308,932)	(277,118)	-	(10,586,050)
Furniture and Fixtures	(18,762)	-	-	(18,762)
Vehicles	(2,343,181)	(254,958)	-	(2,598,139)
Infrastructure:				
Sanitary Sewers	(77,336,482)	(1,528,616)	-	(78,865,098)
Total Accumulated Depreciation	(101,447,957)	(2,309,523)	-	(103,757,480)
Total Capital Assets Being Depreciated, Net	42,112,817	(1,270,188)	-	40,842,629
Total Business-Type Activities Capital Asset, Net	$ 47,412,157	$ 8,527,405	$ -	$ 55,939,562

Note 11 – Risk Management

Commercial Insurance

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles and general liability risk including public officials' liability.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2025, the City contracted with The Fedeli Group to manage its insurance coverage through Travelers Insurance Companies on the following page:

	Coverage Limits		
Type of Coverage	**Per Occurrence**	**Aggregate**	**Deductible**
Commercial and Personal Property Coverage			
(Includes Boiler and Machinery Coverage)	$202,572,188		$10,000
Ancillary Equipment (Rented) $	150,000		$1,000
Earthquake Damage	$1,000,000		$25,000
Flood Damage	$1,000,000		$25,000/$100,000
Inland Marine	$2,503,769		$1,000
Crime Coverage			
Theft, Disappearance and Destruction	$25,000		$2,500
Employee Dishonest	$500,000		$2,500
Forgery and Alteration	$25,000		$2,500
Computer Fraud	$100,000		$2,500
Comprehensive General Liability	$1,000,000	$2,000,000	$0
Employee Benefits Liability	$1,000,000	$3,000,000	$1,000
Stop Gap	$1,000,000	$1,000,000	$0
Public Officials Liability	$1,000,000	$1,000,000	$25,000
Police Professional Liability	$1,000,000	$1,000,000	$25,000
Property Liability	$1,000,000	$2,000,000	$0
Pesticide/Herbicide Liability	$1,000,000	$1,000,000	$0
Cemetery Professional Liability	$1,000,000	$2,000,000	$0
EMT/Paramedic Malpractice Liab	$1,000,000	$2,000,000	$0
Sewer Liability	$1,000,000	$2,000,000	$0
Drone Liability	$1,000,000	$1,000,000	$0
Certified Acts of Terrorism	Included		$0
Automobile Liability and Physical Damage Coverage	$1,000,000		$0
Auto Liability Comprehensive			
Fire Vehicles	Agreed Value		$1,000/$5,000
Other Vehicles	Actual Cah Value		$1,000/$5,000
Auto Liability Collision			
Fire Vehicles	Agreed Value		$1,000/$5,000
Other Vehicles	Actual Cash Value		$1,000/$5,000
Hired Vehicle Rentals	Actual Cash Value		$1,000
Miscellaneous			
Umbrella Coverage	$10,000,000		$10,000
Cyber Liability	$1,000,000		$10,000
Employment Practices Liability	$1,000,000	$1,000,000	$25,000
Flood - Additional Coverage: 16099 Foltz Pkwy - Adm Building	$148,000		$1,250
Flood - Additional Coverage: 16099 Foltz Pkwy - Storage Garage	$148,000		$1,250
Flood - Additional Coverage: 22000 Albion Road	$222,000		$1,250
Flood- Additional Coverage: 17449 West Sprague Road	$500,000		$1,250

The City also carries flood insurance through the National Flood Insurance Plan (NFIP). A portion of the City has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, and thus the City is eligible to purchase coverage of up to $500,000 for both Building and Contents with a $1,250 deductible. Additional flood policies have been purchased through NFIP for 16099 Foltz Industrial Parkway (City Hall building and the equipment storage building) and 22000 Albion Road (Fire Station No. 3) with various limits and $1,250 deductible.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage limits in any of the past five fiscal years.

Workers' Compensation

The City has established a formal self-insurance program for liabilities arising from the City's participation in the Ohio Bureau of Workers' Compensation (Ohio BWC) Individual Retrospective Rating Plan that covers workers' compensation claims occurring between January 1, 2006 to December 31, 2014. At December 31, 2025, the City was only responsible for claims for the years 2013 to 2014. In 2015, the City chose to be a state funded risk, paid a premium, and transferred all risk to the Ohio Bureau of Workers' Compensation for calendar year 2015. Starting in calendar year 2016, the City has participated in the Ohio Association of Public Treasurer's (OAPT) Group Retrospective Rating Program, which is administered by a Third Party Administrator. OAPT offers Group Retrospective Rating as an alternative rating program to assist members in reducing their workers' compensation premium. Through the program, cities are grouped together to achieve premium refunds based on the performance of the group. The City continues to pay their own individual merit-rated premium to the Ohio BWC and depending on the performance, the participating cities can either receive a retrospective premium refund or assessment (maximum assessment selected per group). Retrospective refunds are achieved when the standard premium of the group exceeds developed claim costs. For that reason, there is an increased emphasis on safety and claims management for Group Retrospective Rating participants.

The claims liability of $806,044 reported in the fund at December 31, 2025, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claim, be reported. The estimate was not affected by incremental claims adjustment expense and does not include other allocated or unallocated claims adjustment expense. Changes in the fund's claims liability amount in 2023, 2024 and 2025 were as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2023	$ 1,162,442	$ 280,663	$ 512,762	$ 930,343
2024	$ 930,343	$ 324,306	$ 343,330	$ 911,319
2025	$ 911,319	$ 258,998	$ 364,273	$ 806,044

Employee Health Benefits

The City manages employee prescriptions and health benefits on a self-insured basis. The employee health benefit plan provides basic health coverage through Medical Mutual, the third-party administrator of the program, which reviews and pays the claims. A specific excess loss coverage insurance (stop-loss) policy with Medical Mutual covers claims in excess of $100,000 per person per year.

The claims liability of $939,683, reported in the self-insurance fund at December 31, 2025, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount in 2023, 2024 and 2025 were as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2023	$ 523,173	$ 5,567,480	$ 4,819,159	$ 1,271,494
2024	$ 1,271,494	$ 5,793,912	$ 6,299,710	$ 765,696
2025	$ 765,696	$ 5,992,668	$ 5,818,681	$ 939,683

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Note 12 – Defined Benefit Pension Plans

Net Pension/OPEB Liability (Asset)

The net pension/OPEB liability (asset) reported on the statement of net position represents a liability/asset to employees for pensions. Pensions and OPEB are a component of exchange transactions–between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

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

The remainder of this note includes the pension disclosures. See Note 13 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers two separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan, and the member-directed plan is a defined contribution plan. Participating employers are divided into state, local, law enforcement and public safety divisions.

While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The traditional pension plan also includes members of the legacy combined plan, a hybrid defined benefit/defined contribution plan referred to as the combined plan division of the traditional pension plan throughout this disclosure. Prior to January 1, 2024, the combined plan was a separate pension plan. Effective January 1, 2022, the combined plan was no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33 which allowed for the consolidation of the combined plan into the traditional pension plan. The combined plan was consolidated into the traditional pension plan effective January 1, 2024, and is tracked as a separate division within the traditional pension plan. No changes were made to the benefit design features of the combined plan as part of this consolidation so that members in this plan will experience no changes. Throughout this disclosure, references to the traditional pension plan are inclusive of the combined plan division, unless otherwise noted.

Members of the combined plan division earn a formula benefit similar to, but at a factor less than, the traditional pension plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Additionally, combined plan division member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment gains or losses on those contributions. Members in this division may also elect to annuitize their defined contribution account balances.

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

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

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

Traditional pension plan state and local members (excluding the combined plan division) who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Combined plan division members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan division members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan division consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan division members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts.

Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	Traditional Pension Plan	
	State and Local Divisions	
	Excluding Combined Plan Division	Combined Plan Division
2025 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2025 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

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

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

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

The City's contractually required contributions was $2,079,270 for the traditional plan (excluding combined plan division), $46,101 for the combined plan division and $23,761 for the member-directed plan for fiscal year ending December 31, 2025. Of this amount, $81,997 is reported as an intergovernmental payable.

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

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

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

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

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

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

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

	Police	Firefighters
2025 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2025 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was $3,020,615 for 2025. Of this amount, $161,804 is reported as an intergovernmental payable.

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

The net pension liability/asset for OPERS was measured as of December 31, 2024, and the total pension liability/asset used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2024, and was determined by rolling forward the total pension liability as of January 1, 2024, to December 31,2024. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Former Traditional Plan	OPERS Legacy Combined Plan	OPERS Consolidated Traditional Pension Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:					
Prior Measurement Date	0.08473000%	0.07552600%	0.08452507% *	0.53190754%	
Current Measurement Date	N/A	N/A	0.08234500%	0.50955401%	
Change in Proportionate Share	N/A	N/A	-0.00218007%	-0.02235353%	
Proportionate Share of the:					
Net Pension Liability			$20,187,320	$48,650,864	$68,838,184
Pension Expense			$2,530,039	$5,508,797	$8,038,836

*Effective January 1, 2024, the combined plan was consolidated with the traditional plan. The proportionate share percentage for the prior period for the consolidated traditional plan reflects an estimate based on the City's share of contributions to the pension plan relative to the contributions of all participating entities for both the former traditional plan and the legacy combined plan.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 2,381,493	$ 2,356,621	$ 4,738,114
Differences between expected and actual experience	386,254	2,064,036	2,450,290
Changes of assumptions	-	1,919,218	1,919,218
Changes in proportion and differences between City contributions and proportionate share of contributions	-	1,232,504	1,232,504
City contributions subsequent to the measurement date	2,125,371	3,020,615	5,145,986
Total Deferred Outflows of Resources	$ 4,893,118	$ 10,592,994	$ 15,486,112
Deferred Inflows of Resources			
Differences between expected and actual experience	$ -	$ 246,015	$ 246,015
Changes of assumptions	-	551,389	551,389
Changes in proportion and differences between City contributions and proportionate share of contributions	416,995	3,223,274	3,640,269
Total Deferred Inflows of Resources	$ 416,995	$ 4,020,678	$ 4,437,673

$5,145,986 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OP&F	Total
Year Ending December 31:			
2026	$ 1,076,245	$ 1,875,185	$ 2,951,430
2027	2,492,568	3,368,821	5,861,389
2028	(918,839)	(817,603)	(1,736,442)
2029	(299,222)	(716,544)	(1,015,766)
2030	-	(136,735)	(136,735)
Thereafter	-	(21,423)	(21,423)
Total	$ 2,350,752	$ 3,551,701	$ 5,902,453

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.9 percent, simple for calendar year 2025 then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	2.3 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

For the prior year, the actuarial assumptions for the Combined Legacy Plan included future salary increases (including inflation) of 2.75 percent to 8.25 percent, including wage inflation.

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 8.8 percent for 2024.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.42%
Domestic Equities	21.00	5.70
Real Estate	13.00	4.17
Private Equity	15.00	8.40
International Equities	20.00	6.10
Risk Parity	2.00	4.40
Other investments	5.00	2.54
Total	100.00%	

A simple weighted sum of asset class returns will not yield the results shown on the above table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	$ 33,025,286	$ 20,187,320	$ 9,519,082

Actuarial Assumptions – OP&F

The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.16 years at December 31, 2024.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2024, are presented below:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

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

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

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

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

The most recent experience study was completed December 31, 2021.

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

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2024, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	3.80 %
Non-US Equity	12.40	4.60
Private Markets	10.00	5.60
Core Fixed Income *	25.00	2.60
High Yield Fixed Income	7.00	4.30
Private Credit	5.00	6.70
U.S. Inflation Linked Bonds*	15.00	2.40
Midstream Energy Infrastructure	5.00	5.20
Real Assets	8.00	6.10
Gold	5.00	3.20
Private Real Estate	12.00	5.30
Commodities	2.00	2.50
Total	125.00 %	

Note: Assumptions are geometric.
* levered 2.0x

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	$ 65,148,054	$ 48,650,864	$ 34,930,750

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Note 13 – Defined Benefit OPEB Plans

See Note 12 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers two separate pension plans: the traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan and the member-directed plan is a defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to fund health care for the Traditional Pension and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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

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

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

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

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

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

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

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

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

Group A 30 years of qualified health care service credit;

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

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

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

Members with a retirement date on or prior to December 1, 2014, with at least 10 years of qualifying health care service credit will continue to be eligible for the OPERS health care program. Members with a retirement date after December 1, 2014, but prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

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

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

Beginning January 1, 2014, qualifying contributing service credit for health care will be accumulated only if the member's eligible salary is at least $1,000 per month. Partial health care credit will not be granted for months in which eligible salary is less than $1,000. Credit earned prior to January 2014 will not be affected by this requirement.

Recipients of disability benefits prior to January 1, 2014, have continued access to the health care program while the disability benefit continues and will not be subject to the five-year rule described below. The allowance will be determined in the same manner as an age-and-service retiree. If the recipient does not meet minimum age-and-service requirements, the minimum allowance will be used. Recipients with an initial disability effective date on or after January 1, 2014, will have coverage during the first five years of disability benefits. After five years, the recipient must meet minimum age-and-service health care eligibility requirements or be enrolled in Medicare (due to disability status) to remain enrolled in the OPERS health care program. If enrolled, the allowance will be determined in the same way as an age-and-service retiree.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances are determined using a percentage based on years of service and the age when the individual is first eligible for the HRA, multiplied by the base allowance as determined by the Board.

The base allowance was $1,200 per month for non-Medicare retirees and $350 per month for Medicare retirees throughout 2024. The base allowance for Medicare retirees increased to $400 per month in January 2025. Monthly allowances range between 51 percent and 90 ninety of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan. While Medicare eligible retirees must use the Connector to select a vendor to be eligible to receive an HRA, non-Medicare eligible retirees may use the Connector or another vendor and still be eligible to receive an HRA.

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have a portion of the employer contribution credited to an individual retiree medical account. Interest accrues based on the investment performance of the stable value fund, not to exceed 4 percent. Members with an account prior to July 1, 2015, become vested in the account at a rate of 20 percent for each year of participation until the member is fully vested at the end of five years. Members establishing accounts on or after July 1, 2015, vest over 15 years at a rate of 10 percent each year starting with the sixth year of participation.

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

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

Employer contribution rates are expressed as a percentage of earnable salary of active members. In 2025, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2025, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan (excluding the Combined Plan Division). Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan Division which has continued through 2025. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2025 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2025.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $17,188 for 2025.

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

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) a cost-sharing, multiple-employer defined post-employment healthcare plan that provides various levels of health care to retired, disabled and beneficiaries, as well as their dependents. On January 1, 2019, OP&F implemented a stipend model for health care.

A stipend funded by OP&F via the Health Care Stabilization Fund (HCSF) is available to eligible members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. This stipend model allows eligible members the option of choosing an appropriate health care plan on the insurance exchange. Implementation of the stipend model has helped OP&F meet the funding goal of a 15-year future solvency projection in the HCSF.

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

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2024, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The City's contractually required contribution to OP&F was $71,630 for 2025.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2024, and was determined by rolling forward the total OPEB liability as of January 1, 2024, to December 31, 2024. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability/Asset Prior Measurement Date	0.082405%	0.5319075%	
Proportion of the Net OPEB Liability/Asset Current Measurement Date	0.080003%	0.5095540%	
Change in Proportionate Share	-0.002402%	-0.0223535%	
Proportionate Share of the Net OPEB (Asset)	$ (1,875,458)	$ -	$ (1,875,458)
Proportionate Share of the Net OPEB Liability	$ -	$ 3,146,815	$ 3,146,815
OPEB Expense	$ (585,888)	$ 29,970	$ (555,918)

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	$ 38,619	$ 128,153	$ 166,772
Differences between expected and actual experience	-	141,319	141,319
Changes of assumptions	-	663,309	663,309
Changes in proportion and differences between City contributions and proportionate share of contributions	12,433	204,631	217,064
City contributions subsequent to the measurement date	17,188	71,630	88,818
Total Deferred Outflows of Resources	$ 68,240	$1,209,042	$1,277,282
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 91,282	$ 642,073	$ 733,355
Changes of assumptions	270,612	2,226,970	2,497,582
Changes in proportion and differences between City contributions and proportionate share of contributions	-	474,063	474,063
Total Deferred Inflows of Resources	$ 361,894	$3,343,106	$3,705,000

$88,818 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase to the net OPEB asset in 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2026	$ (183,940)	$ (310,378)	$ (494,318)
2027	178,761	(235,110)	(56,349)
2028	(226,044)	(447,935)	(673,979)
2029	(79,619)	(442,765)	(522,384)
2030	-	(466,543)	(466,543)
Thereafter	-	(302,963)	(302,963)
Total	$ (310,842)	$ (2,205,694)	$ (2,516,536)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation
Single Discount Rate	6.00 percent
Prior Year Single Discount Rate	5.70 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.08 percent
Prior Year Municipal Bond Rate	3.77 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2039
Actuarial Cost Method	Individual Entry Age

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

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

During 2024, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 10.0 percent for 2024.

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

Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.37%
Domestic Equities	26.00	5.70
Real Estate Investment Trust	5.00	5.00
International Equities	26.00	6.10
Risk Parity	3.00	4.40
Other investments	3.00	2.50
Total	100.00%	

A simple weighted sum of asset class returns will not yield the results shown on the above table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2024; however, the single discount rate used at the beginning of the year was 5.70 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarially determined contribution rates of 6.00. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2124. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2124, the duration of the projection period through which projected health care payments are fully funded. The tax-exempt municipal bond rate was not needed in the determination of the single discount rate.

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate
The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB (asset)	($931,235)	($1,875,458)	($2,663,300)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2025 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB (asset)	$ (1,904,071)	$ (1,875,458)	$ (1,843,269)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2024, is based on the results of an actuarial valuation date of January 1, 2024, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement rate	4.69 percent
Prior measurement rate	4.07 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2039

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2024, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	3.80 %
Non-US Equity	12.40	4.60
Private Markets	10.00	5.60
Core Fixed Income *	25.00	2.60
High Yield Fixed Income	7.00	4.30
Private Credit	5.00	6.70
U.S. Inflation Linked Bonds*	15.00	2.40
Midstream Energy Infrastructure	5.00	5.20
Real Assets	8.00	6.10
Gold	5.00	3.20
Private Real Estate	12.00	5.30
Commodities	2.00	2.50
Total	125.00 %	

Note: Assumptions are geometric.
* levered 2.0x

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

Discount Rate For 2024, the total OPEB liability was calculated using the discount rate of 4.69 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2038, and the Municipal Bond Index Rate of 4.04 percent was applied to periods on and after December 31, 2038, resulting in a discount rate of 4.69 percent.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate
Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.69 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.69 percent), or one percentage point higher (5.69 percent) than the current rate.

	1% Decrease (3.69%)	Current Discount Rate (4.69%)	1% Increase (5.69%)
City's proportionate share of the net OPEB liability	$ 3,907,283	$ 3,146,815	$ 2,502,578

Note 14 – Short-Term Notes Payable

The City's note activity, including the amount outstanding and the interest rate, is as follows:

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Governmental Activities:				
Various Purpose Improvement Notes, Series 2024				
2024 Various Purpose Notes - 5.0%, 12/10/2024	$ 6,865,000	$ -	$ (6,865,000)	$ -
Unamortized Premiums on Notes	81,305	-	(81,305)	-
Street Improvement Notes, Series 2024				
2024 Street Improvement - 4.75%, 6/6/2024	4,600,000	-	(4,600,000)	-
Unamortized Premiums on Notes	14,895	-	(14,895)	
Municipal Facilities Improvement Notes, Series 2025				
2025 Municipal Facilities Improvement - 4.25%, 4/17/2025	-	7,550,000	(7,550,000)	-
Unamortized Premiums on Notes	-	50,208	(50,208)	-
Fire Station Improvement Notes, Series 2025				
2025 Fire Stattion Improvement - 4.00%, 12/9/2025	-	10,000,000	-	10,000,000
Unamortized Premiums on Notes	-	131,500	(3,181)	128,319
Total Governmental Activities	$ 11,561,200	$ 17,731,708	$ (19,164,589)	$ 10,128,319

In 2025, the City issued $7,550,000 in Municipal Facilities Improvement Notes, Series 2025. These notes are dated April 17, 2025, and will matured on December 10, 2025 with an interest rate of 4.250 percent.

The City also issued $10,000,000 in Fire Station Improvement Notes, Series 2025. These notes are dated December 9, 2025, and will mature on December 9, 2026 and bear a 4.000 percent rate of interest. The full amount of these notes are reported as short-term obligations as they mature after the issuance of the financial statements. As of December 31, 2025 the entire notes payables amount is unspent.

The note liabilities are reflected in the fund which received the proceeds. The premium and issuance costs are recorded in the General Bond Retirement Fund.

Note 15 – Long-Term Obligations

The original issuance date, maturity date, interest rate, and original issuance amounts for the City's long-term obligations were as follows:

	Original Issuance Date	Maturity Date	Interest Rate	Original Issuance Amount
Governmental Activities:				
General Obligation Bonds				
Various Purpose Refundings, Series 2014:				
Foltz Industrial Parkway Extension (refunded series 2005)	4/1/2014	12/1/2025	1.500 - 3.000%	$ 1,095,000
Royalton Road Improvements (refunded series 2005)	4/1/2014	12/1/2025	1.500 - 3.000%	2,150,000
Police/City Hall (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	305,000
Municipal Service Center (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	545,000
New Fire Station Ward 4 (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	5,390,000
Total Various Purpose Refundings, Series 2014				9,485,000
Various Purpose Improvement Refundings, Series 2015:				
Police Station, Jail, and Mayor's Court (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	3,705,000
Intersection of Drake & Howe Roads (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	605,000
Recreation Land Acquisition (Lunn Road) (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	660,000
Intersection of Royalton Road and W. 130th (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	170,000
Total Various Purpose Refundings, Series 2015				7,635,000
Traffic Signalization Improvement Bonds, Series 2020				
Traffic Signalization	11/19/2020	12/1/2040	1.000 - 4.000%	5,500,000
Various Purpose Improvement Refundings, Series 2025:				
Refunding of series 2016 Bonds	12/9/2025	12/1/2034	5.000%	11,535,000
Energy Conservation Project	12/9/2025	12/1/2040	5.000%	6,830,000
Town Center Project	12/9/2025	12/1/2040	5.000%	3,710,000
				22,075,000
Ohio Public Works Commission (OPWC) Loans				
Pearl Road Widening - Phase II	7/1/2013	1/1/2036	0%	2,172,730
Business-Type Activities:				
Ohio Water Development Authority (OWDA) Loans				
Sewer Construction	5/27/2010	7/1/2030	3.390%	544,038
Drake Road East Sanitary Extension	12/9/2010	7/1/2032	2.870%	655,678
				4,407,946
Ohio Public Works Commission (OPWC) Loans				
Drake, Bowman & Fetzer Sanitary Sewers	7/1/2017	7/1/2038	0%	987,465
Albion & Webster Road Sanitary Sewers	12/1/2022	12/1/2043	0%	751,392
				1,738,857

Changes in the long-term obligations of the City during 2025 were as follows:

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds					
Various Purpose Refundings, Series 2014:					
Foltz Industrial Parkway Extension	$ 135,000	$ -	$ (135,000)	$ -	$ -
Royalton Road Improvements	250,000	-	(250,000)	-	-
Police/City Hall	105,000	-	(25,000)	80,000	80,000
Municipal Service Center	185,000	-	(45,000)	140,000	140,000
New Fire Station Ward 4	2,020,000	-	(960,000)	1,060,000	1,060,000
Total Various Purpose Refunding, Series 2014	2,695,000	-	(1,415,000)	1,280,000	1,280,000
Various Purpose Refundings, Series 2015:					
Police Station, Jail, and Mayor's Court	1,760,000	-	(870,000)	890,000	890,000
Intersection of Drake & Howe Roads	285,000	-	(140,000)	145,000	145,000
Recreation Land Acquisition (Lunn Road)	310,000	-	(150,000)	160,000	160,000
Intersection of Royalton Road and W. 130th	70,000	-	(35,000)	35,000	35,000
Total Various Purpose Refunding, Series 2015	2,425,000	-	(1,195,000)	1,230,000	1,230,000
Various Purpose Refundings, Series 2016-01:					
Police Station, Jail, and Mayor's Court	8,690,000	-	(8,690,000)	-	-
Intersection of Drake & Howe Roads	475,000	-	(475,000)	-	-
Recreation Land Acquisition (Lunn Road)	505,000	-	(505,000)	-	-
Intersection of Royalton Road and W. 130th	115,000	-	(115,000)	-	-
Total Various Purpose Refunding, Series 2016-01	9,785,000	-	(9,785,000)	-	-
Various Purpose Improvements, Series 2016-02:					
Street Improvements (Pearl Road Widening)	3,240,000	-	(3,240,000)	-	-
Traffic Signalization Improvement Bonds, Series 2020					
Traffic Signalization	4,595,000	-	(240,000)	4,355,000	245,000
Various Purpose Refundings, Series 2025:					
Refunding of Series 2016 Bonds	-	11,535,000	-	11,535,000	355,000
Energy Conservation Project	-	6,830,000	-	6,830,000	310,000
Town Center Project	-	3,710,000	-	3,710,000	170,000
Total Various Purpose Refunding, Series 2025	-	22,075,000	-	22,075,000	835,000
Total General Obligation Bonds	22,740,000	22,075,000	(15,875,000)	28,940,000	3,590,000

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025	Amounts Due in One Year
Governmental Activities (Continued):					
Direct Borrowings and Direct Placements of debt					
Ohio Public Works Commission (OPWC) Loan					
Pearl Road Widening - Phase II	$ 1,195,006	$ -	$ (108,637)	$ 1,086,369	$ 108,637
Net Pension Liability					
OPERS	20,240,086	-	(1,728,927)	18,511,159	-
OP&F	51,389,609	-	(2,738,745)	48,650,864	-
Total Net Pension Liability	71,629,695	-	(4,467,672)	67,162,023	-
Net OPEB Liability					
OP&F	3,883,621	-	(736,806)	3,146,815	-
Other Long-Term Obligations					
Unamortized Bond Premiums	1,023,575	2,515,287	(785,748)	2,753,114	-
Subscription Payable	606,812	-	(107,867)	498,945	113,386
Claims Payable	1,677,015	943,711	(874,999)	1,745,727	939,683
Compensated Absences*	11,493,550	2,417,903	-	13,911,453	2,330,849
Total Other Long-Term Obligations	14,800,952	5,876,901	(1,768,614)	18,909,239	3,383,918
Total Governmental Activities Long-Term Obligations	$ 114,249,274	$ 27,951,901	$ (22,956,729)	$ 119,244,446	$ 7,082,555
Business-Type Activities:					
Direct Borrowings					
Ohio Water Development Authority (OWDA) Loans					
Sewer Construction	$ 187,618	$ -	$ (31,584)	$ 156,034	$ 32,664
Drake Road East Sanitary Sewer Extension	290,426	-	(35,232)	255,194	36,251
Total OWDA Loans	478,044	-	(66,816)	411,228	68,915
Ohio Public Works Commission (OPWC) Loan					
Drake, Bowman & Fetzer Sanitary Sewers	666,540	-	(49,373)	617,167	49,373
Albion & Webster Road Sanitary Sewers	713,822	-	(37,570)	676,252	37,570
Total OPWC Loans	1,380,362	-	(86,943)	1,293,419	86,943
Net Pension Liability					
OPERS	1,942,575	-	(266,414)	1,676,161	-
Other Long-Term Obligations					
Compensated Absences*	597,798	89,491	-	687,289	121,231
Total Business-Type Activities Long-Term Obligations	$ 4,398,779	$ 89,491	$ (420,173)	$ 4,068,097	$ 277,089
Total Entity-Wide Long-Term Obligations	$ 118,648,053	$ 28,041,392	$ (23,376,902)	$ 123,312,543	$ 7,359,644

* - The change in compensated absences above is the net change for the year.

The Ohio Water Development Authority (OWDA) loans are revenue obligations (not general obligations) of the City, payable from the revenue of the systems that are improved with the OWDA loans and from special assessments that relate to those improvements. The OWDA does not require that the City generate "coverage" (revenues in excess of the amounts needed for system operations and loan payments), nor does the OWDA require the creation or funding of any reserve funds. The OWDA loans will be paid from the Sanitary Sewer Fund. The Ohio Public Works Commission (OPWC) loan for Pearl Road Widening will be paid from the General Bond Retirement Fund, the Ohio Public Works Commission (OPWC) loan for the Drake, Bowman & Fetzer Sanitary Sewers will be paid from the Sanitary Sewer Fund, General obligation bonds will be paid from the General Bond Retirement Fund and Pearl Road TIF #1 Fund, and TIF Capital Improvement fund.

Workers' Compensation claims will be paid from the Workers' Compensation Reserve Fund (refer to Note 11 for further information). The employer pension and OPEB contributions are paid from the funds benefiting from their service, which includes the General fund, police pension, SCMR, fire levy, fire pension, multipurpose complex, community diversion, and sanitary sewer funds. There is no repayment schedule for the net pension liability and net OPEB liability. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

In July 2013, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC) for a zero percent interest loan for the Pearl Road Widening project. In 2015 the City made its final drawdown on the loan for a total amount of $2,172,730. The twenty-year loan will be repaid with forty semi-annual payments of $54,318 commencing July 1, 2016. The loan will be repaid from the General Bond Retirement Fund.

In July 2017, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC) for a zero percent interest loan for the Drake, Bowman & Fetzer Sanitary Sewer Project. The agreement provided for a grant of $617,165 and a zero percent interest loan of $987,465 for a total of $1,604,630. In 2018 the City received the balance of the grant amount as well as the proceeds of the loan. The twenty-year loan will be repaid with forty semi-annual payments of $24,687. The first payment on the loan was due on January 1, 2019, however the City made this payment prior to year end. The loan will be repaid from the Sanitary Sewer Fund.

In December 2022, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC) for a zero percent interest loan for the Albion & Webster Road Sanitary Sewer Project. The agreement provided for a zero percent interest loan of $751,392. In 2023, the City received $598,357 proceeds from the loan and the remaining $153,035 was received in 2024. The twenty-year loan will be repaid with forty semi-annual payments of $18,785 commencing July 1, 2024. The loan will be repaid from the Sanitary Sewer Fund.

The City's direct borrowings from OWDA contain a provision that in an event of default the amount of such default shall bear interest at the default rate from the due date until the date of the payment. In addition to the interest, a late charge of one percent on the amount of each default shall also be paid to OWDA by the City from the pledged revenues for failure to make the payment.

The City's total direct borrowings from OPWC contain a provision that in an event of default the amount of such default shall bear interest thereafter at the rate of 8 percent per annum until the date of payment, and outstanding amounts become immediately due. Also, OPWC may direct the county treasurer to pay the outstanding amount from the portion of the local government fund that would otherwise be remitted to the City.

In 2020, the City issued $5,500,000 in Traffic Signalization Improvement Bonds, Series 2020. This bond is dated November 19, 2020 and will mature on December 01, 2040 and bears a 1.00-4.00 percent rate of interest. The proceeds from the Bond were used for the City-Wide traffic signalization project.

On December 9, 2025, the City issued $22,075,000 in bonds for the purpose of refunding the callable portion of the City's outstanding various purpose improvement bonds, series 2016 and to issue new bonds for energy conservation and town center projects. The refunding bonds were issued to refund those bonds at a lower overall interest cost. The advance refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the City's government-wide financial statements. As of December 31, 2025, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to $12,545,000

Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2025 are as follows:

	Obligation Bonds		Loan	Total	
Years	Principal	Interest	Principal	Principal	Interest
2026	$ 3,590,000	$ 1,238,300	$ 108,637	$ 3,698,637	$ 1,238,300
2027	2,650,000	1,135,978	108,636	2,758,636	1,135,978
2028	2,765,000	1,006,028	108,636	2,873,636	1,006,028
2029	2,885,000	870,378	108,636	2,993,636	870,378
2030	1,820,000	736,728	108,636	1,928,636	736,728
2031-2035	9,210,000	2,309,955	543,188	9,753,188	2,309,955
2036-2040	6,020,000	769,598	-	6,020,000	769,598
Total	$ 28,940,000	$ 8,066,965	$ 1,086,369	$ 30,026,369	$ 8,066,965

	Business-Type Activities				
	OWDA Loan		OPWC Loan	Total	
Years	Principal	Interest	Principal	Principal	Interest
2026	$ 68,915	$ 12,081	$ 86,943	$ 155,858	$ 12,081
2027	71,079	9,916	86,943	158,022	9,916
2028	73,312	7,683	86,943	160,255	7,683
2029	75,616	5,380	86,943	162,559	5,380
2030	59,153	3,003	86,943	146,096	3,003
2031-2035	63,153	1,821	434,715	497,868	1,821
2036-2040	-	-	311,281	311,281	-
2041-2043	-	-	112,708	112,708	-
Total	$ 411,228	$ 39,884	$ 1,293,419	$ 1,704,647	$ 39,884

Note 16 – Subscriptions Payable

In 2023, the City of Strongsville entered into a 48-month subscription-based information technology agreement for use of building permit software. An initial subscription payable liability was recorded in the amount of $267,648. The City is required to make annual fixed payments of $72,000. The software's estimated useful life was 48 months as of the contract commencement.

In 2024, the City of Strongsville entered into a 120-month subscription-based information technology agreement for use of computer aided dispatch software. An initial subscription payable liability was recorded in the amount of $540,067. The City is required to make annual fixed payments of $66,913. The software's estimated useful life was 120 months as of the contract commencement.

The following is a schedule of the value of the right-to-use assets accumulated amortization.

	As of December 31, 2025	
Asset Class	Subscription Asset Value	Accumulated Amortization
Software	$ 807,715	$ 247,414
Total Subscription	$ 807,715	$ 247,414

The following is a schedule of the subscription payments as of December 31, 2025.

	Governmental Activities	
Fiscal Year	Principal Payments	Interest Payments
2026	$ 113,386	$ 25,527
2027	47,187	19,726
2028	49,601	17,312
2029	52,139	14,774
2030	54,807	12,107
2031-2033	181,825	18,915
	$ 498,945	$ 108,361

Note 17– Construction Commitments

As of December 31, 2025, the City had the following significant commitments with respect to capital-related projects:

	Remaining Construction Commitment
Drainage	
Culvert Replacement	$ 217,763
Emergency Vehicle Fund	
2 Freightliner Ambulances	807,362
Recreation Capital Improvement Fund	
Recreaction Center Building	321,083
General Capital Improvement Fund	
Foltz Parkway Extension	340,822
Energy Conservation Program	3,422,084
Fire Station #5	9,696,933
Sanitary Sewer Fund	
Treatment Plant Renovations	21,947,382
Westwood Pump Station	400,338
Total Government-wide Construction Commitments	$ 37,153,767

Note 18 – Contingent Liabilities

There are several lawsuits pending in which the City is involved. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

Note 19 - Jointly Governed Organizations

Southwest General Health Center

The Southwest General Health Center is an Ohio nonprofit corporation providing health services. The Health Center is a jointly governed organization among the communities of Berea, Brook Park, Columbia Township, Middleburg Heights, Olmsted Falls and Strongsville.

The Health Center is governed by a Board of Trustees consisting of the following: one member of the legislative body from each of the political subdivisions, one resident from each of the political subdivisions who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, and the president and the vice president of the medical staff. The legislative body of each political subdivision elects their own member to serve on the Board of Trustees of the Health Center. The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2025, the City of Strongsville contributed $375,155 to the Health Center. Financial information may be obtained by writing to the Southwest General Health Center, 18697 Bagley Road, Middleburg Heights, Ohio 44130-3497.

Regional Income Tax Agency

In 1971, thirty-eight municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing the cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for nearly 400 Cities and Villages throughout the State of Ohio. The City was one of the original members of RCOG. Financial information may be obtained by writing to RITA, 10107 Brecksville Road, Brecksville, Ohio, 44141.

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 Council's Board is comprised of one member from each of the participating cities. 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 Southwest Emergency Response Team, which provides hazardous material protection and assistance, and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT team. In 2025, the City of Strongsville contributed $27,500 to the Council. Financial information may be obtained by writing to the Finance Director of the City of Brook Park, at 5151 Engle Road, Brook Park, Ohio 44142.

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is currently comprised of over 240 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities. NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eleven-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program.

The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information should be directed to NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Southwest Regional Communications

The Southwest Regional Communications organization is a jointly-governed organization between the City and seven other communities. Formed as a Regional Council of Governments as permitted under Ohio Revised Code Section 167.01, the intent of the organization is to establish, own, operate, maintain, and administer, a regional communications network for public safety and public service purposes for the mutual benefit of the participating communities. This organization is controlled by a governing body consisting of each participating community's mayor or his/her delegate or representative. The degree of control exercised by any member is limited to its representation on the governing board.

All members agree to contribute the sums of money on a shared basis as agreed per the requirements set forth in the Articles of Understanding. In accordance with GASB Statement No. 14 and amended by GASB Statement No. 61, the City does not have an equity interest in the organization. In 2025, the City of Strongsville contributed $57,072 to the organization. Financial information may be obtained by contacting Martin S. Healy, 17401 Holland Road, Brook Park, Ohio 44142, or by email at healymswcc@gmail.com.

Note 20 – Related Organization

The Strongsville Community Improvement Corporation (CIC) was formed to promote and assist in economic development with the City. City Council created the CIC in 1977 and appointed the initial CIC Board members. The CIC does not represent a potential financial benefit for or burden on the City.

Note 21 – Insurance Purchasing Pool

Ohio Government Benefit Cooperative

The City participates in the Ohio Government Benefit Cooperative (OGBC), a claims servicing and group purchasing pool comprised of ten cities. The OGBC was created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. The Board of Directors is the governing body of the consortium. Each City appoints one individual to be its representative on the Board of Directors. The City of Willoughby serves as the fiscal agent for OGBC. OGBC is an unincorporated, non-profit association of its members which was created for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, life and/or other group insurance coverage for their employees, and their eligible dependents and designated beneficiaries of such employees.

Participants pay an initial $500 membership fee to OGBC. OGBC offers two options to participants. Participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision dental and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OGBC's third party administrator. Medical Mutual is the Administrator of the OGBC. During 2025, the City elected to participate in the self-insured joint insurance program for medical, prescription drug, and vision coverage.

Note 22 – Tax Abatement Disclosures

Pursuant to Ohio Revised Code Chapter 3735.65-70, the City has established nineteen Pre-1994 Community Reinvestment Area's (CRAs) within and surrounding Strongsville's business parks. The CRA program provided the City with a resource to stimulate growth and economic development by providing a direct incentive tax exemption benefiting both residential and industrial property owners who renovate existing or construct new buildings within the designated area. Improvements within the CRAs designated areas are granted an abatement of 100% on the additional property taxes resulting from the increase in assessed value as a result of the improvements for a period of up to 15 years. The amount of the abatement is deducted from the recipient's property tax bill.

The total tax amount abated for the City of Strongsville is $2,532,264.

Note 23 – Asset Retirement Obligations

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their wastewater treatment facilities. At this time, due to limitations associated with the existing plants' age and building materials within the plants, management would not have a reasonable estimate to calculate a liability for this year.

Note 24 – Other Significant Commitments

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	Encumbrances
General Fund	$ 380,836
SCMR Fund	513,250
Fire Levy Fund	32,156
General Capital Improvement Fund	14,945,641
Nonmajor Governmental Funds	1,885,806
Total Encumbrances - Governmental Funds	$ 17,757,689

Note 25 – Subsequent Events

On January 5, 2026 Council approved a one-year lease agreement to Chagrin Valley Dispatch Council to house the former Southwest Regional Dispatch employees and other members of the Chagrin Valley Dispatch center as part of the agreement for the Council to provide dispatch services to the City of Strongsville.

On April 6, 2026 Council approved a contract for construction of the Westwood drive Culvert Replacement Project in the amount of $814,942.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City of Strongsville
Cuyahoga County
16099 Foltz Industrial Parkway
Strongsville, Ohio 44149

To the Members of City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

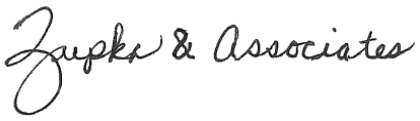
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Zupka & Associates
Certified Public Accountants

June 29, 2026

CITY OF STRONGSVILLE
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2025

The prior issued audit report, as of December 31, 2024, included no findings.

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APPENDIX D

Proposed Text of Opinion of Bond Counsel

We have served as bond counsel to our client the City of Strongsville, Ohio (the "City"), in connection with the issuance by the City of its $9,000,000* Fire Station Construction Bonds, Series 2026 (the "Bonds"), dated the date of this letter, and issued for the purpose of paying costs of constructing, furnishing, equipping and otherwise improving a new municipal fire and emergency medical services station and clearing, improving, preparing and equipping its site.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bond of the first maturity and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Bonds constitute valid and binding general obligations of the City, and the principal of and interest on the Bonds, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes, within the ten-mill limitation imposed by law, on all property subject to ad valorem taxes levied by the City.

2. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code. Interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. We express no opinion as to any other tax consequences regarding the Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the City.

In rendering those opinions with respect to the treatment of the interest on the Bonds and the status of the Bonds as qualified tax-exempt obligations under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the City. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance and may cause the Bonds not to be qualified tax-exempt obligations.

* Preliminary, subject to change.

The rights of the owners of the Bonds and the enforceability of the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Respectfully submitted,

APPENDIX E

Book-Entry System; DTC

Book-Entry System

The information set forth in the following numbered paragraphs is based on information provided by The Depository Trust Company in its "Sample Offering Document Language Describing DTC and Book-Entry-Only Issuance" (September 2024). As such, the City believes it to be reliable, but the City takes no responsibility for the accuracy or completeness of that information. It has been adapted to the Bond issue by substituting "Bonds" for "Securities," "City" for "Issuer" and "Bond Registrar" for "registrar" and by the addition of the italicized language set forth in the text. See also the additional information following those numbered paragraphs.

1. The Depository Trust Company ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each (*maturity and interest rate*) of the Bonds, each in the aggregate principal amount of such (*maturity and interest rate*), and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. (*This internet site is included for reference only, and the information in this internet site is not incorporated by reference in this Official Statement.*)

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct

or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

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

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

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

9. (*Not Applicable to the Bonds.*)

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

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

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

Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

The City and the Bond Registrar have no role in the purchases, transfers or sales of book-entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisors the manner of transferring or pledging their book-entry interests.

The City and the Bond Registrar have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The City and the Bond Registrar cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Bonds made to DTC as the registered owner, or redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

For all purposes under the Bond proceedings (except the Continuing Disclosure Agreement under which others as well as DTC may be considered an owner or holder of the Bonds, see **Continuing Disclosure Agreement**), DTC will be and will be considered by the City and the Bond Registrar to be the owner or holder of the Bonds.

Beneficial Owners will not receive or have the right to receive physical delivery of Bonds, and, except to the extent they may have rights as Beneficial Owners or holders under the Continuing Disclosure Agreement, will not be or be considered by the City and the Bond Registrar to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

Reference herein to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

Revision of Book-Entry System; Replacement Bonds

The Bond proceedings provide for issuance of fully-registered Bonds (Replacement Bonds) directly to owners of Bonds other than DTC only in the event that DTC (or a successor securities depository) determines not to continue to act as securities depository for the Bonds. Upon occurrence of this event, the City may in its discretion attempt to have established a securities

depository book-entry relationship with another securities depository. If the City does not do so, or is unable to do so, and after the Bond Registrar has made provision for notification of the Beneficial Owners of the Bonds by appropriate notice to DTC, the City and the Bond Registrar will authenticate and deliver Replacement Bonds of any one maturity, in authorized denominations, to or at the direction of any persons requesting such issuance, and, if the event is not the result of City action or inaction, at the expense (including legal and other costs) of those requesting.

Debt charges on Replacement Bonds will be payable when due without deduction for the services of the Bond Registrar as paying agent. Principal of and any premium on Replacement Bonds, and interest on Replacement Bonds, will be payable when due to the registered owner upon presentation and surrender at the designated corporate trust office of the Bond Registrar. Interest on Replacement Bonds will be payable on the interest payment date by the Bond Registrar by transmittal to the registered owner of record on the Bond Register as of the 15th day preceding the interest payment date. Replacement Bonds will be exchangeable for other Replacement Bonds of authorized denominations, and transferable, at the designated corporate trust office of the Bond Registrar without charge (except taxes or governmental fees). Exchange or transfer of then-redeemable Replacement Bonds is not required to be made: (i) between the 15th day preceding the mailing of notice of redemption of Replacement Bonds and the date of that mailing, or (ii) of a particular Replacement Bond selected for redemption (in whole or part).

APPENDIX F

Proposed Form of Continuing Disclosure Agreement

$9,000,000*
City of Strongsville, Ohio
Fire Station Construction Bonds, Series 2026

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT, dated December 8, 2026 (the "Agreement"), is made, signed and delivered by the **CITY OF STRONGSVILLE, OHIO** (the "City"), a municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State of Ohio and its Charter, for the benefit of the Holders and Beneficial Owners (as defined herein) from time to time of the City's $9,000,000 Fire Station Construction Bonds, Series 2026 (the "Bonds"), authorized by Ordinance No. 2026-098, passed by the City Council of the City on October 5, 2026 (the "Bond Ordinance").

RECITAL

The City, by passage of the Bond Ordinances, has determined to issue the Bonds to provide funds for City purposes, and Raymond James & Associates, Inc., and Fifth Third Securities, Inc. (together, the "Participating Underwriters"), has agreed to provide those funds to the City by purchasing the Bonds. As a condition to the purchase of the Bonds from the City and the sale of Bonds to Holders and Beneficial Owners, the Participating Underwriters are required to reasonably determine that the City has undertaken, in a written agreement for the benefit of Holders and Beneficial Owners of the Bonds, to provide certain information in accordance with the Rule (as defined herein).

NOW, THEREFORE, in accordance with the Bond Ordinance, the City covenants and agrees as set forth in this Continuing Disclosure Agreement.

Section 1. **Purpose of Continuing Disclosure Agreement**. This Agreement is being entered into, signed and delivered for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters of the Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, as may be amended from time to time (the "Rule").

Section 2. **Definitions**. In addition to the definitions set forth above, the following capitalized terms shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Reference to "Sections" shall mean sections of this Agreement.

"Annual Filing" means any Annual Information Filing provided by the City pursuant to, and as described in, Sections 3 and 4.

* Preliminary, subject to change.

"Audited Financial Statements" means the audited financial statements of the City, prepared in conformity with generally accepted accounting principles.

"Beneficial Owner" means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"EMMA" means the Electronic Municipal Market Access system of the MSRB; information regarding submissions to EMMA is available at http://emma.msrb.org.

"Filing Date" means the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning September 30, 2027, and, as to the Audited Financial Statements, when and if available, starting with the Audited Financial Statements for Fiscal Year 2026.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the 12-month period beginning on January 1 of each year or such other 12-month period as the City shall adopt as its fiscal year.

"Holder" means, with respect to the Bonds, the person in whose name a Bond is registered in accordance with the Bond Ordinance.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Person" means, any person, including the issuer of municipal securities (such as the Bonds), who is generally committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Official Statement); the City is the only Obligated Person for the Bonds.

"Official Statement" means the Official Statement for the Bonds dated November ___, 2026.

"Participating Underwriters" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Specified Events" means any of the events with respect to the Bonds as set forth in Section 5(a).

"State" means the State of Ohio.

Section 3. Provision of Annual Information.

(a) The City shall provide (or cause to be provided) not later than the Filing Date to the MSRB an Annual Filing, which is consistent with the requirements of Section 4. The Annual Filing shall be submitted in an electronic format through EMMA, or as otherwise prescribed by the MSRB, and contain such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4; provided that the Audited Financial Statements of the City may be submitted separately from the balance of the Annual Filing and later than the Filing Date if they are not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5.

(b) If the City is unable to provide to the MSRB an Annual Filing by the Filing Date, the City shall, in a timely manner, send a notice to the MSRB in an electronic format through EMMA, or as otherwise prescribed by the MSRB.

Section 4. Content of Annual Filing. The City's Annual Filing shall contain or include by reference the following:

(a) Financial information and operating data of the type included in the Official Statement under the captions: **Ad Valorem Property Taxes and Special Assessments – Collections**, **– Special Assessments** and – **Delinquencies**, together with information as to aggregate tax valuation of the City and overlapping and City tax rates; **Municipal Income Tax; Nontax Revenues**; **State Local Government Assistance Funds; City Debt and Other Long-Term Obligations**, including **Debt Tables**, as applicable; and **Appendices A** and **B-2**.

(b) The Audited Financial Statements of the City utilizing generally accepted accounting principles applicable to governmental units as described in the Official Statement, except as may be modified from time to time and described in such financial statements.

The foregoing shall not obligate the City to prepare or update projections of any financial information or operating data.

Any or all of the items listed above may be included by specific reference to other documents, including annual informational statements of the City or official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting Specified Events.

(a) The City shall provide to the MSRB, in an electronic format through EMMA, or as otherwise prescribed by the MSRB, and containing such identifying information as is prescribed by the MSRB and in a timely manner but not later than ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds, as specified by the Rule:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties; [(a)]

(4) Unscheduled draws on credit enhancements reflecting financial difficulties; [(a)]

(5) Substitution of credit or liquidity providers, or their failure to perform; [(a)]

(6) (Issuance of) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security (*i.e.*, the Bonds), or other material events affecting the tax status of the security;

(7) Modifications to rights of security holders, if material;

(8) Bond calls, if material, and tender offers; [(b)]

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the securities, if material; [(c)]

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person; *Note: For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.*

(13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

Note:

(a) The City has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements or credit or liquidity providers for the Bonds.

(b) Any scheduled redemption of Bonds pursuant to mandatory sinking fund redemption requirements does not constitute a specified event within the meaning of the Rule.

(c) Repayment of the Bonds is not secured by a lien on any property capable of release or sale or for which other property may be substituted.

For the Specified Events described in Section 5(a) (2), (6, as applicable), (7), (8, as applicable), (10), (13), (14) and (15), the City acknowledges that it must make a determination whether such Specified Event is material under applicable federal securities laws in order to determine whether a filing is required.

Section 6. **Amendments**. The City reserves the right to amend this Agreement, and noncompliance with any provision of this Agreement may be waived, as may be necessary or appropriate to (a) achieve its compliance with any applicable federal securities law or rule, (b) cure any ambiguity, inconsistency or formal defect or omission and (c) address any change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature or status of the City or type of business conducted by the City. Any such amendment or waiver shall not be effective unless this Agreement (as amended or taking into account such waiver) would have materially complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the City shall have received either (i) a written opinion of bond counsel or other qualified independent special counsel selected by the City that the amendment or waiver would not materially impair the interests of Holders or Beneficial Owners or (ii) the written consent to the amendment or waiver of the Holders of at least a majority of the principal amount of the Bonds then outstanding. An Annual Filing containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided. If the amendment relates to the accounting principles to be followed in preparing Audited Financial Statements, (A) the City shall provide notice of such change in the same manner as for a Specified Event under Section 5 and (B) the Annual Filing for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements or information as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. **Additional Information**. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or providing any other means of communication, or including any other information in any Annual Filing or providing notice of the occurrence of an event, in addition to that which is required by this Agreement. If the City chooses to include any information in any document or notice of occurrence of an event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future Annual Filing or notice of occurrence of a Specified Event.

Section 8. **Remedy for Breach**. This Agreement shall be solely for the benefit of the Holders and Beneficial Owners from time to time of the Bonds. The exclusive remedy for any breach of this Agreement by the City shall be limited, to the extent permitted by law, to a right of Holders and Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the City of its obligations under this Agreement in a court in the County of

Cuyahoga, Ohio. Any such proceedings shall be instituted and maintained only in accordance with Section 133.25(B)(4)(b) or (C)(1) of the Revised Code (or any like or comparable successor provisions); provided that any Holder or Beneficial Owner may exercise individually any such right to require the City to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any Beneficial Owner seeking to require the City to comply with this Agreement shall first provide at least 30 days' prior written notice to the City of the City's failure, giving reasonable detail of such failure, following which notice the City shall have 30 days to comply. A default under this Agreement shall not be deemed an event of default under the Bond Ordinance, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Agreement.

Section 9. **Appropriation**. The performance by the City of its obligations under this Agreement shall be subject to the availability of funds and their annual appropriation to meet costs that the City would be required to incur to perform those obligations. The City shall provide notice to the MSRB in the same manner as for a Specified Event under Section 5 of the failure to appropriate funds to meet costs to perform the obligations under this Agreement.

Section 10. **Termination**. The obligations of the City under this Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the City remains an Obligated Person with respect to the Bonds within the meaning of the Rule. The obligation of the City to provide the information and notices of the events described above shall terminate, if and when the City no longer remains such an Obligated Person. If any person, other than the City, becomes an Obligated Person relating to the Bonds, the City shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Section 11. **Dissemination Agent**. The City may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 12. **Beneficiaries**. This Agreement shall inure solely to the benefit of the City, any dissemination agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. **Recordkeeping**. The City shall maintain records of all Annual Filings and notices of Specified Events and other events including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure.

Section 14. **Governing Law**. This Agreement shall be governed by the laws of the State.

[Signature Page Follows]

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be duly signed and delivered to the Participating Underwriters, as part of the Bond proceedings and in connection with the original delivery of the Bonds to the Participating Underwriters, on its behalf by its officials signing below, all as of the date set forth above, and the Holders and Beneficial Owners from time to time of the Bonds shall be deemed to have accepted this Agreement made in accordance with the Rule.

CITY OF STRONGSVILLE, OHIO

By: *Exhibit – Not for Signature*
Mayor

By: *Exhibit – Not for Signature*
Director of Finance

CERTIFICATE OF FISCAL OFFICER –
CONTINUING DISCLOSURE AGREEMENT

As fiscal officer of the City of Strongsville, Ohio, I certify that the amount required to meet the obligation of the City under the Agreement made by the City in accordance with the Rule, as set forth in the Bond Ordinance and the attached Continuing Disclosure Agreement, during Fiscal Year 2026 has been lawfully appropriated by the City for such purpose and is in the City treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This Certificate is given in compliance with Section 5705.41 of the Revised Code.

Dated: December 8, 2026

Exhibit – Not for Signature
Director of Finance
City of Strongsville, Ohio

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